

PART F: Funds Expended

Refer to the definitions, examples, and reporting tips in [NORS Table 3](#) for Part F: Funds Expended data elements. Refer to [OAAPS](#) resources and reference materials for guidance on entering funds expended information.

Guidance

State Ombudsmen are to report the sources of funds expended not budgeted.

Key Terms: Budget and Funds Expended/Expenditures

What is a budget?

The following is a simple example of how to describe a budget and funds expended.

A *budget* is an estimation of [revenue](#) (income) and [expenses](#) over a specified future period of time and is usually compiled and re-evaluated on a periodic basis. Budgets can be made for a person, a group of people, a business, a government, or just about anything else that makes and spends money.²

What is an expenditure?

Part 75: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (refer to [§75.2 Definitions](#) for budget terminology) defines *expenditures* as “charges made by a non-Federal entity to a project or program for which a Federal award was received.”

The following example illustrates the difference between a budget and funds expended.

Budget Line Item	Funding Source	Appropriation	Budget	Actual Expenditure (Funds Expended-NORS Report Requirement)	Balance
Salary	Total of all Sources	\$149,000	\$149,000	\$119,042	\$29,958
	Title VII, Ch. 2 OMB	\$80,000	\$80,000	\$61,042	\$18,958
	Title III State	\$45,000	\$45,000	\$34,000	\$11,000
	VOCA Grant	\$10,000	\$10,000	\$10,000	\$0
	State General Fund	\$14,000	\$14,000	\$14,000	\$0
Fringe	Total of all Sources	\$44,700	\$44,700	\$40,000	\$4,700
	Title VII, Ch2 OMB	\$10,000	\$10,000	\$9,000	\$1,000
	Title III State	\$25,000	\$25,000	\$22,300	\$2,700
	State General Fund	\$9,700	\$9,700	\$8,700	\$1,000
	VOCA Grant	\$0	\$0	\$0	\$ -

²Definition source: <https://www.investopedia.com/terms/b/budget.asp>

As you can see from this example, the funds expended do not match the budgeted amount. The example shows that Title VII, Ch. 2 funds were underspent. This may have occurred because staff resigned during the year and were not immediately replaced, thereby reducing the amount of salary and fringe expended. This simple example hints at the complexities of budgeting and determining expenditures and from what sources. Thus, it is critical that state Ombudsmen engage regularly with fiscal staff to ensure appropriate use of program funds, to prepare for NORS reporting requirements, and to approve certification of funds expended.

State Ombudsmen Participation

State Ombudsmen are to participate in the fiscal management of the Ombudsman program in the following ways:

Functions and Responsibilities of the State Ombudsman

The state Ombudsman has three distinct responsibilities with regards to fiscal management of the Ombudsman program.

1. The Ombudsman regulation 45 CFR 1324.13 (f) Fiscal management. (paraphrased) requires the Ombudsman to determine the use of the fiscal resources appropriated or otherwise available for the operation of the Office and;
 - a) to approve the allocations of Federal and State funds provided to local Ombudsman entities, subject to applicable Federal and State laws and policies and;
 - b) to determine that program budgets and expenditures of the Office and local Ombudsman entities are consistent with laws, policies and procedures governing the Ombudsman program.
2. To report funds expended data in accordance with the National Ombudsman Reporting System (NORS).
3. To review and certify that the program met Minimum Funding Requirements, in accordance with the Older Americans Act by submitting the Certification of Long-Term Care Ombudsman Program Expenditures form (see [page 28](#) for information on the form).

Timing of Fiscal Responsibilities

Ombudsman programs are to have procedures in place to support fiscal management, including procedures that clarify appropriate fiscal responsibilities of the local Ombudsman entity, including but not limited to, clarifications regarding access to programmatic fiscal information by appropriate representatives of the Office [45 CFR 1324. 11(e)(vi)]. Ideally, a state Ombudsman establishes routine procedures that ensure timely fiscal management and oversight and prepares for fulfilling NORS reporting requirements.

A potential fiscal management routine could include:

MONTHLY – QUARTERLY

- Reviewing budgets and financial statements: New SLTCO meet with fiscal staff as soon as possible to begin learning about the program budget and establish a meeting schedule. Experienced SLTCO meet routinely with fiscal staff, such as monthly or at least quarterly.
 - You may need to coordinate among several staff, for instance, if your program is contracted out you may have routine meetings with your agency’s fiscal staff and regular communication with your State Unit on Aging’s fiscal staff. Consider establishing routine times to meet with both.
 - Local Ombudsman entities – develop a procedure to conduct routine reviews of their initial budget and invoices or fiscal reports.

OCTOBER

- Remind fiscal staff that the upcoming NORS report is due in January. Give them Part F: Funds Expended from NORS Table 3.

NOVEMBER

- Set an appointment to review NORS Table 3 with fiscal staff.

DECEMBER

- Work through a rough draft of funds expended with fiscal staff.

JANUARY

- Report final funds expended.

JULY – AUGUST

- *Certification of Long-Term Care Ombudsman Program Expenditures*

ACL typically sends the Certification of Long-Term Care Ombudsman Program Expenditures in July. Use your NORS report and other fiscal data to review the form and sign if you agree that the expenditures met or exceeded the required minimum funding. If you have any questions or concerns, contact ACL.

Other Reporting Tips

- The **LTCOP Fund Sources** chart provided below is a comprehensive list of the types of possible fund sources that your program may have. Fund sources will vary by state and for each state the sources may vary yearly.
- Only include funds which were expended on Ombudsman program activities authorized under Section 712. Some Ombudsman programs have additional state funding for types of services that are beyond the work of the program as delineated in the Older Americans Act. For example, if your program provides Home Care Ombudsman Services do not report those state appropriated funds.

LTCOP Fund Sources

Fund Source	Definition and Examples
<p>Older Americans Act (OAA) Title VII, Chapter 2 Administered by the Health and Human Services, Administration for Community Living</p>	<p>Title VII, Chapter 2 authorizes the Long-Term Care (LTC) Ombudsman Program Chapter 2 funds can only be spent on the LTC Ombudsman Program.</p>
<p>OAA Title VII Chapter 3 Administered by the Health and Human Services, Administration for Community Living</p>	<p>Title VII Chapter 3 authorizes the Elder Abuse Prevention Program. States and territories have the discretion to allocate this funding among the various activities authorized under the program, including the Long-Term Care Ombudsman Program. The State Unit on Aging (SUA) may distribute funds to Area Agencies on Aging (AAA) and local service providers.</p>
<p>OAA Title III State level Administered by the Health and Human Services, Administration for Community Living</p>	<p>Title III authorizes grants to SUAs to act as advocates on behalf of, and to coordinate programs for, older persons. SUAs may elect to budget some Title III B funds to the Office of the State LTC Ombudsman Program.</p>
<p>OAA Title III AAA (local) level Administered by the Health and Human Services, Administration for Community Living</p>	<p>Title III authorizes grants to SUAs to allocate to AAAs along an approved intrastate funding formula. AAAs may elect to budget some Title III funds to the local LTC Ombudsman Program for administration and supportive services.</p>
<p>Medicaid Administrative Claiming Administered by the Health and Human Services, Centers for Medicare & Medicaid Services</p>	<p>Medicaid funding available for certain administrative costs related to activities performed by the State Long-Term Care Ombudsman (LTCO) Program that benefit the state’s Medicaid program. LTCO program must have an interagency agreement or other contractual arrangement with the State Medicaid agency.</p>
<p>Other Medicaid Administered by the Health and Human Services, Centers for Medicare & Medicaid Services</p>	<p>Example - Benefits Counseling and Ombudsman Programs. Funding to support demonstration Ombudsman programs and one-on-one counseling services in states participating in the Medicare-Medicaid Financial Alignment Initiative.</p>

Fund Source	Definition and Examples
<p>Social Services Block Grant (SSBG) or Community Services Block Grant (CSBG)</p> <p>Administered by Health and Human Services, Children and Families Administration</p>	<p>SSBG is a capped entitlement program that provides funds to assist states in delivering social services directed toward the needs of children and adults. CSBG provides funds to alleviate the causes and conditions of poverty in communities. There are discretionary grants at the statewide or local level, or for associations such as Community Action Agencies.</p>
<p>Community Development Block Grant</p> <p>Administered by the Department of Housing and Urban Development.</p>	<p>CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in communities, and to create jobs through the expansion and retention of businesses.</p>
<p>Senior Medicare Patrol (SMP)</p> <p>Administered by the Health and Human Services, Administration for Community Living.</p>	<p>The SMP mission is to empower and assist Medicare beneficiaries to prevent, detect, and report suspected healthcare fraud, errors, and abuse through outreach, counseling, and education. SMP activities are funded through discretionary appropriations from the Health Care Fraud and Abuse Control (HCFAC) account.</p>
<p>Victims of Crime Act Funds (VOCA)</p> <p>Administered by the Department of Justice, Office of Justice Programs</p>	<p>Victim assistance and compensation programs receive formula grants, discretionary grants, and set-asides according to a statutorily established annual allocation procedure.</p>
<p>Other Federal fund sources</p> <p>(e.g., CARES Act funds, SAMHSA)</p>	<p>The Coronavirus Aid, Relief and Economic Security Act, or CARES Act, was signed into law on March 27. State Ombudsman programs will indicate CARES Act expenditures under other federal sources. Ombudsman programs do not need to report separately the dollar amount of CARES Act funds expended.</p> <p>Example – (SAMHSA) makes grant funds available through the Center for Substance Abuse Prevention, the Center for Substance Abuse Treatment, and the Center for Mental Health Services.</p>
<p>State funds</p> <p>General funds appropriated by legislature</p>	<p>Money appropriated by the state legislature specifically for the Long-Term Care Ombudsman Program, or other elder services programs that the Ombudsman program expends, such as “senior services act funds and similar elder focused state funding.</p>
<p>State Fee or Tax</p>	<p>Money dedicated from a state fee or tax that is then appropriated for the Long-Term Care Ombudsman Program.</p>
<p>Federal Civil Money Penalties (CMP)</p> <p>Administered by the Health and Human Services, Centers for Medicare & Medicaid Services</p> <p>State Civil Money Penalty (reinvestment program) and similar state funded programs</p>	<p>CMP is a monetary penalty the Centers for Medicare& Medicaid Services (CMS) may impose against skilled nursing facilities (for either the number of days or for each instance a facility is not in substantial compliance with one or more Medicare and Medicaid participation requirements for Long-Term Care Facilities.</p> <p>The Social Security Act provides that a portion of CMP funds could be used to support activities that benefit nursing home residents, including projects that assure quality care within nursing home. All states must receive approval from CMS through their CMS Regional Office.</p> <p>States may have similar CMP programs for their residential care settings.</p>
<p>Private grants/funds/donations</p>	<p>Private funding does not entail public funds. Private funding may include both grants and gifts, may be more flexible in responding to needs or “emerging issues,” and may be less complex to apply for and administer.³</p> <p>Example - AARP awards grants for projects with evidence that low-income older adults who participate will experience improved social connectedness.</p>
<p>Other state fund sources</p>	<p>Any other state fund source not listed in NORS Table 3.</p>
<p>Local funds – Local government</p>	<p>Example – appropriated county or city funds for social services/LTCO program.</p>

³Differences Between Public and Private Sources of Funding. Kent University. <http://literacy.kent.edu/Oasis/grants/publicVSprivate.html>

Fund Source	Definition and Examples
Private funds – foundation grants, etc.	<p>Example – The Community Foundation of Western NC (CFWNC) Black Mountain-Swannanoa Valley Endowment Fund seeks to inspire philanthropy and strengthen charitable organizations serving the Swannanoa Valley by making grants relating to health and wellness, education, cultural and natural resources, and people in need.</p> <p>Example – Council on Foundations. Every state has one or more community foundations. There may also be regional and local foundations.</p>
Other state funds expended at local level (not state level)	Example – state funds appropriated for specific counties, localities, or regional programs.
Other federal funds expended at local level (not state level)	Example – federal funds appropriated for specific counties, localities, or regional programs. Disaster Relief for communities impacted by federally declared disaster areas.
Other local funds	Other local funds not listed in NORS Table 3.

**ADDITIONAL RESOURCES:
Budget Terminology, Fiscal Management, and Program Funding**

Visit the NORC [website](#) for additional information about program funding, budget terminology, and fiscal management. Key resources and references include:

- [Long-Term Care Ombudsman Program Fiscal Policy & Guidance](#) (presentation by ACL)
- [State Allocation Tables: Title VII](#)
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (refer to [§75.2 Definitions](#) for budget terminology)

Example

The example provided is hypothetical. If a state has zero funds in a fund source, enter “0” (zero).

1. Funds Expended Example

Funds expended from Older Americans Act sources

• OAA Title VII – Chapter 2:	\$ 431, 812	
• OAA Title VII – Chapter 3:	\$ 2,000	
• OAA Title III – State level:	\$ 296,890	
• OAA Title III – AAA level:	\$1,343,321	
Additional Federal Sources:	\$23,202	<i>Victims of Crime Act Funds</i>
State Sources:	\$1,245,973	<i>State general funds</i>
Local Funds Expended:	\$12,000	<i>Local government</i>
All Funds expended		
Grand total dollars expended from all sources:	\$3,355,198	