



North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph.D., Director

September 8, 2003

MEMORANDUM:

TO: Area Directors

FROM: Leza Wainwright
Budget & Finance Team

SUBJECT: SFY 03 Carryover Request Actions

Attached is the Division's response to your carryover request. Items have been noted as Approved, Not Approved or Not Applicable (N/A). In taking action on these requests, the Division has followed the following guidelines:

1. Requests were approved to:
 - a. Liquidate an encumbrance incurred in SYF 03 in SFY 04, or
 - b. Fund one-time start-up costs that were delayed in SFY 03. These are generally start-up costs for projects such as group homes for which one-time start-up costs were available in SFY03 but not in SFY04. When these items have been approved, the approval requires that the funds be expended in accordance with the plan or proposal that was approved in SFY 03.
2. Requests not approved for carryover were:
 - a. Allocations made in SFY 03 which the area program did not expend or encumber in SFY03, if there was no external reason that the funds were not expended, such as the delay in construction of a group home.
 - b. Allocations for start-up costs from general operating funds (as opposed to a special appropriation to the Division) from the Division which were not expended or encumbered in SFY 03. In that case, funding for start-up costs should be available from SFY 04 general operating funds.
 - c. State funds which were allocated to an area program in SFY 03 but not drawn by the area program by June 30, 2003. Those funds have reverted to the State General Fund and are no longer available to the Division or the area programs.
3. Requests identified as not applicable were:
 - a. UCR allocations paid in SFY03 and covered by IPRS hold harmless settlement rules. These funds were paid to area programs in June to cover anticipated billings for May and June services which were processed in July and August. Under IPRS hold harmless settlement rules, the value of those services will be counted toward both the SFY 2003 settlement and the SFY 2004 settlement, so there is no need for a carryover approval.



4. Special Carryover Information for Federal Funds:
 - a. Some carryover requests for Federal funds were not approved since they did not meet the carryover approval criteria noted in item 1. above. However, in most cases, the Federal funds remain available to the Division in SFY 04. Based on individual justification, the area program may contact the Community Policy Management section of the Division and request a new allocation be issued in SFY 04 for the unexpended funds. The section will respond based on the identified need, competing needs, and the availability of the specific Federal funds in SFY 04.
 - b. In some cases, area programs have drawn Federal funds that were not approved for carryover by the Division. In that case, the Federal funds must be **refunded** to the Division immediately, in compliance with Federal cash management guidelines. If this situation is noted on the carryover request form, please process a check made payable to the Division no later than September 12, 2003.

Should you have any questions, please contact Wanda Mitchell of the Budget & Finance Team at (919) 733-7013 or e-mail Wanda.Mitchell@ncmail.net.

Attachment

cc: Secretary Carmen Hooker Odom
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