

**DEPARTMENT OF AGING**

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**PROGRAM MEMO**

TO: <b>AREA AGENCY ON AGING DIRECTORS</b>	NO.: <b>PM 10-01(P)</b>
SUBJECT: Fiscal Year 2009-10 Area Plan Contract Amendment #2	DATE ISSUED: January 14, 2010
REVISED	EXPIRES: July 1, 2010
REFERENCES: Older American Act Amendments of 2006; Older Californians Act, Welfare and Institutions Code 9100, et., seq.	SUPERSEDES:
PROGRAMS AFFECTED: <input type="checkbox"/> All <input checked="" type="checkbox"/> Title III-B <input checked="" type="checkbox"/> Title III-C1/C2 <input checked="" type="checkbox"/> Title III-D <u>          </u> <input checked="" type="checkbox"/> Title III-E <input type="checkbox"/> Title V <input type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input checked="" type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input type="checkbox"/> Other:	
REASON FOR PROGRAM MEMO: <input checked="" type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: Transmit Amended AP Contract	
INQUIRIES SHOULD BE DIRECTED TO: Your Assigned AAA-Based Team Fiscal Specialist	

This Program Memo (PM) provides information and instruction regarding the attached amended contract which incorporates the following adjustments:

- Approved transfers of General and Federal Funds
- Allocation of One-Time-Only (OTO) Funds
  - 2008-09 Unexpended Funds
  - Supplemental Federal Grants
  - Grant Reconciliation Funds
  - Recovered Funds from Audit Determinations
- Additional Unallocated Baseline Grant Funding

**Transfers**

The amended contract includes transfers requested and approved from the original Fiscal Year (FY) 2009-10 Area Plan Budget.

**Federal One-Time-Only Funds**

There are five sources of federal OTO funds included in the Area Plan Budget Display:

- (1) \$4,345,732 in unexpended federal funds carried over from FY 2008-09 were reallocated to the Area Agencies on Aging (AAA); AAAs were allowed to retain up to five percent of their previous year's unexpended allocation by program, while remaining funds were redistributed based on the Intrastate Funding Formula (IFF);
- (2) \$688,863 in supplemental federal grant funds received in federal FY 2009 were allocated in accordance with the IFF;
- (3) \$393,972 in unallocated grant reconciliation federal funds were allocated in accordance with the IFF;
- (4) \$671,053 in recovered funds from audit determinations were allocated in accordance with the IFF; and
- (5) \$1,613,596 in unallocated Nutrition Services Incentive Program (NSIP) grant reconciliation federal funds were allocated based on certified meal count data.

**Baseline Funds**

Amendment #2 also includes \$6,607,130 in baseline funding increases. This amount represents the difference between the funding that was available at the time of the Planning Estimate and additional funding that subsequently was allocated to the State in the baseline grant award.

**Total Allocation**

Total Title III/VII federal funding available for allocation to AAAs in Amendment #2 is:

Program:	
Supportive Services (III B)	\$1,851,791
Ombudsman (III B)	\$ 32,266
Congregate Nutrition (III C-1)	\$5,503,253
Home Delivered Nutrition (III C-2)	\$2,738,753
Preventive Health (III D)	\$ 104,738
Family Caregiver Support (III E)	\$2,344,026
Ombudsman (VII A)	\$ 100,910
Elder Abuse (VII B)	\$ 31,013
NSIP (III C-1)	\$ 702,148
NSIP (III C-2)	\$ 911,448

Total Title III/VII Allocated in Amendment #2 \$14,320,346

**Use of OTO Funds**

The California Department of Aging (CDA) has amended the California Code of Regulations (CCR), Title 22, Section 7314 regarding the use of federal OTO funds. The amendment removes the prohibition against using OTO to increase baseline services and takes effect on January 20, 2010. Accordingly, the One-Time-Only Request form (CDA 1031), has been amended to include baseline services as an allowable purpose of OTO funds. A copy of the revised form is available on the CDA website at [www.aging.ca.gov](http://www.aging.ca.gov) for your project requests. A signed CDA 1031 showing the status of project requests will be returned to AAAs.

As a reminder:

- OTO funds must be used in the program from which they were incurred and are non-transferable to another program.
- OTO purchases must be for allowable program costs.
- A subcontractor receiving OTO funds must have an existing contract with the AAA for the same program from which the OTO funds accrued.

If you have questions on whether or not a particular cost is allowable, please call your respective program or fiscal analyst for guidance.

### **Budget Revision**

The Area Plan Budget (CDA 122) was also revised by adding a column for baseline services on page 12, and is available on the CDA website at [www.aging.ca.gov](http://www.aging.ca.gov). A CDA 122 that incorporates the amounts specified in the Area Plan Budget Display and corresponding CDA 1031(s) **are due to your assigned AAA-Based Team Fiscal Specialist no later than 30 days from the date of this Program Memo.**

As a reminder, OTO payments will not be processed until the revised CDA 122 is approved and the Area Plan Contract Amendment #2 is executed.



Lynn Daucher  
Director