



Behavioral Health is Essential To Health



Prevention Works



Treatment is Effective



People Recover



SAMHSA-HRSA Center for Integrated Health Solutions

Financial Stability

Tuesday, July 21, 2015



SAMHSA-HRSA Center for Integrated Health Solutions

**Slides for today's webinar are
available on the CIHS website at:**

<http://www.integration.samhsa.gov/mai-coc-grantees-online-community/webinars>

How to ask a question during the webinar



If you dialed in to this webinar on your phone please use the “raise your hand” button and we will open up your lines for you to ask your question to the group. **(left)**

If you are listening to this webinar from your computer speakers, please type your questions into the question box and we will address your questions. **(right)**





SAMHSA-HRSA Center for Integrated Health Solutions

Financial Stability

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Webinar Objectives

- ✓ How to properly account for and report braided CMHS, CSAP, and CSAT grant expenditures
- ✓ How to avoid common financial issues
- ✓ What is fraud, waste, and abuse under federal grants

Braided Grant Expenditures

- ✓ Grantees must separately track CSAT, CMHS, and CSAP expenditures in a formal accounting system and differentiate expenditures for services, infrastructure, data collection, performance measurement, performance assessment, and hepatitis testing as well as expenditures that could have been funded by another Center.

Braided Grant Expenditures

- ✓ Grantees must report their total cumulative grant expenditures in annual Federal Financial Reports (FFR).
- ✓ In attachments to their annual FFRs, grantees must report total annual grant expenditures, annual CSAT expenditures; annual CMHS expenditures; annual CSAP expenditures; and CSAT, CMHS, and CSAP expenditures that could have been funded by another Center.

Braided Grant Expenditures

Questions

Financial Issues Areas

- ✓ Allowability of Costs
- ✓ Cash Management
- ✓ Annual Audits
- ✓ Accounting System
- ✓ Travel
- ✓ Bank Statements
- ✓ Expenditure Analysis
- ✓ Disbursements
- ✓ Contractors/Consultants
- ✓ Indirect Costs
- ✓ Timekeeping
- ✓ Credit Cards
- ✓ Conflict of Interest
- ✓ Program Income

Financial Issues Area

Allowability of Costs

- ✓ To be allowable under federal awards, costs must be reasonable, allocable, and adequately documented
- ✓ A cost is reasonable if it does not exceed what a prudent person would incur under similar circumstances
- ✓ A cost is allocable to the extent the goods or services benefit the project
- ✓ A cost is adequately documented if it is supported by accounting records and source documentation such as purchase orders, vouchers, invoices, payroll allocation reports, timesheets, contracts, etc.

Financial Issues Areas

Cash Management

- ✓ Drawdowns be limited to minimum amounts needed to cover allowable project costs
- ✓ Drawdowns timed in accordance with actual immediate cash requirements of carrying out the project
- ✓ Drawdowns made to cover future expenditures

Annual Audits

- ✓ Audits required in accordance 45 CFR Part 75 for FYs with federal expenditures greater than \$750,000
- ✓ Audit reports submitted to Federal Audit Clearinghouse within earlier of 30 days of receipt or 9 months after FY end

Financial Issues Areas

Accounting System

- ✓ Must separately track and report revenue and expenditures by federal program and otherwise

Travel

- ✓ Reasonable, necessary and pre-approved
- ✓ Mileage, meals and incidentals, and lodging limited to rates published in Federal Travel Regulations
- ✓ Airfare limited to coach and car rental limited to mid-sized unless otherwise justified
- ✓ Travel costs reimbursed based on travel vouchers/expense reports that list costs by category and are accompanied by receipts supporting costs greater than \$75

Financial Issues Areas

Bank Statements

- ✓ Opened by Board member familiar with program activities
- ✓ Reconciled timely (i.e. – within 2 weeks) by employee not authorized to sign checks
- ✓ Reconciliations reviewed by Board member, preferably the Treasurer

Expenditure Analysis

- ✓ Actual and budgeted expenditures compared periodically to ensure expenditures do not exceed expectations
- ✓ Significant variances (10 percent or more) investigated, resolved, documented and shared with Board

Financial Issues Areas

Disbursements

- ✓ Reasonable and pre-approved
- ✓ Supporting documentation maintained
- ✓ Two signatures on checks greater than \$1,000 for non-recurring expenditures
- ✓ Authorized check signers designated
- ✓ Blank checks safeguarded

Contractors/Consultants

- ✓ In-house capabilities evaluated first
- ✓ Documented selection process
- ✓ Method for ensuring costs and fees are reasonable
- ✓ Individuals or companies involved in drafting or preparing grant applications cannot be contractors or consultants

Financial Issues Areas

Indirect Costs

- ✓ Approved rate agreement unless electing 10 percent
- ✓ If all costs charged direct, base used to allocate costs accurately reflect the benefits provided & be detailed

Timekeeping

- ✓ Salary and wages charged to federal awards based on actual time employees worked as supported by timesheets that separately report total time worked on each project and leave on daily basis
- ✓ Timesheets certified as accurate by the employee or supervisor
- ✓ Salary and wages cannot be based on budgets or estimates unless State, Local, or Indian Tribal Government

Financial Issues Areas

Credit Cards

- ✓ All expenditures pre-approved
- ✓ Expenditure amounts & types limited
- ✓ Personal expenditures prohibited
- ✓ Should not be used to avoid procurement procedures
- ✓ All receipts submitted for review and comparison to monthly statements

Conflict of Interest

- ✓ Conflict of interest policy that includes examples
- ✓ Avoid real and apparent situations that involve employees and grantee officials

Financial Issues Areas

Program Income

- ✓ Further the eligible project or program objectives
- ✓ Finance the non-federal share of the project or program
- ✓ Deducted from total federal share of project or program allowable costs
- ✓ Not transferred and used for purposes unrelated to the grant project

Financial Issues Areas

Criteria

- ✓ 45 CFR Part 75 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards
- ✓ HHS Grants Policy Statement

Financial Issues Areas

Questions

Fraud, Waste & Abuse

According to the HHS Grants Policy Statement, it includes, but is not limited to:

- ✓ Embezzlement, misuse or misappropriation of grant funds or property; and
- ✓ False statements.

Fraud, Waste & Abuse

Distinctions

- ✓ Fraud is a false representation about a material fact intentionally made to deceive or deprive for something of value or to secure for an individual, a benefit, privilege, allowance, or consideration he or she is not entitled to
- ✓ Waste and Abuse involve the mismanagement or misuse of resources
- ✓ Waste is the extravagant, careless or needless expenditure of grant funds
- ✓ Abuse is the intentional or improper use of grant funds including using a position of authority for personal gain.

Fraud, Waste & Abuse

Examples

- ✓ Theft of grant funds for personal use
- ✓ Using grant funds for purposes that do not benefit the grant project
- ✓ Theft of or misuse of equipment purchased using grant funds
- ✓ Charging inflated rental fees for a building owned by the grantee or a related party or entity
- ✓ Using grant funds for ineligible clients
- ✓ Submitting false financial and/or programmatic reports

Fraud, Waste & Abuse

Red Flags

- ✓ Significant staff turnover
- ✓ Conflicts of Interest
- ✓ One person appears to control everything at the organization
- ✓ Only one person allowed to communicate with SAMHSA
- ✓ Non-employee grant writer heavily involved
- ✓ Significant contradictions in information submitted

Fraud, Waste & Abuse

What to do?

Anyone becoming aware of fraud, waste, or abuse should report this information to one of the following:

- ✓ HHS Office of Inspector General
 - <https://forms.oig.hhs.gov/hotlineoperations/nothhsemployeen.aspx>
 - Telephone - 1-800-447-8477
- ✓ SAMHSA
 - fwaa@samhsa.hhs.gov
 - Telephone - 240-276-3922

Fraud, Waste & Abuse

Anonymity

- ✓ Allegations and complaints may be made anonymously; however, it may hinder the review as additional information may be needed to adequately review the complaint.

Fraud, Waste & Abuse

Enforcement

Federal government may pursue administrative, civil, or criminal action relating to fraud or false statements or claims under the following:

- ✓ Uniform Administrative Requirements, Costs Principles, and Audit Requirements for HHS Awards at 45 CFR Part 75
- ✓ The Program Fraud & Civil Remedies Act of 1986
- ✓ The Criminal False Claims Act
- ✓ The Civil False Claims Act

Fraud, Waste & Abuse

SAMHSA Administrative Actions/Remedies include:

- ✓ Recovery of misspent funds
- ✓ Suspension of the grant
- ✓ Termination of the grant

Fraud, Waste & Abuse

Financial Prevention

- ✓ The responsibility for authorizing, processing, recording, and reviewing transactions must be divided among different people or implement compensating controls. These people should be acting within the scope of their given authority within the organization
- ✓ Checks greater than \$1,000 for non-recurring expenditures should be cosigned by a board member after reviewing the documentation supporting the proposed expenditure

Fraud, Waste & Abuse

Programmatic Prevention

- ✓ The authorizing official and project director should ensure that all programmatic data reported to SAMHSA is based on complete and accurate charts or records for clients meeting the eligibility requirements of the grant project

Fraud, Waste & Abuse

Questions

Additional Questions

- **Please contact your
MAI-CoC Project Officer**



Additional Comments?

Contact the SAMHSA-HRSA Center for Integrated Health Solutions
integration@thenationalcouncil.org or MAI-COC-TA@mayatech.com

For More Information & Resources

Visit www.integration.samhsa.gov or
e-mail integration@thenationalcouncil.org

The screenshot shows the homepage of the SAMHSA-HRSA Center for Integrated Health Solutions. At the top, there is a navigation bar with the following menu items: About Us, Integrated Care Models, Workforce, Financing, Clinical Practice, Operations & Administration, and Health & Wellness. Below the navigation bar is a search bar and a "Glossary" link. The main content area features a large image of a group of professionals in a meeting, with the text "Core Competencies for Integrated Behavioral Health and Primary Care" and a sub-headline "An essential foundation for preparing and further developing an integrated workforce." Below this is a "CALENDAR OF EVENTS" section with two events listed: "Substance Use and Mental Disorders: Early Detection, Prevention, and Treatment" (February 25-26, 2014) and "Integrating Peer Support in Primary Care" (February 27-27, 2014). To the right, there is an "ABOUT CIHS" section with the text "SAMHSA-HRSA Center for Integrated Health Solutions" and a description of CIHS's mission. Below this is a "TOP RESOURCES" section with two articles: "Integrating Physical and Behavioral Health Care: Promising Medicaid Models" (February 24, 2014) and "February Is American Heart Month!" (February 21, 2014). The website also includes social media links for Facebook, Twitter, and LinkedIn, as well as an "Ask a Question" and "Email" link.



SAMHSA-HRSA Center for Integrated Health Solutions

Thank you for joining us today.

**Please take a moment to provide your
feedback by completing the survey at the
end of today's webinar.**