



# NEW MEXICO POLICIES & PROCEDURES

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## SECTION CONTENTS

### FISCAL CONTRACT MANAGEMENT

THE DOCUMENT CONTAINED HEREIN IS SUBJECT TO CHANGE.

VERSION: 8.2025

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# NEW MEXICO FISCAL STATE UNIT ON AGING (SUA) CONTRACT MANAGEMENT POLICIES AND PROCEDURES Updated for (45 C.F.R. §1321)

## 1.0 PURPOSE

- The purpose of this policy is to establish the Aging and Long-Term Services Department's (ALTSD) Contract Management Policies and Procedures (Required for SUA, AAAs, and Providers) as required by 45 C.F.R. §1321.9(c)(2) and 45 C.F.R. §1321.49.
- Complying with the State of New Mexico Manual of Model Accounting Practices, New Mexico Department of Finance and Administration, Effective July 1, 2025, SFY 2026
- **Aging and Long-Term Services Department—Administrative Services Division (ASD) (applicable sections)**
  - 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:
  - 5.4 Funds Accountability
    - 1. Application of 2 C.F.R. Part 200 Guidance 200.501 regarding sub-recipient monitoring.
    - 2. 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.
- If any provision of this policy conflicts with a provision of an applicable Collective Bargaining Agreement (CBA), the CBA shall control.

1. **DEFINITIONS:** See the link to Resources in **REFERENCES AND LINKS** below.

## 2. POLICY

ALTSD is dedicated to providing high-quality, responsive, person-centered services to older New Mexicans, individuals with disabilities, and their caregivers which is ensured by compliance as effective stewards of the taxpayers' money. We must be fiscally responsible and in compliance with federal and state government operations. Transparency is essential to ensure constituents have confidence in financial and contract management to make informed decisions about managing government programs and implementing policy.

### 3. PROCEDURES

**The Department may review the following during annual onsite or desk monitoring/audit/review:**

1. Administrative Funds
  - a. Validate administrative costs do not exceed more than 10% of federal Titles III B, C-1, C-2, and E funding.
  - b. Validate advance administrative funds were timely and properly disbursed to subcontractors by August 1.
  - c. Validate administrative costs are restricted to those allowable per 45 C.F.R. Part 75.
2. Service Provision/Performance Measures
  - a. Validate Contractor has confirmed subcontractors are following the Older Americans Act (OAA) and New Mexico Administrative Code (NMAC) for eligibility services criteria.
  - b. Validate Contractor has confirmed subcontractors are satisfactorily performing based upon deliverables as outlined within the contract Scope of Work (SOW) deliverable attachment.
3. Area Plan
  - a. Validate 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.
    - i. Adequacy of subcontractor accounting and internal control systems.
    - ii. Fiscal process documentation standards.
    - iii. Compliance with fiscal stipulations of subcontract.
    - iv. Compliance with procedures for collection, processing, and accounting of consumer contributions and program income.
    - v. Validity of service units and expenses reported to the Contractor, and the proper maintenance of financial records for subcontract funds.
    - vi. Review at a minimum, 40 random subcontractor consumer files or a 10% sample of subcontractor consumer files, whichever is less, for evidence of adherence to the Contractor's policies and procedures, OAA regulations, and Department rules, policies, and procedures.
    - vii. Validation of provision of services.
  - viii. A review of employee qualifications, salary, and salary increases shall be included within the biannual report.
  - ix. 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.
  - x. Review of adherence to health and safety requirements for all facilities and vehicles utilized for program functions, as well as review of all capital outlay needs for each provider.
  - b. The Department validates that the Contractor conducted at a minimum, one in-person monitoring visit of all subcontractors in the planning and service area no later than June 30.
  - c. The Department verifies that the Area Plan addresses proactive steps to be taken by the Contractor in the event of a disruption of services. As required by the OAA, 42 U.S.C. § 3026(a)(17), the Area Plan and any amendments shall, "include information detailing how the area agency on aging will coordinate activities, and develop long-range emergency preparedness plans, with local and State emergency response agencies, relief organizations, local and State governments, and any other institutions that have responsibility for disaster relief service delivery."
6. The Department shall utilize a departmentally developed standardized instrument for both in-person and desk monitoring.
7. Timely and appropriate corrective action will be taken on all monitoring findings (non-compliance) identified.

## 5.2 ALTSD Contracting Process (Applicable section)

Contract packets must contain the following documentation:

1. Complete and signed Contract Request Form (CRF)
2. Required signatures include Program Manager, Division Director, Budget Manager, and IT director if applicable.
3. **Attachment 1**, Scope of Work (SOW) that matches the negotiated SOW that will appear on the contract with contract term dates and agreed upon compensation.
  - a. *If the SOW changes after a "Determination of Services" have been obtained, then per Contract Review Bureau Requirements, the Department must get a new Determination as the language must match verbatim.*
  - b. The SOW must be emailed in WORD to the Chief Procurement Officer (CPO) as this will be used to obtain a "Determination of Services" from the State Purchasing Division (SPD) as required. The SOW will also be emailed to Horizons as they have first right of refusal by statute on any general/professional services contract.
4. **Attachment 2**, A budget completed using the potential contractor budget submitted to the Department: This will have the agreed upon compensation as delineated in the contract. If funds are broken down by program, the contractor will break it down on the Budget attachment with a contract total. If there are any areas of service, indicate it in this section: "The contractor must."
5. Contract packets will also contain the following AAA documentation:  
**Attachment 3**. Deliverables outlining projected, unduplicated persons served and units of service.
6. The contract will be routed for review by the Program Manager/Requestor, Division Director, Chief Financial Officer (CFO), the Office of General Counsel, and Cabinet Secretary.
7. Once reviewed by all and approved to proceed (including making any edits), it will be emailed to the contractor for signature.
8. Once received back from the contractor it will then be forwarded for internal signature, Taxation and Revenue (if applicable) and CRB/SPD approval, if applicable.
9. A contract is not fully executed and approved until an approved/dispatched Purchase Order is completed. A contractor may not begin work until the PO is approved. A signed contract does not mean a contractor may begin work.

## Contract Amendment

The Purpose:

For a fully executed contract, an amendment may be requested by the contractor if:

1. The contractor is requesting the reallocation of federal funds.
2. The contractor is requesting a reallocation of state general funds.

For a fully executed contract, an amendment shall be made if:

The Department is in receipt of additional state or federal funds and is required to allocate to the existing contractors.

Amendments must contain the following documentation:

The same requirements are to be followed as spelled out in 1-3 above in **Section 5.2**. If amending the SOW, the Department shall amend the portion of the SOW that applies only. All other articles in the contract will remain the same. If amending the budget, the contractor shall indicate the change on the budget form, the increased or decreased amount, and the new total. If the increase or decrease only applies to one program out of multiple programs, then the contractor must be specific.

### 5.3 Reimbursement for Area Agencies on Aging for Older Americans Act Funds and State Funding

**Step 1:** AAAs must submit all invoices, workbooks, and other required supporting documentation to the Department by the 25<sup>th</sup> of each month.

- a. AAAs upload invoices, workbook details and supporting documentation each month to Revver data base.

**Step 2:** SSB Program Coordinators conduct a review of invoices for fiscal accuracy prior to submitting to ASD for processing reimbursement.

- a. SSB evaluates the invoices and the workbook details to make sure the documentation is mathematically correct.
- b. If there is a mathematical error, SSB notifies the Contractor of the error(s) for correction and need for resubmission

of the corrected invoice, workbook detail, or supporting documentation by the AAA.

c. SSB receives corrected invoice and worksheet detail and submits to the Administrative Services Department for processing.

**Step 3:** Post supporting documentation review is conducted to validate compliance with deliverables and requested invoice reimbursement amounts.

a. If an error is identified based on information within the supporting documentation, SSB notifies the AAA of the error(s) and need for correction(s) to the proceeding invoice submission.

**Step 4:** All reimbursements must be processed within three business days of receipt of an accurate invoice and workbook detail from the AAA.

*(All reimbursements related to AmeriCorps Senior volunteer programs are processed within two business days.)*

#### **4. MONITORING PROCEDURE**

Programmatic contractors provide information to the Department to review in person.

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. The Department shall produce, and provide to the Contractor, a report(s) of its findings.

**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.

##### **Annual Monitoring (Programmatic and Fiscal Audits/Reviews)**

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 Contractor of its intention to conduct a programmatic audit/review.

The Department may review the following during annual onsite or desk monitoring/audit/review:

##### **Annual Monitoring (Programmatic and Fiscal Audits/Reviews)**

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#### **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. Annual review of ACL required data that the AAAs collect through the WellSky database.
  - b. Successful, timely submission of the ACL State Performance Report (SPR) into the Older Americans Act Performance System (OAAPS).
  - c. 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.
5. Volunteer Services (AmeriCorps Seniors)
6. The Pre-Audit requirement is specific to Volunteer Services (AmeriCorps Seniors). Pre-Reimbursement Review—The Department checks the invoices and the workbook detail to make sure the documentation is mathematically correct.

## Volunteer Program Monitoring

On-site monitoring is a process where SSB staff visits a program recipient's office to evaluate its compliance with state ( 9.2.3.9 NMAC) and federal regulations (2 C.F.R. section 200) and program requirements. The monitoring process ensures that programs are operating effectively and managing their grants responsibly.

What is reviewed during on-site monitoring?

Monitors assess a program's compliance in several key areas, including:

- **Contract management:** Reviewing financial management systems to ensure compliance with state ( 9.2.3.9 NMAC) and federal requirements ( 2 C.F.R. section 200).
- **Performance measures:** Evaluating whether the program is accurately tracking and reporting on its performance measures and outcomes as required by the contract.
- **Criminal history checks (NSCHC):** Verifying that the program has effective policies and procedures in place for completing National Service Criminal History Checks on all required individuals.
- **Record-keeping:** Checking that the program maintains comprehensive and accurate records, including those for volunteers, financial activities, and program performance.
- **Volunteer management:** Reviewing how the program recruits, places, trains, and supports its AmeriCorps Seniors volunteers.

How the monitoring process works

1. **Notification:** The grant recipient is officially notified of the monitoring activity by the AmeriCorps Office of Monitoring, which includes an introduction to the assigned Monitoring Officer.
2. **Document submission:** The program submits initial and supplemental documents, such as financial records and volunteer files, for review.
3. **On-site visit:** An in-person visit is conducted, during which the monitor interviews staff, reviews files, and assesses overall program operations.
4. **Reporting:** A monitoring report is generated, detailing any findings and required corrective actions. The grantee has an opportunity to respond to the report.

How to prepare for an on-site monitoring visit

SSB encourages programs to use past monitoring tools and handbooks to conduct self-assessments and ensure compliance. Key steps include:

- Reviewing monitoring tools and operational handbooks provided by AmeriCorps.
- Ensuring that staff with program management responsibility participate in SSB trainings, quarterly meetings, and ongoing technical assistance meetings
- Verifying that criminal history check policies and procedures are up-to-date and followed consistently.
- Conducting internal reviews of program documentation, financial records, and volunteer files.

## 5. REFERENCES AND LINKS:

Authority: 45 C.F.R. section 1321.9(c)(2), 45 C.F.R. section 1321.49, and the Fair Labor Standards Act 29 U.S.C. section 201 et seq.

Link: [Office of Federal Financial Management | The White House](#)

Link: [State of New Mexico](#)

Link: [https://www.aging.nm.gov/wp-content/uploads/2025/10/RESOURCE.Acronyms.Definitions.UnitsofService.UCIT\\_.WEBSITE.pdf](https://www.aging.nm.gov/wp-content/uploads/2025/10/RESOURCE.Acronyms.Definitions.UnitsofService.UCIT_.WEBSITE.pdf)

## Revision History

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