



C A L I F O R N I A D E P A R T M E N T O F
Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

October 2, 2007

DMH INFORMATION NOTICE NO.: 07-20

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: IMPLEMENTATION OF LOCAL MENTAL HEALTH SERVICES
(MHS) FUND CASH FLOW STATEMENT

REFERENCE IMPLEMENTATION OF THE MHSA, WELFARE AND
INSTITUTIONS CODE (WIC) SECTION 5892(f), SECTION
5892(h) AND THE CALIFORNIA CODE OF REGULATIONS
SECTION 3520(a)(1).

The purpose of this Department of Mental Health (DMH) Information Notice is to inform Counties¹ that receive funding under the Mental Health Services Act (MHSA) of the Local MHS Fund Cash Flow Statement (Statement). A copy of the instructions and the Statement is enclosed (Enclosure 1 and Enclosure 2).

Pursuant to the California Code of Regulations Section 3520(a)(1), the six-month interval periods of the Statement are October 1 through March 31, and April 1 through September 30. The Statement submission dates are 30 days following the end of each six-month period.

The initial Cash Flow Statement will encompass more than one six-month period. For all Counties participating in the MHSA that are not part of the volunteer pilot program, the initial Cash Flow Statement encompasses five six-month periods: January 1, 2005 through September 30, 2007. For the seven Counties (Colusa, Glenn, Kern, Los Angeles, Napa, Orange, and Stanislaus Counties) participating in the volunteer pilot program, the initial Cash Flow Statement encompasses three six-month periods: October 1, 2006 through September 30, 2007. The initial Cash Flow Statement is due no later than October 30, 2007.

¹ "County" means the County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or city-operated programs receiving funds per WIC Section 5701.5 (California Code of Regulations, Section 3200.090).

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The Statement has been designed to capture the net change in the unreserved local MHS Fund balance from the prior Statement reporting period. DMH will use information provided on the Statement to identify unreserved MHSA funds that have been distributed to Counties and to identify Counties potentially requiring technical assistance with the implementation of their approved MHSA Three-Year Revenue and Expenditure Plan. DMH intends to make available to the public information from each County's Statement.

The Statement should be submitted electronically to DMH at mhsa@dmh.ca.gov using the Excel template and include the subject line "(County name) Cash Flow Statement (and County submittal date)". An original signed copy of the Statement should also be sent to the following address:

**California Department of Mental Health
County Operations Unit
Attn: Local MHS Fund Cash Flow Statement
1600 9th Street, Room 100
Sacramento, CA 95814**

Please be advised that DMH intends to audit the Statement as part of the Short-Doyle/Medi-Cal (SD/MC) audit. Statements will be audited in accordance with the audit cycle relevant to the fiscal year in which they are submitted (i.e., Statements submitted during fiscal year 2007-08 will be included in the fiscal year 2006-07 SD/MC audit which is tentatively scheduled to occur in fiscal year 2012-13). Accordingly, Counties should maintain all accounting and management information system reports used to prepare the Statement for future audit purposes.

If you have any further questions, please contact your County Operations liaison identified on the following internet site: <http://www.dmh.ca.gov/CountyOps/contact.asp>.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosure