

AHW Supplanting Guide

The Advancing a Healthier Wisconsin Endowment (AHW) adheres to requirements as defined in a March 28, 2000, Order of the Commissioner of Insurance which requires that AHW funds (the Funds) “may not be used to supplant funds or resources otherwise available.” “Supplant” means to take the place of or supersede. The rule prevents funding from AHW being used to replace existing funding (including operational funds, organizational funds, department funds, government funds, state funds, tribal funds, philanthropic funds, other grant funds, etc.).

AHW awards must never supplant funds for activities that are financed by another funding source. However, AHW funds can supplement existing initiatives/activities. “Supplant” and “supplement” are terms with different meanings that can be easily confused.

This guide focuses on supplanting, as it is important for AHW applicants/grantees to understand how supplanting negatively affects their project.

Supplanting occurs when a program, organization, department, etc. reduces funds for an activity/initiative/project, specifically because AHW funds are available (or expected to be available) to fund that same activity/initiative/project. This is prohibited for AHW grants.

Supplementing occurs when AHW funds are used to enhance and/or expand existing government, state, organizational, departmental, etc. funds for ongoing or concurrent activities.

AHW Award Financial Management Requirement

AHW policy states that award funds cannot be used to supplant funds. In other words, AHW funds are not permitted to be used to take the place of current and available funding drawn upon for programs and services. AHW funds must only be deployed for new work/research/initiatives/programs or be used to supplement existing federal, state, local, tribal, organizational, etc. funds for program activities.

AHW funds should never be used as a resource to free up other funds but should be considered when adding to, scaling, or creating new work.

Example Scenarios

Each proposal and project has unique considerations, and applications and changes to funded projects will be evaluated on an individual basis to determine if supplanting is present. As a reminder, AHW funds can be used to supplement existing funding but not to supplant (replace) them.

Following are examples of AHW funds being used for prohibited supplanting as well as examples of allowable supplementing of existing funds.

Scenario A: Supplanting

A non-profit organization receives an AHW grant to support its community outreach program. Instead of adding this grant to their existing outreach budget, they use the AHW grant to replace their current budget and use the freed-up money to start a new project or pay for administrative costs.

Scenario A **is supplanting** because the non-profit organization had already budgeted other funds to pay for the outreach program and replaced the previously budgeted funds with AHW funding.

Scenario B: Supplanting

An applicant applies for AHW funding while simultaneously applying for private funding with the same proposal (i.e., both the AHW and private funding proposals have the same or similar aims and objectives). Both the AHW proposal and the private funding proposal get selected for funding.

Scenario B **is supplanting** since the applicant was awarded private funding for the same proposed project/work.

As a result, AHW would no longer be able to fund the proposal due to supplanting.

Scenario C: Supplanting

Dr. Jane Doe is an AHW grantee and is six months into her two-year AHW award. She receives notification that she has been granted an NIH award that has significant overlap with the aims and objectives of the active AHW award (i.e., both the AHW award and the NIH grant have the same or similar aims and objectives).

Scenario C **is supplanting** since the researcher received NIH (other) funding for the same or similar work being conducted in the AHW project. As a result, the AHW project/award would be rescinded as of the date that the NIH funding became available.

Scenario D: Supplementing

A non-profit organization receives an AHW grant to expand its food pantry services. It uses the AHW grant to supplement its current pantry funds, enabling it to serve more families, offer a wider variety of foods, and add nutritional education programs.

Scenario D **is supplementing** because the non-profit organization did not replace its existing food pantry services and funds; rather, it added to them and enhanced its current services to serve more people with greater food options while also introducing new educational programs.

Scenario E: Supplementing

A principal investigator (PI) has current NIH funding to conduct a new study on concussion recovery in adolescents. He applies for AHW funding to perform a similar study on concussion recovery in adults, expanding the scope of the work to a new population.

Scenario E **is supplementing** because the PI is using the AHW grant to enhance his existing work/research funds, allowing him to hire additional researchers, expand the study to a new population of adults, and extend the scope of the study beyond what was originally planned.

How Fund Use Affects Your AHW Application/Grant

AHW applicants and grantees that fully understand the difference between supplementing and supplanting are well positioned to meet AHW grant requirements and avoid their application being declined for non-compliance or their grant being rescinded for supplanting violation.

Take these steps to ensure your AHW funding does not supplant other funds:

- Ensure that all individuals involved in the administration of the application/grant understand the difference between supplementing and supplanting.
- Ensure that all expenses and reimbursements are consistently tracked for accuracy.
- Separately store files/records for each grant, with individual accounting tracking systems, identifiers, or spreadsheets.
- Ensure that budget categories (personnel, fringe, supplies, travel, etc.) are set up for each grant award and monitor them.
- Ensure that all project team members, as well as those preparing the project invoices, are familiar with the approved project budget, and only apply costs that are approved by AHW.
- Never use AHW funds to pay for items or costs that the applicant/grantee is already obligated to pay with other funding (e.g., federal, state, tribal, organizational, departmental, etc.).
- Always have supporting documentation. This may include budget sheets, meeting minutes, notices of orders, and other official documents addressing the reduction in non-AHW funding/resources.

When in doubt, if you are unsure about supplanting, contact your AHW grant manager or a member of the AHW Compliance Team to discuss your situation and ensure that supplanting doesn't occur.

Resources

- AHW Website: <https://ahwendowment.org/>
- AHW Supplanting Criteria: <https://info.ahwendowment.org/wisconsin-grants-to-improve-health#application-resources>
- AHW Allowable and Non-Allowable Cost Document: <https://info.ahwendowment.org/allowable-and-unallowable-costs>