

5122:1-5-01 **Annual budget, financial reporting and independent financial audit requirements.**

(A) The purpose of this rule is to establish annual budget, financial reporting, and independent financial audit requirements for community mental health agencies certified by the department in accordance with section 5119.611 of the Revised Code.

(B) Annual budget requirements

All certified community mental health agencies shall have an annual revenue and expenditure budget that has been approved by the board of directors of the community mental health agency prior to the beginning of each fiscal year.

Budgetary revisions made during the fiscal year shall be documented and approved by the board of directors of the community mental health agency.

(C) Financial reporting requirements

(1) The community mental health agency shall prepare periodic, and, at minimum quarterly, financial statements that reflect the fiscal transactions and current financial position of the agency.

(a) These periodic statements shall be brought to the attention of the agency's board of directors on at least a quarterly basis; and

(b) Minutes of the meetings of the agency board of directors must reflect that the periodic financial statements have been reviewed by the board.

(2) Community mental health agencies shall account for funds and report costs in compliance with all applicable federal and state rules and regulations.

(3) Where applicable, each community mental health agency shall assure that federal, state, and local funds are spent in accordance with grant agreements, assurances, contracts and federal cost principles, as each requirement related to the source of funds and the funding agency.

(D) Independent financial audit requirements

(1) All certified community mental health agencies that receive funds that originate from and/or pass through the alcohol, drug addiction and mental health/community mental health (ADAMH/CMH) board, and/or the Ohio department of mental health, shall have an independent financial audit

conducted annually.

- (a) This audit shall be performed by an independent certified public accounting firm in accordance with auditing standards defined by the comptroller general of the United States;
 - (b) This audit shall be performed utilizing any applicable guidelines, rules, or agreed upon procedures established by the Ohio department of mental health; and
 - (c) A copy of the audited financial statements, the audit report, and any management letters issued by the independent accounting firm, must be submitted to the Ohio department of mental health, office of fiscal services, within one hundred eighty days after the end of the state fiscal year. A copy must also be sent to the local alcohol, drug addiction and mental health/community mental health (ADAMH/CMH) board in which the agency's primary place of business is located.
- (E) Programs that do not receive funds that originate from and/or pass through the alcohol, drug addiction and mental health/community mental health board and/or the Ohio department of mental health must have, at a minimum, an audit conducted in accordance with generally accepted auditing standards.

R.C. 119.032 review dates: 12/30/2011 and 12/30/2016

CERTIFIED ELECTRONICALLY

Certification

12/30/2011

Date

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