

PATH Funding Requirements

The PATH Provider is responsible to expend the full PATH allocation by the end of the fiscal year, July 30, 2018.

The use of PATH funds and the Match requirements are governed by the following:

- Public Health Service Act, Title V, SAMHSA, Part C, PATH
- Code of Federal Regulation (CFR) – 200, Title 45, Part 75
(Refer to http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr75_main_02.tpl)
- Requirements for use of PATH Funds (Refer to Attachment J)
- Requirements for Match (Refer to Attachment K)

N. C. Administrative Code at 09 NCAC 03M.0201. (Note: Pending the change in reference from OMB Circular A-87 to 2 CFR, Part 200 Subpart E – Cost Principles.)

PATH funding expenditures 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 PATH Provider's records.
3. Costs are necessary and reasonable for accomplishment of project or program objectives.
4. Costs are described in an approved PATH Budget Narrative.
5. Costs meet current fair market values.

A cost is considered reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person 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 are based on market prices for comparable goods or services for the geographic area.
4. Each expenditure must have appropriate supportive documentation.

Documentation Requirements

PATH expenditures 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. (Quotes, Statements, Pro-Forma invoices are not acceptable).
2. Original receipts only which including amount paid, date paid, and a description of goods/services received.
3. Timesheets for salaries.
4. The receipts and invoices that are reconciled as the expenses Advances (for travel and workshops) are not expenses.
5. Costs identified in the PATH Budget Narrative in the "other" may not be expended unless the individual is enrolled in PATH except items identified for "engagement" and shall be accurately documented in the Consumer Assistance Log to include:
 - Date the expense was made;
 - Name of the PATH enrolled person;
 - Purpose of use of funds;
 - Name of the organization, business, agency, company, etc., where expense was paid for;
 - Amount paid using PATH funds.
6. All expenses using PATH funds specific to a person enrolled in PATH shall be documented in the PATH service note.

Budget Narrative

The annual PATH application includes the Budget Narrative which describes the providers plan to expend PATH funding per each category and is approved by DMHDDSAS and SAMHSA. Only these costed are reimbursed to the PATH Provider. Under no conditions shall payments be made for expenses not identified in the Budget Narrative. The following categories are the allowable costs. Under each category, document the specific line item to be expended.

For example: Category **Travel:**

Mileage reimbursement for PATH Staff	\$2,000
National Homeless conference registration, lodging, and meals	\$1,000
Gas for agency vehicles	\$1,000
Registration for training in EBP – Motivational Interviewing, Trauma Informed Care	\$500
Total Travel: \$4,500	

Categories

Personnel:

Salaries and wages of PATH funded staff is listed per position. PATH Providers 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 challenges facing PATH staff in outreaching to individuals living in the streets with untreated serious mental illness.

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.

Travel:

Expenses for:

- Transportation, lodging, subsistence, and related items incurred by PATH funded staff who are in travel status on official business related to the PATH Program. Costs incurred by the PATH funded 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 PATH provider in its regular operations as the result of the provider's written travel policy and meet state travel requirements.
- Registration fees for training.
- Mileage accrued by PATH funded staff for the sole purpose of the implementation of the PATH Program.
- Cost of gas for cars specifically assigned to PATH funded staff.
- 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 PATH Provider 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. 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 actually used for the performance of the award are allowable. Publication and printing costs are allowable if identified with a particular 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 either Consumer Assistance or Program Support.

Consumer Assistance:

Consumer assistance are cost that support the person 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)

- Rent or utility security deposits.
- One-time rent to prevent eviction.
- Documentation to assist with applying for benefits such as medical records, birth certificate, identification card.
- Bus passes.
- Medication.

Program Support:

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

- NCHMIS license for PATH funded staff.
- 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.
- Office parking fees.

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-](http://www.ecfr.gov/cgi-bin/text-idx?SID=798dd3d541e0ec1b0bd3235368413729&mc=true&tpl=/ecfrbrowse/Title45/45cfr75_main_02.tpl)

[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)

Unallowable costs:

1. Purchase of food, clothing, furniture or hygiene items.
2. 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.
3. Alcoholic beverages.
4. Bad debts (including losses from uncollected accounts/claims).
5. Contingency and provisions made for events – the occurrence of which cannot be foretold.
6. Entertainment costs – amusement, social activities, and costs directly associated with them (for example, tickets to shows/sports events, meals, lodging).
7. Fines and Penalties – resulting from failure to comply with laws and regulations (for example, late payment of income taxes, social insurance, etc.).
8. Interest on borrowed capital.
9. Organization costs such as fees for in-country registration.
10. Selling and Marketing Costs.
11. Purchased meals for individuals enrolled in PATH such as coupons or paying for the meal.
12. Support to shelters to include cost of shelter bed for the use of individuals enrolled in PATH.
13. Back rent or utility bills.
14. Monthly rent or utility bill for persons enrolled in PATH. (Refer to one-time rent to prevent eviction.)

Revision of Budget Narrative:

The Budget Narrative is approved by the Division PATH Program Managers and SAMHSA PATH Project Officer. PATH Providers are required to request prior approval from the Division and SAMHSA for any revisions to the approved Budget Narrative per these requirements:

1. Any revisions within a line item category are approved by the Division PATH Program Managers. The PATH Provider submits a written request to the DMHDDSAS. The PATH Program Managers will review the request and submit the decision in writing to the PATH Provider. The revision request includes:
 - a. Specific Match Line Item;
 - b. The amount to be revised;
 - c. Reason for the requested revision; and
 - d. Any recourse the revision will have on the implementation of the PATH Program or services to persons enrolled in PATH.
2. Any revisions between two line item categories are approved by the Division PATH Project Managers and SAMHSA PATH Project Officer. The PATH Provider submits a written request to the Division PATH Program Managers. If approved, the request is submitted to the SAMHSA PATH Project Officer for approval. The request includes:
 - a. The two categories to be revised;
 - b. The specific revisions to each category;
 - c. The reason for the requested revision; and
 - d. Any recourse the revision will have on the implementation of the PATH Program or services to persons enrolled in PATH.