



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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DAAS ADMINISTRATIVE LETTER NO. 21-03

TO: Area Agency on Aging Directors

FROM: Joyce Massey-Smith, Director

DATE: March 26, 2021

SUBJECT: COVID-19 Pandemic Response, Part VIII:

- Updated guidance for monitoring
- Updated Sec. 308 of AAA Policies and Procedures Manual

Background

The Division of Aging and Adult Services (DAAS) continues to assess the special circumstances associated with monitoring during the COVID-19 emergency. Based on discussions with the NC Area Agencies on Aging (AAAs), this Administrative Letter provides additional flexibilities for FY 21 monitoring to address concerns about risk of exposure during monitoring.

The flexibilities outlined below specifically offer the option to reduce risks associated with the monitoring of Older Americans Act (OAA), Family Caregiver Support Program (FCSP), and Home and Community Care Block Grant (HCCBG) funding, as well as the monitoring of Families First (FF) and CARES Act funding.

Normal requirements for monitoring annual OAA/FCSP/HCCBG funding are being reduced to programmatic monitoring of high-risk providers only, so that FY 21 monitoring efforts can be refocused on the monitoring of COVID services. Monitoring may be conducted by AAAs as desk reviews, but the flexibilities described below offer the option to conduct provider self-assessments with compliance attestations as an alternative to the physical review of documentation.

Monitoring tools have been modified as applicable for the monitoring flexibilities described in this administrative letter and will provide program-specific guidance to AAA monitors through tool instructions. Updated monitoring tools are posted on the DAAS monitoring webpage at <https://www.ncdhhs.gov/divisions/daas/monitoring>.

Overview of Changes to AAA Monitoring

Major guidance for monitoring in FY 21 across services and grants was provided in Administrative Letter 20-21, as well as other service-specific administrative letters. The following notes update that guidance with additional monitoring flexibilities and context.

- The focus of monitoring in FY 21 will be the oversight of Families First and CARES Act service delivery. Although the monitoring of annual OAA/FCSP/HCCBG funding will be

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reduced in order to focus on the monitoring of COVID-19 grants, providers deemed high risk for either funding stream will be monitored as outlined below.

- The normal monitoring requirement to conduct unit verifications for OAA/FCSP/HCCBG services at least every other year is waived if due in FY 21. The requirement for unit verifications or fiscal verifications is not waived for COVID grants.
- Revisions to the AAA’s Exhibit 14 Monitoring Plan based on additional FY 21 flexibilities should be submitted by May 3 to DAAS Lead Monitor Jennifer Powell at jennifer.a.powell@dhhs.nc.gov.
- The COVID Exhibit 14 monitoring plans submitted already by NC AAAs should not be impacted by the additional flexibilities discussed in this administrative letter. As always, if there are corrections or changes to the AAA’s monitoring plan, an updated version should be submitted to the program consultant requesting the revision or to Jennifer Powell if the update is initiated by the AAA.
- The requirement to accept consumer contributions for OAA services is not waived during the COVID-19 pandemic. For monitoring purposes, the consumer contributions monitoring tool does not have to be completed unless a programmatic monitoring is scheduled.

FY 21 Monitoring	Programmatic Reviews	Unit Verifications/ Fiscal Verifications	Consumer Contributions Monitoring
OAA/FCSP/HCCBG high risk	✓	x	✓
OAA/FCSP/HCCBG not high risk	x	x	x
FF/CARES high risk	✓	✓	✓
FF/CARES not high risk	x	✓	x

- AAAs have the option to require provider self-assessments with signed attestations of compliance for all FY 21 monitoring, as checked above, that normally would be conducted as site visits under annual OAA/FCSP/HCCBG funding or special funding. See Attachment A for a sample attestation statement.
- Certain FY 21 monitoring tools posted in January 2021 have been modified to accommodate the additional flexibilities discussed in this administrative letter and have been reposted. There will be no penalty if a AAA has already conducted a monitoring review in FY 21 using older versions of a tool before the new tools were posted. AAAs should use updated tools if available when monitoring is conducted.
- Updated instructions in the program monitoring tools identify opportunities to split samples between like services under the COVID grants, if appropriate under special circumstances. This supersedes certain sampling guidance provided in Administrative Letter No. 20-21. There will no longer be a reason to split samples between regular FCSP/HCCBG funding and COVID funding as outlined in the earlier administrative letter, because the requirement to conduct unit verifications is now limited to COVID services only. For COVID monitoring, AAAs should review the updated tools, especially the tool instructions, to determine whether there are multiple COVID service codes for a program area that will allow a proportional split sample. If yes, then a AAA should produce client lists for the relevant COVID codes, unduplicated them if desired, and then follow the general sampling guidance in Administrative Letter 20-21 to produce proportional client samples for review. The samples may have to be pulled from two different months to meet sample size guidelines. For combined clients lists of less than 100, the total of the split sample must be no fewer than 10 clients or all clients if fewer than 10.

Requirements for Annual HCCBG, HP/DP, & FCSP funding	Additional FY 21 FLEXIBILITY
Conduct full programmatic monitoring if the provider is high risk.	Complete programmatic monitoring only for high-risk providers. The requirement to conduct unit verifications or non-unit fiscal verifications is waived. At the AAA's option, all programmatic monitoring may be completed by the provider as a self-assessment per guidance below.
Conduct unit verifications at a minimum if the provider is not high risk.	The minimum requirement of every-other-year verification of units for providers and programs of any risk level is waived.
Requirements for FF/CARES funding	Additional FY 21 FLEXIBILITY
<u>Column E of COVID Exhibit 14:</u> conduct a sample month review for <u>all</u> non-unit COVID allocations that are tracked in the tracking spreadsheets.	No change in AAA responsibility to review the documentation for a sample month of expenses for each non-unit code reported in the monthly tracking spreadsheets. The AAA will reconcile the reimbursement for that month in ARMS with the tracking spreadsheet and the expense documentation submitted by the provider (e.g., receipts, entries in the provider's General Ledger, etc.).
<u>Columns F, G, H, and I of COVID Exhibit 14:</u> <ol style="list-style-type: none"> 1. Assess provider risk. 2. For high risk providers or services, conduct a full programmatic review with unit verifications or non-unit fiscal verifications. 3. For providers or services that are not high risk, conduct either a unit verification or a non-unit fiscal verification. 4. Row 6 of the chart in Administrative Letter 20-21 provides guidance re fiscal reviews of the five non-unit COVID codes. 	No additional flexibilities for any level of risk, except the AAA has the option to instruct the provider to complete any portion of the monitoring as a self-assessment per guidance below.

Guidance for Provider Self-Assessments

AAAs have the option to require provider self-assessments for all monitoring that normally would be conducted as site visits or desk reviews.

DAAS service monitoring tools – There may be portions of a monitoring tool that AAA staff want to complete as a desk review or by other means such as a virtual platform. For any portion of a monitoring tool, however, the AAA may instruct the provider to complete it as a self-assessment. The provider must note the available documentation for each requirement or explain the lack of documentation. The tools must be completed entirely by either the AAA or provider staff.

Consumer contributions tool – When a full programmatic review is scheduled as described above, the provider may also be asked to complete the appropriate portions of the consumer contributions tool with AAA guidance.

Client samples – There is no requirement to select a client sample for the monitoring of regular OAA funding. For COVID funding, the AAA will select a client sample per DAAS guidance in the

FY 21 monitoring tool instructions and will provide the list of client names to the provider with instructions for follow-up and a deadline for submission.

Unit verifications – Based on the client sample selected by the AAA and the AAA’s designation of a sample month of units to verify, the provider will complete the appropriate monitoring tool pages or worksheets with AAA guidance. This includes the documentation of client eligibility for services provided and the verification of allowable units of service, based on documentation that the AAA would normally review.

Non-unit fiscal verifications – The AAA will select a sample month for verification and instruct the provider on the fiscal documentation to provide based on the program monitoring tool instructions.

Submission to AAA – Once the provider has completed the self-assessment, the completed tool (or assigned portions) will be submitted to the AAA with signed/dated attestation(s) of compliance. The AAA may have more than one deadline for submission of assigned portions of the tool, if deemed appropriate.

Monitoring Attestation Statements – See Attachment A for a sample attestation statement that the AAA may use when receiving a monitoring self-assessment conducted by the provider. As appropriate, the attestation may apply to the entire submission and be signed/dated by the agency director and/or certain portions of the tools may be signed/dated by the program managers responsible for service delivery and documentation.

Follow-up discussion – After the self-assessment documents are submitted, the AAA monitor will schedule a follow-up discussion with provider staff by phone or online platform. The AAA is not required to review documentation outside of this self-assessment review meeting with the provider. The AAA monitor may ask questions about compliance documentation and/or instruct the provider to show documentation onscreen (if discussed in a video call) or to submit documentation (e.g., by fax), if deemed appropriate.

Compliance Supplement Criteria – After reviewing the provider’s monitoring self-assessment and conducting the follow-up discussion, the AAA will complete the appropriate Compliance Supplement Criteria chart to indicate compliance/non-compliance with core federal grant requirements.

Monitoring report – The AAA will issue a written report within 30 business days of the self-assessment follow-up meeting, require corrective actions if warranted, and then will close out monitoring per existing practices.

Monitoring deadlines – The AAA’s deadline for monitoring regular OAA services remains June 1. The deadline for monitoring COVID services remains July 31.

Documentation of FY 21 monitoring – The AAA will maintain a monitoring file for review with documentation as described above and related working papers.

Updates to Sec. 308 Monitoring Policies

An updated Section 308 of the AAA Policies and Procedures Manual (see Attachment B) incorporates the following changes:

- The requirement for annual monitoring of Housing and Home Improvement services has been removed from Sec. 308.2 E.
- References to onsite monitoring throughout Sec. 308 have been updated as appropriate to include the option for desk reviews and virtual monitoring.
- References to specific OMB Circulars have been updated to reference the OMB Uniform Guidance.
- Hyperlinks have been updated.

DAAS MONITORING OF AREA AGENCIES ON AGING

The special circumstances of the COVID-19 pandemic have affected all levels of service delivery and oversight in FY 21. Additional flexibilities in this administrative letter may entail some changes in DAAS monitoring of AAAs as described in Administrative Letter 20-21.

Service Operations monitors have two roles when monitoring AAAs: (1) they monitor the AAA's monitoring and (2) they monitor any AAA in direct service as a provider. Normal monitoring of AAA monitoring has been reduced to focus only on high risk agencies, but the monitoring of AAAs in direct service for COVID funding has increased and may follow the flexibilities outlined above.

Monitoring of AAA Monitoring	Monitoring of AAAs in Direct Service
<ul style="list-style-type: none"> - DAAS will conduct monitoring only if the AAA is assessed as high risk. - The DAAS monitoring tools are being adapted to account for the flexibilities given to AAAs for monitoring in FY 21. 	<ul style="list-style-type: none"> - For direct OAA/FCSP/HCCBG services, Service Operations monitors will conduct programmatic monitoring of high-risk agencies only, without conducting unit verifications or fiscal verifications. - For direct COVID services, Service Ops monitors will conduct: <ul style="list-style-type: none"> o Full programmatic monitoring of high-risk AAAs, including unit verifications and non-unit fiscal verifications. o Either unit verifications or non-unit fiscal verifications for AAAs not assessed as high risk. o Sample month reviews of the non-unit codes reported in the tracking spreadsheets – AAAs will be asked to submit receipts and other documentation of expenses. - Service Operations monitors may choose to complete certain portions of a monitoring tool via desk review or by other means such as a virtual platform and/or may assign portions of the tool to be completed by the AAA as a self-assessment with attestation of compliance.

Timeframe for DAAS monitoring of AAAs – All DAAS monitoring reviews with AAAs will be conducted by June 30, and monitoring reports will be available by July 31.

Other than the flexibilities described in the chart above, there are no other changes in the DAAS monitoring plans detailed in Administrative Letter 20-21.

The DAAS fiscal monitoring tool has been updated to include a modified fiscal review of COVID expenditures as referenced in Administrative Letter 20-21.

For additional guidance related to this administrative letter, please contact the relevant DAAS Program Consultant or Section Chief.

JMS/PB/pg

**ATTACHMENT A:
Sample Provider Monitoring Self-Assessment Attestation Statement**

Agency Name _____

My/our signature(s) below affirm(s) that to the best of my/our knowledge the information submitted in this self-assessment is a true and accurate representation of the documentation that would have been available to a monitor if reviewed onsite or by means of a virtual platform during normal monitoring procedures.

Name of primary person(s) responsible for completion of the attached self-assessment monitoring documentation:

(Name) Date _____

(Title)

(Name) Date _____

(Title)

(Name) Date _____

(Title)

(Name) Date _____

(Title)

**ATTACHMENT B:
Updated Sec. 308 of the AAA Policies and Procedures Manual**

308: Monitoring of Community Service Providers

308.1: Introduction

Area Agencies on Aging will conduct monitoring of community service providers in accordance with the requirements specified in this policy and in accordance with:

1. The Older Americans Act, Section 306 (a)(6)(A)
2. Office of Budget and Management Uniform Guidance 2 CFR Part 200
3. 45 CFR 1321.7(a) and 1321.61(b)(1)
4. The Home and Community Care Block Grant Agreement for the provision of County Based Aging Services (DAAS 735)
5. The Division of Aging and Adult Services Home and Community Care Block Grant Manual
6. DAAS Administrative Letter 98-7, Implementation of Revisions to the Single Audit Act Applicable to Monitoring and Audits of Subrecipients
7. DAAS Administrative Letter 98-11, Self-Monitoring Guide for Monitoring Area Agencies, Change Notice to Policy Manual, Section 1700
8. DAAS Administrative Letter 12-08 Monitoring of Services Funded by the Home and Community Care Block Grant (HCCBG)
9. NC Department of Health and Human Services Policies and Procedures Manual, Monitoring of Programs

308.2: Monitoring Plan

- A. A **Monitoring Plan** will be developed by each Area Agency on Aging covering the specific period of time covered by the Area Plan. This information will be provided through **Exhibit 14** of the Area Plan, which identifies all community service providers within the Planning and Service Area (PSA) and the respective services each provides. The plan will include all unit-based and non-unit based services. When service providers or services change, the monitoring plan will be updated to reflect changes. Updates will be consistent with area plan amendment time frames. The monitoring plan will identify which community service providers will be reviewed in which year and by whom, (the Area Agency on Aging or Division of Aging and Adult Services staff). Selection of which community service provider will be reviewed is based upon risk and need discussed below in item D.

Annually, as part of the annual contracting process with counties, local providers must 1) complete and submit to the Area Agency on Aging **Exhibit 14A** listing all subcontracts in place to provide community-based services to older adults and 2) submit copies of each subcontract to the Area Agency on Aging for review. This includes contracting for the Home and Community Care Block Grant (HCCBG), Family Caregiver Support Program (FCSP) and any other funds passed to subcontractors. As part of Exhibit 14A, providers must attest that their subcontractor(s) (public and non-profit entities only) meet the following requirements:

- a. The subcontractor has not been suspended or debarred (G.S. §143C-6-23; 09 NCAC 03M).
- b. The subcontractor has not been barred from doing business at the federal level.
- c. The subcontractor is able to produce a notarized “*State Grant Certification of No Overdue Tax Debts*”.
- d. All licenses, permits, bonds and insurance necessary for carrying out Home and Community Care Block Grant Services will be maintained by the community service provider.
- e. The subcontractor has provided a copy of their business license (For-Profit Subcontractors only).
- f. The subcontractor is registered as a charitable (501c3) organization with the federal government. (Non-Profit Subcontractors only).

The Division of Aging and Adult Services provides prescriptive monitoring instruments for all community-based services. These programmatic monitoring instruments can be found on the DAAS website at <https://www.ncdhhs.gov/divisions/daas/monitoring> and are to be utilized by Area Agencies on Aging for monitoring community-based programs for older adults. This site provides both Programmatic Monitoring Tools and Compliance Supplement Monitoring Tools to be utilized by Area Agencies on Aging (or service providers who are monitoring their subcontractors) for monitoring community-based programs for older adults.

Uniform Guidance 2 CFR Part 200 outlines the audit supplement criteria required areas of compliance monitoring by fund source. Complementary tools to the programmatic monitoring instruments are used to document compliance with the relevant compliance requirements and compliance with the conflict of interest requirement for non-profit entities. These tools are to be completed, by funding source, once programmatic monitoring is completed. The results from these reviews are documented in the monitoring report to the community service provider (subrecipient).

- B. **Unit verifications** will be performed as needed but at least every other year for all aging services provided by each community service provider. This process may be conducted on-site, as a desk review, or virtually, depending upon circumstances. The Area Agency Aging will develop an audit trail from the names/units reported on the Units of Verification Report (ZGA-USV) to the basic source documentation {case files, travel logs, log sheets, time sheets, sign-in sheets, etc.}. This audit trail will be followed for each name/units sampled. In addition to a review of basic source documentation, the Area Agency on Aging (or service provider monitoring their subcontractors) will review client records to verify the eligibility of the clients in the sample who receive services.

A Base Sample will be drawn for each aging service provided by a respective community service provider. The following Base Sample guidelines will be employed:

Total Number of Clients Served by Service	Base Sample Size Per Service
1 – 10 clients	All clients served
11 – 100 clients	No less than 10 of the clients served
101 – 250 clients	10% of the clients served

251 – 500 clients	7% of the clients served
501 – 1000 clients	6% of the clients served
1001 – 2000 clients	4% of the clients served
2001 – or more clients	2.5% of the clients served

If deemed appropriate by the monitor **or** if 10% of the total units reviewed (not client sample) in the Base Sample are found to be ineligible, the sample must be expanded by fifteen (15) new names, or more if needed, and select a different month that the provider has received reimbursement. The number of units sampled per client is left to the discretion of the Area Agency on Aging.

Disallowance of Units is at the discretion of the Area Agency on Aging. However, the following items, if found during monitoring, often constitute disallowance of units associated with the client or service monitored:

- Ineligible units due to a health or safety issue
- Unverified units of service
- Service to ineligible clients

Disallowing units requires the Area Agency on Aging or Service Provider to reduce the number of units reported for reimbursement in the Aging Resources Management System (ARMS). For further guidance, see the ARMS Provider User Manual at <https://www.ncdhhs.gov/divisions/aging-and-adult-services/aging-resource-management-system-arms>

- C. **Fiscal Reviews** will be conducted annually for all subrecipients (i.e. service-providing agencies). The annual Area Agency on Aging Self-Assessment will be used to document that the following requirements have been met:
1. After the fiscal year has closed, determine for each subrecipient (yes or no) if the Single Audit requirement threshold under Uniform Guidance 2 CFR Part 200 will be met for that fiscal year.
 2. Indicate which subrecipients will receive an audit under Uniform Guidance 2 CFR Part 200, and which subrecipients will not meet these audit requirements for the ending fiscal year. For subrecipients that are not required to have an audit, AAAs should complete the Internal Control Questionnaire (ICQ) as part of the fiscal monitoring process. The ICQ can be found on the Division’s website at <https://www.ncdhhs.gov/documents/daas-fiscal-monitoring-tools>.
 3. Indicate (yes or no) that federal awards are used to cover audit cost during the current fiscal year for only those service providing agencies that met the Uniform Guidance 2 CFR Part 200 audit requirements for the previous year.
 4. Following the review of the audit report, the AAA should complete the Audit Review Form and indicate (yes or no) that the AAA has resolved any audit finding(s) with service providing agencies.

For those service-providing agencies that **do not meet** the Single Audit Threshold under Uniform Guidance 2 CFR Part 200, <http://www.whitehouse.gov/omb/> the Area Agency on Aging will assure the receipt and review of certifications and financial reporting forms submitted by providers in compliance with the reporting requirements of N.C.G.S. 143C-6-23.

Area Agencies on Aging have the option to complete on-site/virtual fiscal monitoring in lieu of receiving the annual reports from local providers. AAAs are required to notify providers in writing 30 business days prior to an on-site visit if on-site fiscal monitoring will be conducted.

D. A **Risk-Based Monitoring** approach to monitoring will be employed by each Area Agency on Aging to appropriately determine the intensity and frequency of Programmatic and Fiscal reviews.

1. Each Area Agency on Aging is required to:
 - a. Develop criteria for determining “risk” and implementing a “risk based” (high, moderate or low) monitoring plan for each service provider agency (subrecipient). See DAAS Administrative Letter 98-7 and DAAS Administrative Letter 13-09 for guidance on risk-based evaluations.
 - b. Annually, evaluate the level of risk (high, moderate or low) for each service provider agency.
 - c. At a minimum and regardless of “risk” status, each service provider will receive at least one (1) monitoring visit (either programmatic and/or fiscal) on-site, as a desk review, or virtually, depending upon circumstances during a three-year timeframe.
2. In addition, **on-site monitoring** should be performed under the following circumstances:
 - a. If the AAA and either the office of the county manager or the county board of commissioners agree that an additional monitoring(s) is/are warranted.
 - b. If the AAA and/or the Division of Aging and Adult Services agree that an additional monitoring(s) is/are warranted.
 - c. If requested by the community service provider.
3. **Monitoring** will be performed on-site, as a desk review, or virtually, depending upon special circumstances, and as indicated by the following:
 - a. If non-compliance findings are identified and not corrected by the community service provider within the time frames specified in their Corrective Action Plan.
 - b. If a new community service provider is funded by a county and has no recent history of providing the service.
 - c. If a service provider is closing out its full contract or a specific service and will no longer be providing service(s) in the subsequent year within that Planning and Service Area.

Review and approval of the Monitoring Plan (Area Plan Exhibit 14 and Exhibit 14A) is the responsibility of the Division of Aging and Adult Services and will follow the process and time frames required to approve regional Area Plans.

E. **Programmatic Monitoring** will be conducted on each new community service provider providing a service within the Planning and Service Area (PSA). A review will not be needed if the provider is a current provider in another county within the respective PSA or if the provider is a current provider [in good standing] in another PSA. This will be consistent with Section 308.3 of this policy.

NEED is defined as the AAA's knowledge or perception that a problem exists with a community service provider which has the potential to disrupt service, be an audit exception, and/or violate state or federal policy, laws, etc. Need is determined through the AAA's annual risk monitoring process as defined in DAAS Administrative Letter 98-7 (see section 308.2 D above).

- F. **Subcontractor Monitoring:** Annually, between January 1 and June 1, providers must complete an annual "Subcontractor Performance Evaluation" form on all subcontractors and submit to the AAA. The purpose of the performance evaluation is to establish a regular review process for all community service providers to verify that the subcontractor has met the terms and conditions of their subcontract. The form has five minimum requirements for certain HCCBG services including Adult Day Care, Adult Day Health Care, In-Home Aide, Congregate Nutrition, Home Delivered Meals, Transportation and Housing and Home Improvement. Depending on the subcontract, some items may be "not applicable". A generic Subcontractor Performance Evaluation Form must be used for all other services. These forms also include space for specific language related to the specific subcontract provisions and verification of compliance being met. The AAA will review the Performance Evaluation Form to verify the annual review is completed and will be used in determining the provider level of risk for Exhibit 14 of the Area Plan.

AAAs will monitor providers using the DAAS Service Monitoring tools and according to Exhibit 14 of the AAA Area Plan (a minimum of once every three years or more frequently depending on the level of risk). Services subcontracted (fully or partially) will also be monitored by the AAA through one of the following methods:

Subcontractor Monitoring Method 1	The AAA may monitor a subcontractor (optional: in the presence of the provider) to assure compliance for all service standard requirements that have been assigned to the subcontractor through a legally executed subcontract.
Subcontractor Monitoring Method 2	The AAA and the provider may monitor to assure compliance with all service standard requirements that have been assigned to the subcontractor through a legally executed subcontract.
Subcontractor Monitoring Method 3	The AAA may accept the completed DAAS Service Monitoring Tool(s) and backup source documentation from the monitoring of a subcontractor completed by the provider. This option would require the provider to complete the monitoring of subcontractors prior to the monitoring visit of the AAA on a schedule determined by the annual risk monitoring.

A subcontractor is DEFINED as an entity that has been contracted to do a job within the scope of the service provider's grant award. The subcontractor is accountable for the same requirements as the service provider, depending on the terms of the subcontract.

308.3: Scheduling Monitoring

The Area Agency on Aging will develop written procedures describing the process adopted in scheduling reviews (i.e., on-site or desk monitoring and virtual monitoring) with community service providers. The monitoring period will begin on or after September 1 and will be completed by April 30. If deemed necessary, follow-up visits

to review corrective action must be completed prior to June 30. The following minimal areas will be addressed in the procedures:

1. Conditions or circumstances that would warrant exceptions to the annual time frames.
2. Procedures for sending a written confirmation of the date of the review sent at least 30 business days prior to the monitoring.
3. Procedures for notifying community service providers of the method subcontracts will be monitored (see Section 308.2 F).
4. Name and position of the Area Agency on Aging staff who normally conduct reviews.
5. Community provider staff who are expected to participate.

Providers of services in more than one Planning and Service Area will be reviewed in accordance with policy. Area Agencies are to share monitoring information and coordinate the review process with the other involved Area Agency(ies) on Aging to avoid duplicate reviews of service providers during any State Fiscal Year.

308.4: Monitoring Reports

- A. The purpose of the monitoring report is to provide timely and meaningful information to the community service provider pertinent to the findings of the monitoring review.
 1. The Area Agency on Aging will develop written procedures that describe the process of preparing written monitoring reports based on the monitoring of community service providers.
 2. Monitoring reports from the Area Agency on Aging to their subrecipients must be submitted in writing within 30 business days of the monitoring review. Each report contains the following information:
 - a. Name and address of community service provider monitored,
 - b. Fund Sources and specific program monitored,
 - c. Name and title of monitoring staff,
 - d. A summary of the areas reviewed during the monitoring and, if applicable, a list of the non-compliance programmatic findings,
 - e. acknowledgement of compliance or non-compliance as related to the applicable Audit Supplement Criteria **by funding source (CFDA #)**, which are:
 - ◆ Activities Allowed or Unallowed
 - ◆ Allowable Costs/Cost Principles
 - ◆ Cash Management: *(Not applicable to aging)*
 - ◆ Eligibility
 - ◆ Equipment and Real Property Management
 - ◆ Matching, Level of Effort, Earmarking
 - ◆ Period of Performance
 - ◆ Procurement and Suspension and Debarment
 - ◆ Program Income
 - ◆ Reporting
 - ◆ Subrecipient Monitoring

◆ Special Tests and Provisions

- f. Acknowledgement of compliance or non-compliance with the Conflict of Interest policy (non-profit entities only),
- g. A description of relevant findings and areas of non-compliance with recommended corrective action,
- h. Any suggestions for improvement and/or technical assistance,
- i. If applicable, the method used to monitor subcontractors and the results of this monitoring (see Section 308.2 G).
- j. The date a written corrective action is to be received by the AAA (normally within 30 business days of the issuance of the monitoring report). If no non-compliance is cited, the monitoring is closed with no further response necessary by the community service provider.

308.5: Corrective Action Plan

- A. The Area Agency on Aging will develop written procedures describing the process requiring local service providers to submit a written Corrective Action Plan when finding(s) of non-compliance are made. The procedure developed will address the following, at a minimum:
 - 1. Circumstances requiring a corrective action plan.
 - 2. Process for advising a community service provider that there is a need for a corrective action plan.
 - 3. Maximum time frames for a community service provider to submit a plan to the Area Agency on Aging.
 - 4. Follow-up action by the Area Agency on Aging once a corrective action plan is received.
- B. Unless otherwise specified in the monitoring report, a written Corrective Action Plan is due to the Area Agency on Aging within 30 business days of receipt of the report.

308.6: Follow-Up

The Area Agency on Aging will develop written procedures describing the follow-up action taken to determine that a corrective action plan has addressed issues of non-compliance. The procedure developed will, at a minimum, address the following:

- 1. Describe the circumstances requiring a follow-up.
- 2. If follow-up is other than an on-site visit, describe the process and under what special circumstances would this occur.
- 3. Describe the process used to communicate findings back to the community service provider.
- 4. Time frames for the above activities.

Follow-up visits must occur before the close of the state fiscal year (June 30).