

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

---

---

ONE HUNDRED AND EIGHTH LEGISLATURE

---

---

**Legislative Document**

**No. 1458**

S. P. 417

In Senate, April 7, 1977

Referred to the Committee on Performance Audit. Sent down for concurrence and 2,000 ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Speers of Kennebec.

---

---

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

---

**AN ACT Providing for Improved Accountability of Funds Expended by the  
Department of Mental Health and Corrections.**

---

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 34 MRSA § 12 is enacted to read:

§ 12. Agreements with community agencies

1. Definitions. For the purposes of this section, unless the context otherwise indicates, the following words shall have the following meanings.

A. "Agreement" means a legally binding document between 2 parties, including such documents as are commonly referred to as accepted application, proposal, prospectus, contract, grant, joint or cooperative agreement, purchase of service or state aid.

B. "Community agency" means any public or private nonprofit organization, person, unincorporated association or charitable nonstock corporation operating a human service program at the community level and which organization is not an administrative unit of the Federal or State Government.

C. "Department" means the Department of Mental Health and Corrections and any administrative unit or institution of the department.

D. "Funds" means any and all general funds, dedicated funds, fees, special revenue funds, 3rd party reimbursements, vendor payments or other funds available for expenditure by the department in support of the provision of a human service.

E. "Human service" means any alcoholism, children's community action, corrections, criminal justice, developmental disability, education, elderly, health, income supplementation, juvenile, law enforcement, legal, medical care, mental health, mental retardation, poverty, rehabilitation, services to older people, social service, substance abuse, transportation, or youth service operated by a community agency under an agreement financially supporting the service wholly or in part by funds authorized for expenditure by the department.

F. "Income supplementation" means any donated food, food stamp, income maintenance, public assistance or welfare program operated by a community private nonprofit organization under an agreement financially supporting the program wholly or in part by funds authorized for expenditure by the department.

G. "Nonprofit organization" means any agency, institution or organization which is, or is owned and operated by, one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and which has a territory of operations that may extend to a neighborhood or community region or the State.

H. "Public" means municipal, county and other governmental bodies which are political subdivisions within the State.

## 2. Rules.

A. Principles, policies, rules or regulations pursuant to, consistent with and necessary to administration of the intent of this section shall be adopted and amended by the department with the advice and consultation of the Maine Human Services Council.

## 3. Applicability of this section.

A. This section shall apply to funds to be received by a community agency pursuant to authorization by the department to disburse funds to a community agency for the purpose of financially supporting the provision of a human service.

## 4. Agreements.

A. All funds to be disbursed by the department to a community agency for the purpose of financially supporting a human service shall be covered by a written agreement between the department and a community agency. Each agreement shall specify, but shall not be limited to specifying, the human service to be provided, the method of payments to agencies, and the criteria for monitoring and evaluating performance. These agreements shall be reviewed by the Maine Human Services Council pursuant to Title 22, chapter 1475. No funds shall be disbursed by block grants. All agreements prepared pursuant to this section shall be exempt from the Manual of Financial Procedures, section 48.

B. When making agreements with community agencies for the purpose of financially supporting the provision of a human service, the department

shall utilize agreement forms and development procedures which are uniform. When disbursing funds pursuant to an agreement, the department shall require accounts payable forms or supporting documentation and information which are uniform. When accounting for funds disbursed pursuant to an agreement, the department shall utilize accounting principles, policies and procedures which are uniform.

**Sec. 2. Effective date.** This Act shall become effective January 1, 1978.

#### STATEMENT OF FACT

The purpose of this bill is to provide for improved accountability of funds expended by the Department of Mental Health and Corrections.