

Division of Aging & Adult Services
State Unit on Aging Policy



Subject: Area Agency on Aging Administrative Standards- Older Americans Act Carryover Funds
Policy Chapter: 1.7
Effective Date: 03/01/2024
Revision Number: 1

Chapter 1.7: Older Americans Act (OAA) Carryover Funds

I. Policy Statement

The Division of Aging and Adult Services (DAAS) develops and maintains fiscal control and funding standards for the management of OAA Title III and VII carryover funds dispersed under an approved State Plan on Aging to ensure the continuation of service delivery.

This chapter provides an outline of DAAS operational principles and procedures to manage and obligate OAA carryover funds.

II. Authority

[Older Americans Act \(OAA\)](#)

OAA of 1965, as amended P.L. 106-501, Title III (Grants for State and Community Programs on Aging) and Title VII (Allotments for Vulnerable Elder Rights Protection Activities)

[45 CFR Part 75](#)

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards

[45 CFR 75.309](#)

Period of Performance and Availability of Funds

[45 CFR 1321](#)

Grants to State and Community Programs on Aging

[45 CFR 1326](#)

Developmental Disabilities Formula
Grant Programs

[42 USC Chapter 35](#)

Programs for Older Americans

[42 USC § 3028](#)

Cost of Administration of State Plans

III. DEFINITIONS

Area Agencies on Aging (AAA): Agencies designated by DAAS who are responsible for developing and administering SUA services within their local service area.

Area Plan: A detailed plan, developed by AAAs, that provides a comprehensive and coordinated community-based system throughout the planning and service area (PSA) for all services authorized under the OAA and state-funded programs.

Carryover: OAA Funds awarded but unspent by the AAAs at the end of the State Fiscal Year (SFY).

Closeout Report: A report sent by the DAAS business administrations that details a AAA's total expenditures for the prior Contract Year. The report will include a preliminary financial close-out summary and a blank Carryover request form.

Contract Year: The 12-month period beginning July 1st and ending June 30th of the following year.

DAAS Finance Team: DAAS employees that handle finances for the division.

DAAS Leadership: Executive leaders within DAAS which include the Assistant Director, Deputy Assistant Director, and Program Administrator(s).

Federal Fiscal Year: The 12-month period beginning October 1st and ending September 30th of the following year.

State Fiscal Year: The 12-month period beginning July 1st and ending June 30th of the following year.

State Plan on Aging: A detailed plan, developed by the DAAS State Unit on Aging (SUA,) which outlines a comprehensive and coordinated system of services based on identified needs in the Planning and Service Area (PSA), for OAA and state-funded programs.

Reclaimed Funds: Funds returned to DAAS that were not utilized by the AAAs.

IV. STANDARDS

A. Overview

1. DAAS allocates to AAAs federal funds, awarded under the Older Americans Act, to spend in implementing its Area Plan during a State Fiscal Year.
 - a. OAA funds are comprised of:
 - i. Title III-B-Supportive Services;
 - ii. Title III-C1-Congregate Meals;
 - iii. Title III-C2-Home-Delivered Meals;
 - iv. Title III-D-Preventative Health;
 - v. Title III-E-Family Caregivers;
 - vi. Title VII-EA-Elder Abuse Prevention; and
 - vii. Title VII-OMB-Ombudsman.
2. DAAS will notify AAAs of available Carryover funds in a yearly Closeout Report.
 - a. The Closeout Report will identify the amount of funding eligible for carryover from the appropriate Federal fund source.
 - b. If the Closeout Report contains an amount due to the AAA, DAAS will remit the amount to the AAA prior to awarding carryover to the AAA.
 - c. If the Closeout Report contains an amount due from the AAA, that amount will be remitted to DAAS prior to awarding carryover.
3. AAAs that do not spend all OAA funds during the Contract Year, are able to Carryover funds to be used in the next Contract Year. Carryover funds may consist of:
 - a. 10% of total OAA funds or the Contract Balance, whichever is less, can be put into the next Contract Year. AAA will complete the required carryover request and provide explanation of how the carryover funds will be applied. AAAs may request authorization to Carryover up to 20% of their total OAA funds by providing written justification for additional funds which will be approved or denied by the DAAS Assistant Director.
 - i. The written justification must describe:
 - A. The amount requested by funding source; and

- B. The projected use of the funds.
 - b. Carryover funds from a prior Contract Year cannot be requested as carryover funds in the current Contract Year.
- 4. Carryover funds should be targeted toward meeting 1 or more of the following:
 - a. Reducing waiting lists;
 - b. Expanding current service levels;
 - c. Funding demonstration/pilot projects that align with goals of the State Plan on Aging and Area Plan; and
 - d. Funding one-time expenditures.
- 5. Unexpended funds not requested as Carryover by the AAAs will revert to DAAS for reallocation to other AAAs.
 - a. Reclaimed funds may be distributed to AAAs on a proportionate basis.
 - b. AAAs may be required to submit a request with a plan on how these funds will be spent.
 - i. Priority will be given to one-time only expenditures.
 - c. Reclaimed Carryover Funds totaling less than \$1,000 will be reviewed by DAAS to determine which AAA and/or special project will use the funds.

B. Carryover Timelines

- 1. AAA must submit their final expenditures to DAAS for all services provided 45 calendar days following the termination of the Contract Year.
 - a. The Contract Year ends on June 30.
- 2. DAAS will notify AAAs of their final Contract Year expenses by sending a Closeout Report by October 1.
 - a. DAAS will identify any funds that are available for Carryover.
- 3. AAAs must submit any Carryover requests by completing a Carryover Request Form and sending it to daasfbfiscalteam@azdes.gov by November 15 of each year.
 - a. Any changes to OAA funding after this date can be made as a post-audit adjustment.

4. DAAS will conduct and notify AAAs in December each year if the AAA was awarded Carryover funds that can be used for the next State Fiscal Year. An official alert will be sent in January each year.
 - a. Funds approved for Carryover are for a 1 year period only (Contract Year).
6. AAAs must incorporate Carryover funds from the most recently completed Contract Year into their contract and subcontracts by January 1 for the current Contract Year.
 - a. AAAs may request an extension to the January 1 deadline by providing written justification to the Contracts Specialist.
 - b. AAAs must identify Carryover amounts in their Area Plan and during their public hearing.

V. PROCEDURES

A. Roles and Responsibilities

1. AAAs will:
 - a. Determine funds that they want to Carryover into the next Fiscal Year.
 - b. Submit annual progress updates on the Area Plan objectives that include any plans to utilize carryover funds.
 - c. Submit a Carryover request to DAAS by the due date established in IV.B.3.
2. DAAS Business Administration will:
 - a. Analyze the AAAs' expenditures against payments and contract budget ceilings to establish the unexpended amounts by fund source following the submission of all final expenditures.
 - b. Review, adjust and amend as needed the results prior to developing the contract Closeout Report.
 - c. Amend AAA contracts to reflect approved Carryover balances, if applicable.
3. DAAS Leadership will:
 - a. Review all Carryover requests and approve or deny the requests.
 - b. Make inquiries to a AAA when their Carryover balance is less than 10%, to determine their need for additional funds.