

MEMORANDUM

TO: Area Agency on Aging Directors &
Area Agency on Aging Fiscal Directors

FROM: Lori Conner, Manager, Contract Accountability and Oversight
Access & Intake/Area Agencies on Aging

DATE: November 19, 2015

SUBJECT: Fiscal Year (FY) 2015 Closeout Instructions

Closeout Reports are due by 8:00 a.m. on Tuesday, December 15, 2015
--

This memorandum includes all important dates, instructions and requirements for Area Agency on Aging (AAA) closeout reports (closeout) submitted to the Department of Aging and Disability Services, Access & Intake, Area Agencies on Aging Section (DADS), for federal fiscal year 2015.

Introduction

The closeout function is an annual process designed to review fiscal, program and performance activities under the contract between a AAA and DADS to provide services through Older Americans Act, State General Revenue and other funds. The purpose of the review is to fully reconcile activities and expenditures and ensure compliance with the contract. The review levels ensure fiscal, program, and performance compliance requirements are met.

Due Date - AAA closeouts for 2015 are due to DADS by 8:00 a.m. Tuesday, **December 15, 2015**.

Requesting an Extension – The AAA must request an extension if additional time is required to complete the closeout. An email request must be received by DADS Help Desk at AAA.help@dads.state.tx.us no later than 8:00 a.m., **Tuesday, December 15, 2015**. If granted, it will be considered a chargeable extension.

Important Dates

- | | |
|-----------------------|---|
| November 18 | <input type="checkbox"/> ASAW for 4 th quarter FY 2015 posted to FTP site |
| November 19 | <input type="checkbox"/> FY 2015 closeout packet posted to FTP site |
| December 3 | <input type="checkbox"/> 2 nd ASAW for 4 th quarter FY 2015 will be posted |
| December 8 | <input type="checkbox"/> RfRs/RfAJs for 2015 closeout submitted independently from FY16 requests |
| December 15 | <input type="checkbox"/> Closeout packet due at 8:00 a.m. |
| December 15-20 | <input type="checkbox"/> Preliminary fiscal/program reviews conducted |
| December 21 | <input type="checkbox"/> No FY15 RfRs/RfAJs or FY16 Payments/Adjustments will be processed for MDD 12/21/14 (holiday) |
| December 30 | <input type="checkbox"/> All documents required to complete closeouts submitted by AAAs |

Additional information for important dates is included in later sections of this memorandum.

Closeout Packet

A complete closeout packet will be placed on each AAA's FTP site by 8:00 a.m. on **Thursday, November 19, 2015** in a folder named "**Closeout\2015 Packet.**" The folder will include the following:

- 2015 Approved Working Budget with NFAs entered
- FY 2015 Closeout Memo and Instructions (this document)
- Capital Equipment/Controlled Assets Closeout Report
- EBI Narrative Template
- AAA's Draft LBB Certification Print-out

Submitting Closeout Documents

- Closeouts must be submitted to the Reports Mailbox at AAA.Reports@dads.state.tx.us.
- Required closeout documents include the closeout QPR file and final program narratives. If needed, AAAs must submit a closeout budget amendment, Capital Equipment/Controlled Assets (CE/CA) Closeout Report, and RfR/RfAJs as appropriate.
- Each closeout submission must be identified for the Reports Mailbox. The subject line of the AAA's email must reflect the correct nomenclature, "AAA ID – Closeout – FYxx" (e.g. "83100 – Closeout – FY15"). Submissions with the incorrect subject line nomenclature will be returned by the Reports Desk. The AAA will be required to correct the email subject line and resubmit its closeout.
- Internal processes require DADS to track all closeout documents, including closeout RfRs and RfAJs; the above subject line nomenclature must be used when any document is submitted for 2015 closeout.
- If the AAA experiences any problem with submitting its closeout due to the size of the email it may submit separate emails with the following nomenclature, using the example above:
"83999 – Closeout – FY15 – File 1 of 2"
"83999 – Closeout – FY15 – File 2 of 2"
- After the initial closeout documents are submitted, subsequent submissions must identify the sequential number of the submission. For example: "83999 – Closeout – FY15 – Sub 2"
- Once the formal review process begins, AAAs must not submit a revised Quarterly Performance Report (QPR) until requested by DADS.
- A AAA's closeout is accepted for review when it is submitted to DADS A&I/AAA with the correct subject line nomenclature and includes all required fiscal and program documents. Incomplete closeouts are rejected and returned to the AAA. Once the closeout submission is verified as complete, the Fiscal Coordinator will notify the AAA of acceptance. The formal review process by DADS A&I/AAA will then be initiated.

Aging Services Analysis Workbook (ASAW)

The ASAW provides the AAA and DADS A&I/AAA staff with information designed to evaluate the accuracy of the closeout and to identify adjustments, as needed, to complete the closeout. The ASAW is also designed to provide a tool for AAAs to review year-to-date data prior to submission of the AAA's closeout.

- A “Closeout Checklist” is included in the ASAW for 2015. Appropriate files (e.g., QPR, budget, reimbursements) will be uploaded by DADS A&I/AAA into the ASAW to populate the checklist. Within the ASAW, AAA expenditures reported on the QPR are compared to the AAA's approved budget, funds requested through a specific date, and notifications of funds available (NFA). The ASAW's checklist indicates whether the NFAs, QPR, MOE, adequate proportion and reimbursement documents are fully reconciled. Other items on the check list include checks such as budget amendments, capital equipment, and match requirements.
- A closeout budget amendment is required for the closeout submission, to include the final NFAs #26, #27 and #28, issued in FY2015. In the completion of the closeout amendments, please note the categorical transfers approved in the FY15 working budget amendment cannot be changed. **These categorical transfer amounts were approved and processed by the Administration for Community Living (ACL) on August 18, 2015 and cannot be changed.**
- The ASAW checklist uses “No” and “Yes” indicators, and will identify specific areas requiring adjustment. The checklist will include references to specific cells for the AAA's ease in identifying items where errors occur. Other issues may also be highlighted. For the closeout process to meet fiscal reconciliation and compliance approval, moving it forward to the program review, the closeout checklist must indicate “No” to all of the questions in sections 1-4, and 8 and “Yes” to all of the questions in sections 5-7.
- During the entire process, a revision and resubmission of the closeout by the AAA is required if the checklist indicates a “Yes” to any question in sections 1-4 and section 8, or if any other item is not in compliance.
- Each service sheet in the ASAW is designed to determine if the budget, performance and funds drawn reconcile for each individual service at a specific point in time. In 2015, the ASAW will only be distributed to AAAs at specific intervals.
 - An ASAW through the fourth quarter of federal fiscal year 2015 was made available on the FTP site for downloading on **November 18, 2015**. It includes all RfRs and RfAJs processed and approved by DADS for MDD **11/16/2015** with service ending date of 9/30/15.
 - An ASAW through the fourth quarter of federal fiscal year 2015 will be made available at 8:00 a.m. on Thursday, **December 3, 2015**. It will include all RfRs and RfAJs processed and approved by DADS for MDD November 30, 2015 with service ending date of 9/30/15.
 - Additional closeout ASAWs may be requested and will be provided on a case-by-case basis during the closeout review.
- During the entire process, a revision and resubmission of the closeout by the AAA is required if the checklist indicates any issues or items are not in compliance.

Capital Equipment/Controlled Assets Closeout Report

The CE/CA Closeout report details current year capital equipment/controlled assets purchased with DADS A&I/AAA approval. **Supporting documentation for the items purchased is required** to be submitted with the CE/CA Closeout Report to reflect detail such as property ID, disposal date, acquisition date, serial number, VIN #, etc. Supporting documentation for items listed on the CE/CA Closeout Report must support the allowable costs such as copies of invoices, checks, purchase vouchers, purchase orders, etc. The asset detail and supporting documentation will be validated and maintained by DADS A&I/AAA.

Closeout Narratives for Evidence Based-Intervention

Closeout narratives must be submitted to DADS A&I/AAA using the appropriate template.

Final closeout narratives for Evidence-Based Intervention activities are required with the initial FY2015 Closeout submission. Final program narratives must describe actual activities achieved for 2015 and must be included in the email transmitting all closeout documents. If all Prior Year 2014 or FY2015 Title III D funds were not spent, the AAA must include an explanation for failure to meet performance requirements and detail of plans to meet the goal in FY2016.

If the program narrative is not complete, accurate, or includes unallowable services, the narrative will not be accepted. The AAA is required to revise the narrative(s) to be complete or to remove all unallowable activities and expenditures. This may result in some area of the fiscal closeout to be revised, such as the budget, submission of an RfAJ, RfR or Refund or the QPR, when directed by DADS.

If appropriate closeout narratives are not included in the original closeout submission, the closeout will be considered incomplete and will be rejected.

Review and Reconciliation Process

The Fiscal Coordinator will notify each AAA if its closeout requires revisions such as budget, QPR, RfR/RfAJ/Refunds, CE/CA or if the closeout met fiscal approval.

The Program Coordinator will notify each AAA if its closeout narrative(s) requires revisions or if the narratives met program approval. Further program review may be required beyond this preliminary review. However, since activities reported in the closeout narrative(s) may potentially have an impact on a fiscal element, program narrative(s) will be reviewed immediately when the AAA's closeout is accepted by the Fiscal Coordinator.

Notification e-mails will be sent to the AAA Director, secondary contact and Fiscal Director.

When revisions are required, the email will:

- List the fiscal and narrative(s) issues identified through the preliminary review;
- Advise the AAA the closeout ASAW has been placed on the FTP site for review; and
- Inform the AAA it will be contacted by DADS fiscal/program staff to schedule a teleconference. The purpose of the teleconference will be to review all issues disclosed by the ASAW or other type of review. A date for resubmission of closeout documents, as appropriate, will be established during the teleconference.
- It is DADS A&I/AAA expectation all resubmissions of closeouts will be accurate and complete.

If corrections or changes to AAA's closeout (fiscal or closeout narratives) are required after the initial teleconference and resubmission of closeout documents, the process will be repeated until all errors or inconsistencies are resolved. The notification email for each subsequent resubmission – beyond the initial submission – will be sent to the Executive Director of the parent agency, AAA Director, secondary contact and Fiscal Director.

When the "Closeout Check List" sheet indicates no fiscal issues and all other fiscal compliance requirements are met, the closeout progresses from fiscal for the next review. A performance review is conducted to establish if performance measures are within the allowable variances. The next review by program staff validates service deliveries, reviews narratives, and ensures accuracy of budgeted services and SPURS data. Once all compliance requirements are met, the closeout progresses to management for approval.

Final Performance Report Fiscal Year (FY) 2015

As part of the contract year closeout, AAAs are required to verify SFY 2015 final performance. All performance information for the month of September 2015 must be included on either the September Federal FY worksheet or the worksheet titled September Federal FY Close-Cor of the "QPR2015ContractYearCloseout.xls". The state fiscal year begins on September 1st. The unduplicated person counts are based on the state fiscal year, all clients receiving service in September 2015 must be counted as unduplicated on the September 2015 report.

Services may be corrected for the contract year on the worksheet titled Final-Aug-Cor. Corrections cannot be included in September 2015, as this is the first month of state fiscal year 2016.

Services tied to performance measures for fiscal year 2015 are:

- Ombudsman
- Care Coordination
- Congregate Meals
- Home Delivered Meals
- Homemaker
- Transportation Demand/Response.

AAAs are required to meet established performance measures within the allowed $\pm 5\%$ variance. AAAs should review services with performance measures and all adjustments to these services to ensure final SFY 2015 data meet these requirements.

All performance report information relating to performance measures are included on the certification worksheet. All resource information from the performance reports and the RfRs must balance at contract year-end closeout.

Refunds

If the AAA's review identifies the need for a refund, the AAA must send notification through DADS Reports Mailbox at AAA.Reports@dads.state.tx.us for further instruction. After all AAA closeout packets have been reviewed, DADS will identify and instruct those AAA's required to return funds. Refund document(s) will be provided on the DADS SecureFTP Site.

NOTE: Do not submit refund documents or checks until instructed by DADS Fiscal staff. If refund documents or checks are submitted to DADS A&I/AAA without prior approval, the items will be rejected and returned back to the AAA.

Concluding the Closeout Review

The activities which take place after the fiscal and program reviews and approvals include reconciliation of closeouts with DADS Accounting Department. This process can take several weeks. If reconciliation cannot be reached, the AAA begins the full or some component of the closeout process again.

The Legislative Budget Board (LBB) Certification is the final requirement for the closeout process. At the beginning of the closeout process a draft copy of the LBB Certification is included in the closeout packet on the AAA's FTP site. All of the requirements for each component of the closeout must be met by the AAA and the closeout reconciled with DADS Accounting Department before the final LBB Certification is issued for the AAA's signature. Receipt of the AAA's signed copy of the LBB Certification concludes the closeout process.

All requests for assistance must be submitted to the Department's Help Desk at AAA.Help@dads.state.tx.us. The subject line should include the AAA's identification number and a reference to the closeout for FY2015 to ensure expedited processing.