

ARTICLE I. FUNDS

A. Expenditure of Funds

1. Contractor shall expend all funds received hereunder in accordance with this Agreement.
2. Funds made available for Ombudsman volunteer recruitment activities in the Budget Act shall be used by Contractor to maintain or expand the activities of the Long-Term Ombudsman Program.
3. Any reimbursement for authorized travel and per diem shall be at rates not to exceed those amounts paid by the State in accordance with California Department of Human Resources (CalHR) rules and regulations.

In-State:

- Mileage/per diem (meals and incidentals)/Lodging:
<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

Out-of-State:

- <http://hrmanual.calhr.ca.gov/Home/ManualItem/1/2201>

This is not to be construed as limiting Contractor from paying from funds other than those provided by A12AA any differences in costs between the Department of Personnel Administration rates and any rates Contractor is obligated to pay under other contractual agreements. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the A12AA and the California Department of Aging (CDA). [SCM 3.17.2.A(4)]

4. A12AA reserves the right to refuse payment to Contractor or disallow costs for any expenditure, as determined by the A12AA to be out of compliance with this Agreement, unrelated or inappropriate to contract activities, when adequate supporting documentation is not presented, or where prior approval was required but was either not requested or not granted.

B. Accountability of Funds

1. Contractor shall maintain accounting records for funds received under the terms and conditions of this Agreement. These records shall be separate from those for any other funds administered by Contractor, and shall be maintained in accordance with generally accepted accounting principles and procedures and the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [2 CFR Part 200; 45 CFR 75]
2. Financial Management Systems

Contractor shall meet the following standards for its financial management systems, as stipulated in 45 CFR 75.302 as well as those stipulated in 2 CFR §200.302.

Financial Management:

- a. Financial Reporting
- b. Accounting Records
- c. Internal Control
- d. Budgetary Control
- e. Source Documentation
- f. Cash Management (written procedures)
- g. Allowable Costs (written procedures)
- h. Complete Disclosure

C. Unexpended Funds

Upon termination, cancellation, or expiration of this Agreement, or dissolution of the entity, Contractor shall return to A12AA immediately upon written demand any funds provided under this Agreement which are not payable for goods and services delivered prior to the termination, cancellation, or expiration of this Agreement, or the dissolution of the entity.

D. Funding Contingencies

1. It is understood between the parties that this Agreement may have been written before ascertaining the availability of funds in order to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
2. This Agreement is valid and enforceable only if sufficient funds are made available to A12AA and the California Department of Aging (CDA) by the United States Government for the purpose of these programs. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the CDA, the State of California or by Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

3. Limitation of State and A12AA Liability

Payment for performance by Contractor shall be dependent upon the availability of future appropriations by the State of California or by Congress for the purposes of this contract and approval of an itemized Area Plan Budget (CDA 122). No legal liability on the part of the State or A12AA for any payment may arise under this Agreement until funds are made available, the itemized budget is received and approved by A12AA, and Contractor has received an executed Agreement.

4. Funding Reduction(s)

- a. If funding for any State fiscal year is reduced or deleted by the State of California, or by Congress for the purposes of this program, A12AA shall have the option to either:
 - Terminate this Agreement pursuant to Exhibit D, Article XII, A of this Agreement; or
 - Offer an amendment to this Agreement to reflect the reduced funding for this contract.
- b. In the event that A12AA elects to offer an amendment, it shall be mutually understood by both parties that (1) A12AA reserves the right to determine which agreements, if any, under this program, shall be reduced, and (2) some contracts may be reduced by a greater amount than others, and (3) that A12AA shall determine in its sole discretion the amount that any or all of the agreements shall be reduced for the fiscal year.

E. Interest Earned

1. Contractor may keep interest earned on advances of federal funds up to \$500 per year for local government agencies or \$250 for non-profit organizations to be used for administrative expenses. Interest earned above the stated limit shall be remitted at least quarterly to A12AA. [2 CFR 200.305(b)(9); [45 CFR 75.305 (b)(9)]
2. If, as a result of advanced funds, Contractor earns interest on funds awarded by the A12AA, the interest shall be identified as non-match cash. [2 CFR 200.305 (b)(8)];45 CFR 75.305 (b)(8)]
3. Contractor may retain interest on non-federal funds if it reasonably demonstrates that such interest was earned on non-federal funds. If Contractor fails to adequately demonstrate the source of the interest, then such interest will be considered earned on federal funds and shall be remitted, at least annually, to A12AA. [45 CFR 75.305(b)(8)].

ARTICLE II. BUDGET AND BUDGET REVISION

- A. Contractor shall be compensated for expenses only as itemized in the approved Contractor budget with the exception of line item budget transfers as noted in this Exhibit and shall not be entitled to payment for these expenses until Contractor's budget(s) are reviewed, approved and executed by A12AA. The approved budget(s) are hereby incorporated by reference into this Agreement as a part of this Exhibit B.
- B. Contractor shall submit electronically the original Contractor Budget(s) with its Proposal, the Contract Renewal Proposals and this Agreement.

- C. Contractor budget(s) must set forth in detail the reimbursable items, unit rates and extended total amounts for each line item. Contractor budget(s) shall include, at a minimum, the following items when reimbursable under this Agreement:
1. Personnel Costs – annual FTE wage rates and personnel classifications together with the percentage of time to be charged, specified for each funding source.
 2. Fringe Benefits – specified for each funding source.
 3. Staff Travel – mileage reimbursement, lodging, per diem and other travel costs, specified for each funding source.
 4. Staff Training – attendance cost for necessary training, specified for each funding source.
 5. Property/Equipment – detailed descriptions and unit costs, specified for each funding source.
 6. Supplies – to include items below the \$5,000 equipment threshold, specified for each funding source.
 7. Vendor/Consultant Agreements – specified for each funding source.
 8. Food – used in delivering Congregate and Home-Delivered Meals.
 9. Other – Facilities and other ordinary and necessary costs specified for each funding source.
 10. Allocated Direct Costs – requires submission of a Direct Cost Allocation Plan for prior approval.
 11. Subrecipient Contractor Services – summary costs for subcontracted programs specified for each funding source.
 12. Indirect Costs
- D. Contractor shall submit any budget revisions electronically by the deadline set by A12AA.
- E. The final date to submit budget revisions is April 15, 2023 unless otherwise specified by A12AA. Budget revisions must be submitted electronically.
- F. Budget Service Category Transfers
1. Contractor may transfer funds between budget service categories under the following terms and conditions:

- a. Contractor must submit a revised budget to A12AA for any transfer of funds for each funding source - Title III-B, C-1, C-2, and Title VII (A) and (B).
 - b. Contractor shall maintain a written record of all budget changes and clearly document service category changes. The record shall include the date of the transfer, the amount, and the purpose. This record shall be available upon request and shall be maintained in the same manner as all other financial records.
2. Approved transfers and budgets will be incorporated by reference into the current agreement.
 3. Transfer of funds cannot be processed or approved after the end of the specified term of this Agreement.

G. Indirect Costs

1. The maximum reimbursement amount allowable for indirect costs is not to exceed ten percent (10%) of Contractor's Modified Total Direct costs (MTDC), excluding in-kind contributions and nonexpendable equipment unless there is an accepted negotiated rate accepted by all federal awarding agencies. [CFR 200.414(c)(1),(f); [45 CFR 75.414(c)(1)(f)].
2. Indirect costs exceeding the ten percent (10%) maximum may be budgeted as in-kind for purposes of meeting matching requirements in Title III programs only. Contractors must receive prior approval from A12AA prior to budgeting the excess indirect costs as in-kind.
3. Contractor requesting reimbursement for indirect costs shall retain on file an approved indirect cost rate accepted by all federal awarding agencies or an allocation plan documenting the methodology used to determine the indirect costs.
4. For major Institutes of Higher Education and major nonprofit organizations, indirect costs must be classified within two broad categories: "Facilities" and "Administration." "Facilities" is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of "Facilities" (including cross allocations from other pools, where applicable).

ARTICLE III. PROGRAM SPECIFIC FUNDS

A. Program Income

1. Program income must be reported and expended under the same terms and conditions as the program funds from which it is generated.
2. Program income must be used to pay for current allowable costs of the program in the same fiscal year that the income was earned (except as noted in 4).
3. For Titles III-B, III-C, VII Ombudsman, and VII Elder Abuse Prevention programs, program income must be spent before funds (except as noted in 4) and may reduce the total amount of funds payable to Contractor.
4. For Titles III-B, III-C, VII Ombudsman, and VII Elder Abuse Prevention programs, if program income is earned in excess of the amount reported in the Contractor's budget(s), the excess amount may be deferred for use in the first quarter of the following agreement period, which is the last quarter of the federal fiscal year.
5. If Program income is deferred for use it must be used by the last day of the Federal fiscal year and reported when used.
6. Program income may not be used to meet the matching requirements of this Agreement.
7. Program income must be used to expand baseline services.

B. One Time Only ("OTO") Funds

1. OTO funds are non-transferable between funding sources. This means that OTO funds can only be used in the program in which they were accrued.
2. OTO funds can only be awarded to a Contractor that has a valid agreement with A12AA. All agreements shall be procured either through an open and competitive procurement process pursuant to Title 22 CCR Section 7352 or through a non-competitive award pursuant to Title 22 CCR Section 7360.
3. Titles III and VII federal program OTO funds shall be used for the following purposes:
 - a. The purchase of equipment which enhances the delivery of services to the eligible service population must be an allowable cost of the program.
 - b. Home and community-based projects that are approved in advance by A12AA and CDA and are designed to address the unmet needs of the eligible service population identified in the Area Plan.
 - c. Innovative pilot projects which are approved in advance by A12AA and CDA, and are designed for the development or enhancement of a comprehensive and coordinated system of services as defined in 45 CFR 1321.53(a)(b).

- d. OTO funds can be used to maintain or increase baseline services. However, A12AA shall assure that services funded with OTO funds will not create an expectation of service delivery beyond the current contract period. Expenditures for baseline services require advance approval by A12AA. Expenditures for baseline services do not require advance CDA approval.

- 4. Nutrition Services Incentive Program (NSIP) OTO funds shall be used to purchase food used in the Elderly Nutrition Program.

C. Matching Contributions

'Matching Contributions' means local cash and/or in-kind contributions made by Contractor or other local resources that qualify as match for agreement funding.

- 1. Cash and/or in-kind contributions may count as match, if such contributions are used to meet program requirements.
- 2. Any matching contributions (cash or in-kind) must be verifiable from the records of Contractor.
- 3. Matching contributions must only be used for allowable costs in accordance with the Office of Management Budget (OMB) cost principles.
- 4. In-kind contributions shall comply with all federal, state and local laws, codes, ordinances and regulations applicable to Contractor's performance under this Agreement. Any questions regarding in-kind or other unusual contributions must be directed to A12AA Executive Director.

D. Area Plan Administration

Area Plan Administration is comprised of federal funds from Titles IIIB, IIIC-1, IIIC-2 and IIIE.

E. Equipment

Equipment/Property with per unit cost over \$5000 or any computing devices, regardless of cost requires justification from the Contractor and approval from A12AA and CDA and must be included in its approved Provider Budget.

ARTICLE IV. PROGRAM SPECIFIC BUDGET AND BUDGET REVISION

- A. For Titles III-B, III-C, VII-A Ombudsman Supplement, and VII-B Elder Abuse Prevention, Contractor shall prepare and submit electronically to A12AA by the 15th of each month a detailed expenditure report and a request for funds, unless otherwise specified by A12AA.

- B. Ombudsman Citation Penalties Account, Licensing and Certification Program Funds, Skilled Nursing Facility Quality and Accountability Funds, CARES Act, Elder Justice Act, and Older Californians Act.

Contractor shall submit a monthly expenditure report and a request for funds by the 15th of each month unless otherwise specified by A12AA.

- C. A12AA shall review requests for payment to ensure compliance with the approved Contractor budget(s).
- D. Upon execution of this Agreement, A12AA will make monthly payments of NSIP funding to Contractor.
- E. A12AA may require financial reports more frequently than indicated above or with more detail (or both), upon written notice to Contractor, until such time as A12AA determines that financial management standards are met.
- F. Matching Requirements
1. Program matching contributions for Titles III-B, not including Ombudsman, and III-C is 15.3 percent.
 2. Minimum matching requirements are calculated on net costs, which are total costs less program income, non-matching contributions, and State funds.
 3. Program matching contributions for Titles III-B, not including Ombudsman, and III-C can be pooled to meet the minimum requirement of 15.3 percent.
 4. Matching contributions generated in excess of the minimum amount required, are considered overmatch.
 5. Of the total minimum matching contributions required for Titles III-B, not including Ombudsman, and III-C, at least 25% must be from local public agencies (i.e., city and county governments, school districts, special districts, and water districts).

ARTICLE V. CLOSEOUT

- A. The Financial Closeout Report and the Report of Property Furnished/Purchased with Agreement Funds shall be submitted annually to A12AA, within fifteen (15) calendar days following the end of the fiscal year, or within fifteen (15) days following termination prior to the end of the term, unless otherwise specified by the A12AA.
- B. Federal funds will be reduced proportionately to maintain the required matching ratios if a Contractor fails to report sufficient match.
- C. Final expenditures must be reported to A12AA in accordance with the approved program budget(s).

ARTICLE VI. RENEWAL

If funding for services provided by this Agreement is appropriated in the A12AA proposed Fiscal Year 2022-2023 budget, and such funds are received from CDA, this Agreement may extend on a month-to-month basis after June 30, 2023, until such time as a new agreement may be executed between the parties before September 30, 2023, or this Agreement is terminated pursuant to Exhibit C, Article VI and Exhibit D, Article XII, hereof, whichever comes first.