

All County Lead Agencies
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The concept of necessity underlies all determinations of allowability of costs. Accordingly, the requirement that costs be necessary is contained in Office of Management and Budget (OMB) Circulars A-87 (applicable to counties) and A-122 (applicable to providers). These circulars are incorporated by reference in Title 9, California Code of Regulations, Division 4, Chapter 2.5, Section 9530(f), for determination of allowable costs for SATTf reimbursement. You can access SACPA regulations through the Department of Alcohol and Drug Programs' (ADP) web site at www.adp.ca.gov/SACPA/prop36.shtml. The OMB circulars can be found at www.whitehouse.gov/omb/circulars.

An example of an activity that would have been necessary whether or not SACPA was enacted would be customary court activities (as opposed to court monitoring or additional court costs) necessary for drug-related criminal proceedings. Costs for these activities are not reimbursable by SACPA funds. Unallowable costs include customary costs of prosecuting or defending individuals arrested for drug violations that are incurred by/for district attorneys, public defenders, court reporters, bailiffs, etc.

Regardless of the type of scenario, counties must maintain for examination their rationales, records, and documentation in support of the amounts charged to SATTf to minimize the potential for audit disallowances. Records and documentation should be prepared and maintained in a manner that provides a reasonable audit trail to validate the costs. Additionally, all such proposed expenditures for the criminal justice system should be identified in the county's SACPA plan. However, approval by ADP of a county's SACPA plan does not mean that all costs disclosed or contemplated in the plan are automatically deemed to be in compliance with act or applicable regulations.

It is not feasible to provide examples in this letter that sufficiently cover all scenarios. ADP also recognizes that there must be some room for judgment on the part of county lead agencies. If you need additional guidance, please contact your SACPA county liaison or email SACPA@adp.state.ca.us.

Sincerely,

[Original Signed By]

DEL SAYLES-OWEN
Deputy Director
Office of Criminal Justice Collaboration