FY2025-26 Fiscal Reporting Training

Non-Treatment Services
Needle Exchange Program (NEP)
Driving Under the Influence (DUI) Program

SAPC Substance Abuse Prevention and Control

County of Los Angeles Public Health

Fiscal Reporting Tool (FRT) Introduction

SAPC | Substance Abuse Prevention and Control

County of Los Angeles Public Health

Fiscal Reporting Tool (FRT) Introduction

- On June 1, 2023, the State of California Department of Health Care Services (DHCS) released the Behavioral Health Information Notice (BHIN) No: 23-023 informing the elimination of cost settlement requirements for Counties and providers (BHIN-23-023-Elimination-of-Cost-Reporting-Requirements-for-Counties-and-Providers.pdf (ca.gov)). The new regulation took effect as of FY23-24.
  - Did not eliminate fiscal compliance requirements.

- On October 10, 2023, the County of Los Angeles Department of Public Health's Substance Abuse Prevention and Control (SAPC) Bureau released the SAPC INFORMATION NOTICE 23-10 (SAPC IN 23-10) that announced the implementation of the Fiscal Reporting process for all SAPC providers (http://publichealth.lacounty.gov/sapc/bulletins/START-ODS/23-10/Fiscal-Reporting-SAPC-IN-23-10.pdf). The first year of implementation was FY23-24.

DMC Fiscal Reporting Tool Introduction (Continue)

- On May 15, 2026, the County of Los Angeles Department of Public Health's Substance Abuse Prevention and Control (SAPC) Bureau released an updated SAPC IN 26-06. The IN has been revised to address requests from Network Provider Agencies and to provide additional guidance with regulations in the Fiscal Reporting process (http://publichealth.lacounty.gov/sapc/bulletins/START-ODS/26-06/SAPC%20IN%2026-06_Fiscal%20 Reporting%2005.15.26_FINAL.pdf).

Fiscal Reporting Tool Introduction (Continue)

- The purpose of the Fiscal Reporting process is to:
  - ➢ Collect accurate expenditure data
  - ➢ Meet local, state, and federal funding requirements
  - ➢ Reduce administrative burden
  - ➢ Ensure that services provided comply with applicable regulations, guidelines, and contract requirements

- The Fiscal Reporting process is in conjunction with all other reporting requirements issued by DHCS, which have changed under CalAIM provisions for provider agencies.

Fiscal Reporting Tool Introduction (Continue)

- **Completion of the Fiscal Reporting process includes:**
  - An established deadline set by SAPC to facilitate information sharing and communication with provider agencies.
  - The timely submission of invoices, claims, and completion of the Fiscal Reporting Tool(s) to report program expenditure and facilitate transparency of the use of public funds.
  - Failure to submit accurate and complete information may limit provider agencies' ability to fully capture and claim all allowable costs in the Fiscal Reporting Tool.

Non-Treatment
Fiscal Reporting Tool (FRT) Training

SAPC | Substance Abuse Prevention and Control

County of Los Angeles Public Health

Non-Treatment Fiscal Reporting Tool

Topics for Discussion

1. ALLOWABLE COST CALCULATION METHODOLOGY
2. FISCAL REPORTING TOOL SETTLEMENT
   – Lower of costs or charges
3. SUBMISSION GUIDELINES
4. SOURCE DOCUMENTS
5. FORM INSTRUCTIONS
6. SUBMISSION REQUEST

Non-Treatment Fiscal Reporting Tool

Allowable Cost Calculation Methodology

Cost Reconciliation Not Cost Reimbursement

SAPC contracts are now reimbursed at the lesser of costs or charges. This means at the end of the fiscal year; final payment will be based on cost reconciliation not cost reimbursement.

Cost Reconciliation: Settle up to, but not to exceed, the rate for services delivered to patients where allowable costs align with SAPC requirements including business and clinical capacity efforts outlined in the DHCS approved Fiscal and Rates Plan. This means if fee-for-service claims for patients served are below incurred costs, SAPC does not pay the difference (e.g., a loss).

Cost Reimbursement: Settle up to the substantiated costs of delivering services to patients which may exceed the established rates. This meant if fee-for-service claims for patients served was below incurred costs, SAPC paid the difference. This process ended for all SAPC contract agencies as of June 30, 2017.

Non-Treatment Fiscal Reporting Tool

Settlement - Lower of costs or charges

“Reimbursement is limited to the provider’s actual costs less any reported revenues, such as Participant /client fees, third party revenue (insurance paid) etc.., **up to the maximum contract amount**.”

Non-Treatment Fiscal Reporting Tool

Settlement - Lower of costs or charges (Continue)

Illustrations – Cost Reconciliation (Part 1)

1. Net Cost is Higher than Statement of Work (SOW) Amount	
Net Cost	$600,000
SOW Amount	$500,000
Amount Billed	$420,000
Amount Paid (a)	$420,000
Allowable Cost (b)	$420,000
Balance Due (County)/Provider (b-a)	**$0**

Non-Treatment Fiscal Reporting Tool

Settlement - Lower of costs or charges (Continue)

Illustrations – Cost Reconciliation (Part 2)

2. Net Cost is Lower than SOW Amount	
Net Cost	$380,000
SOW Amount	$500,000
Amount Billed	$420,000
Amount Paid (a)	$420,000
Allowable Cost (b)	$380,000
Balance Due **(County)**/Provider (b-a)	**($40,000)**

Non-Treatment Fiscal Reporting Tool

Settlement - Lower of costs or charges (Continue)

Illustrations – Cost Reconciliation (Part 3)

3. Amount Billed is Higher than Amount Paid	
Net Cost	$480,000
SOW Amount	$500,000
Amount Billed	$480,000
Amount Paid (a)	$420,000
Allowable Cost (b)	$480,000
Balance Due **(County)**/Provider (b-a)	**$60,000**

Non-Treatment Fiscal Reporting Tool

Submission Guidelines

Provider agencies must submit their cost reports accordingly:

- By Site
- By Contract
- By Program

- The Fiscal Reporting Tool includes an "**Instructions**" tab that outlines the steps required to complete the tool.
- Provider agencies complete only the yellow highlighted areas in the Fiscal Reporting Tool.

Non-Treatment Fiscal Reporting Tool

Source Documents for Completing Fiscal Reporting Tool

1. THE LATEST COUNTY APPROVED BUDGET

2. COST ALLOCATION PLAN

3. FINANCIAL RECORDS, INCLUDES BUT NOT LIMITED TO:
   - General Ledgers
   - Revenue reports
   - Books of original entries: cash receipts/register, cash disbursement journal, etc.
   - All records of funds expended, and costs reported are subject to review(s) and audit(s) by County, State, and/or Federal agencies.

4. OTHER RECORDS
   - Units billed for the fiscal year

Non-Treatment Fiscal Reporting Tool

Form Instructions

- **The Fiscal Reporting Tools can be downloaded from SAPC's website:**

  - http://www.publichealth.lacounty.gov/sapc/
  - Select "**Providers**" drop down menu then select "**Manual, Bulletins, & Forms**"
  - Click on the "**Bulletins**" tab then "**Bulletins 2026**" link
  - Scroll down to find the "**26-06 Implementation of Fiscal Reporting Process for All Substance Abuse Prevention and Control Bureau**"
  - Click on links for "**Non-Treatment Fiscal Reporting Tool – FY20XX-XX**"

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (1) Provider Info and Cert:

- On the Fiscal Year line, indicate the Fiscal Year by changing the red XX-XX to the reporting year.
- Enter information in the yellow highlighted cells.
- Provider agency's Number should match the site address.
- Ensure the accuracy of information.
- Provide all requested information

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Department of Public Health - Substance Abuse Prevention and Control Bureau
Non-Treatment Fiscal Reporting - Detailed Costs Indirect Cost Rate 15% or Less
Fiscal Year 20XX-XX

Provider Number	0	
Indirect Cost 15% or less		

SECTION (A) - EXPENDITURES DESCRIPTION	From Accounting Records	Formula (General Ledger less Total Direct Cost)	Community Collaboration Program (CCP)	Prevention Education Program (PEP)	Friday Night Live (FNL)	Capacity Building (CB) - SHSMA	Client Engagement and Navigation Service (CENS)	Housing Navigation	Increased Access Service	Training & Technical Assistance	Outreach & Engagement	Soberin
	Total	Indirect	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Di
Personnel Services												
Salary and Wages		-										
Employee Benefits		-										
Equipment, Materials and Supplies												
Depreciation - Equipment		-										
Maintenance - Equipment		-										
Medical, Dental and Laboratory Supplies		-										
Membership Dues		-										
Rent and Lease Equipment		-										
Clothing and Personal Supplies		-										
Food		-										
Laundry Services and Supplies		-										

Instructions | (1) Provider Info and Cert | (2) DetailedCost ICR15% or Less | (2a) Detailed Cost FED ICR | (3) (

- Sample of a Non-Treatment Fiscal Reporting Tool:
  - ➢ Use this tab (2) Detailed Cost ICR 15% or Less if your agency does not have a federally approved Indirect Cost Rate.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2) Detailed Cost Indirect Cost Rate (ICR) 15% or Less

SECTION (A) - EXPENDITURES DESCRIPTION

Enter the agency's ICR in the cell **B5** prior to completing the cost report.

Column B: From Accounting Record - Enter the total cost (direct and indirect) from the agency's General Ledger for that site for each applicable line item from rows **11** through **53.**

Column C: Indirect Cost - Formulated, **no entry required.**

This is the variance between the total cost (direct and Indirect) and total direct cost. Ensure that the indirect cost rate in the cell **U57** is capped at 15% of Modified Total Direct Cost (MTDC), per Federal Register §200.414. If your calculated ICR exceeds 15%, SAPC will adjust the ICR to 15%.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2) Detailed Cost ICR 15% or Less

SECTION (A) - EXPENDITURES DESCRIPTION

Columns D to S: These columns are for "Direct Cost" only.

Enter the agency's direct cost that is attributable to each level of care for each applicable line item from rows **11** to **53**. If the service you provided is not specified in any of the columns, enter the totals in Other Non-Treatment Services (column S) and indicate the service type.

Column T: Formulated, no entry required. This is the sum of Direct Cost (Columns D to S).

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2) Detailed Cost ICR 15% or Less

SECTION (A) - EXPENDITURES DESCRIPTION

Column V: Enter an explanation of how direct costs were identified to each applicable line item.

Row 57: Formulated, no entry required.
This row automatically calculates the Indirect Cost Rate by dividing the Total Indirect Cost (Column C) by the Total Direct Costs (Column T). The calculated rate (subject to the applicable rate cap) is then applied to each direct cost center subtotal to determine the Indirect Cost allocation for each cost center.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2) Detailed Cost ICR 15% or Less

SECTION (B) - REVENUE (**EXCLUDE COUNTY REVENUE**)

1: **Grand Total Cost (row 62)**: Formulated, no entry required.

2: **Revenue (row 63)**: Insurance Paid, Client Fees, Share Cost, Public Assistance (Food Stamps). Enter the total revenue in the columns D to S, if any.

3: **Net Cost (row 64):** Formulated, no entry required. It is Grand Total Cost less Revenue.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2) Detailed Cost ICR 15% or Less

4. UNITS OF SERVICE (row 67 – row 70) : Enter for respective Level of Care

4a. Total # of Units

4b. Total # of Hours

4c. Total # of Sessions Provided

4d. Total # of Participants

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Department of Public Health - Substance Abuse Prevention and Control Bureau

Non-Treatment Fiscal Reporting - Detailed Costs with Federally Approved Indirect Cost Rate

Fiscal Year 20XX-XX

Provider Number	0
Federally Approved ICR	

SECTION (A) - EXPENDITURES DESCRIPTION	From Accounting Records	Formula (General Ledger less Total Direct Cost)	Community Collaboration Program (CCP)	Prevention Education Program (PEP)	Friday Night Live (FNL)	Capacity Building (CB) - SHSMA	Client Engagement and Navigation Service (CENS)	Housing Navigation	Increased Access Service	Training & Technical Assistance	Outreach & Engagement	Sobering Center	Medi
	Total	Indirect	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	
Personnel Services													
Salary and Wages		-											
Employee Benefits		-											
Equipment, Materials and Supplies													
Depreciation - Equipment		-											
Maintenance - Equipment		-											
Medical, Dental and Laboratory Supplies		-											
Membership Dues		-											
Rent and Lease Equipment		-											
Clothing and Personal Supplies		-											
Food		-											
Laundry Services and Supplies		-											

Instructions | (1) Provider Info and Cert | (2) DetailedCost ICR15% or Less | (2a) Detailed Cost FED ICR

- Sample of a Non-Treatment Fiscal Reporting Tool:
  - ➢ Use this tab (2a) Detailed Cost FED ICR if your agency has a federally approved Indirect Cost Rate.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

Tab (2a) Detailed Cost FED ICR

- This tab should be completed if you have a Federally Approved Indirect Cost Rate (FED ICR).
- Enter the FED ICR in the cell **B5** prior to completing the cost report.
- Enter the Indirect Cost amount in the cell **B55**. After entering all required information in tab (2a), ensure that the Indirect Cost Rate in the cell **U57** is capped at the approved FED ICR. If your calculated ICR exceeds the approved FED ICR, SAPC will adjust the ICR to the approved FED ICR.

Non-Treatment Fiscal Reporting Tool

Form Instructions (Continue)

- Provider agencies must retain (per Record Retention and Audits requirements) the information used to complete the Fiscal Reporting Tool in an organized manner consistent with current LA County policy.
- The information may be used during audits and/or reviews by other LA County department(s), DHCS, etc.
- Questions can be submitted to your assigned SAPC Fiscal Report Analyst or email to SAPC-Finance@ph.lacounty.gov.

Non-Treatment Fiscal Reporting Tool

Submission Request

- **Deadline - September 30, 2026**
  - Email the following to your assigned SAPC Fiscal Report Analyst or to SAPC-Finance@ph.lacounty.gov:

    1. Completed **Fiscal Reporting Tool(s)** in **Excel** format.
    2. Scanned copy of the original wet signed **Provider Information and Certification** page(s) in **PDF** format.
    3. The FY 2025-26 **Contract Performance Report** your agency used to determine the approved units, if applicable (e.g., Recovery Bridge Housing program).

NEEDLE EXCHANGE PROGRAM (NEP)

SAPC | Substance Abuse Prevention and Control

County of Los Angeles Public Health

Needle Exchange Program (NEP)

Fiscal Reporting Tool Submission Guidelines

- Needle Exchange Program (NEP) fiscal reporting follows the same process as the Non-Treatment fiscal reporting, with some minor differences.
- **Providers must submit their cost reports accordingly**:

By Site → By Contract → By Program → By Funding Source

- The Fiscal Reporting Tool includes instructions outlining the steps for the tool completion.
- Provider complete only the yellow highlighted areas in the Fiscal Reporting Tool.
- NEP Fiscal Reporting Tool settlements is based on the lower of costs or charges, up to the maximum funding sources budget amount in the contract.

Needle Exchange Program (NEP)

Fiscal Reporting Tool Submission Guidelines (Continue)

- **The Fiscal Reporting Tool for NEP can be downloaded from SAPC's website:**
  - ➢ www.publichealth.lacounty.gov/sapc
  - ➢ Select the "**Providers**" drop-down menu, then select "**Manual, Bulletins, & Forms**"
  - ➢ Click on the "**Bulletins**" tab, then click the "**Bulletins 2026**" link
    - ➢ Scroll down to find the **"26-06 – Implementation of Fiscal Reporting Process for all Substance Abuse Prevention and Control Bureau**"
  - ➢ Click on the link for "**Needle Exchange Program (NEP) - Fiscal Reporting Tool- FY20XX-XX**"

Needle Exchange Program (NEP)

Fiscal Reporting Tool Submission Guidelines (Continue)

- **Deadline - September 30, 2026**
  - Email the following to your assigned SAPC Fiscal Report Analyst or to SAPC-Finance@ph.lacounty.gov:

    1. Completed **Fiscal Reporting Tool (FRT)** in **Excel** format.
    2. Scanned copy of the original wet signed **Provider Information and Certification** page in **PDF** format.

DRIVING UNDER THE INFLUENCE (DUI) PROGRAM

SAPC | Substance Abuse Prevention and Control

County of Los Angeles Public Health

DUI Fiscal Reporting Tool

- **The Fiscal Reporting Tool for DUI can be downloaded from SAPC's website:**
  - www.publichealth.lacounty.gov/sapc
  - Select the "**Providers**" drop-down menu, then select "**Manual, Bulletins, & Forms**"
  - Click on the "**Bulletins**" tab, then click the "**Bulletins 2026**" link
  - Scroll down to find the "**26-06 – Implementation of Fiscal Reporting Process for all Substance Abuse Prevention and Control Bureau**"
  - Click the link for "**DUI - Fiscal Reporting Tool- FY20XX-XX**"

DUI Fiscal Reporting Tool

Provider Information and Certification - Tab 1

- This form is a required component of your fiscal reporting tool package and certifies that:
  - The cost report is true, accurate, complete, and prepared in accordance with applicable County, State, and Federal laws, regulations and guidelines.
  - All supporting records will be maintained for a period of three (3) years.
  - Any individual who misrepresents, falsifies, omits essential information, and/or conceals material facts may be subject to prosecution under applicable County, State, and/or Federal laws.

DUI Fiscal Reporting Tool

Provider Information and Certification - Tab 1 (Continue)

- Fill out the data accurately and complete the required fields highlighted in yellow for each section.
- Indicate the Provider’s Number. The Provider Number should match the address on the site.
- Enter the name of the individual who responsible for preparing the fiscal reporting tool.

DUI Fiscal Reporting Tool

DUI Fiscal Reporting - Tab 2

- Enter accurate data for all applicable lines highlighted in yellow to completed each section.
  - **Section 1** **Expenditures**:
    - Number of participants: Enter the total number of participants
    - Expenditure Categories: Enter actual expenditures for:
      - ✓ Personnel Services
      - ✓ Equipment / Facility Depreciation
      - ✓ Operating Expenses
  - **Section 2** **Revenue**: Enter the actual collected amount for each site
  - **Section 3** **Excess Fees**: This section is automatically calculated; no data entry is required

DUI Fiscal Reporting Tool

DUI Fiscal Reporting - Tab 2 (Continue)

- **DUI Excess Fees Calculation:**
  - ➢ The total program revenue generated minus Program Expenses (in excess of 10% of total program revenue). The provider may retain this 10% excess fee and return the remaining to the participants or use it for program operations.
  - ➢ Complete the Excess Fees calculation to determine the amount of excess fees.
  - ➢ Agency may retain up to 10% of total program revenue.

Total Gross Expenditures	$	238,210.00	(a)
Total Collected Participant Fees	$	269,498.00	(b)
Profit / Surplus	$	31,288.00	(c=b-a)
Excess Fees Calculation			
10% of Total Collected Participant Fees	$	26,949.80	(d)
Profit / Surplus	$	31,288.00	(e)
(Excess Profit) / No Excess Profit	$	(4,338.20)	

DUI Fiscal Reporting Tool

Submission Request

- **Deadline –September 30, 2026**
  - E-Mail the following to:
    - ✓ Completed **Fiscal Reporting Tool (FRT)** in **Excel** format
    - ✓ Scanned copy of the original wet signed **Provider Information and Certification** page in **PDF** format
  - ❖ Daniel Yen: dyen@ph.lacounty.gov
  - ❖ CC: SAPC-Finance@ph.lacounty.gov

- Questions submit to :
  - ❖ SAPC-Finance@ph.lacounty.gov

Thank You!