

NEW YORK STATE OFFICE FOR THE AGING

GRANT POLICY MEMORANDUM

CONTRIBUTIONS, FEES AND DONATIONS GENERATED BY GRANT PROGRAMS

In administering funding for grant programs, the New York State Office for the Aging (NYSOFA) is guided by State and Federal regulations governing similar programs for the elderly. These regulations are based on the requirement that all eligible older adults must be served regardless of their income level and every service recipient under these government-funded programs should be given the opportunity to make voluntary contributions to help expand the service. Consistent with these regulations, our office requires grant programs to provide participants with the opportunity to voluntarily contribute towards the cost of most services provided to them.

General Standards

- 1. There shall be no mandatory fee for services provided through grant funding.**
- 2. Service recipients must be given the opportunity to voluntarily contribute toward services;** however, no service shall be denied or affected in any detrimental way by a participant's inability or unwillingness to contribute.
3. All contribution information, including contributors, amounts given, and non-contributors, must be kept confidential by the grantee. Envelopes must be available for participants who wish to use them for their contributions. Additionally, for services provided in a congregate setting, a locked box must be available to receive contributions.
4. Participants may be informed of an organization's contributions policy by signs, leaflets or through letters sent to participants explaining the grant-funded service(s) available. Any of these may indicate a suggested contribution for a particular service; however, this amount should only be provided as a guide and participants who wish to contribute should feel free to make a contribution in any amount they choose. It must be made clear that contributions are not required of participants nor will the services be affected in any way if they do not contribute. The media used should also explain that contributions will be used to support, enhance or expand the grant funded program. **Reminder letters, phone calls or other coercive forms of solicitation of contributions are prohibited.**
5. Older adults participating in grant funded activities should take part in the determination of the organization's contribution procedures and the amounts of the suggested contributions for services. Any suggested contribution rate must not exceed the actual cost of the service.

6. Participants shall not be required to declare or document their income and/or assets as a condition for receiving services. The only exception would be in specific instances where the grantee has requested and received prior approval from NYSOFA to establish eligibility criteria or prioritize the provision of services based upon participant income.

7. Although contributions may be accepted for all services, our office does not expect that all services will generate contributions. The rule of thumb is that **services for which there is normally a charge in the community should generate contributions. A contributions policy should be implemented for any activities where fees would normally be charged for the services when offered in the general public.** Other services (e.g., information and referral, ESL and citizenship classes) which are typically free in the community do not usually generate contributions.

8. Contributions received by organizations for grant funded services must be used to support or expand those services. For those types of services expected to generate income, some reasonable level of estimated contributions must be incorporated into the grant budget for grants in excess of \$10,000. The actual contributions received (not the amount budgeted) for these grant funded services must be reported on vouchers submitted for payment. The amount of contributions received and reported on vouchers does not reduce the amount of cash available to a grantee under its grant; however, it does increase the amount of expenditures that need to be included in the total budget. For grants greater than \$10,000, only participant contributions should be included in the budget and reported on vouchers. Other grants, fundraising and public or private donations should not be included.

9. Grant programs may also be supported by other sources of funding. For example, for grants in excess of \$10,000, if both the NYC Department for the Aging and a state grant support your meal program, then a prorated portion of contributions should be incorporated into the grant budget and reported on vouchers submitted under the grant. The amount to be budgeted and actual contributions reported should be prorated; grant funds for the program divided by the total funds for the program should be applied to the total estimated and actual contributions to calculate the amounts to include in the budget (for grants in excess of \$10,000) and reported on grant vouchers. Refer to the Policy Memorandum on Cost Allocation for information on prorating costs. The same principles apply to prorating program income.

10. Contributions should be adequately safeguarded. If possible, employees or volunteers who collect, count and handle contributions should be bonded. (The cost of bonding employees and volunteers handling contributions is chargeable to grants.) Contributions should be counted and recorded by at least two employees (or an employee and a volunteer) on a daily basis. Contributions should be locked up and deposits made at least weekly.

11. The above contribution requirements apply to grant funded services provided by the grantee directly or by the grantee's contractor(s).

Fees and Donations

1. Fees

Fees for services provided with grant funding are prohibited unless a grantee requests and receives approval from this Office to do so. Our Office recognizes that in limited circumstances, participant fees may be necessary in order to maintain the current level or quality of service. In these circumstances, the grantee must make a written request and receive approval for a waiver from the prohibition of charging fees. Waiver requests cannot be approved for grant funded services that are also supported by funding sources which prohibit the charging of fees (e.g., Title IIIB, IIIC of the Older Americans Act). Waiver requests will not be approved for meals, transportation, recreation (e.g., trips), or other services sustainable by voluntary participant contributions.

If our Office approves a fee waiver request, a reasonable fee (either a fixed fee or sliding scale fee based on participant income) may be charged for direct services provided to older adults. Fees based on household or family income are prohibited; waivers will not be issued when fees are conditioned on the income of non-spousal caregiving family members. Services cannot be denied or affected in any detrimental way by an older adult's inability or unwillingness to pay fees.

The prohibition on the charging of fees will only be waived for ongoing services that depend upon such fees to sustain the programs/services. Our Office will only consider waiver requests for the charging of fees directly related to the provision of grant funded services. Grantee organizations cannot condition the receipt of grant funded services on payment of membership fees or dues. Services must be available to all older adults, regardless of membership status. In addition, if this office approves a fee waiver, the amount of fees requested from participants cannot be determined by their membership status (i.e., lower rates for members as opposed to non-members).

As with participant contributions, fee income must be: 1) used to support or enhance the grant program or services generating the fee; 2) incorporated in the appropriate grant Budget Category and in the "Less Anticipated Participant Contributions" line; and, 3) reported on vouchers submitted to this Office. **The actual amount of fees collected** (not the amount budgeted) for these grant funded services must be reported on vouchers submitted for payment. The amount of fee income received and reported on vouchers does not reduce the amount of cash available to a grantee under its grant.

The use of grant awards solely for construction and/or equipment acquisition costs is considered an indirect benefit to the related service which is provided as a result of the construction or equipment acquisition. If a grantee organization charges a nominal fee for transporting participants, but only the vehicle purchase is funded under the grant, a fee waiver is not required.

2. Donations

Grantee organizations are encouraged to accept donations. Donations can be solicited through organized fundraising activities, private grants or foundations, or can be the result of individual donations. Individual donations include contributions made by older adult participants that are not given or earmarked for the provision of a particular service such as a meal or a bus trip. Unlike contributions and fees, donations are not included in the grant budget and need not be used to expand services under the grant; however, if a particular purpose or program has been specified, a donation should be used in accordance with the donor's intent.

For additional information on any of the above, please contact our office at (518) 473-4808.