Updated August 5, 2020

1. Will DHCS be able accommodate 5th quarter claims for SABG?

No, DHCS cannot accommodate 5th quarter claims for SABG. SABG allocations and expenditures are based on the four quarters of the State Fiscal Year (SFY).

2. What year does the reversion of funds start after Q4 invoices have been submitted?

The reversion of unspent SABG and MHBG funds begins with the SFY 2019-20, which ended on June 30, 2020.

3. How will we know the amount of unexpended funding prior to cost report submission and settlement?

SABG and MHBG quarterly invoices should reflect actual county expenditures throughout each state fiscal year.

4. On the Indirect Cost Rate (ICR) certification, Is the $35M limit of direct Federal funding received at the Agency/Department level (i.e. Behavioral Health) or at the County level?

The relevant provision of Appendix VII to 45 CFR Part 75 states that the $35 million limit applies to the governmental department or agency receiving the grant, reading in relevant part as follows (in subsection (D)(1)):

(b) A governmental department or agency unit that receives more than $35 million in direct Federal funding must submit its indirect cost rate proposal to its cognizant agency for indirect costs. Other governmental department or agency must develop an indirect cost proposal in accordance with the requirements of this Part and maintain the proposal and related supporting
documentation for audit. These governmental departments or agencies are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency for indirect costs. Where a non-Federal entity only receives funds as a subrecipient, the pass-through entity will be responsible for negotiating and/or monitoring the subrecipient's indirect costs.

5. **Is the ICR the same for SABG and MHBG?**

While the established ICR must be used consistently for all SAMHSA grants and cooperative agreements subawarded by DHCS, the county’s individual operating agency responsible for administering the respective grant would have its own set of indirect costs and therefore its own ICR. 45 CFR §75.416 provides additional information on the matter:

(a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal-awards. Indirect costs include:

(1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards; and

(2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices IV, V and VI to this part.

6. **What counties have an approved ICR per Behavioral Health Information Notice (BHIN) 20-020?**

At this time, no counties have an approved ICR as outlined in BHIN 20-020.
7. If the quarter ends on 9/30, when will the SABG Invoice be due?

As indicated in Enclosures 2 and 3 of the SFY 2020-21 SABG County Application, counties shall submit their quarterly invoices no later than 45 days after the end of each quarter. Quarter 1 invoices are due November 15.

8. If a contractor or subrecipient of DHCS does not have an approved ICR can it still use the 10% Modified Total Direct Costs (MTDC)?

Yes, contractors and subrecipients may use the 10% MTDC ICR, as outlined in BHIN 20-020, indefinitely or while awaiting approval of a submitted ICR certification.

9. When filling out the SABG Application/Detailed budget, do we indicate the full amount of expenses and FTE we would like to charge to the grant?

Counties should include all SABG-related expenses in their annual SABG County Application, up to the annual allocation amount provided in Enclosure 1.

10. If we claim Administrative Costs on the SABG Invoice, do those costs go against the County’s SABG allocation?

Administrative Costs listed on the SABG Invoice are considered part of the SABG allocation.

11. What is the SFY 2020-21 SABG County Application due date?

The SFY 2020-21 SABG County Applications were due July 31, 2020.

12. Do we need to stay within the allocation amount by category for the MHBG or SABG application?

Yes, counties must not exceed the allocation amounts by category, although SABG Discretionary Set-Aside and MHBG Base Allocation can be spent on other Set-Aside services and activities.

13. In the FAQs recently sent out for SABG, it states that our Q4 is where we would be allowed to reconcile the Q1-Q3 expenditures. Do we reflect this on a different form, the SABG Invoice states not Cumulative?

The SFY 2019-20 Q4 QFFMR invoice and general ledger will include the actual expenditures for that period (April 1, 2020 through June 30, 2020) and also may include any adjustments for the quarter, and any adjustments for the SFY (Q1, Q2, and Q3). Adjustments must be entered on the General Ledger Report, per
individual provider, for the appropriate categorical funding lines and line item they were originally charged.

14. When will the certification and guidelines be released for the ICR certification and what are the due dates?

The ICR certification was released on July 31, 2020. The deadline to submit a completed ICR certification form for SFY 2020-21 is 9/1/20, and the deadline for SFY 2021-22 is 12/31/20. Please submit ICR certification forms or ICR related questions to ICRCertification@dhcs.ca.gov.

15. Can the SABG or MHBG Annual Applications be submitted with electronic signature?

Counties may use DocuSign to sign their SABG or MHBG Annual Applications electronically. If counties submit an application with electronic signature, they do not need to mail in a physical copy of the application.

16. Are we allowed to request an extension for the SABG application?

Yes, although an extension is not guaranteed. DHCS will review requests on a case-by-case basis.

17. Will counties be able to shift 10% between categories without prior approval?

No. All budget adjustments must be submitted to DHCS for review prior to any changes being made.

18. How does the ICR affect the set asides in SABG? If we put an ICR on each program, for the FNL/CL program, for example, do we have to reduce our $6k of budgeted set aside to accommodate the ICR amount?

Counties may charge county administrative activities and assess indirect costs to Set-Asides. However, it is important to note that uses of these Set-Aside funds must be tied directly to the specific Set-Aside’s activities. Counties may also utilize the Discretionary Set-Aside to cover indirect costs for all SABG-related services and activities.

Because the ICR is a percentage of costs, applying the rate to each program individually would result in the same total dollar amount of indirect costs as applying the rate to the entire allocation. For example, with a total allocation of $50 and a 10% ICR on the Set-Asides of $10, $20, and $30, the indirect costs are $1, $2, $3 (respectively), totaling $5. Alternatively, 10% of the entire $50 allocation is $5.
19. Can you share the methodology on how our SABG allocations are calculated?

Upon receipt of the Federal Notice Of Award from SAMHSA, DHCS calculates the amount that will be distributed to counties for SUD services. A county’s total annual allocation is comprised of a base amount (that can be increased each year for cost of living) plus a per-capita amount based on the county’s projected population as published by the Department of Finance. The county’s total allocation amount is then divided to maintain MOE requirements along with state and federally required set-aside spending for perinatal services, youth services, primary prevention, and Friday Night Live Program set-asides.

20. Does the ICR covered in BHIN 20-020 apply to DMC-funded SUD services as well?

No, the ICR outlined in BHIN 20-020 only applies to federal behavioral health grant funds detailed in the BHIN.

21. How will the SFY 2020-21 SABG County Application Budgets reconcile with the SFY 2020-21 Cost Report?

The SABG County Applications are proposals based on estimates and not expected to be exact. DHCS understands the complexities of county-level funding that result in Cost Report settlements will be the final reconciliation.

22. Is the SABG allocation still directly tied to Counties spending realignment?

Nothing has changed in terms of SABG allocations or rules pertaining to county expenditure of SABG funds.

23. How do we know what services, activities, or costs are unallowable?

Please refer to federal regulations 45 CFR Part 75 and 45 CFR Part 96, or the SABG Policy Manual posted online here: SABG Policy Manual. Additional questions can be directed to: SABG@dhcs.ca.gov.