

Instructions for Preparing the Local Mental Health Services Fund Cash Flow Statement

Enclosure 1

Every County and City mental health department is required to prepare a Local Mental Health Services (MHS) Fund Cash Flow Statement and submit the Statement to the California Department of Mental Health (DMH) within 30 days following the end of the 6 month period as a condition of participation in the MHS. **The Local Mental Health Director or his or her designee is required to sign the certification at the bottom of the Statement.** Failure to submit the Statement within 30 days following the end of the 6 month period with a signed certification may delay future MHS distributions from DMH. Each City or County should prepare one Statement that includes the total revenue and expenditures for all MHS components. Below are the specific instructions for preparing the Local MHS Fund Cash Flow Statement.

General Instructions:

Round all amounts to the nearest whole dollar.

Heading Instructions:

Enter the city/county name.

Enter the date the Cash Flow Statement was prepared.

Enter the calendar year that includes the last month of the reporting period (i.e., enter 2007 for the September 2007 Statement).

Select from the menu the date of the end of the reporting period.

Line Item Instructions:

A. Local MHS Cash and Investments On-Hand According to City/County Financial Records

1. MHS Cash and Investments On-Hand from Financial Records-Beginning of 6 Month Period

Enter the amount of cash and investments in the Local MHS Fund on the first day of the 6 month period (either October 1 or April 1) or \$0 if this is the initial Statement. This amount should represent the MHS cash and investments in the local MHS Fund as reflected in the City or County financial records. This amount also should match line A.5. from the prior Cash Flow Statement.

2. Deposits to MHS Fund During 6 Month Period

a. MHS Distributions from the Department

Enter amounts received on a cash basis from DMH for MHS activities during the 6 month period (or since January 1, 2005 for the initial Statement).

b. Medi-Cal FFP, EPSDT SGF and Other Off-Setting Revenues

Enter applicable Medi-Cal Federal Financial Participation (FFP), EPSDT State General Fund (SGF) revenues, and other off-setting revenues on a cash basis (i.e., based on actual revenues received).

3. Net MHS Transfers out of Fund (i.e., expenditures) During 6 Month Period (negative amount)

Enter the net amount of funds transferred out of the MHS Fund or expenses posted to the MHS Fund during the 6 month period (or since January 1, 2005 for the initial Statement). Enter the amount as a negative number.

4. Interest Income Posted to MHS Fund

Enter interest income from cash and investments in the local MHS Fund on a cash basis (i.e., based on actual interest posted to the MHS Fund).

5. MHS Cash and Investments On-Hand from Financial Records-End of Period

The amount of MHS Cash and Investments On-Hand is automatically calculated as the sum of lines A.1. through A.4. This amount should represent the MHS cash and investments in the local MHS Fund as reflected in the City or County financial records as of the last day of the period (either September 30 or March 31). This amount should be reported on line A.1. on the next Cash Flow Statement.

B. Adjustments to Reflect Funds Reserved for:

1. Obligations/Encumbrances

Enter amounts incurred, accrued or estimated during the 6 month period that have not been paid out of the MHS Fund as of the end of the 6 month period. This amount should reflect activities related to the period covered by the Cash Flow Statement. For contract payments that have not been paid for services rendered prior to the end of the period covered by the Cash Flow Statement, this should represent the estimated amount of the unpaid invoices.

2. Pre-Paid Expenses

Enter amounts pre-paid for services yet to be provided as of the end of the period covered by the Cash Flow Statement. Enter the amount as a negative number.

3. CSS One-Time Expenditures Not Incurred

Enter the budgeted amounts for approved CSS One-Time Expenditures that have been funded but not incurred. This should reflect the amount of MHS funding received for CSS One-Time Expenditures that is included in the MHS cash and investments on hand at the end of the period on line A.5 that have not been expended.

4. Revenues

Enter funds reserved for Medi-Cal settlements (FFP and EPSDT SGF) and other revenue adjustments. Enter a positive amount for monies set aside to fund future Medi-Cal settlements.

5. Total Adjustments

Total Adjustments is automatically calculated as the sum of lines B.1. through B.4.

C. Funds Set Aside for a Local Prudent Reserve in Accordance with WIC 5847(a)(7)

Enter as a positive amount funds set aside for establishment and maintenance of a local prudent reserve in accordance with Welfare and Institutions Code Section 5847(a)(7). The prudent reserve should be identified by the City or County and approved by DMH through the City or County's approved Three-Year Program and Expenditure Plan and/or the City or County's Annual Update. Funds set aside for a local prudent reserve are not available for expenditure by a City or County unless authorized by DMH. Note that DMH has not approved any funds for a local prudent reserve as of September 30, 2007, so this amount should be \$0 on the September 30, 2007 Statement.

D. Unreserved MHS Cash and Investments On-Hand

Unreserved MHS Cash and Investments On-Hand is automatically calculated as line A.5. minus lines B.5. and C. This amount reflects the cash and investments in the MHS Fund that are available for on-going expenditures.

Certification

The Certification must be signed by the Local Mental Health Director or his or her designee.