

NEW YORK STATE OFFICE FOR THE AGING

2 Empire State Plaza, Albany, NY 12223-1251

Andrew M. Cuomo, Governor

Greg Olsen, Acting Director

An Equal Opportunity Employer

PROGRAM INSTRUCTION

Number: 12-PI-15

Supersedes: 90-PI-05

Expiration Date:

DATE: October 12, 2012

TO: AAA Directors and Fiscal Staff

SUBJECT: Volunteer Services as Match

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ACTION REQUESTED

Area agencies on aging (AAAs) that wish to report the value of volunteer services in the New York State Office for the Aging (NYSOFA) program budgets in order to meet their minimum match requirements may begin to do so **effective January 1, 2013**. The value of volunteer services must be reported as both an expense and a source of matching funds. If reported, it must be consistently reported on program budgets, vouchers and quarterly CAARS reports. It may only be used to meet the minimum matching funds requirement.

RESPONSE DUE DATE

The policy will become effective for AAA program periods beginning on or after Jan. 1, 2013. AAAs wishing to utilize this source of matching funds must budget for it and submit their budgets by the appropriate due date(s), i.e., December 1, 2012 for 2013-14 AIP programs.

PURPOSE

NYSOFA has given consideration to the question of whether it is permissible to account for the value of volunteer services in AAA budgets and vouchers under NYSOFA programs and/or count the value of volunteer services toward local matching funds requirements. In accordance with the guidelines outlined in this PI, the value of volunteer services may be reported and counted toward the minimum matching funds requirements for federal programs beginning on or after January 1, 2013 and State funded programs beginning on or after April 1, 2013.

BACKGROUND

With 90-PI-05, NYSOFA issued a policy of, except for pro bono legal services, not allowing the valuation of volunteer services to be used for matching purposes. NYSOFA has reconsidered our policy on volunteer services and will now begin to allow AAAs to utilize the value of volunteer services to be used to match federal and State funding administered by our Office if the service performed by the volunteer(s) is an integral and necessary part of an approved project or program.

Federal Regulation:

Federal regulations are codified for both Municipal and Not-for-Profit grantees as follows:

Municipal Grantees

45 CFR §92.24(b)(6) Records. *Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantees or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.*

45 CFR §92.24(c) Valuation of donated services - (1) Volunteer services. *Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.*

Not-for-Profit Grantees

45 CFR §74.23(d) Volunteer services *furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient's organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, fringe benefits consistent with those paid that are reasonable, allowable, and allocable may be included in the valuation.*

45 CFR §74.23(i) *"The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties.*

- (1) *Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees, including time records.*
- (2) *The basis for determining the valuation for personal service, material, equipment, buildings and land shall be documented.*

State Law and Regulation

Elder Law §214(4) State Aid (b) Community service projects...(2) “the director shall provide by regulation that certain non-county moneys and in-kind equivalents may be used to comprise the county share of such total annual approved expenditures, provided that such county share shall not include cost-sharing received from elderly persons receiving expanded non-medical in-home services, non-institutional respite services, case management services, and ancillary services pursuant to paragraph (k) of this subdivision or moneys received from the federal government for services for the elderly allocated to the states or local governments according to population or other such non-competitive basis.”

Title 9 §§6655.6 (CSE matching requirements) and 6655.8 (EISEP matching requirements) provide that NYSOFA reimburses the area agencies with CSE and/or EISEP services allotments for 75 percent of approved expenditures, up to statutory limits with the remainder of approved expenditures being met through local government funds appropriated for CSE and/or EISEP, other public and private funds (except for federal funds allocated to states or localities, and in-kind contributions for direct program costs for which an audit trail is maintained).

POLICY STATEMENT ON THE USE OF SERVICES PROVIDED BY VOLUNTEERS AS A SOURCE OF MATCHING FUNDS

NYSOFA will allow AAAs to report the value of volunteer services and utilize these values to match federal and State funding administered by our Office if the service performed by the volunteer(s) is:

- a) an integral, necessary and allowable part of an approved project or program;
- b) valued at rates consistent with those ordinarily paid for similar work by AAA staff or staff of the AAA’s sponsoring organization. If the AAA or its sponsor does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. A reasonable amount for fringe benefits may be included in the valuation; and,
- c) volunteer services will be supported by the same methods that the AAA uses to document and support the method of allocating regular personnel costs including time and attendance and time allocation records.

HHS Grant Policy Statement Manual section regarding Volunteer Services provides as follows:

“Rates for donated services used to satisfy a matching or cost-sharing requirement must be consistent with those paid for similar work in the organization. In those instances in which the required skills are not found in the recipient’s organization, rates must be consistent with those paid for similar work in the labor market in which the recipient furnishes the services of an employee, the services must be valued at the employee’s regular rate of pay. Only the amount representing an amount consistent with the function performed are allowable, e.g., if a doctor serves as a receptionist, only the amount that would be allowable for a receptionist is allowable as a contribution to the grant. Fringe benefits consistent with those that would be paid by the employing organization that are reasonable, allowable, and allocable may be included in the valuation.”

Unit Costs for Program Services and Other Metrics:

NYSOFA recognizes that without considering the value of volunteer services, the cost per unit of many services are understated and will not reflect the full value of the services provided. By showing the value of volunteer services in AAA cost per unit (CPU) amounts our network will begin to show these metrics more realistically and the magnitude of the value of volunteers utilized by our network will be better quantified. It would be a great advocacy tool to show the value for the volunteer services included in services provided by our network. To date, this has been a substantial resource that we have been limited in quantifying and sharing with decision makers and this metric will tell a powerful story about our network and our place as an economical alternative to other Government supported human services. For this reason, AAAs are encouraged to begin to quantify the value of volunteer services in delivering programs and services to older New Yorkers. At this time, NYSOFA will not require this but we may be conducting a survey of all AAA volunteer services in the future.

Replacing Local Cash Resources with the Value of Volunteer Services:

With this change in NYSOFA policy to allow the use of volunteer services as matching funds there is a risk that local cash contributions to Aging Network programs and services may be withdrawn causing an unwanted reduction in the necessary services that our Network provides. This is not the intent of this policy change and AAAs and local policy makers are asked to vehemently resist this temptation. Studies show Aging Network service expenditures reduce local costs many times over in other areas, e.g., Medicaid spending for homecare and as a diversion to Nursing Home placements. Therefore, AAAs that report the value of volunteer services as matching funds must only report the services needed to meet minimum matching percentages that are not met by local cash and not show any overmatch.

Accounting for Volunteer Services:

It will be the responsibility of the AAA to document and account for the use of volunteers and for the valuation of the volunteer services. When volunteer services are being used for match, the AAA must maintain documentation that the volunteer services were performed to the benefit of the specific program under which they are being charged

and used as matching funds. AAAs must keep time and attendance records for volunteer hours in a manner similar to and no less stringent than their requirements for time and attendance for paid staff. When volunteer services are used as matching funds, the valuation of the services must be shown as a cost to the program.

AAAs must also budget for planned volunteer services to be used as match and report the actual value of those volunteer services in the form and format prescribed by NYSOFA. With the 2013-14 AIP, NYSOFA will modify our AIP budget pages and begin to collect the value of AAA planned volunteer services through the AIP process. Subsequent to NYSOFA approval, AAAs must report the value of volunteer services on the fiscal reporting forms and in the other sources of revenue on quarterly CAARS reports (page 3, line 27.b.) until CAARS reports are modified in the spring of 2013. Revised Fiscal Reporting Forms to allow for the inclusion of volunteer services used as match when preparing Claims for Payment will be issued via a separate Program Instruction prior to January 2013.

- PROGRAMS AFFECTED:**
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|-------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------|---------------------------------|
| <input checked="" type="checkbox"/> Title III-B | <input checked="" type="checkbox"/> Title III-C-1 | <input checked="" type="checkbox"/> Title III-C-2 | | |
| <input checked="" type="checkbox"/> Title III-D | <input checked="" type="checkbox"/> Title III-E | <input checked="" type="checkbox"/> CSE | <input type="checkbox"/> SNAP | <input type="checkbox"/> Energy |
| <input checked="" type="checkbox"/> EISEP | <input type="checkbox"/> NSIP | <input checked="" type="checkbox"/> Title V | <input type="checkbox"/> HIICAP | <input type="checkbox"/> LTCOP |
- Other:

CONTACT PERSON: Fiscal Teams

TELEPHONE: (518) 473-4808