

1000	Area Agency on Aging Administrative Standards
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This chapter provides an outline of the Division of Aging and Adult Services policies and procedures for the Area Agency on Aging Administrative Standards, Reporting and Functions.

Section	Title
<u>1100</u>	Area Agency on Aging Responsibilities and Functions
<u>1200</u>	Equipment Management Standards
<u>1300</u>	Procurement
<u>1400</u>	Section Intentionally Left Blank
<u>1500</u>	Cash Disbursement and Expenditure Reporting
<u>1600</u>	Programmatic Reporting
<u>1700</u>	Older Americans Act Carryover Funds
<u>1800</u>	Audit
<u>1900</u>	Administrative Mandates

1100		Area Agency on Aging Functions
1101	Overview	
	1101.1	<p>This section provides an outline of the Division of Aging and Adult Services' operational principles and procedures for the designation of an Area Agency on Aging and the responsibilities that must be able to carry out once designation has been granted. This policy chapter is subject to change as additional information and/or regulations are received from the U.S. Department of Health and Human Services, Administration on Aging.</p> <p>The State must be divided into Planning and Service Areas. The Division of Aging and Adult Services shall designate within its Planning and Service Areas agencies which shall function primarily for the purpose of carrying out the mandatory and statutory responsibilities of an Area Agency on Aging, as defined in the Older Americans Act of 1965 (as amended).</p>

1100		Area Agency on Aging Functions
1102	Authority	
	1102.1	The information in this section is authorized and governed by the following statutes and regulations:
		<p>A Older Americans Act of 1965, as Amended in 2006, P.L. 109-365, §102, § 305, § 306, § 307, § 308, § 321, § 705, § 712, and § 721 http://www.aoa.gov/AoARoot/AoA_Programs/OAA/oa_full.asp</p>
<p>B Code of Federal Regulations, Title 45 Public Welfare, C.F.R. §1321.17, §1321.29, §1321.33, §1321.35, §1321.53, §1321.55, §1321.57, §1321.59, and §1321.61 http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title45/45cfr1321_main_02.tpl</p>		

1100		Area Agency on Aging Functions		
1103	Operational Procedures for Area Agency on Aging Designation			
	1103.1	The Division of Aging and Adult Services must designate within each Planning and Service Area an agency to function as an Area Agency on Aging.		
	1103.2	The Area Agency on Aging, once designated, is responsible for providing adequate and qualified staff to perform all of its mandatory and statutory responsibilities as an Area Agency on Aging as described in Section 1104.		
	1103.3	Once an Area Agency on Aging has been designated as such, it cannot delegate its responsibilities or authorities to any other agency or unit.		
			A designated Area Agency on Aging shall be one of the following:	
	A		An established office of aging operating within a Planning and Service Area.	
	B		Any office or agency of a unit of general purpose local government which is designated to function only for the purpose of serving as an Area Agency on Aging by the chief elected official of such unit.	
	1103.4	C	Any office or agency designated by the appropriate chief elected officials of any combination of units of general purpose local government to act only on behalf of such combination for such purpose.	
			D	Any public or non-profit agency in a Planning and Service Area (or any separate organizational unit within such an agency), which is under the direction of the Division of Aging and Adult Services, that specifically engages only in the planning or provision of a broad range of supportive services, or nutritional services within such Planning and Service Area.
	1103.5	In designating an Area Agency on Aging within a Planning and Service Area or within any unit of general purpose local government designated as a Planning and Service Area, the Division of Aging and Adult Services shall give preference to an established office on aging, unless the Division finds that no such office within the Planning and Service Area will have the capacity to carry out the Area Plan.		
1103.6	Whenever the Division of Aging and Adult Services designates a new Area Agency on Aging, the Division shall give the right of first refusal to a unit of general purpose local government if such unit can meet the requirements of the Older Americans Act and the boundaries of such a unit and the boundaries of the area are reasonably contiguous.			
A		If the unit of general purpose local government chooses not to exercise this right, the Division of Aging and Adult Services shall then give preference to an established office on aging.		

1100		Area Agency on Aging Functions		
Operational Procedures for Area Agency on Aging De-Designation				
1104	1104.1	The Division of Aging and Adult Services shall withdraw the Area Agency on Aging designation whenever the Division, after reasonable notice and opportunity for a hearing, finds one of the following:		
		A	An Area Agency on Aging does not meet the requirements of its mandatory and statutory responsibilities.	
		B	An Area Plan or Plan Amendment is not approved.	
		C	There is substantial failure in the provisions or administration of an approved Area Plan to comply with any provision of their mandatory and statutory responsibilities, or of the Division of Aging and Adult Services policies and procedures.	
		D	Activities of the Area Agency on Aging are inconsistent with the statutory mission prescribed in the Older Americans Act, or in conflict with the requirements of the Older Americans Act that it function only as an Area Agency on Aging.	
		E	The Area Agency on Aging requests de-designation.	
	1104.2	If the Division of Aging and Adult Services withdraws an Area Agency's designation, the Division of Aging and Adult Services must perform one of the following:		
		A	Provide a plan for the continuity of Area Agency functions and services in the affected Planning and Service Area.	
			1	If necessary to ensure continuity of services in a Planning and Service Area, for a period of up to 180 days after its final decision to withdraw designation of an Area Agency, the Division of Aging and Adult Services may:
			a	Perform the responsibilities of an Area Agency.
		b	Assign the responsibilities of the Area Agency on Aging to an Area Agency on Aging in another Planning and Service Area.	
	B	Designate a new Area Agency on Aging in the Planning and Service Area in a timely manner.		
	1104.3	The Division of Aging and Adult Services shall follow appropriate procedures to provide due process to affected parties, as required by the Older Americans Act, if the Division initiates an action or proceeding to revoke the designation of an Area Agency on Aging.		
		A	The procedures should, at a minimum, provide guidance related to the following:	
			1	Notice of an action or proceeding described above
2			Documentation of the need for the action or proceeding	
3			A public hearing for the action or proceeding	
4			Involvement of the Area Agency on Aging, service providers, and older individuals in the action or proceeding	
5		An appeal of the decision of the State agency in the action or proceeding to the Assistant Secretary		
B		An adversely affected party involved in an action or proceeding described above may bring an appeal on the basis of:		
		1	The facts and merits of the matter that is the subject of the action or proceeding	
		2	Procedural grounds	
C	In deciding an appeal described above, the Assistant Secretary on Aging may affirm or set aside the decision of the State agency. If the Assistant Secretary on Aging sets aside the decision, and the State agency has taken action to de-designate, or otherwise affect the boundaries of the planning and service areas in the State, the State agency shall nullify the action.			

1100		Area Agency on Aging Functions	
Operational Procedures for Responsibilities of Area Agencies on Aging			
1105	1105.1	An Area Agency on Aging must have the ability to carry out a broad range of activities (OAA 305.c.4), which includes the following:	
		A	Developing an Area Plan on Aging that delineates a comprehensive and coordinated system of services based on identified needs in the Planning and Service Area (See chapter 2000).
		B	Developing a service system, building upon the service needs and priorities identified in the Area Plan on Aging. Contracting with and funding agencies to fulfill the needs identified in the Area Plan.
		C	Serving as the advocate and focal point for older individuals within the Planning and Service Area.
		D	Area Agencies on Aging must establish or adopt and maintain written policies and procedures that comply with the Division of Aging and Adult Services Policy and Procedure Manual.
	1105.2	In order to receive funds, the Area Agencies on Aging must prepare a three or four year Area Plan on Aging within their Planning and Service Area, with annual updates to identify and prioritize the needs of older individuals. NOTE: Starting with contract year 2014, a four-year Plan must be submitted. The contents of the Area Plan on Aging are identified in the Division of Aging and Adult Services policy Chapter 2000, Section 2100 – Area Plan on Aging.	
	1105.3	The Area Agencies on Aging must provide for the proper and efficient administration of its Area Plan on Aging. (See chapter 2000)	
		Management - The Area Agency on Aging shall consist of one full-time Director, with the authority and responsibility to carry out the activities outlined in the Area Plan on Aging.	
		1	The director shall engage in activities that are interrelated with aging issues and/or serve the purpose of enhancing programs.
		A	The director must review and approve the following associated with the provision of services provided under the Area Plan on Aging, where applicable:
a			The Area Plan on Aging.
b			All financial reports submitted to the Division of Aging and Adult Services.
c			Program statistical reports.
d			Sub-contracts.
e	Payment authorization.		
3	The director should have access to elected officials for addressing aging issues.		
B	Staff - The Area Agency on Aging shall provide for adequate and qualified staff to perform all of its mandatory and statutory responsibilities as an Area Agency on Aging.		

1100		Area Agency on Aging Functions		
Operational Procedures for Responsibilities of Area Agencies on Aging (continued)				
1105	1105.3	C	Administrative- In providing for the proper administration of its Area Plan, the Area Agency on Aging must maintain the following:	
			1 Assure that preference is given to older individuals who are most in need.	
			2 Develop written policies and procedures to guide its operation as well as those of the service provider. Policies and procedures must contain at least the minimum standards within the Division of Aging and Adult Services policy chapters.	
			3 Provide administrative, grievance and hearing procedures for service providers and clients.	
			4 Maintain a directory of community focal points for aging services within its Planning and Service Area, if community focal points have been designated.	
			5 Enter into contracts to carry out demonstration projects with the Division of Aging and Adult Services with the goal of expanding or improving aging services, where applicable.	
			Maintain programs and fiscal information and reporting requirements to satisfy both internal and external needs, as follows:	
			a Budgets and budget management	
			b Funding source, service and line item accounting	
			c Summary and or detailed client/service/unit measure and provider data	
	d Unit costs			
	e Volunteer activities			
	1105.4	Develop System- One of the primary functions of the Area Agencies on Aging is to develop and establish a comprehensive and coordinated service delivery system, as follows:		
		A	Develop relationships with local service organizations.	
		B	Advocate for and on behalf of disabled and older adults at the local, state and federal levels.	
		C	Pool resources within the Planning and Service Area.	
		D	Coordinate service delivery systems.	
		E	Solicit for further community services.	
		F	Provide capacity building and technical assistance skills within the community.	
		G	Secure grants and execute contracts to provide identified service.	
H		Develop a plan for delivery of services during emergency/disaster situations.		
1105.5	Advocacy- The Area Agencies on Aging must represent the views, concerns and interest of older individuals at the local level, as follows:			
	A	Monitor, evaluate, and when appropriate, comment on policies, programs, hearings, levies and community actions that affect older individuals.		
	B	Solicit comments from the public on needs of older individuals.		
	C	Represent the interests of older persons at the local level and executive branch officials, public and private agencies or organizations.		
	D	Consult with and support the State's Long Term Care Ombudsman program.		
	E	Undertake activities designed to facilitate the following:		
1		The coordination of plans and activities with other private and public organizations who have the responsibility to older individuals within the Planning and Service Area.		
2		The promotion of new or expanded benefits and opportunities for older individuals.		

1200		Equipment Management Standards
1201	Overview	
	1201.1	<p>The Division of Aging and Adult Services shall develop and maintain operational principles and procedures for equipment management. For those contractors who have a Fixed Price with Price Adjustment (formerly Cost Reimbursement) contract, the Division of Aging and Adult Services Equipment Management Standards must be followed. Equipment Management Standards do not apply to AAA subcontracts that are rate-based.</p> <p>This chapter provides an outline of the Division of Aging and Adult Services' operational principles and procedures for guidelines the Area Agencies on Aging must follow in developing and maintaining their Equipment Management Standards policy and procedure. The policy and procedures developed by the Area Agencies on Aging must comply with standards to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and executive orders. This policy chapter is subject to change as additional information and/or regulations are received from federal, state or Department of Economic Security authorities.</p> <p>Reference: Older Americans Act of 1965 as amended, P.L. 106-501, § 305; and the Department of Economic Security, Equipment Management Policy, September 2010.</p>

1200		Equipment Management Standards
1202	Operational Principles	
	1202.1	The Department of Economic Security Equipment Management Standards identify the process DES contractors should follow to maintain capital equipment records.
	1202.2	Each Area Agency on Aging contract with the Department of Economic Security includes an "Equipment" contract term and condition that outlines minimum requirements related to the purchase of equipment, the maintenance and reporting of inventory records, and the disposal of equipment.
	1202.3	The Division of Aging and Adult Services shall periodically review Area Agencies on Aging equipment and inventory records (and equipment records for their subcontractors) for compliance with contract Equipment requirements.

1200		Equipment Management Standards	
Operational Procedures for Acquisitions			
1203	1203.1	It is the responsibility of the Area Agencies on Aging and/or their subcontractors to report purchases of equipment (all vehicles, furniture, machinery, electronic data processing equipment, software and all other equipment costing \$1,000 or more including tax, freight, installation, assembly and testing charges, etc, and a useful life of greater than one year) designated in the contract with the Division of Aging and Adult Services within 30 days of purchase, using the "Contractor's Equipment List" Form FES-1000AFORFF (Exhibit 1200A). This includes copies of titles to any vehicle purchase(s); titles must indicate the Department of Economic Security as the lien holder.	
	1203.2	If any of the equipment is partially funded by a source other than the Department of Economic Security, the Area Agencies on Aging and/or their subcontractors will make note in the cost field provided on the FES-1000AFORFF form.	
	1203.3	Upon receipt of the FES-1000AFORFF from the Area Agency on Aging, the Division of Aging and Adult Services shall review and forward copies of the FES-1000AFORFF, for Area Agency on Aging and/or their subcontractor purchases of capitol equipment designated in a contract, to the Department of Economic Security Fleet & Equipment Services.	
	1203.4	The Division of Aging and Adult Services shall forward a copy of the approved 1000AFORNA form to the Area Agencies on Aging and attach the Department of Economic Security asset tags if required.	
	A	The Area Agencies on Aging shall affix the Department of Economic Security asset tags to the corresponding items requiring asset tags as identified on the 1000AFORNA form.	
	B	The Area Agencies on Aging shall ensure that the Department of Economic Security asset tags are affixed to subcontractor's equipment in accordance with this policy.	
	1203.5	If at any time during the contract, the Division of Aging and Adult Services provides additional equipment to the Area Agencies on Aging and/or their subcontractors for use under their contract, the Division of Aging and Adult Services will amend the most recent 1000AFORNA with the item(s) being provided and forward to the Department of Economic Security - Fleet and Equipment Services for recording	
	1203.6	Property purchased by the Area Agencies on Aging shall be used for the originally authorized purpose or until no longer needed.	
	1203.7	Authorization from the Division of Aging and Adult Services is required for any changes in property use.	
	1203.8	Should equipment become lost, stolen, destroyed, and obsolete to the project or program, the Area Agencies on Aging shall report this to Division of Aging and Adult Services and Division of Aging and Adult Services staff will advise as to the Area Agency on Aging's next steps.	
	1203.9	Requests by the Area Agencies on Aging or their subcontractors to purchase Automated Data Processing equipment and/or software at a price which exceeds \$25,000 shall be submitted by the Area Agency on Aging to the Division of Aging and Adult Services to review/approve prior to forwarding to U.S. Dept. of Health & Human Services, Administration on Aging, for approval.	
1203.10	Requests to develop software utilizing Department of Economic Security funding shall be submitted to Division of Aging and Adult Services for review/approval. Utilizing an off the shelf software package to create an Access database or run reports, for example, is not considered developing software.		
1203.11	Approval shall be requested from the Division of Aging and Adult Services to transfer title to an eligible third party for continued use of property for authorized purposes.		
A	If approval is permissible under federal statutes and contract terms and conditions, the terms of the transfer shall provide that the transferee shall assume all the rights and obligations of the transferor.		

1200		Equipment Management Standards	
1204	Operational Procedures for Inventories		
	1204.1	The Area Agencies on Aging shall complete an annual inventory of equipment acquired or purchased under the terms of the Division of Aging and Adult Services contract(s). The Area Agencies on Aging must submit the inventory using the Department of Economic Security form FES-1000AFORFF or the Agency may complete the top section of the FES-1000AFORFF, and attach a spreadsheet with the same equipment specific information required on the form.	
	A	All information required on the FES-1000AFORFF form shall be provided by the Area Agencies on Aging for equipment.	
	1204.3	The Area Agencies on Aging shall submit the inventory results to the Division of Aging and Adult Services at the end of each contract year and identify whether the inventory period covered is "Annual" or "End of Contract".	
	1204.4	For any equipment on the physical inventory that can not be accounted for, the Area Agencies on Aging shall identify the following:	
	A	The item(s) last known location.	
	B	The reason(s) for the items being reported as missing.	
	1204.5	The Division of Aging and Adult Services may elect to conduct periodic physical inventories of equipment throughout the period of the contract(s) to verify the accuracy of the Area Agencies on Aging reports.	
	1204.6	The Division of Aging and Adult Services will initiate follow-up discussions with the Area Agencies on Aging and/or their subcontractors within 30 days of receipt of a Fleet and Equipment Services FES-1000AFORFF when the Area Agency on Aging has identified items as "not found" or "unaccounted for" after conducting a physical inventory.	
	1204.7	Area Agencies on Aging shall similarly manage equipment purchased with Department of Economic Security funding by subcontractors.	
1204.8	Area Agencies shall advise Division of Aging and Adult Services of any issues related to subcontractor's equipment purchased with Department of Economic Security funding.		
1204.9	For items that the Division of Aging and Adult Services determines have been listed and cannot reasonably be expected to be found or recovered, the Division of Aging and Adult Services shall follow the Operational Procedures for Equipment Losses, section 1205 of this policy.		

1200		Equipment Management Standards	
1205	Operational Procedures for Equipment Losses		
	1205.1	The Area Agencies on Aging shall report in writing all incidents resulting in the loss of equipment funded or provided under the contract(s) to the Division of Aging and Adult Services following the incident.	
	1205.2	The incident report shall include the item's asset tag number, the manufacturer, model number and serial number (if known) and a detailed description of the incident.	
	1205.3	If the equipment was stolen or destroyed as a result of suspected unlawful conduct, the Area Agencies on Aging will notify law enforcement and obtain a police report and/or incident number.	
A	If obtained, the police report and/or incident number must accompany the incident report submitted to the Division of Aging and Adult Services.		

1200		Equipment Management Standards	
Operational Procedures for Disposal of Equipment			
1206	1206.1	The Area Agencies on Aging and their subcontractors shall not dispose of equipment acquired under a Department of Economic Security contract without the Area Aging on Aging notifying <i>and</i> receiving Division of Aging and Adult Services approvals in advance.	
	1206.2	A	The Area Agencies on Aging must contact the Division of Aging and Adult Services in writing to request permission prior to disposing or trading-in equipment acquired under their contract(s).
	The Division of Aging and Adult Services may need to obtain Federal grantor disposition instructions and/or approval, if applicable, prior to submitting a disposal request to the Department of Economic Security – Fleet and Equipment Services.		
	1206.3	Once final approval has been obtained to either dispose of or surplus equipment, the Area Agencies on Aging shall coordinate with the Division of Aging and Adult Services for appropriate transportation arrangements for the item(s).	
	1206.4	The Division of Aging and Adult Services shall contact the Department of Administration Surplus Property Officer to acquire the necessary authorization prior to equipment disposal or trade-in.	
1206.5	At the end of a contract (unless a subsequent contract is executed), equipment purchased under the prior contract(s) shall be disposed of as directed by the Division of Aging and Adult Services and, if sold, the Division of Aging and Adult Services shall be compensated in the amount of its equitable interest.		

EXHIBITS:	
1200A	FES-1000AFORFF https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/FES-1000AFORFF.doc

1300		Procurement
1301	Overview	
	1301.1	<p>The Division of Aging and Adult Services (Division of Aging and Adult Services), its contractors and their subcontractors must use generally accepted and reasonable competitive procurement practices to ensure fair competition and compliance with Federal and State regulations.</p> <p>This chapter provides an outline of the Division of Aging and Adult Services operational principles and procedures to which Area Agencies on Aging shall comply in developing and maintaining their procurement policy and procedure. This chapter also outlines the suggested method of contracting for Non-Medical Home and Community Based Services. The policy and procedures developed by the Area Agencies on Aging must comply with standards to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and executive orders. This policy chapter is subject to change as additional information and/or regulations are received from the federal, state and Department of Economic Security authorities.</p> <p><i>Reference: Older Americans Act of 1965, as amended in 2000, P.L. 106-501, § 305; Title 45 C.F.R., Part 74.</i></p>

1300		Procurement	
1302	Operational Principles		
	1302.1	Each Area Agency on Aging shall develop and maintain procurement standards that ensure fair competition.	
	1302.2	Each Area Agency on Aging shall ensure that their subcontractors abide by the Area Agencies on Aging procurement procedures, or that the sub-contractors procurement standards ensure fair competition.	
	1302.3	The Area Agency on Aging should include an administrative procedure for handling complaints or protests regarding contractor selection in their procurement procedures.	
	1302.5	Two types of contracts are:	
		A	Rate – an agreement whereby a contractor is paid a specified amount for each unit of service or deliverable, not to exceed the maximum number of authorized units indicated in the contract for each service/deliverable.
	B	Fixed price with price adjustment - an agreement whereby reimbursement to the contractor is in accordance with actual, allowable costs incurred consistent with each service budget not to exceed the service reimbursement ceiling in the contract.	
	1302.6	An Area Agency on Aging subcontracting for Non-Medical Home and Community Based Services should generally utilize a Rate contract.	
	1302.7	An Area Agency on Aging should not have to pay more for the provision of an Aging Program Non-Medical Home and Community Based Services than it would for the same service under a non-Aging program.	
	1302.8	Area Agencies on Aging should conduct quarterly, or at a minimum, semi-annual reviews of the rate structure for the service(s) being provided to ensure the following:	
A		Fair compensation to the service provider agency.	
B	Maximum utilization of Aging program funds for the provision of Non-Medical Home and Community Based Services.		
1302.9	It is not the intent of this policy to penalize an Area Agency on Aging due to the existence of an overlapping contract cycle whereby an Area Agency on Aging or the subcontractor could incur unnecessary, inflated costs due to receiving a higher or lesser rate for the same service(s) from a non-Aging program.		

1300 Procurement		
1303	Operational Procedures for Procurement	
	<table border="1"> <tr> <td style="text-align: center; vertical-align: middle;">1303.1</td> <td>All contractors and subcontractors with the Division of Aging and Adult Services must use generally accepted and reasonable competitive procurement practices to ensure fair competition.</td> </tr> </table>	1303.1
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1304	Operational Procedures for Rate Contracts	
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1300 Procurement								
1305	Operational Procedures for Fixed Price with Price Adjustment Contracts							
	<table border="1"> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">1305.1</td> <td colspan="2">Fixed price with price adjustment contracts may be used as the contracting vehicle for Non-Medical Home and Community Based Services for the following:</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">A</td> <td>The Area Agency on Aging, or the agency providing services, also contracts for the same service(s) through the auspices of another governmental entity (City, County, State or Federal).</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">B</td> <td>Contracts with start-up service provider agencies, who have not yet acquired a history of providing service for at least two years, and therefore, may not yet have sufficient expertise in budgeting and forecasting unit costs of providing service(s) with which to accurately determine a rate for the duration of contract term of one year or less.</td> </tr> </table>	1305.1	Fixed price with price adjustment contracts may be used as the contracting vehicle for Non-Medical Home and Community Based Services for the following:		A	The Area Agency on Aging, or the agency providing services, also contracts for the same service(s) through the auspices of another governmental entity (City, County, State or Federal).	B	Contracts with start-up service provider agencies, who have not yet acquired a history of providing service for at least two years, and therefore, may not yet have sufficient expertise in budgeting and forecasting unit costs of providing service(s) with which to accurately determine a rate for the duration of contract term of one year or less.
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1500 Cash Disbursement and Expenditures Reporting	
1501	Overview
	<p>The Division of Aging and Adult Services shall develop and maintain a financial management system that accounts for all of the funds administered under its State Plan on Aging.</p> <p>This chapter provides an outline of the Division of Aging and Adult Services operational principles and procedures for reporting requirements for fiscal control and fund accounting procedures to ensure proper disbursement of all funds. This policy chapter is subject to change as additional information and/or regulations are received from the state and the U.S. Department of Health and Human Services, Administration on Aging.</p> <p><i>Reference: Older Americans Act of 1965, as Amended in 2000, P.L. 106-501, § 304, § 305, § 306 and § 307; Title 45 C.F.R. § 1321.17, § 1321.11, § 1321.9; Title 45, Part 74 Subparts F, H, and G; OMB Circular A-110 and A-122; and the Department of Economic Security's Uniform Terms and Conditions and Special Terms and Conditions.</i></p>

1500 Cash Disbursement and Expenditures Reporting	
1502	Operational Principles
	<p>The Division of Aging and Adult Services shall develop and maintain fiscal control and fund accounting procedures. The Administration will also assure the proper disbursement of, and accounting for, all Federal funds associated with the State Plan on Aging. This includes any such funds paid to its recipients who maintain grants and/or contracts.</p>

1500 Cash Disbursement and Expenditures Reporting											
1503	Operational Procedures for Financial Reporting										
	<p>Federal and State regulations and contract terms require Area Agencies on Aging and sub-contractors to adhere to the following:</p>										
	<table border="1"> <tr> <td style="text-align: center;">A</td> <td>Submit monthly financial reports, through the Division of Aging and Adult Services electronic payment processing system or the paper AG-053 form (Exhibit 1500B), and contain information identified by the State.</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Report only actual expenditures incurred, as estimated or budgeted amounts are not permitted.</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Failure to submit reports in accordance with this policy and contractual deadlines will cause disbursements to cease until reports are received.</td> </tr> <tr> <td style="text-align: center;">D</td> <td>Area Agencies on Aging must adopt or develop reporting procedures consistent with those identified in this chapter for use by sub-contractors, unless written approval is granted by the Division of Aging and Adult Services.</td> </tr> <tr> <td style="text-align: center;">1</td> <td>An approval will only be granted once the Area Agency on Aging's financial reporting procedures have been reviewed and approved by the Division of Aging and Adult Services.</td> </tr> </table>	A	Submit monthly financial reports, through the Division of Aging and Adult Services electronic payment processing system or the paper AG-053 form (Exhibit 1500B), and contain information identified by the State.	B	Report only actual expenditures incurred, as estimated or budgeted amounts are not permitted.	C	Failure to submit reports in accordance with this policy and contractual deadlines will cause disbursements to cease until reports are received.	D	Area Agencies on Aging must adopt or develop reporting procedures consistent with those identified in this chapter for use by sub-contractors, unless written approval is granted by the Division of Aging and Adult Services.	1	An approval will only be granted once the Area Agency on Aging's financial reporting procedures have been reviewed and approved by the Division of Aging and Adult Services.
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	B	Report only actual expenditures incurred, as estimated or budgeted amounts are not permitted.									
	C	Failure to submit reports in accordance with this policy and contractual deadlines will cause disbursements to cease until reports are received.									
D	Area Agencies on Aging must adopt or develop reporting procedures consistent with those identified in this chapter for use by sub-contractors, unless written approval is granted by the Division of Aging and Adult Services.										
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<p>1503.1</p>											
<p>1503.2</p>											
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1500		Cash Disbursement and Expenditures Reporting	
1503	Operational Procedures for Financial Reporting (continued)		
	1503.2	B	Area Agencies on Aging may adjust the reporting deadline for service providers by shortening the month to three weeks.
		C	The AG-053 has been reviewed to reflect the "Contract Operating Budget". This provides a means for comparison of actual operations and simplifies the reporting function.
		D	Every Area Agency on Aging will either enter expenditures into the electronic payment processing system or use the AG-053, or an approved computer printout which will follow the same format.
		When an Area Agency on Aging receives a report from its service providers, it will do the following:	
	1	Summarize the reports.	
	2	Add its own administrative and direct costs for the period.	
E	3	Report to the Division of Aging and Adult Services, through the Division of Aging and Adult Services electronic payment processing system or the paper AG-053.	
	4	Review the AG-053 produced by the Division of Aging and Adult Services electronic payment processing system to ensure provider expenses and revenues are within contractual limits.	

1500		Cash Disbursement and Expenditures Reporting	
1504	Operational Procedures for Financial Information Flow		
	1504.1	Area Agency on Aging monthly financial reports should consist of the following:	
		A	Actual expenditures of sub-contractors for the reporting period.
		B	The Area Agency on Aging should report amounts expended by subcontractors.
		C	Actual expenditures of the Area Agency on Aging for direct services.

1500		Cash Disbursement and Expenditures Reporting	
1505	Operational Procedures for Distribution of Administrative Funds		
	1505.1	The Area Agencies on Aging receive funds from multiple sources, each with its own set of regulations regarding the use of funds for administrative purposes. The Division of Aging and Adult Services will provide the allocations through ALERTS.	
	1505.2	Up to ten percent of total Older Americans Act Title III-B, III-C-1, III-C-2, and III-D allocations may be used for administrative purposes, to be paid out of the Title III-C-1 Administration allocation. Up to ten percent of Title III-E funds may be used for administrative purposes, to be paid out of the Title III-E Administration allocation.	
	1505.3	The Division of Aging and Adult Services Supplemental Payment Program (SPP) funds may not be utilized as administrative costs as they are restricted to service delivery.	
	1505.4	Up to ten percent of the SSBG (local and state planned) allocation may be used for administrative costs. The administrative amounts will come from the state planned allocation.	
	1505.5	Up to ten percent of the State Independent Living (ILS), State Ombudsman, and State Respite services may be used for administrative costs.	
	1505.6	Other funds may be used for administrative purposes as identified through ALERTS.	

1500		Cash Disbursement and Expenditures Reporting		
1506	Operational Procedures for Indirect Costs			
	1506.1	If an Area Agency on Aging is a unit within a multi-function organization that is subject to indirect costs and has received a federally approved indirect cost rate, the Area Agency on Aging must submit to the Division of Aging and Adult Services an "Indirect Cost Plan" and the "Indirect Cost Negotiation Agreement".		
		A	1	The Division of Aging and Adult Services will accept the federally approved indirect cost rate if the following criteria are met: The federally approved indirect cost rate does not violate the statutory requirements defined in Federal and State law.
			2	The federally approved indirect cost rate if applied does not substantially reduce funds for program services.
	1506.2	If an Area Agency on Aging is a unit within a multi-function organization that is subject to indirect costs, the Division of Aging and Adult Services must negotiate and approve, on an annual basis, the rate(s) of the indirect cost pool(s) applied to the Area Agency on Aging.		
		A	The rate(s) of the indirect cost pool(s) must benefit the Area Agency on Aging in terms of actual and needed services.	
	1506.3	Subcontractors who are part of a multi-function organization must apply the same process to receive reimbursement for indirect cost activity.		
		A	Only actual pools of indirect costs incurred during the reporting period should be submitted.	
		B	If an agency is incapable of identifying and allocating an indirect cost pool during the reporting period, serious consideration should be given to redesigning the cost allocation plan and relying mostly on direct costs.	

1500		Cash Disbursement and Expenditures Reporting	
1507	Operational Procedures for Requesting a Cash Advance		
	1507.1	Cash advances are allowed for the following Older Americans Act Title III funding sources:	
		A	Title III-B Social Services;
		B	Title III-C-1 Congregate Meals;
		C	Title III-C-1 Administration;
		D	Title III-C-2 Home Delivered Meals;
		E	Title III-E Family Caregiver Support Program; and
	F	Title III-E Administration.	
	1507.2	Area Agencies on Aging may request cash advances annually. Requests for cash advances must be received by the Division of Aging and Adult Services in June of the current fiscal year for the upcoming fiscal year.	

1500		Cash Disbursement and Expenditures Reporting		
Operational Procedures for Requesting a Cash Advance (continued)				
1507	1507.3	Area Agencies on Aging may request cash advances for their subcontractors and/or for administrative purposes.		
		A	Area Agencies on Aging requesting cash advances for their subcontractors must submit to the Division of Aging and Adult Services Contracts Specialist a written justification detailing the following:	
			1	The total cash advance amount requested; not to exceed the amount identified in 1507.3D
			2	A list of subcontractors requesting cash advances
			3	The advance amounts requested by each subcontractor
	4	The service/purpose of the advance for each subcontractor.		
	B	Area Agencies on Aging requesting cash advances for administrative purposes, must submit to the Division of Aging and Adult Services Independent Living Support Manager a written justification detailing the amount requested by fund source and the purposed use of the funds.		
	C	Written justifications described in 1507.3.A and B must contain a recoupment plan that details when the Division of Aging and Adult Services will recoup the funds advanced.		
	D	At no time will the total amount requested exceed 1/12 th of the allowable Older Americans Act Title III funds in the Contract Operating Budget. Allowable Title III funds are provided in 1507.1.		
	1507.4	The Advance Disbursement/Recoupment Schedule (Form AG-057 - See Exhibit 1500A) is a document used to support the request of allowable Older American Act Title III cash advance funds and must be attached to the written justification. A separate Advance Disbursement/Recoupment Schedule must be developed for each of the fund sources.		
1507.5	Upon receipt of the written justification, the Division of Aging and Adult Services will process the request and forward the advance amounts requested by July 15 th to the Area Agencies on Aging.			
	A	Amounts identified in the Advance Disbursement/Recoupment Schedule will be negotiated with each Area Agency on Aging. The Division of Aging and Adult Services Contracts Specialist will compare the amount spent last year during the same month along with the Area Agency's best judgment about its need for the period.		
1507.6	Area Agencies on Aging receiving cash advances on behalf of their subcontractors must ensure that funds are distributed within three working days to the subcontractor(s).			
1507.7	The Division of Aging and Adult Services will begin recoupment of funds advanced on the negotiated time frames to avoid cash flow problems. All funds will be recouped within the same contract year in which the advance was made.			

1500		Cash Disbursement and Expenditures Reporting		
1508	Operational Procedures for Program Income			
	1508.1	Program income earned during the contract period shall be used in one or more of the following ways:		
		A	Added to funds committed to the project and used to further eligible project or program objectives.	
		B	Deducted from the total project or program allowable cost in determining the net allowable cost in which the Federal cost is based.	
	1508.2	Sufficient documentation must exist to demonstrate that the use of program income results in increasing services.		
		A	Budgeting that accurately represents the amounts of projected income to be generated that will finance the service levels.	
	1508.3	Budget requirements for program income, includes the following:		
		A	Program income should be anticipated in advance of the program year.	
		B	Budgeted to ensure maximum production levels.	
			1	Area Agencies on Aging should request a budget amendment when program income is received in excess of budgeted amounts.
C		If program income funds are to be distributed to different services than they were received, such funds must be identified in an approved budget.		
D	Must be expended during the contract year in which it was earned.			

1500		Cash Disbursement and Expenditures Reporting	
1509	Operational Procedures for Nutrition Services Incentive Program (Formerly U.S. Department of Agriculture Funds)		
	1509.1	The Division of Aging and Adult Services will distribute funds received for the Nutrition Services Incentive Program through Area Agencies on Aging to nutrition providers.	
		A	The state has elected to receive cash payments for this program and not to receive commodities as described in the Division of Aging and Adult Services Policy and Procedure Chapter 3000 Section 3200 . Disbursements shall only be used to purchase foods for nutrition projects. Allocations to Area Agencies on Aging are based upon prior Federal Fiscal Year utilization.

1500		Cash Disbursement and Expenditures Reporting	
1510	Operational Procedures for Late Provider/Sub Contractor Reports		
	1510.1	Area Agencies on Aging should make every effort to ensure that provider reports are in on time.	
		A	Payments are processed typically the last Thursday and Friday of each month.
	1510.2	Area Agencies on Aging should take the following steps to ensure timeliness in reporting:	
		A	Notify the provider that no cash will be disbursed until the report is received by the Area Agency on Aging.
		B	Complete the required reports for submission to the Division of Aging and Adult Services with the provider reports that are on time.
C		Include the absent provider's report after it has been submitted, with the following month's report.	

EXHIBITS:	
1500A	Advance Disbursement/Recoupment Schedule (AG-057) with instructions https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/ag_057.xls
1500B	Monthly Financial Report (AG-053) with instructions https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/ag_053.xls

1600		Reporting
1601	Overview	
	1601.1	<p>The Division of Aging and Adult Services administers the planning, coordination, evaluation, and reporting requirements established by the Older Americans Act and the Terms and Conditions of other grants, such as the State Health Insurance Assistance Program. The Division of Aging and Adult Services, through the Area Agencies on Aging, collects statistical data and analyzes the information regarding the effectiveness of program delivery. Data collected is then reported in the National Aging Program Information System (NAPIS) which includes the State Program Report, National Ombudsman Reporting System, Senior Medicare Patrols and other grant specified systems. The NAPIS serves as a source for performance and descriptive data.</p> <p>Performance and descriptive data is collected as a means of measuring the effectiveness of Area Agencies on Aging in targeting services to older individuals with greatest economic and social need, with particular attention to low-income individuals, individuals residing in rural areas, and frail individuals (including those with any physical or mental/cognitive impairment).</p> <p>This chapter provides an outline for the Division of Aging and Adult Services operational procedures on reporting requirements for Area Agencies on Aging and Tribes. The reports document the number of individuals who have received services, demographic information and units of service provided. This policy chapter is subject to change as additional information and/or regulations are received from the state and U.S. Department of Health and Human Services, Administration on Aging.</p>

1600		Reporting
1602	Authority	
	1602.1	Older Americans Act of 1965, as Amended in 2006, P.L. 109-365, § 206, § 207, § 306, § 307 and § 311; and Title 45 C.F.R. § 1321.17 and § 1321.65.

1600		Reporting	
Operational Procedures			
<p>Area Agencies on Aging shall ensure data is collected for services funded under an approved Area Plan on Aging within its planning and service area. Area Agencies on Aging report on programs and services funded under the Older Americans Act and other funding sources through the Aging Information Management System (AIMS) or on approved forms identified by the Division of Aging and Adult Services. Area Agencies on Aging shall utilize the AIMS for the purpose of recording client supported “registered” service data. Non-client supported data (registered and non-registered) is reported on forms identified in section 1603.1A. All other Area Agency on Aging programmatic and planning reports are specified in 1603.1B-L.</p>			
1603	1603.1	Programmatic and Planning Reports	
		A	Area Agency on Aging
		1	Social Service Report for Non-Registered Services - AG-O31-N (Exhibit 1600A).
		2	Social Service Report for Registered Services - AG-O31-R (Exhibit 1600B).
		B	Native American Communities and Tribes
		1	Social Service Report for Non-Registered Services - AG-O31-N (Exhibit 1600A).
		2	SAMS Service Demographic Report (non Division of Aging and Adult Services form) – Registered Services; Congregate Meals and Home Delivered Meals.
		C	State Health Insurance Assistance Program (SHIP)
		1	SHIP/SMP Monthly Report and Instructions (Exhibit 1600C).
		2	SHIP/SMP Public and Media Activity Form and Instructions (Exhibit 1600D).
		3	SHIP Evaluation Form (Exhibit 1600E).
		4	SHIP/SMP Client Contact Form and Instructions (Exhibit 1600F).
		D	SMP
		1	SMP Volunteer Hours (Exhibit 1600G).
		2	SMP Volunteer Add a Volunteer Form (Exhibit 1600H).
		3	SMP Complex Issue Form (Exhibit 1600I).
		4	SMP Evaluation Form - English (Exhibit 1600J).
		5	SMP Evaluation Form - Spanish (Exhibit 1600K).
		E	Long Term Care Ombudsman Program
		1	Monthly Ombudsman Program Data Collection Report (Exhibit 1600L).
2	Monthly Ombudsman Program Case Report (Exhibit 1600M).		
F	Family Caregiver Support Program		
1	Family Caregiver Support Program Registered Services Report - AAA-1186A (Exhibit 1600N).		
2	Family Caregiver Support Program Non-registered Services Report- AAA-1185A (Exhibit 1600P).		
3	Family Caregiver Support Program Quarterly Summary Report (Exhibit 1600Q).		
G	Legal Services Assistance Program		
1	Monthly Legal Services Report and Instructions (Exhibit 1600R) in conjunction with the information collected in the report described in 1603.2.A.3.		
H	Mature Worker		
1	Mature Worker Program Quarterly Summary Report and Instructions (Exhibit 1600S).		
I	Financial Reports		
1	Invoice – AG-053 (Exhibit 1600T).		

1600		Reporting	
1603	Operational Procedures (continued)		
	J	Area Plan on Aging	
		1	An Action Plan for Strategic Objectives shall be submitted 90 days following the implementation date of the Area Plan on Aging.
		2	Action Plan for Strategic Objectives Update report by July 31 st of each year.
	K	Program Development - The following applies only to those Area Agencies on Aging that set aside funds for program development.	
		1	Annual report that details the progress of program development activities and accomplished program development activities by August of each year.
	L	Discretionary Grants	
		1	Individual grant reports are specified in the discretionary grant reporting section of the Reports Matrix document (Exhibit 1600U).
	1603.2	Unless otherwise specified, reports identified in 1603.1 shall be completed and submitted to the Division of Aging and Adult Services by the 30 th day of the month following the designated reporting period.	
	1603.3	An Area Agency on Aging may be required to submit reports in addition to those identified in 1603.1 as determined necessary by the Division of Aging and Adult Services.	

EXHIBITS:	
1600A	Social Service Report for Non-Registered Services (AG-031-N) and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AG-031-N.xls
1600B	Social Service Report for Registered Services (AG-031-R) and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AG-031-R.xls
1600C	SHIP/SMP Monthly Report and Instructions https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/ship_smp_aaa_%20monthly_report_form.xls
1600D	SHIP/SMP Public and Media Activity Form and Instructions https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/ship_smp_public_and_media_form.xls
1600E	SHIP Evaluation Form https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/pdf/AAA-1194AFORPD.pdf
1600F	SHIP/SMP Client Contact Form and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1199AFORFF.doc
1600G	SMP Volunteer Hours https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1195AFORFF.doc
1600H	SMP Volunteer Add a Volunteer Form https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1196AFORFF.doc
1600I	SMP Complex Issue Form https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/smp_complex_issue_form.doc
1600J	SMP Evaluation Form English https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/smp_evaluation_english.pdf
1600K	SMP Evaluation Form Spanish https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/smp_evaluation_spanish.pdf
1600L	Monthly Ombudsman Program Data Collection Report https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1048AFORFF.doc
1600M	Monthly Ombudsman Program Case Report https://www.azdes.gov/InternetFiles/IntranetProgrammaticForms/doc/AAA-1163AFORFF.doc
1600N	Family Caregiver Support Program Registered Services Report and Instructions (AAA-1186A) https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1186AFORFF.xls
1600P	Family Caregiver Support Program Non-registered Services Report and Instructions (AAA-1185A)

EXHIBITS:	
	https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1185AFORFF.xls
1600Q	Family Caregiver Support Program Quarterly Summary Report and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1218AFORFF.doc
1600R	Legal Services Report and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1217AFORFF.doc
1600S	Mature Worker Program Quarterly Summary Report and Instructions https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/AAA-1216AFORFF.doc
1600T	Invoice (AG-053) https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/ag_053.xls
1600U	Reports Matrix https://www.azdes.gov/uploadedFiles/Aging_and_Adult_Services/Policy/c_1000_report_matrix.pdf

1700 Older Americans Act Carryover Funds	
1701	Overview
	<p>The Division of Aging and Adult Services shall develop and maintain fiscal control and funding operational principles and procedures that address the management of Older Americans Act Title III and VII carryover funds disbursed under an approved State Plan on Aging. Carryover funds shall be obligated by the Division of Aging and Adult Services to ensure the continuation of service delivery.</p> <p>This chapter shall provide an outline of the Division of Aging and Adult Services operational principles and procedures for guidelines the Area Agencies on Aging must adhere to in managing and obligating Older Americans Act carryover funds.</p> <p><i>Reference: Older Americans Act of 1965, as Amended in 2000, P.L. 106-501, § 304 and § 306; and Title 45 C.F.R. § 74.71.</i></p>

1700 Older Americans Act Carryover Funds			
1702	Operational Principles		
	1702.1	Carryover funds are for a <i>one-year period only (contract year)</i> .	
	1702.2	Area Agencies on Aging shall incorporate carryover funds from the most recently completed contract year into their contract and subcontracts by January 1 st for the current contract year. Area Agencies on Aging may request an extension to the January 1 st deadline by providing written justification to the Contracts Specialist.	
	1702.3	Area Agencies on Aging shall identify carryover amounts in their Area Plan and during their public hearing. The Area Plan must specify the priorities established by the Area Agencies on Aging regarding the use of carryover funds. The carryover funds may be targeted toward meeting one or more of the following goals:	
		A	Reducing the waiting list;
		B	Expanding current service levels;
		C	Replacing funds in services resulting from other Federal, State, or Local reductions;
		D	Funding demonstration/pilot projects; and/or,
	E	Funding one-time expenditures.	
	1702.4	Area Agencies on Aging may carryover 10 percent of their total Older Americans Act funds from the most recently completed contract year to the current contract year. The 10 percent does not include any carryover funds from a prior contract year(s).	
1702.5	Area Agencies on Aging may request authorization to carryover up to 20 percent of their total Older Americans Act funds by providing written justification for additional funds detailing the amount requested by funding source and a description of the projected use of the funds. This request shall be approved/disapproved by the Division of Aging and Adult Services Assistant Director.		
1702.6	Unexpended Older Americans Act administration funds identified at the end of the most recently completed contract year are not eligible as administration carryover.		

1700		Older Americans Act Carryover Funds	
1703	Operational Procedures		
	1703.1	Area Agencies on Aging will submit to the Division of Aging and Adult Services their final expenditures for all services provided, 45 calendar days following the termination of the contract budget year (August 15 th).	
	1703.2	The Division of Aging and Adult Services will analyze the expenditures against the payments and the contract budget ceilings to establish the unexpended amounts by fund source following the submittal of all final expenditures. Division of Aging and Adult Services will review, adjust and amend as needed, the results prior to developing the contract close-out report.	
	1703.3	The close-out report issued by the Division of Aging and Adult Services will consist of the following:	
		A	Cover letter;
		B	Preliminary close-out summary (Excel spreadsheet);
		C	Year-to-date expenditure report (AIMS/AG-053);
		D	Year-to-date disbursement report (AIMS-VJJAC970); and
	E	Carryover spreadsheet (Excel spreadsheet).	
	1703.4	The Division of Aging and Adult Services shall send close-out reports to the Area Agencies on Aging no later than October 1 st , unless unforeseen circumstances prevent the issuance of the report. Upon receipt of the close-out report, Area Agencies on Aging will have 30 calendar days to review the report.	
1703.5	The close-out report will identify the amount of funding eligible for carryover from the appropriate Federal fund source. If the close-out report contains an amount <i>due to</i> the Area Agency on Aging, the Division of Aging and Adult Services shall remit that amount to the Area Agency on Aging, prior to awarding carryover to the Area Agency on Aging. If the close-out report contains an amount <i>due from</i> the Area Agency on Aging, that amount shall be remitted to the Division of Aging and Adult Services, prior to awarding carryover to the Area Agency on Aging.		
1703.6	Should Area Agencies on Aging report carryover funds in excess of 10 percent by the end of the recently completed budget year, the Division of Aging and Adult Services shall reclaim funds for redistribution to those Area Agencies on Aging whose carryover funds are less than 10 percent. Inquiries shall be made by the Division of Aging and Adult Services to the Area Agencies on Aging whose carryover is less than 10 percent to determine their need for additional funds. Funds will be redistributed on a proportionate basis to the eligible Area Agencies on Aging up to their 10 percent limit if the reclaimed funds are less than a total of 10 percent Statewide. Area Agencies on Aging whose carryover is less than 10 percent are not guaranteed additional carryover funds. If the reclaimed carryover funds are under \$1,000, the Division of Aging and Adult Services will work with the Area Agencies on Aging to determine which Area Agency on Aging and/or what special project shall utilize the funds.		
1703.7	Area Agencies on Aging requesting carryover above 10 percent and up to a maximum of 20 percent, must submit to the Division of Aging and Adult Services Assistant Director, a written justification detailing the amount requested by funding source and the projected use of the funds.		
1703.8	Should Area Agencies on Aging not expend all of their administration funds during the most recently completed fiscal year, the Federal portion (75 percent) is eligible for carryover as program funds.		
1703.9	Unexpended funds not requested as carryover by the Area Agencies on Aging shall revert to the Division of Aging and Adult Services for reallocation with priority given to one-time only expenditures.		

1800		Audit
1801	Overview	
	1801.1	<p>The Division of Aging and Adult Services (Division of Aging and Adult Services) shall strictly enforce financial controls on all contractors to ensure accountability of funds.</p> <p>This chapter provides an outline of the Division of Aging and Adult Services operational principles and procedures for audit requirements applicable to contracts awarded to the Area Agencies on Aging, subcontractors and other agencies doing business with the Division of Aging and Adult Services. This policy chapter is subject to change as additional information and/or regulations are received from the state and the U.S. Department of Health and Human Services, Administration on Aging.</p> <p><i>Reference: Older Americans Act of 1965, as Amended in 2000, P.L. 106-501, § 305; P.L. 98-502, Single Audit Act of 1984; OMB Circular A-133; and Title 45 C.F.R. Part 74, Subpart H.</i></p>

1800		Audit
1802	Operational Principles	
	1802.1	The Division of Aging and Adult Services shall require that all Area Agencies on Aging submit audits annually, and that any audits findings be resolved in an accurate and timely manner.
	1802.2	The purpose of the audit is to examine the operations with respect to fiscal program compliance elements, and to test for internal controls.

1800		Audit	
1803	Operational Procedures for Audit Goals		
	1803.1	Audit goals established by the Division of Aging and Adult Services shall be adhered to by the Area Agencies on Aging and their subcontractors, in order to:	
		A	Evaluate contractor's ability to establish and maintain control and accountability of funds provided;
		B	Verify compliance with Federal, State and Local laws and regulations relating to expenditures
		C	Verify program income
		D	Verify validity of final reported amounts
		E	Determine amounts of questioned or disallowed costs
		F	Verify final carryover amounts by fund source to close out contract year.

1800		Audit
1804	Operational Procedures for OMB Circular A-133 Audits	
	1804.1	OMB Circular A-133 Audit package submitted to Department of Economic Security shall include the items indicated in the audit section (5) of the contract Terms and conditions.

1800		Audit
1805	Operational Procedures for General Audit Requirements	
	1805.1	The audit should be made in accordance with the General Accounting Office Standards for Audits.

1800 Audit		
1806	Operational Procedures for Audit Submittal	
	1806.1	Audit of the Area Agencies on Aging and other contractors shall be submitted to the Division of Aging and Adult Services Office as outlined in the Audit section of the contract terms and conditions.

1800 Audit		
1807	Operational Procedures for Review Resolution of Audit Reports	
	1807.1	The Department of Economic Security, Office of Audit and Management Services (AMS) and the Division of Aging and Adult Services will review the audit report package submitted by the Area Agency on Aging.
	1807.2	Division of Aging and Adult Services Staff will follow-up with Area Agencies on Aging as deemed necessary by AMS and/or Division of Aging and Adult Services.

1900 Administrative Mandates	
1901	Overview
	<p>This chapter provides an outline for the Division of Aging and Adult Services operational policies and procedures for Administrative Mandates. Administrative Mandates include Confidentiality and Disclosure of Information, Unusual Incident Reporting, Client Complaints, Grievances and Appeals.</p>

1910 Confidentiality and Disclosure of Information	
1910	Overview
	<p>The Division of Aging and Adult Services maintains the confidentiality of the clients served under the programs of the Division.</p> <p>This section provides an outline for the Division of Aging and Adult Services operational principles and procedures on minimum standards for addressing confidentiality and disclosure of information regarding clients receiving services funded under an approved Area Plan on Aging. This policy chapter is subject to change as additional information and/or regulations are received from the State of Arizona and the U.S. Department of Health and Human Services, Administration on Aging.</p>

1910 Confidentiality and Disclosure of Information	
1911	Authority and Statutory Requirements
	<p>The information in this section is authorized and governed by the following statutes and regulations:</p>
	<p>A Older Americans Act of 1965, as Amended in 2006, P.L. 109-365, § 102, § 305, § 306, § 307, § 308, § 314, § 315, § 321, § 705, § 712, § 721, and § 764; http://www.aoa.gov/AoARoot/AoA_Programs/OAA/oa_full.asp</p>
	<p>B Code of Federal Regulations, Title 45 Public Welfare, C.F.R. §1321.11 and §1321.51 http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title45/45cfr1321_main_02.tpl</p>
	<p>C The Freedom of Information Act, 5 U.S.C. § 552 As Amended By Public Law No. 110-175, 121 Stat. 2524 (2007) http://www.gpo.gov/fdsys/pkg/PLAW-110publ175/pdf/PLAW-110publ175.pdf</p>
	<p>D Health Insurance and Portability Act of 1996 P.L. 104-191 http://aspe.hhs.gov/admsimp/pl104191.htm</p>
	<p>E A.R.S. §41-1959, §41-1991 thru §41-1995 http://www.azleg.state.az.us/ArizonaRevisedStatutes.asp?Title=41_46-454 §46-454 http://www.azleg.state.az.us/ars/46/00454.htm § 46- 41 http://azleg.gov/FormatDocument.asp?inDoc=/ars/46/00141.htm&Title=46&DocType=ARS</p>
	<p>F Arizona Administrative Code, Title 6, Chapters 5, 8 and 13 http://www.azsos.gov/public_services/Title_06/06_table.htm</p>
	<p>G Department of Economic Security Policy - Unusual Incident Reporting 1-07-02A http://intranet/appFiles/Policies/pdf/DES-1-07-02A.pdf and 1-07-02B http://intranet/appFiles/Policies/pdf/DES-1-07-02B.pdf</p>

1910 Confidentiality and Disclosure of Information		
1911	Authority and Statutory Requirements (continued)	
	The Area Agency on Aging must ensure that service providers comply with the following:	
	<table border="1"> <tr> <td style="text-align: center;">A</td> <td>A fingerprint based criminal background check shall be completed at time of hire, or as a result of reassignment after hire, on employees and volunteers who have direct contact with juveniles or vulnerable adults including those who are mentally disabled, frail, or have a chronic disease that puts them at risk for abuse (see A.R.S. § 46-141). See also the Arizona Department of Economic Security Special Terms and Conditions - ProFleet and Equipment Services / Optional Auto / Children-Vulnerable Adult / Bonding Area Agency on Aging, section 5.</td> </tr> </table>	A
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1910		Confidentiality and Disclosure of Information	
1912	Operational Procedures for Confidentiality and Disclosure of Information <i>(continued)</i>		
	1912.7	Disclosure of confidential information as identified in section 1912.6 shall be specific and time limited and must be documented in a case record. Documentation in case records must identify the following:	
		A	The information that was disclosed. A copy of the written release of information from the party seeking the information shall be part of the case record.
		B	To whom the information was disclosed.
		C	The purpose of the disclosure.
		D	The date and time the information was disclosed.
		E	The name of the individual who made the disclosure to the requesting party.
	1912.8	When monitoring entities funded under an approved Area Plan on Aging, an Area Agency on Aging shall not require the entity that such agency has contracted with to disclose information or data about applicants or clients which is not pertinent to the service furnished or payment made. The Area Agency on Aging should use the least intrusive methods possible to obtain the information necessary to fulfill monitoring activities.	
	1912.9	Legal assistance providers shall not be required to disclose the information which would be considered privileged and which may include "revealing information relating to the representation of a client, unless the client consents, after consultation, except for disclosures that are implicitly authorized in order to carry out the representation." Legal assistance providers are legally and ethically prohibited from disclosing information that could identify clients to Area Agency on Aging, or other funding sources. However, there are other types of information that can be released for monitoring purposes and which would not be considered "privileged" as defined by ethical obligations set forth in the Canons of Ethic of the State Bar of Arizona. The following are examples of non-privileged information:	
		A	Pleadings, memos, or other data filed with the courts.
B		Legal documents which have been recorded.	
C		Names, addresses, telephone numbers and narratives of the legal problem if the client provided such information previously to the Area Agency on Aging if it was the agency making the referral to the legal service provider.	
D		Court orders, minutes, entries and other court or public records.	
E		Collected statistical information not identified to a particular client which may include types of services, disposition of cases, type of cases and units of service.	
F		Information that the client has made public through another source, example: client files a complaint about a legal service delivered by another agency or the Area Agency on Aging.	

1910		Confidentiality and Disclosure of Information	
1913	Operational Procedures for Storage of Confidential Information		
	1913.1	An Area Agency on Aging, or entity that such agency has contracted with, shall ensure the confidentiality of client information. Confidential information shall be maintained in locked files. If electronic records are utilized, confidential information must be secured.	
	1913.2	An Area Agency on Aging shall ensure that the entity that such agency has contracted with retain all data and other records relating to the performance of the contract for a period of five years after the completion of the contract.	

1920		Client Complaint, Grievance and Appeals
1920	Overview	
	1920.1	<p>The Division of Aging and Adult Services shall provide for a method of addressing client complaints, grievances and appeals.</p> <p>This chapter provides an outline for the Division of Aging and Adult Services operational principles and procedures on minimum standards that must be included in policies and procedures developed by Area Agency on Aging which address an individual or their responsible person's complaint, grievance and appeal process. This policy chapter is subject to change based upon approval of the revised Arizona Administrative Code.</p>

1920		Client Complaint, Grievance and Appeals	
1921	Operational Principles		
	1921.1	Area Agency on Aging shall develop and maintain policies and procedures which address complaints, grievances and appeals filed by individuals, or other responsible party, who apply for or receive services funded under an approved Area Plan on Aging.	
	1921.2	Area Agency on Aging shall ensure that individuals or their responsible person who apply for or receive services funded under an approved Area Plan on Aging are provided the following:	
		A	Information about their legal rights regarding the complaints, grievances and appeals process arising from the delivery of contract services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Department of Economic Security may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.
		B	Assistance in making informed decisions regarding this process.
	C	The opportunity to exercise appeal rights as defined by applicable laws, rules and regulations.	
	1921.3	While a complaint, grievance or appeal can be filed at any level under this section, every effort should be made to ensure that all avenues of resolution are exhausted prior to filing an Administrative Review at the State level.	
		A	Adverse action decisions are possible by the service provider, Area Agency on Aging and the Division of Aging and Adult Services; therefore, separate procedural standards must be maintained to ensure resolution is attempted at the appropriate level. Adverse action decisions include the following:
			1
	2	Suspension, termination or reduction of service provision.	

1920 Client Complaint, Grievance and Appeals	
Operational Procedures for Complaints and Grievances	
1922.1	The individual who applies for or receives services or their responsible person may not agree with adverse actions taken by the service providers. They may also have a complaint regarding an issue, such as quality of care or problems related to communication and customer service.
1922	<p>The Area Agency on Aging shall ensure that an informal complaint resolution process is established which responds to written complaints filed by an individual or their responsible person. Individuals or their responsible persons should be encouraged to discuss any problems or complaints with their service providers as soon as they arise. The process shall include an opportunity for an informal meeting between the client and the service provider.</p>
	<p>A complaint will be referred to the Area Agency on Aging to objectively review and investigate the complaint, and attempt to resolve the complaint informally before the formal grievance stage is reached.</p>
	<p>A 1 The complaint and attempts to resolve the complaint must be documented in the individual's file, by the service provider.</p>
	<p>2 If no informal resolution to the complaint is possible at the service provider level, the individual or their responsible person has the right to file a complaint with the Area Agency on Aging.</p>
	<p>If an individual or their responsible person chooses to file a complaint with the Area Agency on Aging, the complaint will be referred to an "assigned person" at the Area Agency on Aging, who is designated to objectively respond to the complaint through an informal meeting.</p>
	<p>B 1 The complaint and attempts to resolve the complaint must be documented in the individual's file, by the Area Agency on Aging.</p>
	<p>2 The Area Agency on Aging shall issue its decision on the complaint to the service provider and the individual or their responsible person, in writing, within 30 days of receipt of the complaint.</p>
	<p>If no formal resolution to the grievance is possible, the individual or their responsible person has the right to file an appeal.</p>
	<p>C 1 If an individual or their responsible person chooses to file an appeal, they must file a written request for hearing with the Assistant Director within 15 days after the mailing date of the Area Agency on Aging's final decision.</p>
	<p>D Service provision will not be reduced or terminated prior to a hearing decision from the appropriate hearing entity, if applicable.</p>
	<p>E The service provider who issued the original decision of adverse action is required to render assistance to the individual or their responsible person in filing a hearing request.</p>
	1922.2

1920		Client Complaint, Grievance and Appeals			
1923	Operational Procedures for Appeals				
	1923.1	A request for hearing shall be considered received and filed with the Department of Economic Security, if the following criteria are met:			
		A	If the request for hearing is transmitted via the United States Postal Service, on the date it is mailed. The mailing date shall be:		
			1	As shown by the postmark.	
			2	As show by the postage meter mark of the envelope in which it is received if there is no postmark.	
		3	The date entered on the request for hearing document if there is no legible postmark.		
		B	On the date the request for hearing is received by fax or e-mail.		
	C	The submission of document not within the specified statutory or regulatory period shall be considered timely if it is established to the satisfaction of the Department that the delay in submission was due to Department error or misinformation, or to delay by the United States Postal Service.			
	1923.2	A Pre-Hearing Summary of the facts and grounds for the action taken shall be prepared by the Area Agency on Aging and forwarded to the hearing officer within a specified time frame.			
		A	A copy of the summary shall be made available to the individual or their responsible person or representative prior to the hearing.		
	1923.3	All scheduling of hearings is the responsibility of the Department of Economic Security's Office of Appeals. Hearings shall be held at those regularly established hearing locations most convenient to the parties, or at the discretion of the hearing officer, by telephone.			
		A	Notice of hearing shall be not less than 20 days, with parties given the option to waive the notice period or request a delay.		
			1	If requests for delay or postponement for good cause are submitted promptly to the Office of Appeals, the hearing office shall grant a postponement for a reasonable period.	
		B	Notice or hearing shall include:		
			1	Date, time and place of the hearing.	
2			The name of the hearing officer.		
3			The issues involved.		
4			The individual or their responsible person's right to present the case through an assigned representative, and to present the case by telephone.		
5			The individual or their responsible person's right to copy any documents used by the Department at the hearing, prior to the hearing.		
6		The individual or their responsible person's right to request a change of hearing officer.			
	a	Not less than five days before the date set for the hearing, any party may file a written request for change of hearing office and the matter shall immediately be transferred to another hearing officer.			

1920		Client Complaint, Grievance and Appeals
Operational Procedures for Appeals (continued)		
1923.4	The attendance of a witness(s) may be requested on behalf of the individual or their responsible person, the service provider or Area Agency on Aging. The hearing officer may subpoena any witnesses or documents requested by any party, or at the hearing officer's discretion.	
	A	The request for witness attendance shall be in writing.
	B	The request must state the name and address of the witness.
	C	The request must state the nature of the witness' testimony.
	D	The individual or their responsible person must be informed of the working five-day time frame by which a subpoena must be received.
E	A request for documents shall describe them in detail and provide the name and address of the custodian of the documents.	
1923.5	Hearings will be conducted in an orderly and dignified manner, as follows:	
	A	Hearings will be opened, conducted, and closed at the discretion of the hearing officer.
	B	The decision of the hearing officer shall become the final decision of the Department 15 days after it is issued unless a written petition for review has been filed.
	C	A witness can only be excluded by the hearing officer.
	D	Parties may have representatives testify, present evidence, submit relevant documents from the individual's case file, cross examine witnesses and present arguments.
	E	The individual or their responsible person may appear for himself/herself, or designate a representative to appear on his/her behalf.
F	A full and complete record of the proceedings shall be maintained and be open for inspection by the parties.	
1923.6	Hearing decisions and an explanation of appeal rights shall be mailed to each party not more than 60 days from the date of filing the request for hearing, unless the delay was caused by the individual or their responsible person. In such case, the time limit for delivery is extended by the number of days attributable to the individual or their responsible person.	
	A	All decisions in favor of the individual apply retroactively to the date of the action being appealed, or to the date the hearing officer finds appropriate.
	B	The decision of the hearing officer will be the final decision of the Department of Economic Security, unless a petition for review is requested by the individual or their responsible person.
	C	If an individual or their responsible person chooses to file a petition for review, they must file a signed and dated written request for the petition with the Assistant Director of Division of Aging and Adult Services or the Office of Appeals within 15 days after the mailing date of the hearing decision.

1920		Client Complaint, Grievance and Appeals		
1923	Operational Procedures for Appeals (continued)			
	1923.7	An individual or their responsible party may request the Appeals Board to review a hearing decision made by a hearing officer within 15 days after the decision was mailed or otherwise delivered to him/her.		
		A	The request should set forth a statement of the grounds for review, and may be filed personally or by mail.	
		B	After receipt of a request, the Appeals Board shall:	
			1	Remand the case for rehearing, specifying the nature of any additional evidence required and/or issues to be considered, or
			2	Grant the request and decide the appeal on record.
		C	The Appeals Board will promptly adopt a decision, which shall be the final decision of the Department of Economic Security.	
	D	A copy of the final decision will be distributed to each interested party.		
	1923.8	An appeal may be terminated, as follows:		
		A	By voluntary withdrawal if the appellant submits a signed letter or on the record at any time before the decision is issued.	
		B	By default when a party fails to appear at a scheduled hearing and fails to request a hearing within 15 days.	
	1923.9	AAA's must provide: Legal assistance information and referral sources when filing an appeal.		
A		Appear as a witness on behalf of the Department of Economic Security, as requested.		

1930		Fingerprint Requirement	
1930	Operational Procedures for Fingerprinting		
	1930.1	The AAA must ensure that service providers comply with the following:	
		A	A fingerprint based criminal background check shall be completed at time of hire, or as a result of reassignment after hire, on employees and volunteers and SCSEP participants who have direct contact with vulnerable individuals including those who are mentally disabled, frail, or have a chronic disease that puts them at risk for abuse (see A.R.S. § 46-141). See also the Arizona Department of Economic Security Special Terms and Conditions - Professional Services / Optional Auto / Children-Vulnerable Adult / Bonding AAA, section 5.