

CALIFORNIA DEPARTMENT OF AGING
Division of Home and Community Living
Older Adults Program Branch
2880 Gateway Oaks Drive, Suite 200
Sacramento, CA 95833
www.aging.ca.gov
TEL 916-419-7500
FAX 916-928-2267
TTY 1-800-735-2929



PROGRAM MEMO

TO: Area Agencies on Aging

NO: PM 21-15 (REVISED)

ORIGINALLY ISSUED: August 13, 2021

REVISION ISSUED: October 28th, 2021

EXPIRES: Until Superseded or Rescinded

PROGRAMS AFFECTED: Supportive Services (Title IIIB) and Family Caregiver Support Program (Title IIIE)

SUPERSEDES: PM 21-01

SUBJECT: Guidance for Cash/Material Aid Allowable Activities under the Older Americans Act (OAA), Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Purpose

This Program Memo (PM) provides guidance on the allowable and unallowable activities for the cash/material aid service categories in the California Department of Aging (CDA) Data Dictionary for Title IIIB and Title IIIE and supersedes the previously issued Program Memo 21-01 except as that memo identified categories of allowable activities, such as paying for utilities, housing, or medical needs for older adults and/or family caregivers.

Background

The OAA funding is aimed at supporting older individuals and their caregivers. All these federal funds are allocated to each State Unit on Aging (SUA). As the SUA in California, CDA distributes the funding proportionately to each of the 33 Area Agencies on Aging (AAA) in California to be spent on allowable goods and services. Due to the COVID-19 pandemic and the Major Disaster Declaration (MDD), additional federal funds to support programs and services for eligible participants are allocated by the FFCRA, CARES Act, Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). Expenditure of these federal funds must be allowable per the service categories in the *CDA Service Categories and Data Dictionary (Revised July 2018)* and adequately documented. The State of California and CDA are responsible for the accounting of these funds and ensuring that they are used for the intended purpose.

General Guidance

The California Constitution and California Government Code section 8314 prohibit the gift of public funds to any individual, corporation, or another government agency. This means that it is imperative for the AAAs to directly expend funds or receive proof that funds were expended on allowable purchases and activities to avoid those funds from being categorized as a gift.

Generally Accepted Accounting Principles and federal regulations also require that AAAs be able to confirm that funds were used consistent with the Older Americans Act requirements (See 45 CFR 75.403 through 75.405).

Lastly, in May of 2021, the Administration for Community Living (ACL), confirmed they do not endorse, and state agencies generally do not allow the disbursement of public funds in the form of cash or gift cards, as both are difficult to trace for audit and monitoring purposes.

For these reasons, AAAs that receive state and federal funds and are considering cash grants and gift cards must take steps to ensure that those cash grants and gift cards are spent only on allowable items. Such expenditures are subject to audit and may be disallowed if the AAA cannot verify that the funds were used for their intended, allowable purpose. Confirmation of acceptable expenditures may be in various forms approved by each AAA, including but not limited to itemized receipts, bills of sale, or other proofs of purchase. Such documentation must be accompanied by an attestation made by the party with firsthand knowledge of the expenditure attesting to the accuracy and authenticity of the expense record.

Each AAA must use its best judgment and be mindful of the requirements surrounding the funds when creating its program. Please note that in addition to CDA the State of California Bureau of State Audits and/or the federal Administration for Community Living may also audit the funds. (See also 45 CFR 75, Section E-Cost Principles).

Note: In July 2021, ACL issued [FAQ on Use of Older Americans Act Funding for Incentives](#), which states that Older Americans Act (OAA) funds may be used to provide incentives to promote OAA initiatives. Because ACL has explicitly authorized the use of gift cards for incentive programs, itemized receipts, bills of sale, or other proofs of purchase are not required when OAA funds are used to provide incentives. For more information regarding requirements for incentives, see PM 21-22.

Reference Tool

The *CDA Service Categories and Data Dictionary (Revised July 2018)* (Data Dictionary) can be found on the Area Agencies on Aging - Planning page available at: [CDA Service Categories and Data Dictionary](#).

This updated Data Dictionary consolidates the following documents: (1) Service Categories and Data Dictionary, (2) Glossary of Terms and Acronyms, and (3) Summary of Changes. The Data Dictionary also revised the definition of "Data Reporting Systems" to specify allowable activities for staff training on data collection and systems.

Inquiries

For Title IIIB program inquiries, email: CDASupportiveServices@aging.ca.gov

For Title IIIE Program inquiries, email: CDAFamilyCaregiver@aging.ca.gov

/Sutep Laohavanich/

Deputy Director

Home and Community Living Division