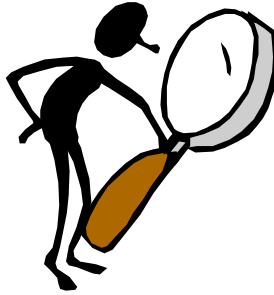


**NC Division of Aging and Adult Services**



**SERVICE OPERATIONS  
TOOLKIT  
FOR  
NEW MONITORS**

**Guidance for the Programmatic Monitoring  
of  
Home & Community Care Block Grant Services**

[Updated 9-26-2016]

The Service Operations Toolkit for New Monitors focuses on requirements and guidance for conducting basic programmatic monitoring.

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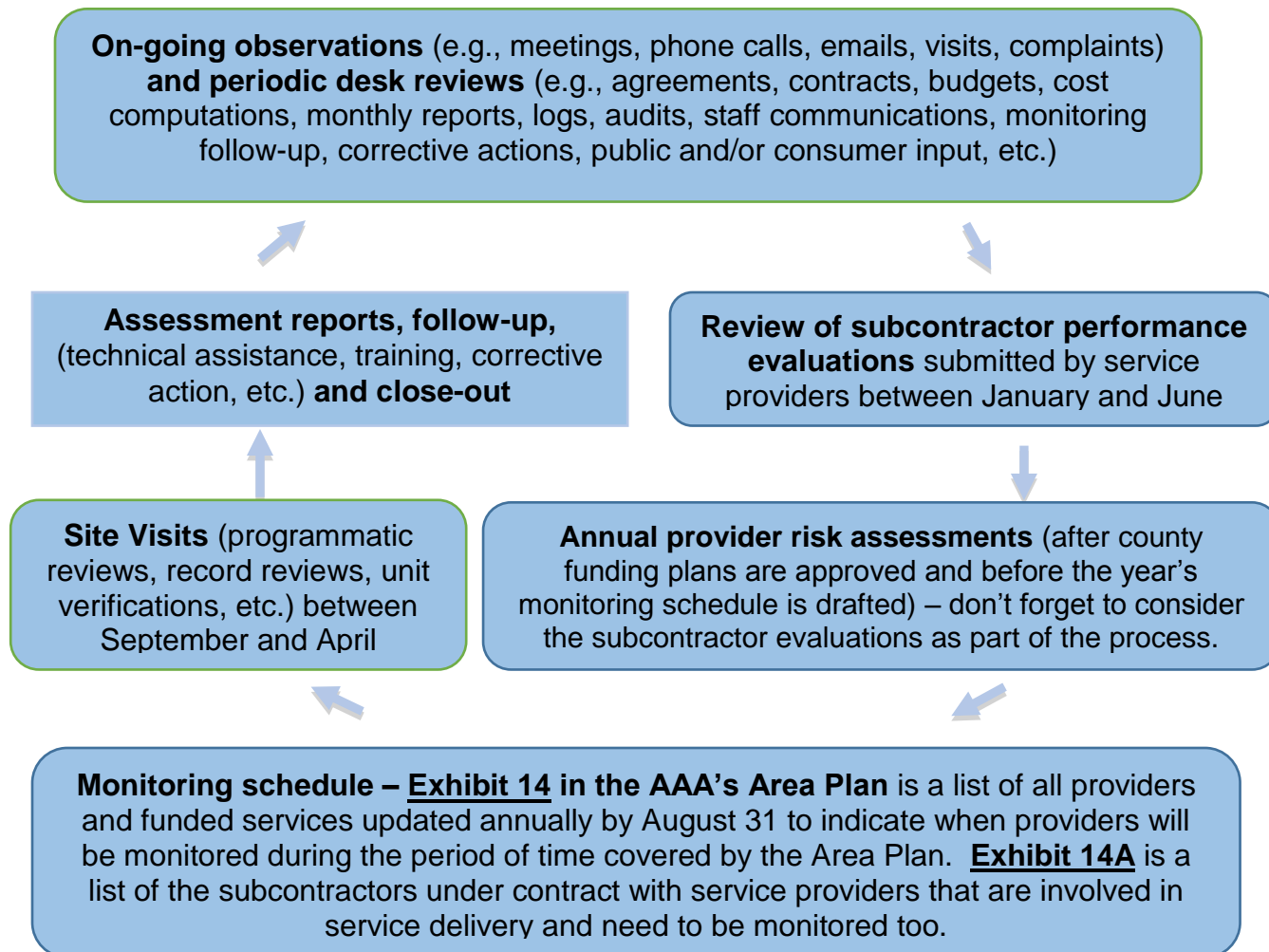
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## THE MONITORING CYCLE

New monitors may think that monitoring is a one-time event if the only tool they see is a set of service-specific monitoring instruments to complete during on-site assessments. Effective programmatic monitoring is a process, not a one-time event, and the on-site visit with monitoring tools is best viewed in the context of a larger monitoring cycle. Not all AAA monitors are responsible for every task in the monitoring cycle, but you should be familiar with the “big picture.”



Understanding the monitoring role within this cycle promotes a process that often allows “red flags” to be identified and technical assistance or training to be provided before issues become compliance problems. Although health and safety violations always require immediate corrective action when found, other types of follow-up activities can be chosen for maximum effectiveness given a service provider’s specific situation with assets and challenges. New monitors must learn to be effective in uncovering non-compliance, but providing technical assistance, gaining trust, and getting cooperation from the provider network are important skills that ultimately help promote compliance with program goals too.

## GETTING STARTED

### **Q: I'm new and I don't know where to begin. How do I get started?**

A: The Division of Aging and Adult Services (DAAS) provides a **monitoring webpage** <http://www.ncdhhs.gov/divisions/daas/monitoring> as a resource for monitors. Start by getting familiar with this resource. You will find links to monitoring policies and procedures and links to the programmatic monitoring tools that are used to assess a provider's compliance with those requirements.

Note that this website also includes links to requirements and guidance for fiscal monitoring. **Programmatic monitoring** refers to activities that assure compliance with the requirements of a federal/state award. **Fiscal monitoring** refers to activities that assure funds are being expended as intended to carry out the objectives of a program.

Despite these differences, sometimes there appears to be an overlap. Consumer contributions, for example, are the voluntary funds that community service providers solicit or accept from people receiving specific services. Policy requirements related to consumer contributions are routinely addressed by Area Agency on Aging (AAA) staff during programmatic monitoring using a special monitoring tool for consumer contributions. In contrast to this "programmatic review," a fiscal review of internal controls focuses on the segregation of staff duties when handling contributions and the agency's procedures for collecting, safeguarding, and depositing the funds collected. These are not important distinctions for you as a new monitor unless you have responsibilities for both types of monitoring. In some AAAs, someone with the Council of Government's finance staff conducts fiscal monitoring. Each region determines which staff positions will be assigned to fulfill monitoring requirements, so clarify the scope of your monitoring responsibilities with the AAA director.

Even though this Toolkit for New Monitors focuses on programmatic monitoring, DAAS also provides technical assistance for AAA staff who conduct fiscal monitoring. Contact the DAAS Lead Monitor, Jennifer Powell ([jennifer.powell@dhhs.nc.gov](mailto:jennifer.powell@dhhs.nc.gov)), or the Section Chief of Budget, Planning, and Systems Support, Joe Breen ([joseph.breen@dhhs.nc.gov](mailto:joseph.breen@dhhs.nc.gov)), for more information about how to get technical assistance related to fiscal monitoring.

### **Q: Is there one document that provides monitoring instructions?**

A: No, but the monitoring webpage provides links from one location. Click on the links under Policies/Procedures/Service Standards for the core documents that every new monitor needs to learn because they are the basis for programmatic monitoring. Locate the links to **Sec. 308 of the AAA Policies and Procedures Manual** and the **service standards** that contain the requirements and guidance for delivering Home and Community Care Block Grant (HCCBG) services.

## GETTING STARTED

- The “how to” steps of monitoring – **Sec. 308 of the AAA Policies and Procedures Manual** (current version included here as **Appendix B**) details the AAA requirements for the process of monitoring community service providers:
  - develop an assessment plan using a risk-based monitoring approach,
  - schedule and conduct reviews,
  - provide assessment reports after monitoring,
  - work with providers on corrective action plans when there are findings of non-compliance, and
  - conduct required follow-up to determine if corrective action plans have addressed all areas of non-compliance.
  
- The “what” of programmatic monitoring – The **service standards** describe “what” is being monitored, i.e., the compliance requirements for service delivery. Assuring compliance with these requirements is the focus of programmatic monitoring for grant awards that pass through the AAAs to counties and their designated community service providers.

The services that will be provided through the county’s annual grant award are detailed in the annual Funding Plan Agreement between the AAA and the county. The Funding Plan identifies the services funded by the county, the amount allocated for the delivery of each service, and the community service providers chosen by the county to deliver those services. The service standards are incorporated by reference into the Funding Plan Agreement. Programmatic monitoring by the AAA assures that compliance requirements are being met with respect to the intent of the grant award.

On the monitoring webpage (<http://www.ncdhhs.gov/divisions/daas/monitoring>) under Policies/Procedures/Service Standards, find links to the HCCBG service standards. There is a direct connection between the service-specific compliance requirements found in these service standards and the compliance questions in the monitoring tools used on-site by AAA monitors. The questions in the monitoring tools include page citations to the compliance requirements in the service standards.

When updates to policy requirements occur before service standards are revised, they are issued through Administrative Letters, which can be accessed at this link: <https://www.ncdhhs.gov/Policy/and/Procedure>. Also, see **Appendix H** for an Index to Administrative Letters by Number and **Appendix I** for an Index to Administrative Letters by Category.

While getting started and exploring links on the monitoring webpage, remember the monitoring cycle. As you learn more about the tasks involved throughout the monitoring cycle, you will return to this monitoring webpage for more links to other resources.

## RISK ASSESSMENTS OF SERVICE PROVIDERS

**Q: What is the basis for conducting a “risk-based” assessment of local service providers?**

A: The AAA must develop written criteria for determining “risk.” The AAA has ultimate authority for determining the criteria, although DAAS provides a **sample Agency Risk Evaluation Matrix** that is recommended as a best practice (see **Appendix C**).

In addition, **service-specific risk assessment tools** for the major services (see **Appendix D**) have been added to the sample instruments that AAAs may use to conduct their annual service provider risk assessments. Like the agency risk matrix, these programmatic risk assessments are recommended as best practice tools, but they can be modified by the AAA to conform to the local service environment.

Service-specific risk assessments have been developed for the following services: Transportation, Nutrition (Congregate and Home Delivered Meals) In-Home Aide, Adult Day Care/Day Health Services, Housing and Home Improvement, and Senior Center Operations. The evaluation of service-specific risk, fiscal risk, and overall agency risk can all be taken into account during the risk analysis process and the determination of the monitoring schedule for local service providers.

**Q: What are the risk classifications and which ones require on-site monitoring?**

A: The risk criteria for determining risk will result in a designation of one of three categories of risk – high, moderate, or low. If the DAAS Risk Evaluation Matrix is used, the risk determinations will be based on total points assigned to risk. (Low Risk = 10-16 points; Moderate Risk = 17-22 points; and High Risk = 23-30 points.)

All providers determined to be at **High Risk** must receive on-site monitoring.

For **Moderate Risk**, the AAA has the flexibility and the choice to determine whether or not to conduct on-site monitoring.

For **Low Risk**, the AAA is not required to monitor the provider unless the provider has not been monitored for a three-year period.

AAAs are encouraged to apply their time and resources to on-site visits with agencies identified as high risk or moderate risk and to reward low risk agencies with minimum on-site monitoring.

At a minimum (regardless of risk status), each provider must receive at least one on-site monitoring visit during a three-year time frame.

Programmatic monitoring will be conducted on each new service provider in the region, and these reviews shall be conducted during the first year of service operation.

## RISK ASSESSMENTS OF SERVICE PROVIDERS

**Q: If the AAA follows the DAAS monitoring policy on risk assessments based on Section 308.2 D of the AAA Policies and Procedures Manual, does it need to have its own written policies?**

A: Yes, the AAAs must have a Risk-Based Assessment Policy based on the state requirements. There may be other AAA requirements in addition to the state requirements, as long as the AAA meets at a minimum the state policies for Risk-Based Assessments.

An example of a more stringent AAA policy for risk determination has to do with agency versus service area. State policy requires the AAA to assign risk to the provider agency as a whole and not by specific service. However, the AAA has the option to conduct risk monitoring based on specific services if it chooses to do so, although this is not a state requirement. The service-specific risk assessment tools found in **Appendix D** could be used or modified by the AAAs to accomplish this, if the AAA wanted to adopt this more stringent policy for risk determination.

**Q: Since state policy requires all funded service providers to be monitored on-site at least once every three years, does this mean that risk assessments can be conducted on the same three-year schedule/cycle?**

A: No, AAAs must document that they have annually evaluated the level of risk for each service provider, regardless of whether the provider is deemed low, moderate, or high risk. In addition, the requirements for annual subcontractor performance evaluations by providers [detailed in Administrative Letter No. 14-14 and Sec. 308.2 (F) of the AAA Policies and Procedures Manual] means that these annual subcontractor evaluations can now be part of the AAA's annual determination of provider risk.

**Q: Some AAAs choose to monitor providers on a more frequent basis than once every three years regardless of their risk rating, and some actually monitor providers every year (i.e., some AAAs exceed the state requirements). In these cases, are risk assessments still required?**

A: Yes, risk assessments must be conducted every year for each provider, regardless of the frequency of monitoring, and must be on file for state review.

**Q: Since the Risk Evaluation Matrix developed by DAAS is a recommended or best practice tool, can this tool be modified by the AAA to better meet its local service environment?**

A: Yes, the DAAS matrix can be modified in a number of ways. The state matrix includes five general criteria (Staff Qualifications, History of Meeting Requirements,



## RISK ASSESSMENTS OF SERVICE PROVIDERS

Funding Utilization, Amount of Funding/Other, and Self Assessment) and 10 sub – criteria. The points allotted to each of these criteria and sub-criteria reflect the relative importance of the indicators, but can be adjusted or modified by the AAA to better reflect their sense of what is important for determining risk. Also, the Evaluation Score Key with its three ranges for points related to Low, Moderate, and High Risk can also be adjusted if deemed appropriate to do so.

Although changes in the matrix are allowed, DAAS does recommend the value of continuing with some consistency in scoring between this matrix and the earlier version used until 2011. Major changes to the matrix would undervalue or to some extent undermine past efforts when used as the basis for historical comparison. Therefore, DAAS does not support drastic changes to the Score Keys or matrix.

### **Q: What is the time frame for conducting an annual risk analysis?**

A: The time frame for conducting an annual risk analysis is based on the requirement for submission of the Provider Monitoring Plan (see **Appendix E**) as one of the exhibits in the AAA's Area Plan. An updated Provider Monitoring Plan is due to DAAS by August 31 of each year. Therefore, the risk-based analysis should be conducted in July or August each year. Providers are now required to report subcontractors to AAAs in Exhibit 14A (see **Appendix E**) as part of the annual contracting process with counties, and they are required to complete and submit a Subcontractor Performance Evaluation form (see **Appendix F**) on all subcontractors between January 1 and June 1 each year (Administrative Letter No. 14-14). This allows a AAA to use the subcontractor evaluations in the process of determining provider risk during the July-August timeframe and to update the Provider Monitoring Plan by August 31<sup>st</sup>.

#### **Risk-based monitoring -- what's required:**

- An annual risk assessment of each provider agency by the AAA.
- Written criteria selected by the AAA for determining risk.
- Documentation of the annual risk designation for each provider agency (low, moderate, high).
- An Exhibit 14 Monitoring Plan that reflects the AAA's agency risk determinations, i.e., on-site monitoring of high risk agencies, decisions about whether moderate risk agencies will receive on-site monitoring sooner than the minimum, and on-site monitoring regardless of risk at least once every 3 years for programmatic monitoring and every other year for unit verifications.
- The review of Subcontractor Performance Evaluations submitted by providers to AAAs and a notation at the bottom of each form regarding the AAA's judgment about level of risk (low, moderate, high) as part of the agency risk determination process – and subsequent notification to providers about how subcontracted services will be monitored by the AAA.

#### **Risk-based monitoring -- what's optional:**

- The choice of which specific criteria will be used by the AAA to determine agency risk.
- The form that the AAA uses to document that an agency risk assessment was done.
- The use of the service-specific risk assessment tools as part of the risk assessment process.
- The choice of whether the AAA, the provider, or both will monitor subcontracted services.

## THE MONITORING SCHEDULE – AN EXHIBIT IN THE AREA PLAN

**Q: How do I go from risk assessments to an actual schedule of monitoring?**

A: **The Provider Monitoring Plan** is an exhibit in the AAA's Area Plan (currently **Exhibit 14**) where the AAA lays out its multi-year monitoring schedule. All funded providers and all the services for which they are funded (both unit and non-unit services) must be listed on this chart. Include new providers, providers that need a close-out monitoring because the county did not award them another grant, the AAA if in direct service, and providers that need to be monitored for non-HCCBG services such as senior center long-term obligations, health promotion/disease prevention, and legal services. See Sec. 308.2 (D) for minimum requirements. The Provider Monitoring Plan identifies which agencies and which services will be monitored in any given year of the time frame covered by the Area Plan.

**Q: How often do I have to fill out the schedule in the Provider Monitoring Plan?**

A: At the beginning of each multi-year Area Plan cycle, a new Provider Monitoring Plan is completed as part of the larger document. When service providers or funded services change within that multi-year timeframe, the exhibit must be updated to reflect those changes. The AAA has to review this chart annually and send updates to the DAAS Lead Monitor by August 31<sup>st</sup> of each year.

**Q: This exhibit has a column for identifying “the monitoring agency.” If other entities monitor, how do I know which services are the AAA’s responsibility?**

A: There is only one reason why your AAA would not be listed as the monitor. If your AAA has an approved waiver from DAAS to be in direct service as a service provider, then DAAS should be listed as the monitoring agency for that service.

**Q. How do subcontractors fit into this provider monitoring schedule?**

A. The issue of who monitors subcontractors and when they will be monitored is explained in Administrative Letter No. 14-14 and Sec. 308.2 (A). Service providers are required to notify their AAAs of the involvement of subcontractors in service delivery by completing and submitting **Exhibit 14A** annually (see **Appendix E**). AAAs use this information when scheduling monitoring visits, because subcontractors must be monitored in one of three ways: by the AAA, by the AAA and the service provider together, or by the provider who reviews the same documentation and completes the same tool as the AAA [see Sec. 308.2 (F)]. The subcontractor performance evaluations done by providers and submitted to AAAs become part of the risk assessment process and decisions about the frequency of onsite monitoring. **Exhibit 14** includes a notation in the “monitoring agency” column to show when and by whom subcontractors will be monitored.

## SITE VISITS AND MONITORING TOOLS

### **Q: What paperwork do I need to fill out onsite when monitoring a community service provider?**

A: You need to complete the **monitoring tools required by DAAS** (i.e., not subject to editing by AAAs) for each service, which are found at the following link online: <https://www.ncdhhs.gov/document/daas-programmatic-monitoring-tools>

Which tools do you need to print out? The answer is found in your AAA's Provider Monitoring Plan, which indicates the services that have to be monitored during each fiscal year. Note the services that have to be monitored and note if you are scheduled to do a full programmatic review, a unit verification, fiscal monitoring – or all of the above. This will tell you the service-specific monitoring tools needed for each monitoring visit.

Generally, for basic service monitoring, your packet of paperwork should include the following at a minimum:

- Service-specific monitoring tools
  - Download interactive Word documents or print copies of the tools. This may include multiple files or documents, depending on the service. You may need to make multiple copies of certain worksheets in the tools, depending on the number of client files to be reviewed as part of your sample.
- Audit compliance supplement criteria
  - Click on the monitoring website's link for DAAS Compliance Monitoring Tools. Note that this takes you to a list that is not a service-specific set of tools, but rather a tool for each federal funds tracking number (e.g., #93.053). There are two tools related to nutrition, a tool for Title III-B support services and senior centers, a tool for disease prevention/health promotion programs, and a tool for the Family Caregiver Support Program. Each of these tools list the 12 audit compliance criteria and the conflict of interest policy requirement for non-profits.
- Consumer contributions monitoring tool
  - This tool is an Excel file with 4 tabs – an administrative requirements review tool and 3 worksheets for reviewing Type I, 2, and 3 services.

### **Q: Is there anything else I need to take other than blank monitoring tools?**

A: Always take copies of the relevant **service standards** for reference during monitoring. Most of the monitoring tools cite page numbers of the service standards as sources for the requirements being monitored. You also might want to take a copy of the **agency's previous monitoring report**. Even though most monitors review this as part of the pre-visit preparations, you may need or want to follow up on prior compliance findings during the onsite visit.

## SITE VISITS AND MONITORING TOOLS

In addition, certain reports from the client/service tracking system known as ARMS typically are used in monitoring. These include the **ARMS unit verification reports (the ZGA542 series)** that list each client who received at least one unit of service during the fiscal year and the total number of units in the ARMS system for each person by month. Typically this report is used to select a client sample for record review, and this usually takes the form of highlighting or marking the client names in the report to show the sample. The monitor uses guidelines in Sec. 308.2 (B) to determine how many clients will be selected for the sample. If the on-site visit will include unit verification, the ZGA542 also is used to highlight not only the names in the sample, but also the month for which units will be verified for each person in the sample.

Another useful report is the **ZGA370 YTD**, which can be used to review the agency's utilization rate for each service allocation.

### **Q: Is there any guidance on how to structure the on-site visit?**

A: The core tasks of a monitoring visit really depend on the specific service(s) being monitored. Generally the monitoring tools are organized to suggest a flow of activities. For example, questions to review related requirements will be in the same section, and staff interview questions will be separate from sections that require record reviews. If another order of review makes sense, there is no problem with modifying the flow of activities so long as the prescribed tool on the DAAS website is completed in full. A monitor also may decide in coordination with the community service provider to complete the review over the course of more than one day, especially if multiple services are being monitored in the same fiscal year.

Another aspect of structuring the site visit relates to whether or not subcontractors will be monitored on the same date. Sec. 308.3 (3) requires a AAA to have written procedures for notifying providers about how subcontractors will be monitored. The subcontractor monitoring options are defined in Sec. 308.2F (by the AAA, by the AAA and the service provider together, or by the provider who reviews the same documentation and completes the same tool as the AAA). The AAA's choices will greatly affect how site visits are structured.

In addition, two basic tasks tend to serve as "book ends" for all monitoring – beginning with an entrance interview and concluding with an exit interview.

The **entrance interview** can be used for any kind of discussion that promotes a good working relationship between the monitor and the service provider or that helps to explain how the assessment process is going to be organized. For example, time can be spent discussing staff responsibilities in general and also can provide information about who specifically will be working with the monitor during the visit. Also, this is a good time for the monitor to hand over the list of client names selected

## SITE VISITS AND MONITORING TOOLS

for the sample, so that staff can begin to pull files that will be reviewed during the visit. By the time the entrance interview is over and general aspects of the monitoring tool have been completed, there's a good chance that the records will be ready for the monitor to review.

The very important **exit interview** is used to share any findings of non-compliance that will be noted in the assessment report, to offer technical assistance and recommendations, and to notify the service provider of any units of service that were not verified and are subject to repayment. There should be no surprises when the assessment report is received by the community service provider because all the findings from the on-site review should have been discussed before the monitor concludes the assessment visit.

### **Q: Repayment of funds sounds very serious. How will I verify units of service?**

A: Regardless of service, the general idea is to verify a unit of service by going back to the **best source documentation available** to assure that an eligible client received an allowable service on a specific date.

Acceptable source documentation varies by service. For example, congregate meals require a notation certified by staff or volunteer to show the exact days when a client received a meal and may involve an actual sign-in sheet. Home-delivered meals are documented by a volunteer's signature or initials on a worksheet indicating the client received a meal on a certain date. Transportation rides are documented by a driver's log or a printout of actual pick-ups and drops-offs for the days reviewed (i.e., a scheduling log would not be acceptable). Hours of in-home aide service are documented by aide timesheets and the client care plans as noted on Attachment C of the IHA monitoring tool. The monitoring tool for adult day services provides information about special unit verification procedures applicable only to this program area. Not having scheduled days of attendance noted in a client's Service Plan is a very serious omission during unit verifications for adult day services. Requirements for the annual non-unit monitoring of Housing & Home Improvement include a review of financial and service activity worksheets and receipts that must be completed for each project. The main idea to remember is that a monitor's job is to seek the best source documentation available. The service standards and monitoring tool provide guidance about the type of documentation that is acceptable.

### **Q: Where will records that I need to review be located?**

A: Generally records used to document program administration, prove client eligibility, or verify units of service are located in the service provider's office unless the service provider has "outsourced" a portion of service delivery to a subcontractor. Since AAAs are required to notify service providers about how their subcontractors will be

## SITE VISITS AND MONITORING TOOLS

monitored [see Sec. 308.2 F and Sec. 308.3 (3)], work with service providers in advance of the on-site visit to determine whether record reviews will require visits to more than one location.

**Q: Why should the AAA monitor have to go to different locations to review records? Shouldn't the provider agency be required to have all documentation available for review on-site?**

A: The service provider that received the grant allocation definitely is responsible for documenting its compliance with programmatic requirements, whether or not aspects of service delivery have been subcontracted out. It is also true that the service standards provide the basic administrative rules for service delivery, whether it is the service provider or the subcontractor that carries out any specific task. However, subcontracts are not uncommon, and it would not be unusual for service delivery records to be stored in more than one location depending on the service. If the AAA did not allow or require the provider to conduct subcontractor monitoring per the notation on **Exhibit 14**, then the AAA should work out in advance where record reviews will take place.

For example, here are various ways it might be done:

- One option of course is for the AAA to tell the service provider to use the AAA monitoring tool (or applicable portions of it) to monitor the subcontractor prior to the assessment visit. The provider could submit the tool and working papers to the AAA as documentation that requirements have been met. The monitor could discuss with the provider what process was followed and the type of documentation reviewed to assure that an acceptable level of monitoring was conducted.
- If the AAA monitors, it might make sense to review client records or unit verification documentation at the subcontractor's office after the AAA completes portions of the monitoring tool on-site at the provider's office.
- The extent of service delivery delegated to a subcontractor might be so great that it might make sense for the AAA to conduct the entire monitoring visit at the subcontractor's office (if the provider is not required to monitor the subcontractor).
- Using the monitoring tool and its worksheets as a guide, the service provider might ask the subcontractor for copies of certain documentation prior to the AAA monitoring visit so information is available on-site for review by the AAA monitor. However, depending on the service and the extent of documentation, a lot of photocopying could be a burden so it is important to work with the provider to find the best arrangement for reviewing materials.

Resolving the question of where records will be reviewed should support the overall objective of reviewing enough documentation to obtain a fair picture of record-keeping and allow the monitor to look for "red flags" and findings of noncompliance. Monitoring almost always involves the review of just a sample of records, not 100%



of records, except in the case of very small programs. However, in the case of unit verifications, Sec. 308.2 (B) includes guidance on how to expand a sample and widen the scope of a review when problems are found. The monitor must look at enough documentation to assure that follow-up will be appropriate and the corrective action plan, if any, will address the true nature of any problems.

## REPORTS, FOLLOW-UP, AND CLOSE OUT

**Q: Is there a special format for reporting the information gathered during the on-site visit?**

A: See Sec. 308 for general requirements related to the monitor's assessment report and follow-up. The core requirement is to provide timely and meaningful information to the community service provider about any non-compliance findings that require corrective action and to document whether or not requirements for the 12 audit compliance supplement criteria have been met, if applicable. A sample report is provided in **Appendix A**. In addition to detailing areas of non-compliance (if any), assessment reports typically include technical assistance and recommendations for improvement.

**Q: Who is responsible for determining next steps when problems are found?**

A: Each AAA has procedures for handling the corrective action process when findings of non-compliance result from the on-site review. Some judgment about the nature of the non-compliance finding must be made when determining the timetable and the entity responsible for corrective action. Health and safety violations always require immediate corrective action. Otherwise, the timetable and determination of follow-up are more flexible and can be worked out with the service provider. Unless the monitor's report states otherwise, a corrective action plan from the provider is due within 30 days of receiving the report so that effort can be applied toward fixing the problems. The AAA is responsible for maintaining oversight of the corrective action process until all issues of non-compliance have been addressed. Documentation of corrective action can be sent to the AAA's office or another on-site visit can be arranged to assure that problems have been addressed appropriately.

**Q: How much follow-up is "enough"?**

A: This question has to be answered in context. Some shortcomings related to sloppy recordkeeping, for example, can be fixed immediately for the small sample of records reviewed on-site, but the monitor may determine that there is a more fundamental problem that requires longer term discussions, training, or technical assistance. Technically, corrective action follow-up visits have to take place before the end of the fiscal year, but sometimes in-depth follow-up is a multi-year process. The answer, in other words, is dependent upon the nature of the problems. Follow-up may be on-going, but the nature of the grant process is that the assessment

## REPORTS, FOLLOW-UP, AND CLOSE OUT

process must be brought to an end before the close of the fiscal year and the subsequent financial review of expenditures.

### **Q: What signals the end of the process?**

A: If there is no finding of non-compliance and no corrective action plan after the monitor's on-site visit, the basic report concludes the assessment cycle. However, an assessment with a corrective action plan, timetable, and follow-up requires that some form of additional written communication is needed to communicate back to the provider when adequate effort has been made to correct deficiencies and the assessment is being closed out. A formal letter or even an email communication that is stored in the assessment record can be used to signal that the assessment is concluded for the current assessment cycle. In certain situations where the AAA is contemplating the need for long-term technical assistance on a problem, the close-out communication may say that the AAA intends to revisit the issue again during onsite monitoring in the next grant year.

## DOCUMENTATION OF MONITORING

### **Q: What documentation do I have to keep on file after monitoring community service providers?**

A: Every time grant funds pass to a subrecipient, there is an obligation to monitor and assure compliance with the intent of the grant. DAAS is required to monitor AAAs, just as AAAs are required to monitor each county's service providers. When the AAA is monitored by DAAS, there is an expectation that certain records will be on file and available for review to document the AAA's monitoring of local service delivery. This does not mean that DAAS expects to see copies of everything that the AAA reviewed on-site in order to determine that sufficient monitoring has taken place.

DAAS has developed a chart of **required documentation by service** (see **Appendix G**) to detail what the Division expects to review when conducting on-site assessments of AAA monitoring files. The chart also lists recommended documentation for inclusion in AAA monitoring files, even though there are no current requirements to maintain copies. The chart represents a compilation of expectations taken from service monitoring tools and/or monitoring policies.



## GLOSSARY

### Financial assistance:

Federal or state assistance that the state provides to recipients in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but generally does not include amounts received as reimbursement for services rendered to individuals such as Medicare and Medicaid (**NOTE:** All state contracts must be reviewed to determine whether they are "financial assistance" (FA) or "purchase of service" (POS) type contracts. This determination is necessary to establish whether the contracting agency is a subrecipient or a vendor and must be made by each entity to which the funds are further subgranted (or awarded under contract). Those deemed to be the FA type are subject to the financial reporting requirements of the federal Office of Management and Budget's Circular A-133 and/or the Office of the State Auditor's Audit Advisory #2. Those deemed to be the POS type generally have no reporting requirements and usually require only the satisfactory delivery of the goods or services being purchased. For specific guidance about FA/POS contract determination (i.e., distinguishing between a subrecipient and a vendor), please refer to APA Rule #T10: 01B .420 and OMB Circular A-133, Subpart B, Section .210).

### Grantor

An entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective

### Monitoring (Program and Fiscal)

"Program Monitoring" means activities performed by the awarding agency to ensure that compliance requirements are being met with respect to the intent of the federal and state award.

"Fiscal Monitoring" means activities performed by the awarding agency to ensure that funds are being expended as intended to carry out the objectives of the program(s).

Monitoring activities may take various forms, such as desk audits, reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observing operations, arranging for agreed-upon procedures for certain aspects of subrecipient activities, such as eligibility determinations, reviewing the subrecipient's single audit or program-specific audit results and evaluating audit findings and the subrecipient's corrective action plan.

### Pass-through Entity

As it relates to federally funded programs, a non-federal entity (i.e., the state) that provides a federal award to a subrecipient to carry out a federal program.

As it relates to state-funded programs, a non-state entity (i.e., a local government or a nongovernmental entity) that provides a state award to a subrecipient to carry out a state program.

## GLOSSARY

Pass-through entities are responsible for monitoring grants to provide reasonable assurance that funds are expended in accordance with state and/or federal requirements.

### Purchase of Service:

The purchase of goods or services from a vendor (e.g., a dealer, distributor, merchant, or other seller) for the purpose of carrying out a federal or state program. These goods or services can be for the organization's own use or for the use of beneficiaries of the federal program (*see NOTE shown under "Financial Assistance (FA)"*).

### Subgrantee:

The terms "subgrantee" and "subrecipient" are often used interchangeably.

### Subrecipient:

A non-federal entity that expends federal awards received from a pass-through entity (i.e., the state) to carry out a federal program, but does not include an individual that is a beneficiary of such a program.

An agency or organization that receives federal or state awards from the DHHS. These agencies are usually non-profit or governmental agencies or organizations, but in some instances may be for-profit entities.

### Service Provider:

A local agency that has been awarded a grant from the subrecipient, which in this case is the county. A HCCBG service provider is always listed on the DOA-735, the Funding Plan Agreement between the AAA and the county. If an agency is not listed on this form, it is not a HCCBG service provider.

### Subcontractor:

An entity that has been given a job to do within the scope of a service provider's grant award. A subcontractor is accountable for the same requirements as the service provider, depending on the tasks that have been delegated in the contract. The contract spells out the terms, such as the contract period, the maximum amount of reimbursement allowable, and a description of the specific services/activities to be provided.

**TOOLKIT FOR NEW MONITORS – APPENDIX A**

Mock Assessment Letter

February 13, 2004

Paradise County Local Provider  
 Executive Director  
 555 Friendly Lane  
 Paradise, NC 29999

Dear Director:

In compliance with the Older Americans Act, Section 307 (4), the Super Circular, Section 308 of the AAA Policies and Procedures Manual and the Home and Community Care Block Grant (HCCBG) Agreement for the provision of County Based Aging Services, [name of AAA staff], Director of the Area Agency on Aging made an on-site visit on [date]. During this visit, a programmatic compliance monitoring was conducted for the HCCBG services of In-Home Aide (Level I), Transportation and Adult Day Care. In addition, a programmatic compliance monitoring was conducted for the non-HCCBG service of Health Promotion and Senior Center Outreach.

The assessment reviews specific aspects of the services provided including 12 compliance criteria defined for each fund source. The assessment process included a review of compliance with the NC Division of Aging and Adult Services Service Standards, a unit verification, and verification of compliance with the conflict of interest policy requirement required by \_\_\_\_\_.

The assessment report is designed to:

1. identify those items which are commendable or show high achievement;
2. identify compliance or non-compliance with the applicable 12 compliance criteria and the requirement that non-profit entities have a notarized policy addressing conflict of interest;
3. identify the items not in compliance with the NC Division of Aging and Adult Services Service Standards that must be addressed in a corrective action plan; and
4. document any technical assistance offered by the Area Agency to further improve the service provided.

The results of the monitoring visit are as follows:

**Fund Source: Title III B Grant for Supportive Services and Senior Centers**  
**CFDA: #93.044 Program Name(s): In-Home Aide, Transportation, & Adult Day Care**

<i>Compliance Supplement Criteria Requirement</i>	<i>Compliance Supplement Criteria</i>		
a. Activities Allowed or Unallowed:	Yes		
b. Allowable Cost/Cost Principles	Yes		

c. Cash Management:			N/A
d. Reserved			N/A
e. Eligibility:		No	
f. Equipment and Real Property Management:			N/A
g. Matching, Level of Effort, Earmarking:	Yes		
h. Period of Availability of Federal Funds:	Yes		
i. Procurement, and Suspension and Debarment:	Yes		
j. Program Income:		No	
k. Reserved			N/A
l. Reporting:		No	
m. Subrecipient Monitoring:		No	
n. Special Tests and Provisions:	Yes		
Conflict of Interest:		No	

## Description of Non-Compliance Findings

### In-Home Aide (Level I)

(e) Eligibility: A review of 15 client records found 2 clients were ineligible to receive In-Home Aide services. According to the Division of Aging In-Home Aide standards (p. 13), recipients of services must have a functional status of “at risk” or “high risk” as determined by an assessment of the IADL and ADL impairments for the client (*not special eligibility*).

Units of service reported for these clients must be changed to zero in the ARMS to reflect a deduction in reimbursement in the next reimbursement cycle. Attached are copies of the Client Registration Forms for the two clients in question.

(l) Reporting: 22 unverified units were determined for 1 client receiving In-Home Aide services. A unit verification performed on 25 client records revealed unverified units when comparing the Units of Verification Report to the time records submitted by each In-Home aide employee. The unverified units appear to be a keying error.

By March 31, 2004, please submit documentation verifying units of service have been corrected for each client and submit a corrective action plan addressing additional measures that will be developed to prevent serving ineligible clients.

### Transportation

(m) Subrecipient Monitoring: Subrecipient monitoring has not been completed for the Transportation service. The Paradise County Local Provider subcontracts with Happy Rides Transit for transportation services for older adult clients. When a service is subcontracted to another entity, the local provider is required to conduct subrecipient compliance monitoring which is reviewed by the AAA at the time of the on-site compliance visit.

By March 31, 2004, the completed NC Division of Aging and Adult Services monitoring instrument for Transportation services must be submitted to the AAA with the corrective action plan.

Adult Day Care

(j) Program Income: A copy of a completed Consumer Contribution Provider Assurance form which addresses the purpose of consumer contributions, the total cost of the service; the agency’s procedures for requesting cost sharing, and a statement indicating that services will not be terminated for failure to share in the cost of the services received was not contained in each client’s file as required (page 116 HCCBG Policy and Procedures Manual). By March 31, 2004, please submit a corrective action plan addressing additional measures that will be developed to ensure this requirement is met.

Conflict of Interest

No notarized conflict of interest policy was available for review. General Statute XXXX states “Each private, non-profit entity receiving state funds, shall file with the disbursing agency a notarized copy of that entity’s policy addressing conflicts of interest that may arise involving the entity’s management employees and the members of its board of directors or other governing body. The policy shall address situations where any of these individuals may directly or indirectly benefit, except as the entity’s employees or members of the board or other governing body, from the entity’s disbursing of state funds, and shall include actions to be taken by the entity or the individual, or both, to avoid conflicts of interest and the appearance of impropriety”

Please submit a notarized copy of your board approved conflict of interest policy to the Area Agency on Aging by March 31, 2004 as part of your corrective action plan.

**Fund Source: Title III D Disease Prevention/Health Promotion CFDA: #93.043**  
**Program Name: Health Promotion**

<i>Compliance Supplement Criteria Requirement</i>	<i>Compliance Supplement Criteria</i>		
a. Activities Allowed or Unallowed:		No	
b. Allowable Cost/Cost Principles	Yes		
c. Cash Management:			N/A
d. Reserved			N/A
e. Eligibility:	Yes		
f. Equipment and Real Property Management:			N/A
g. Matching, Level of Effort, Earmarking:	Yes		
h. Period of Availability of Federal Funds:	Yes		
i. Procurement, and Suspension and Debarment:	Yes		
j. Program Income:	Yes		
k. Reserved			N/A
l. Reporting:	Yes		
m. Subrecipient Monitoring:			N/A
n. Special Tests and Provisions:	Yes		
Conflict of Interest:		No	

## **Description of Non-Compliance Findings**

### Health Promotion

(a) Activities Allowed or Unallowed: Title III D funding was utilized for services which are paid by Medicare. Flu shots were purchased from Paradise Hospital for 35 older adults at a cost of \$350.00. According to the NC Division of Aging Service Standard, page 4, Title III D funds must be utilized to purchase items and services which are not provided through Medicare.

The November reimbursement request in ARMS must be reduced to \$0 for disallowed costs. Please submit a corrective action plan and documentation verifying this deduction to the Area Agency on Aging by March 31, 2004.

### Conflict of Interest

See “conflict of interest” above.

**Fund Source:** State Funds    **CFDA:** None    **Program Name:** Senior Center Outreach

### Non-Compliance

None.

## **Comments, Technical Assistance and Recommendations**

### In-Home Aide

#### *Comments*

Paradise County Local Provider began providing the In-Home Aide service beginning on July 1, 2002. An increase in the HCCBG allocation was granted to address the need for additional In-Home Aide service in the northern, rural part of Paradise County. Significant improvements in client records and other documentation have occurred since the last assessment visit. All documentation was found to be well organized. In addition, outreach to low income minorities in underserved communities is evident when reviewing the client profiles on ARMS report ZGA-2103 and ZGA-2043.

#### *Technical Assistance*

Monthly the Units of Verification Report should be used to detect any errors in units report to ARMS and provide early detection of unverified units. As we discussed, corrections should be submitted monthly to maintain an accurate level of funds utilization.

### Transportation

#### *Comments*

Paradise County Local Provider began subcontracting the Transportation service with Happy Rides Transit on July 1, 2003. Funds utilization was on target at the time of the review.

#### *Technical Assistance*

As discussed during the assessment exit interview, staff from the Area Agency on Aging can accompany Paradise County Local Provider staff to assist in completing the required subrecipient monitoring. Please contact my office to schedule the on-site visit.

### Adult Day Care

#### *Comments*

Currently, 5 clients attend the Adult Day Care program housed at Paradise County Local Provider. During the assessment visit, we learned of your need to expand your facilities to serve an additional 4 clients. I have shared this information with Richard Moneybags with the Economic Development Corporation at Paradise Council of Governments. He will be contacting you in the next few weeks with various construction loan options available through the Development Corporation.

#### *Technical Assistance*

None.

### Fiscal Monitoring and Internal Control Questionnaire

As part of the assessment process, a fiscal monitoring was completed. A review of the internal control questionnaire found that internal control is adequately achieved and that all duties are segregated to the extent possible. However, some recommendations did arise from this review:

1. It is recommended that pre-numbered receipts be utilized.
2. An annual fixed assets physical inventory should be taken and updated throughout the year as necessary.
3. Records should be maintained indicating the type, value and validation method of donated/in-kind materials.

The federal Super Circular does not require agencies that expend less than \$750,000 in federal funds to complete a single audit. Therefore, as the pass-through entity, the AAA is required to complete the Fiscal Monitoring Document for Non-Governmental Agencies. This review found no areas of concern related to financial management of the aging funds.

I want to thank you and your staff for your assistance during the assessment visit. A corrective action plan addressing each non-compliance issue, by fund source, is due to the Area Agency on Aging by March 31, 2004. In the mean time, if you have any questions, please do not hesitate to contact me. Thank you for your continued service to the older adults of Paradise County.

Sincerely,

Polly Beancounter, Director  
Rollinghills Area Agency on Aging

Enclosures

Cc: Paradise County Manger  
File

## TOOLKIT FOR NEW MONITORS – APPENDIX B



### North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Suzanne P. Merrill, Director  
Division of Aging and Adult Services

DAAS ADMINISTRATIVE LETTER 15-14

To: Area Agency on Aging Directors

From: Suzanne P. Merrill, Director *Suzanne P. Merrill*

Subject: Section 308 of the Area Agency on Agency (AAA) Policies and Procedures Manual

Date: October 27, 2015

Attached please find an updated version of Section 308 of the AAA Policies and Procedures Manual which has been revised to reflect changes in the monitoring process for Housing and Home Improvement Services. This guidance references Administrative Letter No. 15-4 dated July 15, 2015 regarding Housing and Home Improvement Services, and monitoring requirements. The specific update is as follows:

Section 308.2E Programmatic Monitoring (page 5), Monitoring Plan, of the AAA Policies and Procedures Manual has been revised to say: *“With the exception of Housing and Home Improvement, programmatic monitoring will be conducted on all aging services provided by community service providers as needed but at least once every three years. Programmatic monitoring will be performed for Housing and Home Improvement annually.”*

The revised policy is posted on the Division of Aging and Adult Services (DAAS) website at <http://www.ncdhhs.gov/document/section-308-aaa-policies-and-procedures-manual>.

Please contact Jennifer Powell (Lead Monitor) at 919-855-3448, Rebecca Freeman at 919-855-3421, or David Cauthorn at 919-855-3419 (Housing Consultants) if you have questions or concerns.

SPM/jp

Attachment: Section 308 AAA Policies and Procedure Manual



www.ncdhhs.gov  
Tel 919-855-3400 • Fax 919-733-0043  
Location: Taylor Hall, 693 Palmer Drive • Raleigh, NC 27603  
Mailing Address: 2101 Mail Service Center • Raleigh, NC 27699-2101  
An Equal Opportunity / Affirmative Action Employer



## TOOLKIT FOR NEW MONITORS – APPENDIX B

### *308: Monitoring of Community Service Providers*

#### *308.1: Introduction*

Effective October 1, 2008, 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 Circular A-133
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; 09NCAC03M)
- 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 web site at <http://www.dhhs.state.nc.us/aging/monitor/mttools.htm> 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.

OMB Circular A-133 outlines 14 required areas of compliance monitoring by fund source. Complementary tools to the programmatic monitoring instruments are used to document compliance with the relevant 14 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 will be conducted on-site. 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 ARMS Provider User Manual, page 56 at

[http://www.ncdhhs.gov/aging/arms/manual/ARMS\\_ProviderUser.pdf](http://www.ncdhhs.gov/aging/arms/manual/ARMS_ProviderUser.pdf)

- 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 OMB Circular A-133 will be met for that fiscal year.
  2. Indicate which subrecipients will receive an audit under OMB Circular A-133, 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 <http://www.dhhs.state.nc.us/aging/monitor/fmtools.htm>.

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 A-133 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 OMB Circular A-133 ([http://www.whitehouse.gov/omb/fedreg\\_rev\\_a133/](http://www.whitehouse.gov/omb/fedreg_rev_a133/)), 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. 143-6.2.

Per DAAS Administrative Letter 06-02, Area Agencies on Aging have the option to complete on-site fiscal monitoring in lieu of receiving the annual reports from local providers. AAAs are required to notify providers in writing 30 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. Each Area Agency on Aging is required to:
1. 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.
  2. Annually, evaluate the level of risk (high, moderate or low) for each service provider agency.
  3. At a minimum and regardless of "risk" status, each service provider will receive at least one (1) on-site monitoring visit (either programmatic and/or fiscal) during a three-year timeframe.

In addition, **on-site monitoring** should be performed under the following circumstances:

1. 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.
2. If the AAA and/or the Division of Aging and Adult Services agree that an additional monitoring(s) is/are warranted.
3. If requested by the community service provider.

**On-site monitoring** will be performed under the following circumstances:

4. If non-compliance findings are identified and not corrected by the community service provider within the time frames specified in their Corrective Action Plan.
5. If a new community service provider is funded by a county and has no recent history of providing the service.
6. 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. With the exception of Housing and Home Improvement, programmatic monitoring will be conducted on all aging services provided by community service providers as needed but at least once every three years. Programmatic monitoring will be performed for Housing and Home Improvement annually.

**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 onsite 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) with community service providers. The monitoring period for on-site visits 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 on-site review sent at least 30 days prior to the site visit.
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 on-site review.
  1. The Area Agency on Aging will develop written procedures that describe the process of preparing written monitoring reports based on the on-site monitoring of community service providers.
  2. Monitoring reports from the Area Agency on Aging to their subrecipients must be submitted in writing within 30 days of the on-site visit. 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 site visit and, if applicable, a list of the non-compliance programmatic findings,
    - e) acknowledgement of compliance or non-compliance as related to the applicable 14 Audit Supplement Criteria **by funding source (CFDA #)**, which are:
      - ◆ Activities Allowed or Unallowed
      - ◆ Allowable Costs/Cost Principles
      - ◆ Cash Management: *(Not applicable to aging)*
      - ◆ Davis-Bacon Act: *(Not applicable to DHHS)*
      - ◆ Eligibility
      - ◆ Equipment and Real Property Management
      - ◆ Matching, Level of Effort, Earmarking
      - ◆ Period of Availability of Funds
      - ◆ Procurement and Suspension and Debarment
      - ◆ Program Income
      - ◆ Real Property Acquisition and Relocation Assistance: *(Not applicable to DHHS)*
      - ◆ Reporting
      - ◆ Subrecipient Monitoring
      - ◆ Special Test 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) and the date a written corrective action is to be received by the AAA (normally within 30 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 calendar 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 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).



# TOOLKIT FOR NEW MONITORS – APPENDIX C

## Agency Risk Evaluation Matrix

Subrecipient Name: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Criteria	Risk Level						Evaluation Score
	Low Risk		Moderate Risk		High Risk		
Description	Rank	Description	Rank	Description	Rank		
<b>1. Staff Qualifications:</b>							
Staff Qualifications	Staff in key positions have 3 or more years of experience in the position.	1	Staff in key positions have 1 to 3 years experience in the position.	2	Staff in key positions have less than 1 year of experience in the position.	3	
	Staff in key positions have the necessary knowledge, skills, and abilities to perform the job duties.	1	Staff in key positions have some but not all necessary knowledge, skills, and abilities to perform the job duties.	2	Staff in key positions lack the necessary knowledge, skills, and abilities to perform the job duties.	3	
Staff Turnover	No change in staff in key positions in 2 or more years.	1	No change in staff in key positions in less than 2 years.	2	New or no staff in key positions in less than 1 year.	3	
<b>2. History of Meeting Requirements:</b>							
Program	Agency has provided services and met all program objectives specified in the contract/funding agreement for past 3 years.	1	Agency has provided services and met most of the program objectives specified in the contract/funding agreement for past 3 years.	2	Agency has provided services and has consistently failed to meet most of the program objectives specified in the contract/funding agreement for past 3 years.	3	
Reporting	Programs and fiscal reports are almost always submitted in timely and accurate manner	1	Routine reports are frequently late (more than 15 days) and/or contain some errors	2	Routine reports reflect significant discrepancies or omissions and routine reports are frequently late (more than 20 days) and contain some errors	3	
<b>3. Funding Utilization:</b>							
Planning/Use of Funding	Spending reported monthly; spending pattern is appropriate to the Program.	1	Spending not reported monthly and/or spending pattern includes under spending or over spending with justification.	2	Agency over spent or under spent without justification or plan for adequate service provision.	3	
<b>4. Amount of Funding/Other</b>							
Annual Amount	\$25,000 or less requires Certification and brief accounting of how funds spent and purpose; Due to agency within 6 months after end of grantee's fiscal year.	1	\$25,001 - \$499,999 requires Certification, State Grants Compliance Reporting ≥ \$25,000, Schedule of Receipts and Expenditures, and Program Activities and Accomplishments Report; Due within 6 months after end of grantee's fiscal year.	2	\$500,000 and over requires Certification, State Grants Compliance Reporting ≥ \$25,000, Yellow Book Audit, Schedule of federal and state awards included in audit, Program Activities and Accomplishments Report; Due within 9 months after end of grantee's fiscal year.	3	
Fiscal	Agency had no unresolved audit findings for the most recent audit period.	1	Agency had minor audit findings for the most recent audit period with pending corrective action.	2	Agency had significant audit findings for the most recent audit period with pending corrective action.	3	
Subcontracts	Agency does not subcontract	1	1 - 5 subcontracts	2	More than 5 subcontracts	3	
<b>5. Self Assessment</b>							
Internal Control Questionnaire	Self assessment shows few or no internal control weaknesses	1	Self assessment shows several internal control weaknesses.	2	Self assessment shows major internal control weaknesses.	3	

<p>Evaluation Score Key:                  Low Risk = 10 - 16                  Moderate Risk = 17 - 22                  High Risk = 23 - 30</p>
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Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

**Service-Specific Risk Evaluations:**  
**Optional Supplements to the Agency Risk Evaluation Matrix**

In addition to the Agency Risk Evaluation Matrix (Appendix C), AAAs may use or modify the following service-specific risk evaluation tools as part of their annual risk evaluation of agencies.

Service-specific risk assessments have been developed for the following services:

- Adult Day Care/Day Health Services
- Housing and Home Improvement
- In-Home Aide
- Nutrition (Congregate and Home Delivered Meals)
- Senior Center Operations.
- Transportation

Download these tools at <https://www.ncdhhs.gov/document/daas-other-monitoring-tools>.

## TOOLKIT FOR NEW MONITORS – APPENDIX D



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

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
  
Dennis Streets  
Division Director

#### Administrative Letter No. DAAS -13-09

TO: Area Agency on Aging Administrators  
AAA Aging Specialists

From: Dennis Streets, Division Director

Subject: Programmatic/Service Specific Risk Assessments

Date: June 21, 2013

Programmatic and service specific risk assessments for aging service providers have been developed for the following services: Transportation; Nutrition (Congregate and Home Delivered Meals); In-Home Aide; Adult Day Care/Health Services; Housing and Home Improvement; and Senior Center Operations. It is intended that these service matrices, in addition to the existing Agency Risk Evaluation Matrix, will assist Area Agencies on Aging in determining programmatic risk of their service providers. As with the Agency Risk Evaluation Matrix, these programmatic risk supplements are recommended as best practice tools, and they can be modified by the AAA to better meet its local service environment.

The Programmatic Risk Evaluation Matrix Supplements are attached to this Administrative Letter. The Division of Aging and Adult Services (DAAS) supports this approach of using programmatic criteria, in addition to agency and/or fiscal criteria, since program or service indicators affect specific service delivery. Agency or fiscal indicators alone may not necessarily determine whether a service is delivered to the user as intended. These matrices represent eight major HCCBG services, yet they do not reflect all of the HCCBG services. While AAA's will have the flexibility to develop risk matrices for the other Block Grant services, the Division would like to review any additional tools that are developed and is certainly willing to assist the AAA in developing matrices for other services.

Although the use of these risk matrix tools are considered optional for the AAA, it should be reemphasized that a risk assessment must be conducted each year for each provider regardless of the frequency of the actual monitoring, and it must be on file for state review. In addition, the AAA must develop written criteria for determining "risk".

The risk criteria for determining risk will result in a designation of one of three categories of risk – high, moderate, or low. DAAS monitoring policy on risk assessments is based on Section 308.2 D of the AAA Policies and Procedures Manual. All providers determined to be at "high risk" must receive onsite monitoring. For "moderate risk" the AAA has the flexibility and the choice to determine whether or not to conduct onsite monitoring. For "low risk" the AAA is not required to monitor the provider unless the provider has not been monitored for a three-year period. State monitoring policy specifies that programmatic monitoring will be conducted on each new service provider in the region, and these reviews shall be conducted during the first year of service operation.

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## TOOLKIT FOR NEW MONITORS – APPENDIX D

In conclusion, programmatic (service specific) risk is equally important to overall agency and/or fiscal risk, and should be taken into account during the risk analysis process. This guidance on programmatic risk, along with agency/fiscal risk determination, is intended to help the AAA in determining its monitoring schedule of local aging service providers. Questions regarding this policy or the attached risk tools should be directed to [Steve.Freedman@dhhs.nc.gov](mailto:Steve.Freedman@dhhs.nc.gov) (919-855-3411).

Attachments (6)

Cc: Service Operations Staff  
Joe Breen  
Kim Jacobs

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES									
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT									
ADULT DAY CARE/HEALTH SERVICES									
Sub-recipient Name:					Date Completed:				
Risk Level									
Criteria	Low Risk			Moderate Risk			High Risk		
	Description	Rank	Description	Rank	Description	Rank	Description	Rank	Score
<u>Staffing for all Adult Day Care Programs</u>	The individual fulfilling the required role of Program Director has not changed within the past 12 (twelve) months.	1	The individual fulfilling the required role of Program Director has changed within the past 12 (twelve) months.	2	The individual fulfilling the required role of Program Director has changed within the past 6 (six) months.	3			
<u>Staffing for Adult Day Care/Adult Day Health (Combination) or Adult Day Health Only Programs</u>	The individual fulfilling the required role of Health Care Coordinator has not changed within the past 12 (twelve) months.	1	The individual fulfilling the required role of Health Care Coordinator has changed within the past 12 (twelve) months.	2	The individual fulfilling the required role of Health Care Coordinator has changed within the past 6 (six) months.	3			
<u>Funding for Adult Day Care/Adult Day Health (Combination) Programs</u>	The provider receives allocations to provide both ADC and ADH and the units entered into ARMS reflect that reimbursement is being sought for both ADC and ADH participants.	1	The provider receives allocations to provide both ADC and ADH and the units entered into ARMS reflect that reimbursement are for ADC and ADH participants.	2	The provider receives allocations to provide both ADC and ADH and the units entered into ARMS DO NOT reflect that reimbursement is being sought for both ADC and ADH participants.	3			
Criteria	Description	Rank	Description	Risk	Description	Risk	Description	Risk	Score

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

<b><u>Certification</u></b>	1	The Adult Day Care/Day Health program holds a current certification from the North Carolina Division of Aging and Adult Services.	2	The Adult Day Care/Day Health provider has received a provisional certification within the last 12 (twelve) months..	3	The Adult Day Care/Day Health provider has received a provisional certification within the last 6 (six) months..	
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Low Risk = 3 - 4  
 Moderate Risk = 5 - 7  
 High Risk = 8 - 9

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES									
PROGRAMMATIC RISK EVALUATION MATRIX SUPPLEMENT									
HOUSING and HOME IMPROVEMENT									
Sub-recipient Name:					Date Completed:				
Risk Assessment Team Members (in attendance):									
Criteria	Low Risk			Moderate Risk			High Risk		
	Description	Rank	Description	Rank	Description	Rank	Description	Rank	Score
<b><u>Monitoring</u></b>	Provider was monitored last year.	1	Provider was monitored two years ago.	2	Provider was monitored more than two years ago.	3			
<b><u>Monitoring Results</u></b>	Provider was monitored last year and had no findings	1	Provider was monitored last year and had one finding	2	Provider was monitored last year and had 2 or more findings	3			
<b><u>Public Expectations</u></b>	Provider has a reputation for providing quality service since last monitoring	1	Provider has had one issue requiring AAA intervention since last monitoring	2	Provider has had 2 or more issues requiring AAA intervention since last monitoring	3			
<b><u>Waiting List for Services</u></b>	Provider maintains a list in ARMS showing less than 10 waiting for services	1	Provider maintains a list in ARMS showing more than 10 waiting for services	2	Provider does not maintain a waiting list for services in ARMS	3			
<b><u>Reporting</u></b>	Provider completed forms 732A & 732A-1 with accuracy this fiscal year	1	Provider completed these forms with 1 error this fiscal year	2	Provider completed these forms with 2 or more errors this fiscal year	3			
<b><u>ARMS</u></b>	Provider correctly enters clients in ARMS evidenced by reports reviewed	1	Provider lacks understanding of ARMS reporting requirements and has asked for assistance	2	Provider does not enter clients into ARMS correctly	3			

Low Risk = 6 - 9  
 Moderate Risk = 10 - 14  
 High Risk = 15 - 18



**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES						
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT						
IN-HOME AIDE						
Sub-recipient Name:			Date Completed:			
Risk Level						
Criteria	Low Risk		Moderate Risk		High Risk	
	Description	Rank	Description	Rank	Description	Rank
<b><u>Assessment</u></b>	Assessments are completed and reflect the correct level of care in all cases	1	Assessments are completed and reflect the correct level of care in most cases.	2	Assessments do not reflect an accurate level of care.	3
<b><u>Policy /Procedure</u></b>	The agency has written policies to assure that services provided are contained and followed w/in the plan of care?	1	Policies exist but have not been reviewed or updated.	2	There are no policies in place.	3
<b><u>Competency</u></b>	The agency documents the competency of persons providing in-home aide services	1	Not all persons responsible to provide in-home aide services has documented competency verification on file.	2	Competency is not documented as required.	3
<b><u>Oversight</u></b>	Supervision is provided to in-home aides as required and regular visits are occurring	1	The agency has a history of failing to consistently require or perform supervisory visits	2	Supervisory visits are not documented as having been performed	3
<b><u>Contracting</u></b>	Executed contract with providers are on file and are up to date	1	Not all contracts have been executed in a timely manner or are up to date.	2	The agency has failed to secure appropriate contracts with the provider	3

Low Risk = 5 – 8

Moderate Risk = 9 – 12

High Risk = 13 – 15.



**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES									
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT									
Senior Nutrition Program									
Sub-recipient Name: AAA Staff Signature and Date Completed:									
Risk Level									
Criteria	Low Risk			Moderate Risk			High Risk		
	Description	Rank	Score	Description	Rank	Score	Description	Rank	Score
<u>Participant Eligibility</u>	Participants in congregate and/or home-delivered service(s) meet documented eligibility requirements	1		In some cases participants were not appropriately documented as eligible for the service(s). For example, client reassessments not completed per policy)	2		Participant eligibility is not consistently documented or verified	3	
<u>Menu, Health and Safety</u>	All food preparation and safety requirements including maintaining appropriate temperatures and handling procedures are consistently followed; menus meet compliance standards.	1		The program complies with menu, health and safety requirements but does not properly document all areas.	2		The program consistently fails to document and/or observe menu, health and safety requirements	3	

Low Risk = 2 - 3  
 Moderate Risk = 4 - 5  
 High Risk = 6

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES									
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT									
SENIOR CENTER OPERATIONS									
Sub-recipient Name:					Date Completed:				
Risk Level									
Low Risk			Moderate Risk			High Risk			Score
Criteria	Description	Rank	Description	Rank	Description	Rank	Description	Rank	Score
<u>Eligibility</u>	Documentation shows that all participants, and/or their spouse (of any age), are at least 60+ years	1	Documentation that all participants meet criteria is not consistently kept	2	Documentation does not exist that verifies participant eligibility	3			
<u>Service Provision</u>	The center consistently provides directly or through linkages the minimally required services	1	The center does not provide all services minimally required	2	The center provides very few of the services minimally required	3			
<u>Competency</u>	The center is staffed by a trained full time paid director	1	The center's director has begun but not completed training and certification within the first year of employment	2	The center's director has failed to begin required training within the first year of employment.	3			
<u>Health and safety</u>	The senior center complies with all current applicable state and local health, fire safety, and sanitation laws, ordinances and codes.	1	The senior center is complying with corrective required to code violations	2	The senior center is out of compliance in two or more ordinances or codes	3			

Low Risk = 4 – 6  
 Moderate Risk = 7 – 9  
 High Risk = 10 - 12

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES						
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT						
TRANSPORTATION						
Sub-recipient Name:			Date Completed:			
		Risk Level				
Low Risk		Moderate Risk		High Risk		
Criteria	Description	Rank	Description	Rank	Description	Score
<u>Eligibility</u>	The provider verifies that transportation services are limited to those individuals 60 and over and are in need of the service.	1	The provider occasionally verifies that transportation services are limited to those individuals 60 and over and in need of the service.	2	The provider does not verify that transportation services are limited to those individuals 60 and over and in need of the service.	3
<u>Service Coordination</u>	The provider has written policies and procedures regarding priority for ridership, purpose of trips, geographic area covered routes and schedules.	1	The provider has limited written policies and procedures regarding priority for ridership, geographic area covered routes and schedules.	2	The provider does not have written policies and procedures regarding priority for ridership, purpose of trips, geographic area covered, routes and schedules in place.	3
<u>Training</u>	Recommended Training is completed for all drivers both paid and unpaid and include; defensive driving, passenger assistance techniques and universal precautions.	1	Recommended Training is completed in part for all drivers both paid and unpaid and include; defensive driving, passenger assistance techniques and universal precautions.	2	Drivers both paid and unpaid do not receive any special training.	3

**TOOLKIT FOR NEW MONITORS – APPENDIX D**

DIVISION of AGING and ADULT SERVICES									
PROGRAMATIC RISK EVALUATION MATRIX SUPPLEMENT									
TRANSPORTATION									
Sub-recipient Name:					Date Completed:				
Risk Level									
Low Risk			Moderate Risk			High Risk			Score
Criteria	Description	Rank	Description	Rank	Description	Rank	Description	Rank	Score
<u>Safety</u>	Information logs documenting up to date registration, inspection and liability insurance along with procedures related to the reporting of moving violations and emergencies are established.	1	Information logs only partially document up to date registration, inspection and liability insurance along with procedures related to the reporting of moving violations and emergencies are established	2	The provider does not keep logs documenting up to date registration, inspection and liability insurance along with procedures related to the reporting of moving violations and emergencies are established	3			

Low Risk = 4 – 6  
 Moderate Risk = 7 – 9  
 High Risk = 10 - 12



**Exhibit 14A: List of Subcontractors**

Subcontractor Name	Type Agency <input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government	Subcontracted Service	Subcontractor Contact Name, Address & Phone Number	Scope of the Subcontract Briefly describe any service requirements that will be delegated to the subcontractor, e.g. eligibility determination, service authorization, client assessments/reassessments, preparation and delivery of meals, provision of a ride and driver/vehicle requirements, tasks on an In-Home Aide plan of care, aide competency testing, aide supervision, etc.
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			
	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government			

**Attest Statement:** Providers utilizing subcontractors must provide assurance that both for-profit and non-profit subcontractors are compliant with state and federal regulations. These assurances are that the subcontractor: (A) has not been suspended or debarred (G.S. §143C-6-23; 09 NCAC 03M), (B) has not been barred from doing business at the federal level, (C) is able to produce a notarized "State Grant Certification of No Overdue Tax Debts", and (D) has obtained all licenses, permits, bonds and insurance necessary for carrying out HCCBG Services. In addition, non-profit subcontractors are registered as a charitable (501c3) organization with the federal government.

**Provider Signature** \_\_\_\_\_ **Title:** \_\_\_\_\_ **Date** \_\_\_\_\_



### Exhibit 14A: List of Subcontractors – Instructions

List each subcontractor in the chart below. For the purpose of Subcontractor Monitoring, a subcontractor is defined as an entity that has been contracted to do a job within the scope of the service provider’s HCCBG grant award. The subcontractor is accountable for the same requirements as the service provider, depending on the terms of the subcontract. Subcontractors must adhere to service standard requirements by the Division of Aging and Adult Services.

Do not list vendors that provide services through a “purchase of service.” These are services which do not follow prescribed service standards and are goods or services sold equally to all consumers.

Here are some service-specific examples to illustrate whether or not a subcontractor should be listed on Exhibit 14A.

Service	SUBCONTRACT OR PURCHASE OF SERVICE?
In-Home Aide	If a human service agency (provider) receives the IHA allocation and contracts with a home health or home care agency, it is a subcontract and <u>not</u> a purchase of service. Even if the subcontract only delegates just the tasks on a plan of care for clients, the agency is still a subcontractor because grant requirements (service standards) related to service delivery must be met as part of the scope of work. An example would be the aide competency and supervision requirements in the standards that are often outsourced to the home health or home care agency that employs the aides.
Nutrition	Subcontracts with commercial kitchens or restaurants to prepare meals are never just “purchase of service” arrangements because there are grant requirements that must be met as part of the caterer’s scope of work (e.g., approved menus, protocols for menu substitutions, documentation requirements for end of preparation time, documentation of each food item delivered, daily sanitizing of food delivery carriers by the food service provider, etc.).  A contract between the HCCBG nutrition provider and a local dairy to deliver pints of milk once a week is just a purchase of goods and services and would not need to be listed because those pints of milk could be bought at any store. A purchase of service is when goods and/or services are sold to all purchasers without special conditions or requirements related to the grant.
Adult Day Services (Adult Day Care, Adult Day Health or ADC/ADH Combination Programs)	A human service agency that receives the allocation and contracts with an ADC/ADH center to provide services has a subcontract, not a purchase of service, because there are grant requirements that must be met as part of the center’s scope of work.  An ADC/ADH center that provides services directly, but also contracts with another ADC/ADH center to provide adult day services has a subcontract with that center.

### Exhibit 14A: List of Subcontractors – Instructions

Health Promotion	If an agency funded for health promotion hires an exercise instructor, that person is a vendor, not a subcontractor.
Transportation	If a county human service agency receives the grant allocation and contracts with the county transportation system to provide rides, it should be treated as a subcontract* and not a purchase of service because there are grant requirements that the transportation system is responsible for assuring. For example, the HCCBG vehicle and driver documentation requirements should be specified in the written contract/agreement and should match the requirements in the transportation service standard.
Family Caregiver Support Program	If the provider with the FCSP allocation outsources <u>any</u> service requirements, including eligibility determination, then it is a subcontract relationship that should be reported on Ex. 14A. For example, a county department of aging has a contract with the AAA to provide respite services. The county department takes all calls from caregivers regarding respite and routes the callers to the respite providers to determine if they are eligible for the service based on FCSP eligibility. In this case the respite providers would be subcontractors because they are not merely providing the service, but have a role in determining who receives the service. On the other hand, if the FCSP service provider (the one receiving the allocation) determines eligibility, then the respite provider is just a vendor because currently there are no service standard requirements that have to be met for FCSP and no service requirements would be outsourced to the vendor.

\* When a county agency with a HCCBG allocation for any service uses another county agency to carry out the grant's requirements, the arrangement should be treated like a subcontract. There should be a written agreement that details what grant requirements have been outsourced to the second county agency and other pertinent details. Written agreements/contracts make it clear to the HCCBG provider, its subcontractor, and the AAA who is responsible for what requirements. The stipulations provide a framework for the monitoring of grant requirements and identify which entity is responsible for the documentation of grant activities.



## Subcontractor Performance Evaluation Tools

**Administrative Letter No. 14-14 (attached)** provides the updated policies and procedures for creating, evaluating, and monitoring subcontracts between community service providers and other entities for the provision of services under the Home and Community Care Block Grant (HCCBG) and other funds administered by Area Agencies on Aging. Ultimately, community service providers are responsible for the services delivered through subcontractors.

Our goal is to assure accountability of subcontractors, including compliance with the terms of the subcontracts, and to promote quality services for older adults and their families. **A subcontract template (attached)** provides guidance and general parameters for the development of subcontracts, although it does not replace contracts developed by professionals such as legal counsels or contract managers.

The requirements for providers to complete an annual Subcontractor Performance Evaluation form per **Sec. 308.2 F of the AAA Policies and Procedures Manual** establishes a regular review process to verify that subcontractors have met the terms and conditions of their subcontracts. **Attached are eight subcontractor evaluation forms:**

- Adult Day Care
- Adult Day Health Care
- In-home Aide
- Congregate Nutrition
- Home-Delivered Meals
- Transportation
- Housing and Home Improvement
- A generic Subcontractor Performance Evaluation Form for all other services

Download these tools at <https://www.ncdhhs.gov/document/daas-subcontractor-performance-evaluation-tools>.



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

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Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Suzanne P. Merrill  
Division Director

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

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](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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Division of Aging and Adult Services

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Secretary DHHS  
Suzanne P. Merrill  
Division Director

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

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Location: Taylor Hall, 693 Palmer Drive • Raleigh, NC 27603  
Mailing Address: 2101 Mail Service Center • Raleigh, NC 27699-2101  
An Equal Opportunity / Affirmative Action Employer



## GENERAL SUBCONTRACT TEMPLATE

This contract is hereby entered into by and between \_\_\_\_\_, (the "Provider") and \_\_\_\_\_ (the "Subcontractor") (referred to collectively as the "Parties"). The SubSubcontractor's federal tax identification number is \_\_\_\_\_.

### 1. Contract Documents:

This contract consists of the following documents, which are incorporated herein by reference:

#### Incorporated By Reference

The following documents are reference materials and are available by going to the following website:

Policies, Procedures and Service Standards:

<http://www.ncdhhs.gov/divisions/daas/monitoring>

DAAS Service Monitoring Tools:

<https://www.ncdhhs.gov/document/daas-programmatic-monitoring-tools>

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

### 2. Precedence Among Contract Documents:

In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in the contract document section, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple contract amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

### 3. Effective Period:

This contract shall be effective on Start Date and shall terminate on End Date, with the option to extend, if mutually agreed upon, through a written amendment as provided for in the General Terms and Conditions.

### 4. Subcontractor's Duties:

The Subcontractor shall provide the services as described in the scope of work and in accordance with the approved budget.

### 5. Provider's Duties:

The Provider shall pay the Subcontractor in the manner and in the amounts specified in the contract documents. The total amount paid by the Provider to the Subcontractor under this contract shall not exceed \$Total Amount. (FundingData)

### 6. Conflict of Interest Policy/Statement:

A conflict of interest occurs when an employee, board member or entity representative has a motive for personal gain by doing something unethical or corrupt. A statement that there is no conflict of interest associated with this contract and said contractor exists. This statement should be updated annually for multi-year contracts.

**7. Statement of No Overdue Tax Debts:**

Subcontractor’s sworn written statement pursuant to N.C.G.S. 143C-6-23(c), stating that the Subcontractor does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, state, or local level. The Subcontractor acknowledges that the written statement must be filed before Provider may disburse the grant funds.

**8. Reversion of Unexpended Funds:**

Any unexpended grant funds shall revert to the Provider upon termination of this contract.

**9. Grant Requirements:**

The Subcontractor/Grantee has the responsibility to ensure that all sub-grantees, if any, provide all information necessary to permit the Subcontractor/Grantee to comply with the standards set forth in this contract.

**10. Reporting Requirements:**

**11. Payment Provisions:**

**12. Contract Administrators:**

All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party’s contract administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties’ respective initial contract administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its contract administrator by giving a written 30 day notice to the other Party.

For the Provider:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Main_ContractAdministrator (Provider) Main_AddressLine1 Main_AddressCityStateZip	Other_ContractAdministrator Other_AddressLine1 Other_AddressCityStateZip
<b>Telephone :</b> Main_Phone <b>Fax:</b> Main_Fax <b>Email:</b> Main_EmailAddress	

For the Subcontractor:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
ConMain_ProviderAdminName ConMain_ProviderName ConMain_AddressLine1 ConMain_AddressCityStateZip	ConOther_ProviderAdminName ConOther_ProviderName ConOther_AddressLine1 ConOther_AddressCityStateZip
<b>Telephone:</b> ConMain_Phone <b>Fax:</b> ConMain_Fax <b>Email:</b> ConMain_EmailAddress	

**13. Supplementation of Expenditure of Public Funds:**

The Subcontractor assures that funds received pursuant to this contract shall be used only to supplement, not to supplant, the total amount of federal, state and local public funds that the Subcontractor otherwise expends for contract services and related programs. Funds received under this contract shall be used to provide additional public funding for such services; the funds shall not be used to reduce the Subcontractor's total expenditure of other public funds for such services.

**14. Disbursements:**

As a condition of this contract, the Subcontractor acknowledges and agrees to make disbursements in accordance with the following requirements:

- (a) Implement adequate internal controls over disbursements;
- (b) Pre-audit all vouchers presented for payment to determine:
  - Validity and accuracy of payment
  - Payment due date
  - Adequacy of documentation supporting payment
  - Legality of disbursement
- (c) Assure adequate control of signature stamps/plates;
- (d) Assure adequate control of negotiable instruments; and
- (e) Implement procedures to insure that account balance is solvent and reconcile the account monthly.

**15. Signature Warranty:**

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

**16. Federal Certifications:**

Individuals and Organizations receiving federal funds must ensure compliance with certain certifications required by federal laws and regulations. The Subcontractor is hereby complying with Certifications regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, and Lobbying. These assurances and certifications are found at The signature page is to be signed by the Subcontractor's authorized representative.

**17. Specific Language Not Previously Addressed: (SCOPE OF WORK)** *Note: this should clearly tie to AAA Area Plan Exhibit 14A Subcontractor Performance Evaluation Worksheet.*

Signatures follow on next page

In Witness Whereof, the Subcontractor and the Provider have executed this contract in duplicate originals, with one original being retained by each party.

**Provider Name**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**Attest Or Witness**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**Subcontractor Name**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

## GENERAL TERMS AND CONDITIONS

### Relationships of the Parties

**Independent Contractor:** The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

**Subcontracting:** The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

**Assignment:** No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check directly to any person or entity designated by the Contractor; or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check. In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

### Indemnity and Insurance

**Indemnification:** The Contractor agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Contractor in connection with the performance of this contract.

**Insurance:** (a) During the term of the contract, the Contractor shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:

- (1) **Worker's Compensation Insurance:** The Contractor shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Contractor's employees who are engaged in any work under the contract.
- (2) **Employer's Liability Insurance:** The Contractor shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Contractor's employees who are engaged in any work under the contract.
- (3) **Commercial General Liability Insurance:** The Contractor shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.
- (4) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:
  - (A) owned by the Contractor and used in the performance of this contract;
  - (B) hired by the Contractor and used in the performance of this contract; and
  - (C) owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (b) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (c) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
- (d) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provide protections that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division



shall be the sole judge of whether such a waiver should be granted.

- (e) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (f) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
- (g) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (h) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (i) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
- (j) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Contractor begins work under this contract.

### **Default and Termination**

**Termination Without Cause:** The Division may terminate this contract without cause by giving 30 days written notice to the Contractor.

**Termination for Cause:** If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

### **Intellectual Property Rights**

**Copyrights and Ownership of Deliverables:** All deliverable items produced pursuant to this contract are the exclusive property of the Division. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

**Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

### **Compliance with Applicable Laws**

**Compliance with Laws:** The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

**Health Insurance Portability and Accountability Act (HIPAA):** The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply

with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

### **Confidentiality**

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

**Data Security:** The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

**Duty to Report:** The Contractor shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

**Cost Borne by Contractor:** If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.

### **Oversight**

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years

following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

### **Warranties and Certifications**

**Date and Time Warranty:** The Contractor warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year calculations. This warranty shall survive the termination or expiration of this contract.

**Certification Regarding Collection of Taxes:** G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Contractor certifies that it and all of its affiliates (if any) collect all required taxes.

### **Miscellaneous**

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Amendment:** This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract

Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Gender and Number:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons

subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.



## Subcontractor Performance Evaluation

Provider Agency Name

Provider Director Signature

Subcontractor Agency Name

Subcontractor Manager on Duty

Date of evaluation

Service Name

### Required Assurances:

#### For Profit and Non-Profit Subcontractors:

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

#### For Profit Subcontractors:

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

#### For Non-Profit Subcontractors:

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

## Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach. Yes  No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** *The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.*

## HCCBG Subcontractor Performance Evaluation

**Provider Agency Name**

**Provider Director Signature**

**Subcontractor Agency Name**

**Subcontractor Manager on Duty**

**Date of evaluation**

**Service Name**

**Adult Day Care**

**Required Assurances:**

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. Center is certified? (DAAS Std, p 3)

Yes  No  N/A

2. Participants cannot live independently? (DAAS Std, p 2)

Yes  No  N/A

3. Participants are 60 years of age or older? (DAAS Std, p 2)

Yes  No  N/A

4. A waiting list is maintained. (DAAS Admin Letter 98-15)

Yes  No  N/A

5. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach. Yes  No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.



## HCCBG Subcontractor Performance Evaluation

**Provider Agency Name**

**Provider Director Signature**

**Subcontractor Agency Name**

**Subcontractor Manager on Duty**

**Date of evaluation**


**Service Name**

**Adult Day Health Care**

### Required Assurances:

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. Center is certified? (DAAS Std, p 3)

Yes  No  N/A

2. A nurse is on-site at least 4 hours per day? (DAAS Std, p 2)

Yes  No  N/A

3. Participants are 60 years of age or older? (DAAS Std, p 2)

Yes  No  N/A

4. A waiting list is maintained. (DAAS Admin Letter 98-15)

Yes  No  N/A

5. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach. Yes  No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.

## HCCBG Subcontractor Performance Evaluation

Provider Agency Name

Provider Director Signature

Subcontractor Agency Name

Subcontractor Manager on Duty

Date of evaluation


Service Name

Congregate Nutrition

**Required Assurances:**

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. Food is prepared in a Grade A kitchen? (DAAS Std, p 21)

Yes  No  N/A

2. Hot food is not less than 135 degree? (DAAS Std, p 25)

Yes  No  N/A

3. Cold food is not more than 45 degrees? (DAAS Std, p 25)

Yes  No  N/A

4. Menus meet 1/3 of the RDA & menu Standards. (DAAS Std, p 16)

Yes  No  N/A

5. Food is packaged and transported safely? (DAAS Std, p 21-25)

Yes  No  N/A

6. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach.    Yes  No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** *The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.*

## HCCBG Subcontractor Performance Evaluation

**Provider Agency Name**

**Provider Director Signature**

**Subcontractor Agency Name**

**Subcontractor Manager on Duty**

**Date of evaluation**


**Service Name**

**Home Delivered Meals**

**Required Assurances:**

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. Food is prepared in a Grade A kitchen? (DAAS Std, p 21)

Yes  No  N/A

2. Hot food is not less than 135 degree? (DAAS Std, p 25)

Yes  No  N/A

3. Cold food is not more than 45 degrees? (DAAS Std, p 25)

Yes  No  N/A

4. Menus meet 1/3 of the RDA & menu Standards. (DAAS Std, p 16)

Yes  No  N/A

5. Food is packaged and transported safely? (DAAS Std, p 21-25)

Yes  No  N/A

6. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach.    Yes  No

**AAA ONLY:** Level of Risk: High   Moderate   Low (Circle one)

**Instructions:** *The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.*

## HCCBG Subcontractor Performance Evaluation

Provider Agency Name

Provider Director Signature

Subcontractor Agency Name

Subcontractor Manager on Duty

Date of evaluation

Service Name

### Required Assurances:

#### For Profit and Non-Profit Subcontractors:

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

#### For Profit Subcontractors:

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

#### For Non-Profit Subcontractors:

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

#### Baseline Compliance

1. Documentation is maintained of the services? (DAAS Std, p III F-2)

Yes  No  N/A

2. HCCBG funds used do not exceed \$1,500 per client? (DAAS Std, p III F-2)

Yes  No  N/A

3. A waiting list is maintained? (DAAS Std, p III F-3)

Yes  No  N/A

4. Volunteers receive training? (DAAS Std, p III F-1)

Yes  No  N/A

5. Consumer Contributions opportunity is offered? (DAAS Std, p III F-3)

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach.    Yes  No

**AAA ONLY:** Level of Risk: High   Moderate   Low (Circle one)

**Instructions:** *The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.*



## HCCBG Subcontractor Performance Evaluation

Provider Agency Name

Provider Director Signature

Subcontractor Agency Name

Subcontractor Manager on Duty

Date of evaluation


Service Name

In Home Aide ( Levels:      )

**Required Assurances:**

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. Subcontractor is a licensed Home Care Agency? (DAAS Std, p 17)

Yes  No  N/A

2. Each client has a plan of care by a professional? (DAAS Std, p 10)

Yes  No  N/A

3. Aide supervision is documented appropriately? (DAAS Std, p 17)

Yes

4. Each aide has the required competency? (DAAS Std, p 11-13)

Yes  No  N/A

5. Quarterly home visits are documented? (DAAS Std, p 17)

Yes  No  N/A

6. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes  No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach. Yes  No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.

## HCCBG Subcontractor Performance Evaluation

Provider Agency Name

Provider Director Signature

Subcontractor Agency Name

Subcontractor Manager on Duty

Date of evaluation

Service Name

Transportation (General or Medical)

**Required Assurances:**

**For Profit and Non-Profit Subcontractors:**

1. Subcontractor has been Suspended or Debarred by the State of NC? ([www.osbm.state.nc.us](http://www.osbm.state.nc.us))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

2. Is the subcontractor barred from doing business at the federal level? ([www.sam.gov](http://www.sam.gov))

Yes  No  N/A

*Instructions: If "Yes", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

3. A notarized "State Grant Certification of No Overdue Tax Debts" has been provided by the subcontractor?

Yes  No  N/A

*Instructions: If "No", notify the subcontractor to complete this requirement.*

**For Profit Subcontractors:**

The State of North Carolina has no single generic business license that will ensure compliance with all requirements. Some for-profit businesses may be subject to several state requirements while others may not be subject to any. Therefore, there is no business license requirement.

**For Non-Profit Subcontractors:**

1. Is the subcontractor currently registered as charitable organization (501c3) with the federal government? ([www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check](http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check))

Yes  No  N/A

*Instructions: If "No", notify the subcontractor and contact the Area Agency on Aging for further guidance.*

**Baseline Compliance**

1. All participants are 60 years of age or older? (DAAS Std, p 3)

Yes  No  N/A

2. There is a transportation coordinator on staff? (DAAS Std, p 6)

Yes  No  N/A

3. Drivers are at least 18 years of age or older? (DAAS Std, p 9)

Yes  No  N/A

4. Drivers have a valid license for the vehicle driven? (DAAS Std, p 9)

Yes  No  N/A

5. A vehicle log is maintained? (DAAS Std, p 8 )

Yes  No  N/A

6. Consumer Contributions opportunity is offered?

Yes  No  N/A

## HCCBG Subcontractor Performance Evaluation

**Subcontract Scope of Work:**

Is the subcontractor currently meeting the terms and conditions of the subcontract?

Yes

No

If no, please **describe** areas of non-compliance found:

Describe the corrective action plan:

Was all or part of the DAAS Service Monitoring Tool used to conduct your evaluation?

If **yes**, please attach.

Yes

No

**AAA ONLY:** Level of Risk: High Moderate Low (Circle one)

**Instructions:** The HCCBG Subcontractor Performance Evaluation is to be completed annually by Community Service Providers who subcontract a portion or all of any HCCBG Service to a non-profit or for-profit entity. This form is to be completed between January - June of each year and submitted to the Area Agency on Aging.

## TOOLKIT FOR NEW MONITORS – APPENDIX G

### NC DIVISION OF AGING AND ADULT SERVICES Overview of Documentation in AAA Monitoring Files for DAAS Review

To assist Area Agencies on Aging staff who monitor local service providers, the Division has developed a chart of required documentation by service to detail what the Division expects to review when conducting onsite assessments of AAA monitoring. The chart also lists additional documentation that is recommended for inclusion in AAA monitoring files, but there are no current requirements to keep them on file. This chart is a compilation of expectations taken from service monitoring tools and/or monitoring policies.

Questions about specific requirements and recommendations should be directed to the following program consultants:

Adult Day Care/Adult Day Health Services	Heather Carter ( <a href="mailto:heather.carter@dhhs.nc.gov">heather.carter@dhhs.nc.gov</a> ) & Glenda Artis ( <a href="mailto:glenda.artis@dhhs.nc.gov">glenda.artis@dhhs.nc.gov</a> )
Care Management	Jan Moxley ( <a href="mailto:jan.moxley@dhhs.nc.gov">jan.moxley@dhhs.nc.gov</a> )
Family Caregiver Support Program Services	Alicia Blater ( <a href="mailto:alicia.blater@dhhs.nc.gov">alicia.blater@dhhs.nc.gov</a> )
Group Respite	Heather Carter ( <a href="mailto:heather.carter@dhhs.nc.gov">heather.carter@dhhs.nc.gov</a> )
Health Promotion	Audrey Edmisten ( <a href="mailto:audrey.edmisten@dhhs.nc.gov">audrey.edmisten@dhhs.nc.gov</a> )
Health Screening	Audrey Edmisten ( <a href="mailto:audrey.edmisten@dhhs.nc.gov">audrey.edmisten@dhhs.nc.gov</a> )
Home Health	Donna White ( <a href="mailto:donna.white@dhhs.nc.gov">donna.white@dhhs.nc.gov</a> )
Housing and Home Improvement	David Cauthom ( <a href="mailto:david.cauthom@dhhs.nc.gov">david.cauthom@dhhs.nc.gov</a> ) & Rebecca Freeman ( <a href="mailto:rebecca.freeman@dhhs.nc.gov">rebecca.freeman@dhhs.nc.gov</a> )
Information & Options Counseling	Jan Moxley ( <a href="mailto:jan.moxley@dhhs.nc.gov">jan.moxley@dhhs.nc.gov</a> )
In-home Aide	Donna White ( <a href="mailto:donna.white@dhhs.nc.gov">donna.white@dhhs.nc.gov</a> ) & Glenda Artis ( <a href="mailto:glenda.artis@dhhs.nc.gov">glenda.artis@dhhs.nc.gov</a> )
Institutional Respite	Heather Carter ( <a href="mailto:heather.carter@dhhs.nc.gov">heather.carter@dhhs.nc.gov</a> )
Legal	Lynne Berry ( <a href="mailto:lynne.berry@dhhs.nc.gov">lynne.berry@dhhs.nc.gov</a> )
Mental Health Counseling	Heather Carter ( <a href="mailto:heather.carter@dhhs.nc.gov">heather.carter@dhhs.nc.gov</a> )
Nutrition	Audrey Edmisten ( <a href="mailto:audrey.edmisten@dhhs.nc.gov">audrey.edmisten@dhhs.nc.gov</a> )
Senior Center Long-Term Obligations	Leslee Breen ( <a href="mailto:leslee.breen@dhhs.nc.gov">leslee.breen@dhhs.nc.gov</a> )
Senior Center Operations	Leslee Breen ( <a href="mailto:leslee.breen@dhhs.nc.gov">leslee.breen@dhhs.nc.gov</a> ) & Rebecca Freeman ( <a href="mailto:rebecca.freeman@dhhs.nc.gov">rebecca.freeman@dhhs.nc.gov</a> )
Senior Companion	Mary Jo Littlewood ( <a href="mailto:maryjo.littlewood@dhhs.nc.gov">maryjo.littlewood@dhhs.nc.gov</a> )
Transportation	Leslee Breen ( <a href="mailto:leslee.breen@dhhs.nc.gov">leslee.breen@dhhs.nc.gov</a> )





<p style="text-align: center;"><b>REQUIRED</b></p> <p>(by sec. 308 of the AAA policy manual, administrative letters, the service monitoring tools, or fiscal monitoring policies)</p>						
	FCSP	/	/	/		
	NUTRITION	/	/	/		
	HEALTH PROMOTION	/	/	/		
	IN-HOME AIDE (ALL LEVELS)	/	/	/		/
	ADC/ADH	/	/	/		
	GROUP RESPITE	/	/	/		
	INSTITUTIONAL RESPITE	/	/	/		
	HOUSING & HOME IMPROVEMENT	/	/	/		
	TRANSPORTATION (GENERAL & MEDICAL)	/	/	/		
	SENIOR CENTER LONG-TERM OBLIGATIONS	/	/		/	
	SENIOR CENTER OPERATIONS	/	/			
	SENIOR COMPANION	/	/	/		/
	CARE MANAGEMENT	/	/	/		
	INFORMATION & OPTIONS COUNSELING	/	/	/		
	HEALTH SCREENING	/	/	/		
	MENTAL HEALTH COUNSELING	/	/	/		
	VOLUNTEER PROGRAM DEVELOPMENT	/	/	/		
	HOME HEALTH	/	/	/		
	LEGAL	/	/	/		





## END NOTES

- <sup>1</sup> When the AAA monitor is only conducting a unit verification, as opposed to a full programmatic review that includes a unit verification, only the worksheets or portions of the tool that relate to unit verification must be completed.
- <sup>2</sup> Not required for assessment visits that are unit verifications only.
- <sup>3</sup> Not required for assessment visits that are unit verifications only.
- <sup>4</sup> Use of the consumer contributions monitoring tool applies to FCSP-funded services that fall into the Consumer Contribution Policy's Service Types I, II, or III. The only exception is FCSP Information and Assistance, which is in Service Type IV and thus is not included as one of the services that must be reviewed using the consumer contributions monitoring tool.
- <sup>5</sup> This is required for both programmatic monitoring and also for monitoring visits that are unit verifications only.
- <sup>6</sup> See the ZGA-542 series of verification reports in ARMS.
- <sup>7</sup> Housing and Home Improvement is a non-unit service, but the ZGA-542 shows clients and services by month.
- <sup>8</sup> The ZGA-548 is the Legal Client and Unit Verification Report. From this report monitors can determine the number of files that need to be reviewed and then use some method to randomly select which ones will be included in the review.
- <sup>9</sup> Time sheets need to match service plans.
- <sup>10</sup> For ADC/ADH Daily Care Unit Verification, the ADC/ADH monitoring tool directs the AAA to use the scheduled days of attendance indicated on the Service Plan as source documentation. For Daily Care Unit Verification, the tool does not direct the AAA to use attendance sheets as source documentation. However, for Daily Care Unit Verification, attendance sheets need to be used as source documentation in order to complete the 9<sup>th</sup> column on the Daily Care Unit Verification worksheet "No more than 10 consecutive scheduled days that participant was absent were requested for reimbursement (yes, no, or n.a.)." For monitoring of ADC/ADH transportation units, the tool directs the AAA to use two different types of source documentation. The first is the attendance sheets and the second is to be identified on the tool by the monitor.
- <sup>11</sup> Examples include the leftover food policy and the procedure used if HDM clients are reassessed by phone every other 6 months.
- <sup>12</sup> Examples include the policies for accidents and traffic violations or the policies that indicate priorities for service.

