

# MAINTENANCE OF EFFORT (MOE) REPORT INSTRUCTIONS

Michigan Department of Community Health

The MOE report is due by March 31 following the end of the fiscal year.

**Only state General Fund expenditures must be reported.** MOE-related expenditures include:

- The state Medicaid share of any reserves/savings/redirection to substance abuse services from the Medicaid benefit or other substance abuse prevention / treatment services (if prior-year savings were directed towards substance abuse services for the current fiscal year, the department must be notified of the source to ensure funds were not “counted” in previous years);
- The state Medicaid share of any current fiscal year expenditures for substance abuse treatment that supplemented the substance abuse Medicaid benefit; and
- Mental Health (MH) General Fund expenditures for integrated treatment/persons with co-occurring disorders.

With regard to expenditures for persons with **co-occurring disorders**, MH General Fund expenditures for clinical services addressing substance use disorders can be counted, including the state share of Medicaid. Generally, integrated clinical treatment is acceptable. It is also permissible to use a cost allocation method to determine the expenditures for services to persons with dual diagnoses that are specific to substance use disorders. All reported expenditures must withstand audit and meet standards for cost distribution, etc.

Further information on the MOE criteria is given below, followed by detail on what expenditures will be counted.

To meet the technical requirements for MOE inclusion:

- Expenditures associated with the activity must be included in the CMH’s or PIHP’s financial reporting documents (unless noted otherwise in the following);
- The activity must be consistent with that described in the PIHP’s Action Plan;
- The activity must be a part of the PIHP’s overall substance abuse treatment and prevention programming. HIV, EIP, and other communicable disease-related expenditures can be counted as well, if consistent with Block Grant requirements; and
- The CMH’s or PIHP’s expenditures must be of General Fund dollars administered by or flowing through MDCH.

To meet the accounting requirements for MOE inclusion, the expenditures must:

- Be directly or indirectly authorized through a contract, grant award, Memo of Understanding (MOU), or other recognized instrument;

- Be reported on Financial Status Reports (FSRs), financial reports, or other recognized method for documentation;
- Be calculated consistent with Generally Accepted Accounting Principles; and Meet audit requirements.

Once you have identified allowable MOE expenditures that meet the criteria outlined above, complete the MOE Activities and Expenditures form.

For each type of expenditure, please provide the following:

- Description of the activity/expenditure;
- The title and contract number for reference, if associated with another contract with MDCH;
- Expenditures for the previous FY;
- Expenditures for the current FY;
- Projected expenditures for the next FY;
- “Location” of the expenditure information in the final FSR or expenditure report, as applicable;
- Identification of the fund source;
- Description of the cost allocation process to determine the expenditure amount, as applicable **(central cost allocation amount or rate, for specified allocation must be developed consistent with 2 CFR Part 225 (OMB Circular A-87))**; and
- Other information, comments, or attachments that explain the expenditure/activity.