

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ADMINISTRATION

**SFY24-25 NEW JERSEY MENTAL HEALTH DIVERSION
GRANT PROGRAM**



PROGRAM ADMINISTRATION AND FUNDING GUIDELINES

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MENTAL HEALTH DIVERSION GRANT PROGRAM**

I. PROGRAM ADMINISTRATION

This document has been compiled to assist in the application, program development, and implementation processes, as well as the reporting and compliance requirements, of the Mental Health Diversion Grant Program (“Program” or “MHDP”), established pursuant to P.L.2023 c.188 (C.2C:43-32 et al.) (“the MHDP statute”). The requirements contained in this document are in addition to and supplement all requirements set forth in the Notice of Availability of Funds (“NOAF”) for the State Fiscal Year 2024 and 2025 Mental Health Diversion Grant Program (SFY24-25 MHDP) and the MHDP statute. Please review the NOAF and statute in detail to ensure that all requirements and qualifications have been met.

The purpose of the MHDP is to divert eligible persons with serious mental disorders who have committed certain offenses away from the criminal justice system and into appropriate managed mental health services as early as possible following an interaction with law enforcement where the person is alleged to have committed an eligible offense and meets the statutory criteria for participation in the program, or, subject to the approval of the prosecutor, is alleged to have committed a presumptively ineligible offense where there is a nexus between the commission of the alleged offense and the eligible person’s mental disorder.

The MHDP’s objectives are to: (1) reduce incarceration rates for the appropriate target population through effective diversion away from the criminal justice system; (2) increase quality of life for the target population through efficient linkage to available social entitlements and community-based mental health treatment providers, in conjunction with supportive monitoring to ensure compliance; (3) increase community awareness and understanding through cross training of law enforcement and mental health communities; and (4) reduce recidivism and re-hospitalization rates for the target population leading to an increase in public safety.

This funding will support the creation of MHDP pilots in no fewer than three judicial vicinages, with at least one program operating in each of the northern, central, and southern regions of the State. As used in this act “northern region” means Bergen, Hudson, Hunterdon, Morris, Passaic, Somerset, Sussex, and Warren Counties; “central region” means Middlesex, Monmouth, Mercer and Union Counties; and “southern region” means Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem Counties.

For reference, below is the designation of vicinages.

Vicinages in the northern region:

Vicinage 1 (Bergen)

Vicinage 5 (Essex)

Vicinage 6 (Hudson)
Vicinage 13 (Hunterdon, Somerset, and Warren)
Vicinage 10 (Morris and Sussex)
Vicinage 11 (Passaic)

Vicinages in the central region:

Vicinage 8 (Middlesex)
Vicinage 9 (Monmouth)
Vicinage 7 (Mercer)
Vicinage 12 (Union)

Vicinages in the southern region:

Vicinage 1 (Atlantic and Cape May)
Vicinage 3 (Burlington)
Vicinage 4 (Camden)
Vicinage 15 (Cumberland, Gloucester, and Salem)
Vicinage 14 (Ocean)

Each new MHDP must comply with the requirements set forth in the MHDP statute, which include the usage of a mental health diversion team led by a Superior Court judge and comprised of assistant prosecutors, designated public defenders, a licensed mental health professional, a case manager, a specially trained mental health probation officer, and a collaborative justice specialist. If resources are available, a certified drug and alcohol counselor should be included as a member of the diversion team. This team is required to assist program participants in applying for all federal and State benefits that may cover or offset the cost of necessary treatment and services, including medication.

A Program in operation on July 1, 2024, that serves the purpose of diverting eligible persons away from the criminal justice system and into appropriate case management and mental health services, and that applies the same eligibility criteria as provided under P.L.2023 c.188 (C.2C:43-32 et al.) may be eligible for funding. Throughout these Program Guidelines, these programs that were operational prior to July 1, 2024, are referred to as “Existing Programs,” while applicants who intend to utilize this funding to establish a new diversion program are referred to as “New Programs.”

The State of New Jersey, Department of Law & Public Safety (LPS), Division of Administration (DOA) received funds from the SFY24 and SFY25 state budgets for the Mental Health Diversion Program. Up to \$6,000,000 in competitive grant funding will be used to support the establishment or expansion of Mental Health Diversion Programs. This grant will provide funding to allow County Prosecutor’s Offices in no fewer than three judicial vicinages to expand already existing mental health diversion programs and/or establish new mental health diversion programs as contemplated by the MHDP statute.

In addition, an additional \$2,000,000 of received funds from the SFY24 and SFY25 state budgets for the Mental Health Diversion Program will be awarded to the Essex County Prosecutor’s Office to implement a Mental Health Diversion Program in Vicinage 5.

Awards will not exceed \$2,000,000 per vicinage for a two-year period. The number of awards provided and the funding amount of each award will be subject to the total available

funding, as well as the geographic requirements, discussed above. Funding decisions will be made based on a variety of considerations, including but not limited to, the quality and strength of the applications submitted, the type of programs to be implemented, population served, the scope of the projects, geographic distribution, and the applicant's demonstrated capacity to achieve the project goals (including the project timeline, existing partnerships and relationships).

The funding period is July 1, 2025, through June 30, 2027. Extensions may be granted on a case-by-case basis.

Continuation funding may be available but is contingent upon the availability of funds. If available, continuation funding will be limited to those recipients who have met the goals and objectives of the program, met all reporting requirements, and any other factors that LPS determines to be relevant in practicing responsible fiscal and programmatic management.

All inquiries concerning the grant award process should be addressed to:

Office of Alternative and Community Responses
Department of Law & Public Safety
E-mail address: OACRgrants@njoag.gov

II. PROGRAM GUIDELINES

The applicant agrees to adhere to the following guidelines. Failure to do so may result in suspension or termination of a grant award. Funding is intended to support the creation of or enhancement of a Mental Health Diversion Program that complies with the requirements set forth in P.L.2023 c.188 (C.2C:43-32 et al.).

The DOA and the Office of Alternative and Community Responses (OACR) will award, administer, and monitor awards made under the SFY24-25 Mental Health Diversion Grant Program. Staff from DOA and OACR will be available to provide technical assistance during the project period.

This is a reimbursement grant. Prior to funds being reimbursed, recipients will be required to provide sufficient proof of all expenditures (e.g., receipts, purchase orders, paid invoices, timesheets, and payroll records).

If an applicant's proposal includes one or more subrecipients to assist in providing services outlined in the narrative, additional conditions will be imposed on the applicant/recipient that include, but are not limited to:

- The recipient shall comply with all LPS policies for issuing a subaward and monitoring a subrecipient agency, including but not limited to:
 - Ensure that every subaward to a subrecipient is clearly identified as a subaward;
 - Provide every subrecipient with a subaward contract that indicates requirements for pass-through entities;

- Evaluate each subrecipient’s risk of noncompliance with statutes, regulations, and the terms and conditions of the award for purposes of determining the appropriate subrecipient monitoring;
 - Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with statutes, regulations, and the terms and conditions of the subaward and that subaward performance goals are achieved;
 - Ensure that the subrecipient adheres to the Program Guidelines that have been supplied to the recipient; and
 - Depending on the pass-through entity’s assessment of risk posed by the subrecipient, determine which monitoring tools may be useful to ensure proper accountability and compliance with program requirements and achievement of performance goals, i.e., training and technical assistance or on-site reviews.
- The recipient must:
 - Require the subrecipient to submit monthly narrative reports and financial reports to the recipient;
 - Ensure that the subrecipient submits monthly reimbursement requests and that all such requests are accompanied by the proper backup documentation verifying all expenditures;
 - Require the subrecipient to submit a budget form, on the same template provided to the recipient, detailing expenses to be reimbursed. The budget form must be completed in its entirety;
 - Have internal processes in place in order to hold subrecipient accountable for how it uses the funds provided under the program;
 - Follow applicable state and federal rules regarding financial management, internal controls, cost principles, and audit requirements;
 - Collect and provide performance data for the subrecipient to include in its reports to LPS and/or the primary funding agency; and
 - Affirmatively state to the subrecipient, and verify that, it may not earn a profit using funds under the subaward.
 - Backup document as required above must be submitted by the recipient to LPS when requesting reimbursement of funds.

The project period is July 1, 2025, through June 30, 2027. Recipients will not be reimbursed for expenditures outside of this grant period. There is no cash or “in-kind” match required for this program; however, applicants should indicate on their budgets any services that will be provided that are essential components of their MHDP and the applicable funding source.

III. APPLICATION AND AWARD REQUIREMENTS

A. PARTICIPATION AND SUBMISSION

LPS will offer competitive grant funding to CPOs that have established or propose a plan to establish a Mental Health Diversion Program that complies with the requirements set forth in P.L.2023 c.188 (C.2C:43-32 at al.). Applications will be scored by a panel, which will select the pilot sites and determine the appropriate level of funding for each site based upon

the proposed budgets, the quality of applications received, and the proposed programs. Funding will be awarded to applicants receiving the highest scores in each of the three regions (i.e., north, central, and south), but in no event shall an applicant receiving a score of less than 40 points be funded. OACR reserves the right to issue more than one award per region dependent upon the number and quality of applications, as well as the amount of funding requested in each application and approved by OACR.

Funding issued to Essex County, for Vicinage 5, will not be part of the competitive process.

To be considered for funding, an eligible applicant must file a completed application, in accordance with the requirements of the NOAF and these Program Administration and Funding Guidelines, by the May 21, 2025, submission deadline. The State of New Jersey may also take into account an applicant's past performance meeting goals, objectives, and reporting requirement deadlines, as well as reimbursement request accuracy. Failure to comply with other requirements of the NOAF or these Program Guidelines may result in the reduction of application scores or not being considered for funding.

An applicant that is designated as a high-risk grantee by LPS must submit, as a separate attachment to its application, a document titled "DLPS High-Risk Grantee Applicant Disclosure and Justification." LPS will use the supplied information to determine whether LPS will consider or select the application for an award under this solicitation.

Applications must be submitted on or before 11:59 p.m. on May 21, 2025. Late applications will not be eligible for funding. Applications must be emailed to OACRgrants@njoag.gov.

B. GRANT APPLICATION CHECKLIST & BASIC MINIMUM REQUIREMENTS

Applicants must complete and return the following:

1. Application Authorization Form
2. Applicant Information Form
3. Program Narrative
4. Project Work Plan
5. Budget Detail Worksheet and Narrative
6. Federal Single Audit Certification
7. Proof of Federal Single Audit (if applicable)
8. New Jersey Single Audit Requirement Certification
9. LPS High-Risk Grantee Applicant Disclosure and Justification (if applicable)
10. Job Descriptions and Resumés of all staff budgeted with grant or match funds; no resumés are required for staff who are not yet hired.

Applications missing any of the required application components will not be scored or considered for funding.

C. GRANT AWARD

Funding decisions will be made on or before June 30, 2025. Award packages will be sent out upon notification of award.

Award recipients must complete and return the following:

1. Award Contract
2. State Conditions
3. Any applicable Special Conditions
4. Resolution & Certification

IV. APPLICATION AUTHORIZATION

The submission of any grant application requires the signature of the applicant's Authorized Official (see Application Authorization Form) indicating that the application is authorized by the agency or unit of government. The signature of the Authorized Official indicates that the information provided within the application is truthful, accurate, and complete; that the applicant intends to comply with all requirements regarding the use of grant funds; and the applicant will use the grant funds to carry out the project as described in the application.

The Authorized Official also acknowledges that they are responsible for authorizing expenditures and disbursing grant funds. The applicant certifies that all grant funds will be used exclusively for the purposes specified in the grant award, and it will pay for all costs in excess of the grant award.

V. APPLICATION COMPONENTS

The following scored components must be included in your Program Narrative and Budget. Applicants with an already existing program ("Existing Program") should address those components, while applicants who are establishing a new program ("New Program") should address the components that are relevant to their program. NOTE: The Program Narrative must be double-spaced using standard 12-point Times New Roman font, 1" margins, and must not exceed 20 pages. Points will be deducted for applications exceeding the page limit or applying different font/margin size. Any information provided beyond the 20-page limit will not be considered.

1. Plan and Implementation (25 points)

Although some counties operate mental health diversion programs that are managed by their County Prosecutor's Office and others have programs managed by the Administrative Office of the Courts, the MHDP statute sets forth specific program requirements, including that the MHDP must include an application process, a legal determination of eligibility, which is to be made by the prosecutor, a clinical determination, any additional terms of the specific program, and a determination of the length of program participation; additionally, the statute specifies participant eligibility criteria. Applicants must provide the following information depending upon whether they are applying for funding to support an Existing Program or a New Program, but **all applicants must address the program requirements set forth in the MHDP statute.**

All applicants must submit a plan (“the Plan”); however, all New Programs must be developed in collaboration with the Vicinage leadership and other necessary partners, including the Office of the Public Defender and members of the defense bar; and all New Program applicants must provide a letter of intent or similar representation indicating consultation with and approval of the Plan from the Vicinage’s Assignment Judge and the Regional Office of the Public Defender.

All applicants must include a Project Work Plan using the form provided that specifies each objective along with the major activities, including, but not limited to start date, responsible staff, and a feasible timeframe for completion of each activity.

a) Existing Program

For applicants with currently operating programs, describe the County’s (or as appropriate, the Vicinage’s) current and planned MHDP, including the Mental Health Diversion Team members, program protocols, participant eligibility criteria, and participating agency partnerships and referral process.

b) New Program

For applicants who are establishing a New Program, describe the County’s (or as appropriate, the Vicinage’s) Plan for establishing a MHDP, including the Mental Health Diversion Team members, program protocols, participant eligibility criteria, and the agencies anticipated to participate. Applications should include letters of intent from all agencies that will partner on the New Program. Any agencies that are expected to receive funding under this grant opportunity and are included in the Budget Detail Worksheet and Narrative must submit letters of intent with this application. Additionally, all New Programs must be developed in collaboration with the Vicinage leadership and other necessary partners, including the Office of the Public Defender and must provide a letter of intent or similar representation indicating approval of the Plan from the Vicinage’s Assignment Judge and the Regional Office of the Public Defender.

New Program Plans should include elements such as the following:

- anticipated judiciary resources for the diversion team (e.g., judge, probation officer, administrative staff);
- anticipated frequency of court sessions;
- anticipated number of program participants/capacity;
- members of the Mental Health Diversion Team, as required by statute;
- overview of plans for data collection, including who is responsible for case tracking, data collection, analysis and reporting;
- protocols for information sharing and confidentiality;
- anticipated roles of the prosecutor, defense attorneys, providers, and the courts;
- who is responsible for ensuring the participants have access to the behavioral health treatment, including any screenings for social determinants of health, mental illness or substance use disorder and actual treatment and services; and

- what assistance is the prosecutor expecting from judiciary staff (e.g., identification of charges/cases).

2. Historical Data and Demonstrated Need (10 points)

a) Existing Program

For applicants with an Existing Program, describe the need for a diversion program, which must include information gathered from the existing program and may include data related to crisis calls, overdoses, or other relevant information in the County or Vicinage, including data from other municipal, county, or judicial programs; explain whether the existing program is sufficient for the need or if expansion is necessary; and describe how the plan will address any gaps in resources or services or current unmet needs. This funding is intended to establish pilot programs, so existing programs must establish a need that is not being met through current funding or will not be met by other available or existing funding, describe a need that is not currently met that this funding will address, and explain how this funding will allow the Vicinage to transition into a sustainable plan.

b) New Program

For applicants who are establishing a New Program, describe the need for a diversion program, which may include data related to crisis calls, overdoses, or other relevant information in the County or Vicinage, including data from other municipal, county, or judicial programs; explain what gaps in resources or services or unmet needs exist in the County or Vicinage; and describe how the Plan will address any gaps in resources or services or unmet needs.

NOTE: Any requests for data from the Administrative Office of the Courts must be limited to what is readily available and must be requested in sufficient time for the AOC to respond prior to the grant application deadline.

3. Objectives and Coordination of Resources (40 points)

The MHDP statute sets forth objectives for the Program, which include:

- (1) reducing incarceration rates for the appropriate target population through effective diversion away from the criminal justice system;
- (2) increasing quality of life for the target population through efficient linkage to available social entitlements and community-based mental health treatment providers, in conjunction with supportive monitoring to ensure compliance;
- (3) increasing community awareness and understanding through cross training of law enforcement and mental health communities; and
- (4) reducing recidivism and re-hospitalization rates for the target population leading to an increase in public safety.

For all applicants, describe how your proposal will address each of the stated

objectives. Discuss how the Plan aligns with, supplements, or complements other efforts undertaken by your County to accomplish these goals, which may include other deflection and diversion programs such as ARRIVE Together, Operation Helping Hand, Opt for Help and Hope, Superior or municipal court diversion programs, Recovery Court, Veterans Diversion Program, or capacity building and linkage programs like Crisis Intervention Team training.

Describe any partnerships, collaborations, and coordination with other entities or resources. Describe proposed partnerships, collaborations, or coordination and explain how your entity will use these to strengthen the success, awareness and/or reach of your project. Applicants may attach graphs, tables, charts, or other visual representations of this intersection; these optional depictions will not be counted toward the 20-page limit.

4. Key Project Staff and Partners (5 points)

a) Existing Program

For applicants with an Existing Program, describe the key project staff, including their responsibilities and how that work fits within the Plan's workflow. If additional personnel are requested in the Budget, explain why those positions are necessary to expand or continue the Program. If existing personnel are requested in the Budget, explain the history of the funding source and the need for funding from this grant opportunity.

Job Descriptions and resumés of all staff budgeted with grant or match funds must be submitted with the application. For positions that are yet to be hired, resumés are not required with the application but will be required upon hiring.

b) New Program

For applicants who are establishing a New Program, describe the key project staff, including their responsibilities and how that work fits within the Plan's workflow. Key project staff must include, at a minimum, members of the Mental Health Diversion Team as required by the statute. For any personnel included in your Budget, explain whether you will use existing staff or if you will recruit new staff for each position requested.

Job descriptions and resumés of all staff budgeted with grant or match funds must be submitted with the application. For positions that are yet to be hired, resumés are not required with the application but will be required upon hiring.

5. Data Collection and Evaluation (10 points)

a) Existing Program

For applicants with an Existing Program, describe how data is collected while ensuring participant privacy. Explain the protocols in place to comply with the expungement rules set forth in N.J.S.A. 2C:52-6.

b) New Program

For applicants who are establishing a New Program, describe how data will be collected

while ensuring participant privacy, including who is responsible for data collection, analysis, and reporting. Explain the protocols your Program will put in place to comply with the expungement rules set forth in N.J.S.A. 2C:52-6.

6. Budget Detail and Narrative (10 points)

Applicants must provide a budget and narrative explanation, on the form provided, that detail why those costs are necessary to the success of the project. Costs must be specific and tied to the project objectives. Any expenses that are necessary for the operation of the Program but for which no funding is requested should be listed as a match to the Program.

7. Discretionary Award (10 points)

Applicants may be awarded up to 10 additional points for demonstrating the adoption and clear integration of their MHDP plan into other deflection and diversion programs in the County or Vicinage, including, but not limited to, municipal court diversion, Recovery Court, or Veterans Diversion Court. NOTE: This optional section may duplicate some of the explanation provided in Section 3. Applicants are not required to demonstrate the adoption and integration of their MHDP plan with other diversion programs; however, applicants who demonstrate such integration are eligible for up to 10 points in addition to the total of 100 points available under Sections 1 through 6.

VI. BUDGET DETAIL AND BUDGET NARRATIVE

Applicants must provide a budget and narrative explanation, on the form provided, that detail why those costs are necessary for the applicant to establish, expand, or continue a Mental Health Diversion Program.

1. Budget Categories:

a. SALARIES

List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization, and qualifications must be substantiated in the individual's resumé. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives.

b. FRINGE BENEFITS

Fringe benefits should be based on actual known costs or an approved negotiated rate. Attach a copy of the fringe benefit policy. Fringe benefits are for the personnel listed in the personnel section of the budget and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation and Unemployment Compensation. If salaries are being reflected in the budget as a cost of the project, the corresponding fringe should also be included.

c. CONSULTANTS/CONTRACTS/SUBAWARDS

Each Consultant, Contract, and Subaward must include a narrative describing the services to be provided and include how the service(s) are necessary for the success of the project. Identify the individual consultant, procurement contractor, or agency subgrantee providing the service, if known. If not known, indicate the type of service and TBD (e.g., social worker, TBD). Indicate if the provider is a Consultant, Procurement Contract, or Subgrant.

Briefly state the service to be provided. Indicate the quantity, basis, known or estimated cost, and length of time.

Consultants: This is an individual person providing a service for a set fee. The hourly rate for consultants is capped at the federal threshold of \$81.25 per hour or \$650 per 8-hour day. With additional justification in the narrative, applicants may request up to 10% more.

Procurement Contract: This is a vendor or agency that is providing an item or service. Procurement contracts are used when the entity is acquiring a good or service for their direct benefit. Examples include leasing a copier, providing a training, or accounting services. The service to be provided is specified by you, the applicant agency. Provide a description of the product or service to be procured by contract and estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts/subawards.

Subgrant: Subgrants are used when the entity is awarding funds to another entity to carry out a portion of the project scope of work. The entity providing the service is known as the subrecipient.

If the application includes a subrecipient(s) to assist in providing services outlined in the scope of work, during the contract award process, special conditions will be added to acknowledge your compliance with the requirements of a pass-through agency for engaging services of a subrecipient agency.

For individual Consultants only, list additional expenses. List all expenses (e.g., travel, meals, lodging, etc.) to be paid from the grant to the individual consultants in addition to their fees.

d. EQUIPMENT

List non-expendable items that are purchased (Note: Organization's own capitalization policy for classification of equipment should be used.) Expendable items, with a cost less than \$1,000, should be included in the "Supplies" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high-cost items and those subject to rapid technological advances. Rented or leased equipment costs should be listed in the "Contract" category. Explain how the equipment is necessary for the success of the project and describe the procurement methods to be used.

OACR may approve the purchase of equipment deemed appropriate and essential to the successful operation of projects. Requests for equipment should contain adequate cost specifications, including equipment type, quantity, and estimated costs. Specific brand names should be excluded.

Equipment purchased and used commonly for two or more programs should be appropriately divided among each activity. Equipment that has already been purchased and charged to other activities of the organization is not an allowable expense to the award.

e. SUPPLIES

List items by type (e.g., office supplies, postage, training materials, copying paper, and expendable equipment items costing less than \$1,000, such as books) and show the basis for the computation. Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supplies purchased and used commonly for two or more programs should be appropriately divided among each funding source. For example, if only 30% of the supply item will be attributed to this program, only 30% of the cost of the item may be included in the budget. Examples may include cell phones, tablets, or laptops.

f. TRAVEL

Itemize all travel expenses of staff personnel by purpose (e.g., staff to training, travel to meetings). Describe the purpose of each travel expenditure in reference to the project objectives. Identify the location of the travel, if known; if unknown, indicate "location to be determined."

Travel costs are allowable if permitted under the current State Travel Regulation Circular, 20-04-OMB, as amended, which is located at the following website: <http://www.state.nj.us/infobank/circular/circindx.htm>.

Mileage reimbursement cannot be charged in excess of the New Jersey State maximum, which is currently \$.47 per mile, per State Treasury Circular Letter, Mileage Reimbursement for Use of Personal Vehicle, 23-02-OMB, as amended, which is located at the following website: <http://www.state.nj.us/infobank/circular/circindx.htm>.

g. OTHER COSTS

List items by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent or provide a monthly rental cost and how many months to rent (rent/lease agreement must be submitted). Only the cost of facilities used for the project activities are permissible, such as office space, maintenance costs, landlines, and utilities.

h. UNALLOWABLE COSTS

Generally, allowable costs may be rejected if, in OACR's determination, such costs are deemed excessive or not integral to the success of the project. Costs must be reasonable, allocable, and necessary for the project. All items of cost will be reviewed by OACR to determine eligibility. Costs incurred outside of the project period (either before or after) are not allowable. Services provided by staff and/or contractors and all programmatic activities/events must occur after July 1, 2025, and before June 30, 2027 to be eligible for

reimbursement unless the recipient has been granted an extension prior to the end date of the project period.

Recipients must adhere to the financial and administrative requirements set forth in the most recent version of the Program Guidelines and General and Special Conditions.

INDIRECT COSTS/OVERHEAD/ADMINISTRATIVE COSTS ARE UNALLOWABLE AND WILL BE REMOVED FROM YOUR BUDGET/AWARD IF INCLUDED.

The following costs are not allowed:

- Lobbying.
- Participant incentives, including gift cards and stipends.
- Research and Studies; however, project evaluations are allowable.
- Capital expenses including but not limited to capital improvements, property losses and expenses, real estate purchases, mortgage payments, and construction.
- Compensation for Victims of Crime (reimbursement of crime victims for expenses incurred as a result of a crime).
- Salaries and Expenses of Management. Salaries, benefits, fees, furniture, equipment, and other expenses associated with executive directors, board members, and other administrators making in excess of \$150,000/year will be capped at 10% unless such individuals are providing direct participant services.
- Certain Travel Costs. Travel costs excluded under the current State Travel Regulations 20-04-OMB, are unallowable. No overnight travel or meal allowance if travel is within the State (<http://www.state.nj.us/infobank/circular/circindx.htm>). Lodging costs in excess of federal per diem rate are not allowable. (<http://www.gsa.gov>).

VII. RESOLUTION

Applicants must return a certified Resolution with their Award Package. The Resolution must contain all data requirements listed on the Required Resolution & Certification Checklist which is provided as a reference document in the Award Package.

VIII. LEGAL COMPLIANCE

Applicants and their contractors are required to comply with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq. Applicants are expected to comply with all applicable New Jersey regulations, policies, and guidelines.

IX. DEBARMENT

Applicants and their subcontractors should not obtain goods and services from other agencies which are debarred, suspended, or disqualified from doing business with the State of New Jersey.

Applicants are also expected to comply with state Executive Order No. 34 (March 17,

1976), and state circular letter OMB 93-13-GSA regarding debarments, suspensions, and disqualifications. The State Department of Treasury has an on-line, searchable database of those individuals, corporations, and agencies, who are debarred from conducting business with the State of New Jersey: <http://www.state.nj.us/treasury/revenue/debarment/index.shtml>. In the performance of any grant, recipients cannot conduct business with ineligible firms or individuals who are considered debarred, suspended, or disqualified.

X. NEW JERSEY PENALTIES FOR CORRUPTION OF PUBLIC RESOURCES

While enacting ethics and government corruption reforms, the New Jersey Legislature enacted Public Law 2007, Chapter 158, which makes knowingly misusing public resources for an unauthorized purpose a crime. N.J.S.A. 2C:27-12. Under the Crime of Corruption of Public Resources, an individual commits a crime if (1) the public resource is subject to an obligation to be used to perform or facilitate the performance of a governmental function or public service, (2) a person knowingly uses a public resource for an unauthorized purpose, or (3) a person makes a material representation that is false to a government agency . . . to obtain or retain a public resource, or with the purpose to mislead or deceive any person as to the use or disposition of a public resource. Id. The Legislature defines a public resource as including grants awarded by the government. Id. Convictions under this act could result in a 20-year prison term and \$200,000 fine. Id. The Legislature also enhanced public corruption penalties under the Public Corruption Profiteering Penalty Act, N.J.S.A. 2C:30-8, which subjects individuals convicted under public corruption laws, including N.J.S.A. 2C:27-12, to fines up to \$500,000. Under N.J.S.A. 2A:32C-3, a person shall also be subject to civil penalty and treble damages for making false claims under New Jersey's False Claims Act.

XI. RECIPIENT OFFICIAL FILE

Recipients are required to maintain a master file for grant documents. The following documents must be available for on-site review by DOA or OACR program monitors and auditors:

- A. Copy of approved application and award package for the grant including Program Narrative, Applicant Information Form, Applicant Authorization Form, Project Work Plan, Budget Detail Worksheet and Narrative, New Jersey Single Audit Requirement Certification, Federal Single Audit Certification and Proof (if applicable), LPS High-Risk Grantee Applicant Disclosure and Justification (if applicable), Award Letter, Grant Award Contract, General and Special Conditions, the Resolution, and related written approvals from DOA.
- B. Copies of all quarterly Detailed Cost Statements, quarterly programmatic progress reports, backup documentation, and annual reports.
- C. Copies of all Requests for Reimbursements.
- D. Banking Information: Cash verification, receipts documentation, check register, canceled checks, and bank statements (if applicable).
- E. Copies of all Grant Adjustment requests and approvals.

XII. REPORTING PROCEDURES

A. PROGRAMMATIC REPORTS

Recipients are required to submit quarterly programmatic progress reports to DOA describing project activities for the duration of the award period. Reports are to be submitted to LPS within fifteen (15) calendar days of the end the 3-month period (quarter). Recipients will receive reporting forms with their copy of the executed award package. Reimbursement requests will not be processed if the narrative report submissions are not up to date.

Narrative Programmatic Progress Reports should be sent via email to your program analyst quarterly:

July 1 through September 30, due October 15th
October 1 through December 31, due January 15th
January 1 through March 31, due April 15th
April 1 through June 30, due July 15th

Recipients must additionally agree to comply with any additional reporting requirements and regulations which may be implemented during the program period via statute, directive, guideline, or request of LPS.

B. FINANCIAL REPORTS

Recipients are required to submit financial expenditure reports, or Detailed Cost Statements (DCS), comparing actual expenditures with the DOA Approved Project Budget. Recipients are required to submit quarterly DCS's. DCS reports must be submitted to your analyst at LPS, via e-mail, within fifteen (15) calendar days of the end of each quarter. The liquidation period for unpaid obligations is 45 days after the grant ends. The DCS submitted for the liquidation period shall be marked as final. For each funding request, a separate State of New Jersey Payment Voucher must be submitted.

C. GENERAL FISCAL REQUIREMENTS

Recipients must maintain timesheets for all positions funded under the award. Adequate documentation and policies must be maintained to determine appropriate funding allocations. Special care should be taken if a position is funded from more than one source. Time and effort records must account for an individual's entire day by funding source and be signed by the employee and supervisor. Daily time reported must be recorded in increments of 15 minutes (.25).

You may view a sample timesheet at: https://www.njoag.gov/wp-content/uploads/2024/09/2024-0923_Sample-Time-and-Activity-report.pdf.

Recipients must also maintain an inventory of records for equipment purchased, rented, and for consumable supplies purchased.

1. SOURCE DOCUMENTATION REQUIREMENT

All costs charged to state grant awards must be adequately documented. All recipients must provide supporting source documentation (e.g., invoices, hotel receipts, timesheets, payroll records, purchase orders) with their **reimbursement** requests. Recipients should be ensuring that their costs are allowable, mathematically accurate, and correlate to the source documentation provided. LPS grant staff will review all recipient source documentation prior to approving reimbursement requests. Costs lacking sufficient support may not be reimbursed.

XIII. BUDGET REVISION AND OTHER MODIFICATIONS

The grant budget is the approved financial plan to carry out the purpose of the grant. This plan is the financial representation of the project as approved during the grant application and award process.

Subrecipients are required to report **all deviations** from the approved budget and **receive prior written approval for all budget revisions**. For modifications in excess of **one (1) percent of the total award amount**, subrecipients are required to submit a written explanation (Justification Letter) and DOA Grant Adjustment Request Form (GARF). Budget modifications and GARF's will not be permitted within 30 days of the end of the contract period.

Note: the above noted 1% is cumulative over the life of the award, and not per request.

Subrecipients are required to submit a GARF for the following reasons:

1. Changes in the scope, objective, financial assistance, key personnel, timing of the project or deviations from the approved budget.
2. Need to extend the grant period.
3. Provide financial assistance to a third party by sub-contracting (if authorized by law) or by another means to obtain the services of a third party to perform activities which are central to the purpose of the award.
4. Adjustments between cost categories and/or shifts of funding to direct cost categories that are not part of the approved budget.
5. Revisions which involve the transfer of amounts budgeted for indirect costs to absorb increases in direct costs.

XIV. AUDIT REQUIREMENTS

The Recipient must comply with audit requirements located in the State Treasury Department, State Circular, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 15-08-OMB, 2 CFR Part 200, Subpart F, Audit Requirements (2 C.F.R. § 200.500, et seq.), and the Government Accountability Office's Generally Accepted Government Auditing Standards (also known as the Yellow Book).

- i. Applicants that expend Federal and/or State financial assistance of \$100,000 or more, but less than \$1,000,000 of Federal or State

financial assistance during their fiscal year (including federal pass-through funds), must have either:

1. A financial statement audit performed in accordance with Government Auditing Standards (Yellow Book); or
 2. A program specific audit performed in accordance with 2 C.F.R. § 200.500, et seq., and state policy.
- ii. For applicants that expend Federal or State financial assistance (including funds received from the Federal Government or federal funds passed through state agencies) of \$1,000,000 or more during their fiscal year must have:
1. A single audit performed; or
 2. A program specific audit performed in accordance with 2 C.F.R. § 200.500, et seq., and state policy.
- iii. For applicants receiving less than \$100,000 of State and/or Federal financial assistance, no audit is required.

The recipient must maintain a bookkeeping system, records, and files to account for all monies spent implementing the project. While a preferred system is not specified, recipients are expected to conform to accepted accounting standards.

XV. MONITORING OF PROGRAM PERFORMANCE

- a. The recipient must assure that performance goals are being achieved.
- b. The recipient shall inform LPS of the following types of conditions which affect program objectives and performance as soon as they become known:

Problems, delays, or adverse conditions which will materially impair the ability to attain program objectives, prevent meeting time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any DOA assistance required to resolve the situation.

- c. LPS may, at its discretion, make site visits to:
 - i. Review program accomplishments and management control systems.
 - ii. Provide such technical assistance as may be required.
 - iii. Perform fiscal reviews to ensure grant funds are being properly expended in a timely manner.

LPS may also request documents related to the above independent of a site visit. In all cases, applicant is obligated to comply with requests associated with site visits or document production.