

## PATH Match Requirements

The Contractor is responsible to fulfill the PATH Federal matching funds requirement minimally of \$1 match for each \$3 PATH Funds. The local Match is met through non-federal contributions and may be cash or In-Kind to support the PATH Program and/or the individuals enrolled in PATH. There is no match requirement for MHBG/Veteran funds and costs identified in the MHBG/Veteran Budget Narrative is not used to meet Match. **Costs provided by the Federal Government or services assisted or subsidized to any significant extent by the Federal Government, shall not be included when determining the amount of such non-federal contributions.** The PATH Program is governed by Code of Federal Requirements – Title 45, Subtitle A, Subchapter A, Part 75 – full text available at <http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75&rgn=div5> and should be reviewed by the Contractor for additional details not provided in this document.

Budget estimates (estimates determined before the service is performed) do not qualify as support for charges to award.

PATH Match is met through cash or In-Kind cost and are considered allowable cost when meeting the following criteria:

1. Costs are not included as contributions for any other Federal award.
2. Costs are verifiable from the Contractor's records.
3. Costs are necessary and reasonable for accomplishment of project or program objectives.
4. Costs are described in the Match Narrative
5. Costs meet current fair market values.
6. Third-party organizations my donation items such as equipment, office supplies, office space. The value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.
  - The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
  - The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality. The following procedure is used to determine the cost doe 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 value of loaned equipment must not exceed its fair rental value.

- For third-party In-Kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the Contractor agency.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent individual under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

(b) The restraints or requirements imposed 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 Federal award.

(c) Market prices for comparable goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost. (45 CFR Part 75.404)

## **Documentation Requirements**

All cash or In-Kind costs described in the Match Narrative shall 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. (Quotations, Statements, Pro-Forma invoices not acceptable).
2. Original receipts only including amount paid, date paid, and a description of goods/services received
3. Timesheets for salaries.
4. The receipts and invoices that are reconciled are the expenses Advances for conference registration and air fare. No other cost is allowed prior to training, meeting, conference.
5. Costs identified in the Match Narrative in the "other" category shall be accurately documented in the Consumer Assistance Log. (Refer to the Instruction tab.)
6. All expenses to meet the match requirements specific to an individual enrolled in PATH shall be documented in the PATH service note.
7. Donated items to assist with assertive outreach and shall be tracked as follows:
  - Written list of all items to be used for outreach/engagement with the cost or purchase or fair-market value of donated items shall be submitted to the PATH Program Manager with the July FSR.
  - Documentation to track items used for outreach is documented on the Consumer Assistance Log under Match using the name or identifier of the individual receiving outreach.

## **Match Budget Narrative**

The annual PATH application includes the Match Narrative which describes the cost the Contractor will use to meet the match requirement.

### **Personnel:**

The use of non-PATH staff salary for match is limited to those individuals whose work directly supports the PATH program. Non-PATH staff whose services are billable to Medicaid/Medicare are not allowable match costs.

Salaries and wages of employees used in meeting matching requirements must be supported in the same manner as salaries and wages claimed for reimbursement from the PATH Funding and meet the following criteria:

1. Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
2. Is considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the provider agency;
3. Support the distribution of the employee's salary or wages among specific activities or cost objectives specific to the PATH Program;
4. Charges to awards for salaries (both direct & indirect costs) will be based on documented payroll and non-PATH Activity Reports approved by responsible official of the organization. Timesheets must be an after-the-fact determination of actual activity for each employee.

**PATH Match Narrative - Personnel** is used to calculate In-Kind cost and is submitted with the Match Narrative. (Refer to the document directions). The **Non-PATH Activity Log** is completed by each identified non-PATH staff as Supportive Documentation, describes specific activity to support the PATH Program and specifically how activity is directly related to the PATH Program

### **Fringe Benefits:**

The cost of benefits paid by the Contractor 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.

**PATH Match Narrative – Fringe Benefits** is used to calculate In-Kind cost and is submitted with the Match Narrative. (Refer to the document directions) The fringe amount calculated for the time spent performing activity is documented on the **Non-PATH Activity Log**. Non-PATH Activity Log must show the cost per unit and must be consistent with the PATH Match Narrative – Fringe Benefits

### **Travel:**

Expenses for:

- Transportation, lodging, subsistence, and related items incurred by non-PATH funded staff identified in PATH Match Narrative - Personnel who are attending Conferences or Meetings on official business related to the PATH Program. Costs incurred by the staff for travel, including costs of lodging, other subsistence, 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 in its regular operations as the result of the provider's written travel policy and meet state travel requirements.
- Registration fees for training.
- The actual costs are reported monthly with supportive documentation.

**Equipment:**

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

- Description of equipment to be shared and the formula used to determine the portion of cost associated with the PATH Program.
- Supportive documentation describes the total cost for the equipment and the portion expended by PATH funded staff.

The Contractor shall 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 the PATH funded 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.

**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.

**Other:**

Costs listed under "Other" are identified as Program Support, Consumer Assistance and Housing.

Program Support:

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

- Reasonable cost for rent and 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.
- Insurances

Consumer Assistance

Non-cash match supports the allowable efforts of the PATH program. Consumer assistance in the form of in-kind donations can be used as match only for allowable services for **individuals enrolled in PATH**. Some common sources for non-cash match include the following (all paid for by non-federal sources):

- In-kind donations (e.g., merchandise from stores, volunteer time, food banks)
- SOAR programs providing services through local agencies funded by foundations, private donors, or businesses
- Services (e.g., haircuts, resume assistance)
- Bags of groceries donated or purchased
- Survival supplies such as blankets, sleeping bags, or tarps
- Clothing such as pants, tops, jackets, and shoes
- Hygiene items such as soap, toothpaste, toothbrushes, and shampoo
- Non-perishable food items such as canned meat, vegetables, fruit, or soup; bottled water; and Gatorade
- Documentation to assist with applying for benefits (e.g., medical records, birth certificate, identification card)
- Bus passes (not discounts)
- Psychiatric medication co-pays
- Rent and 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

- Copays for medical office visits for medical conditions
- Prescribed eyeglasses

#### Cost for outreach and engagement

- Items to use for outreach and engagement to people who potentially meet PATH eligibility (e.g., bottled water, healthy snacks, mittens, hygiene kits (minimal cost), a tent, a blanket)

#### Housing

- Essential Items to necessary to assist an individual enrolled in PATH to move into an apartment such as, kitchen - pots, pans, dishes; bedroom - mattress, bedding; bathroom – towels - Items are not listed separately on the Consumer Assistance Log. Furniture for individuals moved into permanent housing such as bed, table, couch or chair. **The required documentation is a receipt with the individual's name, apartment address, company delivering the items, listing all the items delivered to the individual, and signed by the individual enrolled in PATH. The PATH staff are required to obtain the signature from the individual receiving the items which includes explaining their signature verifies they received all items listed on the document. If the individual refuses to sign, this is documented on a Service Note and the documentation of the items received.** Items purchased are expected to be cost efficient and reasonable.
- Utility security deposits.
- One-time Rent and rent security deposits

#### Assigning Valuation to Non-Cash Match

- The value assigned to donated supplies, equipment, and goods must be reasonable and cannot exceed fair market value (FMV) of the supplies or equipment at the time of donation.
- The value of loaned equipment cannot exceed fair rental value.
- Rates for donated services must be consistent with those paid for similar work in the organization. When the required skills are not found in the provider's organization, rates must be consistent with those paid for similar work in the labor market. Only the amount consistent with the function performed is allowable. For example, if a doctor serves as a receptionist, only the amount that would be paid for a receptionist is allowable as a contribution to match.
- Fringe benefits consistent with those that would be paid by the employing organization that are reasonable, allowable, and allocable may be included in the valuation.

#### **Unallowable costs to meet Match:**

- 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.

**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)

**Revision of Match Narrative:**

The Match Narrative is approved by the Division PATH Program Managers and SAMHSA PATH Project Officer. Contractors are required to request prior approval from the Division for any amendments to the executed Contract Match Narrative per these requirements:

1. Contractor 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 shall submit the amended Budget Narrative and the amendment to the Contract will be made.