

CALIFORNIA DEPARTMENT OF MENTAL HEALTH  
EARLY MENTAL HEALTH INITIATIVE  
FY 2011-2012  
**BILLING PROCEDURES**

**(PLEASE GIVE A COPY OF THESE PROCEDURES TO YOUR DISTRICT'S  
BUSINESS/ACCOUNTING OFFICE.)**

Following are the procedures for Local Education Agencies (LEA) to use when submitting invoices and line item transfers for the Early Mental Health Initiative (EMHI) grants during State FY 2011-2012. **These procedures MUST BE GIVEN TO the LEA's Accounting/Business Office staff, who are responsible for billing. An invoice or line item transfer that does not follow these procedures will be returned, which will result in delayed payment to the LEA.**

The following are **IMPORTANT ITEMS** regarding invoices for reimbursement of the costs incurred in the implementation and operation of an EMHI funded program:

- The EMHI Program Budget/Allocation has three (3) categories: Personnel, Operating Expenses and Equipment (OE&E), and Ten Percent (10%) Withhold (only for programs billing twice a year).
- The cost of Data Collection/Evaluation is included in the total allocation to the LEA and appears on Line 22 of the Program Budget/Allocation; however, **it is not a billable category**. The cost of Data Collection/Evaluation will be paid by the California Department of Mental Health (DMH) on behalf of the LEA.
- Transfers of funds from either category (Personnel or OE&E) is allowable. If the amount is **more than** fifteen percent (15%) of the original budget category, the request must be **approved in advance by DMH**, by sending an email to [DMHEMHI@dmh.ca.gov](mailto:DMHEMHI@dmh.ca.gov).
- Transfers of **less than** fifteen percent (15%) of the original budget category can be submitted **without** DMH approval. However, the invoice must include a written description of any funds which have been transferred from one category to another. (See LINE ITEM TRANSFERS on Page 3)
- Invoices should be submitted to the DMH twice a year (See Schedule on Page 2). LEAs *may* submit an invoice only once a year, but if submitting one (1) annual invoice, there will not be a Ten Percent (10%) Withhold category.

### **STEPS FOR PAYMENT**

1. The Term of Allocation for **new** and **continuing programs** is July 1, 2011 through June 30, 2012.
2. The Total Amount Payable by the DMH to the Allocation Recipient (LEA) will be for actual expenditures in arrears and will not exceed the specified dollar amount billable by the LEA as listed on Line 21 (Total Allocation) of the Program Budget/Allocation.
3. Invoices should be submitted to the DMH twice a year. LEAs *may* submit an invoice only once a year, but if submitting one (1) annual invoice, there will not be a Ten Percent (10%) Withhold category.

The schedule for submitting invoices is as follows:

	<b>Billing Period</b>	<b>Invoice Due Date</b>
<b>First Invoice:</b>	July 1 through December 31	<b>January 31</b>
<b>Final Invoice:</b>	January 1 through June 30	<b>August 31</b>

4. The invoice (See Samples on Pages 6-7) must comply with the following:

a. Submitted on the LEA's letterhead.

b. **Addressed to:**

California Department of Mental Health  
Attn: **Accounting**  
1600 Ninth Street, Room 440  
Sacramento, CA 95814

c. **Include the account number:** This number is on the Certification of Compliance, the Program Budget/Allocation, and the EMHI Program Staffing Information form.

d. **Include the billing period of the invoice:** (e.g., July 1, 2010 through December 31, 2010).

e. Detail the original budget by category: the original budget, the revised budget, the available balance, the current expenditures, and the calculated remaining balances (See SAMPLE INVOICES on Pages 6-7). **If a line item transfer was made, it must be shown on the invoice** (See Line Item Transfers on Page 3). There are only two budget categories for which expenditures may be invoiced:

- 1) **Personnel:** The total of all personnel costs (salaries and benefits) included in the Personnel portion of the Grant Request column the Program Budget/Allocation (Line 11) approved by DMH staff.
- 2) **Operating Expenses and Equipment (OE & E):** The total of materials and supplies, equipment, travel, training, administrative costs, and any other line items included in the OE & E portion of the Grant Request column of the Program Budget/Allocation (Line 20) approved by DMH staff.

**NOTE: The cost of Data Collection/Evaluation is included in the total allocation to the LEA; however, it is not a billable category. The cost of Data Collection/Evaluation will be paid by DMH on behalf of the LEA. DO NOT INCLUDE THIS AMOUNT ON THE INVOICE.**

f. All entries must be rounded to the nearest dollar.

g. The invoice must have an original signature, along with **three (3) copies**.

- h. The name, telephone number, email address and title of the individual responsible for preparing the invoice, must be printed above the signature and title of the person approving the invoice.
5. Supporting documentation of all costs incurred in the implementation and operation of the EMHI funded program is NOT required to be submitted with the invoice; however, it must be maintained on file by the LEA for local or DMH auditing purposes for up to three years from the date of the Final Allocation Reimbursement.
6. DMH will withhold ten percent (10%) from the first of the two (2) invoice payments. The LEA must submit a request on the Final Invoice at the end of the FY for return of the ten percent (10%) withheld from the first invoice. The Final Invoice must have "Final" noted on it. The Final Invoice is due within sixty (60) days after the close of the State, which is June 30th.
7. The LEA agrees that any item of equipment purchased for more than \$1,500, and for which the LEA requests reimbursement from EMHI grant dollars shall be considered an entrusted State asset. **An inventory list of said purchased equipment must be provided to the DMH by the end of the first FY of the grant.** The identified equipment may be subject to audit by the State at any time. Upon completion of the three year grant cycle, the DMH will determine whether the identified equipment will revert to the State property pool for future use by other EMHI programs in the local area or to allow the equipment to remain with the district. If the equipment is to be relocated to another site, the State will provide instructions regarding relocation and shipping.
8. The LEA understands that the purchase of computer equipment, (excluding data discs), from EMHI grant or match dollars is not allowed for EMHI funded programs without a written justification and first obtaining written approval from DMH prior to purchase.

#### **LINE ITEM TRANSFERS**

1. The LEA may transfer funds, without prior approval, between the Personnel and OE & E categories, provided that the collective amount to be transferred does not exceed fifteen percent (15%) of **the original budgeted category**. The invoice must show any funds which have been transferred from one category to another (See SAMPLE INVOICES on Pages 6-7). In no case can funds be transferred to or from the Data Collection/Evaluation category as this category is not to be included on the invoice (See NOTE 4.e. on Page 2. See Important Items 2. on Page 1.).
2. The LEA must submit a written request to transfer more than fifteen percent (15%) of the original budgeted Personnel or OE & E category. **This request must be approved in writing by DMH prior to the expenditure of the amount to be transferred.** Written requests for **line item transfers of more than fifteen percent (15%) of the original Personnel or OE & E category must be received by DMH staff no later than June 1, 2012.**

Submit requests to [DMHEMHI@dmh.ca.gov](mailto:DMHEMHI@dmh.ca.gov), Subject: EMHI Line Item Transfer. Include a copy of the approval when submitting invoice.

3. The State reserves the right to approve or deny any line item transfer.

### **TYPICAL PROBLEMS WITH INVOICES**

- 1) The invoice is not properly addressed to the Accounting Office, at the DMH.
- 2) The invoice is submitted without an original signature.
- 3) The required number of copies, three (3), are not included with the original invoice.
- 4) The account number is not included on the invoice.
- 5) The invoice period (e.g., July to December) is not included.
- 6) The invoice is not submitted on LEA letterhead.
- 7) Line item transfers are not properly reflected on the invoice under the Revised Budget category (See Sample Invoice #2 on Page 7).
- 8) Failure to note "Final" on the Final Invoice, which may result in delayed payment.
- 9) A budget category is over-expended and a negative balance is shown on the invoice. All line item balances must be zero or greater.
- 10) Ten Percent (10%) Withhold was not deducted from the total amount of the invoice, but rather from each category.
- 11) Failure to bill for Ten Percent (10%) Withhold in Final Invoice, which was previously withheld in 1st Invoice.
- 12) LEA business office staff are not notified of budget revisions and/or billing procedures by Program Coordinators.
- 13) Invoice amounts are miscalculated.
- 14) Dollar amounts are not rounded to the nearest dollar.
- 15) Invoice includes request for reimbursement of the cost for the Data Collection/Evaluation.
- 16) Original Budget amounts on invoice do not match the approved Budget (Project Coordinators negotiate and revise the Budget with DMH each year.)

## TYPICAL PROBLEMS WITH LINE ITEM TRANSERS

Line item transfers made without carefully following proper procedures result in processing delays, which postpones reimbursement to the LEA. Think carefully before transferring funds from one category to another.

1. A request for a line item transfer of **more than** fifteen percent (15%) is submitted after the final date of June 1, resulting in a denial of the request.
2. A line item transfer of **more than** fifteen percent (15%) is made without prior approval (See Line Item Transfers on Page 3).
3. A line item transfer of **less than** fifteen percent (15%) is made without written documentation on the invoice (See Sample Invoice #2 on Page 7).

# SAMPLE INVOICE # 1

(without a line item transfer <15%)

## LEA / ALLOCATION RECIPIENT'S LETTERHEAD

TO: California Department of Mental Health  
 Attn: **Accounting**  
 1600 9th Street, Room 440  
 Sacramento, CA 95814

Account Number: \_\_\_\_\_  
 County: \_\_\_\_\_  
 School District: \_\_\_\_\_  
 Invoice Period: \_\_\_\_\_

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>AVAILABLE BALANCE</u>	<u>CURRENT CHARGES</u>	<u>NEW BALANCE</u>
Personnel	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
OE & E	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>TOTAL</b>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

Total Expenses: \$ \_\_\_\_\_  
 \*Less 10%  
 Withheld \$ \_\_\_\_\_  
 Balance Due: \$ \_\_\_\_\_

**\*NOTE-**

- Ten Percent (10%) Withhold is only deducted on the first (1<sup>st</sup>) billing period (July 1 – Dec 31) when LEA invoices two (2) times a year.
- **DO NOT** deduct Ten Percent (10%) Withhold if only submitting one (1) invoice at the end of the FY.
- (Remember to invoice for the return of the Ten Percent (10%) Withhold on the second (2<sup>nd</sup>) invoice.)

Prepared By: Name, Title, Telephone Number & Email Address

Approved By: Original Signature  
 Name and Title

Date:

# SAMPLE INVOICE # 2

(with a line item transfer <15%)

## LEA / ALLOCATION RECIPIENT'S LETTERHEAD

TO: California Department of Mental Health  
 Attn: **Accounting**  
 1600 9th Street, Room 440  
 Sacramento, CA 95814

Account Number: \_\_\_\_\_  
 County: \_\_\_\_\_  
 School District: \_\_\_\_\_  
 Invoice Period: \_\_\_\_\_

This invoice reflects a line item transfer of \$XXX from [Category] to [Category]. The reason for the transfer is [briefly state specific reason for transfer].

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>AVAILABLE BALANCE</u>	<u>CURRENT CHARGES</u>	<u>NEW BALANCE</u>
Personnel	\$	\$	\$	\$	\$
OE & E	\$	\$	\$	\$	\$
<b>TOTAL</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Total Expenses: \$ \_\_\_\_\_  
 \*Less 10%  
 Withheld \$ \_\_\_\_\_  
 Balance Due: \$ \_\_\_\_\_

**\*NOTE-**

- Ten Percent (10%) Withhold is only deducted on the first (1<sup>st</sup>) billing period (July 1 – Dec 31) when LEA invoices two (2) times a year.
- DO NOT deduct Ten Percent (10%) Withhold if only submitting one (1) invoice at the end of the FY.
- (Remember to invoice for the return of the Ten Percent (10%) Withhold on the second (2<sup>nd</sup>) invoice.)

Prepared By: Name, Title, Telephone Number & Email Address

Approved By: Original Signature  
 Name and Title

Date: