

**COST REPORTING**  
**MHSA Technological Needs Funding Agreement (TNFA) Expenditures**

All annual TNFA expenditures must be included in the Fiscal Year Cost Report using Mode 60 Service Function Codes (SFC). Two SFC(s) apply to TNFA expenditures:

- 1) SFC 75 – Non-Medi-Cal Capital Assets; and
- 2) SFC 78 – Other Non-Medi-Cal Client Support (All other TNFA Expenditures)

SFC 75 applies to expenditures on Capital Assets (Fixed Assets valued at \$5,000 or more) and Software purchases  $\geq$  \$5,000 where the software licensing agreement extends beyond a one-year term (Capitalized Expense).

SFC 78 applies to all other TNFA expenditures including Personnel, Hardware (valued at  $<$ \$5,000), Software (not meeting the criteria for SFC 75 above), Contract Services, Other Expenses, and Start-up (excluding Start-Up expenses used to purchase Capital Assets).

Expenditures must reconcile to Accounts Payable payment records.

**Instructions for MH 1901 Schedule B:**

- ✓ Column A (Settlement Type) – Enter “CR”
- ✓ Column B (Mode) – Enter “60”
- ✓ Column C (SFC) – Enter “75” if you are reporting Capital Asset Expenditures ( $\geq$  \$5,000 per unit) and other Capitalized Expenditures (Software  $\geq$  \$5,000 expensed over multiple years) and “78” for all other expenditures
- ✓ Column D (Total Units of Service) – Enter “1”
- ✓ Column U (Non-Medi-Cal Units) – Enter “1” in the rows corresponding to Units of Service indicated in Column D for SFC 75 and 78.

**Instructions for MH 1901 Schedule C:**

- ✓ Column A thru D (these cells are cell references to Schedule B – No Data Entry Required)
- ✓ Column E (Eligible Direct Cost) – Enter Eligible Direct Costs based on applicable SFC 75 and SFC 78 Expenditures during the reporting period
- ✓ Column F (Directly Allocated Data) – Leave Blank
- ✓ Column G (Relative Value) – Leave Blank
- ✓ Column H (Allocation %) – Leave Blank
- ✓ Column I (Allocated Cost) – Calculated Field – no data entry required

**Schedule of Eligible Direct Cost Mode 60 – Supplemental to MH 1901 Schedule C:**

- ✓ MHSA Technological Needs Projects – **Personnel** – Enter into Column SFC 78 all Personnel costs expended during the reporting period. Do not include Personnel expenditures paid out of Start-Up funds.

## COST REPORTING

### MHSA Technological Needs Funding Agreement (TNFA) Expenditures

- ✓ MHSA Technological Needs Projects – **Hardware** – Enter into Column SFC 75 all Hardware costs for Capital Assets ( $\geq$  \$5,000 per unit) expended during the reporting period. Enter into Column SFC 78 all Hardware costs for Non-Capital Assets ( $<$  \$5,000 per unit) expended during the reporting period. Do not include Hardware expenditures paid out of Start-Up funds.
- ✓ MHSA Technological Needs Projects – **Software** – Enter into Column SFC 75 capitalized Software costs  $\geq$  \$5,000 where the software licensing agreement extends beyond a 12 month term. Enter into Column SFC 78 all other Software costs expended during the reporting period. Do not include Software expenditures paid out of Start-Up funds.
- ✓ MHSA Technological Needs Projects – **Contract Services** – Enter into Column SFC 78 all Contract Services costs expended during the reporting period. Do not include Contract Services paid out of Start-Up funds.
- ✓ MHSA Technological Needs Projects – **Other Expenses** (aka Other Services) – Enter into Column SFC 78 all Other Expenses expended during the reporting period. Do not include Other Expenses paid out of Start-Up funds.
- ✓ MHSA Technological Needs Projects – **Start Up** – Enter into Column SFC 75 all Hardware costs for Capital Assets ( $\geq$  \$5,000 per unit) as capitalized expenses and all multi-year Software costs  $\geq$  \$5,000 expended out of Start-Up funds during the reporting period as capitalized expenses. Enter into Column SFC 78 all other costs expended out of Start-Up funds including Personnel costs, Software costs, Contract Services costs, Other Expenses, and Hardware costs (Non-Capital Assets valued at  $<$  \$5,000 per unit). Report expenditures only in the year that the expenditures occur. For example, if DMH paid \$10,000 of Start-Up to Contractor during the reporting period, but only \$2,000 was expended by Contractor during the reporting period, Contractor should report only \$2,000 of Start-Up expended in Column SFC 78. The remainder must be reported in future reporting periods.