



# Voluntary Contributions:

## What Senior Nutrition Program Professionals Need to Know



# Purpose and Background

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*The Older Americans Act (OAA) Title III, Section 330 states:*

*The purposes of this part are—*

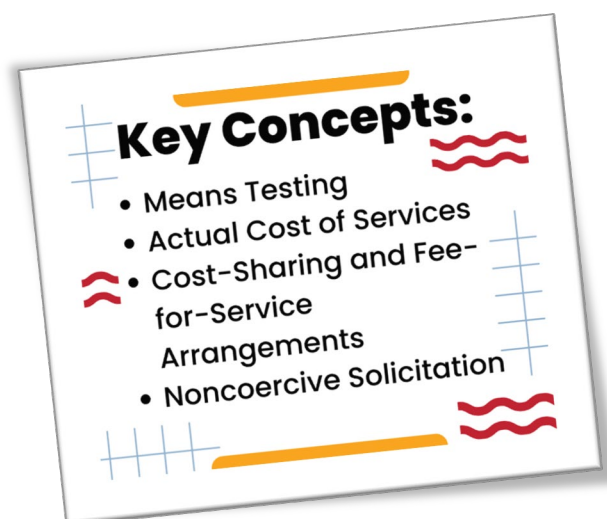
- (1) to reduce hunger, food insecurity, and malnutrition;*
- (2) to promote socialization of older individuals; and*
- (3) to promote the health and well-being of older individuals by assisting such individuals to gain access to nutrition and other disease prevention and health promotion services to delay the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior.*

The OAA authorizes nutrition services for eligible consumers, regardless of their ability or choice to contribute toward the cost of meals. Section 315 of the OAA explains that states, Area Agencies on Aging (AAA) and Local Service Providers (LSP) are strictly prohibited from implementing cost-sharing or means-testing for OAA nutrition services and from using coercive methods to solicit voluntary contributions. No eligible person may be denied services who does not contribute.

Section 315 of the OAA explains that AAAs and LSPs are required to ensure that each consumer receiving nutrition services is provided an opportunity to make voluntary contributions. Contributions may be monetary, and consumers may also choose to give of their time, making in-kind contributions in the form of volunteer services. Offering opportunities for consumers to contribute also promotes full participation, participant-centeredness, independence and dignity for consumers and AAAs and LSPs may sometimes refer to voluntary contributions as program income or donations. To put simply, OAA meals are not "free" meals, nor is there a set price for those who qualify for meals.

Section 315 also explains that AAAs and LSPs must use all collected contributions to expand the service for which the contributions were given and to supplement (not replace) other funding received under the OAA.

This resource discusses key concepts, general guidance, and required and prohibited acts related to voluntary contributions. Additionally, this resource is intended to help AAAs and LSPs identify best practices for managing and maximizing voluntary contributions. In developing policies and procedures in adherence to the OAA, consider roles and responsibilities when AAAs are direct providers of services (i.e., LSPs).



# Voluntary Contributions: Dos and Don'ts



## Don't: Conduct Means Testing for Nutrition Services

The OAA strictly prohibits AAAs and LSPs from establishing eligibility for participation based on income or financial means, or a consumer's ability to contribute. No consumer who is otherwise eligible may be denied services due to an inability or unwillingness to contribute.



## Don't: Implement Cost-Sharing for Title IIIC OAA Meals

Cost-sharing involves requiring a consumer to pay some portion of the cost for meals, typically using a sliding fee scale based on income. Section 315 of the OAA states that cost-sharing arrangements for meals are specifically prohibited when OAA funds are used. However, AAAs and LSPs have the flexibility to implement cost-sharing arrangements to expand services outside of OAA funding. AAAs and LSPs are encouraged to review this [Guide to Establishing a Fee-for-Service Private Pay System](#) to understand the difference between cost-sharing and fee-for-service private pay systems.



## Do: Implement a Diverse Funding Structure and Consider Including Non-OAA Meals

AAAs and LSPs should use the actual cost of nutrition

services to implement an effective funding structure that includes both Title IIIC OAA and non-OAA meals. Under a diverse funding structure, providers are equipped to pursue fee-for-service partnerships with health care entities or other community stakeholders, implement a fee-for-service private pay framework, or both.

Meals offered under philanthropic or other funding arrangements that are not publicly funded through the OAA are not subject to cost-sharing prohibitions; AAAs and LSPs may implement cost-sharing arrangements for these, assuming cost-sharing is not otherwise prohibited by the state or funding source. Such cost-sharing arrangements typically require the consumer to pay some portion of the cost for meals, using a sliding fee scale based on income. Comparatively, meals offered under private pay and fee-for-service arrangements typically require the consumer or their agent to pay the full cost of the meal.

It is also important to note that meals served under fee-for-service private pay, other fee-for-service and cost-sharing arrangements may not be counted for the purposes of receiving Nutrition Services Incentive Program (NSIP) funds.

These incentives are directly tied to the provision of nutrition services that comply with the OAA as explained in this [NSIP guidance](#) from the Administration for Community Living (ACL). Thus, making the distinction between cost-sharing and voluntary consumer contributions is crucial.

## Do: Regularly Analyze the Actual Cost of Services

Regular analysis is an essential practice for AAAs and LSPs for reasons relating to OAA compliance and basic business. The OAA directs area agencies on aging and AAAs and LSPs to:

1. Use all collected contributions to expand the service for which the contributions were given and to supplement (not replace) federal funding authorized under the Older Americans Act, and
2. Encourage contributions based on the actual cost of services.



Thus, AAAs and LSPs must regularly and accurately analyze the total cost of providing nutrition services. The resulting data should be used to set fee-for-service and contractual payment rates to ensure that federal funding does not replace other funding for nutrition services. Cost analysis is recommended at least annually; the total cost of providing services should also be reviewed and updated prior to entering or renewing agreements, setting fee-for-service rates, and as part of routine budgeting and monitoring procedures.

Once AAAs and LSPs have accurately assessed the actual cost of nutrition services, they are better equipped to successfully implement a diverse funding structure that includes both Title IIIC OAA and non-OAA meals. For information on determining the actual cost of nutrition services, including costs to be considered, start by reading [Identifying the Total Cost of a Meal](#) from the National Resource Center on Nutrition and Aging. Note that in-kind contributions, often in the form of volunteer time, should be included in the total cost of providing nutrition services.



## Don't: Use Voluntary Contributions to Expand a Different Service

Providers must use all collected contributions to expand the service for which the contributions were given. Contributions to congregate nutrition services are used to expand congregate services, while contributions to home delivered meal services are used to expand home delivered services.



## Do: Educate Consumers About Their Options

Providers should first inform OAA-eligible consumers regarding their eligibility to participate in contribution-based OAA services. If there is a waiting list for OAA services, or if the consumer needs additional nutrition services (e.g., extra meals, access to emergency food programs, eligibility for SNAP, etc.), providers should educate and refer consumers appropriately.

Contributions may also be described as donations, which can lead to inquiries from consumers about whether contributions qualify as tax deductions. Generally, contributions from which a consumer benefits are not tax-deductible unless the contribution exceeds the value of the benefit (in this case, the fair market value of the Title IIIC OAA meal). Consumers should be encouraged to consult their tax or financial professional, [publications](#) of the Internal Revenue Service and state and local tax agencies for guidance.



## Do: Ask for Contributions



AAAs are required to ensure that LSPs give each consumer an opportunity to make voluntary contributions. In fact, some older adults who stand to benefit from nutrition services might not be willing to accept a meal unless they can contribute. Remind consumers who are able to volunteer that volunteering is a much valued and appreciated contribution to the program.

AAAs and LSPs can use voluntary contributions messaging as an opportunity to educate consumers on the true value of these services and how the funds are used. The OAA directs service providers to use contributions for the service for which they were given. While these funds are often used to expand services to greater numbers of older adults in the form of more meals, they can also be used to expand service offerings that provide greater choice and flexibility for consumers. A few examples of expanded offerings might include weekend meals, breakfast and/or dinner options, choice menus, expanded culturally appropriate menus and restaurant partnerships.

Concept	What it means	How to apply it to contribution materials and practices
Relational	How people or things are connected	Include an image that reminds the donor that they are contributing to something that is important to the community
Reciprocal	Back and forth interaction	Include an image that reminds the donor that they are contributing to something that is important to them personally
Default	A passive, not active, decision, simply a part of the normal process	Place a donation box in the serving line, in a location that still protects privacy
Salience	Obvious, easy to access	Place donation envelopes alongside silverware
Anchoring	Providing a reference point, or "anchor"	Include the actual cost of a meal in contribution materials
Reference Dependence	Comparison to a reference point	Compare the cost to the cost of a typical restaurant meal
Cost Transparency	Disclosure of cost and funding	Describe how nutrition services are funded and how contributions are used to increase trust and buy-in

See this [Intervention Pack](#) for examples of messages soliciting contributions from dining sites, with explanations of how certain strategies influence contribution behaviors. These examples were gathered by the Office of Evaluation Sciences and ACL for a 2021 feasibility study [Increasing Voluntary Contributions at Congregate Meals Program Sites](#). This study aimed to identify effective strategies for soliciting contributions.

*This table summarizes behavioral insights explained in the Intervention Pack materials obtained through the Office of Evaluation Sciences and ACL 2021 Feasibility Study Increasing Voluntary Contributions at Congregate Meals Program Sites*

*Use the Voluntary Contributions Toolkit available from the Nutrition and Aging Resource Center for example posters, letters, policies and other materials.*

## Don't: Coerce Consumers into Contributing

AAAs and LSPs must also clearly inform each consumer that there is no obligation to contribute and that the contribution should be purely voluntary. General guidance in the OAA states that any solicitation of voluntary contributions must be noncoercive.

*What is coercive? Forcing, demanding, compelling or obliging consumers to contribute against their will are coercive acts. Examples of procedures that may be perceived as coercive may include:*



### What is coercive?

Forcing, demanding, compelling or obliging consumers to contribute against their will are coercive acts. Examples of procedures that may be perceived as coercive may include:

- Monitoring contribution containers in a way that demonstrates an expectation of contribution
- Making statements (verbal or written) that create a perception that one is being billed for a meal
- Making statements that imply or create a perception that the consumer or another individual may not receive a meal unless a consumer contributes

### What is NOT coercive?

- Inviting consumers to contribute in order to help the nutrition program expand services
- Issuing contribution statements, as long as they are clearly not "bills" or "invoices"
- Signage, table tents, letters or other communication suggesting a "recommended contribution" amount
- Informing consumers about the full cost of the meal

It is important to ensure that any messaging requesting voluntary contributions clarifies their voluntary nature. Some providers might refer to contributions as "donations" or include phrasing such as "this is not a bill" to help clarify expectations. It is helpful to point out that no eligible consumers will be denied nutrition services based on their ability or inability to contribute.

If ticket or voucher systems are used, instructions and other messaging must make it clear that consumer contributions are strictly voluntary, even if the consumer is unable or unwilling to contribute, and that tickets or vouchers are not being "purchased." Providers should be mindful of perceptions and ensure that contributions messaging does not create a perception that a consumer is being "billed" or is paying for nutrition services.

## Do: Ensure Privacy and Confidentiality

AAAs are required to ensure that LSPs protect the privacy and confidentiality of each recipient with respect to the recipient's contribution or lack of contribution. The OAA requires confidentiality, not anonymity, and private records may be kept. Contributions do not need to remain "anonymous." Thus, most LSPs use rosters or ledgers to track contributions; providers must ensure these recordkeeping measures protect the privacy of consumers making (or not making) a contribution. If the provider uses a deposit box for contributions, make sure the deposit box is in an area that is secured and protects privacy.



Keeping private information a secret



A person's identity is unknown



### Do: Safeguard and Account for Contributions

AAAs are required to ensure that LSPs establish appropriate procedures to safeguard and account for all contributions. Since contributions are often given in cash, they are especially vulnerable to mishandling. Contributions should be recorded after receipt, kept in a locked box or safe, and deposited as soon as possible. Designate separate individuals to prepare and audit deposits.

Establish accounting procedures to separate voluntary contributions from payer contributions. These procedures support AAAs and LSPs' ability to demonstrate how they use all collected contributions to expand the service for which the contributions were given and to supplement (not replace) other funding. Work closely with SUA fiscal experts regarding requirements for OAA budgeting, expenditures, drawdowns and otherwise accounting for contributions.



### Do: Consult Stakeholders

Section 315 of the OAA directs AAAs to consult with LSPs and consumers on the best methods for accepting voluntary contributions. AAAs and LSPs may choose to provide opportunity for consumers to make voluntary contributions at intake, daily, weekly, monthly, quarterly, or annually, depending on specific procedures used.



### Do: Request a Voluntary Contribution Amount

The OAA indicates that voluntary contributions should be encouraged for individuals with incomes at or above 185 percent of the poverty line. Some providers may use this information to establish a suggested contribution scale based on income, while other providers prefer to recommend a suggested contribution per meal across the board, or ask consumers to set their own contribution level as they are able.

## Maximizing Voluntary Contributions

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### Pro Tip #1: Create a Compelling Value Proposition to Boost Contributions

Innovative models such as café models and restaurant partnerships have been shown to dramatically increase contributions. AAAs and LSPs working to maximize contributions should use innovative models to deliver appealing nutrition services. AAAs and LSPs offering modern models such as “pop-up” cafes and local restaurant partnerships are a win-win. These modern models often increase access, choice and flexibility for consumers. Because services delivered this way are viewed as more valuable, consumers often increase the amount of their voluntary contributions. For example, the [Encore Cafe](#) reports 80 percent higher voluntary contributions per meal compared to traditional congregate meal services offered in the same geographical area. In [Dane County, Wisconsin](#), programs that utilize a restaurant model consistently see average contributions about one dollar higher than a traditional congregate meal site. Multiple programs in different geographic areas reported receiving contributions between \$4 and \$5 per meal when offering innovative models.



## ENCORE CAFÉ

### Encore Café Uses an Innovative Model to Maximize Contributions

*Tim Getty, Regional Nutrition Coordinator for Heritage Area Agency on Aging and the driving force behind the Encore Café model, shared, "The development of the Encore Café model... proved that consumers will participate and also contribute to a program that they feel has value and they gain benefit from. We were very surprised at the level of voluntary contributions on a regular basis."*

### Pro Tip #2: Educate Stakeholders

Increasing awareness of voluntary contributions may help reduce or eliminate the stigma surrounding senior nutrition services and the inaccurate perceptions that they are *only* for those of limited means. An opportunity to contribute may be the nudge some older adults need to help overcome inaccurate perceptions and participate fully in the benefits of senior nutrition services: access to nutritious meals, opportunities for socialization and healthier outcomes. Educate volunteers, families, partners and communities on the contribution-basis of nutrition services and how voluntary contributions are used to expand nutrition services. Educate stakeholders and consumers on the actual cost of a meal in voluntary contribution messaging and other materials.


### Pro Tip #3: Make It Easy for Consumers to Contribute and for Providers to Accept Contributions



AAAs and LSPs may receive contributions in the form of cash, check, credit or debit cards, SNAP (Supplemental Nutrition Assistance Program) benefits, or other ways, such as agreements to draft a monthly voluntary contribution directly from a consumer’s checking account. AAAs and LSPs should conduct a cost-benefit analysis on various methods of receiving contributions.

If consumers can only contribute via cash or checks, AAAs and LSPs may be turning away valuable contributions that can help expand services. Credit card processing fees may be part of the cost-benefit analysis in such a case. If AAAs and LSPs opt to pass along to consumers any credit card surcharges or convenience fees associated with accepting online or credit card payments, they must disclose these fees. Furthermore, some states do not allow retailers to pass along these fees at all; some states allow only government entities to do so. AAAs and LSPs must be informed about legal considerations when deciding whether and how to receive voluntary contributions via credit card.

Does the nutrition services provider accept credit cards and allow consumers to opt for a recurring monthly charge?



Is the program losing valuable contributions that could be made online or onsite with a credit card reader?



Some AAAs and LSPs who promote the option of contributing using SNAP benefits report that these contributions account for a meaningful portion of contributions received. Respondents to an informal survey of state units on aging describing activities of AAAs and LSPs in their states receiving SNAP benefits report using more paper vouchers instead of EBT. Overall, contributions via SNAP were not reported to be widely received. Since a key purpose of OAA nutrition services is the reduction of hunger and food insecurity, providers should encourage older adults to prioritize accessing the food they need with their SNAP benefits over using SNAP benefits for voluntary contributions. If participants are unable to access needed food because SNAP benefits are being used for voluntary contributions, then using SNAP benefits towards Title III C OAA meals may actually **reduce** food security for older adults. To accept SNAP benefits, organizations must [apply](#) to become a SNAP provider. More information about partnering with SNAP, Food Banks, and other federal programs found on [Partnerships with Foodbanks and Other United States Department of Agriculture \(USDA\) Programs](#).



**Don't increase food insecurity. If SNAP benefits are accepted for voluntary contributions, encourage older adults to prioritize accessing the food they need with their SNAP benefits over using SNAP benefits for voluntary contributions.**

Other common ways AAAs and LSPs make it easy for consumers to contribute during the pandemic and beyond:

- Self-addressed envelopes
- Placing lockboxes at grab-and-go or curbside events
- Offer voluntary contribution materials in large print and additional languages as appropriate for consumers served by the program



#### **Pro Tip #4: Conduct Research and Benchmarking to Establish Suggested Contribution Levels**

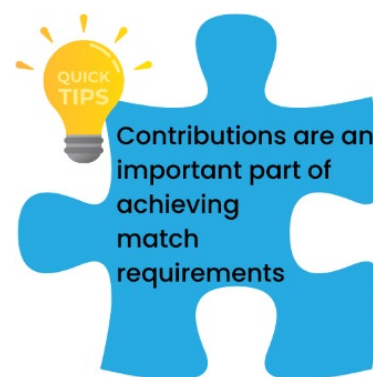
A [2015 Mathematica study](#) revealed that the average contribution recommended by local service providers for a congregate meal at that time was \$2.88 and the average recommended contribution for a home delivered meal was \$3.00. According to the [Consumer Price Index Inflation Calculator](#), \$3.00 in 2015 had the buying power of \$3.61 in January 2022, or a price index increase of 20 percent. The [Consumer Price Index for Food](#) reports in 2021 alone, food-away-from-home prices increased 4.5 percent.

AAAs and LSPs should regularly re-evaluate their costs, funding structure, and economic landscape in their service area; and adjust suggested contribution levels accordingly. Data available on the [ACL Aging, Independence and Disability \(AGID\) Program Data Portal](#) revealed that 44 percent of congregate meals funding nationwide came from program income (which includes voluntary contributions and other income sources) in 2019. Meals on Wheels America's 2018 [More Than a Meal Comprehensive Network Study](#) (*membership required to view*), surveyed mostly independent programs, including non-OAA programs. This survey revealed that while most Meals on Wheels America member programs do receive participant contributions, these often account for a small fraction of their budgets.

- Most (93 percent) programs receive participant contributions
- Few (8 percent) providers receive more than half of their funding from participant contributions
- About half (51 percent) of providers report that participant contributions account for less than 10 percent of their budget

## Pro Tip #5: Account for Financial and In-Kind Match to Achieve Match Requirements

Voluntary contributions (cash) and in-kind contributions should all be reported as sources of non-federal match. AAAs and LSPs should value non-cash in-kind donations, such as goods, volunteer services and property that are provided to support the program, to support the ability to meet or exceed match requirements.



## The Bottom Line

Nutrition services authorized by the OAA are not “free” and are not entitlement programs. They are not intended or funded at sufficient levels to reach every eligible person. AAAs and LSPs should use voluntary contributions messaging as opportunities to educate stakeholders and consumers on the true value of these services. Compelling value propositions that make nutrition services more appealing to consumers are a win-win. Messages should be crafted in such a way that they set reasonable expectations and promote dignity for older adults while also addressing the key purposes and requirements outlined in the OAA. Voluntary contributions are a meaningful source of funding and achieving match requirements – it is worth the time and effort to explore and implement effective practices to sustain and expand nutrition service programs.

## For More Information

[Older Americans Act of 1965 \[As Amended Through P.L. 116–131, Enacted March 25, 2020\]](#)

[Identifying the Total Cost of a Meal \(NRCNA\)](#)

[Nutrition Services Incentive Program \(NSIP\) of the Older Americans Act \(OAA\) Guidance \(ACL 2021\)](#)

[Area Agency on Aging Recognized for Innovation in Nutrition: Encore Café \(ACL 2019\)](#)

[Popular Dane County Senior Meal Program Expands Through Partnership with Festival Foods \(2018\)](#)

[Mathematica Policy Research: Process Evaluation of Older Americans Act Title III–C Nutrition Services Program \(2015\)](#)

[U.S. Bureau of Labor Statistics: CPI Inflation Calculator](#)

[Summary Findings: Food Price Outlook, 2022.](#)

[ACL Aging, Independence and Disability \(AGID\) Program Data Portal](#)

[OES Increasing Voluntary Contributions at Congregate Meals Program Sites 2021 Feasibility Study](#)

[The Title III–C Nutrition Services Program: Understanding Participants’ Monetary Contributions \(ACL Issue Brief 2020\)](#)

[Meals on Wheels America 2020 Fact Sheet: How Meals on Wheels is Funded](#)

[Guide to Establishing a Fee-For-Service Private Pay System \(NRCNA 2020\)](#)

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