



**DEPARTMENT OF MENTAL HEALTH
POLICY/PROCEDURE**

SUBJECT CUTOFF FOR CONTRACT ALLOCATION CHANGES	POLICY NO. 800.02	EFFECTIVE DATE 10/01/1989	PAGE 1 of 2
APPROVED BY: Original signed by: ROBERTO QUIROZ Director	SUPERSEDES 400.3 10/01/1989	ORIGINAL ISSUE DATE 03/29/1988	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To establish and maintain guidelines for control of the contract allocations at the end of each fiscal year.

POLICY

- 2.1 The Department of Mental Health (DMH) shall develop and implement guidelines for changes in contract allocations negotiated during or after the Final CR/DC Budget.

BACKGROUND

- 3.1 Changes in County contract negotiations not completed by the cut-off date for the Final CR/DC Budget submission to the State DMH creates payment problems to contractors and unbudgeted County costs.

PROCEDURE

- 4.1 The following are procedures for handling changes in contract allocations during or after the Final CR/DC Budget submission:
 - 4.1.1 Contracts and Grants Division shall adhere to this policy for fiscal year-end cut-off for contract negotiation unless prior approval has been obtained. No staff person is authorized to unilaterally make a commitment that would result in a liability to the Director under the Government Code (Section 29120). Approval must be obtained from the Director; this approval must be in writing.
 - 4.1.2 The cut-off date for CR/DC Budget information submission to the Budget Services Division shall be on or before April 15, unless otherwise instructed by the Budget Services Division.



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- 4.1.3 Contract allocation changes prior to the cut-off date for the Final CR/DC Budget: These changes must be made following the procedures specified in Policy/Procedure “Controlling Contract Commitments to Available Fund Allocations”. The necessary Budget Division sign-off must be obtained prior to the April 15 cut-off date for the Final CR/DC submission.
- 4.1.4 Contract allocation changes after the cut-off date for the Final CR/DC Budget: Any changes in contract allocations occurring after the specific April 15 cut-off date must be supported by written documentation which demonstrates the State’s approval of the change and Director’s approval.
- 4.1.5 Payment to contractors by the Accounting Services Division shall be based on the annual budget appropriation as identified by the Budget Services Division. Any changes to the original budget allocation must be supported by documentation from the Contracts and Grants Division, and approved by the Budget Services Division prior to the Accounting Division disbursing to the contractor, of any amount exceeding the annual budget appropriation.

AUTHORITY

CR/DC Budget Guidelines
Government Code, Section 29120