

Department of Health and Human Services

DEPARTMENTAL APPEALS BOARD

Appellate Division

SUBJECT: James Bell Associates, DATE: September 30, 2008
 Inc.
 Docket No. A-05-73
 Decision No. 2203

DECISION

James Bell Associates, Inc. (JBA) appeals a determination by the Substance Abuse and Mental Health Services Administration (SAMHSA) disallowing federal funds paid to JBA under SAMHSA Grant No. SM52395-03. The amount appealed is \$43,727.

JBA appeals three categories of costs: miscellaneous (\$6,562); printing (\$26,476); and travel (\$10,689). As explained below, we uphold SAMHSA's disallowance of \$6,562 in miscellaneous costs, of \$685 in printing costs, and of \$3,275 in travel costs. We reverse SAMHSA's disallowance of \$25,791 in printing costs and \$7,414 in travel costs.

I. Background

JBA is an evaluation and research services firm located in Arlington, Virginia. SAMHSA Grant No. SM52395-03 was awarded to JBA for the period September 1, 2000 to August 31, 2001 as funding for year three of a five-year grant. SAMHSA Ex. 2, at unnumbered 5. The grant required JBA to determine the effects of integrated mental health, substance abuse, and HIV/AIDS primary care services on treatment adherence, health outcomes, and costs. SAMHSA Ex. 3, at 1.

On March 29, 2005, following an audit by the United States Department of Health and Human Services Office of the Inspector General (OIG), SAMHSA disallowed \$59,614 in costs out of a total \$1,015,239 claimed by JBA in year three of the grant.¹ JBA Ex.

¹ The auditors questioned \$203,271 as unallowable or unresolved costs. JBA Ex. A1, at 1. After review, SAMHSA accepted \$143,657
(continued...)

A1, at 1; SAMHSA Ex. 3, at unnumbered 5. JBA voluntarily returned \$15,887 to SAMHSA after receiving the final audit report in June 2004. JBA Ex. A1. The balance of disallowed costs (\$43,727) are at issue here. They consist of \$6,562 in miscellaneous costs, \$26,476 in printing costs, and \$10,689 in travel costs.

JBA filed an appeal before the Board on April 29, 2005. The parties submitted briefs in the form of letters and exhibits. JBA submitted an initial brief on July 18, 2005 and exhibits A1 through C6. SAMHSA submitted its response on August 24, 2005 but no exhibits. JBA replied on September 13, 2005 and attached two documents - a declaration from an official at USA Print and a SAMSHA letter of March 29, 2005 about the prospective adequacy of JBA's financial policies and procedures.

On March 15, 2006, the Presiding Board Member requested the following additional documents from SAMHSA: a copy of JBA's application for the grant; the grant award document and any statement of terms and conditions; and the related final audit issued by the OIG. On March 30, 2006, SAMHSA supplied those documents identified as SAMHSA Exhibits 1, 2, and 3 respectively.

On March 12, 2007, the Board issued an Order to Develop the Record as to Travel and Printing Costs and Closing the Record as to Miscellaneous Costs. The Board concluded that, in order to resolve whether the documentation supported or failed to support the disallowed printing and travel costs, it needed further information. Initially, the Board requested simultaneous responses from the parties. However, the parties ultimately filed the following documents: on May 16, 2007, SAMHSA filed a letter providing JBA guidance as to how to reorganize its travel documents; on May 18, JBA filed its answers to questions about printing costs in the Board's order of March 12 and JBA Exhibits A through L7²; on May 22, SAMHSA filed a letter responding to the Board's question on printing costs; on May 30, JBA filed a letter with the attached declaration of John Brigden; on May 31, JBA filed its answers to the Board's questions about travel costs and

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of the questioned costs and disallowed \$59,614. Id.

² Because JBA filed other exhibits identified as A through E, we cite the exhibits filed on May 18, 2007 related to printing costs as "JBA Printing Exhibit."

exhibits A through E³; on June 14, SAMHSA filed its response to JBA's submission on travel costs with attachments A through V; on June 27, JBA filed a letter discussing SAMSHA's response to its submission on travel and printing costs and requesting that the record be reopened as to miscellaneous costs; and on June 27, SAMHSA filed a statement reaffirming its position that all the travel costs at issue should be disallowed.

As discussed below, on July 24, 2007, the Presiding Board Member denied JBA's request to reopen the record as to miscellaneous costs.

II. Applicable law

The OIG auditors applied the "Contract Cost Principles and Procedures," of the Federal Acquisition Regulations (FAR), 48 C.F.R. Part 31; "Section 8 - Postaward Administration," and "Appendix 6 - Grants to For-Profit Organizations" of the Public Health Service Grants Policy Statement; and the Notice of Grant Award. SAMHSA Ex. 3, at unnumbered 5. SAMHSA's disallowance letter cited (and SAMHSA continued to cite) JBA's failure to comply with 48 C.F.R. Part 31.201-2, which states in part:

§ 31.201-2 Determining allowability.

(a) A cost is allowable only when the cost complies with all of the following requirements:

- (1) Reasonableness.
- (2) Allocability.
- (3) Standards promulgated by the CAS Board, if applicable^[4], otherwise, generally accepted accounting principles and practices appropriate to the circumstances.
- (4) Terms of the contract.

³ Because JBA filed other exhibits identified with these letters and because Exhibits B-14 through B-25 are revised versions of prior exhibits identified as Exhibits B14 through B25, we describe the set of exhibits filed by JBA on May 31, 2007 as revised travel exhibits, i.e., "JBA Rev. Travel Exhibit."

⁴ Neither party has asserted that the Cost Accounting Standards Board standards, which are found at 48 C.F.R. Part 9900, are relevant to this dispute.

(5) Any limitation set forth in this subpart.

* * *

(c) When contractor accounting practices are inconsistent with this subpart 31.2, costs resulting from such inconsistent practices in excess of the amount that would have resulted from using practices consistent with this subpart are unallowable.

(d) A contractor is responsible for accounting for costs appropriately and for maintaining records, including supporting documentation, adequate to demonstrate that costs claimed have been incurred, are allocable to the contract, and comply with applicable cost principles in this subpart and agency supplements. The contracting officer may disallow all or part of a claimed cost that is inadequately supported.

With respect to the disallowed travel costs, SAMHSA also cited JBA's failure to comply with certain subsections of section 31.205-46 as follows:

§ 31.205-46 Travel costs.

(a) Costs for transportation, lodging meals, and incidental expenses.

* * *

(3)(iv) Documentation to support actual costs incurred shall be in accordance with the contractor's established practices, subject to paragraph (a)(7) of this subsection, and provided that a receipt is required for each expenditure of \$75.00 or more. . . .

* * *

(7) Costs shall be allowable only if the following information is documented:

(i) Date and place (city, town, or other similar designation) of the expenses;

(ii) Purpose of the trip; and

(iii) Name of person on trip and that person's title or relationship to the contractor.

The standards for financial management systems in Part 74 provide that "recipient financial management systems shall provide for the following: . . . (3) Effective control over and accountability for all funds Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes [and] (7) Accounting records, including cost accounting records, that are supported by source documentation." 45 C.F.R. § 74.21(b).⁵

The recipient of federal funds has the burden of adequately documenting the allowability, including allocability, of costs charged to federal grants/contracts. 48 C.F.R. § 31.201-2(d); 45 C.F.R. §§ 74.21(b)(7), 74.27(a); Delta Foundation, Inc., DAB No. 1710, at 29 (1999), aff'd 303 F.3d 551, 568-570 (5th Cir. 2002); Action for Youth Christian Council, Inc., DAB No. 1651, at 8 (1998) and cases cited therein; Mexican American Unity Council, DAB No. 1341, at 13 (1992), aff'd United States v. Mexican American Unity Council, No. 5A-95-CA0320 (W.D. Tex. June 25, 1996).

III. Miscellaneous costs

The disallowance taken by SAMHSA included \$6,562 in miscellaneous costs consisting of costs for "consultants" (\$2,600), "conference calls" (\$115), "postage/courier" (\$947), "direct labor, fringe, G&A" (\$2,002), and "other miscellaneous" (\$898). JBA Ex. A3, at 2; JBA Ex. A1.

We uphold SAMSHA's disallowance of miscellaneous costs for the following reasons.

JBA submitted no evidence to the Board in support of these costs. In its final letter to the Board, JBA stated that these costs were related to the grant and that it provided documents regarding the costs to the auditors and SAMHSA. JBA letter of June 27, 2007 at 3-4. However, JBA's general allegation and submission of documents to SAMHSA, but not to the Board, does not provide a basis for the Board to conclude that these costs are allowable and allocable to the SAMHSA grant.⁶

⁵ The parties did not cite the Part 74 regulations. However, they are relevant to our decision as generally applicable standards for grant awards, including those to commercial organizations.

The only specific argument JBA made as to these costs concerned the consultant cost of \$2,600, which JBA says resulted from an increase in the consultant's rate of pay. See JBA Ex. A1, at 3; JBA Ex. A3, at 2 (July 18, 2005). The auditors questioned the cost because "the consultant was compensated at a higher rate than [her] consulting agreement." JBA Ex. A1, at 3. JBA did not deny the audit finding. Rather, JBA represented to the auditors that the consultant received an hourly rate increase but that the increase "was not supported by a modification [of the consultant agreement] due to an administrative oversight." SAMHSA Ex. 3, App. A, at 4.

The auditors relied on 48 C.F.R. §§ 31.201-2(d) (quoted above) and 31.205-33. SAMHSA Ex. 3, App. A, at 4. Section 31.205-33(f)(1) provides in pertinent part --

Fees for services rendered shall be allowable only when supported by evidence of the nature and scope of the service furnished. . . . Evidence necessary to determine that work performed is proper and does not violate law or regulations shall include --

(1) Details of all agreements (e.g. work requirements, rate of compensation and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.

Given the acknowledged absence of a modified consultant's agreement, we conclude that JBA has not adequately documented the allowability of the increase in the consultant's pay under 48 C.F.R. § 31.205-33(f)(1).

On June 27, 2007, JBA requested that the record be reopened as to miscellaneous costs so that it could submit evidence. The Presiding Board Member denied this request on the grounds that the Board had previously closed the record pursuant to its promulgated procedures and that JBA did not present any good reason for its failure to submit evidence in accordance with the Board's procedures or any other basis for reversing the Board's order closing the record.

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⁶ We note that JBA did not allege that it was confused as to whether the documents that it had previously submitted to the auditors or to SAMHSA were before the Board. Further, such an allegation would not be credible in light of the sequence of events discussed below.

We therefore uphold SAMHSA's disallowance of \$6,562 in miscellaneous costs.

IV. Printing costs

A. SAMHSA's arguments

SAMHSA disallowed \$26,476 in printing costs, consisting of \$5,344 in costs identified by the auditors as "amounts not accepted" and by SAMHSA as "unallowable costs sustained," and of \$21,132 identified by the auditors as "amounts set aside [for adjudication]" and by SAMHSA as "unresolved costs sustained." SAMHSA Ex. 3, App. A, at 5; JBA Ex. A1, at 2-4.

With respect to the unallowable costs sustained, SAMHSA stated in the disallowance letter, "JBA did not provide documentation to adequately support \$5,344 in costs claimed but indicated the costs related to the grant. According to JBA, an extensive amount of paperwork [i.e., printing] was required under the grant." JBA Ex. A1, at 3. With respect to the unresolved costs sustained, SAMHSA stated:

Documentation was not provided to support \$21,132 in printing and reproduction costs, but JBA indicated the costs related to the grant. JBA provided bank statements, cancelled checks, and a vendor invoice; however, no purchase orders or descriptive vendor invoices were provided to substantiate the costs related to the grant. It again indicated an extensive amount of print work was required under the grant.

Id. at 4.

In its opening brief to the Board, dated July 18, 2005, JBA stated:

The sustainment of \$26,476 for incurred printing and reproduction costs was based on a finding that invoicing from print vendors did not reference the grant. We agree that invoices did not adequately reference the grant, but there are sufficient cross references (linkage) and control mechanisms in place to demonstrate that the print and reproduction work was for the grant.

JBA Br. at 2.

In its response, SAMHSA pointed to JBA's acknowledgment that the print vendor invoices do not refer to the grant and also noted

JBA's statement regarding "sufficient cross references (linkage) and control mechanisms." SAMHSA Letter of August 24, 2005, at 2. SAMHSA then went on to state that it is unable to accept the costs as allowable under the SAMHSA grant because "JBA did not provide copies of purchase requisitions, purchase orders, or the like to demonstrate that the [printing] costs related to its SAMHSA grant." Id. SAMHSA noted that the SAMHSA grant was not JBA's only project that required print and reproduction work. Id.

In its final submission to the Board in response to evidence JBA presented in response to the Board order to develop the record, SAMHSA continued to assert that all the printing costs should be disallowed. It argued as follows:

Specifically, under common business practices, the following documentation should have been maintained by JBA to support that the printing costs related (were allocable) to its SAMHSA grant:

Purchase Orders or Requisitions that specifically identify the benefitting program(s) and describe in detail the printing services(s) being sought along with a copy of the document(s) being reproduced,

Invoices from the printing vendor that indicated the reproduction services related to JBA's SAMHSA grant, and

Check vouchers identifying the amounts being paid to relate to its SAMHSA grant.

Instead of providing the proper documentation that should have been maintained in its financial records, JBA provided numerous inadequate explanations as to why the printing costs should be permitted as allowable costs under the SAMHSA grant as well as a testimonial from an employee.

SAMHSA letter of June 27, 2007, at 2.

B. Analysis

To support its claim for printing costs, JBA presented evidence about the nature of the printing required by the grant, JBA's accounting system, and the disallowed printing expenses incurred at USA Print, ImaTek and Kinko's. Below we explain why we conclude that \$25,791 of the amount JBA claimed for printing is

adequately documented and therefore allowable. We disallow the remaining costs of \$685.

1. Printing required by the grant

As background for our discussion of JBA's documentation of printing costs, we discuss briefly the undisputed evidence showing that this grant required JBA to reproduce a substantial quantity of documents. The Board has previously recognized that the mere fact that a grantee necessarily incurred a specific type of costs does not excuse the grantee's inability to document that the costs are allocable to the grant. However, that precedent is not conclusive here since the undisputed evidence that JBA did reproduce a substantial quantity of documents for this grant is consistent with JBA's source documentation evidence and its representations about the allocability of printing costs to the grant.

The grant funded JBA to conduct a five-year study to determine the effects of integrated mental health, substance abuse, and HIV/AIDS primary care services on treatment adherence, health outcomes and costs. SAMHSA Ex. 3, at 1. The study included the participation of multiple study sites located around the country. Id. at 5. To conduct the study, JBA reproduced, distributed to the study sites, collected, and then stored multiple lengthy survey instruments that were each identified by a unique five-digit number. JBA letter of July 18, 2005, at 2; copies of survey instruments at JBA Printing Exs. L1-L11. JBA described the process by which these instruments were produced, distributed, collected, and stored and represented that it has available for Board inspection "two, three inch, triple hole binders with the tracking documents used to ship the numbered survey instruments to the study sites." JBA letter of May 18, 2007, at 4. It further represented that the stored, completed survey instruments occupy "approximately 230 cubic feet of space." Id. at 6.⁷ Finally, the amended budget for year three of the grant for "Printing/Repro/Misc" was \$26,325, indicating that SAMHSA recognized that JBA would incur substantial printing costs in administering the grant during year three. JBA Printing Ex. H, at unnumbered 2-3, 5. JBA provided examples of each type of survey instrument used in the study. JBA Printing Exs. L1-L7.

2. JBA's computerized accounting system

⁷ The Board has not found it necessary to inspect the documents in storage because the documents presented by JBA to the Board are adequate for its decision making.

SAMHSA did not dispute that JBA used a computerized accounting system to track the expenses that it charged to this project and to its other activities. SAMHSA questions, however, the adequacy of the source documentation supporting JBA's entries in its accounting system on the ground that the source documentation, such as vendor invoices, did not specifically identify the grant to which it related. We describe JBA's system because it is relevant to our subsequent discussion of the source documentation.

JBA represented that, "to account for costs incurred in performance of the [grant]," it used an "off-the-shelf" general ledger software application called "Peachtree." JBA letter of May 18, 2007, at 4. As to how expenses were entered into the Peachtree system, JBA stated:

All invoices, not just print/reproduction invoices, received from outside vendors require approval from the project manager prior to payment. The project manager must also indicate the project to which the invoice is charged. The Peachtree General Ledger has the ability and is used to track/record costs by project. When an invoice is received from a vendor, data entry fields in the Peachtree application allow for the entry of project numbers, the accounting code (i.e. "printing"), and dollar amounts.

Id. at 6.

The Peachtree system produced monthly invoices (a statement of charges to the grant) listing costs charged to this grant by categories such as "DIRECT LABOR," "TRAVEL," and "OTHER DIRECT COSTS" including "Printing/Reproduction." See, e.g., JBA Ex. B-13 through B-24. JBA used these invoices "to identify the amount of funds to be drawn down to reimburse JBA for grant expenditures" JBA letter of May 18, 2007, at 4. For purposes of this case, JBA used the Peachtree system to generate a report of the printing expenses charged to the SAMSHA grant project number. Id. at 2, citing JBA Printing Ex. E, last three pages. The Peachtree report identifies the vendor, the vendor's invoice number, the dollar amount of the invoice, and the month in which the amount was charged to the grant. The vendor names and related vendor invoice numbers and dollar amounts reported by the Peachtree system match the invoices from USA Print, ImaTek, and Kinko's that JBA submitted as source documentation for these costs. See JBA Ex. C3; JBA Printing Exs. C, D, E (last three pages). While we do not regard the Peachtree reports as

equivalent to or a substitute for source documentation, SAMHSA did not dispute that the reports show that JBA was contemporaneously recording these printing invoices as costs of this grant or that the amounts reported by the Peachtree system match the invoices from the printers.

3. USA Print costs

JBA claimed \$20,457 for printing costs incurred at USA Print. JBA letter of May 18, 2007, at 2; JBA Printing Ex. B, at last page. In support of the USA Print costs, JBA submitted 62 USA Print invoices spanning the time period October 2000 through July 2001. JBA Ex. C3. SAMHSA did not dispute JBA's assertion that the invoices total \$20,457. JBA Printing Ex. B.⁸ SAMHSA argued, however, that JBA failed to have adequate source documentation to show that these costs are allocable to this grant rather than some other JBA project. For example, while JBA relied on the USA Print invoices, the grant number is not recorded on the invoices, nor does any other entry on the printer invoices refer to the SAMHSA grant. SAMHSA asserted initially that JBA's other projects required printing during this period. SAMHSA letter of August 24, 2005, at 2.

To establish that the costs set out in the USA Print invoices are allocable to the grant, JBA presented the declaration of Arfan Sandhu. JBA Printing Ex. A. Mr. Sandhu stated under penalty of perjury as follows. From December 1, 2000 through August 2001, he coordinated and supervised print activities of survey instruments in support of this grant. He worked with USA Print (and ImaTek) "to coordinate print work for this grant. All work done by these print vendors was in support of the grant, they did not do print work for any other project." He would personally go to USA Print to place print orders and "[give] them directions on what was to be done in terms of duplicating forms, establishing numerical sequences, following prescribed formats." When the work was completed, he "personally inspected all survey instruments printed by USA print for completeness, quality and numbering."

JBA also submitted the declaration of John Brigden, JBA Director of Finance and Administration (attached to letter of May 30,

⁸ JBA acknowledged that its initial representation as to the total of USA Print invoices was incorrect due to some transposed numbers and inclusion of non-USA Print invoices in the list. See JBA letter of May 18, 2007, at 2; JBA Printing Ex. B, at unnumbered 3-4 correcting JBA Ex. C3.

2007). He stated that during the relevant time period, JBA was administering 15 contracts, and the costs incurred for each of these contracts was recorded in the Peachtree General Ledger. He further stated that, in response to a Board order, he reviewed "each cost category for each job to specifically identify incurred print/reproduction costs. Thirteen of the open contracts had no incurred print/reproduction costs." He also stated that his review revealed that, other than this SAMHSA contract, only one external printing/reproduction cost was incurred and that cost was for a contract with the Administration for Children and Families for \$309 at Stanley Adams Printing. Mr. Brigden stated, "Print/reproduction work done by USA Print and ImaTek was only for the SAMHSA grant and not for any other project."⁹ This statement is consistent with a prior statement Mr. Brigden made to SAMHSA in an April 25, 2005 email stating, "USA Print & Copy was used exclusively to support copy and reproduction work for SAMHSA Grant No. SM52395. The vendor did not do any print/copy work for James Bell Associates, Inc., that was not for the grant." SAMHSA letter of June 14, 2007, Att. N, at 1.

The JBA declarants' assertions that the USA Print invoices are the source documentation for the printing expenses charged to the SAMHSA grant and allocable to the SAMHSA grant are supported by the following evidence.

- A comparison of the USA Print invoices and JBA's Peachtree entries shows that JBA contemporaneously tracked and treated the claimed USA Print expenses as SAMHSA grant costs. The last three pages of JBA Printing Exhibit E is a Peachtree report identifying all print charges to the SAMHSA grant in year three. It listed 62 charges from USA Print by invoice number and amount. SAMHSA did not dispute that the listed invoice numbers and amounts match the invoice numbers and amounts on the 62 USA Print invoices in JBA Exhibit C3. For example, the first USA Print invoice (number 25261 for \$200.12) matches the first printing cost (USA Print invoice number 25261 for \$200.12) identified by the Peachtree report. JBA Ex. C3, at first page; JBA Printing Ex. E, third to last page.

⁹ JBA also provided a list of the fifteen contracts, stating that 13 of the contracts required no outside print work and the ACF contract required \$309 worth of print work at Stanley Adams Printing. JBA Printing Ex. J.

- Mr. Brigden asserted in a letter that the SAMHSA grant project manager was required to approve payment of invoices and indicate "the project to which the invoice is charged." JBA letter of May 18, 2007, at 6. While this assertion was not made under oath, SAMSHA did not dispute it. Such approval and designation of the appropriate JBA project, as evidenced by the entry of the expense in the Peachtree data base, is not a substitute for source documentation but it is evidence of contemporaneous allocation of the USA Print invoices to the SAMHSA grant. Viewed in the totality of the circumstances in this case, we regard it as a reliable indicia of allocability to the SAMHSA grant. These circumstances include, importantly, the fact that the invoice numbers and amounts entered into the Peachtree system match those printer invoices.
- Additionally, the entries on the majority of the USA Print invoices show that the type of printing USA Print performed was consistent with the type of printing the grant required. Each grant survey instrument that was distributed to a survey site bore a unique five-digit number.¹⁰ JBA letter of May 18, 2007, at 5. Thus, for example, when USA Print reproduced 128 survey instruments, it recorded 128 different five-digit numbers on each of those instruments. See JBA Ex. C3, invoice of November 22, 2000 (reflecting that USA printed 128 copies of documents with "128 number changes @ 5.00 ea"). Fifty-two out of the 62 USA Print invoices indicate that such "number changes" or "spec handling" were required and charged a number change fee for the documents copied.

The Sandhu and Brigden declarations are also important indicia that the USA Print costs are allocable to the SAMHSA grant. Those statements indicate that USA Print did work only for that grant. SAMHSA did not present evidence that controverts the

¹⁰ JBA explained how these five digit numbers were chosen. JBA letter of May 18, at 5, citing JBA Printing Ex. I, at unnumbered 1. The first number was unique to each study site, e.g., Durham was "1", Philadelphia was "6." "The next four characters were the order (or sequence) in which the instrument was issued. Thus, the first survey instrument sent to the Philadelphia site was 60001, the second was 60002." Id. This numbering convention "applied to all survey instruments." Id. at 6.

statements in Mr. Sandhu's and Mr. Brigden's declarations or JBA's other evidence. SAMHSA did state as follows in a letter:

When we were working with JBA before making our final determination, we specifically asked JBA officials if JBA incurred printing costs under its other projects with the same vendors as the questioned printing costs under the SAMHSA grant. They indicated that printing at these vendors was not limited to the SAMHSA grant. Had they been able to attest that JBA only incurred printing costs under the SAMHSA grant at the vendors, we may have accepted these costs as allowable. We do not know if the printing under JBA's other projects would have required the same type of printing as under the SAMHSA grant. The above is the extent of SAMHSA's knowledge regarding JBA's printing under other projects.

SAMHSA letter of May 22, 2007 (emphasis added).

JBA has now submitted the attestations that SAMHSA says it might have accepted as making these costs allowable. Although SAMSHA continued to take the position that the printing costs are not allowable, it has not challenged the veracity of the declarations. See SAMHSA letter of June 27, 2007.

Finally, SAMHSA did not address why the documents in JBA Exhibit C6 do not adequately document that JBA paid to USA Print the amounts on the 62 vendor invoices. SAMHSA did not dispute that this exhibit contains USA Print Statements identifying 62 invoice numbers, and check vouchers, cancelled checks, or checking account statements reflecting payments in the amounts in the statements. For example, for the first USA Print invoice (number 25621 for \$200.12 dated October 27, 2000), JBA submitted a check voucher dated December 1, 2000 for "item" 25612 for a check to USA Print in the amount of \$200.12 and a Merrill Lynch checking account statement reflecting a \$200.12 payment to USA Print on December 1, 2000. JBA Ex. C6, at unnumbered 14-15.

For the reasons discussed above, we conclude that the USA Print expenses in the amount of \$20,457 are adequately documented as expenses allocable to the SAMHSA grant, and we reverse the disallowance of that amount.

4. ImaTek costs

JBA claimed \$5,493 for printing costs incurred at ImaTek. JBA Printing Exs. B (last page) and C. JBA asserted it shifted the grant printing to ImaTek because "Imatek was more technologically

sophisticated than USA Print and included in their unit cost items that would be identified as separate lines of special handling charges [e.g., the number changes] on a USA Print invoice." JBA letter of May 18, 2007, at 3. Specifically, Mr. Sandhu represented that JBA switched to ImaTek "due to requirement for advanced printing options and larger printing jobs. ImaTek was provided with the electronic copies of instruments in PDF format." Sandhu Decl. at JBA Printing Ex. A, at 2. Mr. Sandhu asserted that all work done by ImaTek was for the SAMHSA grant and that ImaTek did not do print work for any other project. Id. at 1. In his declaration, Mr. Brigden also asserted that print work by ImaTek during the year three grant period was for the SAMHSA grant and "not for any other project." Brigden Decl. attached to JBA letter of May 30, 2007.

JBA listed five ImaTek (rounded) expenses of \$5,000, \$107, \$115, \$112, and \$159, totaling \$5,493. JBA Printing Ex. B, last page. However, in JBA Printing Exhibit C, JBA did not present any documentation in support of the \$159 charge. When asked by the Board about the missing invoice, JBA stated that this invoice "was not available." JBA letter of June 27, 2007, at 3. Because JBA failed to document the \$159 expense, we uphold the disallowance of this cost.

JBA submitted evidence to support the other four payments to ImaTek - one ImaTek "Quotation" letter and three ImaTek invoices. JBA Printing Ex. C. The ImaTek "Quotation" letter, dated November 27, 2000, required JBA to pay a "\$5,000 non-refundable deposit to establish software set-up for ID and/or barcoding." JBA Printing Ex. C, at 1. The addressee on this letter is "Cheryl McDonnell, Ph.D.," who is identified on the Peachtree monthly invoices as a "Research Associate" for this grant. See JBA Ex. E. The topic of the letter is identified as "Study Surveys." The August 2001 Peachtree report on printing charges reflects a charge of \$5,000 for ImaTek to the grant. JBA Printing Ex. E, last page. In the column for "Vendor Invoice No.," the report states "Quote" rather than an invoice number. JBA also submitted a cancelled check for \$5,000 dated January 26, 2001 paid to ImaTek. JBA Printing Ex. C, at unnumbered 3.

For the remainder of the ImaTek expenses (\$333.65), JBA submitted copies of the three ImaTek invoices: Invoice No. 104822 dated April 12, 2001 for \$106.98; Invoice No. 105355 dated May 21, 2001 for \$114.68; and Invoice No. 106103 dated August 15, 2001 for \$111.99. The invoice numbers, payee, and dollar amounts correspond to entries in the Peachtree printing cost report. JBA Printing Ex. E, last two pages. JBA also submitted documentation

showing that it paid these invoices. JBA Ex. C6, at unnumbered 5, at unnumbered 8-9, at unnumbered 27-28.

Based on the documents discussed above and on the Sandhu and Brigden declarations, we conclude that ImaTek expenses in the amount of \$5,333.65 are adequately documented as expenses allocable to the SAMHSA grant, and we reverse the disallowance of these costs. ImaTek expenses of \$159 are not documented, and we uphold the disallowance of these costs.

5. Kinko's cost

JBA submitted an invoice from Kinko's for \$404.21 incurred on October 6, 2000. JBA Printing Ex. D. The name on the invoice is "Jill Hemsley [sic]." In a letter to the Board, JBA asserted:

The Kinko invoice, for services rendered on October 6, 2000, was for services provided at the Kinko's Copy Center, 2300 Clarendon Boulevard, Arlington, VA Jill Hensley used Kinko's, on this one occasion, to have copy work done for the cost study. Jill Hensley, then a research associate at JBA, was in the Arlington office on the date the cost was incurred and was a key participant on the HIV/Aids cost study. Tab D.

JBA letter of May 18, 2007, at 3.

JBA has not adequately documented the Kinko's cost. Unlike the USA Print and ImaTek costs, the Kinko's cost was not addressed by Mr. Sandhu's or Mr. Brigden's declarations, nor does the record include a statement from Ms. Hensley. Thus, we uphold the disallowance of this cost.

SAMSHA disallowed \$26,476 in printing costs. We reverse the printing costs disallowance as to \$25,791, which consists of USA Print costs of \$20,457 and ImaTek costs of \$5,334. We uphold the disallowance of printing costs of \$685, which consists of the Kinko's cost of \$404, an ImaTek cost of \$159, and the remaining amount of \$122 ($\$26,476 - \$25,791 - \$404 - \$159 = \122) for which JBA offered no documentation.

V. Travel costs

SAMSHA disallowed \$10,689 in travel costs as not adequately documented or unreasonable. JBA Ex. A1.

Below we review all of the individual costs identified by SAMHSA as disputed, conclude that JBA adequately documented an

additional \$7,414 in travel costs, and allow these costs. See Appendix 1 to Decision. We therefore reverse \$7,414 of SAMHSA's disallowance of travel costs and uphold \$3,275 (\$10,689 - \$7,414) of the disallowance.

A. Title and relationship of travelers to JBA

Sections 31.205-46(a)(7)(ii) and (iii) of 48 C.F.R. require a contractor to document the "purpose of the trip" and the "name of the person on trip and that person's title or relationship to the contractor." SAMSHA argued that none of the costs were adequately documented because "the travelers' titles or relationships to JBA were not included in the documentation provided to support the travel cost items . . ." SAMSHA letter of June 14, 2007, at 3; Att. D at 1-3.

We reject this argument. The titles and relationships to the grant of the following travelers on whose behalf travel costs were claimed are documented in the record. SAMSHA offers no arguments as to why this evidence is not adequate to document these individuals' relationship with JBA and this grant.

- James Bell is the President of JBA. JBA Ex. A1, at 1; SAMHSA Ex. 1, at 1. He also was identified in the grant application as project director. SAMSHA Ex. 1, at 26.
- The grant application called for a "Coordinating Center" to implement the grant composed of JBA staff and consultants. SAMHSA Ex. 1, at 1. Susan Ettner, Ph.D., Jennifer Havens, M.D., Claude Mellins, Ph.D., and Michelle Pillen, Ph.D. were identified in the grant application as members of the grant Coordinating Center. Id. at 1, 27, 28.
- Jill Hensley, M.A., was identified in the grant application as the staff member supporting the Intervention Development Team, a subset of the Coordinating Center. Id. at 1, 28.

All of the preceding individuals are listed repeatedly in the JBA monthly invoices as receiving compensation for services rendered under the grant. JBA Exs. B14-B25.

B. Receipts for expenses over \$75

Section 31.205-46(a)(3)(iv) provides "a receipt is required for each expenditure of \$75.00 or more." SAMSHA raises a general objection to all of the travel costs greater than \$75 on the

ground that JBA did not provide "receipts." SAMSHA letter of June 14, 2007, at 4-5; Atts. D, H. SAMSHA asserted that JBA "primarily provided credit card statements, or in some cases, checking account statements or expenditure reports." *Id.* at 4. However, in addition to credit card statements from a corporate American Express account, JBA did submit copies of detailed descriptions by American Express for each line item on the credit card statement.¹¹ JBA refers to these documents as "American Express card receipts" (JBA letter of July 18, 2005, at 3) and as "receipts for ... incurred costs" (JBA letter of September 13, 2005). A dictionary definition of "receipt" is "[a] written acknowledgment that a specified article, sum of money, or delivery of merchandise has been received." Webster's II New Riverside University Dictionary at 981.

In the absence of specific authority on this issue, we do not affirmatively conclude that the documents JBA called "receipts" are "receipts" under the FAR and for that reason refer to them as "credit card reports" throughout our decision. Nonetheless, the credit card reports contain the type of information that normally would appear on a credit card receipt, such as the purchaser, vendor, date of purchase, type of purchase, place of purchase, and dollar amount of the purchase. In the case of airline/train tickets, they include the name of the passenger, the place of origin, and the destination. These credit card records show that an identified vendor received money from American Express and that American Express billed JBA for the charges. Moreover, SAMHSA did not deny that JBA paid American Express for the charge. Furthermore, SAMHSA has not cited any basis for its conclusions that these credit card reports do not qualify as receipts under the FAR or explained why they could not be considered equivalent to receipts, at least for purposes of resolving this particular case. Thus, except as noted below and for purposes of this case only, we accept these credit card reports as the equivalent of receipts.

C. Lack of expense reports or vouchers

On its schedule of disputed costs, SAMHSA identified whether a cost was supported by an "expense report." Schedule 1 attached to SAMHSA letter of May 16, 2007. SAMHSA appeared to be

¹¹ The American Express account statements sorted the charges by the JBA personnel making the charge. *See, e.g.*, JBA Rev. Travel Ex. B-18, at 54. The grant-related personnel who had authority charge on this corporate account were Mr. Bell, Ms. Hensley, and Dr. Pillen. *See, e.g.*, JBA Ex. B15, at unnumbered 3.

objecting to the fact that the travel documentation for a specific trip was not contemporaneously organized into a single statement to which the receipts for the trip were attached. SAMSHA relied on the absence of such a document (which it also referred to as a "travel voucher") in originally disallowing the costs. JBA Ex. A1, at 3, 4; see also SAMHSA letter of August 24, 2005, at 2 (referring to the lack of "travel vouchers, expense reports").

In its Order to Develop the Record, the Board asked SAMHSA to "explain what it meant when it stated that JBA did not submit its documentation in the form of 'vouchers,' since the regulations, on their face at least, do not specify that the documentation must be in the form of 'vouchers' per se." Order of March 12, 2007, at 7-8. The Board also cautioned SAMHSA that it should explain why JBA's method of documenting these costs, including the lack of vouchers, violated specific cost principles. SAMHSA, in responding, did not point to any legal authority requiring a particular form of documentation to the exclusion of any other reliable form. Moreover, JBA's documentation, while cumbersome, does support a number of the claimed costs. Accordingly, we have accepted JBA's documentation where we find it adequate to support the costs for which it is provided regardless of the form of that documentation. In other words, in this case, the fact that a cost was not supported by a travel voucher or expense report per se is not grounds for disallowing the cost if the alternative documentation was adequate.

We understand that a single document with attached receipts may be preferable and acknowledge that the lack of such a system has resulted in a 'connect the dots' situation in which a reviewer must refer, in some cases, to multiple exhibits in the record to determine whether the documentation is, in total, adequate. This is cumbersome. However, we note JBA's representation that, in 2004, it revised its procedures to "ensure that under the terms of the grant and applicable Federal regulations, costs claimed by JBA are allowable, allocable, and reasonable." JBA letter of September 13, 2005 at 4. These procedures, according to JBA, have been reviewed and determined by SAMHSA to be acceptable. Id.; see also attached SAMHSA letter on adequacy of the new procedures.

D. Specific expenses

OIG found that JBA claimed \$17,091 in travel costs. SAMHSA Ex. 3, at App. 1, at 1. This figure is consistent with JBA invoices showing that JBA charged \$24,281 to the grant in September through July (Invoices 22 through 33 at JBA Ex. B14-B24) but then

offset those travel claims by a credit of \$7,190 in August (Invoice 34 at JBA Ex. B25) ($\$24,281 - \$7,190 = \$17,091$).¹²

Of the \$17,091 identified by OIG as claimed by JBA, the auditors identified \$3,450 as costs "Recommended for Acceptance," \$6,226 as an "Amount Not Accepted," and \$7,415 as "Set Aside for Adjudication," which total \$17,091. SAMHSA Ex. 3, at App. A, at 1. After its review of these costs, SAMHSA determined that none of the amount the auditors characterized as "Set Aside for Adjudication" (\$7,415) was allowable. JBA Ex. A1, at 2. SAMSHA did reduce the amount the auditors' identified as "Amount Not Accepted" (\$6,226) to \$3,274, thereby finding an additional \$2,952 to be allowable for a total of \$6,402 in allowable costs ($\$3,450 + \$2,952 = \$6,402$). JBA Ex. A1, at 2. SAMSHA then reduced the \$17,091 claimed by the amount it found to be allowable and disallowed \$10,689 ($\$17,091 - \$6,402 = \$10,689$). Id.

Initially, JBA submitted documentation to the Board for all of the claimed costs, regardless of whether SAMHSA had determined they had been offset or allowed. See JBA Exs. B12-B24. In order to clarify which travel costs remained in dispute, the Board asked JBA to resubmit and limit its evidence to those costs that remained in dispute. Order of March 12, 2007, at 6-7. Recognizing that JBA may not have known which costs remained in dispute, the Board instructed JBA to consult with SAMSHA as necessary. As a result of that consultation, SAMHSA provided JBA and the Board with a document titled "Schedule 1 JBA Travel Costs in Dispute." Schedule 1 attached to SAMSHA letter of May 16, 2007 Schedule 1 listed 92 dollar amounts (referred to hereafter

¹² SAMHSA acknowledged that the OIG subtracted the \$7,190 offset credit from the amounts JBA claimed but misdescribed the role the credit played in determining the disallowed amount of \$10,689. SAMHSA stated that "the travel costs in questions actually totaled \$17,879; however, the OIG allowed the \$17,879 to be reduced by travel costs of \$7,190 credits in one of JBA's invoices." SAMHSA letter of June 17, 2007, at 3. First, there is no mention of the figure of \$17,879 in the OIG's audit, nor does the figure match the amounts claimed in JBA invoices; second, the disallowed amount corresponds (as explained above) to the amount the OIG found to have been charged to the grant, reduced by the amounts of the credit in Invoice 34 and the amounts the OIG and SAMHSA found to be allowable.

as "itemized costs" or "item #"). For each itemized cost, SAMHSA requested JBA to enter record citations in the last column of the schedule identifying documents that JBA "believes adequately supports each of the disputed travel cost items." SAMSHA letter of May 16, 2007, at 1.

Pursuant to SAMHSA's request, JBA filed a copy of the schedule on which it had inserted record citations for 76 of the itemized costs. JBA Rev. Travel Ex. D. For 13 costs, JBA wrote "offset by credit." Id. For three costs, JBA wrote "not recognized by JBA" or "no information." Id.

SAMHSA then filed a modified schedule identifying, for the majority of the itemized costs, its objections to the adequacy of the documentation on which JBA relied, or in the case of several costs, questions as to their reasonableness.¹³ Attachment D to SAMSHA letter of June 14, 2007. It also filed a letter discussing its objections and additional explanatory attachments. SAMHSA letter of June 14, 2007.

Below, we discuss each of the itemized costs on Schedule 1 and explain why we conclude that JBA adequately documented \$7,414 of these costs. We subtract that amount from the \$10,689 disallowed by SAMHSA and uphold SAMHSA's disallowance of travel costs to the extent of \$3,275.¹⁴ Attached to the decision as Appendix 1 is a

¹³ These objections included (for some or all costs) the alleged lack of expense reports, credit card or bank statements, receipts, identification of the traveler, title or relationship of traveler to JBA, and, also, "SAMHSA comments."

¹⁴ Because we conclude that \$7,414 in travel costs are adequately documented and the OIG and SAMHSA allowed travel costs of \$3,450 and \$2,952 respectively, the total allowable amount of travel costs is \$13,816 (\$7,414 + \$3,450 + \$2,952). The total amount of travel expenses claimed was \$17,091. JBA therefore charged \$3,275 (\$17,091 - \$13,816 = \$3,275) in travel costs that should be disallowed, and we disallow them. We recognize that the amount of the disallowance that we are upholding (\$3,275) is less than the amount of costs itemized by SAMHSA on Schedule 1 that we have found to be not adequately documented and do not allow (\$5,963). This is because SAMHSA itemized more costs (\$17,897) on Schedule 1 than it disallowed (\$10,689), even though it was asked to itemize only costs remaining in dispute. SAMHSA appears to have tried to explain this discrepancy in the

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chart showing cost items listed on Schedule 1 and identifying which of those costs we allow.

**1. Expenses identified by JBA as offset by credit
(items 13-16, 33, 37-39, 47, 77, 79, 91, 92)**

SAMHSA included on Schedule 1 (as items 13-16, 33, 37-39, 47, 77, 79, 91, 92) 13 costs totaling \$4,502 that JBA identified as part of a \$7,190 offset to the grant in Invoice 34. JBA Rev. Travel Ex. D. SAMHSA did not dispute JBA's characterization of these items as offsets and, in its letter, indicated that they should be subtracted from the disputed costs on Schedule 1. See SAMHSA letter of June 14, 2007, at 3; Att. D, at 3.

For the following reason, we do not, in calculating the disallowance in this decision, deduct this \$4,502 from the \$10,689 disallowed by SAMHSA. This \$4,502 was part of the \$7,190 JBA credited to SAMHSA in Invoice 34. In determining the amount of travel costs claimed by JBA, the auditors and SAMHSA deducted the \$7,190 from the \$24,281 JBA charged to the grant in the prior 12 invoices and found that JBA claimed \$17,091 in travel costs. To now include the \$4,502 as allowable costs, when they had previously been deducted from amounts charged to the grant, would give JBA duplicate credit for these costs.

In its June 14, 2007 submission, SAMHSA argued for the first time that the "questioned costs" in this dispute should have been \$13,377 rather than \$10,689. SAMHSA letter of June 14, 2007, at 3. SAMHSA arrived at this conclusion by the following route. It asserted (without explanation) that JBA had claimed \$17,879 in travel costs (rather than the \$17,091 found by the auditors and accepted by SAMHSA at the time it issued the disallowance.) Id. It included on Schedule 1 offset credits totaling \$4,502 and then subtracted that amount from the \$17,879 to get \$13,377. Id.

SAMHSA seems to have engaged in this calculation process because it realized in 2007 that the 16 individual costs JBA listed on one of JBA's original exhibits as offset costs (JBA Ex. B1, at unnumbered 4) totaled \$5,342 instead of \$7,190. SAMHSA letter of June 14, 2007, at 3, citing Att. D but apparently meaning to cite

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"Questioned Costs Clarified" section of its letter of June 14, 2007. As we explain above, the "clarification" does not appear

to be consistent with the record. In view of the record before us, we therefore conclude that \$3,275 in travel costs should be disallowed.

Att. C. (Why SAMHSA then included only 13 of these costs (totaling \$4,502) on Schedule 1 is unclear.) SAMSHA has not shown why this fact is relevant or a basis for recalculating the original claimed cost figure of \$17,091 or the disallowance of \$10,689. SAMHSA did not explain why it included part of the credited costs in the disputed costs on Schedule 1 even though OIG (and SAMHSA) had already applied the \$7,190 credit in arriving at the claimed cost figure of \$17,091; did not dispute that JBA had, in its final invoice of year three, subtracted \$7,190 from the \$24,281 it originally charged to the grant; and did not ask the Board to revise the amount SAMSHA originally disallowed. Moreover, the mere fact that JBA could not identify specific items on the schedule SAMHSA provided adding up to the full amount of the credit does not matter. The effect of the credit was to reduce the amount charged to the grant. SAMHSA cannot properly disallow more than the difference between the amount allowed and the amount charged.

2. Travel costs allegedly associated with the National Minority AIDS Council conference held October 1-4, 2000 in Atlanta, Georgia (items 1, 2, 8)

SAMHSA questioned \$14 for parking (item 1), \$19.54 for meals (item 2), and \$319 for airfare (item 8) for travel by James Bell, allegedly incurred to attend the National Minority AIDS Council conference in Atlanta on October 1, 2000.

SAMHSA objected to these costs on the ground that JBA did not provide an attendance roster for the conference. SAMHSA letter of June 14, 2007, Att. D, at 1. While the regulations do not require submission of attendance rosters, per se, the issue is whether JBA has adequately documented Mr. Bell's attendance at the conference on October 1, 2000 for grant purposes. For the following reasons, we conclude it did. JBA submitted a credit card report and billing statement documenting a charge incurred September 7, 2000 to Delta Airlines for a round-trip ticket for "Bell/J" between Washington D.C. and Atlanta, Georgia. JBA Rev. Travel Ex. B-14, at 12, 13. JBA also submitted a credit card statement and reports for a \$14 charge by Mr. Bell for parking in Washington on Sunday, October 1, 2000, and a \$19.54 charge by Mr. Bell for food in Atlanta on October 1, 2000, confirming that he was in Atlanta on October 1 and returned to Washington on that day. JBA Rev. Travel Ex. B14, at 1, 2, 4. Finally, JBA submitted three emails from Dr. Mary Knipmeyer, the SAMHSA representative to the grant, two dated September 25 and one dated September 29, to Mr. Bell discussing the presentation she and he would be making on Sunday, October 1, between 4:30 and 5:30 about the SAMHSA project at the AIDS conference. JBA Ex. B3, at

unnumbered pages 1-3. This evidence is adequate to support our finding that Mr. Bell attended the conference to make a presentation, with Dr. Knipmeyer, about the grant on October 1, 2000.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$14 (item 1); \$19.54 (item 2); and \$319 (item 8).

3. Costs for meals allegedly associated with visit to study site in Chicago in September 2000 (items 3, 7)

JBA did not describe its reimbursement policy for meals. From the evidence in the record, we infer that JBA reimbursed the actual costs of meals. Under the FAR, any reimbursement of actual costs is limited by the principles that the costs for meals be reasonable (48 C.F.R. § 31.201-2), that costs not exceed federal travel standards prescribed by the General Services Administration (GSA) (section 31.205-46(a)(2)(i)), that the costs do not include the purchase of alcoholic beverages (section 31.205-51), and that costs do not include the purchase of meals for "amusement, diversions, [or] social activities" (section 31.205-14).

SAMHSA questioned meal costs of \$21 (item 3) and \$277.06 (item 7). These costs were charged by Dr. Pillen using a JBA credit card for food and beverage charges in Chicago on September 28, 2000 for \$21 (JBA Rev. Travel Ex. B-14, at 5, 6) and \$277 (id. at 10, 11). The credit card billing statement has this handwritten notation: "Site visit to Chicago 9/28/2000 Meals." Id. at 5, 10. No other documentation or explanation was cited for these costs.

We conclude that the documentation for the meal costs is not adequate to show that the costs are allocable to the grant or reasonable in amount. First, while there was a grant study site in Chicago, JBA cited no documentation supporting JBA's assertion that it performed a site visit to Chicago in September 2000. (The handwritten note on the credit card billing statement is self-serving and undated and does not constitute documentation.¹⁵) Second, almost \$300 for meals in one day is

¹⁵ The majority of the credit card statements include handwritten notes describing a specific charge. JBA did not provide any information as to when these notes were made, who

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not reasonable. Indeed, the GSA daily meal/incidentals limit for Chicago in FY2000 was \$46.¹⁶ See http://www.gsa.gov/Portal/gsa/ep/contentView.do?queryYear=2000&contentType=GSA_BASIC&contentId=17943&queryState=Illinois&noc=T.

Therefore, we conclude that JBA failed to adequately documented the following costs and do not allow them: \$21 (item 3) and \$277.06 (item 7).

4. Travel costs allegedly associated with a grant Steering Committee meeting in Washington D.C. on October 23-24, 2000

(a) Hotel expenses for Drs. Ettner, Mellins, Havens and Pillen (items 25-27, 31)

SAMHSA did not dispute that JBA conducted a grant Steering Committee meeting at the Hotel Washington in Washington D.C. on October 23 and 24, 2000. Indeed, Dr. Knipmeyer, SAMHSA Program Director for the grant, opened the meeting. JBA Ex. B4, at 1 of the summary of conference. SAMHSA did not dispute that Dr. Ettner, Dr. Mellins, Dr. Havens, and Dr. Pillen attended and participated in this meeting, and, in fact, their names appear on the list of attendees. *Id.* at last page. Rather, SAMHSA disallowed hotel expenses at the Hotel Washington for these people on the ground that the expenses exceeded \$75 and JBA had not submitted a receipt for the expenses as required by 48 C.F.R. § 31.205-46(a)(3)(iv). SAMHSA letter of June 14, 2007 at 3, and Att. D.

For the following reasons, we conclude the hotel costs below are adequately documented as to allocability but not as to amount, and we revise the disallowance accordingly. JBA submitted a letter dated September 29, 2000 from Ms. Hensley, JBA grant support staff, to the Hotel Washington, confirming the nights that Drs. Ettner, Mellins, Havens, and Pillen would be staying at

(...continued)

made them, or the bases for the writer's knowledge. We have no basis to infer that the notes were made contemporaneously with charging the costs to the grant. We treat the notes as an aid to the reviewer(s) of these exhibits, not as credible evidence as to the nature of the costs.

¹⁶ While the GSA limits for FY2001 are not in the record, the FAR incorporates them (as noted above) by reference, and JBA has not argued that these limits should not apply.

the hotel and giving the hotel a JBA credit card number for the room charges. JBA Rev. Travel Ex. B-16, at 38. As to the specific charges, JBA submitted the following evidence:

- JBA claimed hotel costs of \$319.30 for Dr. Ettner (item 26). JBA submitted a credit card statement and a credit card report showing a two-night charge of \$319.30 at the Hotel Washington with a departure date of October 24. JBA Rev. Travel Ex. B-16, at 36, 37. This corresponds with JBA's September 2000 letter to the hotel that Dr. Ettner would stay there the nights of October 22 and 23. Id. at 38.
- JBA claimed hotel costs of \$323.05 for Dr. Mellins (item 27). JBA submitted a credit card statement and a credit card report showing a two-night charge of \$323.05 at the Hotel Washington with a departure date of October 24. JBA Rev. Travel Ex. B-16, at 39, 40. This corresponds with JBA's September 2000 letter to the hotel that Dr. Mellins would stay there the nights of October 22 and 23. Id. at 41.
- JBA claimed hotel costs of \$159.15 for Dr. Havens (item 25). SAMHSA letter of June 14, 2007, Att. D, at 1. JBA submitted a credit card statement and a credit card report showing a one-night charge of \$159.15 at the Hotel Washington with a departure date of October 24. JBA Rev. Travel Ex. B-16, at 33, 34. This corresponds with JBA's letter to the hotel that Dr. Havens would stay there the night of October 23. Id. at 35.
- JBA claimed hotel costs of \$531.78 for Dr. Pillen (item 31). JBA submitted a credit card statement and a credit card report showing a three-night charge of \$531.78 at the Hotel Washington with a departure date of October 25. JBA Rev. Travel Ex. B-16, at 48, 49. This corresponds with JBA's September 2000 letter to the hotel that Dr. Pillen would stay there the nights of October 22 through 24. Id. at 50.

Since there are no hotel bills or other evidence from which we could determine whether the hotel charges included costs for items other than lodging, the credit card reports are not adequate to show the allowable per-night charge for the rooms. However, the "Logistical Factsheet" for this meeting indicated that the rooms at the Hotel Washington would be \$139.00 plus taxes. JBA Ex. B4, unnumbered page 4. Therefore, absent information as to the amount of taxes, we conclude that JBA has

adequately documented \$139 per night charges of two nights for Dr. Ettner, two nights for Dr. Mellins, one night for Dr. Havens, and three nights for Dr. Pillen for a total of \$1,112 (8 nights x \$139), and we allow this amount for items 25, 26, 27, and 28.

(b) Airfare (items 6, 9, 30)

JBA claimed \$404 (item 9) for expenses for Dr. Ettner for "Airfare" for attending this meeting. JBA Ex. B14, at unnumbered 2. In support of this cost, JBA submitted a credit card statement and credit card report. JBA Rev. Travel Ex. B-14, at 14, 15. The receipt reflects the purchase on September 28, 2000 of a round-trip US Air ticket for "ETTNER/S" between Los Angeles, California and Baltimore, Maryland. The meeting minutes reflect Dr. Ettner's participation in the meeting. JBA Ex. B4, at 3-5 of the summary of the meeting. The JBA invoices reflect no other charges for airline tickets for Dr. Ettner during this time period. See JBA Exs. B14-16, at unnumbered 2. This evidence supports a reasonable inference that Dr. Ettner used this ticket to travel to Washington to participate in the meeting on October 23-24, 2000. We conclude that the expense of \$404 is adequately documented, and we allow it.

JBA claimed an expense of \$242 (item 6) for Dr. Pillen for an airline ticket and asserted that it was for travel to the Steering Committee meeting (JBA Rev. Travel Ex. D, at 1, citing Steering Committee meeting materials at JBA Ex. B4). For support, JBA cited only a credit card statement (but no report) reflecting the purchase, on September 14, of a TWA airline ticket for \$242. JBA Rev. Travel Ex. D, at 1, citing JBA Rev. Travel Ex. B-14, at 9. This is not adequate documentation. Although the Steering Committee meeting materials indicate that Dr. Pillen did attend this meeting, the credit card statement does not indicate for whom the ticket was purchased, the origin or destination of the travel, or the dates of travel.

JBA claimed \$405 (item 30) for Dr. Mellins for "Airfare" (SAMHSA letter of June 14, 2007, at Att. D, at 1) and asserted it was for travel to the Steering Committee meeting. For support, JBA cited a credit card statement and a credit card report. JBA Rev. Travel Ex. B-16, at 46-47. The report reflects a purchase on October 17, 2007 of a Delta ticket for "MELLINS/C" from Washington National Airport to LaGuardia International Airport in New York and back to Washington National. Since the attendee list reflects that Dr. Mellins was with the "New York State Psychiatric Institute," and, therefore, presumably lived in New York, JBA failed to explain why she would need to fly from Washington to New York and back to Washington to attend the

Steering Committee meeting in Washington. Thus, this statement and receipt does not document that this expense was related to the Steering Committee meeting at issue, and we do not allow it.

Therefore, we conclude that JBA failed to adequately document costs of \$242 (item 6) and \$405 (item 30), and we do not allow these costs. JBA adequately documented airfare of \$404 (item 9), and we allow this cost.

**(c) Meals, taxis, and unidentified travel expenses
(items 4, 5, 11, 12, 19, 21-24)**

Mr. Bell charged \$100.18 (item 23) on October 23 for "food/bev" in Washington, D.C. (JBA Rev. Travel Ex. B-16, at 29-30), and Ms. Hensley charged \$105.76 (item 24) on October 23, 2000 for "food/bev" in Washington, D.C. (Id. at 31-32 (May 31, 2007)). As SAMHSA asserted (SAMHSA letter of June 14, 2007, at 4), to be a travel cost under section 31.205-46, "meals are only allowable when on travel status outside the local commuting area." SAMHSA letter of June 14, 2001, at 4. JBA did not deny that Mr. Bell and Ms. Hensley worked in the Washington, D.C. area and that these were local meals, not meals purchased while on travel. We therefore do not allow these costs because they are not travel costs under section 31.205-46.

JBA claimed as "travel" expenses \$58.75 (item 4) and \$157 (item 5) that it paid to Dr. Ettner. As support, JBA submitted only a December checking account statement reflecting a payment to Dr. Ettner of \$215.75 (which is the sum of \$58.75 and \$157). JBA Rev. Travel Ex. B-14, at 7-8 (duplicates). This is not adequate documentation. The checking account statement does not show for what Dr. Ettner was being reimbursed, when she incurred the expense, or where she incurred the expense. Therefore, there is nothing linking these expenses to the October Steering Committee meeting, and we do not allow these expenses because they are not adequately documented.

JBA reimbursed Dr. Michelle Pillen for multiple meals and two taxi rides associated with this meeting. JBA submitted an expense report for costs for "Bart & Michelle Pillen" (JBA Rev. Travel Ex. B-15, at 16) signed by Dr. Pillen for the following costs: \$26.85 (item 11) for taxis and \$30.97 (item 12) for meals. Additionally, credit card statements and reports show that Dr. Pillen made the following charges for food during this time: \$10.90 (item 19, JBA Rev. Travel Ex. B-16, at 20-21) on 10/24; \$38.25 (item 21, at JBA Rev. Travel Ex. B-16, at 25-26) on 10/22; and \$54.74 (item 22, id. at 27-28) on 10/23. We conclude these costs are not adequately documented. We see nothing in the

record to show that Bart Pillen was connected with this grant and why he should have been included on the expense report. From the documentation, we cannot tell which expenses on the expense report are his and whether the credit card charges may have included food or transportation purchases that benefitted him rather than or in addition to Dr. Michelle Pillen. Therefore, we do not allow these costs.

Therefore, we conclude that JBA failed to show that the following costs were allowable: \$100.18 (item 23); 105.76 (item 24); \$58.75 (item 4); \$157 (item 5); \$26.85 (item 11); \$30.97 (item 12); \$10.90 (item 19); \$38.25 (item 21); and \$54.74 (item 22).

(d) Parking (item 20)

We conclude that JBA adequately documented parking costs totaling \$36 incurred by Ms. Hensley (item 20). JBA submitted a credit card statement and credit card reports reflecting parking charges by Ms. Hensley at Hotel Washington on October 23, 2000 of \$20 and on October 24, 2000 of \$16 (JBA Rev. Travel Ex. B-16, at 22, 23, 24). We can reasonably infer that this parking was associated with the meeting at the hotel on those dates, which Ms. Hensley attended. Accordingly, we reverse the disallowance as to these costs and allow them.

5. Travel costs allegedly associated with a site visit to the Durham, North Carolina study site on November 1-2, and 29-30, 2000

According to an agenda (JBA Ex. B5, at unnumbered 1) and report titled "Duke Site Visit Report" (id. at remainder of exhibit), a site visit to the Durham, North Carolina study site was conducted in November 2000. The report provides:

The first team (Mary Knipmeyer [of SAMSHA], Jay Bell, Jill Hensley) visited the Duke University site on November 1-2, 2000. The second team (Claude Mellins, Jennifer Havens, and Michelle Pillen) used notes and questions compiled by the first team and visited the site on November 29-30, 2000.

JBA Ex. B5, at unnumbered page 2.

(a) November 1-2, 2000 trip (items 17, 28, 29, 48, 52, 54, 58, 60-62)

We allow the following costs from the trip on November 1-2, 2001 because we find that they are supported by adequate documentation:

- A credit card statement and report document that Mr. Bell charged \$61.71 (item 58) for a rental car in Raleigh/Durham, North Carolina on November 1-2, 2001. JBA Rev. Travel Ex. B-21, at 95-96.
- A credit card statement and report document that Mr. Bell charged \$332 (item 28) on October 20, 2000 for a round-trip Midway Airlines ticket between Washington, D.C. and Raleigh, North Carolina for "BELL/J." JBA Rev. Travel Ex. B-16, at 42-43.
- A credit card statement and report document that Mr. Bell charged \$332 (item 29) on October 20, 2000 for a round-trip Midway Airlines ticket between Washington, D.C. and Raleigh, North Carolina for "HENSLEY/J". JBA Rev. Travel Ex. B-16, at 44-45.
- A credit card statement and report document that Mr. Bell charged \$28 (item 52) for "PARKING FEES" in Washington on November 2, 2000. JBA Rev. Travel Ex. B-21, at 84-85.
- A credit card statement documents that Ms. Hensley charged \$28 (item 54) for "PARKING FEES" in Washington on November 2, 2000. JBA Rev. Travel Ex. B-21, at 88. While there is no credit card report in this instance, the receipt rule does not apply since the cost is under \$75.00.
- On November 1, 2000, Mr. Bell charged \$91.23 (item 60) for food. JBA Rev. Travel Ex. B-21, at 99-100. The GSA FY2001 per diem rate for Durham was \$42. http://www.gsa.gov/Portal/gsa/ep/contentView.do?queryYear=2001&contentType=GSA_BASIC&contentId=17943&queryState=North+Carolina&noc=T. Therefore, we allow \$42 of this cost as reasonable and do not allow \$49.23 (\$91.23 - \$42).

We do not allow the following costs because they were not adequately documented:

- Mr. Bell claimed \$25.32 (item 17) for food and "Miscellaneous Expenses" for November 2, 2000. JBA Rev. Travel Ex. B-16, at 18. SAMHSA objected that the

"travel expense report" on which JBA relied to document this cost is not signed or dated. SAMHSA letter of June 14, 2007, Att. D, at 1. We agree that this is not adequate documentation.

- Mr. Bell charged hotel costs of \$94.35 (item 61) at a Durham hotel; Ms. Hensley charged \$94.35 (item 62) and \$5.23 (item 48) at the same hotel. JBA Rev. Travel Ex. B-21, at 78-79, 101-102, 103-104. The credit card statements and reports on which JBA relied to document these costs all indicate that the charges were made on November 3, 2001 (*id.*), a day when neither of these individuals were documented as being in North Carolina for grant related purposes. Therefore, these documents are not adequate to document grant related hotel costs for this trip.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$61.71 (item 58); \$332 (item 28); \$332 (item 29); \$28 (item 52); \$28 (item 54); and \$42 of \$91.23 (item 60). We conclude that JBA failed to adequately document the following costs and do not allow them: \$25.32 (item 17); \$94.35 (item 61); \$94.35 (item 62); and \$5.23 (item 48).

(b) November 29-December 1, 2000 trip (items 51, 55, 57, 59, 63, 64, 67, 68, 72, 73)

We reverse, as described below, the disallowance of the following costs from the trip on November 1-2, 2001 because we find that they are supported by adequate documentation:

- A credit card statement and report document that Dr. Pillen charged \$149.46 (item 64) for a rental car in Raleigh, North Carolina for November 29 to December 1, 2000. JBA Rev. Travel Ex. B-21, at 106-107.
- A credit card statement and report document that Mr. Bell charged \$223 (item 68) on November 10, 2000 for a round-trip TWA ticket between Bloomington, Illinois and Raleigh, North Carolina for "PILLEN/M". JBA Rev. Travel Ex. B-21, at 114-115.
- A credit card statement and report document that Mr. Bell charged \$206 (item 67) on November 11, 2000 for a round-trip Midway Airlines ticket between New York and Raleigh, North Carolina for "HAVENS/J". JBA Rev. Travel Ex. B-21, at 112-113.

- A credit card statement and report document that Dr. Pillen charged \$26.76 (item 51) for food in Durham on December 1, 2000. JBA Rev. Travel Ex. B-21, at 82-83.
- Credit card statements and reports document that Dr. Pillen charged the following costs for food on November 30, 2000: \$30.89 (item 55 at JBA Rev. Travel Ex. B-21, at 89-90); \$35.30 (item 57 at id. at 93-94); and \$77 (item 59, at id. at 97-98). The GSA FY2001 per diem rate for Durham was \$42; we allow \$42 of the \$143.19 Dr. Pillen charged for meals on November 30 as reasonable and do not allow \$101.19.

We do not allow the following costs because they were not adequately documented or were not reasonable.

- JBA claimed costs for two hotel charges by Dr. Pillen at a Durham hotel: \$286.38 (item 72 at JBA Rev. Travel Ex. B-21, at 122-123) and \$286.38 (item 73 at id. at 124-125). According to the credit card statements and reports, both of these charges were made on December 2, the day after the meeting and Dr. Pillen relinquished the rental car in Raleigh, North Carolina. Moreover, as SAMHSA pointed out, there is no explanation for what appears to be a duplicate charge for hotel rooms. SAMHSA letter of June 14, 2007, at 5. As stated earlier, the grantee bears the burden of adequately documenting its costs. In the face of multiple problems posed by this documentation and JBA's failure to offer any statement from Dr. Pillen (or even Mr. Brigden) explaining how these charges related to the grant, we conclude they are inadequately documented.
- JBA claimed \$143.19 (item 63) for a charge to the same Durham hotel made by Rowena Gear on November 30, 2000. JBA Rev. Travel Ex. B-21, at 105 (credit card statement only). SAMHSA objected that Rowena Gear is not listed in the site visit materials. SAMHSA letter of June 14, 2007, Att. D at 2. Ms. Gear seems to have been part of the fiscal staff at JBA. See JBA Ex. B13, at 5 (JBA check signed by Ms. Gear.) As such she could have paid for a hotel for a participant at this meeting, but there is no documentation on which to base such a finding. Therefore, this cost is not adequately documented.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$149.46 (item 64); \$223 (item 68); \$206 (item 67); \$26.76 (item 51); and \$42 of \$77 (item 59).

We conclude that JBA did not adequately document the following costs and do not allow them: \$30.89 (item 55); \$35.30 (item 57); \$286.38 (item 72); \$286.38 (item 73); \$143.19 (item 63).

6. Travel costs allegedly associated with a site visit to Boston, Massachusetts on November 14, 2000 (items 32, 53, 69, 75)

It is undisputed that, on November 14, 2000, Dr. Knipmeyer (the SAMSHA representative), Mr. Bell, and Ms. Hensley visited the Boston grant site. JBA Ex. B6, at unnumbered page 1 of "Boston Site Visit - 11/14/00 Summary of Agreements."

Two of these expenses were over \$75. JBA claimed airfare of \$587 (item 75). A credit card statement and report indicate that on November 8, 2000, JBA charged a round-trip Delta Air Lines ticket for "HENSLEY/J" between Washington and Boston. JBA Rev. Travel Ex. B-21, at 128-129. JBA claimed lodging costs of \$233.77 (item 69). A credit card statement and report indicate that Mr. Bell charged lodging in that amount on November 14, 2000 in Boston, Massachusetts. Id. at 116, 117. SAMHSA objected that these costs were not supported by receipts. Att. D at 2-3 to SAMSHA letter of June 14, 2007. We accept the credit card report for Ms. Hensley's airfare as adequate documentation equivalent to a receipt under the circumstances here. We do not accept the credit card report for Mr. Bell's hotel since it does not show whether the bill included costs for items other than lodging. Instead, we allow the FY2001 federal lodging per diem rate for Boston of \$192 and do not allow \$41 (\$233 - 192). http://www.gsa.gov/Portal/gsa/ep/contentView.do?queryYear=2000&contentId=17943&queryState=Massachusetts&contentType=GSA_BASIC

SAMSHA makes no argument as to the disallowed costs under \$75. JBA reimbursed Ms. Hensley for \$14 (item 32) for "local transportation." JBA Rev. Travel Ex. B-17, at 51-53. This cost is supported by an expense report from Ms. Hensley stating that on November 14, 2000 she traveled back and forth from Washington and Boston and incurred parking costs of \$14 in Washington. Id. at 53, 54. JBA reimbursed Mr. Bell for parking costs of \$28 (item 53). This cost is supported by a credit card statement and report stating that Mr. Bell charged a parking fee of \$28 on November 14, 2000 in Washington. JBA Rev. Travel Ex. B-21, at 86-87. These costs are adequately documented, and we allow them.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$587 (item 75); \$14 (item 32); \$28 (item 53); and \$192 of \$233.77 (item 69).

7. Travel costs allegedly associated with a site visit to Philadelphia, Pennsylvania on January 4, 2001 (items 65, 66)

On January 4, 2001, Mr. Bell, Ms. Hensley and Dr. Knipmeyer visited the grant study site in Philadelphia. JBA Ex. B7. JBA charged two train tickets costing \$182 each (items 65, 66) to the grant. These expenditures are supported by credit card statements and reports showing that on December 15, 2000, JBA incurred charges to AMTRAK for round-trip tickets between Washington and Philadelphia for "HENSLEY/J" and "BELL/J." JBA Rev. Travel Ex. B-21, at 108-111. SAMSHA acknowledged that Mr. Bell and Ms. Hensley are listed in the meeting agenda (Att. D, at 2 to SAMSHA letter of June 14, 2007), and, in fact, they are. JBA Ex. B7. Accordingly, we conclude that these costs are adequately documented and allow them.

8. Travel costs allegedly associated with grant Steering Committee meeting on January 22-23, 2001 in Washington, D.C. (Items 35, 36, 40, 70, 74)

JBA conducted a Steering Committee meeting on January 22 and 23, 2001 at the Hilton Crystal City in Arlington, Virginia. JBA Ex. B8.

SAMSHA disallowed lodging of \$393.53 (item 36), food of \$23.89 (item 35), and airfare of \$275 (item 70) claimed by JBA for Dr. Pillen's participation because the meeting materials did not show that she attended and JBA offered no other documentation, such as a statement from Dr. Pillen, that she participated in the meeting. We do not allow these costs for the same reason.

SAMSHA also disallowed airfare of \$499.50 (item 74) and \$405.50 (item 40) claimed by JBA for the alleged participation of Dr. Ettner and Dr. Mellins, respectively. A credit card statement and report show that JBA incurred a cost of \$499.50 on December 20, 2000 for a United Airlines round-trip ticket for "ETTNER/S" between Los Angeles and Washington. JBA Rev. Travel Ex. B-21, at 126-127. A credit card statement and report show that JBA incurred a cost of \$405.50 on January 11, 2001 for a United Airlines round-trip ticket for "MELLINS/C" between New York and Washington. JBA Rev. Travel Ex. B-19, at 60-61. Additionally, there is a report from Dr. Mellins stating that JBA purchased a ticket for \$405.50 for this trip. Id. at 62. As to these costs, SAMSHA represented that the meeting materials (see JBA Ex. B8) do not mention Dr. Ettner or Dr. Mellins. Att. D, at 3, to SAMSHA letter of June 14, 2001. While the meeting agenda itself does

not mention these participants, a January 25, 2001 memorandum from Ms. Hensley (the JBA support staff for the grant) to the "Hilton Hotel, Crystal City" does verify their attendance. The memorandum directs the hotel to charge Dr. Ettner and Mellin's lodging to a JBA credit card as a "guest[] who [was] part of [meeting] held at your hotel on January 22-23, 2001." We find that these costs are adequately documented and allow them.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$499.50 (item 74) and \$405.50 (item 40). We conclude that JBA failed to adequately documented the following costs and do not allow them: \$393.53 (item 36); \$23.89 (item 35); and \$275 (item 70).

9. Travel costs allegedly associated with travel to the Boston study site on March 1, 2001

JBA filed expenses for costs allegedly associated with travel to the Boston study site. It is undisputed that the grant sponsored a study site in Boston. JBA Ex. B9. In support of these expenses, JBA filed a document titled "Boston Site Visit Report" dated March 21, 2001, which stated that Dr. Knipmeyer, Mr. Bell, and Ms. Hensley visited the site on November 14, 2000, and that Dr. Havens, Dr. Mellins, and Dr. Pillen conducted a follow-up visit to the site on March 1, 2001. JBA Ex. B9, at 1.

(a) Airfare (items 44-46)

JBA claimed airfare of \$302 (item 44). This cost is documented by a credit card statement and report stating that on February 7, 2001, JBA charged a round-trip ticket for "PILLEN/M" between Bloomington, Illinois and Boston. JBA Rev. Travel Ex. B-20, at 72-73.

JBA claimed airfare of \$405.50 (item 45). This cost is documented by a credit card statement and report stating that on February 12, 2001 JBA purchased a roundtrip ticket on USAir for "MELLINS/C" between New York and Boston. JBA Rev. Travel Ex. B-20, at 74-75.

JBA claimed airfare of \$405.50 (item 46). This cost is documented by a credit card statement and report stating that on February 13, 2001 JBA purchased a roundtrip ticket on USAir for "HAVENS/J" between New York and Boston. JBA Rev. Travel Ex. B-20, at 76-77.

Therefore, we conclude that JBA adequately documented the costs for airfare related to these trips: \$302 (item 44); \$405.50 (item 45); and \$405.50 (item 46), and we allow them.

(b) Food, Hotel, Parking (items 41, 80, 84, 90)

JBA claimed costs for food in the amount of \$49.97 (item 41). A credit card statement and report state that Dr. Pillen charged this amount on March 2, 2001 in Boston. JBA Rev. Travel Ex. B-20, at 63-64. We do not allow this cost on the ground that the report says the meeting was only on March 1 and JBA has not offered any explanation as to why Dr. Pillen would be charging such food in Boston on March 2, the day after the meeting.

JBA claimed hotel costs of \$491.52 (item 90). These costs were charged by Dr. Pillen on March 5, 2001 at a Boston hotel. JBA Rev. Travel Ex. B-22, at 154-155. SAMHSA objected to this cost on the grounds that there is no receipt and that Dr. Pillen is "not mentioned in the meeting materials." Att. D, at 3, to SAMHSA letter of June 14, 2007. Dr. Pillen is clearly mentioned in the meeting materials (JBA Ex. B9), and there is a credit card report that we would accept as the equivalent of a receipt in this case. However, the meeting materials refer only to a one-day meeting, the credit card report indicates that Dr. Pillen did not check out of the hotel until March 5, and the charge indicates she was there a number of nights. Under the circumstances, we find that JBA has failed to justify more than one night of lodging for this site visit. We therefore do not allow \$299.52 (\$491.52 - \$192 - the GSA FY2001 lodging limit for Boston) and allow \$192. See http://www.gsa.gov/Portal/gsa/ep/contentView.do?queryYear=2001&contentType=GSA_BASIC&contentId=17943&queryState=Massachusetts&noct=T.

JBA claimed parking fees of \$52 (item 80) and rental car fees of \$214.82 (item 84). JBA submitted credit card statements and reports that show that, on March 25, 2001, Mr. Bell charged \$52 for parking fees in Washington (JBA Rev. Travel Ex. B-22, at 134-135) and \$214.82 for a rental car in Boston (id. at 142-143). The site visit report on which JBA relied for this cost is dated March 21, 2001 and mentions visits only on November 14 and March 1. These costs are not adequately documented, and we do not allow them.

Therefore, we conclude that JBA adequately documented \$192 of \$491.54 (item 90) and allow \$192. We conclude that JBA failed to adequately document the following costs and do not allow them: \$49.97 (item 41); \$52 (item 80); and \$214.82 (item 84).

10. Travel costs allegedly associated with a site visit to Chicago on March 19 and 20, 2001 (item 83)

JBA filed expenses for costs allegedly associated with travel to the Chicago study site. JBA Ex. B23, at unnumbered 2. It is undisputed that the grant sponsored a study site in Chicago. See JBA Ex. C1, at unnumbered 1. JBA relied on a document titled "Chicago Site Visit Report" dated May 30, 2001, which stated Mr. Bell and Dr. Pillen visited the Chicago site on March 19 and 20, 2001. JBA Ex. B10, at 1.

The only cost at issue for this visit is a charge of \$182.32 charged by Mr. Bell on March 19, 2001 for "FOOD AND BEVERAGE" in Chicago, Illinois. JBA Rev. Travel Exhibit B-22, at 140-141. This cost is not allowable in this amount. As SAMSHA pointed out as to other meal costs (SAMSHA letter of June 14, 2007, at 4), 45 C.F.R. § 31.201-2 requires costs to be reasonable and this meal alone exceeds the daily federal per diem rates for meals. We allow the FY2001 GSA per diem rate of \$46 and do not allow \$136.32 (\$182.32 - \$46).

11. Travel costs allegedly associated with a Steering Committee meeting in Washington, D.C., on April 23-24, 2001 (items 76, 78, 81, 82, 85-89)

JBA conducted a grant Steering Committee meeting at a Radisson hotel in Washington, D.C., on April 23-24, 2001. JBA Ex. B11. At issue are costs charged to the grant for meals, lodging and transportation for Mr. Bell, Dr. Pillen, Dr. Havens, and Dr. Ettner. Mr. Bell, Dr. Ettner, and Dr. Havens are mentioned in the meeting minutes. See, e.g., JBA Ex. B11, at April 23 minutes at 5. SAMSHA pointed out that Dr. Pillen is "not mentioned in meeting materials." Att. D to SAMSHA letter of June 14, 2007.

JBA claimed the following costs in connection with the Washington meeting.

JBA claimed \$248 for train fare (item 87). This cost is documented by a credit card statement and report stating that on April 12, 2001, JBA charged a round-trip AMTRAK ticket for "HAVENS/J" between New York City and Washington, D.C. JBA Rev. Travel Ex. B-22, at 148-149. We find the train fare adequately documented by the totality of the credit card statement and report and Dr. Havens' presence at the meeting.

JBA claimed \$338 for airfare (item 89). This cost is documented by a credit card statement and report stating that on March 27,

2001, JBA charged a round-trip ticket on Frontier Airlines for "ETTNER/S" between Los Angeles and Washington, D.C. JBA Rev. Travel Ex. B-22, at 152-153. We find the plane ticket cost allowable for the same reasons stated with respect to Dr. Haven's train ticket.

JBA did not adequately document the following expenses that it asserted are related to the April Steering Committee meeting.

- JBA claimed a number of costs for Dr. Pillen's participation in this meeting. Because she is not mentioned in the meeting materials, we find that JBA failed to adequately document that her trip to Washington was grant-related. Therefore we deny the following costs attributed to her travel: airfare of \$248.75 (item 88) and \$244.50 (item 86) (JBA Rev. Travel Ex. B-22, at 146-147 and 150-151)¹⁷; and lodging costs of \$137.76 (item 81) (JBA Rev. Travel Ex. B-22, at 136-137).
- JBA claimed \$6.88 for food charged by Mr. Bell on April 3 (item 76 documented at JBA Rev. Travel Ex. B-22, 130-131), \$241.50 for food charged by Mr. Bell on April 23 (item 85 as documented at id. at 138-139), \$21.43 for food charged by Mr. Bell on April 24 (item 78 at id. at 132-133), and \$156.29 for food charged by Mr. Bell on April 25 (item 82, documented at id. 138-139). Since these charges were by Mr. Bell in Washington, they are not travel costs under section 31.205-46, and we do not allow them.

Therefore, we conclude that JBA adequately documented the following costs and allow them: \$248 (item 87) and \$338 (item 89). We conclude that JBA failed to adequately document the following costs and do not allow them: \$248.75 (item 88); \$244.50 (item 86); \$137.76 (item 81); \$241.50 (item 85); \$21.43 (item 78); and \$156.29 (item 82).

¹⁷ JBA represented that both of these round-trip tickets between Bloomington, Illinois and Washington were for Dr. Pillen to travel to and from the steering committee meeting. JBA Rev. Travel Ex. B-22, at 146-150. Had we not denied both of these costs because JBA failed to show that Dr. Pillen attended the meeting, we would have denied one on the ground that it is not reasonable to purchase two tickets for one person to attend the same meeting.

12. Travel costs that are not associated with a documented event (items 34, 42, 43, 49, 56, 71)

JBA submitted credit card statements and reports for two charges to travel agencies for undescribed costs: \$11.95 (item 49 at JBA Rev. Travel Ex. B-21, at 80-81), and \$35 (item 56, at JBA Rev. Travel Ex. B-21, at 91-92). JBA submitted a credit card statement and report for a charge on January 29, 2001 by Dr. Pillen to AMTRAK of \$16.20 (item 34). JBA Rev. Travel Ex. B-18, at 54-55. The credit card report states that it is for "ADV PMT." Id. at 55. Absent evidence as to how these costs benefitted the grant, we do not allow them.

JBA submitted two costs charged by Dr. Pillen that are not linked to any site visit described above. On February 2, 2001, Dr. Pillen charged \$70.44 (item 42) for food in Chicago. JBA Rev. Travel Ex. B-20, at 65-66. On December 8, 2008, Dr. Pillen charged \$281 (item 71) for a round-trip airline ticket between Bloomington, Illinois and Detroit. Since JBA pointed to no evidence in the record as to how these costs benefitted the grant, we do not allow them.

JBA submitted expense reports dated February 6, 2001 in support of \$138.47 (item 43) paid to Dr. Pillen on February 15, 2001. JBA Rev. Travel Ex. B-20, at 67-71. These reports mainly document costs incurred for travel for dates that do not correspond to any documented site visit or Steering Committee meeting. The only cost that is associated with a documented grant-related event is \$14.20 incurred in Durham, North Carolina for food and parking on November 29 and December 1, 2000, the day Dr. Pillen was in Durham, North Carolina for a site visit. Id. at 70; JBA Ex. B5, at unnumbered 2. We allow this \$14.20 but do not allow the remainder (\$124.27) of this claim since JBA failed to show that these costs benefitted the grant.

Therefore, we conclude that JBA adequately documented \$14.20 of a \$138.47 claim; we allow \$14.20 and do not allow \$138.47. We conclude that JBA failed to adequately document the following costs: \$11.95 (item 49); \$35 (item 56); \$16.20 (item 34); \$70.44 (item 42); and \$281 (item 71).

13. Travel costs for which JBA submitted no information (items 10, 18, 50)

SAMHSA listed three costs for which JBA submitted no information: item 10 for \$.99 and item 50 for \$14 for which JBA wrote on Schedule 1 "not recognized by JBA" and item 18 of \$36 for which

JBA wrote "no information." We conclude they are not adequately documented and do not allow them.

VI. Conclusion

We uphold SAMHSA's disallowance of \$6,562 in miscellaneous costs, of \$685 in printing costs, and of \$3,275 in travel costs. We reverse SAMHSA's disallowance of \$25,791 in printing costs and \$7,414 in travel costs.

_____/s/
Judith A. Ballard

_____/s/
Leslie A. Sussan

_____/s/
Sheila Ann Hegy
Presiding Board Member

APPENDIX 1 - TRAVEL COSTS

LINE REF	INVOICE NUMBER	MONTH/ YEAR	COSTS LISTED ON SCHEDULE 1	ALLOWED BY BOARD	DISCUSSED IN DECISION AT:
1	23	Oct-00	14.00	14.00	Section IV.D.2
2	23	Oct-00	19.54	19.54	Section IV.D.2
3	23	Oct-00	21.00		Section IV.D.3
4	23	Oct-00	58.75		Section IV.D.4(c)
5	23	Oct-00	157.00		Section IV.D.4(c)
6	23	Oct-00	242.00		Section IV.D.4(b)
7	23	Oct-00	277.06		Section IV.D.3
8	23	Oct-00	319.00	319.00	Section IV.D.2
9	23	Oct-00	404.00	404.00	Section IV.D.4(b)
10	24	Nov-00	0.99		Section IV.D.13
11	24	Nov-00	26.85		Section IV.D.4(c)
12	24	Nov-00	30.97		Section IV.D.4(c)
13	24	Nov-00	195.50	offset by credit	Section IV.D.1
14	24	Nov-00	277.00	offset by credit	Section IV.D.1
15	24	Nov-00	498.14	offset by credit	Section IV.D.1
16	24	Nov-00	894.17	offset by credit	Section IV.D.1
17	25	Dec-00	25.32		Section IV.D.5(a)
18	25	Dec-00	36.00		Section IV.D.13
19	25	Dec-00	10.90		Section IV.D.4(c)
20	25	Dec-00	36.00	36.00	Section IV.D.4(d)
21	25	Dec-00	38.25		Section IV.D.4(c)
22	25	Dec-00	54.74		Section IV.D.4(c)
23	25	Dec-00	100.18		Section IV.D.4(c)
24	25	Dec-00	105.76		Section IV.D.4(c)
25	25	Dec-00	159.15	139.00	Section IV.D.4(a)
26	25	Dec-00	319.30	278.00	Section IV.D.4(a)
27	25	Dec-00	323.05	278.00	Section IV.D.4(a)
28	25	Dec-00	332.00	332.00	Section IV.D.5(a)
29	25	Dec-00	332.00	332.00	Section IV.D.5(a)
30	25	Dec-00	405.00		Section IV.D.4(b)
31	25	Dec-00	531.78	415.00	Section IV.D.4(a)
32	26	Jan-01	14.00	14.00	Section IV.D.6
33	27	Feb-01	56.45	offset by credit	Section IV.D.1
34	27	Feb-01	16.20		Section IV.D.12
35	27	Feb-01	23.89		Section IV.D.8
36	27	Feb-01	393.53		Section IV.D.8
37	28	Feb-01	16.20	offset by credit	Section IV.D.1
38	28	Feb-01	38.09	offset by credit	Section IV.D.1
39	28	Feb-01	1,066.42	offset by credit	Section IV.D.1
40	28	Feb-01	405.50	405.50	Section IV.D.8
41	29	Mar-01	49.97		Section IV.D.9(b)

42	29	Mar-01	70.44		Section IV.D.12
43	29	Mar-01	138.47	14.00	Section IV.D.12
44	29	Mar-01	302.00	302.00	Section IV.D.9(a)
45	29	Mar-01	405.50	405.50	Section IV.D.9(a)
46	29	Mar-01	405.50	405.50	Section IV.D.9(a)
47	29	Mar-01	1,294.50	offset by credit	Section IV.D.1
48	30	Apr-01	5.23		Section IV.D.5(a)
49	30	Apr-01	11.95		Section IV.D.12
50	30	Apr-01	14.00		Section IV.D.13
51	30	Apr-01	26.76	26.76	Section IV.D.5(b)
52	30	Apr-01	28.00	28.00	Section IV.D.5(a)
53	30	Apr-01	28.00	28.00	Section IV.D.6
54	30	Apr-01	28.00	28.00	Section IV.D.5(a)
55	30	Apr-01	30.89		Section IV.D.5(b)
56	30	Apr-01	35.00		Section IV.D.12
57	30	Apr-01	35.30		Section IV.D.5(b)
58	30	Apr-01	61.71	61.71	Section IV.D.5(a)
59	30	Apr-01	77.00	42.00	Section IV.D.5(b)
60	30	Apr-01	91.23	42.00	Section IV.D.5(a)
61	30	Apr-01	94.35		Section IV.D.5(a)
62	30	Apr-01	95.85		Section IV.D.5(a)
63	30	Apr-01	143.19		Section IV.D.5(b)
64	30	Apr-01	149.46	149.46	Section IV.D.5(b)
65	30	Apr-01	182.00	182.00	Section IV.D.7
66	30	Apr-01	182.00	182.00	Section IV.D.7
67	30	Apr-01	206.00	206.00	Section IV.D.5(b)
68	30	Apr-01	223.00	223.00	Section IV.D.5(b)
69	30	Apr-01	223.77	192.00	Section IV.D.6
70	30	Apr-01	275.00		Section IV.D.8
71	30	Apr-01	281.00		Section IV.D.12
72	30	Apr-01	286.38		Section IV.D.5(b)
73	30	Apr-01	286.38		Section IV.D.5(b)
74	30	Apr-01	499.50	499.50	Section IV.D.8
75	30	Apr-01	587.00	587.00	Section IV.D.6
76	31	May-01	6.88		Section IV.D.11
77	31	May-01	9.47	offset by credit	Section IV.D.1
78	31	May-01	21.43		Section IV.D.11
79	31	May-01	23.60	offset by credit	Section IV.D.1
80	31	May-01	52.00		Section IV.D.9(b)
81	31	May-01	137.76		Section IV.D.11
82	31	May-01	156.29		Section IV.D.11
83	31	May-01	182.32	46.00	Section IV.D.10
84	31	May-01	214.82		Section IV.D.9(b)
85	31	May-01	241.50		Section IV.D.11
86	31	May-01	244.50		Section IV.D.11

87	31	May-01	248.00	248.00	Section IV.D.11
88	31	May-01	248.75		Section IV.D.11
89	31	May-01	338.00	338.00	Section IV.D.11
90	31	May-01	491.52	192.00	Section IV.D.9(b)
91	32	Jun-01	34.41	offset by credit	Section IV.D.1
92	34	Aug-01	98.00	offset by credit	Section IV.D.1

ALLOWED COSTS: 7,414.47