

Mental Health Block Grant (MHBG) Funding Special Provisions

I. Program Specific Rules

A. Impermissible Expenditures

The Grantee may not use MHBG funding for any of the following purposes:

1. To provide inpatient hospital services.
2. To make cash payments to intended recipients of health services.
3. To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment.
4. To satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.
5. To provide financial assistance to any entity other than a public or nonprofit private entity.
6. To 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 AIDS.
7. To directly or indirectly purchase, prescribe, or provide marijuana or treatment using marijuana, including treatment of substance use disorder.
8. To provide funding to any individual or organization that provides or permits the use of marijuana for the purpose of treating substance use disorder or mental health problems.
9. To purchase medication.
10. To purchase or lease vehicles or to insure vehicles.
11. To supplant existing resources or staffing.
12. To purchase gym or athletic club memberships for drop-in participants (day passes remain allowable).
13. Other expenses as determined by the Department to be impermissible expenditures of MHBG funding.

B. Ability to Pay Requirements

If the Grantee is a community mental health service provider or prepaid inpatient health plan responsible for determining ability to pay for service recipients who are not eligible for Medicaid, that paperwork must be completed even if funding in this Agreement is paying for the services or the service recipient's portion of the costs.

C. Attribution

All brochures, programs, trainings, or printed material paid for with MHBG funds are required to identify that such material is: "Supported by funds from Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, through the Michigan Department of Health and Human Services."

D. Selling of Products Paid for with MHBG Funds

The Grantee may not sell materials paid for with MHBG funding without the express, written permission of LRE.

E. Use of National Experts

If funds are used to bring in a national expert for training or consultation, LRE and the Department must be notified in advance and invited to attend.

F. Subrecipient and Contractor Monitoring Requirements

As per 45 CFR 96.30, a financial review must be conducted for each subrecipient based on a risk assessment that will determine the monitoring frequency. The Grantee is designated as a sub-recipient under this sub-award agreement and therefore, will establish a sub-recipient grantee or contractor relationship with subsequent entities that are provided with Federal funds to support service delivery. The Grantee certifies and assures that it will, and all its pass-through sub-recipients and contractors will, maintain effective program and financial records that fully disclose the amount and disposition of SAMHSA funds received. This includes providing all financial documentation to support all expenses reported on the Grantee's FSRs, eligibility, the portion of the program funded with other sources of revenue, job descriptions, sub-contracts for services, and other records upon request for the purpose of financial and programmatic review. If the Grantee determines that subsequent entities have a contractor relationship, the financial documentation should consist of the number of participants served, service(s) provided and units of service. Documentation of how the Grantee determines its relationships with its contractor(s) and/or subrecipient(s) will be required for financial and programmatic review.