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DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

BUREAU OF BEHAVIORAL HEALTH WELLNESS AND PREVENTION

Management Oversight Team

Management Memorandum 16-004

**DATE:** June 30, 2016  
**TO:** Current and Eligible Subrecipients, Contractors and State Agencies  
**FROM:** Kyle Devine, Interim Bureau Chief   
**SUBJECT:** Incentives Policy

**POLICY**

In accordance with guidance from the federal Substance Abuse and Mental Health Services Agency (SAMHSA), the State of Nevada, Department of Health and Human Services, Division of Public and Behavioral Health, Behavioral Health Prevention and Treatment (BHPT) program is issuing Incentive policy effective July 1, 2016.

The purpose of this policy is to provide guidance to the BHPT program funded sub-grantees and their sub-recipients. BHPT funds many agencies and non-profit organizations (sub-grantees) that have the responsibility of providing services and/or passing through funding for local substance abuse prevention activities, initiatives and programs.

The BHPT program policy and SAMHSA guidance will allow incentives to be funded by some of its federal grants and state funding in support of the BHPT programs.

Incentives are unallowable costs for Community Mental Health Services (CMHS) Block Grant and the Projects for Assistance in Transition from Homelessness (PATH) grants.

- An “incentive” is defined as something that motivates an individual to perform an action, encourages a person to do something, or to work harder, or is something that incites or tends to incite to action, or is offered as a reward for increased productivity or personal contribution/participation.

Allowable incentives must meet the following criteria to be an approved expense by the BHPT program.

- Incentives should be **necessary** to meet the programmatic and evaluation goals of the grant.
  - To determine whether or not an incentive is **necessary** to the programmatic and evaluation goals of the grant, the following question needs to be asked;
    - **Can the project objectives and goals be met without the incentives?**
- Incentives must be fully utilized, for their intended purpose, within the same project period (sub-grant period) that they were purchased.
- Incentives will **never** exceed more than a \$30 per person cost.
- Incentives will **never** exceed more than 1% of the sub-grant total.
- The purchase of any incentives must be pre-approved by the by SAMHSA Project Officer to determine if the value and type of incentives are reasonable, allowable, and allocable to the project(s) being performed.
- The Sub-grantee must submit to the BHPT, on formal organizational letterhead, a detailed outline of the incentives being requested, for which event (should tie directly to an approved scope of work deliverable), the cost and provide justification that incentives do not provide an “undue inducement” that removes the voluntary nature of participation of the project or event.
- Incentives must be tracked by the program that is disturbing them.
  - Tracking needs to include at a minimum;
    - Identify the total costs of the incentives being tracked.
    - A declining balance of the incentives as they are distributed.
    - A unique identifying number for the incentive.
    - The cost, per item.
    - To whom the incentive was provided.
    - The date the incentive was issued or provided.
    - The reason or purpose the incentive was provided.
    - A signature of the staff member that issued the incentive.
    - Demonstrate full utilization of the incentives that were purchased within the same project period (sub-grant period) that they were purchased.

Types of allowable incentives include but are not limited to the following:

- Nutritional Food and drink (non-alcoholic)
- Coupons
- Movie Passes
- Discounts at Local Businesses
- Awards

- T-shirts/clothing

Types of unallowable incentives generally include but are not limited to the following:

- Cash
- Gift cards (Gift card requests will be determined on a case by case situation).
- Gas Cards
- Grocery Cards

Cash incentives of any kind that can be used for the purchase of tobacco, tobacco products, alcohol, alcohol products are **not** allowed.

### **Incentives that may be deemed questionable:**

It is the responsibility of the sub-grantee or sub-recipient to ensure that all incentive purchases are preapproved.

The approval process will always require a written decision from the federal project officer before the item could be allowed or purchased.

If a sub-grantee or sub-recipient does not have prior approval for any incentives purchased and identified on their monthly reimbursement requests will be denied.

If unallowable costs are identified through RFR, financial desk reviews or onsite monitors, the sub-grantee and/or sub-recipient will be required to repay BHPT in accordance to federal regulation **§200.410 Collection of unallowable costs.** *"Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise."*

All sub-grantee and sub-recipient activities and projects are required to comply with all federal and state funding laws and regulations. BHPT will monitor sub-grantees and sub-recipients for compliance on an ongoing basis. Failure to meet any condition listed within this policy or sub-grant award may result in withholding reimbursement payments, disqualification of future funding, and/or termination of current funding.

If you have any questions please do not hesitate to contact the Management Oversight Team directly at (775) 684-2220, [MOT\\_MM@health.NV.GOV](mailto:MOT_MM@health.NV.GOV) or visit the Management Oversight Team webpage at <http://dpbh.nv.gov/Programs/ClinicalSAPTA/dta/Partners/MOT/>.