



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

May 25, 2010

DMH INFORMATION NOTICE NO.: 10-12

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

SUBJECT: CLARIFICATION AND MODIFICATION TO THE ANNUAL
MENTAL HEALTH SERVICES ACT (MHSA) REVENUE AND
EXPENDITURE REPORT FOR FISCAL YEAR 2008-09

REFERENCE: IMPLEMENTATION OF THE MHSA, WELFARE AND
INSTITUTIONS CODE SECTION 5847 AND TITLE 9,
CALIFORNIA CODE OF REGULATIONS SECTION 3510

This Department of Mental Health (DMH) Information Notice provides an update and clarification to Counties¹ about guidance for the Mental Health Services Act (MHSA) Annual Revenue and Expenditure Report (Revenue and Expenditure Report) requirements for Fiscal Year (FY) 2008-09 released on December 28, 2009 (Information Notice No. 09-22). The revised Revenue and Expenditure Report worksheets and additional instructions are enclosed (Enclosures 1 through 9).

This update is necessary to:

- Allow Counties to report expenditures of Prevention and Early Intervention (PEI) Statewide Training, Technical Assistance and Capacity Building funds, and
- Instruct Counties on the reporting of expenditures when Counties incur expenditures prior to the disbursement of funds.

Pursuant to Title 9, California Code of Regulations (CCR) section 3510, each County is required to submit the Revenue and Expenditure Report to DMH no later than December 31st following the end of the fiscal year.

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 Welfare and Institution Code section 5701.5 (Cal. Code Regs., tit. 9, § 3200.090).

PEI Statewide Training, Technical Assistance and Capacity Building

A new worksheet has been developed (Enclosure 8) for the Prevention and Early Intervention (PEI) Statewide Training, Technical Assistance and Capacity Building (TTACB) funds released during FY 08/09. Counties that received FY 08/09 funds during FY 08/09 should report the expenditures for the Statewide TTACB project² on this worksheet. The "Identification of Unexpended Funds" report (Enclosure 9) has also been revised to include TTACB distributions and expenditures. In Enclosure 9, Identification of Unexpended Funds, Counties should enter the amount of unexpended funds from FY 08/09 in the first section, MHS Unexpended Funds available from Prior Fiscal Years, and enter distributions from DMH and interest earned on the local MHS fund balance in the second section, Deposits to Local MHS Fund during FY 2008-09.

Reporting Expenditures by Fiscal Year

When reporting expenditures on the "Identification of Unexpended Funds" worksheet (Enclosure 9), Counties should report prior and current expenditures according to the fiscal year in which the funds were disbursed. For example, if a County received approval of MHS funds on June 1, 2009 and received the approved funds on July 15, 2009, the expenditures incurred after June 1, 2009 should be reported in the Revenue and Expenditure Report for FY 09/10 as the funds were received during FY 09/10. This is not intended to change the County's accounting practices but simply to provide direction on how expenditures and disbursements should be reflected in the MHS Revenue and Expenditure Report.

If the County has already submitted its Annual MHS Revenue and Expenditure Report for Fiscal Year (FY) 2008-09, DMH will contact the County if any clarification and/or additional information is needed. If the County has not submitted its Annual MHS Revenue and Expenditure Report for Fiscal Year (FY) 2008-09, please utilize the modified instructions and enclosed forms. For detailed instructions on enclosures 2 - 7 and 9, please refer to DMH Information Notice No. 09-22. (Note: Enclosure 9 included in this Information Notice was previously Enclosure 8 in Information Notice No. 09-22)

See Enclosure 1 of this Information Notice for additional information and instructions on the following:

- Naming the FY 2008-09 Revenue & Expenditure Reports
- Linking the County Summary on the Summary worksheet
- Additional Instructions for the Unexpended worksheet

² PEI "projects" are now known as PEI programs.

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The Revenue and Expenditure Report should be submitted electronically using the Excel template (do not submit a PDF document) to DMH at dmh.mhsa@dmh.ca.gov and include the subject line "(County name) FY 08-09 MHSAs Rev and Exp Report." Those Excel forms that are modified by a County will not be accepted and will be returned to the County for proper submission format.

A hard copy of the Revenue and Expenditure Report should also be sent to the following address:

**California Department of Mental Health
Attn: FY 08-09 MHSAs Rev and Exp Report
MHSAs Plan Reviews Section
1600 9th Street, Room 100
Sacramento, CA 95814**

DMH intends to audit the Revenue and Expenditure Report in conjunction with the Short-Doyle/Medi-Cal (SD/MC) Cost Report audit. Accordingly, Counties will need to maintain all accounting and management information system reports used to substantiate what was reported in the Revenue and Expenditure Report for future audit purposes.

If you have any questions regarding the Revenue and Expenditure Report, please contact your County Technical Assistance representative identified on the following DMH website:

http://www.dmh.ca.gov/Services_and_Programs/Local_Program_Support/County_Technical_Assistance.asp.

Sincerely,

Original Signed by

STEPHEN W. MAYBERG, Ph.D.

Director

Enclosures

cc: California Mental Health Planning Council
California Mental Health Directors Association
Mental Health Services Oversight and Accountability Commission
Deputy Director, Community Services Division