

**FS 2009-03  
FINANCIAL MANAGEMENT AND RELATED SECTIONS  
Sections 1.1; 7; 8; and 9**

SECTION		PAGE	STAKEHOLDER COMMENT	KDOA RESPONSE		
1	Over all	n/a	n/a	n/a	SHICK is not covered in the FSM. Why not? Should not SHICK fiscal actions conform to all other KDOA fiscal actions?	Policy to be developed
2	Over all	n/a	n/a	n/a	Overall, this is not the "how to" fiscal manual that K4A requested. There are no forms listed, or shown. There are no "how to do this" instructions, that we need to train new fiscal staff. How do we, especially novice AAA staff, know what form to use in which case? Furthermore, how do we know how to fill it out, and when to submit it? Why are some KDOA programs fiscal operations not covered in the FSM?	KDOA is looking at options to meet this need
3	Over all	n/a	n/a	n/a	Agency fiscal staff around the state are concerned about the timing of this proposed policy. There could be no worse time to have proposed policy that impacts fiscal to be made available.	There are no changes to current policies; rather, we have compiled existing policies into the FSM
4	1.1	n/a	n/a	4 of 13	1.1 / pg. 4 of 13: "Comprehensive and Coordinated Service Delivery System" does not mention meeting the needs of caregivers, or the families of older persons. They are part of the "system" as well, and should be mentioned.	No change (See CFR 1321.53)
5	1.1	n/a	n/a	4 of 13	1.1/ pg. 5 of 13: "Cost sharing must apply to certain services..." does not say which services. How do we to know which services are or are not included?	Clarification added to policy; currently, no OAA services include cost sharing and for SCA, all services with exception of case management and assessment
6	1.1; 8.1	n/a ; 6	n/a; F	5 of 13; 6 of 13; 8 of 13	Electronic versus digital signature: I understand that digital signature will require a purchase of software to do that, whereas electronic will not (or vice versa - not sure which is which). Who will pay for it, and will KDOA want standardization of software to do that? Has KDOA legal reviewed, and bought off on this?	KDOA does not intend to standardize digital/electronic signatures; however, some AAAs are currently using this technology and KDOA legal has approved
7	1.1; 8.1	n/a ; 6	n/a; F	5 of 13; 6 of 13; 8 of 13	1.1 One of our major concerns is in regards to the "Digital Signature." Is this going to require us to purchase equipment? What will be required to do this.	See #6; this is an option and is not required
8	1.1; 8.1	n/a ; 6	n/a; F	5 of 13; 6 of 13; 8 of 13	Same comment for "Electronic Signature."	See #6 & #7

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9	1.1	n/a	n/a	7 of 13	1.1/ pg. 7 of 13: "A grant is used whenever KDOA anticipates no substantial programmatic involvement with the grantee..." seems to contradict the KDOA practice of major involvement in the OAA Area Plan process, and monthly reporting. Which is it?	Policy changed to correct
10	1.1	n/a	n/a	9 of 13	1.1/ pg 8 of 13: "Indian Tribal Organization" would be more politically correct to read "Native American Tribal Organization:...organization of Native Americans which...".	No change; "Native American" refers to American Indian, Alaskan Native, and Native Hawaiian; OAA specifies "Indian Tribal Organization" as unit of govt. (OAA Sec. 302(4)(B))
11	1.1	n/a	n/a	10 of 13; 12 of 13	1.1/ pg 8 of 13: The term, "In kind", is not defined, but is used later in this section. Please define the term. Also, later in chapter 8, the term "Third Party In Kind" is used. Is there First or Second Party In Kind? If so, what is it? If not, then how can there be third party in kind? Please clarify so that a novice could understand this.	Policy has been clarified; there is no first or second party in-kind; third party in-kind is a frequently used accounting term that categorizes an outside entity providing resources for the project
12	1.1	n/a	n/a	10 of 13	1.1/ pg 10 of 13: "Prior Approval": Since prior authorization is not defined, is prior approval the same thing as prior authorization? If not, should prior authorization also be defined somewhere in the FSM?	No change; prior approval and prior authorization are the same thing
13	1.1	n/a	n/a	12 of 13	1.1/ pg 12 of 13: The term "un-awarded" is not defined, but is commonly used by KDOA and AAAs. For clarity, please define the term.	Definition has been added to policy
14	7.1	n/a	n/a	TOC	7.1 Table of contents: The section on state match has been removed. Where in the FSM is this addressed? Is there no longer any state match? Please clarify.	This information was removed as it is no longer correct; current state match is required to be used in Title III-C
15	7.1	1	C	1 of 6	7.1.1 C Since KDOA is now sending notices about policy via email, is it possible for us to provide written notice to our providers and advocacy agencies via email?	AAAs are required to publish a notice for public hearings to meet OAA requirements; KDOA is not required to publish a notice for policy changes
16	7.1	4	A6	4 of 6	7.1.4.A.6./ pg. 4 of 6: The way this paragraph reads, an AAA must submit the entire area plan just to ask for a single change of one direct service waiver. That doesn't make sense.	No change; only the section(s) of the area plan that is(are) being revised must be submitted
17	8.1	n/a	n/a	TOC	8.1 Table of contents: There is no section 8.2 listed. So why have sub sections within 8.1 if there is no 8.2? (rule of thumb on sub-paragraphs: you cannot have a section A if there is not a section B as well; therefore you cannot have a 8.1 without 8.2.)	No change (Section 8.2 reserved for future use)

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18	8.1	n/a	n/a	1 of 13	8.1/ pg 1 of 13: Does this paragraph include just OAA, or SCA, SHICK, CARE, etc. as well? If the later, then why are SHICK funds not administered through the KDOA Administrative Services Commission?	This section pertains to OAA programs; SCA, CARE, and other KDOA Contracts and Grants under development
19	8.1	2	A	1 of 13	8.1.2.A./ pg. 1 of 13: This specifically only mentions "area plan budget". Does a NGA apply to any other funding source outside of OAA programs? (KDOA staff frequently use the term with other program awards). Please clarify.	This section pertains to OAA programs; SCA, CARE, and other KDOA Contracts and Grants under development
20	8.1	3	D	2 of 13	8.1.3.D./ pg. 2 of 13: "Grantees will be paid in advance..." seems to conflict with current practices. SHICK grants are often paid well after the grant year begins. Is this a change in policy? Which is it? Please clarify.	See #19
21	8.1	4	A3; B2	3 of 13	8.1.4 A 3 and B2 - Is this required by the Health and Human Services, or is this an amount that KDOA determined? It seems like a small amount.	No change as this is federal requirement (See CFRs 92.21(i) and 74.22(l))
22	8.1	4	A3; B2	3 of 13	8.1.4 A 3 and B2 - Is this required by the Health and Human Services, or is this an amount that KDOA determined?	See #21
23	8.1	5	A5	4 of 13	8.1.5 A5 - This wording is easier to understand. "Program income must be reported and used for expansion of services."	Clarification has been made
24	8.1	5	A5	4 of 13	8.1.5 A5 - This wording is easier to understand. "Program income must be reported and used for expansion of services."	See #23
25	8.1	5	A3(?); B2	4 of 13; 5 of 13	8.1.5.A.5B2-- Do they really want revised reports if we determine our YTD is off \$2? This is really busy work. We do not have to do a budget revision until it is 20% difference. Wouldn't that be a better benchmark?	No change; YTD balance must equal the preceding month's reported YTD expenditures plus the current month's expenditures; there is no relationship to budget revisions triggered by the 20% rule
26	8.1	5	A3(?); B2	4 of 13; 5 of 13	8.1.5.A.5B2-- Does KDOA really desire revised reports if we determine our YTD is off \$2? It appears to be excessive, (especially since our reports are not reviewed monthly). How would KDOA know if we had found an error any way?	See #25
27	8.1	5	B5	5 of 13	8.1.5.A.5B5 - Where are cost center or service category defined?	Definitions have been added
28	8.1	5	B5	5 of 13	8.1.5.A.5B5 - Where are cost center or service category defined?	See #27
29	8.1	5	B5	5 of 13	8.1.5B5 Where is cost center or service category defined?	See #27

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30	8.1	5	B; C	5 of 13; 6 of 13	8.1 table of contents: Former sections on Program Income, Transfer between C-1 & C-2, and Allowable expenses have apparently been deleted. Is there a reason for their deletion? Are they explained somewhere else? I cannot find them if they are.	Sec. 8.1.2 Title III Program Income has been revised and moved to 8.1.5.A.5; Sec. 8.1.3 Transfer Policy Between Title C(1) and C(2) has been revised and moved to Sec. 8.1.5.C; and Allowable and Unallowable Program or Grant Expenses Sec. 8.1.4 has been revised and moved to 8.1.5.B (Note: Draft sections given; Final Section 8 has been re-numbered)
31	8.1	5	C	6 of 13	8.1.5.C./ pg. 6 of 13: This section is confusing at best. Sub paragraph 1 states up to a 40% transfer may occur, but "excess of the amount to be awarded will not be approved". In the next sub paragraph, it states procedures concerning requesting a transfer of more than 40%. Which is it? If it will not be approved, then why have a procedure to request it? Furthermore, why have a "prior written approval" before a request, if the request will not be approved? Even if it might be approved, why have a prior written approval in advance of the request? Isn't that overly redundant, and totally illogical?	Clarification has been made
32	8.1	5	D	6 of 13	8.1.5.D./ pg. 6 of 13: Since this sub section seems to only deal with OAA services, would it be more appropriately labeled "OAA Priority Services"? If not, then it needs to clarify what services are covered. What services are not priority? How do we tell which are, or are not?	Clarification has been made
33	8.1	5	E11	7 of 13	8.1.5.E11 - this is a repeat of B4	No change; this requirement was emphasized as it is a frequent and costly error
34	8.1	5	E11	7 of 13	8.1.5.E11 - This appears to be a repeat of B4	See #33
35	8.1	6		7 of 13	8.1.6./ pg. 7 of 13: It appears as though this section only deals with OAA Financial reporting? If that is the intent, then please add "OAA" to the section title. If this is not correct, then there needs to make a more clear distinction as to which programs this section applies, in which paragraph. If this is only applicable to OAA programs, where is the section(s) on financial reporting of other programs?	Clarification has been made; other programs the FSM cover do not require financial reporting (SCA, CARE, HCBS/FE and TCM)
36	8.1	6	F	8 of 13	8.1.6F - I think we need to request that year end reports be allowed to be submitted electronically also. Getting Year End reports from providers has always been a problem for our agency. Providers do not seem to be able to follow simple instructions which say to submit original forms via mail. I would like them to accept faxed pages that have signatures on them.	According to this policy, KDOA may accept signed electronic reports; however, the AAA assumes the risk of losing funds if the information is not legible and received by the deadline

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37	8.1	6	F	8 of 13	8.1.6F - K4A would like to request that AAA year end reports be allowed to be submitted electronically also, as long as we have documentation of the signature at our place of business. Getting Year End reports from providers has always been a problem. K4A would like KDOA to accept faxed/scanned pages that have signatures on them.	See #36
38	8.1	7	B	9 of 13	8.1.7B - I believe all financial records must be kept for a period of seven years.	See K.A.R. 26-2-9; FSM Record Retention under development
39	8.1	8	A2	9 of 13	8.1.8A2 - Does this mean we are responsible when a provider is embezzling? Would the appeal procedure allow us to appeal if the provider is embezzling? I spoke with my auditor yesterday, and he told me that they would most likely not catch someone embezzling.	Yes, the AAA would be responsible if one of their contractors or grantees embezzles funds
40	8.1	7	B	9 of 13	8.1.7B - K4A believes all financial records must be kept for a period of seven years.	See #38
41	8.1	8	A	9 of 13	8.1.8A -Please define "reasonable assurance" and who makes this decision?	"Reasonable assurance" used in this context is an accounting concept. The definition recognizes that <u>no</u> internal control structure can realistically provide <i>absolute assurance</i> that an organization's objectives will be achieved. Reasonable assurance recognizes that the cost of an organization's internal control should not exceed the benefits expected to be derived. Final determination is made by an independent auditor and included in the organization's annual audit report. (See OMB Circular A-133)
42	8.1	8	A2	9 of 13	8.1.8A2 - Does this mean AAAs are responsible when a provider is embezzling?	See #39
43	8.1	7	B	9 of 13	In the revision to the field policy 8.1.7.B states "Recipients must retain financial and programs records . . . For a period of three years." However, 4.1.5.N (2002-02) states "Nutrition service provider's records . . . Must be kept a minimum of five (5) years." This is the time to change the nutrition record retention to match the Financial record retention.	Comment taken under advisement; this change will be made when Sec. 4.1.5 is updated
44	8.1	7	B	9 of 13	Another recommendation for change to FSM, when next updated -- see OMB Circular A-110, Subpart C. Sec .51 for fed provisions related to 3 year requirement	See K.A.R. 26-2-9; FSM Record Retention under development
45	8.1	7	B	9 of 13	8.1.7B Retention time periods needs to be consistent	See #43

	SECTION			PAGE	STAKEHOLDER COMMENT	KDOA RESPONSE
46	8.1	9	A	11 of 13	8.1.9A./ pg. 11 of 13; The phrase, "If a grantee...", seemingly excludes contractors. Are contractors subject to enforcement actions as well as grantees? Why (no matter which way you answer)?	Contractors would be required to perform according to the terms of the contract
47	8.1	10	A	12 of 13	8.1.10A./ pg. 12 of 13. Where is the section on appeal of Medicaid adverse actions? How are we supposed to know this?	Section 8 does not address Medicaid services
48	9.1	D	2	1 of 2	9.1D2 You should probably insert Field Service Manual prior to Sections .26.2....	No change
49	9.2	B	2a	2 of 2	9.2B2a Approval should probably be substituted for authorization to make the wording the same as in other proposed policy.	No change