

SUBCHAPTER 05D - GRANTS ADMINISTRATION

SECTION .0100 - GRANT/CONTRACT IMPLEMENTATION

10A NCAC 05D .0101 GRANT AWARD NOTIFICATION

The division shall establish forms and instructions needed to ensure that all state and federal grant award notification and budget requirements are met.

History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0102 CONTRACTS

The division shall carry out all contractual agreements in accordance with department and other state requirements.

History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0103 BUDGET REVISIONS

(a) The following policies and procedures shall govern all proposed budget revisions of Older Americans Act programs and other grantees or contractors under the Division of Aging.

(b) Conditions Requiring Budget Revisions. During the operation of Older Americans Act or other assisted projects, various aspects of program operation shall require flexibility to adapt to changes. For example, fluctuations in the anticipated rate of expenditures may occur or additional funds may be received from various sources. These types of changes may require an approved budget revision. The requirements for approval of a budget revision depend on the title under which funds are provided and the type of grantee or contractor involved. The following conditions shall apply:

(1) Title III

(A) Revisions in a contractor's individual service budget under an approved area plan shall be approved by the AAA. This approval is sufficient if the change does not modify the total budgeted amount of each specific service, i.e., the change only modifies categories within the service budget but not the total amount of the service budget. However, if the total amount of the service budget will be changed, the AAA shall submit a budget change request to the Division of Aging for its approval.

(B) If the AAA has been granted approval to provide direct service, a proposed change in the total budget for that service component shall require Division of Aging approval while a change that is only internal and does not affect the total may be approved by the AAA. In addition, such approval is subject to G.S. Chapter 159, North Carolina's Local Government Fiscal Control Act which requires that all budget revisions shall be approved by the AAA's board of directors. Auditors and Division of Aging monitors shall check board meeting minutes to verify compliance with this requirement.

(C) Any proposed change in the use of funds provided for planning and administration functions shall be approved by the Division of Aging. This provision applies to both internal or total budget changes.

(2) Title V, and State Funds. Any proposed change in the use of Title V or state provided funds shall require Division of Aging approval. This provision applies to both internal and total budget changes.

(c) Budget Revision Request Submission and Approval Procedures

(1) Submission. Budget revision requests shall be submitted to the Division on the prescribed form.

(2) Review. The Division of Aging shall review allowable budget revision requests and respond to the grantee submitting the request within 30 calendar days after receipt of the request. In reaching a decision on whether to approve a request, the request shall be reviewed by appropriate staff. During review of the request, additional information may be required from the project grantee.

(3) Approval

(A) If a budget revision request is approved which changes an award document program activities total, a revised award document shall be issued. The grantee must sign this new award document before the request is officially approved.

- (B) If a budget revision request is approved which does not change an NGA program activity only a copy of the budget request form shall be returned to the grantee.
- (C) If the request is not approved, the grantee shall be notified by letter.
- (4) Timing. Budget revision requests shall be received by the Division of Aging at any time except during the last 60 days of the budget year. Funds to be affected by a budget revision shall not be expended according to the provisions of the request until it is approved.

*History Note: Authority G.S. 143B-10; 143B-138;
 Eff. September 1, 1978;
 Amended Eff. May 1, 1990; October 1, 1980;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.*

10A NCAC 05D .0104 PROGRAM AMENDMENTS

(a) The following policies and procedures apply to all OAA and other program grantees of the Division of Aging with regard to the need for and submission of program amendments or program changes to approved area plans or related project applications, which are covered under Section 204 of the Division's "Manual of Policies and Procedures."

(b) Program Amendments

- (1) Conditions Requiring Program Amendments
 - (A) Whenever a "substantive" change in the content or administration of an area plan is proposed, the area plan shall be amended according to the provisions of this Section.
 - (B) A "substantive" change is one in which:
 - (i) a new or amended state or federal statute or regulation requires a new provision, or conflicts with any existing plan revision;
 - (ii) a U.S. Supreme Court decision changes the interpretation of a statute or regulation;
 - (iii) the area agency proposes to change the designation of the single organizational unit or component unit;
 - (iv) the area agency proposes to add, substantially modify, or delete any area plan objective(s); or
 - (v) the Division of Aging requires further annual amendments.
 - (2) Review and Approval of Program Amendments. An Area Agency proposing to make a program amendment shall follow the procedures outlined in Section 405.5 of Volume I of the Division's "Manual of Policies and Procedures," which reprints federal regulations.

(c) Program Changes

- (1) Conditions Requiring "Program Changes." A "program change" occurs with any one of the following:
 - (A) Transfer to a third party, by contract or other means, of the actual performance activities which are central to carrying out the basic purpose or purposes of the award and not merely incidental. It does not include purchases of supplies, materials or equipment, general or incidental support services, or activities whose cost is treated as an indirect cost;
 - (B) A change in the project director or any other key people named in the award document or the desire to permit any such people to devote substantially less effort to the project than was indicated in the approved project application;
 - (C) A change in recipient of award.
- (2) Procedures for Submitting Proposed Program Changes. Grantees who wish to make "program changes" shall submit a request for approval of the proposed program change to the Division of Aging. The request shall be in the form of a letter from the grantee agency director specifying the following:
 - (A) that the grantee desires Division approval for the program change described in the request letter;
 - (B) the specific nature of the proposed change;
 - (C) why the change is needed; and
 - (D) any impact that the change will have on the project's operation or its budget.
- (3) Division Review of Proposed Program Changes
 - (A) The Division shall accept and review proposed program changes at any time during a project year. The Division shall normally notify the grantee within 30 calendar days from the receipt of the request regarding its approval or disapproval of the request. If a decision cannot be reached within 30 days, the Division shall notify the grantee as to the date by which it expects to reach a decision.

- (B) Division of Aging approval of a program change request shall be the form of a letter authorizing the grantee to initiate the change. No changes in program operation shall be made until the written approval is received by the grantee.
- (C) Division of Aging Determination of Amendments or Changes
 - (i) Grantees shall provide written notice of proposed revisions to the Division of Aging in order for the Division to determine whether a revision is in fact a program amendment or program change and subject to the provisions of this Section. Such notice shall be in the form of a letter briefly outlining the proposed revision.
 - (ii) Within 15 calendar days after receipt of the grantee letter, the Division shall inform the grantee in writing as to whether it concurs that the proposed revision is a program amendment or a program change. If the Division finds that the proposed revision is not a program amendment or a program change, the grantee may proceed to implement the proposed revision. If the Division determines that the proposed revision is a program amendment or a program change, the grantee shall go through the procedures outlined in this Section.

History Note: Authority G.S. 143B-10; 143B-138; Eff. September 1, 1978; Amended Eff. May 1, 1990; October 1, 1980; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

SECTION .0200 - OBTAINING FUNDS

10A NCAC 05D .0201 REQUESTS FOR FUNDS

Federal funds under the Older Americans Act are awarded by the administration on aging to the state. The Division of Aging, the single unit on aging for the State of North Carolina, distributes all payments to grantees. The Division of Aging has established a system for disbursing Older Americans Act funds to grantees which is based upon requests from each grantee. Requests must be based on actual cash needs. The Division of Aging's request and payment system is described below:

- (1) Requests may be made on a reimbursement or an advance basis, except for USDA cash reimbursement which is made only as a monthly reimbursement. Normally, requests are made monthly. Advances may be made for only one month at a time.
- (2) To request funds, a grantee must complete a "Request for Payment of Federal Funds" form.
- (3) In completing the appropriate "request for payment" form, each grantee shall carefully evaluate its cash needs. Both its cash requirements and cash balance on hand should be considered in analyzing the amount of funds actually necessary, as opposed to requesting 12 equal payments during the year. If a request appears inconsistent with the need for funds, the Division of Aging may require an adjustment in the amount of the request.
- (4) Requests for payment shall be completed and sent to the Division of Aging by the tenth working day of each month. If a request is late in arriving at the Division of Aging, payment may be delayed until the following month unless the delay was due to circumstances beyond the control of the grantee.
- (5) The Division of Aging shall examine each grantee's performance and fiscal reports prior to payment of funds. If significant differences from the approved area plan are noted, payment will be delayed until the differences are resolved.
- (6) Funds disbursed to grantees by the Division of Aging shall be deposited and handled according to the accounting procedures and standards specified by the Division.

History Note: Authority G.S. 143B-10; 143B-138; 143B-181.1(c); Eff. September 1, 1978; Amended Eff. May 1, 1990; October 1, 1980; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0202 MATCHING FUNDS

(a) When a grantee requests Older Americans Act funds, or other Division administered funds, the grantee shall have on deposit the non-federal cash amount required to match the federal or state funds being specifically requested at the time

the request is received, less any matching funds or in-kind provided by the State. In-kind used by the grantee as match shall also be documented at the time the requested funds are received.

(b) The matching requirements for state funded programs is at least 50 percent cash, with the remainder as eligible in-kind or cash or any combination thereof.

*History Note: Authority G.S. 143B-10; 143B-138; 143B-181.1(c);
Eff. September 1, 1978;
Amended Eff. April 1, 1990; October 1, 1980;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.*

SECTION .0300 - EXPENDING PROJECT FUNDS

10A NCAC 05D .0301 GENERAL POLICIES

The following general policies and procedures for expenditure of Older Americans Act funds will apply:

- (1) Approved notification of grant awards will specify the maximum amount of Older Americans Act assistance which a grantee is eligible to receive. No additional grant funds beyond the amount specified on the notification of grant award will be available to the grantee unless additional funds are available to the Division of Aging, a budget revision request is submitted to the division and subsequent notification of grant award is executed by the division and the grantee.
- (2) If at any time during the year the Division of Aging determines that Older Americans Act funds are being expended improperly, the division may require the grantee to cease incurring costs under the Older Americans Act. Ineligible or other improper expenditures must be reimbursed to the Division of Aging. Under such conditions, the division will notify the grantee regarding the action being taken, the reasons for the division's actions, and the conditions and time framework for corrective procedures to be made.
- (3) Funds shall be committed by a project only during the approved budget year, as specified on the approved notification of grant award. All funds shall be disbursed within 90 days after the end of the budget year. In addition, all grantees and contractors of grantees shall meet the Local Government Fiscal Control Act, G.S. Chapter 159.

*History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Amended Eff. October 1, 1980;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.*

10A NCAC 05D .0302 TRAVEL

*History Note: Authority G.S. 143B-10; 143B-138; 143B-181.1(c);
Eff. September 1, 1978;
Amended Eff. October 1, 1980;
Pursuant to G.S. 150B-21.3A, rule Expired June 1, 2015.*

10A NCAC 05D .0303 VOLUNTEER IN-KIND

Volunteer time provided by employees of a grantee or a contractor are not allowable as in-kind contribution toward the matching share of grant or contract.

*History Note: Authority G.S. 143B-10; 143B-138;
Eff. November 14, 1980;
Amended Eff. April 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.*

SECTION .0400 - REPORTING

10A NCAC 05D .0401 REQUIRED REPORTS

The Division will develop and implement forms and instructions which grantees must utilize in reporting program and financial information.

History Note: Authority G.S. 143B-10; 143B-138; 143B-181.1(c);
Eff. September 1, 1978;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0402 FREQUENCY OF REPORTS

The division will require all grantees to submit financial and programmatic reports in a timely manner. Schedules for grantee report submissions must provide the Division with ample time to compile and transmit all appropriate report data to the administration on aging or other interested parties.

History Note: Authority G.S. 143B-10; 143B-138; 143B-181.1(c);
Eff. September 1, 1978;
Amended Eff. April 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

SECTION .0500 - MONITORING/ASSESSMENT/EVALUATION

10A NCAC 05D .0501 PURPOSE

The Division will carry out all required monitoring, assessment and evaluation activities in order to ensure grantee adherence to all applicable laws, regulations, and operating procedures.

History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0502 SCHEDULE

The Division of Aging will assess grantee agency operations on an annual basis.

History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Amended Eff. April 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

SECTION .0600 - GENERAL REQUIREMENTS

10A NCAC 05D .0601 AUDITS

(a) Division of Aging Audits

- (1) The Department of Health and Human Services (DHHS) shall generally conduct an audit of area agencies and grantees and contractors who are recipients of Titles III-B and III-C funds. Beginning in Fiscal Year 1980, DHHS shall conduct audits of Title IV-A, Title V, and state funds grantees.
- (2) DHHS shall establish a schedule for conducting its audits as early as possible after the start of each fiscal year and will notify grantees of proposed audit dates. Special instructions, where appropriate, will be issued at this time.
- (3) The DHHS audit shall comply with the federal and state standards as reprinted in the "Manual of Policies and Procedures", and will fulfill all requirements of grantees receiving Division of Aging assistance.
- (4) Because of time and financial constraints, DHHS may not be able to audit all of the Division of Aging grantees cited above. If it appears that DHHS is not able to audit a particular grantee, the grantee will be instructed to obtain an independent audit using a CPA firm or other approved audit organization.
- (5) A grantee who wishes to use an independent auditor (i.e., not use the DHHS audit) shall obtain prior approval from the Division of Aging.

(b) Audit Reports

- (1) Audits conducted by the DHHS shall result in an audit report, a copy of which shall be provided to the grantee in a timely manner, normally within 30 days after completion of the audit.
- (2) A copy of all independent audits shall be submitted to the Division of Aging within 30 days after the report is complete and provided to the grantee or contractor.

- (3) If any deficiencies or recommendations are included in audit reports, the grantee or contractor shall indicate how it proposes to take corrective action.
- (4) State Agency Actions
 - (A) The Division of Aging may subsequently monitor a grantee or contractor to verify that appropriate actions are being taken to fulfill audit recommendations.
 - (B) If audit findings of a grantee or contractor are deemed sufficiently serious, the Division of Aging may immediately begin suspension or termination procedures, as outlined in Section 1100 of the "Manual of Policies and Procedures."

History Note: Authority G.S. 143B-10; 143B-138;
Eff. September 1, 1978;
Amended Eff. May 1, 1990; October 1, 1980;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.

10A NCAC 05D .0602 SUSPENSION/TERMINATION

- (a) The Division may for reasonable cause suspend or terminate the use of Title III or other Division administered funds by a grantee. Reasonable cause shall be related to the lack of grantee compliance with the terms of the grant award, as well as related rules, regulations, policies and procedures.
- (b) Any request for a hearing regarding suspension or termination of funds shall follow the hearing process required by federal regulations and state statute and reprinted in Section 200 of the Division's "Manual of Policies and Procedures".

History Note: Authority G.S. 143B-10; 143B-138; 150A-27-37; 45 C.F.R. 1321.51;
Eff. September 1, 1978;
Amended Eff. October 1, 1980;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.