

HIV/AIDS Bureau, Division of Service Systems Monitoring Standards for Ryan White B Grantees: Part B Fiscal Monitoring Standards

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Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
Section A: Limitation on Uses of Part B funding				
1. Adherence to 10% limit on proportion of federal	<ul style="list-style-type: none"> • Identification and description of all 	<ul style="list-style-type: none"> • Identify and appropriately categorize administrative 	N/A	¹ RW Part B 2618 (b)(3)(A)

¹ All statutory citations are to title XXVI of the Public Health Service Act, 42 U.S.C. § 300ff-11 et seq, and are abbreviated with “RW Part B” and the section reference.

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funds spent on administrative costs in any given grant year <ul style="list-style-type: none"> For grantees <u>without</u> a fiduciary intermediary or administrative agent 	expenses within grantee budget that are categorized as administrative costs <ul style="list-style-type: none"> Documentation that administrative expenses do not exceed 10% of Ryan White grant 	expenses and ensure that they do not exceed 10% of total grant <ul style="list-style-type: none"> Provide HRSA/HAB with current operating budgets with sufficient detail to determine and review administrative expenses 		
2. Adherence to 15% limit on proportion of federal funds spent on grantee administration and planning and evaluation in any given grant year <ul style="list-style-type: none"> For grantees <u>with</u> a fiduciary intermediary or administrative agent 	<ul style="list-style-type: none"> Detailed description of all expenses within grantee budget that are categorized as planning and evaluation costs Documentation that administrative expenses and planning and evaluation expenses do not exceed 15% of Ryan White grant 	<ul style="list-style-type: none"> Identify and appropriately categorize planning and evaluation expenses and ensure that they do not exceed 10% of total grant Provide HRSA/HAB with current operating budgets with sufficient detail to determine and review planning and evaluation expenses Calculate administrative and planning and evaluation expenses to assure that collectively they do not exceed 15% 		RW Part B 2618 (b)(1-3) 2618 (b) (4) Funding Opportunity Announcement
3. Use of grantee administrative funds only for allowable expenditures	Review of grantee budget to determine that all administration expenditures are allowable under HAB guidelines, based on the following list of allowable administrative activities: <ul style="list-style-type: none"> Routine grant 	Provide to HRSA current operating budgets and allocation expense reports with sufficient detail to review administrative expenses	N/A	RW Part B 2618(b)(3)(C)

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	<p>administration and monitoring activities, including the development of applications and the receipt and disbursement of program funds</p> <ul style="list-style-type: none"> • Development and establishment of reimbursement and accounting systems • Preparation of routine programmatic and financial reports • Compliance with grant conditions and audit requirements • All activities associated with the grantee's contract award procedures, including the activities carried out by consortia, if they exist • Development of requests for proposals, subgrantee and contract proposal review activities, negotiation and awarding of contracts • Monitoring activities including telephone consultation, written documentation, and onsite visits 			

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	<ul style="list-style-type: none"> • Reporting on contracts, and funding reallocation activities • Indirect costs 			
4. Aggregated subgrantee administrative expenses total not more than 10% of Part B service dollars	<ul style="list-style-type: none"> • Review of subgrantee budgets to ensure proper designation and categorization of administrative costs • Calculation of the administrative costs for each subgrantee • Calculation of the total amount of administrative expenses across all subgrantees to ensure that the aggregate administrative costs do not exceed 10% 	Maintain file documentation on all subgrantees including their current operating budgets and expense/ allocation reports, with sufficient detail to identify and calculate administrative expenses	Prepare project budget and track expenses with sufficient detail to allow identification of administrative expenses	RW Part B 2617(b)(3)(B)
5. Appropriate subgrantee assignment of Ryan White Part B administrative expenses, with administrative costs to include: <ul style="list-style-type: none"> • Usual and recognized overhead activities, including rent, utilities, and facility costs • Costs of management oversight of specific programs funded under 	Review of subgrantee administrative budgets and expenses to ensure that all expenses are allowable	<ul style="list-style-type: none"> • Obtain and keep on file current subgrantee operating budgets with sufficient detail to review program and administrative expenses and ensure appropriate categorization of costs • Review expense reports to ensure that all administrative costs are allowable 	<ul style="list-style-type: none"> • Prepare project budget that meets administrative cost guidelines • Provide expense reports that track administrative expenses with sufficient detail to permit review of administrative cost elements 	RW Part B 2618(b)(3)(D) Funding Opportunity Announcement 2 CFR Part 215 or OMB-21

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<p>this title, including program coordination; clerical, financial, and management staff not directly related to patient care; program evaluation; liability insurance; audits; computer hardware/software not directly related to patient care</p> <p>Note: For institutions subject to 2 CFR Part 215 (OMB 21), the term “facilities and administration” is used to mean indirect cost</p>				
<p>6. Inclusion of Indirect costs (capped at 10%) only where the grantee/subgrantee has a certified HHS-negotiated rate approved by HRSA using the Certification of Cost Allocation Plan or Certificate of Indirect Costs, which has been reviewed by the HRSA/HAB Project Officer</p>	<p>For grantee and subgrantees wishing to include an indirect rate, documentation of a current Certificate of Cost Allocation Plan or Certificate of Indirect Costs that is HHS-negotiated, signed by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal, and reviewed by the HRSA/HAB Project</p>	<ul style="list-style-type: none"> • File with HRSA/HAB a current approved HHS-negotiated indirect rate for the grantee • Where a subgrantee plans to use Ryan White funds for indirect costs, maintain on file the documented HRSA- approved subgrantee indirect cost rate • Review subgrantee budgets and expense reports to determine the use of the indirect cost rate 	<ul style="list-style-type: none"> • If using indirect cost as part or all of its 10% administration costs, obtain and keep on file an HHS-negotiated, federally approved Certificate of Cost Allocation Plan or Certificate of Indirect Costs • Submit a current copy of the Certificate to the grantee 	<p>2 CFR 225 (H) (1) or OMB A-87 Appendix A Chapter II</p> <p>2 CFR 230 (E) or OMB-122</p> <p>Funding Opportunity Announcement</p>

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	Officer	and adherence to the 10% administration cap		
7. Total clinical quality management costs for the State or Territory that do not exceed 5% of the annual Ryan White Part B grant or \$3 million, whichever is less	Review and calculation of grantee expenditures to determine clinical quality management costs	<ul style="list-style-type: none"> • Provide a budget to HRSA that separately identifies all clinical quality management costs • Separately track costs associated with clinical quality management 	N/A	RW Part B 2618 (b)(3)(E)(i-ii) Funding Opportunity Announcement
8. Expenditure of not less than 75% of service dollars on core medical-related services, unless a waiver has been obtained from HRSA (Service dollars are those grant funds remaining after removal of administrative and clinical quality management funds) Note: ADAP is a core medical-related service	<ul style="list-style-type: none"> • Review of budgeted allocations and actual program expenses to verify that the grantee has met or exceeded the required 75% expenditure on HRSA-defined core medical services 	<ul style="list-style-type: none"> • Monitor program allocations, subgrant agreements, actual expenditures, and reallocations throughout the year to ensure 75% percent of program funds are expended for HRSA-defined core medical services • Require subgrantee monitoring and financial reporting that documents expenditures by program service category • Maintain budgets and funding allocations, subgrantee award information, and expenditure data with sufficient detail to allow for the tracking of core medical services expenses 	Report to the grantee expenses by service category	RW Part B 2618 (c)(1-2) RW Part B 2612(b)(1-2) Notice of Award

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		<ul style="list-style-type: none"> If a waiver is desired, certify and provide evidence to HRSA/HAB that all core medical services funded under Part B are available to all eligible individuals in the area through other funding sources and that ADAP does not have a waiting list 		
<p>9. Total expenditures for support services limited to no more than 25% of service dollars. Support services are those services, subject to approval of the Secretary of Health and Human Services, that are needed for individuals with HIV/AIDS to achieve their medical outcomes</p> <p>Note: Expenditure of grant funds under Section 2611 for or through consortia are deemed to be support services, not core medical services</p>	<ul style="list-style-type: none"> Documentation that support services are being used to help achieve positive medical outcomes for clients Documentation that aggregated support service expenses do not exceed 25% of service funds Documentation that expenditures of grants under Section 2611 for or through consortia under this section are counted as support services, not core medical services 	<ul style="list-style-type: none"> Document and assess the use of support service funds to demonstrate that they are contributing to positive medical outcomes for clients Monitor program allocations, subgrant agreements, actual expenditures, and reallocations throughout the year to ensure that no more than 25% percent of program funds are expended for HHS-approved support services Document expenditure of funds by consortia to ensure that they are counted as support services, not core services Require subgrantee monitoring and financial 	<ul style="list-style-type: none"> Report to the grantee expenses by service category Document that support service funds are contributing to positive medical outcomes for clients 	<p>RW Part B 2613 (a)(2)(B); RW Part B 2613(f)</p>

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		reporting that documents expenditures by program service category <ul style="list-style-type: none"> • Maintain budgets and funding allocations, subgrantee award information, and expenditure data with sufficient detail to allow for the tracking of support service expenses 		
10. Adherence to the 5 to 10 percent limit on the use of ADAP funds for access, adherence, and monitoring services	<ul style="list-style-type: none"> • Identification and description of expenses being used for access, monitoring, or adherence. • If expenses are higher than 5% documentation of how the additional services are essential and do not diminish access to treatment drugs • Documentation that total expenditures for access, adherence, and monitoring services do not exceed 10% of ADAP funds 	<ul style="list-style-type: none"> • Properly identify and categorize expenses for access, adherence, and monitoring services • Ensure that 10% limit is not exceeded • Ensure that budgets submitted to HRSA provide sufficient detail to determine the percentage of ADAP fund being use of access or adherence or monitoring services. 	N/A	RW Part B 2616 (c)(6)
Section B: Unallowable Costs				
1. The grantee shall provide to all Part B subgrantees definitions	<ul style="list-style-type: none"> • Signed contracts, grantee and subgrantee assurances, and/or 	<ul style="list-style-type: none"> • Document receipt of the Notice of Award and maintain a file of signed 	<ul style="list-style-type: none"> • Maintain a file with signed subgrant agreement, assurances, and/or 	HAB Policy Notice 10-02

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
of allowable costs	<p>certifications that define and specifically forbid the use of Ryan White funds for unallowable expenses</p> <p>Note: Unallowable costs are listed in the Standards for this section</p> <ul style="list-style-type: none"> • Grantee review of subgrantee budgets and expenditures to ensure that they do not include any unallowable costs 	<p>assurances</p> <ul style="list-style-type: none"> • Have signed certifications and disclosure forms for any subgrantee receiving more than \$100,000 in direct funding • Include definitions of unallowable costs in all subgrantee requests for proposals, subgrant agreements, purchase orders, and requirements or assurances • Include in financial monitoring a review of subgrantee expenses to identify any unallowable costs • Require subgrantee budgets and expense reports with sufficient budget justification and expense detail to document that they do not include unallowable costs 	<p>certifications that specify unallowable costs</p> <ul style="list-style-type: none"> • Ensure that budgets do not include unallowable costs • Ensure that expenditures do not include unallowable costs • Provide budgets and financial expense reports to the grantee with sufficient detail to document that they do not include unallowable costs 	<p>RW 2684</p> <p>Notice of Award</p> <p>HAB Policy Notice 07-06</p>
2. No use of Part B funds to purchase or improve land, or to purchase, construct, or permanently improve any building or other facility (other than minor remodeling)	Implementation of actions specified in B.1. above	Carry out actions specified in B.1 above	Carry out subgrantee actions specified in B.1 above	RW Part B 2612 (f)

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<p>3. No cash payments to service recipients</p> <p>Note: A cash payment is the use of some form of currency (paper or coins). Gift cards have an expiration date; therefore they are not considered to be cash payments</p>	<ul style="list-style-type: none"> Implementation of actions specified in B.1 above Review of Standards of Care and other policies and procedures for service categories involving payments made on behalf of individuals to ensure that no direct payments are made to individuals (e.g., emergency financial assistance, transportation, health insurance premiums, medical or medication co-pays and deductibles, food and nutrition) Review of expenditures by subgrantees to ensure that no cash payments were made to individuals 	<ul style="list-style-type: none"> Carry out actions specified in B.1 above Ensure that Standards of Care for service categories involving payments made on behalf of clients forbid cash payments to service recipients 	<ul style="list-style-type: none"> Carry out subgrantee actions specified in B.1 above Maintain documentation of policies that forbid use of Ryan White funds for cash payments to service recipients 	<p>RW Part B 2612 (f)</p> <p>HAB Policy Notice 10-02</p>
<p>4. No use of Part B funds to develop materials designed to promote or encourage intravenous drug use or sexual activity, whether homosexual or heterosexual</p>	<p>Implementation of actions specified in B.1 above</p>	<p>Carry out actions specified in B.1 above</p>	<p>Carry out subgrantee actions specified in B.1 above</p>	<p>RW 2684</p>
<p>5. No use of Part B funds for the purchase of vehicles without written</p>	<ul style="list-style-type: none"> Implementation of actions specified in B.1 above Where vehicles were 	<ul style="list-style-type: none"> Carry out actions specified in B.1 above If any vehicles were 	<ul style="list-style-type: none"> Carry out subgrantee actions specified in B.1 above 	<p>Notice of Award</p>

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Grants Management Officer (GMO) approval	purchased, review of files for written permission from GMO	purchased, maintain file documentation of permission of GMO to purchase a vehicle	<ul style="list-style-type: none"> If vehicle purchase is needed, seek grantee assistance in obtaining written GMO approval and maintain document in file 	
<p>6. No use of Part B funds for:</p> <ul style="list-style-type: none"> Non-targeted marketing promotions or advertising about HIV services that target the general public (poster campaigns for display on public transit, TV or radio public service announcements, etc.) Broad-scope awareness activities about HIV services that target the general public 	<ul style="list-style-type: none"> Implementation of actions specified in B.1 above Review of program plans, budgets, and budget narratives for marketing, promotions and advertising efforts, to determine whether they are appropriately targeted to geographic areas and/or disproportionately affected populations rather than targeting the general public 	<ul style="list-style-type: none"> Carry out actions specified in B.1 above Review program plans and budget narratives for any marketing or advertising activities to ensure that they do not include unallowable costs 	<ul style="list-style-type: none"> Carry out subgrantee actions specified in B.1 above Prepare a detailed program plan and budget narrative that describe planned use of any advertising or marketing activities 	<p>Notice of Award</p> <p>Part B Manual 2003 ADAP Section V Chapter 1</p> <p>HAB Policy Notice 97-01</p>
<p>7. No use of Part B funds for outreach activities that have HIV prevention education as their exclusive purpose</p>	<ul style="list-style-type: none"> Implementation of actions specified in B.1 above 	<ul style="list-style-type: none"> Carry out actions specified in B.1 above Require a detailed narrative program plan of outreach activities from subgrantees and contractors to ensure that their purpose goes beyond HIV prevention education to include testing and early entry into care 	<ul style="list-style-type: none"> Carry out subgrantee actions specified in B.1 above Provide a detailed program plan of outreach activities that demonstrates how the outreach goes beyond HIV prevention education to include testing and early entry into care 	<p>HAB Policy Notice 07-06</p> <p>Part B Manual 2003 ADAP Section V Chapter 1</p> <p>Policy 97-01</p>
<p>8. No use of Part B funds</p>	<ul style="list-style-type: none"> Implementation of actions 	<ul style="list-style-type: none"> Carry out actions specified 	<ul style="list-style-type: none"> Carry out subgrantee 	<p>45 CFR 93</p>

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for influencing or attempting to influence members of Congress and other Federal personnel	specified in B.1. above <ul style="list-style-type: none"> Review lobbying certification and disclosure forms for both the grantee and subgrantees <p>Note: Forms can be obtained from the CFR website: http://ecfr.gpoAccess.gov</p>	in B.1. above <ul style="list-style-type: none"> File a signed "Certification Regarding Lobbying", and, as appropriate, a "Disclosure of Lobbying Activities" Ensure that subgrantee staff are familiar and in compliance with prohibitions on lobbying with federal funds 	actions specified in B.1 above <ul style="list-style-type: none"> Include in personnel manual and employee orientation information on regulations that forbid lobbying with federal funds 	Notice of Award Dr. Parham-Hopson Letter 2/3/09
9. No use of Part B funds for foreign travel	<ul style="list-style-type: none"> Implementation of actions specified in B.1. above 	<ul style="list-style-type: none"> Carry out actions specified in B.1 above Request a detailed narrative from subgrantees on budgeted travel 	<ul style="list-style-type: none"> Carry out subgrantee actions specified in B.1 above Maintain a file documenting all travel expenses paid by Part B funds 	Notice of Award
10. No use of Part B funds to pay any costs associated with the creation, capitalization, or administration of a liability risk pool (other than those costs paid on behalf of individuals as part of premium contributions to existing liability risk pools), or to pay any amount expended by a State under Title XIX of Social Security Act	Implementation of actions specified in B.1 above	Carry out actions specified in B 1 above	Carry out subgrantee actions specified in B.1 above.	RW Part B 2615 (b)

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Section C: Income from Fees for Services Performed				
1. Use of Part B and third party funds to maximize program income from third party sources and ensure that Ryan White is the payer of last resort. Third party funding sources include: <ul style="list-style-type: none"> • Medicaid • State Children’s Health Insurance Programs (SCHIP) • Medicare (including the Part D prescription drug benefit) • Veteran’s Administration, and • Private insurance (including medical, drug, dental and vision benefits) 	<ul style="list-style-type: none"> • Information in client files that includes proof of screening for insurance coverage • Documentation of policies and consistent implementation of efforts to enroll all eligible uninsured clients into Medicare, Medicaid, private health insurance or other programs • Documentation of procedures for coordination of benefits by grantee and subgrantees 	Establish and implement a process to ensure that subgrantees are maximizing third party reimbursements, including: <ul style="list-style-type: none"> • Requirement in subgrant agreement or through another mechanism that subgrantees maximize and monitor third party reimbursements • Requirement that subgrantees document in client files how each client has been screened for and enrolled in eligible programs • Monitoring to determine that Ryan White is serving as the payer of last resort, including review of client files and documentation of billing, collection policies and procedures, and information on third party contracts 	<ul style="list-style-type: none"> • Have policies and staff training on the requirement that Ryan White be the payor of last resort and how that requirement is met • Require that each client be screened for insurance coverage and eligibility for third party programs, and helped to apply for such coverage, with documentation of this in client files • Carry out internal reviews of files and billing system to ensure that Ryan White resources are used only when a third party payor is not available • Establish and maintain medical practice management systems for billing 	RW Part B 2617 (b(C) (iii)) Funding Opportunity Announcement
2. Ensure billing and	<ul style="list-style-type: none"> • Inclusion in subgrant 	<ul style="list-style-type: none"> • Include provisions in 	Establish and consistently	Funding

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collection from third party payers, including Medicare and Medicaid, so that payer of last resort requirements are met	<p>agreements of language that requires billing and collection of third party funds</p> <ul style="list-style-type: none"> • Review of the following subgrantee systems and procedures: <ul style="list-style-type: none"> ○ Billing and collection policies and procedures ○ Electronic or manual system to bill third party payors ○ Accounts receivable system for tracking charges and payments for third party payers 	<p>subgrant agreements that require billing and collection of third party funds</p> <ul style="list-style-type: none"> • Where appropriate, require reports from subgrantees on collections from third party payers • Where the grantee is a provider of billable or pharmacy services, carry out same direct efforts as subgrantees 	<p>implement in medical offices and pharmacies:</p> <ul style="list-style-type: none"> • Billing and collection policies and procedures • Billing and collection process and/or electronic system • Documentation of accounts receivable 	<p>Opportunity Announcement</p> <p>PHS Booklet Section 340 B Drug Pricing in Basic Language, Booklet 2</p>
3. Subgrantee participation in Medicaid and certification to receive Medicaid payments required.	<ul style="list-style-type: none"> • Review of each subgrantee's individual or group Medicaid numbers • If subgrantee is not currently certified to receive Medicaid payments, documentation of efforts under way to obtain documentation and expected timing 	<ul style="list-style-type: none"> • Maintain documentation of subgrantee Medicaid certification • Ensure that where subgrantees that are not certified maintain documentation of efforts under way to obtain documentation and expected timing. 	<ul style="list-style-type: none"> • Document and maintain file information on grantee or individual provider agency Medicaid status • Maintain file of contracts with Medicaid insurance companies • If no Medicaid certification, document current efforts to obtain such certification If certification is not feasible, request a waiver where appropriate 	<p>Dr. Joseph F. O'Neill Letter 8/10/2000</p> <p>RW Part A 2604 (g)(1-2), 2604 (h)(3)</p>
4. Ensure billing, tracking, and reporting of program income	<ul style="list-style-type: none"> • Review of subgrantee billing, tracking, and reporting of program 	<ul style="list-style-type: none"> • Monitor subgrantees to ensure appropriate billing and tracking of program 	<p>Bill, track, and report to the grantee all program income (including drug rebates) billed</p>	<p>45 CFR Part 74.14 45 CFR Part C 92.25</p>

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(including drug rebates) by grantee and subgrantees that provide reimbursable expenses	income, including drug rebates <ul style="list-style-type: none"> Review of program income reported by the grantee in the FFR and annual reports 	income, including drug rebates <ul style="list-style-type: none"> Require subgrantee reporting of program income 	and obtained	2 CFR Part C 215.24
5. Ensure service provider retention of program income derived from Ryan White-funded services and use of such funds in one or more of the following ways: <ul style="list-style-type: none"> Funds added to resources committed to the project or program, and used to further eligible project or program objectives Funds used to cover program costs <p>Note: Program income funds are not subject to the federal limitations on administration (10%), quality management (5%), or core medical services (75% minimum). For example, all program income can be spent on administration of the Part B</p>	<ul style="list-style-type: none"> Review of grantee and subgrantee systems for tracking and reporting program income generated by Ryan White-funded services Review of expenditure reports from subgrantees regarding collection and use of program income Monitoring of medical practice management system to obtain reports of total program income derived from Ryan White Part B activities 	<ul style="list-style-type: none"> Monitor subgrantee receipt and use of program income to ensure use for program activities Report aggregate program income in the FFR and annual data report Provide a report detailing the expenditure of program income by each subgrantee 	<ul style="list-style-type: none"> Document billing and collection of program income. Report program income documented by charges, collections, and adjustment reports or by the application of a revenue allocation formula 	45 CFR 74.24 and 92.25 2 CFR Part C 215.24 Funding Opportunity Announcement

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program, except in ADAP.				
Section D: Imposition & Assessment of Client Charges				
<p>1. Unless waived, Ensure grantee and subgrantee policies and procedures that specify charges to clients for services, which may include a documented decision to impose only a nominal charge</p> <p>Note: This expectation applies to grantees that also serve as direct service providers and/or ADAP pharmacies</p>	<p>Review of subgrantee policies and procedures, to determine:</p> <ul style="list-style-type: none"> • Existence of a provider sliding fee discount policy • Sliding fee discount schedule, based on current Federal Poverty Level (FPL) including cap on charges • Client applications for sliding fee discount • Actual client charges made and received • System used for charges, payments, and adjustments 	<ul style="list-style-type: none"> • Require that subgrantees develop and then review: <ul style="list-style-type: none"> ○ Sliding fee discount policy and schedule ○ Eligibility criteria and sliding fee eligibility application form ○ Description of medical information system used to record patient charges, payments, and adjustments • Review documentation of subgrantee fee schedule, and narrative on agency medical information system to show that charges have been incurred • If providing direct services, meet same requirements as subgrantees 	<p>Establish, document, and have available for review:</p> <ul style="list-style-type: none"> • Sliding fee discount policy • Current fee schedule • Sliding fee eligibility applications, in client files • Fees charged and paid by clients • Process for charging, obtaining, and documenting client charges through a medical practice information system manual or electronic 	<p>RW Part B 2617 (c)(1),(B) 2617 c (2)(A)</p> <p>Notice of Award</p>
<p>2. No charges imposed on clients with incomes below 100% of the Federal Poverty Level (FPL)</p>	<p>Review of provider sliding fee discount policy and schedule to ensure that clients with incomes below 100% of the FPL are not</p>	<ul style="list-style-type: none"> • Review subgrantee sliding fee discount policy and schedule, criteria, and form to ensure that clients with incomes below 100% of 	<p>Document that:</p> <ul style="list-style-type: none"> • Sliding fee discount policy and schedule do not allow clients below 100% of FPL to be charged for services 	<p>RW Part B 2617 (c) (1) (A)</p>

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<p>Note: This standard applies to ADAP</p>	<p>charged for services, including ADAP services</p>	<p>the FPL are not to be charged for services</p> <ul style="list-style-type: none"> Review client files and documentation of actual charges and payments to ensure that the policy is being correctly and consistently enforced and clients below 100% of FPL are not being charged for services 	<ul style="list-style-type: none"> Personnel are aware of and following the policy and fee schedule Policy is being consistently followed 	
<p>3. Charges to clients with incomes greater than 100% of poverty that are based on a discounted fee schedule and a sliding fee scale. Cap on total annual charges for Ryan White services (including ADAP) based on percent of patient's annual income, as follows:</p> <ul style="list-style-type: none"> 5% for patients with incomes between 100% and 200% of FPL 7% for patients with incomes between 200% and 300% of FPL 10% for patients with incomes greater than 	<ul style="list-style-type: none"> Review of policy, fee schedule, and cap on charges Review of system for tracking patient charges and payments Review of charges and payments to ensure that charges are discontinued once the patient has reached his/her annual cap 	<ul style="list-style-type: none"> Review subgrantee sliding fee scale/cap on charges policy and fee schedule, to ensure that they meet legislative requirements Review system and records of charges and payments to ensure compliance with caps on charges Review client files with sliding fee application forms to ensure consistency with policies and federal requirements 	<p>Have in place a fee discount policy that includes a cap-on-charges policy and appropriate implementation, including:</p> <ul style="list-style-type: none"> Clear responsibility for annually evaluating clients to establish individual fees and caps Tracking of first Part B charges or medical expenses inclusive of enrollment fees, deductible, co-payments, etc. A process for alerting the billing system that the client has reached the cap and should not be further charged for the remainder of the year Documentation of policies, 	<p>RW Part B 2617 (c)(1)(C-E)</p> <p>RW Part B 2617 (c)(3)</p>

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300% of FPL			fees, and implementation, including evidence that staff understand the policies and procedures	
Section E: Financial Management				
<p>1. Compliance by grantee and subgrantees with all the established standards in the Code of Federal Regulations (CFR) for state and local governments, non-profit organizations, hospitals, and institutions of higher education. Included are expectations for:</p> <ul style="list-style-type: none"> • Payments for services • Program income • Revision of budget and program plans • Non-federal audits • Property standards, including the purpose of insurance coverage, equipment, supplies, and other expendable property • Procurement standards, 	<ul style="list-style-type: none"> • Review of grantee and subgrantee accounting systems to verify that they are sufficient and have the flexibility to operate the federal grant program and meet federal requirements • Review of the grantee's systems to ensure capacity to meet requirements with regard to: <ul style="list-style-type: none"> ○ Payment of subgrantee contractor invoices. ○ Allocation of expenses of subgrantees among multiple funding sources • Review of grantee and subgrantee: <ul style="list-style-type: none"> ○ Financial operations policies and 	<ul style="list-style-type: none"> • Ensure access to and review: <ul style="list-style-type: none"> ○ Subgrantee accounting systems, electronic spreadsheets, general ledger, balance sheets, income and expense reports and all other financial activity reports ○ All financial policies and procedures, including billing and collection policies and purchasing and procurement policies ○ Accounts payable systems and policies. • Ensure that subgrantee agreements require the availability of records for use by grantee auditors, staff, and federal government agencies • Include in subgrant 	<p>Provide grantee personnel access to:</p> <ul style="list-style-type: none"> • Accounting systems, electronic spreadsheets, general ledger, balance sheets, income and expense reports and all other financial activity reports of the subgrantee • All financial policies and procedures, including billing and collection policies and purchasing and procurement policies • Accounts payable systems and policies • ADAP Inventory and Local AIDS Pharmaceutical Assistance Program inventory 	<p>45 CFR 77 45 CFR 74 45 CFR 78 45 CFR 92 45 CFR 79 45 CFR 80 45 CFR 82</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>including recipient responsibilities, codes of conduct, competition, procurement procedures, cost and price analysis, and procurement records.</p> <ul style="list-style-type: none"> • Reports and records, including monitoring and reporting, program performance, financial reports, and retention and access requirements • Termination and enforcement and purpose of closeout procedures 	<p>procedures</p> <ul style="list-style-type: none"> ○ Purchasing and procurement policies and procedures ○ Financial reports • Review of subgrantee contract and correspondence files • Review of grantee's process for reallocation of funds by service category and subgrantee • Review of grantee's FFR trial worksheets and documentation 	<p>agreements required compliance with federal standards for financial management (45 CFR 72 & 94 or 2 CFR 215)</p> <ul style="list-style-type: none"> • Review grantee financial systems to ensure the capacity for compliance with all federal regulations, including the FFR, and other required reporting, and make all systems and procedures accessible to federal funding and monitoring agencies 		
<p>2. Comprehensive grantee and subgrantee budgets and reports with sufficient detail to account for Ryan White funds by service category, subgrantee, administrative costs and Core medical and support services rule (75/25 rule), and to delineate between multiple funding sources and show program income</p>	<p>Review of:</p> <ul style="list-style-type: none"> • Accounting policies and procedures • Grantee and subgrantee budgets • Accounting system used to record expenditures using the specified allocation methodology • Reports generated from the accounting system to determine if the detail and timeliness are sufficient to manage a Ryan White program 	<p>Determine the capacity of grantee and subgrantee:</p> <ul style="list-style-type: none"> • Accounting policies and procedures • Budgets • Accounting system and reports to account for Part B funds in sufficient detail to meet Ryan White fiscal requirements 	<p>Ensure adequacy of agency fiscal systems to generate needed budgets and expenditure reports, including:</p> <ul style="list-style-type: none"> • Accounting policies and procedures • Budgets • Accounting system and reports 	<p>Funding Opportunity Announcement</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>3. Line-item grantee and subgrantee budgets that include at least five category columns:</p> <ul style="list-style-type: none"> • Administrative • Planning and Evaluation • Clinical Quality Management (CQM) • HIV Services • ADAP 	<ul style="list-style-type: none"> • Review of grantee line-item budget and narrative for inclusion of required forms, categories, and level of detail to assess the funding to be used for administration, planning and evaluation, CQM, ADAP, and direct provision of services, and the budget's relation to the scope of services • Review of subgrantee line-item budget to ensure inclusion of required information and level of detail to ensure allowable use of funds and its relation to the proposed scope of services 	<ul style="list-style-type: none"> • Use prescribed form SF-424A when submitting the line-item budget and budget justification • Include the following level of detail: <ul style="list-style-type: none"> ○ Salaries and fringe benefits for program staff ○ Contractual Services - personnel or services contracted to outside providers, for activities not done in-house ○ Administration- all funds allocated to the following grant activities: grantee administration, planning and evaluation, and quality management ○ ADAP - all funds allocated to the following grant activities: AIDS Drug Assistance Program ○ Consortia - all funds allocated to consortia and emerging communities ○ Direct Services- all funds allocated to the following grant activities: 	<p>Submit a line-item budget with sufficient detail to permit review and assessment of proposed use of funds for the management and delivery of the propose services</p>	<p>CFR 74.12 45 CFR 92.10 2 CFR 215.25</p> <p>Funding Opportunity Announcement</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
		<p>state direct services, home and community-based care, MAI, and health insurance continuation</p> <ul style="list-style-type: none"> • Provide a Budget Justification narrative describing the uses, activities, and basis for the projections of Personnel Costs, Fringe Benefits, Travel, Equipment, Supplies, Contracts and Other to accompany the line-item budget <ul style="list-style-type: none"> ○ Develop provider Request for Proposals and subgrant agreement instructions for submission of provider line-item budgets 		
<p>4. Revisions to approved budget of federal funds that involve significant modifications of project costs made by the grantee only after approval from the HRSA/HAB Grants Management Officer (GMO)</p>	<ul style="list-style-type: none"> • Comparison of grantee's current operating budget to the budget approved by the Project Officer • Documentation of written GMO approval of any budget modifications that exceeds the required threshold 	<ul style="list-style-type: none"> • Where a budget modification requires HRSA/HAB approval, request the revision in writing to the Grants Management Officer (GMO) • Consider the approval official only when it has been signed by the GMO • Include in subgrantee 	<p>Document all requests for and approvals of budget revisions</p>	<p>45 CFR 74.25 45 CFR 92.30 2 CFR 215.25 (b) Notice of Award</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>A significant modification occurs under a grant where the federal share exceeds \$100,000, when cumulative transfers among direct cost budget categories for the current budget period exceed 25% of the total approved budget (inclusive of direct and indirect costs and federal funds and required matching or cost sharing) for that budget period or \$250,000, whichever is less. Even if a grantee's proposed re-budgeting of costs fall below the significant re-budgeting threshold identified above, grantees are still required to request prior approval, if some or all of the re-budgeting reflects either of the following:</p> <ul style="list-style-type: none"> • A change in scope • A proposed purchase of a unit of equipment exceeding \$25,000 (if not included in the approved application) 		<p>agreements specification of which budget revisions require approval, and provide written instructions on the budget revision process</p>		
<p>5. Provider subgrant agreements and other contracts that meet all</p>	<p>Development and review of Part B subgrant agreements and contracts to ensure</p>	<ul style="list-style-type: none"> • Prepare subgrant agreements/contracts that meet both federal and local 	<ul style="list-style-type: none"> • Establish policies and procedures to ensure compliance with subgrant 	<p>45 CFR 74.2 45 CFR 92.37 2 CFR 215.23</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>applicable federal and local statutes and regulations governing subgrant/contract award and performance</p> <p>Major areas for compliance:</p> <p>a. Follow state law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis)</p> <p>b. Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations</p> <p>c. Ensure that subgrant agreements specify requirements imposed upon subgrantees by federal statute and regulation</p> <p>d. Ensure appropriate retention of and access to records</p> <p>e. Ensure that any advances of grant funds to subgrantees</p>	<p>compliance with local and federal requirements</p>	<p>contracting requirements and provide specific clauses as stated in the Standard</p> <ul style="list-style-type: none"> • Maintain file documentation of Part B subgrantee agreements/contracts and Award Letters • Revise subgrant agreements/contracts annually to reflect any changes in federal requirements <p>Monitor compliance with subgrant provisions</p>	<p>provisions</p> <ul style="list-style-type: none"> • Document and report on compliance as specified by the grantee 	

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
substantially conform to the standards of timing and amount that apply to cash advances by federal agencies				
Section F: Property Standards				
<p>1. Grantee and subgrantee tracking of and reporting on tangible nonexpendable personal property, including exempt property, purchased directly with Ryan White Part B funds and having:</p> <ul style="list-style-type: none"> • A useful life of more than one year, and • An acquisition cost of \$5,000 or more per unit (Lower limits may be established, consistent with recipient policies) 	<p>Review to determine that the grantee and each subgrantee has a current, complete, and accurate:</p> <ul style="list-style-type: none"> • Inventory list of capital assets purchased with Ryan White funds • Depreciation schedule that can be used to determine when federal revisionary interest has expired 	<ul style="list-style-type: none"> • Develop and maintain a current, complete, and accurate asset inventory list and depreciation schedule • Ensure that each subgrantee maintains a current, complete, and accurate asset inventory list and depreciation schedule, and that they identify assets purchased with Ryan White funds 	<ul style="list-style-type: none"> • Develop and maintain a current, complete, and accurate asset inventory list and a depreciation schedule that lists purchases of equipment by funding source • Make the list and schedule available to the grantee upon request 	<p>45 CFR 74.34 2 CFR 215.34 45 CFR 92.32 9(a)</p>
<p>2. Implementation of adequate safeguards for all capital assets that assure that they are used solely for authorized purposes</p>	<ul style="list-style-type: none"> • Review of grantee and subgrantee inventory lists of assets purchased with Ryan White funds • During monitoring to ensure that assets are available and 	<ul style="list-style-type: none"> • Carry out the actions specified in F.1 above • Ensure effective control over capital assets 	<p>Carry out the actions specified in F.1 above</p>	<p>45 CFR 74.30-37 45 CFR 92.30-37 2 CFR 215.30-37.</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
	appropriately registered <ul style="list-style-type: none"> • Review depreciation schedule for capital assets for completeness and accuracy 			
3. Real property, equipment, intangible property, and debt instruments acquired or improved with Federal funds held in trust by grantee and subgrantees, with title of the property vested in the grantee but with the federal government retaining a revisionary interest	<ul style="list-style-type: none"> • Implementation of actions specified in F.1 above • Review to ensure grantee and subgrantee policies that: <ul style="list-style-type: none"> ○ Acknowledge the revisionary interest of the federal government over property purchased with federal funds ○ Establish that such property may not be encumbered or disposed of without HRSA/HAB approval 	<ul style="list-style-type: none"> • Carry out the actions specified in F.1 above • Ensure policies and procedures at grantee and subgrantee level stating that while title of property purchased with Ryan White Part B funds is vested in the grantee or subgrantee, the federal government will keep a revisionary interest • Ensure policies at the grantee and subgrantee level that establish that such property may not be encumbered or disposed of without the approval of HRSA/HAB as the HHS awarding agency 	<ul style="list-style-type: none"> • Carry out the actions specified in F.1 above • Establish policies and procedures that acknowledge the revisionary interest of the federal government over property improved or purchased with federal dollars • Maintain file documentation of these policies and procedures for grantee review 	45 CFR 74.32 45 CFR 92.31 2 CFR 215.32
4. Assurance by grantee and subgrantees that: <ul style="list-style-type: none"> • Title of federally-owned property remains vested in the federal government • If the HHS awarding agency has no further 	Implementation of actions specified in F.1 above	Carry out the actions specified in F.1 above	Carry out the actions specified in F.1 above	45 CFR 74.33 45 CFR 92.33 2 CFR 215.33

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
need for the property, it will be declared excess and reported to the General Services Administration				
<p>5. Title to supplies to be vested in the recipient upon acquisition, with the provision that if there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the program and the supplies are not needed for any other federally-sponsored program, the recipient shall:</p> <ul style="list-style-type: none"> • Retain the supplies for use on non-federally sponsored activities or sell them • Compensate the federal government for its share contributed to purchase of supplies 	Review to ensure the existence of an inventory list of supplies including medications purchased with local drug assistance or ADAP funds	<ul style="list-style-type: none"> • Develop and maintain a current, complete, and accurate supply and medication inventory list • Ensure that subgrantees develop and maintain similar lists and make them available to the grantee on request 	<ul style="list-style-type: none"> • Develop and maintain a current, complete, and accurate supply and medication inventory list • Make the list available to the grantee upon request 	45 CFR 74.35 45 CFR 92.36 2 CFR 215.35
Section G: Cost Principles				
1. Payments made to	Review grantee and	• Ensure that grantee	• Ensure that budgets and	2 CFR 230 or

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>subgrantees for services or drugs for treatment need to be cost based and relate to Ryan White administrative, quality management, and programmatic costs in accordance with standards cited under OMB Circulator the Code of Federal Regulation</p>	<p>subgrantee budgets and expenditure reports to determine whether use of funds is consistent with OMB and CFR cost requirements</p>	<p>expenses conform to federal cost principles for cost-reimbursable grants.</p> <ul style="list-style-type: none"> • Ensure grantee and subgrantee staff familiarity with OMB-122 or Code of Federal Regulation (2CFR 230) requirements • Ensure that grantee and subgrantee budgets and expenditures conform to OMB and CFR requirements Include in subgrant agreements a provision requiring compliance with OMB cost principles 	<p>expenses conform to federal cost principles</p> <ul style="list-style-type: none"> • Ensure fiscal staff familiarity with applicable federal regulations 	<p>OMB A-122 2 CFR Appendix A 225 D 1 (51912) or OMB-87</p>
<p>2. Payments made for services and drugs for treatment to be reasonable, not exceeding costs that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs</p>	<ul style="list-style-type: none"> • Review of subgrantee budgets and expenditure reports to determine costs and identify cost components • When applicable review of unit cost calculations for reasonableness • Review of fiscal and productivity reports to determine whether costs are reasonable when compared to level of service provided 	<ul style="list-style-type: none"> • Submit reasonable and accurate budgets and annual expenditure reports • Assess the reasonableness of subgrantee costs by reviewing expenditures and unit cost calculations, looking with particular care at budgets and expenditure reports of subgrantee organizations or organizational divisions that receive most of their financial support from federal sources 	<ul style="list-style-type: none"> • Make available to the grantee very detailed information on the allocation and costing out of expenses for services provided • Calculate unit costs based on historical data • Reconcile projected unit costs with actual unit costs on a yearly or quarterly basis • 	<p>2 CFR 230 OMB-122 Appendix A to Part 230 2 CFR A II 225 Appendix A C (2) 2 CFR 220 Appendix A (C) 3 or OMB A-21</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
		<ul style="list-style-type: none"> • Review and keep on file the following documentation for each subgrantee: <ul style="list-style-type: none"> ○ Current budget ○ Unit cost agreement and calculation. • Fiscal and productivity reports 		
<p>3. Written grantee and subgrantee procedures for determining the reasonableness of costs, the process for allocations, and the policies for allowable costs, in accordance with the provisions of applicable Federal cost principles and the terms and conditions of the award</p> <p>Costs are considered to be reasonable when they do not exceed what would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs</p>	<ul style="list-style-type: none"> • Review of policies and procedures that specify allowable expenditures for administrative costs and programmatic costs • Ensure reasonableness of charges to the Part B program 	<ul style="list-style-type: none"> • Have in place policies to be used in determining allowable costs <ul style="list-style-type: none"> ○ Test to determine whether subgrantee costs for services as charged to the program are reasonable and allowable 	<ul style="list-style-type: none"> • Have in place policies and procedures to determine allowable and reasonable costs • Have in reasonable methodologies for allocating costs among different funding sources and Ryan White categories • Make available policies, procedures, and calculations to the grantee on request 	2 CFR 230 OMB A-122
4. Calculation of unit costs	<ul style="list-style-type: none"> • Review unit cost 	Include in subgrantee	Have in place systems that	<i>Determining the</i>

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<p>by grantees and subgrantees to be based on an evaluation of reasonable cost of services or drug pricing; financial data must relate to performance data and to include development of unit cost information whenever practical</p> <p>Note:</p> <ul style="list-style-type: none"> • When using unit costs for the purpose of establishing fee-for-service charges, the GAAP² definition can be used. Under GAAP, donated materials and services, depreciation of capital improvement, administration, and facility costs are allowed when determining cost. • If unit cost is the method of reimbursement, it can be derived by adding direct program costs and allowable administrative costs, capped at 10%, 	<p>methodology for subgrantee and provider services.</p> <ul style="list-style-type: none"> • Review budgets to calculate allowable administrative and program costs for each service. 	<p>agreements a provision that requires submission of reports that detail performance and allow review of the subgrantee's:</p> <ul style="list-style-type: none"> • Budget • Cost of services • Unit cost methodology. 	<p>can provide expenses and client utilization data in sufficient detail to determine reasonableness of unit costs</p>	<p><i>Unit Cost of Services</i> (HRSA publication)</p>

² GAAP = Generally Accepted Accounting Principles

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
and dividing by number of units of service to be delivered.				
<p>5. Requirements to be met in determining the unit cost of a service:</p> <ul style="list-style-type: none"> • Unit cost not to exceed the actual cost of providing the service • Unit cost to include only expenses that are allowable under Ryan White requirements • Unit cost for treatment drugs not to exceed 340 B prime vendor pricing and a reasonable dispensing fee <p>Calculation of unit cost to use a formula of allowable administrative costs plus allowable program costs divided by number of units to be provided</p>	<ul style="list-style-type: none"> • Review methodology used for calculating unit costs of services provided • Review budgets to calculate allowable administrative and program costs for each service 	<ul style="list-style-type: none"> • Review subgrantee unit cost methodology • Review grantee budget components to ensure that all expense categories are allowable under Ryan White 	<ul style="list-style-type: none"> • Have in place systems that can provide expenses and client utilization data in sufficient detail to calculate unit cost • Have unit cost calculations available for grantee review 	<p><i>Determining the Unit Cost of Services</i> (HRSA publication)</p>
<p>6. Requirement that States and Territories must secure the best price available for all products on their ADAP formularies.</p>	<p>Review of purchasing practices to assure the adoption by ADAP of at least one defined cost-saving practice that is equal to or better than 340 B drug</p>	<ul style="list-style-type: none"> • Ensure that drug acquisition practices are compliant with federal requirements regarding cost-effectiveness and reasonableness 	<ul style="list-style-type: none"> • Participate in 340 B Pricing Program • Use purchasing policies and procedures that meet federal requirements 	<p>NGA Part B CFR 42. Part 50 (e) Mr. Doug Morgan Letter 4/10/06</p>

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<p>Note: Failure to participate in cost-saving programs may result in a negative audit finding and cost disallowance</p>	<p>pricing or prime vendor program.</p>	<ul style="list-style-type: none"> • Provide documentation of annual 340 B certification and/or Prime Vendor contract • Require subgrantees to be eligible for “covered entity status” under 340 B Pricing • Require subgrantees to have purchasing practices that meet federal requirements 		<p>Part B Manual 2003 Section 4 Chapter 1-3 Policy 97-04</p>
<p>7. Grantee to seek all available drug rebates and discounts</p> <p>Note: Drug rebates must not be treated as part of any Ryan White grant award and are not subject to the unobligated balance provision</p>	<ul style="list-style-type: none"> • Verification that grantee has inquired or pursued obtaining of rebates and discounts • Review of budget for the expenditure of rebates funds • Review to determine whether expenditures meet HAB guidelines • Review of Financial Status Report for inclusion of rebates on SF 269 long form • Review of FFR to assure rebate funds are not included as part of the reported unobligated balance. 	<ul style="list-style-type: none"> • Document any inquiry requesting medications rebates and discounts • Review report on drug rebates and discounts • Provide timely reports of rebates on FFR • Verify that rebates and discounts have not been use as grant funds. • Assure that rebates and discounts are not subject to the unobligated balance provision 	<p>N/A</p>	<p>RW Part B 2622 (d)(1) RW Part B 2616 (9)</p>
<p>8. Cost of health insurance or plans to be purchased or</p>	<ul style="list-style-type: none"> • Verification that the grantee has conducted a cost analysis that show 	<p>Document a cost analysis demonstrating that the cost of health insurance or plans is</p>	<ul style="list-style-type: none"> • Establish policies and procedures that ensure contract requirements are 	<p>RW Part B 2616 (f)(1-2)</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
maintained not to exceed the cost of providing the drugs through ADAP	<p>the use of health insurance or plans to be cost neutral or beneficial when compared to the cost of providing the treatment drugs through the ADAP program</p> <ul style="list-style-type: none"> If administration of the program is subcontracted, documentation that administrative costs are not excessive, federal requirements are being met, and process is accessible 	<p>lower than or equal to the cost of providing the drugs through ADAP</p> <ul style="list-style-type: none"> Document program requirements, client eligibility, allowable costs, and process for paying client premiums, co-pays, and deductibles If the program is administered by an entity other than the State or Territory, include contract language that limits administration costs, clearly states reporting requirements, and requires assurances that legislative and programmatic requirements are being met 	<p>met</p> <ul style="list-style-type: none"> Provide detailed expense reports to enable the grantee document that costs are at or below the cost of providing the drugs through ADAP 	HAB Policy Notice 99-01
Section H: Auditing Requirements				
1. Recipients and sub-recipients of Ryan White funds that are institutions of higher education or other non-profit organizations (including hospitals) are	<p>Review requirements for subgrantee audits</p> <p>Review most recent audit (which may be an A-133 audit) to assure it includes:</p> <ul style="list-style-type: none"> List of federal grantees 	<ul style="list-style-type: none"> Include in subgrant agreement a requirement for a timely annual audit and associated management letter (an A-133 audit if federal grants total more than \$500,000) 	<ul style="list-style-type: none"> Conduct a timely annual audit (an agency audit or an A-133 audit, depending on amount of federal funds) Request a management letter from the auditor Submit the audit and 	CFR 74.26 2 CFR 215.26 OMB A-133

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subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501–7507) and revised OMB Circular A-133, with A-133 audits required for all grantees and subgrantees receiving more than \$500,000 per year in federal grants	<ul style="list-style-type: none"> to ensure that the Ryan White grant is included <ul style="list-style-type: none"> o Programmatic income and expense reports to assess if the Ryan White grant is included • Review of audit management letter if one exists • Review of all programmatic income and expense reports for payer of last resort verification by auditor 	<ul style="list-style-type: none"> • Maintain file documentation of subgrantee audits and management letters • Review audits to ensure inclusion of Ryan White funding • Review audit management letter to determine any material weaknesses • Review audit for income and expense reports testing of payer of last resort verification 	<p>management letter to the grantee</p> <ul style="list-style-type: none"> • Prepare and provide auditor with income and expense reports that include payor of last resort verification 	
2. Selection of auditor to be based on Audit Committee for Board of Directors (if nonprofit) policy and process	<ul style="list-style-type: none"> • Review of subgrantee financial policies and procedures related to audits and selection of an auditor 	<ul style="list-style-type: none"> • Ensure financial policies and procedures in place for auditor selection • Ensure that subgrantees have policies and procedures in place to select an auditor 	<ul style="list-style-type: none"> • Have in place financial policies and procedures that guide selection of an auditor • Make the policies and procedures available to grantee on request 	CFR 74.26 2 CFR 215.26 45 CFR 92.26 OMB A-133
3. Review of audited financial statements to verify financial stability of organization	Review of Statement of Financial Position/Balance Sheet, Statement of Activities/Income and Expense Report, Cash flow Statement and Notes included in audit to determine organization's financial stability	Review subgrantee audited financial statements and notes to determine the organization's financial status and stability	<ul style="list-style-type: none"> • Comply with contract audit requirements on a timely basis • Provide audit to grantee on a timely basis 	OMB A-133 and Audits for Non-profits
4. A-133 audits to include statements of	Review of statements of internal controls and federal	Annually review statements of internal controls and federal	<ul style="list-style-type: none"> • Comply with contract audit requirements on a timely 	OMB A-133 and Audits for Non-

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
conformance with financial requirements and other federal expectations	compliance in A-133 audits	compliance in subgrantee A-133 audits to determine compliance with federal expectations	basis • Provide audit to grantee on a timely basis	profits
5. Grantees and subgrantees expected to note reportable conditions from the audit and provide a resolution.	<ul style="list-style-type: none"> • Review of reportable conditions • Determination of whether they are significant and whether they have been resolved • Development of action plan to address reportable conditions that have not been resolved 	<ul style="list-style-type: none"> • Annually review subgrantee audits for reportable conditions • Obtain and review subgrantee agency responses to audit findings • Require corrective action if reportable conditions have not been resolved 	<ul style="list-style-type: none"> • Comply with contract audit requirements on a timely basis • Provide grantee the agency response to any reportable conditions 	OMB A-133 and Audits for Non-profits
6. State collection of audits from all Part B subgrantees within the State and submission of audits to the Secretary of Health and Human Services every two years, consistent with Office of Management and Budget Circular A-133	<ul style="list-style-type: none"> • Review to ensure that A-133 or other audits (where A-133 audits are not required) have been completed, collected, and submitted to HHS every two years 	<ul style="list-style-type: none"> • Have documented evidence of grantee and subgrantees A-133 and other audits 	<ul style="list-style-type: none"> • Comply with audit requirements 	RW Part B 2617 (b)(4)(E)
Section I: Matching or Cost-Sharing Funds				
1. Grantees required to report to HRSA/HAB information regarding the	<ul style="list-style-type: none"> • Review grantee annual comprehensive budget • Review all grantee in-kind 	<ul style="list-style-type: none"> • Report to HRSA/HAB on the non-federal funds or in-kind resources the State or 	Where subgrantee on behalf of the grantee provides matching or cost sharing	45 CFR 92.24 2 CFR 215.27 45 CFR 74.23

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<p>portion of program costs that are not borne by the federal government</p> <p>Grantees expected to ensure that non-federal contributions (direct or through donations of private and public entities):</p> <ul style="list-style-type: none"> • Are verifiable in grantee records • Are not used as matching for another federal program • Are necessary for program objectives and outcomes • Are allowable • Are not part of another federal award contribution (unless authorized) • Are part of the approved budget • Are part of unrecovered indirect cost (if applicable) • Are apportioned in accordance with appropriate federal cost principles • Include volunteer services, if used, that are 	<p>and other contributions to Ryan White program</p> <ul style="list-style-type: none"> • Grantee documentation of other contributed services or expenses 	<p>Territory is allocating to the program</p> <ul style="list-style-type: none"> • Ensure that the non-federal contribution meets all the requirements stated in the Standard in Column 1 	<p>funds, follow the same verification process as the grantee</p>	<p>RW Part B 2617(d)(1)</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>an integral and necessary part of the program, with volunteer time allocated value similar to amounts paid for similar work in the grantee organization</p> <ul style="list-style-type: none"> • Value services of contractors at the employees' regular rate of pay plus reasonable, allowable and allocable fringe benefits • Assign value to donated supplies that are reasonable and do not exceed the fair market value • Value donated equipment, buildings, and land differently according to the purpose of the award • Value donated property in accordance with the usual accounting policies of the recipient (not to exceed fair market value) 				
<p>2. Non-federal contributions by States and Territories that are equal to \$1 for each \$4</p>	<ul style="list-style-type: none"> • Review of Part B application to determine that matching requirement for ADAP 	<ul style="list-style-type: none"> • Provide to HRSA/HAB the information and documentation of required matching contribution. 	<ul style="list-style-type: none"> • Where subgrantee on behalf of the grantee provides matching or cost sharing funds, follow the 	<p>RW Part B 2618(a)(2)(F)(ii)</p>

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
of federal ADAP supplemental funds and \$1 for each \$2 awarded under ADAP, unless a waiver is obtained	funds has been met <ul style="list-style-type: none"> Review of grantee documentation of reported matching contributions 	<ul style="list-style-type: none"> Assure that matching contribution meets requirements stated in I.1 above 	same verification process as the grantee	
3. Compliance with non-federal contribution requirements for Part B funding, which begin in the first year at \$1 in State or Territory funds for every \$45 in federal funds and increase to \$1 in State or Territory funds for every \$2 In Federal funds after Year 4 and thereafter	Review of records to verify that funds or in-kind expense reported as non-federal contribution are: <ul style="list-style-type: none"> Non-federal Allowable under relevant cost principles Authorized by federal statute for cost sharing or matching Provided in the Part B application Meeting the mandated yearly ratio of non-federal to federal funds 	<ul style="list-style-type: none"> Provide a detailed list of funds or in-kind expense specified as the Part B match Ensure that expenses claimed as part of the Part B are auditable 	N/A	2617(d)(i)(A-E)
Section J: Maintenance of Effort				
1. Part B grantees are required to meet maintenance of effort (MOE) requirements: as a Condition of Award, the State or Territory expenditures for HIV-	<ul style="list-style-type: none"> Review core medical services and support service budget elements that document the contributions of the State or Territory Review tracking/ 	Submit the following MOE information to HRSA/HAB annually: <ul style="list-style-type: none"> A list of core medical and support services budget elements that will be used to document MOE in 	N/A	RW Part B 2617 (b)(7)(E) Funding Opportunity Announcement Part B Manual

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>related core medical services and support services to be maintained at a level equal to their level during the one-year period preceding the fiscal year (FY) for which the grantee is applying for a Part B</p> <p>Note: States and Territories are required to:</p> <ul style="list-style-type: none"> • Define consistency, • Define the methodology used, and • Maintain reported data consistently year to year 	<p>accounting system that documents the State or Territory's contribution to core medical services and supportive services</p> <ul style="list-style-type: none"> • Review of grantee budget for State or Territory contributions • Review of actual tracking/accounting documentation of contributions 	<p>subsequent grant applications</p> <ul style="list-style-type: none"> • A description of the tracking system that will be used to document these elements • Budget for State and Territorial contributions • Tracking/accounting documentation of actual contributions 		2003 Section II 2
<p>2. Use of Part B funds are used to supplement, not supplant, State or Territorial, EMA, or TGA funds made available in the year for which the grant is awarded to provide HIV related services to individuals with HIV disease</p>	<p>Review of Maintenance of Effort (MOE) list and worksheet submitted with application stating the core medical services offered by the State or Territory to verify that Part B funds have not been used to fund these services during the grant year</p>	<p>Prepare and submit to HRSA/HAB required worksheet with sufficient detail to document the use of Part B funds to expand services and not to substitute funding for existing services</p>	N/A	<p>2617(d)(2)(A)</p> <p>Funding Opportunity Announcement</p> <p>Part B Manual II. Grants administration 2. MOE</p>
<p>Section K: Fiscal Procedures</p>				

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
1. Grantee and subgrantee policies and procedures in place for handling revenues from the Ryan White grant, including program income	<ul style="list-style-type: none"> Review policies and procedures related to the handling of cash or Ryan White grantee or subgrantee revenue Sample accounting entries to verify that cash and grant revenue is being recorded appropriately 	<ul style="list-style-type: none"> Establish policies and procedures for handling Ryan White revenue Prepare a detailed chart of accounts and general ledger that provide for the tracking of Part B revenue Monitor policies and handling of Ryan White revenues by subgrantees 	<ul style="list-style-type: none"> Establish policies and procedures for handling Ryan White revenue including program income Prepare a detailed chart of accounts and general ledger that provide for the tracking of Part B revenue Make the policies and process available for grantee review upon request 	OMB A-133
2. Advances of federal funds not to exceed 30 days and to be limited to the actual, immediate cash requirements of the program Note: Grantee permitted to draw down 1/12 of funds, but at the end of each month must do a reconciliation to actual expenses	<ul style="list-style-type: none"> Review grantee's advance policy to assure it does not allow advances of federal funds for more than 30 days Review subgrantee agreements for allowable advances Review payments to subgrantees and payment management system draw-downs 	<ul style="list-style-type: none"> Provide expense documentation with every payment management system draw-down or reconciled PMS request to expenses on a monthly basis Establish subgrant arrangements that limit advances of federal funding to 30 days Document reconciliation of federal advances to subgrantees to submitted expenses 	Document reconciliation of advances to actual expenses	45 CFR 74.22 (a)(2) 45 CFR 92.21 a 2
3. Right of the awarding agency to inspect and review records and documents that detail the programmatic and financial activities of	Review of subgrantee agreements to ensure that language is included that guarantees access to records and documents as required to oversee the	Include a provision in subgrantee agreements that guarantees grantee <ul style="list-style-type: none"> access to subgrantee records and documents for program and fiscal 	Have in place policies and procedures that allow the grantee as funding agency prompt and full access financial, program, and management records and	45CFR 74.61 (b)4(e) 45CFR 92.41

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grantees and subgrantees in the use of Ryan White funds	performance of the Ryan White subgrantee	monitoring and oversight <ul style="list-style-type: none"> • Have in place policies and procedures that ensure HRSA/HAB similar access to grantee records and documents 	documents as needed for program and fiscal monitoring and oversight	
4. Awarding agency to have access to payroll records, tax records, and invoices with supporting documentation to show that expenses were actually paid appropriately with Ryan White funds	Review of: <ul style="list-style-type: none"> • A sample of grantee and subgrantee payroll records • Grantee and subgrantee documentation that verifies that payroll taxes have been paid • Grantee and subgrantee accounts payable process, including a sampling of actual paid invoices with back-up documentation 	<ul style="list-style-type: none"> • Maintain file documentation of payroll records and accounts payable, and hard-copy expenditures data • Include in subgrant agreements conditions that require the subgrantee to maintain and provide access to primary source documentation 	<ul style="list-style-type: none"> • Maintain file documentation of payroll records and accounts payable, and hard-copy expenditures data • Make such documentation available to the grantee on request 	45CFR 74.61 (b)4(e) 45 CFR 92.4
5. Awarding agency not to withhold payments for proper charges incurred by grantee unless the grantee or subgrantee has failed to comply with grant award conditions or is indebted to the United States; grantee not to withhold subgrantee payments unless subgrantee has	Review the timing of payments to subgrantees through sampling that tracks accounts payable process from date invoices are received to date checks are deposited	Periodically track the accounts payable process from date of receipt of invoices to date the checks are deposited	<ul style="list-style-type: none"> • Provide timely, properly documented invoices • Comply with contract conditions 	45 CFR 74.22 2 CFR 215.22 9(h) (1-2)

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
failed to comply with grant award conditions				
6. Awarding agency to make payment within 30 days after receipt of a billing, unless the billing is improperly presented or lacks documentation	<ul style="list-style-type: none"> Review of grantee's payable records Review of subgrantee invoices, submission dates, and bank deposits of Part B payments Review of grantee policies on how to avoid payment delays of more than 30 days to subgrantees 	<ul style="list-style-type: none"> Establish and implement policies and procedures that allow for partial payments of invoices Review reimbursement to subgrantees to determine whether it routinely occurs within 30 days of receipt of Invoice, and document delays due to incomplete documentation Take action to improve reimbursement rates if review shows payment period of more than 30 days 	<ul style="list-style-type: none"> Submit invoices on time monthly, with complete documentation Maintain data documenting reimbursement period, including monthly bank reconciliation reports and receivables aging report 	2 CFR 215.22 (e)(4) Part C 45 CFR 92.21 45CFR 74.22
7. Employee time and effort to be documented, with charges for the salaries and wages of hourly employees <ul style="list-style-type: none"> Be supported by documented payrolls approved by the responsible official Reflect the distribution of activity of each employee Be supported by records indicating the total number of hours worked 	Review of documentation of employee time and effort, through: <ul style="list-style-type: none"> Review of payroll records for specified employees Documentation of allocation of payroll between funding sources if applicable 	<ul style="list-style-type: none"> Maintain payroll records for specified employees Establish and consistently use allocation methodology for employee expenditures where employees are engaged in activities supported by several funding sources 	<ul style="list-style-type: none"> Maintain payroll records for specified employees Establish and consistently use allocation methodology for employee expenditures where employees are engaged in activities supported by several funding sources Make payroll records and allocation methodology available to grantee upon request 	Fair Labor Standards Act (29 CFR 516) 2 CFR 230 Appendix B C.2 (d) 3 or OMB A-122

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
each day				
8. Applicants for Ryan White Part B funds will present a staffing plan and provide a justification for the plan that includes education and experience qualifications and rationale for the amount of time being requested for each staff position	<ul style="list-style-type: none"> • Review grantee Staffing Plan • Review of Personnel section of grantee budget and related budget justification, including staff positions, education and experience qualifications, and rationale for the amount of time requested for each staff person 	<p>As part of application, provide:</p> <ul style="list-style-type: none"> • Staffing Plan • Budget and budget justification, including staff positions, education and experience qualifications, and rationale for the amount of time requested for each staff person 	N/A	Funding Opportunity Announcement
9. Grantee and subgrantee fiscal staff are responsible for: <ul style="list-style-type: none"> • Ensuring adequate reporting, reconciliation, and tracking of program expenditures • Coordinating fiscal activities with program activities <i>(For example, the program and fiscal staff's meeting schedule and how fiscal staff share information with program staff regarding contractor expenditures, formula and supplemental unobligated balances, and program income)</i> 	<ul style="list-style-type: none"> • Review qualifications of program and fiscal staff • Review program and fiscal staff plan and full-time equivalents (FTEs) to determine if there are sufficient personnel to perform the duties required of the Ryan White grantee • Review of grantee organizational chart 	<ul style="list-style-type: none"> • Prepare the following: <ul style="list-style-type: none"> ○ Program and fiscal staff resumes and job descriptions ○ Staffing Plan and grantee budget and budget justification ○ Grantee organizational chart • Require and review similar information for subgrant applicants 	<ul style="list-style-type: none"> • Prepare the following: <ul style="list-style-type: none"> ○ Program and fiscal staff resumes and job descriptions ○ Staffing Plan and grantee budget and budget justification ○ Subgrantee organizational chart • Provide information to the grantee upon request 	Funding Opportunity Announcement

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<ul style="list-style-type: none"> Having an organizational and communications chart for the fiscal department 				
<p>10. States and territories to submit an estimation of carryover funds 60 days prior to the end of the grant period – by January 31 of every calendar year</p>	<ul style="list-style-type: none"> Review of carryover request Review of grantee accounting reports that document unobligated funds included in carryover request 	<ul style="list-style-type: none"> Prepare carryover request Prepare accounting reports that document unobligated balances included in carryover request 	N/A	Dr. Parham-Hopson Letter 12/5/07, Document 1023140429
<p>Section L: Unobligated Balances</p>				
<p>1. State/Territory demonstration of its ability to expend fund efficiently by obligating and subsequently expending 95% of its formula funds in any grant year</p>	<ul style="list-style-type: none"> Review of grantee and subgrantee budgets Review of grantee accounting and financial reports that document the year-to-date and year-end spending of grantee and subgrantee obligated funds, including separate accounting for formula and supplemental funds Calculation of unspent funds and potential unspent funds to determine estimated 	<ul style="list-style-type: none"> Review both grantee and sub-grantee budgets Maintain accounting and financial reports that document year-to-date spending of grantee and subgrantee funds Review individual subgrantee financial reports that document unspent funds Calculate year-to-date expenditures and budget variances monthly Develop a reallocation 	<ul style="list-style-type: none"> Report expenditures to date promptly to the grantee every month Inform the grantee of any situation that will make it impossible or unlikely to fully spend Part B subgrant funds 	RW Part B 2622 (c)(4)(A)(i)

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
	unobligated balance	methodology and implement it (in coordination with Consortia if present)		
<p>2. State/Territory annual unobligated balance for formula dollars of no more than 5% reported to HRSA/HAB in grantee's Federal Financial Report (FFR)</p> <p>Note: FFR must be submitted by July 30 following the end of the budget period with no exceptions</p>	<ul style="list-style-type: none"> Determination of the breakdown of the unobligated balance in the FFR by Formula, Supplemental, and Carryover Submission of the final annual FFR no later than the July 30 after the closing of the grant year, without exception 	<ul style="list-style-type: none"> Track grant fund expenses by Formula, Supplemental, MAI and Carryover Proactively track subgrantees' unspent funds Establish a process to assure that the Finance Department of the political subdivision receiving the funds is aware of the importance of timely submission of an FFR and of spending formula dollars first Proactively track the FFR submission and assure its reconciliation with the State or Territory's Formula, Supplemental, and carryover expenditures 	<ul style="list-style-type: none"> Provide timely reporting of unspent funds, position vacancies, etc. to the grantee Establish and implement a process for tracking unspent Part A funds and providing accurate and timely reporting to the grantee 	RW Part B 2620 (a)(2)
<p>3. State or Territory recognition of consequences of unobligated balances and evidence of plans to avoid a reduction of services, if any of the following penalties is</p>	<ul style="list-style-type: none"> Review State or Territory compliance with any cancellation of unobligated funds Review grantee and subgrantee budgets and implementation of plans in order to maintain 	<ul style="list-style-type: none"> Implement a cost-saving plan to address penalties resulting from excessive unobligated balance Explore the possibility of requesting or using local dollars to offset any penalty to the program 	<ul style="list-style-type: none"> Report any unspent funds to the grantee Carry out monthly monitoring of expenses to detect and implement cost-saving strategies 	RW Part B 2622 (b) (1-2) HAB Policy notice 10-01

Standard	Performance Measure/ Method	Grantee Responsibility	Provider/Subgrantee Responsibility	Source Citation
<p>applied</p> <p>a. Future year award is offset by the amount of the unobligated balance</p> <p>b. Future year award is reduced by amount of unobligated balance less any approved carry over</p> <p>c. The grantee is not eligible for a future year supplemental award</p> <p>Drug Rebates The Unobligated balance provision does not apply to funds from drug rebated under Part B. By law, drug rebate amounts are not considered part of the grant award and are not subject to the unobligated balances provision. Rebate funds should never be recorded as unobligated balances on any FFR.</p>	<p>service levels during a penalty year</p>			