246.18 DISPOSAL OF FUNDS.

Subdivision 1. **Generally.** Except as provided in subdivisions 2 and 4, every officer and employee of the several institutions under the jurisdiction of the commissioner of human services who has money belonging to an institution shall pay the money to the accounting officer thereof. Every accounting officer, at the close of each month or oftener, shall forward to the commissioner of human services a statement of the amount and sources of all money received. On receipt of the statement, the commissioner shall transmit the same to the commissioner of management and budget, who shall deliver a draft upon the accounting officer for the same specifying the funds to which it is to be credited. Upon payment of such draft, the amount shall be so credited.

Subd. 2. **Chemical dependency fund.** Money received by a chemical dependency treatment facility operated by a regional treatment center or nursing home under the jurisdiction of the commissioner of human services must be deposited in the state treasury and credited to a chemical dependency fund. Money in the chemical dependency fund is appropriated to the commissioner to operate chemical dependency programs.

Subd. 2a. **Disposition of interest for chemical dependency funds.** Beginning July 1, 1991, interest earned on cash balances on deposit with the commissioner of management and budget derived from receipts from chemical dependency programs affiliated with state-operated facilities under the commissioner of human services must be deposited in the state treasury and credited to a chemical dependency account under subdivision 2. Any interest earned is appropriated to the commissioner to operate chemical dependency programs according to subdivision 2.

Subd. 3. [Repealed, 1991 c 292 art 4 s 79]

Subd. 3a. [Repealed, 1991 c 292 art 4 s 79]

Subd. 4. **Collections deposited in the general fund.** Except as provided in subdivisions 5, 6, and 7, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the general fund. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Subd. 5. **Funded depreciation accounts for state-operated, community-based programs.** Separate interest-bearing funded depreciation accounts shall be established in the state treasury for state-operated, community-based programs meeting the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, or a vendor in section 252.41, subdivision 9. As payments for state-operated community-based services are received by the commissioner, the portion of the payment rate representing allowable depreciation expense and the capital debt reduction allowance shall be deposited in the state treasury and credited to the separate interest-bearing accounts as dedicated receipts with unused funds carried over to the next fiscal year. Funds within these funded depreciation accounts are appropriated to the commissioner of human services for the purchase or replacement of capital assets or payment of capitalized repairs for each respective program. These accounts will satisfy the requirements of Minnesota Rules, part 9553.0060, subparts 1, item E, and 5.

Subd. 6. **Collections dedicated.** Except for state-operated programs funded through a direct appropriation from the legislature, any state-operated program or service established and operated as an enterprise activity shall retain the revenues earned in an interest-bearing account.

When the commissioner determines the intent to transition from a direct appropriation to enterprise activity for which the commissioner has authority, all collections for the targeted state-operated service shall be retained and deposited into an interest-bearing account. At the end of the fiscal year, prior to establishing the enterprise activity, collections up to the amount of the appropriation for the targeted service shall be deposited to the general fund. All funds in excess of the amount of the appropriation will be retained and used by the enterprise activity for cash flow purposes.

These funds must be deposited in the state treasury in a revolving account and funds in the revolving account are appropriated to the commissioner to operate the services authorized, and any unexpended balances do not cancel but are available until spent.

Subd. 7. [Repealed, 1Sp2001 c 10 art 2 s 102]

Subd. 8. **State-operated services account.** (a) The state-operated services account is established in the special revenue fund. Revenue generated by new state-operated services listed under this section established after July 1, 2010, that are not enterprise activities must be deposited into the state-operated services account, unless otherwise specified in law:

(1) intensive residential treatment services;

(2) foster care services; and

(3) psychiatric extensive recovery treatment services.

(b) Funds deposited in the state-operated services account are appropriated to the commissioner of human services for the purposes of:

(1) providing services needed to transition individuals from institutional settings within state-operated services to the community when those services have no other adequate funding source; and

(2) funding the operation of the intensive residential treatment service program in Willmar.

Subd. 9. **Transfers.** The commissioner may transfer state mental health grant funds to the account in subdivision 8 for noncovered allowable costs of a provider certified and licensed under section 256B.0622 and operating under section 246.014.

History: *(4441) RL s 1892; 1961 c 750 s 17 subd 1; 1973 c 492 s 14; 1984 c 654 art 5 s 58; 1986 c 394 s 2; 1986 c 444; 1987 c 403 art 2 s 44,45; 1989 c 282 art 6 s 6,7; 1991 c 292 art 6 s 28,29; 1Sp1993 c 1 art 5 s 8; 1995 c 207 art 8 s 28,29; 1995 c 264 art 6 s 4,5; 1997 c 203 art 7 s 6; 1999 c 245 art 5 s 10; 2000 c 492 art 1 s 58; 2003 c 112 art 2 s 33,50; 2009 c 101 art 2 s 109; 1Sp2010 c 1 art 19 s 7; 2013 c 108 art 4 s 8,9; 2015 c 71 art 2 s 17; 2016 c 158 art 1 s 99*