

COUNTY OF LOS ANGELES - DEPARTMENT OF PUBLIC HEALTH

Substance Abuse Prevention and Control

Community and Youth Engagement (CYE) Unit - Prevention

Process	Protocol for Prevention (Pv) Non-Cash Incentives For Providers		
Authority	SAPC Prevention Program Specialist		
Effective Date Of this Form	February 1, 2022	Last Revision of this form:	February 1, 2022

This document outlines the role of the of SAPC-contracted AODPS providers who select non-cash incentives for programs and activities within primary prevention.

DHCS guidance on the use of non-cash incentives, including the use of gift cards, can be found in the [SABG Policy Manual](#). SAMHSA guidance on use of SABG funds for incentives has changed over the years, so please refer to the most recent version of the SABG Policy Manual for accurate information.

- Non-cash incentives *are* an allowable use of SABG funds. Non-cash incentives may be utilized to encourage attendance, retention, and attainment of SUD prevention programs and activities.
- Examples of non-cash incentives:
 - gift cards
 - bus passes
 - food
 - educational outreach items containing program identifiers
- Gift cards and stipends *are not* considered cash payments and remain allowable.
- **Non-cash incentives shall not exceed \$30 per participant, per FY year.**
**Gift card incentives shall not exceed \$10 per participant, per FY year to allow for additional non-cash expenditure.*
- Costs of all entertainment related activities are unallowable. Entertainment includes, but not limited to, associated costs for amusement, diversion, social activities, and other activities dependent on SAPC approval.

The SABG Policy Manual states:

SAMHSA policy supports the appropriate, judicious, and conservative use of nonmonetary incentives in providing SUD prevention and treatment services. SAMHSA has indicated that non-cash incentives are essential to encourage attendance, retention, and attainment of prevention and treatment goals. The following guidance must be adhered to:

Non-cash incentives should be the minimum amount necessary to meet the program and evaluation goals of the grant, and may not exceed \$30. Some examples include: gift cards, bus passes, prizes, food, and outreach items such as pencils, t-shirts, etc., containing program identification.

Non-cash incentives should not provide an “undue inducement” that removes the voluntary nature of participation in an SUD prevention and/or treatment program. SAMHSA grant funds may not be used to make direct cash payments to individuals to induce them to enter SUD prevention and/or treatment programs or for any other purpose.

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable. Utilizing SABG funding to provide non-cash incentives, including food must be necessary and reasonable for proper and efficient performance, and administration of the SABG program, and be adequately documented. The use of SABG funding for non-monetary incentives must be for the purpose of encouraging attendance, retention, and attainment of SUD prevention and treatment goals.

To ensure that non-cash incentives are utilized properly according to State and Federal guidelines, SAPC-contracted AODPS providers shall:

1. Request approval of gift card incentives from SAPC 14 days in advance. Upon receipt, SAPC shall approve/deny the request within 14 business days.
2. Upon approval, Provider shall report non-cash incentives in the monthly billing invoice form # 3B-2, under Section II. Services and Supplies. The invoice shall state the type(s) of non-cash incentive, and provide a description of the total amount of non-cash incentive(s). Examples include:
 - a. Gift cards: 30 participants x \$10 gift cards = \$300
 - b. Bus passes: 10 participants x \$25 7-day bus pass = \$250
 - c. Food: 30 participants x \$10 healthy snacks = \$300
 - d. Program Identifiers: 10 participants x \$10 backpacks = \$100
3. A non-cash incentive journal shall be maintained for recording all disbursements. The journal shall contain, but not limited to the following headings: Date, Invoice Number, Non-Cash Incentive column, Expense Account Name, and Description.
4. Maintain adequate care to safeguard accounting records and supporting documentation.
5. All accounting records (e.g., journals, ledgers, etc.), financial records, and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the Contractor’s Agreement.
6. Invoices, receipts, canceled checks and other documentation, including electronic documentation clearly establishing the nature of the expenditure and its relevance to the COUNTY program being contracted for shall be required to support an outlay of funds.

Unsupported disbursements will be disallowed upon audit. CONTRACTOR will be required to repay COUNTY for all dollar for dollar disallowed costs. Photocopies (including scanned images) of invoices or receipts, any internally generated documents (e.g., vouchers, request for check forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases. To the extent the source for electronic documentation is an original hardcopy document (e.g., PDF scans of original vendor invoices) CONTRACTOR shall retain the original source document for inspection by COUNTY. County at its sole discretion may accept photocopies of supporting documentation in preference to the original documents.

7. Provider shall ensure that receipts for non-cash incentives are saved and stored for auditing purposes. Please maintain an internal log and receipts.
8. Provider shall be provided with the County of Los Angeles Department of Auditor-Controller Contract Accounting and Administration Handbook. The purpose of the handbook is to establish accounting, internal control, financial reporting, and contract administration standards for organizations (contractors) that contract with the County.
9. Providers are expected and required to report suspected fraud, waste, or misuse of public monies and misconduct to the Los Angeles County Fraud Hotline (Hotline). CONTRACTORS are also expected and required to report suspected fraud committed by their employees and subcontractors when that fraud affects their contract with the COUNTY. Reportable conditions shall be reported to the Hotline upon their discovery by CONTRACTOR. Failure to report the types of fraud/misconduct discussed above may be grounds for contract termination. The reporting party may remain anonymous. Reports can be made via telephone, mail or by internet to:

Online: www.lacountyfraud.org

Email: hotline@auditor.lacounty.gov

Toll Free Number: 1 (800) 544-6861

U.S. Mail: Los Angeles County Fraud Hotline
Office of County Investigations
500 W. Temple Street, Room 515
Los Angeles, CA 90012