

### 331.391 Regional finances.

1. The funding under the control of the governing board shall be maintained in a combined account, in separate county accounts that are under the control of the governing board, or pursuant to other arrangements authorized by law that limit the administrative burden of such control while facilitating public scrutiny of financial processes.

2. The accounting system and financial reporting to the department shall conform with the cost principles for state, local, and Indian tribal governments issued by the United States office of management and budget. The information shall segregate expenditures for administration, purchase of service, and enterprise costs for which the region is a service provider or is directly billing and collecting payments and shall be identified along with other financial information in a uniform chart of accounts prescribed by the department of management. Following periodic review of administrative costs, the department shall make recommendations, in consultation with the legislative services agency, for standards defining region administrative costs and the methodology for calculating a region's administrative load. Such standards shall be specified in rule adopted by the state commission.

3. The funding provided pursuant to appropriations from the mental health and disability regional services fund created in [section 225C.7A](#) and from performance-based contracts with the department shall be credited to the account or accounts under the control of the governing board.

4. a. If a region is meeting the financial obligations for implementation of its regional service system management plan for a fiscal year and residual funding is anticipated, the regional administrator shall reserve an adequate amount of unobligated and unencumbered funds for cash flow of expenditure obligations in the next fiscal year.

b. For fiscal years beginning July 1, 2017, July 1, 2018, and July 1, 2019, that portion of each region's cash flow amount either reserved in the combined account or reserved among all separate county accounts under the control of the governing board that exceeds twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board in the fiscal year preceding the fiscal year in progress shall be used in whole or in part to fund the payment of services provided under the regional service system management plan under [section 331.393](#).

c. Each region shall certify to the department of management on or before December 1, 2020, and each December 1 thereafter, the amount of the region's cash flow amount in the combined account that is attributable to each county within the region based upon each county's proportionate amount of funding and contributions to the region or other methodology specified in the regional governance agreement or certify the cash flow amount for each separate county account that is under the control of the governing board at the conclusion of the most recently completed fiscal year.

d. (1) For fiscal years beginning on or after July 1, 2021, for each region having a population of one hundred thousand or over, the region's cash flow amount shall not exceed twenty percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board for the fiscal year preceding the fiscal year in progress.

(2) For fiscal years beginning on or after July 1, 2021, for each region having a population of less than one hundred thousand, the region's cash flow amount shall not exceed twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board for the fiscal year preceding the fiscal year in progress.

[2012 Acts, ch 1120, §34, 37, 39; 2014 Acts, ch 1140, §75; 2017 Acts, ch 109, §4, 20, 21](#)

Referred to in [§331.424A](#)

2017 amendment striking and rewriting subsection 4 takes effect May 5, 2017, and applies to fiscal years beginning on or after July 1, 2017; 2017 Acts, ch 109, §20, 21

Subsection 4 stricken and rewritten