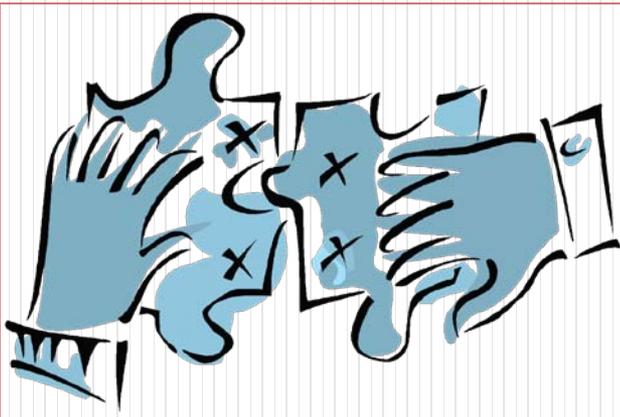


# FINANCIAL MANAGEMENT

**A SOUND INVESTMENT  
IN SUCCESSFUL  
VR OUTCOMES**

# Match and MOE Management

## THIRD-PARTY COOPERATIVE ARRANGEMENTS (TPCA)



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# Topics

TPCA as Match

Requirements

Considerations

Implementation of TPCA  
Requirements

Examples

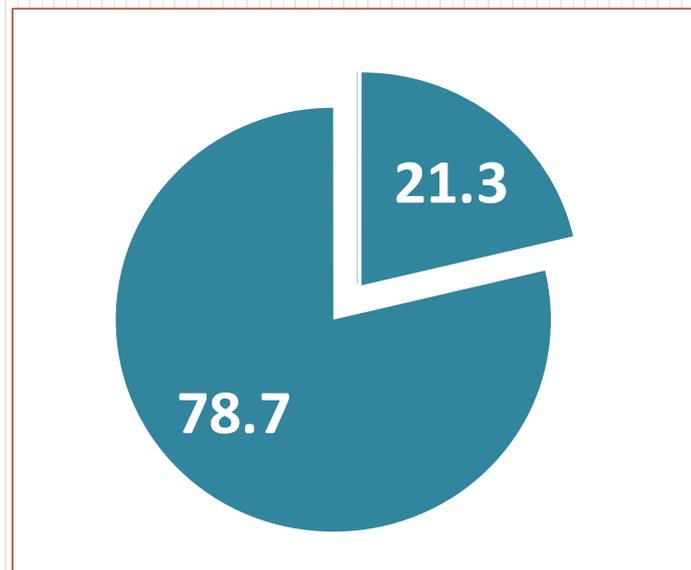
# Match

## State Vocational Rehabilitation Services Program

- Non- Federal:  
Minimum: 21.3 percent
- Federal:  
Maximum: 78.7 percent

34 CFR 361.60

34 CFR 80.24



## Match Sources in General:

- Political Subdivisions
- Donations
- Randolph-Sheppard Set-Aside funds
- Surface Transportation Act funds

## Match Sources in General:

- State Legislature
- Transfers from State Agencies
- Establishment Projects
- TPCAs

# Sources of Match Requirements

## 34 CFR 361.28

1. The cooperating agency must furnish all or part of the non-federal share...
2. New or modified services with a VR focus
3. Only available to applicants for, or recipients of, VR services
4. DSU must maintain administrative supervision...
5. State plan requirements apply!
6. Statewideness

# Requirement 1



The cooperating agency must furnish **all** or **part** of the non-Federal share...

- The designated State unit may enter into a third-party cooperative arrangement for providing or administering vocational rehabilitation services with another **State agency or a local public agency** that is furnishing **part or all of the non-Federal share**... 34 CFR 361.28(a)
- The cooperating agency must be a State or local public agency...



# Requirement 2

New or Modified Services with a VR Focus

- The services provided by the cooperating agency are not the customary or typical services provided by that agency but are **new** services that have a **vocational rehabilitation focus** or existing services that have been **modified, adapted, expanded, or reconfigured** to have a **vocational rehabilitation focus**.

34 CFR 361.28(a)(1)

# Requirement 2 (con't)

- Generally, the question of whether services are “new” or “modified, adapted, expanded, or reconfigured” may be difficult to discern. The services cannot be services that the cooperating agency is already providing or has the legal responsibility to provide.
- The services must have a VR focus.



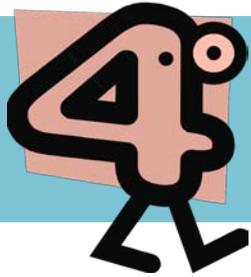
# Requirement 3

Only Available to Applicants for, or Recipients of, VR services

- The services provided by the cooperating agency are only available to **applicants** for, or **recipients** of, services from the designated State unit.

34 CFR 361.28(a)(2)

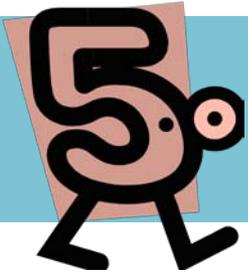
- It is important to look at **whom** the program will serve.
- Only applicants for, and individuals who are eligible for, VR services can participate.



# Requirement 4

DSU Must Maintain Administrative Supervision...

- Program **expenditures** and **staff** providing services under the cooperative arrangement are under the **administrative supervision** of the designated State unit. 34 CFR 361.28(a)(3)
- The DSU must maintain administrative supervision over both funds and staff.
- This does not mean that the staff has to be employees of the DSU.
- The DSU must maintain control of the non-delegable functions.



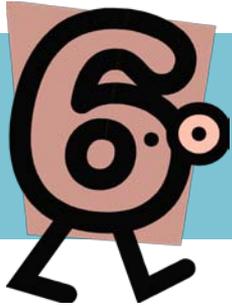
# Requirement 5

## State Plan Requirements Apply!

- All State plan requirements, including a State's order of selection, will apply to all services provided under the cooperative program.

34 CFR 361.28(a)(4)

- If an agency is on an order of selection, the third party cooperative arrangement program must also adhere to that order of selection for the individuals that it serves.



# Requirement 6

## Statewideness

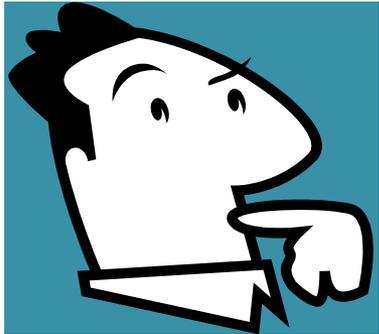
- If a third party cooperative agreement does not comply with the statewideness requirement in §361.25, the State unit must obtain a waiver of statewideness, in accordance with §361.26.

34 CFR 361.28(b)

# Requirement 6 (con't)

- The statewideness requirement set forth in 34 CFR 361.25 states, “The State plan must assure that services provided under the State plan will be **available** in **all** political subdivisions of the State, unless a waiver of statewideness is requested and approved in accordance with §361.26.”
- A waiver of statewideness is almost always required for the following types of cooperative arrangements:
  - with school districts to provide transition services; and
  - with a county developmental disability or mental health office.

# Considerations



- When reviewing sources of match, keep in mind programming must meet the needs of the consumers served.
- In addition, sources of match, including TPCA, must generally be used for prescribed purposes and/or to provide services to specific groups of individuals.

# Considerations (con't)



## Allowable Services for TPCAs:

- must meet the requirements at 34 CFR 361.28, identifying the provision of VR services; and
- 34 CFR 361.5(b)(58) defines VR services provided to an individual as those listed in 34 CFR 361.48

# Considerations (con't)



Differences between TPCAs and Inter-agency Transfers:

With Inter-agency Transfers –

- VR provides the VR services; and
- The public agency provides all cash.

# Implementation of TPCA Requirements

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EDGAR 34 CFR 80.20 Standards for financial management systems.

(a) “A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds.”

# Implementation of TPCA Requirements (con't)

EDGAR 34 CFR 80.20 Standards for financial management systems.

BUT... they must be sufficient to permit:

- preparation of reports; and
- tracing of funds to establish that they were not used in violation of restrictions and prohibitions of applicable statutes.

# Implementation of TPCA Requirements (con't)

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- Remember your Cost Principles (2 CFR Part 225).
- Agencies must be able to trace expenditures, ensuring the certified expenditures are allowable and allocable to the TPCA.

# Implementation of TPCA Requirements (con't)

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EDGAR 34 CFR 80 requirements:

80.40 “Grantees are responsible for managing the day-to-day operation of grant and subgrant supported activities... to assure compliance with applicable Federal requirements and that performance goals are being achieved.”

# Implementation of TPCA Requirements (con't)

## Contract Considerations:

- fiscal information – detailed budget (total non-Federal and Federal Shares);
- scope of services – list services and describe how they are new, modified and expanded;
- VR agency staff responsibilities— describe supervision and procedures for accountability (monitoring of on-site files, vouchers, payroll activity reports, and quarterly match reports); and
- performance goals- include performance measures to evaluate fiscal and program operations.

# EXAMPLES

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THIRD PARTY COOPERATIVE  
ARRANGEMENTS

# Example 1: Concerns



- Outreach services provided to VR consumers such as providing transition fairs or parent/student meetings do not have a VR focus, but are the usual or customary services provided to all students at the school, and are covered by the interagency agreement (34 CFR 361.28(a)(1)).
- As a result students who are not applicants for, or recipients of, VR services are receiving the same services as VR consumers (34 CFR 361.28(a)(2)).

## Example 2: Concerns



- Services provided to VR consumers are provided to students not in the VR program; therefore, they are the usual or customary services available to all students at the school (34 CFR 361.28(a)(1)).
- Even if services were new or modified with a VR focus, only half of the X program participants are applicants for, or recipients of, VR services (34 CFR 361.28(a)(2)). All participants under the arrangement must be applicants for, or recipients of, VR services

## Example 3: Concerns



- The Y program did not follow the VR agency's OOS as required by 34 CFR 361.28(a)(4). According to the cooperative agreement, the Y program curriculum was available to "all" students.
- The time sheets of Y program staff failed to demonstrate activities were traceable to the VR program as required by 34 CFR 80.20(a)(2), and thus chargeable to the third-party cooperative arrangement. Therefore, activities and expenditures cannot be traced to the VR program adequately enough to determine whether all requirements have been satisfied.

## Example 3: Concerns (con't)



- The Y program curriculum did not have a new or expanded VR focus as required by 34 CFR 361.28(a)(1), but focused on teaching students critical skills related to non-VR issues.
- The curriculum was not limited to individuals who were VR applicants or consumers as required by 34 CFR 361.28(a)(2). Instead, the third party cooperative agreements indicated that “all” students would be served through the Y program curriculum.
- The VR agency did not maintain administrative supervision of the expenditures or staff providing services pursuant to the Y program agreements, as required by 34 CFR 361.28(a)(3).

# For more information...

- Matching Requirements 34 CFR 361.60
- Matching and cost sharing 34 CFR 80.24
- Third-party cooperative arrangements involving funds from other public agencies 34 CFR 361.28
- Waiver of statewideness 34 CFR 361.26
- Scope of vocational rehabilitation services for individuals with disabilities 34 CFR 361.48
- Standards for financial management systems 34 CFR 80.20
- Monitoring and program performance 34 CFR 80.40
- Cost Principles 2 CFR Part 225
- RSA-TAC-11-02 Sources of Non-Federal Share for the Vocational Rehabilitation Program

# QUESTIONS?

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