



# **FISCAL REPORTING PROCEDURE MANUAL**

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### ATTACHMENTS:

CDA 248 Request to Dispose of Property

## INTRODUCTION TO FISCAL REPORTING

This Fiscal Reporting Procedure Manual was developed to ensure the understanding of the fiscal reporting process for all Planning and Service Area Agency on Aging (PSA 2 AAA) contracted service providers. The goal of the Fiscal Reporting Procedure Manual is for service providers to achieve full compliance with all regulations related to fiscal reporting requirements as indicated in the contractual agreement with PSA 2 AAA.

Instruction provided in the areas of Fiscal Reporting and Record Keeping, Provider Payment Procedures, and Inventory Procedures included in this manual reflect that which is described in the Request for Proposal (RFP) application process, the annual contractual Agreement (contract) with PSA 2 AAA and guidance provided by the PSA 2 fiscal and administrative staff.

Updates to this manual will occur as new fiscal reporting requirements are introduced by the California Department of Aging (CDA) or as deemed necessary by PSA 2 AAA fiscal and administrative staff.

We thank you for your cooperation in complying with all fiscal reporting procedure policies and look forward to working with you. Should you have any questions regarding the fiscal reporting process, feel free to reach PSA 2 AAA fiscal staff at [fiscal@psa2.org](mailto:fiscal@psa2.org) or 530-842-1687.

## **FISCAL REPORTING AND RECORD KEEPING**

Detailed fiscal record keeping is required by PSA 2 AAA noting both revenue (Program Income, donations, fundraising, etc.) and expenses. Reports outlining all fiscal activity are to be submitted on a monthly basis.

### **Revenue:**

Program income is revenue generated from program supported activities and are to be utilized to expand the services for which it has been generated. Some examples of program income are:

1. Income from usage or rental fees of real or personal property acquired with grant funds.
2. Royalties received on patents or copyrights from contract-supported activities.
3. Proceeds from sale of items fabricated under a contract agreement.
4. Voluntary client contributions for services provided.

Program income may not be used to meet the match requirements of the contract agreement.

### **Match Requirements:**

Programs receiving funding from PSA 2 AAA are required to include match funds (cash and/or in-kind) from non-federal sources at the following percentages:

1. Title III E National Family Caregiver Support programs require a 25% match.
2. Titles III B Supportive Services and III C Nutrition Services programs require a 10.53% match.  
(See more detail on page 6 – Revenues)
3. Title III D Evidence-Based Health Promotion programs require no match.

In general, Federal resources **cannot** be used as match. The following is a list of examples of match resources:

1. Resources from city, county and state;
2. Resources from private organizations, grants, and foundations (please see note on grant funding);
3. Individual contributions/donations not coming from program participants for services;
4. United Way
5. Revenue sharing funds;
6. Volunteer services, space, consultants, and any other non-federal donated resources;
7. Community Service Block Grant funds;
8. Legal Services Corporation funds;
9. Fundraising (please see note on fundraising).

### **Note: Grant funding**

Grant funding generally has very specific expenditure requirements. If a grant specifies coverage of a particular category, expenditures under that category must be applied to the grant funding and not to PSA 2 AAA. Example: A grant may specify that it will cover costs related to the purchase of food for a

nutrition program; therefore, food costs should be applied to the grant funds until fully expended. Expenditures under that category can be applied to PSA 2 AAA funds once the grant funds have been exhausted.

**Fundraising:**

PSA 2 AAA funds cannot be used for fundraising pursuits.

**Supplantment:**

PSA 2 AAA funds cannot fully fund service provider programs. PSA 2 AAA funds must be spent in addition to any Federal, State or local funds. A Service Provider may use PSA 2 AAA funds to supplement existing program funds, but must not supplant, replace or substitute for any Federal, State or local funding.

**Fiscal Reporting and Record Keeping:**

PSA 2 AAA requires a detailed fiscal report showing program revenues and expenditures on a monthly basis.

Service Providers shall maintain financial and internal controls to assure use of PSA 2 AAA funds is in accordance with requirements specified in Federal and State publications and the PSA 2 AAA agreement. All costs included in monthly reports must be supported by appropriate accounting documentation and must be in accordance with a PSA 2 AAA approved budget. Example: Invoices for March are reported in March. All expenditures reported must correlate with an invoice/receipt.

Budgets must reflect all anticipated revenue and expenses required to operate the program. Non-PSA 2 AAA income – or provider generated revenue – must be spent before PSA 2 AAA funds and cannot be separated into other funds if the income/expense is used in the normal operation of the PSA 2 AAA funded program. Budgets should be based on past history of expenses and income plus any anticipated unusual circumstances, which may necessitate an increase or decrease in a particular cost or revenue.

**Financial Form Instructions:**

The reporting spreadsheet is designed to be a useful tool for both the service provider and PSA 2 AAA. It encompasses all financial activity for the fiscal year from budget to monthly activity to closeout. The reporting spreadsheet will be utilized by the service provider for reporting all fiscal activity involving PSA 2 funding.

The Provider Cash Match uses a calculation to immediately show the impact to the service provider for the period(s) in question.

Nutrition Education is reported as either a cash or in-kind expense.

**Detail Sheet Heading:**

1. Enter legal name of the service provider agency and title in cell A1
2. Enter original budget expenditures and revenue in column B

**Original Budget Page Heading:**

1. Enter legal name of the service provider agency
2. Enter Program name/title
3. The expenses and revenues will automatically populate as they are entered into the Detail sheet and will also automatically populate the Original Budget page (tab located at the bottom of the spreadsheet)
4. Once the budget has been outlined on the Detail sheet, select the Original Budget tab then print, sign and mail the Original Budget pages for all programs in which services will be provided to PSA 2. All reporting spreadsheets will need to be submitted electronically for review by PSA 2 Fiscal and Executive staff for review and approval. This process will need to be repeated if there are any revisions to the budget such as One-Time-Only funds and/or amendments proposed by CDA, in which case the Budget Rev tabs will be used.

**Detail Sheet:**

Enter original budget in Original Budget column (column B)

1. Salary by position
2. Taxes and Benefits can use a formula
3. "Other" be sure to type description – example: Other: Widget
4. Nutrition Ed can be either in-kind or cash
5. Post expenses under the appropriate column – Example: July, Aug, Sept (see Posting Expenses)
6. Print, sign and submit the Monthly Cash Flow Report for each program – Example: If posting expenses for July, go to the bottom of the spreadsheet and select the July tab.
7. Email spreadsheets(s) in excel format to the PSA 2 AAA to [fiscal@psa2.org](mailto:fiscal@psa2.org) no later than the 7<sup>th</sup> working day of the month.

**Expenses:**

Expenses must be appropriately reported and supported by invoices/receipts.

**Personnel** – Post gross salaries for each position paid for the month. Payroll taxes and Employee Benefits are posted in the light orange section, on lines 23 and 24.

**In-Kind Personnel** – Enter volunteer positions in this section. The dollar amounts posted in this section for each position, even though the work is voluntary, must be equivalent to the wages/salaries that would be offered to a paid employee.

**Travel** – Staff and Volunteer travel can be reimbursed using the IRS Standard Mileage Rates which can be found at the following: [https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-\(indicate-year,-i.e.-2021\)](https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-(indicate-year,-i.e.-2021)). PSA 2 AAA recommends this site be reviewed every six-months for possible increases or decreases of the mileage reimbursement rate. Mileage must be submitted in an invoice format and be

signed by both the employee and executive/management staff before reimbursement, and maintained with expense records for the fiscal year. Travel expenses are posted on lines 40 through 42.

In-kind travel expenses reported will transfer to in-kind revenue.

**Staff Training** – Expenses related to registration for workshops, books, entrance fees materials for staff and volunteer trainings are to be reported on line 43 in the medium orange section. Travel related to staff and volunteer training is to be reported under Travel on lines 40 and 41.

**Non-expendable equipment greater than \$4999** – California Department on Aging approves purchases for equipment valued at \$4,999 or less. **PSA 2 AAA requires a Property/Equipment Justification form be submitted for any purchase of \$500 to \$4,999 prior to acquisition**, for any equipment having a life expectancy of more than one year. **PSA 2 AAA APPROVAL MUST BE OBTAINED PRIOR TO PURCHASE, NO EXCEPTIONS.** If the purchase involves computing devices of any cost and/or the purchase price exceeds \$5000, providers will be required to submit a budget revision in addition to the afore mentioned documents and will be submitted to CDA for approval. Failure to follow these outlined procedures will result in denial of the purchases and/or reimbursement. Lines 46 through 50 are used to report expenses in this category. Please note: The purchase of computing equipment (regardless of cost) and large purchases (\$5000 or more) which require approval by CDA is a three to four-month process.

**Consultants** – Nutrition programs must acquire the services of a Register Dietitian (RD) to perform quarterly monitoring for sanitation and safe food handling practices. In addition, the RD shall review and approve menus, review annual staff training plans and yearly nutrition education plans. This category should **not** include any persons whose: a) schedules are controlled by the agency, b) work is ongoing and a regular desk and telephone provided. If applicable, liability insurance coverage carried by the consultant should be considered, as many liability packages do not cover consultants. State and federal regulations surrounding the treatment of consultant vs employee are very restrictive and should be observed. *If used, attach a schedule listing the name of the consultant and estimate of services to be paid (attach Memorandum of Understanding or Service Agreement, if applicable).*

**Food Costs** – Related to the C-1 and C-2 programs: Providers shall use lines 54 through 56 to report expenses in this category. Please note: If an expense is related to more than one program of service such as C-1 and C-2, the expenses will need to be broken out across the two programs.

For instance, Raw Food utilized by both the C-1 and C-2 programs should be broken out in a manner that reflects how much of the food was utilized by each program. The easiest reporting alternative is to divide the expenses by the percentage of overall funding. If your C-1 and C-2 programs combined total was \$250,000, and 60%, or \$150,000, of that grand total was related to C-2 grant funding, you would use 60% of all related expenses for reporting on the C-2 excel spreadsheets, and 40% for all C-1 related expenses. If your overall food invoices totaled \$2,850 for the month of July, and the percentage of funding is used as a manner to appropriately report the expenses, 40%, or \$1,140, would be reported in the July column on the C-1 excel reporting spreadsheets, and 60%, or \$1,710, would be reported on the C-2 reporting sheets. All reported expenses must be related to an invoice or receipt.

This same process may be utilized for reporting expenses related to the "Other Costs" section of the reporting spreadsheets, keeping in mind that it shall be a "reasonable" expense (For example, expenses reported to Transportation should not include food costs).



Amounts reported for In-kind Raw Food will transfer to in-kind revenue.

**Accounting** – Cost of outside bookkeeping and payroll services performed by contractor under MOU or Service Agreement. Report expenses on line 59

**Administrative** – Consists of centrally occurring costs that benefit more than one program/fund and are allocated to funds in accordance with an approved Cost Allocation plan. Cost Allocation Plan must include a documented, consistent allocation methodology and be approved by PSA 2; i.e.: a portion or percentage of central costs, such as office space, telephone, and other costs that cannot be separated by program in a direct manner.

PSA 2 will allow Administrative Costs expense up to a maximum of 10% of direct cash costs, excluding in-kind contributions, non-expendable equipment, and subcontracted services. Costs listed as allocated cannot also be listed as direct charges. If used, a Cost Allocation Plan and schedules must be submitted annually with the original budget and approved by PSA 2 AAA. Report expenses on line 60

**Advertising & Outreach** – Cost of printed outreach materials (brochures and flyers), ads in newspapers, yellow pages, magazines, radio and television, direct mail, exhibits, and electronic or computer transmittals which advertise (i.e. webpage). Outreach includes public or community relations dedicated to maintaining the image of the Service Provider or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public that may be directly involved with a program. Costs that are considered necessary as part of the outreach effort for the Federal award or costs of conducting general liaison and communications with news media to keep the public informed on matters pertaining to the grants. Report expenses on line 61

**Audit** – The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Report expenses on line 63

**Building Space – CASH OR IN-KIND:** Office storage, and site space costs. When paid separately from rent/lease or mortgage, include property taxes with Taxes & Licenses.

A separate worksheet must be attached to show total square footage and price per square foot cost for the year per program. If building space is in-kind, please provide verification of rent valuation per square foot from donor. Report expenses on line 64

**Equipment Rental/Lease** – Vehicle rental, office equipment rental, etc. Report expenses on line 66

**Food Service Supplies** – Disposable goods, tablecloths, placemats, napkins, etc., that have a service life of less than one year. Report expenses on line 67

**Garbage and Dump** – Trash disposal services. Report expenses on line 68

**Insurance General/Vehicle** – Insurance costs as minimally required by the PSA 2 contract such as general liability, crime, property, and vehicle as deemed appropriate by the agency board of directors, except worker's compensation and employee life insurance (if applicable, enter in employee benefits section). Report expenses on lines 69 and 70

**Memberships/Subscriptions** – Memberships and subscriptions are allowable if they benefit the programs. Report expenses on line 71



**Office Supplies** – Office supplies, bank checks, accounting forms, copier supplies and other miscellaneous office supplies. Report expenses on line 73

**Other Supplies** – Non-office, non-food supply items consumed or expended when utilized, and/or have a service life of less than one year, e.g. janitorial and maintenance supplies. Report expenses on line 74

**Postage/Printing** – Includes stamps, UPS, Fed Express, outside printing of publications and photocopying for business cards or letterhead. Publication costs include the cost of printing (including the process of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications. Printing any brochures or flyers can either be considered Printing or Advertising and Outreach. Report expenses on line 75

**Professional/Contract Services** – Cost of contracted and/or outside fees to a commercial firm for ongoing services such as linen supply, security, shred service, pest control, plumbing, shredding service. Report expenses on line 76

**Repair/Maintenance General** – Cost of service agreements, and repairs and maintenance to equipment such as office and kitchen equipment. Repair and maintenance to office and site space if charged separately from building space rent. Includes janitorial services and supplies. Report expenses on line 77

**Repair/Maintenance Vehicle** – Cost of tune-ups, major repairs, motor overhaul, bodywork and tires. Do not use for normal operating expenses such as gas and oil. Report expenses on line 78

**Taxes & Licenses** – Property tax, vehicle licenses, permits, etc. Report expenses on line 79

**Telephone** – Cost of telephone service, not to include equipment purchase, installation and repairs (use specific line items). Report expenses on line 80

**Utilities** – Gas, water, electricity, if charged or donated separately from building space rent. Report expenses on line 81

**Vehicle Operations** – Normal operating expenses such as gas and oil. Costs of meal transportation not covered by staff or volunteer travel. Example: Rental of a vehicle to deliver meals, temporary help (not on payroll) to transport meals, etc. Report expenses on line 82

**Other Miscellaneous** – If the category of **Other:** is used, it must be labeled. Example: Other: SAMS Software Licensing, etc., and must not be a cost included in the line items noted above. Report on lines 83 through 87

**Revenues:**

1. **NSIP** – Must be used to purchase food. Disbursed at 1/12 of the contract
2. **Non-Match Cash** – Only if interest income or federal grant from an outside agency. Revenue not qualifying as grant-related income which exceeds the minimum match requirement and is utilized in the advancement of the program that does not otherwise qualify for match, i.e, interest income, federal funds – including Joint Training Partnership Act (JTPA), Retired Senior Volunteer

Program, (RSVP), and Title V Senior Community Service Employment Program. List amounts by source.

3. **Non-Match In-Kind** – Use if you do not want to report on the inventory or provide proof. Donated materials and/or services, which exceed the minimum match requirement and are utilized in the advancement of the program. Cannot include the value of donated time from employees whose regular salaries are paid with PSA 2 grant funds. List amounts by source.
4. **Cash-Match (REQUIRED)** – Describe match. Example: Rotary Club, Fundraising, etc. All PSA 2 funds must be matched; the amount of match required is computed by multiplying the total amount of program costs (excluding In-Kind) by 10.53% (Example: If costs = \$110,000, less \$10,000 building space In-Kind, X 10.53% = \$10,530). Satisfaction of the match requirement will be assessed by adding together cash match and In-Kind match.

Generally, Federal resources cannot be used as match. Some examples of match resources listed in this section are:

- a) Resources from city, county and state; \*\*
- b) Resources from private organizations, grants and foundations.
- c) Individual contributions/donations not coming from program participants for services (see Grant Related Income);
- d) United Way
- e) Revenue sharing funds; \*\*
- f) Volunteer services, space, consultants, and any other non-Federal donated resources;
- g) Community Service Block Grant funds; \*\*
- h) Legal Services Corporation funds;
- i) Fundraising

*\*\* Identify in the budget as Local Public Agencies.*

5. **In-Kind Match** – Will Transfer from expenses. Donated or volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor, donated space, use allowances, donated materials, etc. Cannot include the value of donated time from employees whose regular salaries are paid with PSA 2 funds. List amounts by source.
6. **Grant Related Income** – All income received as a result of operating the program. Includes, but is not limited to: income in the form of fees for services performed (non-PSA 2 AAA service units), contributions from program participants for services, non-senior service fees, and other project income that benefits a specific program. Contributions or donations, including cash, property, and services, made by the provider, regardless of the recipient, are unallowable.
7. **Prior Year Deferred** – Not applicable
8. **State Funds** – Budget must equal contract
9. **Federal Funds** – Budget must equal contract

10. **Total Revenue** – Will equal expenses and the difference will show (in yellow) in **PROVIDER CASH MATCH**. This is the amount the provider needs to pay over and above PSA 2 funding to run the program. If **PROVIDER CASH MATCH** is negative YTD reduce Federal Funds.

**Right to Monitor and Audit:**

Authorized Federal, State and PSA 2 AAA representatives shall have the right to evaluate the service providers performance with this agreement at any and all reasonable times deemed to be necessary or desirable by PSA 2 AAA. Said evaluations may include, but are not limited to audits, inspections of premises and interviews of project staff and participants. The service provider shall cooperate with PSA 2 AAA in the monitoring and evaluation processes, which includes making any administrative, program and fiscal staff available during any scheduled process.

All service provider records pertaining to this agreement shall be available for inspection and audit by PSA 2 AAA, State and Federal government agencies and their authorized representatives, during normal business hours.

**Responsibility for Audit Exceptions:**

- a) Definitions: Audit Exception includes, but is not limited to, a determination by PSA 2 AAA, or by State or Federal agencies, that monies provided hereunder have been improperly spent, used, allocated, recorded, ledgered, or accounted for, or that the service provider has otherwise not complied with the terms or the act of their agreement with PSA 2 AAA which can be deemed a high risk liability.
- b) Service providers shall fully reply to, comply with, and take requested corrective action as to any audit exception determined pursuant to the agreement with PSA 2 AAA. The service provider understands that any failure to fully perform all terms and conditions herein, or to comply with applicable spending, budget, accounting, bookkeeping and record keeping requirements may result in PSA 2 AAA liability for all affected funds. The service provider, therefore, agrees to indemnify, save harmless and pay PSA 2 AAA the full amount of liability resulting from such audit exception.

## PROVIDER PAYMENT PROCEDURES

### (Monthly Financial Report Instructions)

#### Contracts/Documents:

The provider payment process begins with the contracted service provider's contract and budget with PSA 2 AAA. Prior to the start of the fiscal year of service, service provider will be provided with, by certified mail, two copies for each contract, the "Notice of Grant Award" and the "Summary of Grant Revenue Activity" forms. All forms as indicated on the annual Contract Checklist are to be reviewed, signed in blue ink and returned to PSA 2 AAA.

In addition, service provider will be provided with an electronic Excel spreadsheet system for each program of service, i.e. C-1, C-2, Transportation, etc., designed for reporting revenue and expenditures. The Excel spreadsheets will also provide a monthly invoice/Request for Funds form to be submitted to PSA 2 for payment/reimbursement.

The service provider will need to develop their budgets on the Excel spreadsheets according to the state and federal funds for each program which is outlined on the "Summary of Grant Revenue Activity" form. Once budget numbers are posted and the Cash Match requirement has been addressed (fundraising, grants, etc.), the service provider will submit their Excel spreadsheets to the PSA 2 AAA Fiscal Manager for review at [fiscal@psa2.org](mailto:fiscal@psa2.org). The Fiscal Manager will work with the service provider if any modifications are necessary.

Once the budget has been reviewed and any concerns have been addressed, the Fiscal Manager will forward budgets to the Executive Director for further review and approval. Once the budgets have received the final review and approval, the service provider will be notified via email by the Fiscal Manager. Next, the service provider should locate and click on the "Original Budget" tab on each of the Excel spreadsheets and print the pages. These Original Budget sheets must be signed in blue ink and mailed to PSA 2 AAA.

Once PSA 2 AAA has received each signed contract, original Budget signature sheets, and there are no outstanding contractual documents (i.e. insurance certificates, kitchen hood inspections, etc.), PSA 2 AAA will execute the contract(s). Each Contract's "Summary of Grant Award" and "Notice of Grant Award" will be signed by the Executive Director and one set of these documents will be returned to the service provider via US mail.

#### Reporting/Invoicing:

Within the Detail page of the Excel Budget spreadsheets, columns are provided for reporting expenses for each month of the fiscal year. Please note: Expenses must be actual and require an invoice or receipt be kept on file with the service provider to clearly demonstrate the expense reported. Once all expenses have been posted for the month, click on the tab noting the month for which the service provider is reporting, print those sheets, sign and mail them to PSA 2 AAA prior to the monthly reporting deadline. The monthly sheets the service provider signs and mails are the request for funding, so send those off to PSA 2 AAA as soon as possible.

Remember to also send the Excel spreadsheets to the Fiscal Manager electronically for processing. Please note: The Excel Budget spreadsheets are to be submitted to PSA 2 no later than the 7<sup>th</sup> working day of the month unless otherwise arranged. Reporting of expenses is required monthly. Should there be an extenuating circumstance that will delay the monthly submission of reports, please contact the Fiscal Manager and request an extension. Failure to submit the required Excel Budget spreadsheets by the established due date will prohibit PSA 2 AAA from drawing down state funds for the service provider's programs; therefore, no reimbursement payments will be generated for the program's expenses for that period.

#### Year-end Closeout:

Reporting expenses for the final month of the fiscal year is similar as the prior month's reporting process with an extended due date of July 15<sup>th</sup>. In addition to the final month Request for Funds sheets, the Closeout sheets for each program must be printed, signed in blue ink and submitted to PSA 2 AAA accompanied with the General Ledger outlining all revenue and expenses for all PSA 2 AAA programs for the entire fiscal year.

- Use Accruals/YE JE's column to make yearend journal entries
- Balance to YTD on accounting system
- Make sure grant revenue amounts equal final contracted amounts
- If Provider Cash Match is negative, verify
  - Is the grant related income received more than what was budgeted?
    - If so, you can defer that extra income to the first three months of the next fiscal year
  - Can any of the other Cash Match received be carried over into next fiscal year?
  - Is there an error related to an invoice or allocation?
  - If the program was in fact under spent, reduce federal funds until balanced
- Print Closeout form, sign
- Email spreadsheet, General Ledger, and Closeout sheet to [fiscal@psa2.org](mailto:fiscal@psa2.org)
- Mail to PSA 2 AAA:
  - Signed Closeout form
  - Profit and Loss statement or General Ledger for entire fiscal year
  - Alternative Procedures (Proof for at least 80% of contract amount) or Audit Indication form
  - Match proof for at least 80% of Cash and In-kind match reported

## INVENTORY PROCEDURES

A physical inventory is to be conducted annually by the service provider staff and submitted to PSA 2 AAA staff for all CDA purchased items. A list of inventory items on record which has been identified as purchased with PSA 2 AAA funding is available from the AAA. These items are to be located, verified by a property number, photographed (must include a photo of the inventory tag and a photo of the item for verification), and checked off the list as completed. The photos must include a clear view of the inventory tag number, as well as a clear photo of the inventory item for identification purposes.

PSA 2 AAA staff will conduct a physical inventory during semi-annual Fiscal Monitoring.

CDA approves purchases of equipment under \$5000 without submission of a Property/Equipment Justification form, with the exception of computing devices (laptops, desk top computers, cell phones). However, PSA 2 AAA requires a Property/Equipment Justification form be submitted for any purchase of \$500 to \$4999 prior to acquisition. Purchases will be approved by PSA 2 AAA staff for equipment valued under \$5000. For equipment purchases totaling \$5000 or more, service providers must submit a Property/Equipment Justification form to PSA 2 AAA that will be reviewed and submitted to CDA for approval with a revised budget outlining the program funding to be used for the purchase. Equipment cannot and should not be purchased until the approval process is complete. To purchase any computing device, the service provider must submit a revised budget indicating the funding source that will be used for the purchase to PSA 2 AAA. PSA 2 AAA will submit a revised budget with a request to purchase the computer, laptop, etc. PSA 2 AAA will inform the service provider once approval for the purchase has been received.

**Please note:** Any items purchased without prior authorization are subject to recovery of the item(s) by PSA 2 AAA, or the actual cost of the unauthorized purchase shall be reimbursed by the service provider.

**Disposal of Inventory:** Service providers who wish to dispose of broken, damaged, or obsolete items (excluding electronics; please see "Disposal of Electronics" below) shall provide a list of all items in need of disposal to PSA 2 AAA. PSA 2 AAA will complete a CDA 248 "Request to Dispose of Property" form and submit the request to CDA for approval. The service provider is required to keep the items in a safe location and not dispose of them until CDA issues an approval notice with instructions on the required process for disposal. The inventory tags are to be removed and submitted to PSA 2 AAA along with receipts from landfill or e-waste sites as proof of disposal.

**Please note:** Property purchased using CDA funds is not subject to depreciation. Any inventory items that are missing or disposed of prior to authorization may be subject to repayment at the original purchase price, regardless of age.

**Disposal of Electronics:** Service providers must ensure that all electronic items with data storage capabilities be sanitized by a qualified professional and obtain certification of the sanitation process. The service provider must submit the certification of sanitation document to PSA 2 AAA. The certification will be submitted along with the CDA 248 "Request to Dispose of Property" to CDA. The electronics must be stored in a safe location and not disposed of until CDA issues notice with instructions on the required process for disposal. The inventory tags are to be removed and submitted to PSA 2 AAA along with receipts from the landfill or e-waste sites as proof of disposal.

**Please note:** Service providers who dispose of computing devices without submitting a certificate of sanitation/destruction will be required to complete a CDA 1024 "Information Security and Integrity form," and may be required to notify all program participants that personal confidential information may be at risk.



## **PLANNING AND SERVICE AREA 2**

### **AREA AGENCY ON AGING**

#### **SERVICE PROVIDER APPEAL POLICY AND PROCEDURES**

##### **I. Actions Subject to Appeal**

A. A contracted or potential provider of service (service provider) has the right to appeal an adverse determination made by Planning and Service Area 2 Area Agency on Aging (PSA 2 AAA). The actions below shall be considered adverse determinations that are subject to appeal [Title 22 CCR §7704 (c)(1) – (c)(3)(C)]:

1. A reduction in the level of funding to an existing Contractor during an Agreement period; however, a reduction directly attributable to a reduction in the funding to the PSA 2 AAA by the State or federal government shall not be considered an adverse determination.
2. A cancellation or termination of an existing Agreement with the Contractor prior to the Agreement's expiration date.
3. Denial of an application to provide services when any of the following exist:
  - a) The presence of a conflict of interest, real or apparent, as specified in 45 CFR 92.36(b)(3);
  - b) The occurrence of a procedural error or omission, such as the failure of the PSA 2 AAA to include a federal mandate in its solicitation request; or
  - c) The lack of substantial evidence to support the PSA 2 AAA's action.

##### **II. Method of Notification**

- A. The service provider shall provide notification of appeals, and PSA 2 AAA shall provide notification of subsequent appeals determinations, by certified or overnight mail, return receipt requested.
- B. Notices to PSA 2 AAA shall be addressed to PSA 2 Area Agency on Aging, P.O. Box 1400, Yreka, CA 96097.

- C. PSA 2 AAA shall transmit notification to the address listed on the service provider's appeal; if this address differs from the address listed on Notice of Grant Award in the service provider's Contractual Agreement with PSA 2 AAA, PSA 2 AAA shall transmit a copy of the notification to the address contained on Notice of Grant Award in the service provider's Contractual Agreement.
- D. PSA 2 AAA shall include a copy of this Service Provider Appeal Policy and Procedures with all notifications to service providers of adverse appeals determinations.

### III. Process

- A. The service provider shall give notice of intent to appeal to the Executive Director of the PSA 2 AAA within ten (10) business days of the PSA 2 AAA's notice of adverse determination. The notice of intent to appeal shall be in writing, must state the specific grounds upon which the action by the PSA 2 AAA is appealed, and must be accompanied by all supporting documents.
- B. The Executive Director of PSA 2 AAA shall investigate the appeal and issue a written determination to the service provider within fifteen (15) business days of receipt of the appeal. The determination shall set forth the PSA 2 AAA's position and specify applicable sections of the service provider's Contractual Agreement with PSA 2 AAA, government regulations, government statutes, or other provisions relied upon.
- C. If the service provider is dissatisfied with the PSA 2 AAA Executive Director's determination, the service provider may appeal to the Executive Board Chairman of PSA 2 AAA within ten (10) business days of the date of the PSA 2 AAA Executive Director's written determination. The appeal shall be in writing, shall specify the grounds upon which the determination is appealed, and must be accompanied by all supporting documents.
- D. The Chairman of the PSA 2 AAA Executive Board shall, within fifteen (15) business days of receipt of the service provider's appeal:
  - 1. Review the service provider's appeal, considering any additional evidence or documentation provided by PSA 2 AAA's Executive Director;
  - 2. Determine if the appeal should be denied, or if a recommendation should be made to the full PSA 2 AAA Executive Board at its next scheduled meeting to take action to grant the appeal; and
  - 3. Provide written notification of its determination to the service provider.

- E. If the service provider is dissatisfied with the Executive Board Chairman's determination, the service provider may request a hearing before the full PSA 2 AAA Executive Board. The service provider must request the hearing within ten (10) business days of the Executive Board Chairman's written notification of determination. The hearing request shall be in writing, shall specify the grounds upon which the determination is appealed, and must be accompanied by all supporting documents.
- F. If the PSA 2 AAA Executive Board does not accept and implement the Executive Board Chairman's recommendation to grant the service provider's appeal:
  - 1. The PSA 2 AAA shall provide written notification to the service provider of the Executive Board's decision within two (2) business days following the decision;
  - 2. The service provider may request a hearing before the PSA 2 AAA Executive Board. The service provider must request the hearing within ten (10) business days of the date of the notification of the PSA 2 AAA Executive Board's decision. The hearing request shall be in writing, shall specify the grounds upon which the determination is appealed, and must be accompanied by all supporting documents.
- G. Upon receipt of the service provider's request for a hearing before the PSA 2 AAA Executive Board, PSA 2 AAA shall place the hearing on the agenda of the next regularly scheduled meeting of the PSA 2 AAA Executive Board and provide the service provider with a copy of the published agenda.
  - 1. The hearing before the PSA 2 AAA Executive Board shall consist of:
    - a) Receipt and review of all previously submitted documents concerning the appeal;
    - b) Submission in writing by the service provider of any additional information or documentation supporting the service provider's position;
    - c) An oral presentation by the service provider, not to exceed thirty (30) minutes; and
    - d) An oral presentation by the PSA 2 AAA Executive Director and/or PSA 2 AAA staff, not to exceed thirty (30) minutes.

2. At the conclusion of the hearing, the PSA 2 AAA Executive Board shall vote to accept or deny the service provider's appeal.
  - a) If the appeal is denied, the PSA 2 AAA Executive Board shall notify the service provider in writing of the reason(s) the appeal was denied, including a statement that all appeal procedures to the PSA 2 AAA and its Executive Board have been exhausted, and of the service provider's right to appeal the Executive Board's decision to the California Department of Aging. Such notification shall include a copy of Sections 7700 through 7710 of Title 22 of the California Code of Regulations, which contains the process for appealing the determination to the California Department of Aging.

Approved by PSA 2 Executive Board 8/19/24

REQUEST TO DISPOSE OF PROPERTY

CDA 248 (February 2014)

CDA USE ONLY  
STD/152 DOCUMENT #  
DATE RECEIVED:

CONTRACTOR NAME: PSA 02 AREA AGENCY ON AGING		SUBCONTRACTOR NAME (PROVIDER):		CONTRACT NO.		PSA NO.		MSSP NO.		CERTIFICATION FOR COMPUTING MEDIA SANITATION ***Information assets or computing devices with digital memory and storage capacity MUST be sanitized prior to disposal. Completing this portion of the CDA248 certifies the removal or destruction of data on computing devices with digital memory and storage capacity.				
CONTRACTOR ADDRESS: 208 W. CENTER ST/P.O. BOX 1400, YREKA, CA 96097		CONTACT NAME: ANDREA SUTTON		PHONE NO. 530-842-1687		E-MAIL ADDRESS: fiscal@psa2.org								
(A) ITEM DESCRIPTION (Include manufacturer name)	(B) ITEM MODEL (name & lot no.)	(C) SERIAL NUMBER	(D) PENTIUM IV OR ABOVE YES/NO	(E) DATE PURCHASED (MM/YYYY)	(F) PURCHASE COST	(G) FUND SOURCE a b c		(H) CDA # or TAG #	(I) PROPERTY LOCATION (COUNTY)	(J) PRESENT CONDITION	(K) DISPOSITION CODE**	(L) SANITATION REQUIRED? YES/NO	(M) OPERATION PERFORMED CLEAR, PURGE, DESTROY, OTHER	(N) VERIFICATION CONDUCTED BY VALIDATED BY
NAME AND TITLE OF PERSON AUTHORIZING DISPOSAL:														
*If item is a computer, choose Yes or No to indicate if processor is a Pentium IV or above.														
**Disposition Codes: 1. Trade-in (show trade-in price offered) 2. Destroyed (i.e. fire, etc.) 3. Valueless, unable to be recycled (to be legally/safely disposed of) 4. Lost/Stolen (provide dates, explanation, and police report number) 5. To be cannibalized (salvaged for parts) 6. Shipped to scrap/salvage dealer (to be recycled) 7. Donation to an eligible public school, public school district, or eligible organization (see SAM Section 3520.5) 8. Ship to Property Reuse Program-Sacramento (no "Poor" or "Junk" material) 9. Donation to Computers for Schools Program 10. Universal Waste - salvage dealer or recycler (E-waste) Note: Do not dispose of any electronic equipment in a landfill														
DATE COMPLETED:														
CERTIFIED BY (MANAGER/SUPERVISOR):														
DATE SANITIZED:														
***Information systems capture, process, store, and transmit information using a wide variety of media such as, but not limited to: magnetic tapes; flash drives; fax machines/copiers; personal computers/laptops; personal digital assistants (PDA); cell/smart phones; multifunction printers; workstations; and laptops. These media may require special disposition in order to mitigate the risk of unauthorized disclosure and ensure the confidentiality of information.														
PRESENT CONDITION COMMENTS:										OPERATION COMMENTS:				