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TO: Substance Abuse Prevention and Tobacco Contractors

FROM: Juanita Salazar, Unit Manager   
Substance Abuse Contracts Management Unit

RE **Substance Abuse Allowable Costs**

DSHS has developed the following guidelines to clarify allowable costs for the DSHS-funded prevention and tobacco program contracts:

**Item 1: Purchase of food or nutritious snacks for youth programs and coalitions for youth participants, i.e. after school programs, family-based curriculums, etc.**

Purchase of food or snacks for participants is allowed for after-school youth and family-focused curricula programs and afterschool alternative activities to be able to actively engage participants and be effective in these activities. For other youth program alternative activities, snacks would be limited for participants in events lasting at least one half day, and snacks or light meals would be limited for participants in full-day activities and events. The cost of snacks, food, or light meals must be reasonable.

**Item 2: Purchase of agency shirts (with the contractor's name and/or logo) for staff conducting youth education, presentations, alternative activities, and other prevention program activities delivered through coalitions, and regional prevention resource centers**

Agency shirts or T-shirts for staff conducting program activities are not necessary for performing the duties of the contract and are not an allowable cost. Reasonable cost to purchase T-shirts for participants with a 'No use' ATOD message provide education and awareness on the harmful effects of alcohol, tobacco, and other drugs (ATOD) is allowable.

**Item 3: Use of school sites and donated space at school sites as in-kind match for youth programs, coalitions, and prevention resource centers to conduct curriculum-based training in school settings.**

According to the Contractor's Financial Procedures Manual (CFPM) guidelines Section 9.04 In-Kind Match, in order for the value of goods or services to be considered as in-kind match, the organization that contributed them must have an established practice of routinely charging other organizations for the goods or services. If a school does not normally charge for the use of its facility outside scheduled school hours, then the use of the facility does not qualify as in-kind match. Classroom space during scheduled school hours (when many youth prevention programs are conducted) does not qualify as in-kind match. In order to utilize donated space for in-kind match specific criteria identified in the DSHS CFPM must be met. Donated space in school sites used as in-kind is not an allowable cost if criterion is not met as identified in the CFPM.

**Item 4: Food purchases for Coalitions and Prevention Resource Centers (PRC) activities such as trainings and task force meetings.**

Food for recipients or attendees at Coalitions and PRC meetings, trainings or working lunches is not an allowable cost. Meals and refreshments are generally classified as entertainment and are not an allowable cost except where specifically approved in the federal award or state law as part of the project or program activity and preapproved in the contractor's budget or as part of a per diem or subsistence allowance provided in conjunction with allowable travel.

**Item 5: Use of gift cards for participants in activities**

Gift Cards are an allowable cost only for family-focused curricula programs for families to purchase food as required by the curriculum. Gift cards are given to families that cannot afford to purchase the groceries to prepare the meal for the family-focused activity. Contractors must track to ensure gift cards are used for food only; no alcohol, tobacco, and/or other drug products. Contractors must maintain receipts and detailed accurate records to ensure appropriate documentation for audits. Gift cards are not allowed as an incentive.

Contractors are encouraged to refer to the OMB Circulars and CFPM regularly for guidance. If you have questions regarding the allowable costs, please contact your assigned contract manager.