|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Cash Management**  **300.01**  **Finance**  **July 1, 1999, May 16, 2017**  **July 1, 2004, March 18, 2013, April 13, 2017**  **January 2019** |

**Purpose:**

To establish a cash reserve level in order for the Board to operate successfully in planning, reporting and accountability with continuum of care requirements.

**Policy:**

It is the Board’s goal to maintain a cash reserve of approximately 1.5 to 2 months’ operating expenditures.

**Procedures:**

1. Each October, the Finance Department will prepare a financial forecast (current year plus four) and present to the Board for planning purposes.
   * The financial projections will identify funding sources, expenditures and the basis for projected funding and expenditure level.
   * The financial projections will identify those funds earmarked for purchasing services (contract expenses) for the current plus four years.
   * If the financial projections indicate that the Board’s cash reserve will be less than the guidelines established above, management will make recommendations to the Board to achieve compliance.
2. If the actual cash reserve falls below the goal of 1.5 to 2 months’ operating expenditures, Board staff will prepare a cash position report and present at the next meeting.
3. Board staff will present financial statements to the Board for review and discussion on a monthly basis.
4. Use of the cash reserve will be determined by Board action as needed.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Advance Funding to Service Providers**  **300.02**  **Finance**  **July 1, 1999, May 16, 2017**  **July 1, 2004, March 18, 2013, April 13, 2017**  **January 2019** |

**PURPOSE:**

To provide guidelines for Board Management on the issue of advance funding to service providers for contracted services.

**POLICY:**

It will be the policy of the Board to make non-federal advances to service providers when necessary. The advance will be determined based on the unencumbered funds available to the Board.

**PROCEDURE:**

**Advance Requests**

Service providers will submit in writing an advance request addressed to the CEO of the Board. The request can be submitted at any time up through the end of the third quarter of the fiscal year and will include:

* + Statement of dollar amount of advance request.
  + Documentation to support the provider need for the advance. This includes a statement regarding what is causing the provider’s cash flow problem.
  + Copies of provider’s current financials.
  + Statement regarding when the provider would be able to repay the advance. (Advance and repayment must occur in the same fiscal year)
  + CEO of the Board has the authority to approve or deny the advance request.
  + CEO will reply in writing to the provider.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Service Costing**  **300.03**  **Finance**  **July 1, 1999, May 16, 2017**  **July 1, 2004, March 18, 2013,**  **April 13, 2017**  **January 2019** |

### PURPOSE:

To establish guidelines, procedures, and policies for costing services for Board clients.

**POLICY:**

It shall be the policy of the Board to use Continuum of Care and other federal and state guidelines when developing the annual budgeting process for provider contract negotiations.

**PROCEDURE:**

1. Provider costs for the service types will be developed using generally accepted accounting principles (GAAP).
2. The Board may utilize Medicaid service billing code rates for Medicaid-eligible services that are provided to Board clients and billed through the claims process.
3. Payment methods may include fee-for-service, cost reimbursement, grant or other funding methods which may vary by provider and by service type as negotiated by the CEO and approved by the Board annually.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Bad Debt and Contract Reconciliation**  **300.04**  **Finance**  **July 1, 1999, May 16, 2017**  **July 1, 2004, July 1, 2010, April 13, 2017**  **January 2019** |

**POLICY:**

To establish guidelines and procedures for payment of provider bad debt occurring as a result of unpaid client charges as determined by the Board’s Sliding Fee Schedule and contract reconciliation. This can occur for whole contract or specific services lines on agreed upon variables.

**PURPOSE:**

In order to ensure continuity of care, the Board will be responsible for reimbursement to contract providers for client charges, after the application of the Sliding Fee Schedule, that are unpaid after delivery of services. This is not to exceed annual maximum contract.

**PROCEDURE:**

**Bad Debt**

Providers will maintain individual accounts receivable record for each client they serve indicating the following:

A. Client name, address, Unique Client Identifier (UCI), and other relevant identifying Information

B. Date of service and service charge

C. Client payments and date of payment

D. Board subsidy paid

E. Unpaid Balance

Providers will age client accounts receivables and submit at the end of the fiscal year an invoice to the Board for unpaid client balances exceeding minimum of 90 days outstanding.

Providers shall continue to make their best effort to collect unpaid clients’ charges. The Board expects the provider to represent to clients the importance of their financial obligation. At a minimum, this requires providers to submit at least three collection letters subsequent to the initial billing. In unusual situations, providers will have the flexibility to modify this process based on clinical considerations. Modifications are to be documented.

The Board will reimburse providers for these billed charges if the provider has not accessed receipts from the Board exceeding the annual maximum contract as defined in each service agreement with the Board. When providers receive payment from the Board, they must reduce clients’ accounts receivable balances accordingly.

**Page 1 of 2**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Bad Debt and Contract Reconciliation**  **300.04**  **Finance**  **July 1, 1999, May 16, 2017**  **July 1, 2004, July 1, 2010, April 13, 2017**  **January 2019** |

Should providers receive subsequent payment for clients for amount reimbursed by the Board, providers are required to deduct the clients’ reimbursement from future billings to the Board.

The Board and its contract certified public accountant will audit provider’s accounts receivables to ensure that proper amounts are billed to the Board and that client write-offs are timely and accurate.

Contract providers of the Board are required to have internal policies and procedures in place for their billing process, bad debt, client accounts receivable records and reimbursement from the Board.

Below is the process to be followed:

Step 1. Determine whether the provider accessed all of the Board contract. If the provider earned all allocated funds, the reconciliation process is complete. If unaccessed funds, proceed to Step 2 below.

Step 2. Determine whether the provider had a profit or loss from operations.

Step 3. If the provider had a profit from operations, no payment for Bad Debt expenses is made and the reconciliation process is complete.

Step 4. If the provider had a loss from operations, reimbursement to the provider for Bad Debt expenses up to the unaccessed contract amount, will be calculated.

Step 5. Bad Debt payment amount cannot exceed the amount of the provider loss from operations.

Step 6. For payment to be made, the provider must comply with procedures as defined in this policy.

Step 7. Provider Bad Debt receivable from the Board will be determined as part of the audit process and included in the year service was provided.

**Contract Reconciliation**

**Grant Based**

Step 1.Agencies, programs, or services funded on a grant basis and having a year-end profit may be subject to reconciliation.

Step 2. Board staff will review financial data and follow-up with provider.

**Fee-For-Service/Cost Reimbursement Based**

Fee-for-service and cost reimbursement based funding will require agency request and Board action for unearned contract amounts.

**Page 2 of 2**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Reserve (Encumbrance)**  **300.05**  **Finance**  **July 13, 2015, May 16, 2017**  **April 13, 2017**  **January 2019** |

**PURPOSE:**

To describe the different types of certificates the Board can use to encumber funds for payment purposes of budgeted Board expenditures. For purposes of this policy the terms “reserve” and “encumbrance” are interchangeable.

**POLICY:**

1. A Board purchase from any appropriated line item from a specific vendor, not exceeding $500.00, may be deemed reserved and no longer be required to be paid from any type of Blanket/Reserve. Payment for this type of expenditure must be submitted to the County Auditor by electronic voucher within 5 working days from the date the obligation was incurred or invoiced along with other such documents necessary (i.e. vendor dated invoice, vendor dated cash register receipt, etc.) to verify such purchase.
2. **“Super Blankets Certificates”** can be issued for any appropriated line item. They are to be limited to one certificate per appropriation code, they are not vendor specific, and in any amount not to exceed 75% of the original amount available for appropriation. Unused Super Blankets expire on or before December 31st of each calendar year. Amount indicated above will require the signature of the Board CEO or designee. The purposes for which the Board may lawfully appropriate, authorize, or issue such a certificate are the services of an accountant, architect, attorney at law, physician, professional engineer, construction project manager, consultant, surveyor, or appraiser by or on behalf of the Board or contracting authority; fuel oil, gasoline, food items, roadway materials, and utilities; and any purchases exempt from competitive bidding under section 125.04 of the Revised Code and any other specific expenditure that is a recurring and reasonably predictable operating expense.
3. **“Regular Reserves Certificates”** can be issued at any time, are vendor specific, and may be reserved from multiple appropriation line item codes and are only limited to the total amount of outstanding appropriations that one is encumbering against. Regular Reserves can carry over from one calendar year to the next and do not expire. Regular Reserve Certificates must be approved by the Board CEO or designee.
4. **“Then & Now”** Upon resolution of the Board, the fiscal officer may be authorized, pursuant to R.C. 5705.41, to pay valid bills and other obligations of the Board in amounts less than three thousand dollars, when such bills and obligations did not receive proper certifications, but will be certified by the County Auditor, pursuant to ORC, and that said funds are encumbered, appropriated, and available for said obligations for the authorized time period. Then & Now payments will be reported to the Board at the next scheduled meeting.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **State Funding Distribution**  **300.06**  **Finance**  **May 16, 2017**  **April 13, 2017**  **January 2019** |

**PURPOSE:**

To describe the process used to distribute federal and state funding of the Board to the counties.

**POLICY:**

The Board will use Base and Per Capita allocation formulas when spreading the federal and state allocations.

**PROCEDURE:**

1. **Base allocation** is a fixed percentage amount of the federal and state allocations. This fixed percentage is Board approved. Each county is then allocated one-third of the calculated amount.
2. **Per Capita allocation** is the federal and state distribution less the Base allocation. This allocation amount is then spread based on the population of each county in the Board region. Census information is found on the Ohio Development Services Agency website.
3. **Review:** Staff will review the Base and Per Capita formulas after a three-year cycle. During the review period, staff will advise the Board of the current distribution method. The Board may elect to modify the distribution at any time.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Estimated Revenue and Appropriations**  **300.07**  **Finance**  **May 16, 2017**  **April 13, 2017**  **January 2019** |

**PURPOSE:**

To maintain compliance with ORC 5705 and Clark County Auditor requirements when estimating revenue and appropriations between the County’s calendar year budget and the Board’s fiscal year budget.

**POLICY:**

The Board approves the estimated revenue and appropriations on a calendar year along with any amendments throughout the year.

**PROCEDURE:**

1. **Calendar year preparation** Board designated staff prepares the calendar year county budget for the dedicated fund(s) at the Auditor’s office. (The Board currently has only one fund.) The budget follows the Auditor’s general ledger account structure and includes the Board’s fund level reporting. The budget is separated into six month periods for fiscal year reference. Once approved by the Board, designated staff will enter the budget into the County’s accounting software for County approval.
2. **Fiscal year preparation** Board designated staff prepares the Board’s June 30th year end budget by combining the 2nd half of the previous calendar year budget with the 1st half of the current. Because the Board operates on a fiscal year end June 30th, this is the audited estimated revenue and appropriations of the Board, not the calendar year.
3. **Amendments** The Board takes action on all amendments that increase or decrease the estimated revenue and appropriations. After approval, Board designated staff will prepare a request of the change to the Auditor’s office. Offsetting amendments between the Board fund levels and the two six month periods of the calendar year budget are not submitted to the Auditor’s office.
4. **Year End Amendments** Upon resolution of the Board, the Board CEO or designee are authorized to prepare and submit to the County Auditor’s office any necessary amendments to the budget in the month of December and June. Such amendments may be ratified at the next scheduled meeting.

**Page 1 of 1**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Credit Card**  **300.08**  **Finance**  **February 19, 2019**  **January 2021** |

# POLICY:

The Board authorizes the procurement and use of Credit Cards issued in the Chief Executive Officer (CEO) and Board’s name. The Board’s Credit Cards shall be used for the efficient acquisition of goods or services solely for the benefit of the operation of the Mental Health and Recovery Board of Clark, Greene and Madison Counties (MHRB) when other means of timely payment are not available. For this policy Credit Cards includes bank, store, and other cards issued in the name of the CEO and/or Board that allow the holder to purchase goods or services.

# ACCOUNTABILITY

Chief Executive Officer (CEO) and the Finance Department

# INTERNAL CONTROLS

Quarterly, the CEO and the Finance Department will review a complete and detailed credit card report to ensure the following Internal Controls are achieved:

* 1. Reliability of financial reporting;
  2. Effectiveness and efficiency of operations;
  3. Compliance with applicable laws and regulations; and
  4. Safeguarding of assets against unauthorized acquisition, use or disposition.

# CREDIT CARD PROCEDURE

* 1. Authorized Personnel
     1. CEO;
     2. Budget Managers and associated staff as given authority by the CEO.
  2. Allowable Transactions

## MHRB Credit Cards may be used to pay any expense that supports Board administrative and facility operations. To avoid finance or late charges, the full credit balance should be paid at each billing cycle.

* 1. Use of Credit Card
     1. Each Authorized Personnel shall sign a statement acknowledging that he/she has read this Credit Card Policy, understands it, and agrees to abide by it.
     2. All Board Credit Cards and statements are to be kept in the Board’s Finance Department in a locked file cabinet. The Board’s Credit Cards are to remain at the Board’s office building when not with the Authorized Personnel. The Authorized Personnel shall utilize a Sign-Out and Sign-In sheet when taking possession of a Credit Card.
     3. The Authorized Personnel signing out a Credit Card is responsible for the physical custody of the Credit Card until such time as the Authorized Personnel signs the card back in the Finance Department. Each Authorized Personnel is responsible for maintaining confidentiality of all information relating to Credit Cards such as the account number, security code and expiration date.

**Page 1 of 3**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Credit Card**  **300.08**  **Finance**  **February 19, 2019**  **January 2021** |

* + 1. The Authorized Personnel shall provide itemized receipts to the Finance Department for each transaction.
  1. Ordering, cancelling, and reporting
     1. The Board’s CEO has the discretion to choose Credit Card plans that are in the best interest for the Board;
     2. Cancellation of a Credit Card needs prior approval by the CEO.
     3. Lost or stolen Credit Cards are to be reported to the card issuer immediately and to the CEO, in writing, as soon as possible and no later than twenty-four hours and are to be cancelled as soon as possible.

# CREDIT CARD LIMITS AND RESTRICTIONS

* 1. The Credit Card maximum limit will not exceed $50,000 per account.
  2. No Cash transactions, cash advances, and/or cash withdrawals are allowable, regardless of the transaction.
  3. The following expenditures are strictly prohibited:
     1. Alcohol, drugs, tobacco, or products with potential for addiction;
     2. Personal services;
     3. Entertainment/recreation;
     4. Adult publications/entertainment, illicit/unethical purposes incompatible with public employment; and
     5. All other unallowable expenditure listed in Human Resource Policy 23.
  4. Debt incurred as a result of the use of an authorized Credit Card, pursuant to this policy, shall be paid from monies appropriated to appropriation line 790000 or 795900 of the Board for eligible work-related expenditures as listed in this policy.
  5. Board members, employees, or anyone doing business on behalf of the MHRB shall not receive a personal benefit from a credit card rewards or cash back program.

# DISCIPLINARY ACTIONS

The use of the Board’s Credit Cards in a manner not authorized by this policy constitutes misuse of a Credit Card.

Any misuse of a Credit Card, if known by any Authorized Personnel, shall be reported to the CEO as soon as possible. If there is a potential misuse of a Credit Card by the CEO, the information shall be reported to the Board Chairperson as soon as possible.

Any Credit Card misuse shall result in suspension from work of the Authorized Personnel until the CEO and Finance Department review the misuse.

**Page 2 of 3**

|  |  |  |
| --- | --- | --- |
| **Mental Health & Recovery Board of**  **Clark, Greene and Madison Counties** | **Policy Name:**  **Number:**  **Division:**  **Effective Date:**  **Revision Date:**  **Review Date:** | **Credit Card**  **300.08**  **Finance**  **February 19, 2019**  **January 2021** |

The CEO could proceed with the following disciplinary actions:

* + 1. No action if it was determined that there was no misuse of Credit Card;
    2. A written reprimand if the Authorized Personnel pays the unauthorized amount in full, including finance charges and interest assessed in connection with the unauthorized amount within 30 days from the date of written notice;
    3. Immediate termination of Authorized Personnel from employment and repayment of the unauthorized amount, including finance charges and interest. The Board may pursue any available legal remedy to recover such amount.

**Page 3 of 3**