



NEW MEXICO POLICIES & PROCEDURES

SECTION CONTENTS

EMPLOYMENT PROGRAMS BUREAU (EPB) PROGRAMMATIC AND FISCAL MONITORING

THE DOCUMENT CONTAINED HEREIN IS SUBJECT TO CHANGE.

VERSION: 8.2025

NEW MEXICO STATE UNIT ON AGING (SUA)

Programmatic and Fiscal Monitoring—EPB

1.0 **Purpose:**

To establish guidelines for Aging and Long-Term Services Department staff in the work of contract management by performing fiscal and programmatic monitoring.

2.0 **Applicability:**

Employment Program Bureau (EPB)

3.0 **Authority:**

20 C.F.R. § 641.100- 20 C.F.R § 641.930

4.0 **Policy:**

The Department shall monitor, review, and evaluate the Contractor's programmatic and fiscal policies, procedures, processes, and other relevant documentation (by service and funding source) as needed, to ensure that service delivery meets the needs of the population being served.

5.0 **Procedures:**

Programmatic Monitoring of Contractors

1. The Department shall conduct monitoring of the Contractor for compliance with performance measures and scope of work deliverables throughout the term of the contract, which may include desk reviews of fiscal and programmatic documentation, and/or onsite monitoring. The frequency of the monitoring shall be determined by the Department, at its sole discretion.
2. Monitoring may include desk reviews of fiscal and programmatic documentation, and/or onsite monitoring.
 - a. For desk reviews, contractors upload information into the Revver database for review by the Department.
 - b. For onsite reviews, contractors provide information to the Department to review in person.

5.1 **Annual Monitoring (Programmatic and Fiscal Audits/Review)**

The Department may conduct fiscal and/or programmatic audits/reviews at any time throughout the fiscal year. The Department must provide, at a minimum, 14 calendar days' notice to the Contractor of its intention to conduct a programmatic audit/review.

1. Administrative Funds

- a. Validate that administrative costs do not exceed more than 15% or the amount specified in the contract.
- b. Validate administrative costs are restricted to those allowable per 45 C.F.R. Part 75.

2. Operation and Management Requirements

a. SEP (Senior Employment Program)

ALTSD shall monitor contractor compliance with operational and management requirements for SEP services in Planning and Service Areas 2, 3, and 4, covering all New Mexico counties except Bernalillo County.

- i. ALTSD shall verify that the contractor directly administers SEP services in the designated service areas and does not subcontract this responsibility.

- iii. ALTSD shall monitor the contractor's management of subcontractors to ensure the following practices are in place and followed:

ALTSD shall audit the files assigned to each subcontractor to ensure they include executed agreements, correspondence, and documentation of annual monitoring assessments.5. ALTSD shall review procedures for transferring participants between subcontractors to ensure continuity and compliance.

ALTSD shall assess the contractor's provision of training and technical assistance to the subcontractor

ALTSD shall evaluate the contractor's adherence to the New Mexico Caregivers Criminal History Screening Act, as applicable.

ALTSD shall evaluate the contractor's policy and practices for minimizing disruption to participants when host organizations cease subcontractor status.

- iv. ALTSD shall evaluate the contractor's established procedures to ensure compliance with participant eligibility requirements established by the Department for community service under the Senior Employment Program (SEP). ALTSD may waive the following eligibility requirements at its discretion:
 1. Being at least 55 years of age with no upper age limit;
 2. Receiving income which is at or below 125% of the federal poverty level after allowable exclusions [See 42 U.S.C. Section 3056p and 20 C.F.R. Part 641];
 3. Residing in New Mexico; and
 4. Have participated in SEP for less than 48 months (4 years) since July 1, 2023.
- v. ALTSD shall monitor contractors' adherence to the 48-month (four-year) participation limit for SEP, effective July 1, 2023, and verify that participants are notified in writing at least 30 days before reaching their durational limit.
- vi. ALTSD shall conduct periodic reviews of participant files to ensure they include, at a minimum: a completed and signed training agreement; annual eligibility verification; annual physical exam waiver or invoice; documentation of supportive services provided to assist Participants to overcome barriers to employment and gain preparation and guidance for obtaining unsubsidized employment, and annual supervisory assessment.
- vii. ALTSD shall ensure that the contractor performs payroll functions for SEP participants engaged in community service, including timely and accurate processing.
- viii. ALTSD shall verify that participant subsidies meet or exceed the highest applicable minimum wage—federal, state, or local.
- ix. ALTSD shall monitor contractor enforcement of restrictions on additional volunteer hours. Participants may only perform extra volunteer work if it is substantially different from their subsidized duties.
- x. ALTSD shall ensure that contractors prohibit participants from engaging in political or religious activities during subsidized work hours.
- xi. ALTSD shall confirm that the contractor provides participants with appropriate leave benefits—including sick, administrative, and holiday leave—and workers' compensation insurance coverage.
- xii. ALTSD shall monitor contractor or subcontractor compliance with requirements to provide employment-related training to all SEP participants and shall:
 1. Establish an Individual Employment Plan (IEP) for each participant that:
 - reflects the participant's specific employment goal; and
 - outlines clear steps for achieving the employment goal, including training activities and supportive services to address barriers.
 2. Review evidence that the contractor is actively implementing the IEP steps for each participant; and
 3. Update the IEP at least annually to reflect progress and evolving participant needs.

b. Community Health Workers (CHW)

- i. ALTSD shall monitor contractor service delivery in Bernalillo, McKinley, Lea, and Valencia Counties (with potential expansion to additional counties), collectively referred to as the "Service Area." ALTSD shall verify that CHWs are serving older adults who require assistance navigating and accessing social and health-related resources.
- ii. ALTSD meeting monthly with shall ensure that CHWs are consistently serving older adults in need, and that outreach and engagement efforts align with the program's mission.
- iii. ALTSD shall review and approve contractor practices for recruiting, hiring, onboarding, and training older workers as CHWs. ALTSD shall verify that CHWs receive mileage reimbursement and cell phone compensation as outlined in the contract.
- iv. ALTSD shall monitor contractor compliance with CHWs obtaining certification from the Department of Health's Office of Community Health Workers within one year of program enrollment.
- v. ALTSD shall confirm that contractors provide office equipment and workspace for CHWs field work and casework documentation, and that funding is allocated for certification and ongoing professional development, including opportunities to earn CEUs.
- vi. ALTSD shall review and approve contractor management of CHW training and placement to ensure alignment with program goals and participant needs.
- vii. ALTSD shall assess contractor implementation of sustainability strategies, including marketing, social media campaigns, and community outreach. These efforts should promote program visibility, encourage older adult participation, and highlight the value of community health services.
- viii. ALTSD shall verify that the contractor has developed and maintains a comprehensive Program Operations Manual detailing service provision protocols, intervention strategies, and on-site supervision procedures for CHWs.
- ix. ALTSD shall monitor contractor provision of data collection software, that includes aligning with program goals, provides roll-up data for monthly reporting, which will be used for annual analysis to determine the return on investment. CHW training in its use, and the development of monthly statistical reports. These reports must include caseloads, referrals, service quality assessments, and evaluations of program efficacy.
- x. ALTSD shall ensure that CHWs are actively engaging older adults across designated service areas, with focused outreach in rural and semi-rural communities. ALTSD shall verify that follow-up visits, including home visits, are conducted in HIPAA-compliant settings.

c. Contractor Reporting Requirements

- i. The Contractor shall submit to the Department a single combined invoice along with supporting documents and an expenditure workbook form provided by the Department. Each monthly invoice, supporting documentation, and the expenditure workbook form are due on the 12th calendar day of the month for the prior month's expenditures. A final report and invoice shall be due as requested by the Department at the end of the fiscal year.
- ii. Contractor shall submit monthly programmatic reports, due no later than the 15th day of the month following the end of the month for which data is being reported, which includes:
 1. A roster of Participants providing community service, including their host organizations, and all other information requested on a monthly report form approved by the Department. (SEP)
 2. A list of unfilled requests for SEP participants from aging network providers, who are eligible to be subcontractors. (SEP)
 3. The Contractor shall submit monthly data reports as required by ALTSD that include: (UNM/CHW)
 - 1) The number of clients served during the reporting period.
 - 2) The number of CHW participants.
 - 3) Statistical reports detailing caseloads, referrals, and assessments of the quality of client services provided, etc.
- iii. Performance Measure:

The number of Participants served during the contract period shall be the number specified in the scope of work Participants. (SEP)

Community Health Worker (CHW): Contractor shall recruit, hire, onboard, and train the number of CHWs specified in the scope of work, with preference given to those age 55+

3. Area Plan

- a. Through site visits, monitoring tools, monthly and annual reporting, the Department validates that the Contractor is following the approved State Plan on Aging's goals, objectives, and performance measures through a review of the 4-year Area Plan to include targeted recruitment of community-based providers, and targeted outreach.

4. Contractor Policies and Procedures

- a. Review Contractor policies and procedures for fiscal and programmatic operations to ensure they are current and align with OAA regulations and Department rules, policies, and procedures.

5. Sub-contractors

- a. The Department validates Contractor efforts to manage subcontractors for the provision of services.

6. The Department validates Contractor monitoring of subcontractors and assessment of administrative and fiscal requirements including, but not limited to:

- i. Adequacy of subcontractor accounting and internal control systems.
- ii. Fiscal process documentation standards.
- iii. Compliance with fiscal stipulations of subcontract.

- iv. Review subcontractor consumer files for evidence of adherence to the Contractor's policies and procedures, OAA regulations, and Department rules, policies, and procedures.
 - v. Validation of provision of services.
 - vi. A review of employee qualifications, salary, and salary increases
 - vii. Review of subcontractor compliance with applicable laws and licensure to include food handling, code compliance, NM Environment Department- Environmental Inspection Division Department (EID) compliance, quality assurance, quality improvement, and background check requirements.
 - viii. Review of adherence to health and safety requirements for all facilities and vehicles utilized for program functions.
7. Using monitoring tools, the Department validates that the Contractor conducted at least one in-person monitoring visit of all subcontractors in the planning and service area no later than June 30.
 8. The Department shall utilize a departmental-developed standardized instrument for in-person and desk monitoring.
 9. Timely and appropriate corrective action will be taken on all monitoring findings (non-compliance) identified.

5.2 External Financial Audits for Contractors

1. The Contractor, as a sub-recipient of federal funding passing through the Department, ensures that if the Contractor expends \$750,000.00 or more in Federal awards during its fiscal year, it will meet the audit requirements of 2 C.F.R. Part 200 Guidance 200.501.
 - a. Required audits will be completed within 9 months of the end of the Contractor audit period.
 - b. Timely and appropriate corrective action will be taken on all audit findings included in the Department's management decision on audit findings.
2. The Department, as the pass-through entity, will issue a management decision based upon the audit findings within 6 months of receiving the audit report.
3. The Department receives the Contractor's prior year audits before the end of each state fiscal year as required by contract.

5.3 Additional Fiscal Monitoring

The Department shall receive financial statements for all entities and those that receive more than \$750,000 in Federal funding during its fiscal year. The financial statements include but are not limited to the following:

1. Income Statements;
2. Balance Sheets;
3. Cash Flow Statements; and
4. Other statements the Department deems necessary to ensure compliance with fiscal standards.

5.4 Funds Accountability

1. Application of 2 C.F.R. Part 200 Guidance 200.501 regarding sub-recipient monitoring. During award monitoring, the Department will monitor the Contractor's use of federal awards through reporting, site visits, regular contact, and other means to provide reasonable assurances that the following will occur:
 - a. The Contractor administers the federal award in compliance with laws, regulations, and the provisions of contracts or grant agreements; and
 - b. Performance goals are achieved.

5.5 Performance Monitoring

1. Monitoring of the State Plan on Aging's implementation of goals, objectives, and performance measures is conducted through the following means:
 - a. Successful, timely submission of the ACL State Performance Report (SPR) into the Older Americans Act Performance System (OAAPS).
 - b. Approved data is entered into the Clear Impact Scorecard/Data Dashboard. See: Data Dashboard | NM Aging & Long-Term Services
2. Department staff shall be trained on all applicable federal and state laws associated with the implementation of federal and state programs during the onboarding process and as laws and policies are revised.
 - a. Department staff shall provide (at a minimum) annual training and ongoing technical assistance to their contractors on the successful implementation of federal and state programs.
3. Timely and appropriate corrective action will be taken by the Department on all audit findings (non-compliance issues) identified.
4. The Department shall issue a written management decision based upon the audit findings within six months of identifying non-compliance or the Contractor receiving the audit report.

Revision History

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