



## STATE OF WISCONSIN (DIVISION OF LAW ENFORCEMENT SERVICES)

Steve Wagner, Administrator  
Mark Rather, Deputy Administrator

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To: County Human Service Department Directors  
Tribal Human Service Department Directors  
Project Directors – County and Tribal Treatment Court Programs  
Project Directors – County and Tribal Diversion Programs

From: Lara Kenny, Director, Bureau of Justice Programs, Wisconsin Department of Justice

### 2025 TAD Budget Policies

Starting with the 2025 subgrants, DOJ is making changes to what costs are allowable under state TAD funding. Historically, TAD grant funds were permitted to cover the cost of incentives that reward positive and compliant behavior, and items addressing responsivity needs of program participants. Over the past few years, changes in the federal grant administration landscape and occurrences of grant fund misuse in other federal and state grant programs required DOJ to more closely track the use of funds across grant programs to guard against the risk of misuse. Since 2022, DOJ has required grantees to submit extensive documentation to support requests for reimbursement. For TAD specifically, DOJ strongly encouraged grantees to institute reasonable limits on allowable incentives and responsivity items. DOJ also encouraged grantees to budget those items as match to reduce the documentation burden for DOJ and subgrantees.

Wis. Stat. §165.95(3)(e) requires TAD funded programs to use “graduated sanctions and incentives” as one tool to promote successful substance abuse treatment. However, the wide range in potential types and uses of incentive and responsivity items, combined with grant administration requirements and standards, necessitates that DOJ adopt additional policies that limit the use of state TAD funds to cover those items. Because DOJ recognizes the importance of incentives for treatment courts and diversion programs, most costs will still be permitted as match so that grantees can continue using them as components of their programs. See the table on page 3 for information about which budget categories and items are allowable on state funds and match funds.

**The 2025 budget policies will promote the three following goals:**

- 1) Align state and federal grant program guidelines**



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Several grant programs that DOJ administers have already adopted or will soon adopt policies that mimic federal grant guidance that prohibits using funds for: “prizes, rewards, entertainment, trinkets, any type of monetary incentive; gift cards; client stipends; and food and beverage.”<sup>i</sup> Federal grant funds are generally no longer able to cover these costs. Furthermore, the U.S. DOJ Office of Justice Program’s Financial Guide states: “Entertainment, including amusement, diversion, social activities and any associated costs (i.e., tickets to shows or sports events, meals, lodging, rentals, transportation) are unallowable.”<sup>ii</sup>

Alignment with federal grant guidelines will reduce the amount of confusion faced by grantees in that the same, consistent rules will be applied for both federal and state grant funds.

### **2) Minimize risk of improper use or “misuse” of grant funds**

Over the past few years, DOJ staff have observed a large range of interpretations for what grantees consider to be “appropriate” and “reasonable” grant expenditures, particularly regarding use of incentives and responsibility items – in terms of type of items, costs of items, and frequency of use per participant. Both DOJ staff and grantee staff must exercise discretion about whether a cost is necessary to the program for a particular scenario. Because the current approval process relies heavily on individual discretion, it has the potential for inconsistent determinations and error in assessing what is allowable (“reasonable, allocable, and necessary for project activities”).<sup>iii</sup> The lack of specific grant guidance has contributed to an environment where, without intent or bad faith, TAD grant funding may be supporting costs that some people could interpret as “unreasonable” or “improper”, which creates the risk of generating bad publicity and therefore, reducing support for the TAD program.

### **3) Reduce workload for DOJ and Grantees**

Establishing more precise guidance on what costs are allowable for state TAD fund use will reduce workload for DOJ and grantees. DOJ will spend less time and effort reviewing large amounts of documentation to determine whether supplies/operating items are “reasonable, allocable, and necessary.” These new policies will streamline the grant application, modification, and fiscal report review and approval process so DOJ can reimburse subgrantees faster. Grantees will save time and effort because the supporting documentation required for costs assessed to the match portion of the grant are less stringent than what is required for reimbursement of state grant funds. Allowing the costs for incentives and responsibility items on the match portion of the grant will save grantees time, while preserving their ability to continue utilizing these resources.

### **Items that are unallowable on either State funding or Match funding:**

- Treat boxes (i.e., snack packs, fruit packs, chips or pretzels, candy and granola bars)<sup>iv</sup>
- Trinkets (keychains; hats; mugs/tumblers; pens; calendars)<sup>v</sup>
- Miscellaneous items non-essential for program functioning such as candy dishes and décor



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**Budget categories and expenses organized by allowability under state funds or match:**

State	Match
<b>Salary/Wage</b>	<b>Salary/Wage</b>
<b>Fringe Benefits</b>	<b>Fringe Benefits</b>
<b>Travel/Training</b>	<b>Travel/Training</b>
<b>Contractual/Consultant</b> <ul style="list-style-type: none"> <li>• expenses tied to a contract or lease</li> </ul>	<b>Contractual/Consultant</b> <ul style="list-style-type: none"> <li>• expenses tied to a contract or lease</li> </ul>
<b>Supplies/Operating:</b> <ul style="list-style-type: none"> <li>• testing supplies</li> <li>• general office supplies and rent</li> <li>• Tracfones</li> <li>• educational and skill development workbooks</li> <li>• Certificates of Achievement</li> </ul>	<b>Supplies/Operating:</b> <ul style="list-style-type: none"> <li>• testing supplies</li> <li>• general office supplies and rent</li> <li>• Tracfones</li> <li>• educational and skill development workbooks</li> <li>• <i>graduation supplies</i></li> <li>• <i>incentives</i></li> <li>• <i>items that require tracking of disbursement (gift cards, vouchers, tokens, passes)</i></li> <li>• <i>sobriety coins and medallions</i></li> <li>• <i>emergency needs</i></li> <li>• <i>transportation needs</i></li> </ul>

<sup>i</sup> FY 2023 Comprehensive Opioid, Stimulant, and Substance Use Site-based Program Grant Solicitation. Grants.gov Opportunity Number: O-BJA-2023-171527. Page 13. This same language appears in other federal grant solicitations beginning in 2023.

<sup>ii</sup> U.S. DOJ OJP Financial Guide: <https://www.ojp.gov/funding/financialguidededoj/iii-postaward-requirements#99-0>

<sup>iii</sup> U.S. DOJ OJP Grant Application Resource Guide: <https://www.ojp.gov/funding/apply/ojp-grant-application-resource-guide>

<sup>iv</sup> State of Wisconsin 2023-2025 Compensation Plan, Meal Reimbursement Section 4, Pages F13-F14 <https://dpm.wi.gov/Documents/BCER/Compensation/Section%20F.pdf>. Also, prohibited in federal grant solicitation listed below.

<sup>v</sup> FY 2023 Comprehensive Opioid, Stimulant, and Substance Use Site-based Program Grant Solicitation. Grants.gov Opportunity Number: O-BJA-2023-171527. Page 13. This same language appears in other federal grant solicitations beginning in 2023.