

## PATH Funding Requirements

The PATH fiscal year begins on July 1, 2020 and ends on June 30, 2021. The Contractor is responsible to expend the full PATH and Veteran (MHBG), if applicable, funding by the end of the fiscal year, June 30, 2021.

The expenditure of PATH and MHBG Veteran funds requirements is governed by the following rules and must be reviewed for details not provided in this document.

- PATH Program Requirements
- Public Health Service Act, Title V, SAMHSA, Part C, PATH - <https://www.law.cornell.edu/uscode/text/42/290cc-21>
- 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)
- Audit Requirements for Federal Awards (HHS Grant Policy Statement) -
- G.S. 143C-6-23. State grant funds: administration; oversight and reporting requirements - [https://www.ncleg.net/enactedlegislation/statutes/html/bychapter/chapter\\_143c.html](https://www.ncleg.net/enactedlegislation/statutes/html/bychapter/chapter_143c.html)
- 09 NCAC Subchapter 03M – Uniform Administration of State Awards of Financial Assistance - <http://reports.oah.state.nc.us/ncac/title%2009%20-%20governor%20and%20lt.%20governor/chapter%2003%20-%20state%20budget%20and%20management/subchapter%203m/subchapter%203m%20rules.pdf>
- MHBG - Title 42 - The Public Health and Welfare Chapter 6A - Public Health Service Subchapter XVII - Block Grants Part B - <https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title42-chapter6A-subchapter17-partB&saved=%7CKHRpdGxIOjQyIHNIY3Rpb246MzAweC0yMSBIZGI0aW9uOnByZWxpbSkqT1lgKGdyYW51bGVpZDpVU0MtcHJlGltLXRpdGxINDlrc2VjdGlvbjMwMHgtMjEp%7CdHJIZXNvcnQ%3D%7C%7C0%7Cfalse%7Cprelim&edition=prelim>
- DHHS Travel Policy

The approved PATH and MHBG Veteran Budget Narratives describe the costs the Contractor will receive reimbursement. Cost not included in the narratives will not be reimbursed.

PATH and MHBG Veteran funding expenditures are considered allowable cost when meeting the following criteria:

1. Costs are not included as contributions for any other Federal award which includes Medicaid and Medicare.
2. Costs are verifiable from the Contractor's approved FSR.
3. Costs are necessary and reasonable for accomplishment of project or program objectives.

4. Costs are described in an approved PATH and MHBG Veteran Narrative.
5. Costs meet current fair market values.

### **Reasonable Cost**

A cost is considered reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent individual in the conduct of normal business. In determining reasonableness of a given cost, consideration must be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the proper and efficient performance of the PATH Program.
2. Costs are determined by such factors as: Sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the PATH Program.
3. Costs is based on market prices for comparable goods or services for the geographic area.
4. Each expenditure must have appropriate supportive documentation.
5. Whether the contractor significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the. (\*2 CFR, Part 200 Subpart E – Federal Award Cost Principles)

### **Documentation Requirements**

PATH and MHBG Veteran expenditures must have supportive documentation verifying the validity of the cost. Acceptable supportive documentation is listed below.

1. Original invoices only, fully explaining who, when, where, why, how much, etc. (Quotes, Statements, Pro-Forma invoices are not acceptable).
2. Original receipts which includes amount paid, date paid, a description of goods/services received, and verification cost was paid. Agency receipts or request for payment are will not be accepted.
3. Timesheets for salaries.
4. The receipts and invoices that are reconciled as the expenses Advances (for travel and workshops) are not expenses (Refer to Travel Section)
5. Costs identified in the Budget Narratives in “other” may not be expended unless the individual is enrolled in PATH and must be accurately documented in the Consumer Assistance Log except items approved for the purpose of engagement. Refer to the Consumer Assistance Log Instructions.
6. Required supportive documentation verifying costs listed as “other” is submitted with the Consumer Assistance Log.
7. All expenses using PATH and MHBG Veteran funds specific to an individual enrolled in PATH must be documented in the PATH service note.

### **PATH and MHBG Veteran Funds**

#### **Budget Narrative**

The Annual PATH application includes the Budget Narrative which describes the Contractor’s plan to expend PATH funding per each category and is approved by

Division and SAMHSA. The MHBG Budget Narrative describes the Contractor's plan to expend the funding per each category and is approved by Division. Each category line item documented on the Budget Narratives include specific detailed information describing the cost. The following categories are the allowable costs. A description of the allowable cost under each category is provided. Please note that SAMHSA or the Division may revise the allowable costs.

## **Categories**

### **Personnel:**

Salaries and wages of PATH and MHBG funded staff is listed per position. All positions are full-time staff. Contractors are recommended to consider the salary of these positions based on:

- Education and skill level
- PATH services are provided outside in wooded areas, etc., and in hot, cold and humid weather.

The Budget Narrative description provides the role and responsibilities per position. Refer to PATH Program Requirements for position requirements. The position titles are as follows:

- Team Leader
- QMHP Bachelor or Master
- Benefit Specialist
- Peer Specialist
- Veteran QMHP and/or Peer Specialist

The Financial Status Report (FSR) Tracking Log must document each staff position by position and name of staff. If position becomes vacant, the name of the new staff is added.

### **Fringe Benefits:**

The cost of benefits paid by the PATH Provider to their employees as compensation in addition to regular salaries and wages. Fringe benefits include the cost of employer's share of FICA, health insurance, workers' compensation, and costs of leave (vacation, family-related, sick or military). The costs of fringe benefits are allowable provided that the benefits are reasonable and required by law or the provider agency policies. The fringe benefits are listed per position. The Budget Narrative description includes the specific benefits paid and how the cost is determined.

The Financial Status Report (FSR) Tracking Log must document each staff position by position and name of staff. If position becomes vacant, the name of the new staff is added.

### **Travel:**

DHHS and SAMHSA travel rules and requirements govern the use of PATH and MHBG funds. Costs incurred by the PATH/MHBG funded staff for travel, including costs of lodging, meals, travel and incidental expenses, must be considered reasonable and

otherwise allowable only to the extent such costs do not exceed charges normally allowed by the Contractor's in its regular operations as the result of the Contractor's written travel policy and meet state travel requirements. Travel costs must not exceed the Travel Subsistence Rates. Transportation, lodging, subsistence, and related items incurred by PATH/MHBG Veteran funded staff who are in travel status on official business related to the PATH Program as described in the PATH/MHBG Budget per line item.

- Community travel accrued by PATH/MHBG Veteran funded staff for the sole purpose of the implementation of the PATH Program services. Mileage Log must be submitted describing costs. The actual costs are reported monthly with supportive documentation
- Registration fees for training identified in the PATH Program Requirements. Training will not be reimbursed for training unrelated to the PATH Program. Budget Narratives description indicated the type of training such as the required training and other EBP training.
- Training request form is to be submitted **prior** to date of training. (refer to Training Request Document).
- Conferences and Meetings is a line item. The Budget narrative description includes Annual PATH Program State Meeting and one national conference – preferable the NAEH winter of summer conference. Out of state conferences must be approved prior to registration for the conference. The Training Request Form and the conference agenda are submitted for approval. Travel costs outside of the approved training request are not reimbursable as well as travel costs for the convenience of staff.

Each PATH/MHBG Veteran staff is responsible for his or her own request for reimbursement. The DHHS Travel Policy and Travel at a Glance describes the allowable travel costs and must be reviewed by the Contractor as the following conference receipts provide some of the requirements.

- Registration:  
A copy of the registration confirmation receipt is submitted which indicates the name and date of the conference, name of the PATH/MHBG funded staff and amount paid.
- Travel mileage:  
PATH/MHBG Veteran staff should use the least expensive form of transportation to/from airports. The travel reimbursement calculations must involve the starting address of the employee's regularly assigned duty station or home, **whichever is less**, to and from the airport, in order to receive approved reimbursement. Refer to DHHS Travel Policy.

- Travel during conference  
The actual cost of taxi, car service, or mobile phone-ordered car service, or Airport Shuttle service are reimbursable when required for travel on official state business. The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.
- Hotel receipt:  
Only costs from a commercial lodging establishment during the conference dates is reimbursed. The receipt includes the name and address of the hotel, specific dates of lodging with the cost of the room and taxes listed per day. The name of the PATH/MHBG Veteran funded staff is documented on the receipt. The receipt must show the zero balance indicate the lodging was paid for. If payment is for 2 PATH/MHBG funded staff, this is indicated on the receipt with the total cost per staff. If the room is shared between a PATH/MHBG Veteran funded position and a non-PATH Program funded staff, indicated the cost of the PATH/MHBG Veteran funded staff. If the non-PATH Program staff shared the room is identified on the PATH Match, clear documentation is included on the hotel receipt. **Hotel cost prepaid prior to the date of the conference or training will not be reimbursed.**
- Meals:  
Meals during travel are an allowable cost. The Travel at a Glance document indicates the allowable travel costs. Meal receipts must be submitted with the FSR supportive documentation. Receipts must be clear, readable and must include the following:
  - Name and address of restaurant
  - Date and time
  - Items ordered with cost
  - Subtotal, tax and tip
  - Documentation on receipt indicating the meal was paid for.
- Airfare:  
Out-of-state travel should be made as soon as possible to ensure obtaining the lowest airfare possible. PATH/MHBG Veteran Staff making travel reservations should carefully review all travel confirmations to ensure that all dates, times, flights, etc. are correct so that any corrections can be made timely to avoid additional charges/penalties. Any additional charges incurred for failure to check travel documents will be the employee's responsibility. Any changes to depart or return dates made for staff pleasure will be the responsibility of PATH/MHBG Veteran staff.

**Equipment:**

Office equipment and furnishings, modular offices, telephone networks, computers, cell phones, printer, copy machine, fax machines. Equipment shared with non-PATH Program staff is allowable under the following conditions:

- Description of equipment to be shared and how the portion of cost associated with the PATH Program is determine.
- Supportive documentation describes the total cost for the equipment and the portion expended by PATH/MHBG Veteran funded staff.

The Contractor must maintain equipment records to be made available during federal or State reviews that include the following data:

- Description of equipment;
- Identification number;
- Funding source;
- Title holder;
- Acquisition date;
- Location, condition and last inventory date; and
- Acquisition cost.

In the event the item is disposed of, record the ultimate disposition date, including date of disposal and sale price or current fair market value, including method used to determine the value.

Equipment cannot be leased if the cost of leasing or renting the equipment exceeds the cost of purchasing the equipment over the life of the grant. Copies of lease or rental agreements should be kept on file and made available during federal or State reviews. A description of the activity or product should be provided as well as the unit cost for the service.

The actual blue-book cost of a donated car is allowable with supportive documentation if only the PATH/MHBG Veteran staff use the vehicle for travel. Reasonable costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Gas costs require a receipt and signature of the PATH/MHBG Veteran staff attesting the cost is for the donated car.

**Supplies:**

Supplies refers to consumable materials, items costing less than \$5,000 per unit, and goods such as copy paper, pens and pencils necessary to implement the PATH Program. Only materials and supplies used for the performance of the award are allowable. Publication and printing costs are allowable if identified with a specific cost objective and may include the costs of printing, distribution, promotion, mailing, and general handling. The cost is the actual prices after deducting all cash discounts, trade discounts, rebates, or allowances. Shipping and delivery are a normal part of the cost of supplies. Mailing cost for contract of Financial Status Report is allowable

**Other:**

Costs listed under "Other" are identified as either Consumer Assistance or Program Support.

**Program Support:**

Program assistance are costs that are necessary to support the PATH Program such as:

- NCHMIS license for PATH funded staff.
- Utilities for office space. Costs incurred for necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Contractor submit a description explaining the percentage of agency cost associate with PATH staff.
- The cost for office space provided for PATH staff is allowable. The following procedure is used to determine the cost of office space:
  - Submit the value of the building from an independent appraiser
  - The total value is divided by the building total square feet to calculate the cost per square feet
  - Provide the floor plan showing the PATH space and the total square feet.
  - The PATH total square feet X the cost per square feet = the total cost for the PATH space.
  - **The supportive documentation is submitted each fiscal year with the July FSR.**
- Office parking fees.

**Consumer Assistance:**

Consumer assistance are cost that support the individual enrolled in PATH. The following list includes examples of allowable costs using PATH funds. It is the responsibility of the PATH provider to submit a request for a Budget revision to the DMHDDSAS PATH Program Managers for approval prior to submitting a cost not documented in PATH Budget Narrative. (refer to Revisions of PATH Budget Narrative)

- Vital Records to assist with applying for benefits such as medical records, birth certificate, identification card.
- Bus passes.
- Psychiatric Medication co-pays.

**Housing Assistance:**

- Rent or utility security deposits.

**Indirect Costs:**

Administrative and clerical services that are integral to the implementation of the PATH Program. Refer to Code of Federal Regulations Title 45, Subtitle A, Subchapter A, Part 75 Public Welfare [http://www.ecfr.gov/cgi-bin/text-idx?SID=798dd3d541e0ec1b0bd3235368413729&mc=true&tpl=/ecfrbrowse/Title45/45cfr75\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?SID=798dd3d541e0ec1b0bd3235368413729&mc=true&tpl=/ecfrbrowse/Title45/45cfr75_main_02.tpl)

**PATH funds may not be expended for the following:**

- To support emergency shelters;
- To pay ongoing rent costs;
- For inpatient psychiatric treatment;
- For inpatient substance abuse treatment;
- Behavioral health outpatient treatment;
- To make cash payments to intended recipients of mental health or substance abuse services;
- To pay for the purchase or construction of any building or structure to house PATH program staff;
- For lease arrangements in association with the proposed project utilizing PATH funds may not be funded by PATH beyond the project period nor may the portion of the space leased with PATH funds be used for purposes not supported by the grant;
- To purchase food, groceries or a meal/restaurant coupons or any other gift cards;
- To purchase items for the PATH Program Offices such as paper plates, paper cups, coffee filters, water or plastic utensils to PATH staff, agency staff or individuals enrolled in PATH.
- Certain types of Advertising & Publicity that solely promote NGO – related:
  - Fund-raising events;
  - Promotional items, for example, gifts and souvenirs;
  - Activities to solely promote the organization.
- Alcoholic beverages.
- Bad debts (including losses from uncollected accounts/claims).
- Contingency and provisions made for events – the occurrence of which cannot be foretold.
- Entertainment costs – amusement, social activities, and costs directly associated with them (for example, tickets to shows/sports events, meals, lodging).
- Fines and Penalties – resulting from failure to comply with laws and regulations (for example, late payment of income taxes, social insurance, etc.).
- Interest on borrowed capital.
- Organization costs such as fees for in-country registration.
- Selling and Marketing Costs.

**MHBG Veteran Funds may not be expended for the following:**

- MHBG funds may not be used to pay for housing supports such as Utility Deposits, Move-in costs or Items such as furniture, kitchen, bathroom or bedroom
- Bus passes
- Items for outreach such as bottled water, hygiene products.

**Revision of Budget Narrative:**

The Budget Narrative is approved by the Division PATH Program Managers and SAMHSA PATH Project Officer. Contractors are required to request prior approval from

the Division and SAMHSA for any amendments to the executed Contract Budget Narrative per these requirements:

1. PATH Provider submits a written request to the DMHDDSAS.
  - a. Specific Budget Line Item(s);
  - b. The amount to be amended;
  - c. Reason for the requested amendment; and
  - d. Any recourse the amendment will have on the implementation of the PATH Program or services to individuals enrolled in PATH.

The PATH Program Managers will review the request and submit the decision in writing to the Contractor. Once approved, the Contractor must submit the Amended Budget Narrative and the Contract Amendment will be made. The Contractor is responsible to sign and return the Amended Contract. The amended costs will not be effective until the Amended Contract is executed.