



9-1-1 Program: Monitoring Responsibilities

Who has the responsibility to audit our 9-1-1 financial records?

Montana statute 10-4-102(d) charges the Department of Administration with “*monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance with the plan and the use of funding.*”

During a financial review, what records are reviewed, what are you looking for?

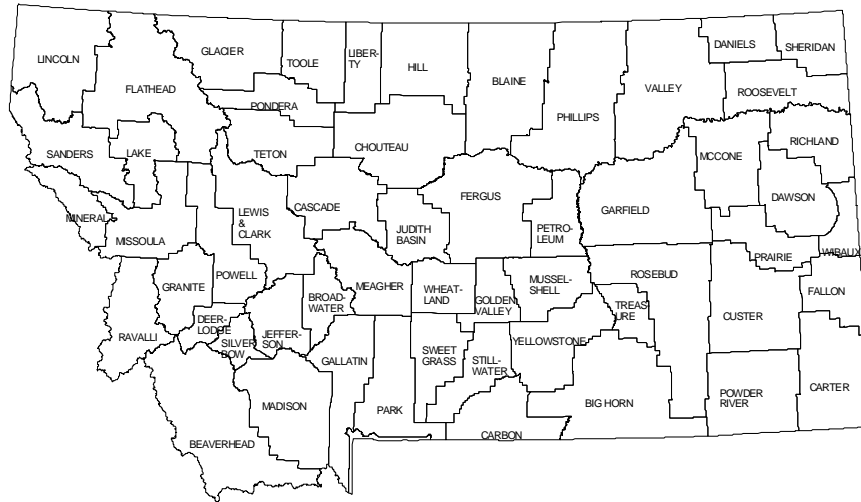
During a review, we verify that all revenue sent to the county (jurisdiction) during a fiscal year was receipted in and that interest earnings on the funds were allocated back to the 9-1-1 *special revenue account*. A condition of approval of a 9-1-1 plan is that 9-1-1 funds be maintained separately in a *special revenue account*. We review all expenditures to determine whether or not they are allowable uses of State 9-1-1 Program funds. We also compare expenditures to the “capital and recurring costs” section of the jurisdiction’s final plan to ensure that the jurisdiction has received approval from our office. The approval process prior to making expenditure helps ensure that unallowable expenditures are not made with the funds.

How often do you conduct a financial review?

Generally speaking we conduct the reviews bi-annually. If, through, our monitoring process we determine a jurisdiction is not adhering to the approved final plan and has made unallowable expenditures on a consistent basis we would review their records annually until they are compliant for at least one or two years.

Can I fail the review?

If it is determined that State 9-1-1 Program funds have been expended on unallowable expenditures, a jurisdiction may be required to reimburse the account for those expenditures. If the jurisdiction has made expenditures that did not receive prior approval from our office, we will work with the jurisdiction to provide a proper paper trail to bring those expenditures into compliance. The statute [MCA 10-4-302(4)] does provide specific language that gives the Department of Administration the authority to suspend payments to a jurisdiction if they do not adhere to an approved plan or do not use the funds in the manner prescribed in 10-4-303.



10-4-302. Distribution of basic account by department. (1) The department shall make quarterly distributions of the entire basic [9-1-1](#) account. The distributions must be made for the costs incurred during the preceding calendar quarter by each provider of telephone service in the state for:

- (a) collection of the fees imposed by [10-4-201](#);
- (b) modification of central office switching and trunking equipment for emergency telephone service only; and
- (c) conversion of pay station telephones required by [10-4-121](#).

(2) Payments under subsection (1) may be made only after application by the provider to the department for costs incurred in subsection (1). The department shall review all applications relevant to subsection (1) for appropriateness of costs claimed by the provider. If the provider contests the review, payment may not be made until the amount owed the provider is made certain.

(3) After all amounts under subsections (1) and (2) have been paid, the balance of the account must be allocated to cities and counties on a per capita basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of the account. A [9-1-1](#) jurisdiction whose [9-1-1](#) service area includes more than one city or county is eligible to receive operating funds from the allocation for each city or county involved. The department shall distribute to the accounting entity designated by a [9-1-1](#) jurisdiction with an approved final plan the proportional amount for each city or county served by the [9-1-1](#) jurisdiction. The department shall provide a report indicating the proportional share derived from the individual city or county's allocation with each distribution to a [9-1-1](#) jurisdiction.

(4) If the department through its monitoring process determines that a [9-1-1](#) jurisdiction is not adhering to an approved plan or is not using funds in the manner prescribed in [10-4-303](#), the department may, after notice and hearing, suspend payment to the [9-1-1](#) jurisdiction. The jurisdiction is not eligible to receive funds until the department determines that the jurisdiction is complying with the approved plan and fund usage limitations.

(5) The department shall distribute any balance in the basic [9-1-1](#) account on July 1, 1998, on a per capita basis to those [9-1-1](#) jurisdictions that have approved final plans filed with the department as required by [10-4-112](#).

10-4-303. Limitation on use of basic funds. Money received under subsection (3) of [10-4-302](#) may be used only to pay for installing, operating, and improving a basic [9-1-1](#) emergency telephone system. Money not necessary for immediate use may be invested by the city or county. The income from the investments may be used only for the purposes described in this section.