

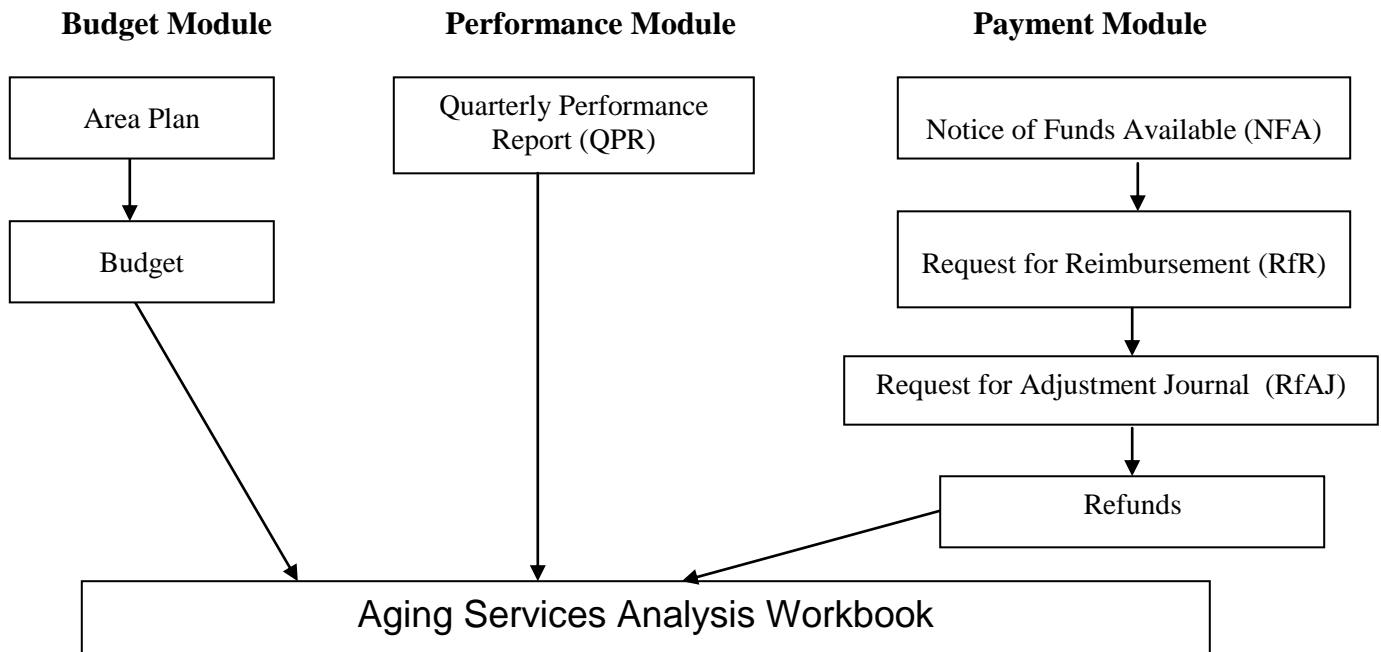
—TECHNICAL ASSISTANCE MEMORANDUM—

Texas Department of Aging and Disability Services (DADS) – Access and Intake Division

TITLE:	Budget, Performance, RfR Process	NUMBER:	AAA-TA 400
SECTION:	Area Agencies on Aging	APPROVAL:	Betty Ford
ISSUE DATE:	2/1/08	REVISION DATE:	2/10/11
RELEVANT CITATIONS:	NA		
DISTRIBUTION:	<input type="checkbox"/> Executive Director <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> Fiscal Director <input checked="" type="checkbox"/> AAA Section Staff		

The Department is revising this technical assistance memorandum (TA) to reflect the name change of the Budget/Performance/Payment Comparison Workbook (BPPCW) to Aging Services Analysis Workbook (ASAW) and removal or addition of items specific to the BPPCW and ASAW

The current Budget/Performance/Payment (BPP) process was developed to allow for flexibility at the AAA level. Each of the three components of the BPP are processed and evaluated separately. They are linked together through the Aging Services Analysis Workbook (ASAW), the reconciliation report, for comparison and reconciliation purposes.



The **Budget Module** includes a tie to the Area Plan to ensure the Area Plan reflects the services budgeted. In addition, the Budget is reviewed to ensure:

- all funds awarded are budgeted
- budgeted expenses equal budgeted revenue
- match requirements are met
- categorical transfer limits are not exceeded
- special requirements such as medication management are met

Each contract year prior to the allocation of funds, the AAA is required to prepare a planning budget based on level funding from the prior year or as directed by the Department. Once the Department determines it has received the majority of its current year funding, AAAs will be notified a current or working budget is required. A budget must be amended when NFAs are issued and/or:

- NFAs increase or decrease by +/- 10% by title
- increase or decrease of \$2,500 within a strategy
- a new service is budgeted (*This may also require an Area Plan amendment.*)
- deletion of an approved budgeted service (*This may also require an Area Plan amendment.*)

The **Performance Module** shows the actual performance of the contract as reported by the AAA. AAAs must report actual contract performance for each month of the contract regardless of when the performance was paid. Units and the cost of the units must be reported on the same QPR. Depending on the accounting method used by the AAA, reported performance may or may not be the same as the RfRs in the month the service was performed. To ensure the approved budget requirements are met, expenditure information must be reported based on budgeted funding sources.

The Department recognizes many providers do not provide the required information to the AAA in a timely manner. AAAs are only required to report information they have approved and or verified and documented at the time the report is submitted. Because of the timing requirements of the performance reports, additional performance information for prior months is anticipated on subsequent performance reports.

The Department, on a regular basis through the Performance Measure Testing (PMT) process, ensures the accuracy of reported information contained in the performance report. PMT tests the accuracy and completeness of documentation of the reported information at the time of reporting. For this reason, AAAs may not use estimates or projections when reporting performance. AAAs are encouraged to keep complete documentation on file to support all reports submitted to the Department.

For all LBB Measures, service adjustments must be made to the affected months for any reported performance change that results in a net change of +/- 5%. Adjustments to all other services may be made to the affected months, or as a year-to-date adjustment in any month except September.

The September closeout report from the prior contract year must match the September information reported in the following year's performance report. If after submitting the September report in the first QPR it is determined September must be adjusted to complete the prior year's contract closeout, the Department will adjust the first QPR to match the closeout.

During the annual closeout process, the AAA must certify reported performance for all LBB key measures by month and year. The LBB Certification Report is directly linked to the information provided by the AAA in the QPRs. In order to adjust or change the LBB Certification Report, changes must be included in the final QPR.

The **Payment Module** consists of Notices of Funds Available (NFAs), Request for Reimbursements (RfR), Request for Adjustment Journals (RfAJ) and Refunds from the AAA. Payments to an AAA are limited by the NFAs issued to the AAA and the allowable funding sources for which the service payment is requested. This provides the AAA flexibility in requesting funds at the beginning of the fiscal year when limited funds are available. AAAs using this flexibility must ensure RfAJs are submitted to adjust payments to the approved budget funding sources when additional NFAs are received.

Prior to submitting RfRs or RfAJs, the AAA must verify:

- All NFAs received are on the RFR or RfAJ.
- RfRs do not exceed the NFA amount, including allowed categorical transfers.
- When a RfR and a RfAJ are submitted in the same week, the RfAJ will be processed first. Because of this rule the amount previously requested on the RfR must include the adjustments on the RfAJ.
- The Service Through Date is an actual calendar date.
- No negative amounts (adjustments) are included on RfRs.
- All required documentation for Special Grants is submitted.
- Only one RfR and one RfAJ per week is submitted.

The Department accepts one correction per week for RfRs and RfAJs. If the second submission is not correct, the RfAJ and/or RfR will be removed from the current week's processing.

It is the AAA's responsibility to ensure funds are expended in the order in which their time limits expire.

The **Aging Services Analysis Workbook** is the reconciliation reporting module. All information reported in the workbook is directly linked to the other modules. The Department uses the workbook as a tool to assess an AAA's performance. The workbook is provided to AAAs on a regular basis.

The AAA is encouraged to use the workbook as a tool to assess performance. The AAA should include these items in the review:

Fiscal Review

The AAA Director and fiscal staff should review the service delivery cost comparison information:

- As performance is based on the actual performance of the contract, budgets and RfRs must be adjusted to match performance.
- If Budget versus Performance exceeds the budget amendment limits, a budget amendment must be submitted.
- If the reported performance information exceeds the RfRs, the AAA will verify the under requested amount has been requested on subsequent RfRs or if a RfAJ is required to correct the classification of funds received.
- If the RfRs exceed the reported performance, the AAA must determine if a RfAJ is required to correct the classification of payments or if a refund must be sent to the Department.
- If an AAA's accounting system is on an accrual basis and all payables are accrued in the month service is performed, RfRs and Performance should reconcile on a quarterly basis.

- All Performance versus RfR information reported must reconcile at contract year-end. Reconciling this information on a quarterly basis will greatly reduce the amount of time required to complete the closeout process.

Service Review

The AAA Director and program staff should review the service delivery cost comparison information:

- Current year-to-date reported performance of the number of unduplicated clients, cost per client, number of units served, average unit costs, should be compared to the prior year- to-date information.
- Current year-to-date reported performance of the average unit costs, average cost per person, and average units per person, should be compared to the statewide prior year average and median information.
- Variances between the similar service (Care Coordination and Caregiver Support Coordination) cost per client and/or unit should be researched to ensure clients, units, and expenses are correctly classified.
- Comparisons of the average number of units of service provided to clients should be evaluated and trends tracked for future planning and budgeting information.