



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**ROY COOPER** • Governor

**MANDY COHEN, MD, MPH** • Secretary

**JOYCE MASSEY-SMITH, MPA** •  
Director, Division of Aging and Adult Services

**ADMINISTRATIVE LETTER: No. 21-01**

**TO:** Area Agency on Aging Directors

**FROM:** Joyce Massey-Smith, Director

A handwritten signature in blue ink, appearing to read "Joyce Massey-Smith".

**DATE:** January 8, 2021

**SUBJECT:** Federal and State Acquisition/Improvement Process

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The purpose of this letter is to provide overall guidance on capital acquisitions and building improvements using federal and state funding costing \$5,000 or more since the approval process has not been routinely followed.

This process is separate from the prior approval process as it relates to COVID funding.

The process and guidance are attached to this letter. If you have any questions, please contact Leslee Breen at [leslee.breen@dhhs.nc.gov](mailto:leslee.breen@dhhs.nc.gov).

JMS/LB/pg

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF AGING AND ADULT SERVICES**

LOCATION: 693 Palmer Drive, Taylor Hall, Raleigh, NC 27603  
MAILING ADDRESS: 2101 Mail Service Center, Raleigh, NC 27699-2101  
www.ncdhhs.gov • TEL: 919-855-3400 • FAX: 919-733-0443

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## FEDERAL AND STATE ACQUISITION/IMPROVEMENT PROCESS

**Purpose:** All capital acquisitions and building improvements using federal funding costing \$5,000 or more must be pre-approved per ACL guidelines. This has not been routinely followed across all services.

Although this pre-approval is not a legal requirement for purchases using state funding, the Division believes that it is a best practice to put a policy in place that aligns with the federal requirement. Therefore, we are putting a pre-approval policy in place for both federal and state funding purchases exceeding \$5,000 when OAA HCCBG funding or state monies are used.

**Guidance.** Please note that in accordance with NC Administrative Code 01 NCAC 05 and ACL, agencies are to comply with competitive e-quotes or written quotes for purchases \$5,000 or more.

The AAA should review proposals for expenditures costing \$5,000 or more using the Prior Approval Request and Justification Forms. Once these forms are completed, they should be sent, along with at least three (3) quotes, to Leslee Breen at DAAS. DAAS will then use the Evaluation Checklist to evaluate the proposal for approval.

### Instructions for Prior Approval Request Form (lines should expand as needed)

#### Part I

**Date of Request:** Enter date of provider request.

**Area Agency on Aging Name:** Enter name or requesting Area Agency on Aging.

**Provider/Vendor:** Enter name of provider/vendor making the request.

**County:** Enter the county where provider/vendor is located.

#### Part II

**Acquisition/Improvement:** Enter description of the purchase or building improvement being made.

**Quantity:** Enter number of item(s) purchased.

**Unit Cost:** Enter the cost of one item purchased. (See Guidance regarding quote requirement)

**Extra Cost:** Enter any additional associated costs such as taxes, installation and/or delivery costs.

**Total Estimated Cost:** Enter the total of Quantity x Unit Cost + Extra Cost.

**Funding Source:** Enter the funding source being used for purchase.

**Justification:** Complete the Justification Page for why this purchase/improvement is needed.

#### Part III

**Authorized Provider/Vendor Signature and Date:** Enter authorized provider signature and date of signature.

#### Part IV

**AAA Signature and Date:** Enter the authorized Area Agency on Aging signature and date of signature.

**Part V-This step for DAAS use only.**

Complete the Evaluation Checklist.

**Part VI-This step for DAAS use only.**

**Subject Matter Expert:** Enter Signature and Date of DAAS Subject Matter Expert.

**Budget Designee:** Enter Signature and Date of applicable DAAS Budget Designee.

**Director/Designee:** Enter Signature and Date of DAAS Director/Designee.

**Prior Approval Request Form**

<b>PART I</b>	
Date of Request	
Area Agency on Aging Name	
Provider/Vendor Name	
County	
<b>PART II</b>	
Acquisition/Improvement	
Quantity	
Unit Cost	
Extra Cost	
Total Estimated Cost	
Funding Source	
Justification	Use Justification Page
<b>PART III</b>	
Authorized Provider/Vendor Signature and Date	
<b>PART IV</b>	
Authorized AAA Signature and Date	
<b>PART V-DAAS USE ONLY</b>	
Complete Evaluation Checklist	
<b>Part VI-DAAS USE ONLY</b>	
Subject Matter Expert Signature and Date	
Budget Designee Signature and Date	
Director/Designee Signature and Date	

**JUSTIFICATION PAGE**

<b>QUESTION</b>	<b>JUSTIFICATION RESPONSE</b>
Are other funding sources being used for this purchase? If yes, please describe.	
Why is the purchase/improvement needed?	
Who will benefit from this purchase/improvement (participants, staff, or both)?	
What is the expected effect for an organization and/or individual?	
Is the building, if applicable, owned or leased/rented?	
Does the building share space with another agency that serves older adults? If yes, name the agency and what it does. Include the percentage of space used by the other agency.	
Does the building share space with another agency that does not serve older adults? If yes, name the agency and what it does. Include the percentage of space used by the other agency.	
Building Improvements Only-please list the duration of the lease.	
Building Improvement's Only-please provide documentation that the Landlord 1) has approved the improvement; 2) will not increase the rent for the remainder of the lease.	

**ACQUISITION/IMPROVEMENT PROCESS EVALUATION CHECKLIST (for DAAS use only)**

Requesting Provider/Vendor: \_\_\_\_\_

AAA Region: \_\_\_\_\_

Amount Requested: \_\_\_\_\_

Description of Request: \_\_\_\_\_

Date of Request: \_\_\_\_\_

Date of Committee Review: \_\_\_\_\_

Date of Final Approval: \_\_\_\_\_

<b>FUNDING</b>	YES	NO	N/A
Are OAA HCCBG funds being used for this purchase?			
Are state funds being used for this purchase?			
Are other funding sources being used for this purchase?			
Are the expenses justified?			
Were three quotes included?			
<b>IMPACT ON OPERATIONS</b>			
Is the purpose of this expenditure to enhance the organization's operations for the participants?			
Is the purpose of this expenditure to enhance the organization's operations for staff?			
Is the purpose of this expenditure to enhance an individual client?			
<b>BUILDING USAGE</b>			
Does the requesting agency own the building?			
Does the requesting agency lease/rent the building?			
Does the requesting agency share the building space with another agency?			
If shared, what percentage of space does that agency use?			
<b>BUILDING IMPROVEMENT-LEASED/RENTED BUILDINGS ONLY</b>			
Has the building received documentation of approval from the Landlord to make the necessary improvements?			
The duration of the current lease is noted on the Justification Page?			
Has the building received documentation that the Landlord will not increase the rent for the remainder of the lease agreement?			

Subject Matter Expert/Evaluator Initials and Date: \_\_\_\_\_

Approval Status and Date: \_\_\_\_\_

Comments: