



U.S. Department of Justice

Office of Justice Programs

Office for Victims of Crime

Washington, D.C. 20531

Dear Colleague:

Regarding: Generation of Program Income by Mental Health Projects Funded by Victims of Crime Act Victim Assistance Subgrants

The Victims of Crime Act (VOCA) Victim Assistance Grant Program Guidelines (Guidelines) establish the policy that subgrantees must provide services to crime victims at no charge through a VOCA victim assistance funded project. The purpose for this policy is to provide services to all crime victims regardless of their ability to pay or of the availability of insurance or other third-party payment resources. Crime victims suffer tremendous emotional, physical, and financial losses. It was never the intent of VOCA to exacerbate the impact of the crime by asking the victim to pay for services. Any deviation from providing services to victims free of charge and generating program income from the grant requires prior approval of the state VOCA victim assistance administrator.

The VOCA statute and guidelines require that eligible subgrantees be either nonprofit or government organizations. In order to maintain stability in their finances, most nonprofit mental health programs manage multiple sources of income, including insurance, health maintenance organization contracts, employee assistance program contracts, Medicaid, Medicare, Crime Victim Compensation, and state mental health funds. Each funding source provides different levels of coverage, different requirements for patients to access and continue services, and different payments for the same types of service rendered. This makes tracking income complex.

When a VOCA victim assistance grant is awarded to fund a mental health project for crime victims, the subgrantee must track and account for the award and its in kind or cash match. With certain exceptions, VOCA victim assistance grants require a 20% match which must originate from non-federal sources. For mental health services, examples of in kind match would be volunteers or state funded personnel. Examples of cash match could be United Way funds, donations, foundation grants, and state and local revenues.

If a VOCA victim assistance administrator approves generation of program income, the state administrator and subgrantee must track the match and assure that is non-federal, e.g., it is not Medicaid, Medicare, Veteran's Benefits, or Crime Victim Compensation. They must also assure that the match is not tied to another federal funding source, since it cannot, whether in kind or cash, be counted toward more than one federal funding source. Program income may be used as match at the discretion of the state administrator.

If a VOCA victim assistance administrator considers allowing the subgrantee to generate program income from a grant, the administrator must assure that the state and the subgrantee have the capability to track program income in accordance with federal financial accounting requirements. This includes coordinating various funding sources, preventing double billing, and establishing "first in, first out" procedures, which means using program income before grant funds.

Program income generated by a VOCA victim assistance funded project must be used for the same purposes as the VOCA victim assistance grant. The VOCA victim assistance administrator may allow full and part time project staff to generate program income to pay for additional services to victims. For example, by generating program income, a project may serve an additional number of victims, serve victims who have exhausted their insurance, and pay for services not usually reimbursed by insurance such as participation on a multidisciplinary treatment team or testifying in court.

When considering whether to approve program income, the Office for Victims of Crime recommends that state VOCA administrators engage their accountants in examining the capability of a subgrantee tracking system and assuring that the state agency can monitor the system before making a decision.

In regard to use of Crime Victim Compensation payments as program income, this is allowed when the VOCA victim assistance administrator has approved generation of program income. It is the responsibility of the VOCA victim assistance administrator, not the VOCA crime victim compensation administrator, to assure that the subgrantee is abiding by program income requirements.

In summary, the history of VOCA supports crime victims receiving services free of charge. When program income can add or enhance services to victims who would otherwise not be served, a VOCA funded mental health project may generate program income, but it must have the approval of the state VOCA victim assistance administrator. That administrator must assure that the subgrantee and the state have the capability to track the VOCA grant, match, and program income and that the subgrantee meets other federal accounting requirements. Any program income generated must accrue to the benefit of crime victims and must be used for the same purposes as the VOCA grant.

If you have questions, please contact your designated program specialist or contact me at watkinsc@ojp.usdoj.gov or at (202) 514-4696.

Sincerely,



Carol R. Watkins, Director
State Compensation and Assistance Division

Authorities:

- **Victim of Crime Act of 1984, as amended**
- **VOCA Victim Assistance Grant Program, Final Guidelines**
- **OJP Financial Guide**
- **28 CFR 66 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments”**
- **CFR Part 70 “Uniform Administrative Requirements for Grants and Agreements (Including Subawards) With Institutions of Higher Education, Hospitals and Other NonProfit Organizations”**