

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE I. FUNDS

A. Expenditure of Funds

1. The Contractor shall expend all funds received hereunder in accordance with this Agreement.
2. Any reimbursement for authorized travel and per diem shall be at rates not to exceed those amounts paid by the State in accordance with the California Department of Human Resources' (CalHR) rules and regulations.

In State:

- Mileage - <http://www.calhr.ca.gov/employees/Pages/travel-personal-vehicle.aspx>
- Per Diem (meals and incidentals) - <http://www.calhr.ca.gov/employees/Pages/travel-meals.aspx>
- Lodging - <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx>

Out of State: <http://www.calhr.ca.gov/employees/Pages/travel-out-of-state.aspx>

This is not to be construed as limiting the Contractor from paying any differences in costs, from funds other than those provided by CDA, between the CalHR rates and any rates the 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 State. [2 CCR 599.615 *et seq.*]

The Contractor agrees to include these requirements in all contracts it enters into with subcontractors to provide services pursuant to this Agreement.

3. CDA reserves the right to refuse payment to the Contractor or disallow costs for any expenditure, as determined by CDA 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.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE I. FUNDS (Continued)

B. Accountability for Funds

1. The 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 the Contractor, and shall be maintained in accordance with Generally Accepted Accounting Principles and Procedures and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [2 CFR 200] [45 CFR 75]

2. Financial Management Systems

The Contractor shall meet the following standards for its financial management systems, as stipulated in 2 CFR 200.302 and 45 CFR 75.302:

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

C. Unexpended Funds

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

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE I. FUNDS (Continued)

D. Funding Contingencies

1. It is understood between the parties that this Agreement may have been written before ascertaining the availability or appropriation of funds, for the mutual benefit of both parties, 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 the State by the United States Government or the Budget Acts of the appropriate fiscal years for purposes of this program(s). In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or the Legislature that may affect the provisions, terms, or funding of this Agreement in any manner.

3. Limitation of State Liability

Payment for performance by the Contractor shall be dependent upon the availability of future appropriations by the Legislature or Congress for the purposes of this Contract and approval of an itemized Budget. No legal liability on the part of the State for any payment may arise under this Contract until funds are made available; the itemized Budget is received and approved by the State and the Contractor has received an executed contract.

4. Funding Reduction(s)

- a. If funding for any State fiscal year is reduced or deleted by the Department of Finance, Legislature, or Congress for the purposes of this program, the State shall have the option to either:
 - i. Terminate the Contract pursuant to Exhibit D, Article XII., A of this Agreement, or
 - ii. Offer a contract amendment to the Contractor to reflect the reduced funding for this Contract.
- b. In the event the State elects to offer an amendment, it shall be mutually understood by both parties that:
 - i. The State reserves the right to determine which contracts, if any, under this program shall be reduced.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE I. FUNDS (Continued)

- ii. Some contracts may be reduced by a greater amount than others, and
- iii. The State shall determine at its sole discretion the amount that any or all of the contracts shall be reduced for the fiscal year.

E. Interest Earned

1. Interest earned on federal advance payments deposited in interest-bearing accounts must be remitted annually to CDA. Interest amounts up to \$500 per year may be retained by the Contractor and subcontractors for administrative expenses. [2 CFR 200.305(b)(9)] [45 CFR 75.305 (8)(ii)]
2. Interest earned on advances of federal and non-federal funds shall be identified as non-match cash.
3. The Contractor must maintain advance payments of federal awards in interest-bearing accounts, unless the following apply: [2 CFR 200.305(b)(8)] [45 CFR 75.305 (8)(i)(ii)(iii)(iv)]
 - a. The Contractor receives less than \$120,000 in federal awards per year.
 - b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances.
 - c. The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources.
 - d. A foreign government or banking system prohibits or precludes interest bearing accounts.

ARTICLE II. BUDGET AND BUDGET REVISION

- A. The Contractor shall be compensated for expenses only as itemized in the approved 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 this Agreement is approved and executed by CDA. The approved Budget is hereby incorporated by reference into this Agreement as a part of Exhibit B.

**Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract**

ARTICLE II. BUDGET AND BUDGET REVISION (Continued)

- B. The Budget must set forth in detail the reimbursable items, unit rates and extended total amounts for each line item. The Contractor's Budget shall include, at a minimum, the following items when reimbursable under this Agreement:
1. Personnel Costs - monthly, weekly, or hourly rates, as appropriate and personnel classifications together with the percentage of time to be charged to this Agreement.
 2. Fringe Benefits.
 3. Contractual Costs – subcontract and consultant cost detail.
 4. Indirect Costs.
 5. Rent - specify square footage and rate.
 6. Supplies.
 7. Equipment - detailed descriptions and unit costs.
 8. In State Travel – mileage reimbursement rate, lodging, per diem and other costs.
 9. Out of State Travel - any travel outside the State of California including mileage reimbursement rate, lodging, per diem and other costs.
 10. Other Costs - a detailed list of other operating expenses.
- C. The Contractor shall ensure that the Subcontractor shall submit a budget, which shall be incorporated by reference into the Subcontract and will have, at a minimum, the categories listed in Section B. above.
- D. Unless otherwise specified by CDA, the final budget revision must be submitted at least ninety (90) days prior to the ending date of the Contract.
- E. Indirect Costs
1. The maximum reimbursement amount allowable for indirect costs is ten percent (10%) of the Contractor's and/or Subcontractor's direct costs, excluding in-kind contributions and nonexpendable equipment.
 2. Contractors requesting reimbursement for indirect costs shall retain on file an approved indirect cost rate or an allocation plan documenting the methodology used to determine the indirect costs.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE II. BUDGET AND BUDGET REVISION (Continued)

3. Indirect costs exceeding the ten percent (10%) maximum may be budgeted as in-kind and used to meet the minimum matching requirements (Title III and Title VII only).
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). [2 CFR 200.414] [45 CFR 75.414]

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 Title III-B, III-C, III-D, III-E, VII Ombudsman, and VII-A Elder Abuse Prevention programs, Program Income must be spent before contract funds (except as noted in 4) and may reduce the total amount of contract funds payable to the Contractor.
4. For Title III-B, III-C, III-D, III-E, VII Ombudsman, and VII-A Elder Abuse Prevention programs, if Program Income is earned in excess of the amount reported in the Area Plan Budget, the excess amount may be deferred for use in the first quarter of the following Contract 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.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE III. PROGRAM SPECIFIC FUNDS (Continued)

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 subcontractor that has a valid contract with the AAA. All contracts shall be procured either through an open and competitive procurement process pursuant to 22 CCR 7352 or through a non-competitive award pursuant to 22 CCR 7360.
3. Titles III and VII federal Program OTO funds shall only be used for the following purposes:
 - a. The purchase of equipment that enhances the delivery of services to the eligible service population.
 - b. Home and community-based projects that are approved in advance by CDA, and are designed to address the unmet needs of the eligible service population identified in the Area Plan.
 - c. Innovative pilot projects that are approved in advance by 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, AAAs 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 do not require advance CDA approval.
4. NSIP OTO funds shall only 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 the Contractor, a subcontractor, or other local resources that qualify as match for the Contract funding.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE III. PROGRAM SPECIFIC FUNDS (Continued)

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 the Contractor or a subcontractor.
3. Matching contributions must be used for allowable costs in accordance with the OMB cost principles.

D. Area Plan Administration

Area Plan Administration may be combined into one cost objective for purposes of documenting charges for salaries and wages funded from federal fund Titles III-B, III-C1, III-C2, III-E, and III-C1 and III-C2 General Fund administration allocations.

ARTICLE IV. PROGRAM SPECIFIC BUDGET AND BUDGET REVISION

- A. The Contractor shall submit electronically the original Area Plan Budget with the Area Plan and Area Plan annual updates by May 1, unless otherwise instructed by CDA.
- B. The Contractor shall submit electronically a budget revision thirty (30) calendar days after receiving an amended Area Plan Budget Display with changes in funding levels, unless otherwise instructed by CDA.
- C. The final date to submit a budget revision is April 30 of the Contract period unless otherwise specified by CDA.
- D. Line Item Budget Transfers

The Contractor may transfer contract funds between line items under the following terms and conditions:

1. The Contractor may transfer any or all administrative funds into program without restrictions for each funding source - Title III-B, C1, C2, D & E. However, the Contractor shall not transfer funds designated for programs into administration.
2. The Contractor may make unlimited transfer of funds between budget line items for Title III-B, C1, C2, D, and E programs. However, the Contractor shall submit a revised budget to CDA when one or the cumulative line item budget transfers exceeds ten percent (10%) of the total budget for each funding source.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE IV. PROGRAM SPECIFIC BUDGET AND BUDGET REVISION (Continued)

3. The Contractor shall maintain a written record of all budget changes and clearly document line item budget changes. The record shall include the date, amount and purpose of the transfer. This record shall be available to CDA upon request and shall be maintained in the same manner as all other financial records.

E. Allocation Transfers

1. The Contractor shall submit a request to CDA to transfer federal or State funds between Title III-B, C1 and C2 programs in accordance with the Budget Display in Exhibit B. The request shall be submitted as instructed in the Area Plan Budget forms.
 - a. Transfer of federal baseline funds is allowable between Titles III-B and III-C in accordance with OAA § 308(b)(5)(A) and between Titles III-C1, and III-C2 in accordance with OAA § 308(b)(4)(A).
 - b. Transfer of State funds is allowable between Title III-C1 General Fund and Title III-C2 General Fund.
2. Approved transfers and Area Plan 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 Contract period.

F. Matching Requirements

1. The required minimum administration matching contributions for Title III-B, III-C, & III-E combined is twenty-five percent (25%).
2. The required minimum program matching contributions for Title III-B and III-C is ten percent (10%).
3. The required minimum program matching contributions for Title III-E is twenty-five percent (25%).
4. Minimum matching requirements are calculated on net costs, which are total costs less program income, non-matching contributions, and State funds.
5. Program matching contributions for Title III-B and III-C can be pooled to meet the minimum requirement of ten percent (10%).

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE IV. PROGRAM SPECIFIC BUDGET AND BUDGET REVISION (Continued)

6. Matching contributions generated in excess of the minimum required are considered overmatch.
7. Program overmatch from Title III-B or III-C cannot be used to meet the program match requirement for III-E.
8. Of the total minimum match required for Title III at least twenty-five percent (25%) must be from local public agencies (e.g., city and county governments, school districts, special districts, and water districts).
9. Expend not more than ten percent (10%) of the total Title III-E federal and matching non-federal share to provide support services to grandparents and older individuals who are relative caregivers of a child who is not more than eighteen (18) years of age in accordance with OAA § 373(g)(2)(C).
10. Limit expenditures for Title III-E Supplemental Services to twenty percent (20%) of the total Title III-E federal and matching non-federal share.

G. Program Development or Coordination

The Contractor shall not budget or fund Program Development or Coordination activities as a cost of Title III-B Supportive Services until it has first budgeted and spent the total of its Title III-B, III-C, & III-E funds allocated for Area Plan administration costs. During the Contract period, Program Development or Coordination activities and Area Plan administration activities can occur simultaneously. (See Article VI. of this Exhibit of this Agreement for reconciliation during the closeout period.)

ARTICLE V. PAYMENTS

A. Title III-B, III-C, III-D, III-E, VII Ombudsman and VII-A Elder Abuse Prevention

The Contractor shall prepare and submit a monthly expenditure report and a request for funds to the online California Aging Reporting System (CARS) Fiscal Module by the 30th of each month as follows, or unless otherwise specified by CDA.

**Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract**

ARTICLE V. PAYMENTS (Continued)

Monthly Fiscal Reporting Due Dates

RFF Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
RFF Due Date	5/30	6/30	7/30	8/30	9/30	10/30	11/30	12/30	1/30	2/28	3/30	4/30
Expenditure Report Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Expenditure Report Due Date	5/30	6/30	7/30	8/30	9/30	10/30	11/30	12/30	1/30	2/28	3/30	4/30

*The table is a standard request for funds (RFF) and expenditure reporting schedule. If the effective date of this Contract is not July 1, the Contractor's RFF and expenditure reporting will commence with the first month of the term of this Contract period and end with the month preceding the last full month of the Contract.

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

The Contractor shall submit a monthly expenditure report and a request for funds by the 30th of each month unless otherwise specified by CDA.

- C. During the Contract period, CDA shall advance funds based on an analysis of current cash needs.
- D. Upon execution of this Agreement, CDA will make monthly payments of Nutrition Services Incentive Program (NSIP) funding to the Contractor during the first month of each quarter.
- E. CDA may require financial reports more frequently than indicated above or with more detail (or both), upon written notice to the Contractor, until such time as CDA determines that the financial management standards are met.

Budget Detail, Payment Provisions, and Closeout – Exhibit B
AP 16-17 Contract

ARTICLE VI. CLOSEOUT

- A. The Area Plan Financial Closeout Report and Report of Property Purchased with Agreement Funds (CDA 32) shall be submitted annually to the CDA Fiscal Team. All contractors must submit to CDA, Closeout Reports as instructed by CDA.
- B. Federal funds will be reduced proportionately to maintain the required matching ratios if the Contractor fails to report sufficient match.
- C. During the review and approval of the closeout, administration costs will be increased to the total amount allocated before approving final costs for Program Development or Coordination activities.
- D. Closeout reporting documents must be addressed to the CDA Fiscal Team.
- E. Final expenditures must be reported to CDA in accordance with the budget display in Exhibit B. If the expenditures reported by the Contractor exceed the advanced amount, CDA will reimburse the difference to the Contractor. If the expenditures reported by the Contractor are less than the advanced amount, CDA will invoice the Contractor for the unspent funds.