TO: Area Agency on Aging Directors  
FROM: Joyce Massey-Smith, Director  
DATE: May 6, 2021  

Supplemental Nutrition Funding (HDC5)  

The Consolidated Appropriations Act, 2021 provides supplemental funding for ACL’s Senior Nutrition Programs to assist in responding to the COVID pandemic. This Act provides an added $5,202,534 to help North Carolina deliver additional meals to older adults (Supplemental 5-HDC5). Funds must be expended on allowable Older Americans Act activities as defined within the Act, as well as in accordance with state and local policies. Funds must be accounted for, tracked, and reported separately from recurring Older Americans Act funding.  

Project Period  
The project period for Supplemental 5 (HDC5) funds is December 27, 2020 through September 30, 2022. There is no prior approval required to charge items to HDC5 for pre-award costs incurred from December 27, 2020 forward to the effective date of the project period. Disaster relief funding, including HDC5, does not correspond to state fiscal years. Unspent funds will be carried forward into the new state fiscal year throughout the duration of the project. All HDC5 funds must be obligated by September 30, 2022, with final liquidation due by December 30, 2022.  

Distribution of Funds and Local Planning  
HDC5 funding is being provided to each of North Carolina’s 16 Area Agencies on Aging via the intrastate funding formula (10A NCAC 05C. 0404) for the purpose of responding to the COVID-19 public health emergency. The funds will be made available in one grant - Home-Delivered Meals Service. While under a major disaster declaration, flexibility to “bucket” funds remain in place. This flexibility means that these home-delivered meals service funds can also be used for the congregate nutrition program service.  

To expedite these allocations getting to local providers in a timely and efficient manner, disaster grant funds—including HDC5 funds—are not required to go through the county planning process. However, DAAS strongly encourages that communication about HDC5 funds occur between AAAs, local providers, and their county planning committees.
Note that while HDC5 deviates from the typical budgeting and planning process, it is expected that normal processes will occur for recurring OAA funding (i.e., SFY/FFY2022). However, given the current public health disaster and to maintain social distancing guidelines, virtual and electronic communications are acceptable.

**Match Requirements**

Service match for direct service is not required for the HDC5 funding. Using the flexibility under the major disaster declaration, the required 25% non-federal match for administration will be provided by the State Unit on Aging (DAAS) using overmatch on related services provided in the Home and Community Care Block Grant. Area Agencies on Aging may take 10% of the regional allocation for administrative costs to support activities such as contracting, technical assistance on new ARMS coding, reporting activities, monitoring, and general oversight.

**Contracting and Procurement**

The HDC5 grant being awarded to AAAs will offer flexibility for meal delivery and menu requirements as detailed in DAAS Administrative Letter 20-08. HDC5 contracts awarded by Area Agencies on Aging to providers should incorporate the requirements of this administrative letter. The bid specifications for each procurement process should detail the number of meals and the different menu specifications and meal types (e.g., frozen, shelf-stable or hot). Expenditures will be tracked and reported separately per the additional ARMS codes for HDC5 nutrition services detailed below.

**Consumer Contributions**

For HDC5, the requirements of the Older Americans Act for the solicitation and receipt of voluntary contributions from older adults for nutrition services are not waived. AAAs and local providers may determine the best localized strategies for satisfying this requirement during the COVID-19 pandemic. In addition to existing practices for soliciting contributions (e.g., posters, flyers, provision of envelopes from returning a contribution), the Administration for Community Living has suggested that providers consider using locked boxes at meal pick-up locations.

**New ARMS Codes to Capture Nutrition Program Activities Related to HDC5**

Code 029: SUPP – Home Delivered Meals. This code represents meals to home-delivered meal clients that may or may not meet one-third of the recommended daily allowance/dietary reference intake (RDA-DRI) requirements using HDC5 funding. One meal is the equivalent of one unit in ARMS. Not eligible for NSIP.

Code 904: SUPP – HDM NonUnit Emerg Resp Cost-COVID. Non-Unit reimbursement for personal protective equipment (PPE), food service equipment and other unique items that allow providers to continue service. Consumable supplies for participants are also allowable such as produce boxes. One unit is equivalent to one item purchased.

Code 189: SUPP – Congregate Meals. This code represents meals to congregate nutrition program clients that may or may not meet one-third of the recommended daily allowance/dietary reference intake (RDA-DRI) requirements using HDC5 funding. One meal is the equivalent of one unit in ARMS. Not eligible for NSIP.
Code 905: SUPP – Cong Nutr NonUnit Emerg Resp Cost-COVID. Non-Unit reimbursement for personal protective equipment (PPE), food service equipment and other unique items that allow providers to continue service. Consumable supplies for participants are also allowable such as produce boxes. One unit is equivalent to one item purchased.

For additional guidance on the contents of this administrative letter, please contact Audrey Edmisten at audrey.edmisten@dhhs.nc.gov.

JMS/AE/pg