

## MEMORANDUM

**NOTICE #: 010816-2-I-SCBS**

TO: Area Agency on Aging Executive Directors

FROM: Samuel P. Verghese, Secretary

DATE: January 8, 2016

SUBJECT: Notice of Instruction: Clarification to Notice of Instruction #031412-1-I-SWCBS:  
Revised Older Americans Act (OAA) Fiscal Forms

---

The purpose of this Notice is to provide the revised Older Americans Act (OAA) Receipts and Expenditure Report forms that will be required in the 2016 contract. The revisions to the Receipts and Expenditure Report forms are intended to clearly display the amount of program income earned and expended for each reporting period. Program income is defined in 45 CFR Part 92.25 (b) as gross income received by the grantee or sub-grantee directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period. This definition includes consumer contributions.

According to Section 315 of the OAA as amended in 2006, consumer contributions are collected and expended under the following terms:

- Consumer contributions are not to be used for matching;
- Consumer contributions are to be used only to expand services;
- Accumulated consumer contributions are to be used prior to requesting federal reimbursement; and
- Consumer contributions must be expended within the fiscal year earned.

Section B, *Contracted Expenditures and Program Income*, of the attached Receipts and Expenditure Report forms displays the amount of program income collected and the amount deducted from the contracted expenditures, ensuring the use of consumer contributions before federal reimbursement. Thus, it is necessary for AAAs to ensure providers have established policies, procedures, and practices for collecting, documenting, expending, and reporting consumer contributions under the OAA. Policies and procedures must address the voluntary and private nature of consumer contributions; expansion of services; and prohibited use of contributions for matching, cost sharing, and structuring unit rates.

Notice of Instruction: Revised Older Americans Act (OAA) Fiscal Forms  
January 8, 2016  
Page 2

Use of the revised Receipts and Expenditure Report forms should begin with submission of report number 3, due to the Department on February 15, 2016, in accordance with the Attachment VIII, Invoice Schedule. The Department will continue to monitor AAAs' oversight and monitoring of providers relative to program income policies, procedures, and practices.

We appreciate your assistance in implementing this guidance. If you have any questions, please contact your contract manager.

