

<b>CHELAN-DOUGLAS RSN/PHP POLICY AND PROCEDURE MANUAL</b>		Chapter:	10.9
Title:	MANAGED CARE FINANCIAL	Page:	1 of 4
		Date Effective:	July 1, 2002
Subject:	FUNDS DISBURSEMENT	Date Revised:	June 15, 2002
		Authorizing Signature:	

**AUTHORITY:** Guiding Principle(s): Effectively Managed  
Chelan-Douglas Contract, Basic Agreement

**SCOPE:** This policy applies to Chelan-Douglas Regional Support Network/Prepaid Health Plan (CDRSN/PHP) and its contractors (agencies/providers), and subcontractors (referred to as contractors or agencies or providers throughout this policy).

**PURPOSE:** The CDRSN/PHP will be responsible for establishing procedures ensuring proper application and use of funds advanced by the Mental Health Division for the Community Mental Health Program.

**DEFINITIONS:** n/a

**POLICY:**

- A. The CDRSN/PHP shall employ accounting procedures that are consistent with applicable state and federal requirements and generally accepted accounting principles (GAAP).
  - 1. Accounting System:
    - a. A cash basis accounting system built on a foundation of source documents will be used to provide a complete record of financial transactions. A prescribed chart of accounts for budgetary and non-budgetary accounts will be maintained in spreadsheets and used for the detail reporting of revenue and expenditures. Cash balance and contracts tracking reports will be issued monthly. Revenue and expenditure reports will be issued semi-annually.
    - b. Resources:
      - i. All resources will be transmitted with a Deposit Summary Form to the Grant County Treasurer's Office for deposit in the CDRSN/PHP fund within five (5) days of receipt. A copy of all documents will be retained in the CDRSN/PHP office for fiscal management.
    - c. Billing Procedure (DSHS/CDRSN/PHP Contract):
      - i. The CDRSN/PHP shall bill the Department of Health and Social Services, Division of Mental Health for allowable and allocable costs in support of the State's Plan

- approved for Federal Block Grant Funds. Requests for reimbursement may not exceed the amount appropriated.
- ii. The CDRSN/PHP shall send DSHS invoices using State Form A-19. Invoices should be mailed monthly to: DSHS Mental Health Division, PO Box 45320, Olympia, WA 98504-5320, Attn: Fiscal Section
  - iii. The CDRSN/PHP will meet any other billing requirements as specified in contracts.
  - iv. The CDRSN/PHP will submit final billings in accordance with the contract.
- d. Investments:
- i. The CDRSN/PHP may invest designated and undesignated funds into interest bearing investments, in compliance with applicable rules, laws and Governing Board Resolutions, in a separate investment fund established by the Douglas County Treasurer's Office with interest earned credited to the CDRSN/PHP account.
  - ii. The Douglas Count Treasurer's Office will be paid the usual and customary investment fee for placing CDRSN/PHP investments pursuant to RCW 36.29.020.
- e. Voucher System:
- i. The CDRSN/PHP will use the voucher system for proving and recording liabilities and in paying and recording cash payments.
  - ii. Claims for payment may be processed weekly in accordance with the Douglas County Auditor's Office.
  - iii. The CDRSN/PHP staff that authorized the payment will verify the accuracy of the claim for payment. The Office Manager completes voucher/purchase order forms and submits them to the CDRSN/PHP Administrator for auditing and certification.
  - iv. A copy of the voucher/purchase order form and supporting documentation (which must be attached to each voucher/purchase order form) and voucher register/transmittal are to be submitted to the CDRSN/PHP Governing Board for review and certification. Documentation must include original receipts unless a variance is specifically approved in writing, by the CDRSN/PHP Administrator. The vouchers are sent to the Accounts Payable Department of the Douglas County Auditor's Office for the issuance of a warrant. The voucher registers are sent to the Douglas County Auditor's Office after they have been reviewed and signed by the CDRSN/PHP Governing Board.

- v. A list of vouchers (Voucher Approval), with claim vouchers, voucher registers/transmittals, and payroll registers from the last quarter attached, must be submitted to the CDRSN/PHP Governing Board for review and certification at the next scheduled CDRSN/PHP Governing Board meeting. Approval must be entered into the CDRSN/PHP Governing Board Meeting minutes. The actual vouchers and documentation must be available for review by the CDRSN/PHP Governing Board prior to their approval.
- vi. Copies of expenditure and disbursement documents must be kept in the CDRSN/PHP office.
- f. Purchase Orders:
  - i. Purchase orders will be used only to record accounts/contracts payable.
- 2. Inventory:
  - a. An inventory system will be used to identify all major and minor equipment.
- 3. Payroll:
  - a. The original payroll time and compensation records of each employee, verified and recorded by the CDRSN/PHP Office Manager and certified by the CDRSN/PHP Administrator, will be sent to the Douglas County Auditor by the first day of the month or by a date determined by the Auditor.
  - b. Payroll warrants are issued by the Douglas County Auditor for distribution by the CDRSN/PHP office on the last working day of the month of the pay period.
  - c. Payroll for the months prior to each CDRSN/PHP Governing Board meeting must be submitted to the CDRSN/PHP Governing Board for approval and entry into the minutes.
  - d. Original payroll documents must be submitted to the Douglas County Auditor and copies kept by the CDRSN/PHP for documentation purposes.
- 4. Petty Cash:
  - a. A Petty Cash fund will be maintained by the CDRSN/PHP Office Manager in an amount not to exceed \$75.00. Authorized purchases will be documented with receipts and will be approved by the CDRSN/PHP Administrator. The CDRSN/PHP Office Manager will prepare a summary of funds received and expended during any month that the funds are utilized. The accuracy of the Petty Cash Summary Report will be verified by the CDRSN/PHP Office Manager and certified by the CDRSN/PHP Administrator.
  - b. When funds have been disbursed they will be replenished as needed. The replenishment is subject to the same review and approval as processed invoices. The replenishment will

- be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, purpose and amount of each cash disbursement.
- c. The Petty Cash Fund will be replenished at the end of the fiscal year so that expenses will be reflected in the proper accounting period.
5. Gasoline Credit Card:
- a. Gasoline credit cards will be issued on a per trip basis as authorized by the CDRSN/PHP Governing Board.
    - i. Authorized purchases include gasoline, oil, fluids and other items necessary to ensure that the vehicle in use shall be operated safely.
    - ii. Personal purchases are prohibited.
    - iii. All receipts must be turned in to the CDRSN/PHP Office Manager in a timely manner.
    - iv. Failure to turn in receipts may result in loss of credit card privilege.
    - v. Staff will complete a log entry for each use of the vehicle, which lists: date, starting and ending mileage, destination and purpose.
    - vi. Balance of account is due and payable monthly.
  - b. The CDRSN/PHP Office Manager will process the billing and create the voucher document. The CDRSN/PHP Office Manager will conduct random comparisons of miles traveled and gasoline consumed and report the results to the Administrator.
6. County Auditor's Reports:
- a. The CDRSN/PHP will keep the financial records of the CDRSN/PHP and Douglas County in balance. Douglas County financial reports related to the CDRSN/PHP will be reviewed and verified monthly. Cash balance reports, reconciled to the Treasurer's reports, will be saved in an easily auditable format.

SEE ALSO: Glossary of Terms and Acronyms