



Policy Number:	16-06
Policy Name:	Restrictions Guidelines: Compliance with the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG)
Authority:	Title 45 CFR, Part 96
Original Policy Date:	June 20, 2016
Policy Last Revised:	09/02/25
Supersedes:	AOD 2014-03
Attachments:	N/A

PURPOSE

To ensure that contracted SUD Treatment and Prevention services comply with the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG) guidelines and restrictions.

BACKGROUND

SUBG funds are dedicated funds mandated by Congress. Behavioral Health and Recovery Services utilizes the funds for contractors providing Substance Use Treatment and Prevention services in the County of San Mateo.

POLICY

General Restrictions - Title 45, Code of Federal Regulations §96.135

SUBG funds shall not be expended on the following activities to:

1. Provide inpatient hospital services;
2. Make cash payments to intended recipients of health services;
3. Purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or facility, or purchase major medical equipment;
4. Satisfy any requirements for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;
5. Provide financial assistance to any entity other than a public or non-profit private entity;
6. Provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless the Surgeon General of the Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for Acquired



Immunodeficiency Syndrome (AIDS); or

7. Expand the grant for the purpose of providing treatment services in penal or correctional institutions

Executive Salaries – Title 48, Code of Federal Regulations §331.101-70

Beginning in federal fiscal year 1990, Congress has stipulated in the Department of Health and Human Services appropriations acts and continuing resolutions that, under applicable contracts, appropriated funds cannot be used to pay the direct salary of an individual above the stipulated rates.

Funds provided under this grant cannot be used to pay the salary of an individual at a rate higher than Level II of the Executive Salary Schedule for the award year.

The applicable rates for each year are identified at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>

Non-Supplantation of State Funds - Title 45, Code of Federal Regulations §96.134(a) and §96.137(a)

According to federal regulations, SUBG funds cannot be used to supplant other sources of funding of alcohol and other drug prevention and treatment programs. County subrecipients are obligated to use SUBG funding as a “payment of last resort” in cases where it is not possible to fund services with other sources of funding, such as Medi-Cal, realignment funds, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program.

PROCEDURE/PROTOCOL

BHRS shall ensure contractors with this policy through the following monitoring practices: Site Visits, Desk Audits, the Fiscal Checklist, and review of contractor Quarterly Reports, Cost Reports and Audits.

SIGNATURES

Approved: _____ *Signature on File*
 Dr. Jei Africa, PsyD, FACHE
 BHRS Director

Approved: _____ *Signature on File*
 Scott Gruendl, MPA
 BHRS Assistant Director
 Compliance Officer

Approved: _____ *Signature on File*
 Clara Boyden
 BHRS Deputy Director of SUD Services



REVISION HISTORY

Date of Revision	Type of Revision	Revision Description
09/02/25	Amend	<p>Policy: Updated to reflect current SUBG Federal Regulations & updated SAPTBG terminology to SUBG.</p> <p>Renamed “Restrictions Guidelines: Compliance with the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG). [Former Policy Name: Restrictions Guidelines: Compliance with the Substance Abuse Prevention and Treatment Block Grant (SAPTBG)]</p> <p>Compliance Officer added as a reviewer/signer of policy.</p>

COMPLIANCE REVIEW HISTORY

Date of Review	Reviewer Name and Job Title
09/02/2025	Scott Gruendl, Compliance Officer