



North Carolina Department of Health and Human Services
Division of Aging and Adult Services

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ADMINISTRATIVE LETTER NO. DAAS 14-14

TO: Area Agencies on Aging Administrators
County Departments of Social Services Directors
Aging Service Providers

FROM: Suzanne P. Merrill, Division Director *Suzanne P. Merrill*

DATE: December 5, 2014

SUBJECT: Subcontractor Monitoring

The purpose of this Administrative Letter is to provide updated policies and procedures for evaluating and monitoring subcontracts between Community Service Providers and other entities for the provision of Home and Community Care Block Grant (HCCBG) and other funds administered by Area Agencies on Aging. This guidance replaces the policy found in DAAS Administrative Letter 13-15 dated August 22, 2013. Our goal continues to focus on assured accountability of subcontractors, including compliance with the terms of the subcontracts, and to promote quality services for older adults and their families.

The updates regarding Subcontractor Monitoring are as follows:

1. Section 308, Monitoring of Community Service Providers, of the Area Agency on Aging (AAA) Policies and Procedures Manual (http://www.ncdhhs.gov/aging/monitor/sec308_AAA2013.pdf) has been updated. HCCBG Community Service Providers will continue to submit copies of any subcontracts to their respective Area Agency on Aging, however there is no longer a requirement for the AAA to 'approve' local subcontracts.
2. Community Service Providers must complete an annual "Subcontractor Performance Evaluation" and submit it to the AAA for review as required in 2014, however these forms have been updated and clarified. The Subcontractor Performance Evaluation must be completed between January 1 and June 1, 2015 and can be found at <http://www.ncdhhs.gov/aging/monitor/mtools.htm>

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3. A new compliance assurance of For Profit and Non-Profit subcontractor is to have “a notarized ‘State Grant Certification of No Overdue Tax Debt’”. This form is also available on the DAAS Monitoring website with all other Subcontractor Monitoring forms.
4. As part of the annual contracting process with counties in the spring of 2015, Community Service Providers will complete and submit the AAA Area Plan Exhibit 14A, which will be a companion piece to Exhibit 14 Area Agency on Aging Monitoring Plan and Risk Assessment. Exhibit 14 has also been updated and clarified further.
5. DOA 734 HCCBG Assurances will also be updated in the 2015 HCCBG Funding Plan to mirror the requirements for contracting with a For Profit or Non-Profit entity.

All documents related to subcontracts and subcontractor monitoring, including the Subcontractor Performance Evaluation can be found on the Division’s website at <http://www.ncdhhs.gov/aging/monitor/mpolicy.htm>

If you have any questions regarding the information in this letter, please contact Jennifer Powell or Mark Hensley with DAAS.

SPM:mh