



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

May 17, 2012

DMH INFORMATION NOTICE NO.: 12-04

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 THE ANNUAL MENTAL HEALTH
SERVICES ACT (MHSA) REVENUE AND EXPENDITURE
REPORT FOR FISCAL YEAR 2010-11

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

This Department of Mental Health (DMH) Information Notice informs Counties¹ of the Annual Mental Health Services Act (MHSA) Revenue and Expenditure Report (RER) requirements for Fiscal Year (FY) 2010-11. A copy of the RER instructions and worksheets are enclosed (Enclosures 1, 2 and 3).

Reporting Methodology

Expenditures should be reported using the modified accrual basis of accounting. The modified accrual basis of accounting requires expenditures to be reported in the fiscal year in which the fund liability is incurred, whether or not the expenditure has been paid. This is to acknowledge some situations where Counties were approved for a level of funds and received the funds over two fiscal years.

When using a modified accrual basis of accounting, the expenditures are recognized when the related expense is incurred and this may result in the reporting of expenditures exceeding funds received. This reporting methodology does not change the definition of expenditures. It is not intended to change the County's accounting practices, but rather to provide direction on how expenditures and disbursements

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 Institutions Code Section 5701.5 (Cal Code Regs., tit. 9, § 3200.090).

should be reflected in the RER. Counties should continue to comply with all requirements in the California State Controller's Office (SCO) publication, Accounting Standards and Procedures for Counties, and with the requirements set forth in the Mental Health Services Act (MHSA) and other applicable laws, including the prohibition against supplantation.

Submission:

RER should be submitted electronically to dmh.mhsa@dmh.ca.gov and MHSOAC@mhsoc.ca.gov using the Excel template (do not submit a PDF document). In the subject line, include "(county name) FY (year) MHSA Rev and Exp Report". The December 31 deadline specified in Title 9, California Code of Regulations (CCR) section 3510 is hereby waived. For FY 2010-11 reporting purposes, the RER will be due one month following the county submission of the Medi-Cal Specialty Mental Health Cost Report. A hard copy of the RER should also be sent to the following address:

**California Department of Mental Health
Attn: FY 10-11 MHSA Revenue and Expenditure Report
Office of Community Services
1600 9th Street, Room 100
Sacramento, CA 95814**

Please be advised that the state may audit the RER. Accordingly, Counties will need to maintain all accounting and management information system reports used to substantiate what was reported in the RER for future audit purposes.

If you have any questions regarding the RER, please contact the Mental Health Services Oversight and Accountability Commission at (916) 445-8696 or MHSOAC@mhsoc.ca.gov or Department of Mental Health (916) 651-6339 or dmh.mhsa@dmh.ca.gov.

Sincerely,

Original signed by

CLIFF ALLENBY
Acting Director

Enclosures

cc: California Mental Health Planning Council
California Mental Health Directors Association
Mental Health Services Oversight and Accountability Commission