

# **Aurora Mental Health Center (AUMHC) Grants Financial Policies and Procedures**

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# Grant Management

## Setup Meeting for Special Grant Requirements

Before any grant can be submitted both the Project Development Director and Grant/Contract Coordinator must review to make sure that the statement of work and budget can be completed as stated. Sufficient time, no less than one week, must be provided for review and incorporation of necessary changes and/or corrections, and final approvals before submission deadlines.

All binding contracts, MOU's, letters of agreements, and/or other contractual obligations are required to be sent to the Grant Coordinator so it can be reviewed by CFO prior to signing by Executive Director. No exception to this policy can be made without the express consent of the CFO.

Once a grant or contract has been awarded, a meeting between Project Development Director and Grant/Contract Coordinator, Accounts Receivable Department and the Grant Manager, needs to take place so everyone understands the reporting requirements as well as the budget. The assigned grant manager signs off on the meeting certifying his/her understanding of an agreement to comply with the requirements of the grant.

During the initial meeting a grant checklist will be filled out that will show the basic grant information such as which agency is funding the grant, the grant period, approved budget, reporting requirements, and assigned accounting team code. It will also be determined at this time if a Payor code is needed for the Center's billing system. If further training is required for the Grant Manager it will be at this time we will determine what training is needed to be provided by the appropriate individuals.

A team number will be assigned to each grant that will track all the programs expenditures in the Center's accounting system. The assigned grant manager will code the assigned team number on any expense that is an approved budgeted line item being sent in for payment. Not all expenses can be charged to the grant and it is the responsibility of the grant manager to identify the appropriate expenses to be billed to the grant. Any non-billable expenses should be identified as a Center or a match cost if appropriate. This will be communicated to the grant manager at the time of the initial meeting.

## Review Sub-recipients Responsibilities for Grant Awards

When reviewing the subcontracts we need to outline any of the special award conditions in the original contract to the Center and make sure the language is passed to the sub-recipient in the MOU. It will be determined in the initial grant meeting who will be responsible for drafting the subcontract MOU. The MOU will be put through the normal review process that the Center does for all contracts, MOU's and agreements.

## **Assigning Reporting Requirements to the Appropriate Individuals**

During the initial grants setup meeting it will be determined who will be responsible for both the programmatic and financial reporting. Reporting dates will be noted on the initial grant checklist that will be later emailed to all persons attending the grant setup meeting. Grant managers are required to send all programmatic reports to both the Grants Coordinator and Project Development Director one week prior to the report due date.

## **Contracting of Sub-Recipients, Consultants and Contractors**

Before any Federal Grants funds are passed to sub-recipients, consultants and contractors the Grant Coordinator will check the on-line debarment list to ensure that the entity is in good standing with the Federal Government. The Contract/MOU will be put in place outlining the expectation of the grant. Reporting and billing documentation requirements will also be outlined. All invoices are tracked on a 12 month tracking sheet that shows the total budget. If this is a Federal Grant award with a Sub-recipient contract the Grant Coordinator will register the Vendor with the Federal Funding Accountability and Transparency Act (FFATA).

## **Budget Controls & Allowable Costs and Drawdowns**

Once a grant has been awarded we assign a team number to the grant that will track all expenditures. The assigned grant manager will code the assigned team number on any expense related to the grant. At the end of our accounting period we run general ledger (G/L) and accounts payable (A/P) reports that show all expenses for the grant. It is then determined if the expenditures is an approved reimbursable budget item before we add it to our 12 month tracking sheet that is setup by monthly columns over the period of the grant. The Grant manager knows and understands his/her budget and the allowed the costs category. They receive the 12 month tracking sheet at the end of each month, which allows them to see the unspent budget balance per category so they can keep the monthly cost at a minimum over the length of the grant.

Drawdowns are based on the 12 month tracking sheet. At the end of each month we run G/L and A/P reports that show all expenses for the team number. It is then determined if the expenditures are an approved reimbursable budget item before we add it to our 12 month tracking sheet. We draw down the monthly amount on the tracking sheet on or around the 15<sup>th</sup> of each month from the appropriate federal payment website. Grant or contract requests for draw-downs are limited to the minimum amounts needed to cover allowable project costs; be timed in accordance with the actual immediate cash requirements of carrying out the approved project; and not be made to cover future expenditures. Funds will only be drawn down in advance for expenditures to be made within the next 72 hours or when funds have already been expended. Back-up/Support Documentation is required for all grant expenditures.

## **Use of Gift Cards for Grants**

The Use of gift cards are to be used for clients only on grants. Gift card logs are to be used to identify the date, client, amount and signature of the person receiving the gift card. The gift cards must be treated like cash and locked in a petty cash box or desk and must be inventoried once a month. When all of the cards are distributed, the log must be send to the grant office to be matched with the billing of the gift card receipt. If any cards are lost or stolen then a critical incident report must be filed with your direct supervisor and the Grant office notified immediately.

## **Indirect Rate Request & Charges**

The indirect cost rates are calculated annually each December for the fiscal year ending June 30th. The calculations are based upon the guidelines set by the Department of Health & Human Services Cost Allocation Services Division. The indirect cost rate is calculated using spreadsheets in Excel. All expenses are entered into an Excel spreadsheet directly from the audit report. Any unallowed costs per GAAP are subtracted from the total expenses, which then gives us the total allowed costs. All departments are identified by a subaccount, which then allows us to easily identify the expenses associated with the administrative departments of AuMHC. The expenses of the administrative departments are considered to be indirect expenses. The total allowed costs less the indirect costs, is our base direct cost amount. The total indirect costs divided by the base direct costs, gives us the proposed indirect cost rate. Once this has been calculated, the proposal, the indirect cost proposal checklist, lobbying cost certificate, certificate of indirect (F&A) costs, and any supporting backup is submitted via email to DHHS. DHHS reviews the proposal, discusses any concerns they may have with accounting staff at AuMHC, and then either approve the cost proposal as submitted or approve an adjusted indirect cost rate. Once the rate has been approved by DHHS, the indirect cost rate agreement is sent to AuMHC for approval by signature. Once the signature is obtained, AuMHC scans the agreement and submits it by email to DHHS. An email confirmation is received by AuMHC that DHHS has received the agreement.

When charging for a grant the approved indirect rate set by the cognizant agency will be use unless the contract state to use a different rate. Indirect rates are not to be use for any Subcontractors or Consultants unless directly approved by the agency we are contracting with. State agencies will allow charges against the Contract and Consultants lines. The Grant Coordinator will make any adjustment so the indirect rate the s back, then at that time the information is passed to the Grant Coordinator and any adjustments are made to grants that have charged at the old rate.

## **Financial Reporting/Program Income**

At the end of each quarter a SF-425 will be completed for all federal funded grants. It will require all program income to be reported on this form. Program Income is defined as income generated as a direct result of the grant program. In the case of mental health, if a client has a 3<sup>rd</sup> party insurance payor and we receive funds on behalf of that client then it would be tracked as program income. Each month the team financials will be run to verify if program income has been generated. If there is income it will be used either to offset program costs or deducted from the total federal obligation.

## **Match/Cost-Sharing Contributions**

All match and cost-sharing contributions are tracked on the 12 month tracking sheets under a match/cost sharing tab. If the grant is paying for .50 FTE and the Center is paying for the remaining portion of the salary, then this would be considered a match to the grant. Not all grants require a match or cost-sharing contributions but the center tracks the total cost of the project even if the entire total is not billable to the grant. On the grants that require a match, a match budget will be done using the same format as the 12 month tracking sheet. During the initial grant setup meeting it will be determined what method will be used track the match funds, services, time and effort, local funding. If services are to be used then the Grant Manager and the Grant Coordinator will contact the IT department to get monthly reports run for the assigned grant team code. The Grant Coordinator will update the match tracking sheet monthly.

## **Audit**

Aurora Mental Health Center (AuMHC) has an annual financial statement audit under Generally Accepted Auditing Standards (GAAS) as well as a Single Audit OMB Circular A-133 Audit. AuMHC has over 3 million dollars in federal grants each year. We have implemented a policy that requires all Federal, State, and Local grants to be administered by the Center's Business Office to ensure we are in compliance with all grant awards.

## **Audit/Monitoring Review of Sub-Recipients**

All Sub-Recipients will have an on-site review every 6 months to verify grant compliance. An audit questionnaire will be emailed to the financial contact within the agency to give them a list of items that be will reviewed during the site review. We will be checking the time and effort, payroll records, reimbursable invoices as well as entity policies and procedures. The Grant Coordinator and the Grant Manager will review for both programmatic and financial compliance.

## **Grant Closeout**

All federal grants are required to be closed out within 90 days of the project period end date. All programmatic reports are due during this 90 days. A cash reconciliation needs to be done to determine if the drawdown amount matches the federal share of expenditures on the SF-425. If the amounts do not match, we will determine if a final drawdown is necessary to balance the two amounts or if a refund is due back to the funding agency. At this time any of the program income that has been generated will need to be refunded back to the funding agency.

Employees on grants will follow both the Center Policies as well as any requirement set forth by the grant.

## **ACCOUNTING INTERNAL CONTROLS**

### **General Financial Principles**

The money values contained in this section will be reviewed by the Budget and Finance Committee bi-annually and recommendations for changes, if any, made to the Board of Directors. The books and records of the Center are to be kept according to Generally Accepted Account Principles as stated by the American Institute of Certified Public Accountants.

### **Fiscal Team & Job Duties**

The Fiscal Team

Deanna Graves, Chief Financial Officer  
Colleen Higashide, Controller  
Jennifer McNeill, G/L Accountant  
Teresa Mitsch, Grants & Contracts Coordinator  
Insook Chang, Jr. G/L Accountant  
Houda Cherkaoui, Payroll Specialist  
Amy Loewen, Cash Receipts/ Payee Coordinator  
Shambi Milton, Accounts Payable Coordinator  
Vacant, Accounts Payable Coordinator

Below are the job description of each position on the fiscal team.

# Chief Financial Officer

Position Title: Chief Financial Officer	Manager/Supervisor Title: Executive Director
Team: Business Management Services	Date Prepared/Revised: 7/97; 6/04

## Essential Functions:

1. Responsible for the entire range of financial activity of the Center, to include both treasury and accounting functions.
2. Responsible for development of standard accounting, analysis and reporting procedures.
3. Formulates and recommends policies on banking, receipt and disbursement of funds, and other fiscal and accounting matters.
4. Directs the tax function in activities including compliance with tax filing requirements, tax planning and financial statement tax provisions.
5. Appraises the Center's financial position and issues periodic financial and operating reports, including coordinating program budgets.
6. Directs, consolidates and analyzes all cost accounting procedures together with other statistical and routine reports, including any desirable analysis of monthly departmental reports.
7. Analyzes administrative costs for office space, telephone and similar services, and arranges for purchase arrangements, where appropriate.
8. Collaborates with management in coordinating expenditure programs with forecasted cash flow.
9. Directs the Center's insurance programs.
10. Works with Finance Committee related to the investing of Center funds.
11. Analyzes and researches facilities' needs of the Center and works with executive director, executive team members and program managers to procure needed space.

## Other Functions:

1. Performs other job-related duties as assigned.



# Controller

Position Title: Controller	Manager/Supervisor Title: Chief Financial Officer
Team: Business Management Services	Date Prepared/Revised: 6/05

Under the supervision of the CFO, oversees accounts payable, payroll, general ledger entry and reporting, payee clerk and HUD/Section 8 residential billings and collections.

## Essential Functions:

1. Supervises all payroll activities, including accurate and timely payment of employees, collection and distribution of tax information and ensures that all rules and regulations are adhered to, on a regular basis.
2. Supplies management with all financial information necessary for policy decisions, as needed.
3. Responsible for the computation and timely payment of all taxes on properties, as necessary.
4. Oversees building leases on all properties and ensures that any leasehold or contractual obligations relative to HUD and Section 8 properties are met, on a monthly basis.
5. Directs the efforts, quality and timeliness of all aspects of general ledger, on an ongoing basis.
6. Ensures the timely and accurate payment of accounts payables, on an ongoing basis.
7. Oversees monthly close processes and prepares monthly financial statements and analysis, and cash flow projections and forecasting.
8. Maintains acceptable attendance and punctuality record at all times.

## Other Functions:

1. Performs other job-related duties as assigned.

## G/L Accountant

Position Title: Accountant	Manager/Supervisor Title: Controller
Team: Business Management Services	Date Prepared/Revised: 7/97; 2/01; 4/05/ 7/14

### Essential Functions:

1. Analyzes accounting data, tests for reasonableness and verifies accuracy to prepare financial reports for management department heads and external agencies on a regular basis.
2. Prepares monthly account reconciliations, including bank accounts.
3. Develops and maintains spreadsheets to analyze and simplify financial data, as needed.
4. Maintains the depreciation schedules for capital assets.
5. Analyzes general ledger, including preparation and input of journal entries, as appropriate.
6. Performs general monthly close for multiple corporate entities.
7. Assures receivables are properly applied to general ledger, as needed.
8. Assists in annual audit and preparation of audit schedules.
9. Enters budget information as needed.
10. Tracks the use of restricted funds, as appropriate.
11. Ensures all tax exemption reports are filed in a timely manner, as necessary.
12. Cross trains with Accounts Payable and/or Payroll staff and provides backup as needed.
13. Maintains acceptable attendance and punctuality record at all times.

## Grants & Contracts Coordinator

<b>POSITION TITLE: Grants/Contracts Coordinator</b>	<b>Manager/Supervisor Title: Business Project Manager</b>
<b>Team: Business Management Services</b>	<b>Date Prepared/Revised: Feb. 10, 2011</b>

### Essential Functions:

1. Coordinates all Center grants, MOU's, managed care contracting activities, or any record of any terms of a transaction.
  - Processing paperwork from receipt of award
  - To internal approval
  - Assures all documents pertaining to grants/contracts/MOU's are completed, signed, and retained as organizational assets.
2. Distribution and tracking of information by effectively communicating relevant contract information to Program Managers, Accountant, Deputy Directors, CFO, Business Project Manager and others. Certain data elements to be tracked includes but are not limited to:
  - Identification of grants, awards, managed care contracts, other agreement and tenant leases with unique identifiers for each type
  - Award dates
  - Amount of award
  - Name of grant
  - Type of funds
  - Grant project director/responsible program manager
  - Effective dates of grant
  - Reporting requirements
  - Is revenue account needed
  - Team or does this grant belong to a new team (new team need to be set up)
  - Who will be receiving the money
  - Account set up information (AuMHC, AMHRI, PRC)
  - Is setup needed salary transfers
3. Work with Business Project Manager to analyze all grants and award application and agreement to determine Center's ability to comply with requirements.
4. Coordinates efforts with Team members to insure all required items are completed for:
  - Accuracy

- Timely billing
  - Invoice preparation
  - Reporting for grants and other awards
5. Conducts regular status updates of grants/contracts/MOU's during monthly closing to insure all monies are being utilized as intended by the grant maker and that award funds are drawn down on a regular basis consistent with grant periods.
  7. Proactively corrects and executes work plans for billing of grants/contracts/MOU's and revises as appropriate to meet with changing needs and requirements.
  8. Analyzes contract budget performance according to requirements and objectives; maintain and report on accrued/deferred accounts on the G/L.
  9. Resolves and/or escalates issues in a timely fashion.
  10. Completes and submits quarterly, semi-annual or annual reporting for all grants and awards required by funder.
  11. Completes work papers needed to meet external audit requirements, including Section A-133 audits.
  12. Responsible for establishing scheduled review and quality assurance procedures.

**Other Functions:**

1. Performs other job-related duties as assigned.

## JR. G/L Accountant

Position Title: Jr. G/L Accountant	Manager/Supervisor Title: Business Projects Manager
Team: Business Management Services	Date Prepared/Revised: 9/08, 09/17

### Essential Functions:

1. Provides computer input for receivables, such as creating invoices from Sales orders.
2. Creates and maintains reports in Excel for the Kaiser, Delta Dental reconciliations.
3. Posting and balancing journal entries for the small corps entities.
4. Maintains the depreciation schedules for the small corps entities.
5. Prepares monthly account reconciliation, including bank accounts.
6. Maintaining and reconciling financial records for the small corps entities before running the monthly financials.
7. Performs backup tasks for Accounts Payable, Payroll and Cash Receipts Coordinator. Reviews payroll each month after the Payroll Specialist has entered into the accounting system. Also reconciles the center's payroll taxes.
8. Prepares the yearly elimination entry for all of the center's inter-company accounts.
9. Assists in annual audit to provide auditors trial balances, check register, detailed general ledger, and any other requested items.
10. Maintain acceptable attendance and punctuality record at all times.

### Other Functions:

1. Performs other job-related duties as assigned.

## PAYROLL SPECIALIST

Position Title: Payroll Specialist	Manager/Supervisor Title: Manager, Accounting
Team: Business Management Services	Date Prepared/Revised: 7/97; 5/03; 3/06

### Essential Functions:

1. Assigns and coordinates HR/PR assistant's payroll responsibilities on a daily basis.
2. Responsible for maintaining the accuracy of payroll including recalculating timesheets and calculating earnings based on those time sheets and other documents on a weekly basis.
3. Prepares confidential payroll on a weekly basis.
4. Enters hours, vacation, sick leave and other data into computer on a regular basis.
5. Edits, prints and distributes paychecks on a weekly basis.
6. Investigates and settles disputes involving possible errors, as necessary.
7. Prepares and produces a variety of payroll reconciliation reports including deductions, earnings, tax deposits, unemployment, and GL payroll reports on a regular basis.
8. Implements benefits, including medical, dental and cafeteria plan, balances statements and distributes payments on a monthly basis including cobra.
9. Prepares, audits and distributes W-2 forms on a yearly basis.
10. Prepares and audits 941 and unemployment reports on a quarterly basis.
11. Maintains attendance/leave benefits tracking system on a regular basis.
12. Maintains acceptable attendance and punctuality record.
13. Attends team and other meetings, as appropriate.

### Other Functions:

1. Performs other job-related duties as assigned.

## Accounts Payable Coordinator

Position Title: Accounts Payable Coordinator	Manager/Supervisor Title: Controller
Team: Business Management Services	Date Prepared/Revised: 8/03; 3/06; 7/12

### Essential Functions:

1. Opens U.S. and inter-office mail on a daily basis.
2. Reviews all invoices for proper authorization and coding. Works with others to resolve authorization or coding issues.
3. Inputs invoices into computer. Maintains vendor files and records in computer. Uses software features such as recurring invoices properly and appropriately
4. Prepares AP aging report on a weekly basis.
5. Edits, prints and distributes AP checks on a weekly basis using net 30 terms as much as possible.
6. Investigates issues raised by others including preparing schedules of payments and/or charges as necessary.
7. Maintains current and orderly files in file room.
8. Reconciles all vendor statements for missing invoices and unused credits.
11. Maintains acceptable attendance and punctuality record.
12. Attends team and other meetings, as appropriate.

### Other Functions:

1. Performs other job-related duties as assigned.

### Accounting System

AUMHC's accounting records are maintained in Navision, a major accounting system used by mid-level

Businesses in several countries, including the U.S. Navision is owned and serviced by Microsoft. The company restricts access to users based on segregation of accounting duties. Access restriction is controlled by the CFO. Subaccounts are used to separately account for revenue and expenses allocated to specific contracts, grants or other projects.

## **Bank Account**

The Chief Financial Officer/Executive Director shall have written policies to safeguard cash, transfers, wires, and any other forms of movement of the Center's funds.

The Chief Financial Officer and/or his/her designee with appropriate approval or any authorized signatory on the accounts is authorized to transfer funds among bank and investment accounts by verbal, written or electronic request.

Signature facsimile of the Executive Director shall be required on all Center checks. On checks for \$20,000 or more, the manual signature of a Deputy Director or the Director of Administrative Services, or any Board of Directors Officer other than the Secretary shall be required in addition to the Executive Director's facsimile.

The Board of Directors must approve all changes in bank depositories or borrowing relationships.

The Executive Director of a subsidiary corporation will also be a signatory for that corporation.

## **Budget**

Annually, the CFO and the management staff will prepare a capital and operations budget for the next fiscal year (July 1 through June 30) and submit it to the Budget and Finance Committee for review.

The Budget and Finance Committee will recommend a budget to the Board Executive Committee. The Executive Committee will recommend a budget to the Board of Directors. The Board of Directors will approve a working budget for the next fiscal year at the June board meeting.

The Board may request a revised budget. The Budget and Finance Committee and the Executive Committee will review revised budgets before being presented to the Board for approval.

Monthly, the Budget and Finance Committee will review budget-to-actual dollars for revenues and expenses on a year-to-date basis.

If the mental health center's financials show a loss of 5% or more of revenue for three consecutive months, a written plan of correction will be presented by management to the Budget and Finance Committee and the full Board for approval.



## **Capitalization**

It is the policy of the Aurora Mental Health Center to capitalize all equipment expenditures costing \$5,000 and greater with a useful life of more than one year.

Equipment is defined as an article of non-expendable, tangible, personal property, which stands alone, is complete in itself, does not lose its identity and has a useful life of more than one year.

Equipment with an acquisition cost of \$5,000 or more is capitalized, while those equipment items with an acquisition cost of less than \$5,000 are expensed.

Acquisition cost is defined as the net invoice unit price of an item of equipment, including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges for protective in-transit insurance, freight or installation are excluded from acquisition cost.

The costs of buildings, building renovations and capital expenditures for building additions and costing \$5,000 or more is capitalized.

## **Expenditure Policy**

Unbudgeted capital budget expenditures greater than \$6,000 require approval of the Board of Directors.

The Executive Director may approve unbudgeted operating expenditures of \$6,000.00 and less for a single expenditure.

Unbudgeted single operating expenditures from \$6,001 to \$20,000 require approval by the Budget and Finance Committee.

Unbudgeted single operating expenditures in excess of \$20,000 require approval of the Board of Directors.

Management will provide an executive summary of new programs and projects to include sources and amounts of unbudgeted cash used to fund the program or project.

The Chief Financial Officer will establish written internal procedures for expenditures subject to the Executive Director's approval.

Aurora Mental Health Center funds will not be used to purchase alcoholic beverages.

## **Wire Transfers**

The Center very rarely initiates any wire transfers, but they do initiate intercompany bank transfers. The G/L Accountant, the Grant Coordinator., Controller and the CFO have access to make these transfers. The G/L Accountant does the majority of these transfers and will send The CFO an email explaining the reason for a transfer and he will email back approved. The company uses some ACH's to make payments for items such as payroll. The Payroll Coordinator creates a bank file for payroll and General Ledger Accountant will upload it to the bank. The G/L Accountant compares the total the Payroll Coordinator gives her to the total generated by the bank and investigates any variances before initiating payment. The CFO or the Controller initiates payment for the 403(b) contributions and tax payments via the vendor website. The Controller gives the CFO the report totals to be paid, he signs off on them, and they are put in a folder in payroll or kept in the CFO's office to be locked up. The CFO will generate ACH payments to other vendors, such as rent. The G/L Accountant then inputs this via journal entry into Navision. The CFO reviews the bank statements each month and would catch any unauthorized ACHs.

## **Journal Entries**

Nonrecurring journal entries are made by the G/L Accountant and occasionally the Grant Coordinator, who does payroll entries and recodes related to grants. the G/L Accountant makes entries to record the following: reallocation of expenses, bank items, monthly fees, investment activity, endowment fund activity, tax payments, In kind donations, subsidiary ledgers, ACH's, prepaid expenses, depreciation, IBNR, AR accruals, reserves, PTO, corrections, etc. The CFO reviews all journal entries during his month-end review process.

## **Bank Reconciliations**

Bank statements are received unopened by CFO who signs off on the statement, reviews a sample of cancelled checks, then gives the statement to the G/L Accountant for reconciliation. The G/L Accountant completes the bank reconciliation in Navision and clears all items listed on the bank statement. If there are discrepancies with the bank, such as a check cleared for the wrong amount, she will contact them and have them correct it. G/L Accountant also prints out the AP and Payroll outstanding check list and delivers them to the staff member who cuts checks (A/P and Payroll) to follow up on any old items. She then prints the bank rec and attaches it to the bank statement along with any additional backup. She also attaches the monthly TB and gives the package to CFO. The CFO reviews and signs off on this and returns for filing. The same bank rec process is used for all bank accounts. Bank statements are process within the 1<sup>st</sup> 7 days of the current month.

## **Payroll/Timekeeping**

Benefitted employees are paid once a month on the last day of the month, which is not in arrears. Non-benefitted employees are paid once a month on the 15th day of the month, but they are two weeks in arrears. Timesheets are prepared by all employees via Excel, printed, and signed off by their supervisors. Timesheets are due to Payroll by the 5<sup>th</sup> day of the following month. Supervisors generally collect the entire team's timesheets and send them via inter office mail or email to the Payroll Coordinator. The work week is from Monday- Sunday, with overtime being calculated over 40 hours in the week and over 12 hours in any 24 hour period. Employees with federal grant time will track their time by grant using the assigned team codes at the top of the timesheet in which they will indicate which grants are worked on. Effective 7/1/2014, new timesheets are required to be filled out by all employees and include columns for each grant and how many hours were worked on each grant for each day. The Payroll Coordinator will email employees who have not submitted their timesheets by the 15<sup>th</sup> and will continue until they turn the timesheet in. Since timesheets are not due until the 5<sup>th</sup> of the following month, employees will receive any unusual items, such as shift differentials and overtime, in the following pay check.

Most benefitted employees are currently on direct deposit, while the majority of the non-benefitted employees are still receiving actual checks. Direct deposit employees receive an advice slip by email, while physical checks have this attached to the stub. HR has access to set up new employees in Navision. The blank check stock is kept in the payroll clerks locked office, to which the General Ledger Assistant, the G/L Accountant, HR staff, Controller, CFO and facilities have keys. Employees are set up with proper account coding in Navision, such as a 50/50 split between teams or grants. This is entered on the HR side. The Payroll Coordinator enters allocations for those employees on grants that change monthly. At the beginning of a grant period, the Grants Coordinator provides a list of employees each month to Payroll and what their current allocations are. These employees then track their time over the entire month, and the Grant & Contract Coordinator will verify that the allocation of payroll matches the time allocation on the timesheets. If there are less hours worked than what was allocated then an adjustment will be made.

When Payroll receives timesheets, they are date stamped and each of them are coded with the total hours for sick, vacation, and any specific type of work such as on-call or overtime. These are entered into a payroll journal per person. An edit report is then run to review each keyed line item. This report is run by the G/L Assistant Accountant or the assigned monthly payroll backup staff and reviewed by them. The reviewer will then key any changes into the payroll journal entry. A note will also be made on the edit report and timesheets for Payroll's benefit. After this is done, the timesheets and edit reports are given back to Payroll. Payroll will then review the changes that were made.

Payroll Coordinator will then calculate payroll, runs another report, and reviews the report for reasonableness. Payroll will look for unusual items and amounts including deductions and court ordered amounts. If problems are discovered during this process, they will be corrected using a journal entry. If there is an amount error, it will usually be handled retroactively the next month once a proper Personnel Action Form (PAF) can be entered on the HR side. After

this report is accurate, Payroll sends preliminary report to the assigned payroll reviewer to review and make any final changes. After that process is complete and any updates have been made, Payroll will cut the physical checks and copy them. Navision prints electronic signatures on each check. Payroll checks all deduction amounts, including taxes, and Navision will create an ACH file. This is sent to the G/L Accountant, who uploads it into the bank to pay the wages. The Payroll Coordinator prepares the payroll checks for mailing. Advice slips are emailed to employees that have direct deposit and who have a company email account, for those employees that do not have company email account checks are mailed.

Next, Payroll runs deduction reports and gives the amounts to AP for payment. The assistant G/L accountant or Controller pays the federal and state taxes electronically through the EFT system, which does not require any additional authorization by AuMHC. The Payroll Journal tax report is run and printed, then saved via Excel as well. Payroll gives the G/L Accountant the list of checks for her bank reconciliation process and runs a FTE hour/wage report for the Executive team. The CFO is in charge of setting up all controls in Navision, and sometimes utilizes a consultant for special projects. Currently, Payroll has no control over changing dollar amounts. Payroll does have access to enter bonus amounts. Raises are typically given to employees once a year, at the same time of year for all employees. In past years, this was done in September or October and retrospectively applied back to the beginning of the fiscal year. The Executive Director makes the final decision for all raises and gives the information to fill out the PAFs to the HR Director. PAFs are filled out by hand and signed by each employee, supervisor, division director, the CFO, and the Executive Director. After the PAFs are finished, a copy is given to HR., then filed.

Currently, there is a change log that can be run that would indicate any changes in Navision for payroll. (One is being used to review new employees added).

Managers receive payroll reports on a monthly basis that include everyone who they supervise as well as the final pay. Starting in December 2013, a Center-wide monthly report is being sent to all managers, which include all employees by team, but without pay information. Managers are responsible for reviewing these reports to ensure there are no terminated staff members still showing on these reports. One on one training has been provided via phone and email to managers who request this and include how to read and understand the reports. The CFO is available monthly to all managers about any questions they may have over the review process of payroll reports.

### **Timesheets:**

Per the employee handbook, relatives are not allowed to supervise another relative, have access to confidential information, including payroll and personnel records, or audit, verify, receive, or be entrusted with money handled by another relative

Both the employee and manager must sign the timesheet. Once signed by the employee, a timesheet is a legal document that a manager, supervisor, or anyone else may not change without the employee's signed consent. If an employee wishes to change his/her timesheet it

must be signed by the employee and re-signed by the supervisor. Adding totals and calculation notes to a timesheet by payroll staff is not considered changing a time sheet.

Managers and supervisors are responsible to check employees' time sheets and ensure that correct totals are entered for each week and in the boxes for each type of hour at the bottom of the sheet.

A juror certificate must be attached to the timesheet for any jury duty served.

Bereavement leave must be approved by the Executive Director and a copy of the e-mail approval must be printed and attached to the timesheet.

Holiday pay is pro-rated for employees working less than a full time schedule. For example, an employee who is half time and works a 20 hour per week schedule receives 4 hours instead of 8 hours holiday pay.

#### This Section Applies Only to Non-Exempt Employees

If employees work less than their total scheduled hours, un-worked time will be deducted from accrued vacation. Employees can only access sick time if they actually meet the criteria for use of sick leave. If an employee doesn't have enough vacation time the Executive Director will need to approve leave without pay.

If there is a snow day, only record hours worked on that day.

Hours worked are to be entered in quarter hour increments (0.25 for 15 minutes, 0.50 for 30 minutes, 0.75 for 45 minutes, or 1.00 for 1 hour).

Hourly non-benefited residential staff should write in the time range worked, e.g., 11pm-7 am.

Vacation should be entered on the vacation line and should not be entered as holiday time.

Managers and supervisors are responsible to ensure that a half hour meal break is available for all non-exempt hourly employees after not more than 5 hours worked. If an hourly employee does not take the lunch break and chooses to continue working, the employee is entitled to report that time as worked and be paid for it. Managers may choose to require employees to take lunch breaks; but they may not require employees not to take a lunch break

OC (On Call) Time for administrative staff is 4 hours each week for 36 hours worked that week. OC time will be earned on as a percentage of time worked less than 36 hours rounded down by increments of one hour. Time worked will be rounded down to the nearest half hour. Eight hours per holiday will be counted as time worked for this calculation. For example, if an employee in this group works 35 hours one week, then OC time earned for

that week is 3 hours. Two hours of vacation or other hours would need to be used to equal 40 hours for the week. OC time is earned for each week as follows:

Hours worked at least 36 earns 4 hours of OC time.

Hours worked at least 27 up to 35.75 earns 3 hours of OC time. Hours worked at least 18 up to 26.75 earns 2 hours of OC time. Hours worked at least 9 up to 17.75 earns 1 hour of OC time.

Hours worked less than 9 hours do not earn any OC time.

Due to special or unforeseen workload demands Managers may determine that the Center's best interests will be served by temporarily using OC time for administrative staff under their supervision. The Manager can only do so after obtaining written approval from the Executive Director.

#### This Section Applies Only to Exempt Employees

Exempt employees should write "V" and "S" very clearly to indicate Vacation and Sick days taken, and preferably circle these to draw attention to them so they are not missed.

Part time exempt employees and full time employees working other than a 5 day per week schedule will need to write in "W", "V", "S", etc. with the number of hours worked each day. For example, if a staff member works a 5 hour day, then it should be documented as "W5."

#### This Section Applies Only to Employees Working on any Grant

All Employees exempt and Non-exempt working on a State, Federal or Local Grant will be using the new centers timesheet. The timesheet will be filled out using the standard guidelines above, there are differences in how an employee must track their time while working a grant.

Staff funded from both local and federal sources or from more than one federal source will be required to keep detailed timesheets to record the time spent on each program objective. Timesheets specific to the job duties performed will be provided by the program director and will be completed at least monthly. These documents will be retained in accordance with the grant requirements in the appropriate department.

Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim *accounting purposes*.

### **Employment Background Inquiries**

All employees, interns and volunteers will have their references checked by the hiring manager.

All employees, interns and volunteers are required to submit to a criminal background investigation upon hire. This includes a name search through Colorado Bureau of Investigations (CBI) prior to first date of employment and Colorado Department of Human Services.

All employees and interns who work in school programs are required to be fingerprinted. Fingerprints may be required of other staff dependent upon requirements of grants or other funding sources.

Professional licenses will be verified via the Department of Regulatory Agencies (DORA) website. Any adverse information listed will be referred to the Executive Director for a determination.

Professionally licensed staff will meet with the credentialing coordinator during new hire orientation to become credentialed with the appropriate insurance companies.

Employees working in certain programs or under specialized contracts may be required to submit to a drug screen.

All newly hired employees will be processed through the E-verify system to ensure individuals can legally work in the United States.

Newly hired clinical staff will be checked through the Office of Inspector General Exclusions Database. The list will be reviewed monthly to ensure that clinical staff do not show up on the exclusions report.

Continued employment may be dependent upon information provided through background investigations. If adverse information is received on an employee:

The employee will be supplied with a 'pre-adverse action disclosure' that will include a copy of the background investigation and a written summary of rights before any action is taken against the individual.

If an individual has a drug-related offense revealed by a background inquiry:

The individual will be required to provide evidence of disposition, which will be maintained with the background inquiry in Human Resources.

The employee may be required to submit to a drug screen upon hire and periodic drug tests as determined by the Executive Director or upon reasonable suspicion by the supervisor.

If the employee may have access to medications, the supervisor may assign a second individual to monitor medication access/administration and report any errors to the supervisor verbally and on the Medication Error Tracking Sheet. Tracking sheets will be maintained on the unit.

Additional requirements may be established for an employee as determined by the Executive Director in conjunction with the supervisor.

Documentation of investigations and follow-up monitoring will be maintained in the human resources director's office.

The Executive Director will make all determinations regarding adverse action. If adverse action is taken against an employee, the individual will be provided with:

The name, address and phone number of the agency that supplied the report.

Notice that the vendor supplying the report did not make the decision to take adverse action and cannot give specific reasons for it.

An explanation of the individual's right to dispute the accuracy or completeness of the information, and the right to request a free copy of the report from the agency within 60 days of receipt of the notice.

### **Cash Receipts**

All mail is sorted and opened by one of the switch board operators in the mail room. All receipts are extracted from the envelopes and added on the Excel log. Checks are restrictively endorsed with a stamp that says "For deposit only to an account owned by AuMHC." This is done so no one can cash the check, but that Cash Receipts Coordinator can add the proper company's stamp before the deposit is made. The spreadsheet log includes the date of receipt, the check #, check amount, and payee. All checks and the log are put into a locking bag that only the Cash Receipts Coordinator, Assistant General Ledger Accountant and the Switch Board Operator have keys. Due to timing of the mail and Cash Receipts Coordinator's schedule, the deposit is put into a safe overnight. The CFO, Controller, General Ledger Accountant, Cash Receipts Coordinator and the Accounts Payable Coordinators have access to the safe.



The Cash Receipts Coordinator will retrieve the deposit bag from the safe the next morning and opens the bag with her key. She sorts checks by corporation, makes copies of each check face, adds them to her own Excel spreadsheet, stamps the back of the check with the proper account endorsement, and prepares the deposit slip. At this time, she also codes the checks on her Excel spreadsheet. She locks the checks and deposit slip in the bag, and Center's Mail Courier delivers the bag to the bank. The bank opens the bag and makes the deposit, sending the Mail Courier back with the unlocked empty deposit bag and validated deposit slip. The Cash Receipts Coordinator matches the validated deposit slip to her Excel deposit sheet and enters the journal entry into Navision. The Cash Receipts Coordinator codes all the checks herself and confers with the G/L Accountant if there are any questions. Copies of EOB's are made and sent to the billing department to update accounts in Accumed. Accumed and Navision do not integrate; however, the G/L Accountant enters in Accumed AR information to Navision monthly. Since the billing department is removed from the cash receipts process, there is no risk of stealing checks and applying payments that were not deposited. Furthermore, any misapplied receipts would be discovered during the rebilling process, as an insurance company or individual would respond to a billing error.

The Center receives some unexpected checks in the mail for donations during the holiday season and as in memory of donations. The administration department sends out the tax-exempt letters along with the thank-you to all donors and is separate from the receipt and G/L process.

### **Off Site Receipts**

Receipts are received for services provided at off-site locations. These are usually for services rendered, generally co-pays. Credit card payments are processed at each location, and checks and cash are also accepted. The front desk staff prints a "cash collected from scheduler" form, which lists each person seen that day who paid a co-pay. This totals the cash, checks, and credit card payments. The site fills out a deposit slip for the cash and checks and includes individual credit card slips as well as a total for the day and restrictively endorses each check with a stamp. This is all put into the locking bag, for which each location has their own bag and key. The Cash Receipts Coordinator is the only other person who has a key for each site's bag. This bag is sent inner-office mail to the mail courier who will take the deposit to the bank. The same process as listed above is followed after mail courier returns with the validated deposit slip. Any discrepancies are communicated with the site and followed up on by the Cash Receipts Coordinator. The site deposits come in daily.

At AuMHC administrative offices, the HIS Manager processes any requests for medical records. The Center charges a \$20 fee per each request and is usually contacted by insurance companies, social security administration, or doctors. The HIS Manager does not collect the cash up front, as most of these requests comes in via fax, phone, or mail. She does invoice these people, but this is not being recorded as a receivable at the time.

Rent is also collected at a few sites. Two sites include 3<sup>rd</sup> floor Fitzsimmons and Thomas House, which are like shelters, and stays are arranged on a month to month or even day to day basis for a fee. Currently, these properties are not using tenant ledgers and most rent collections are in the form of cash payments. Per The CFO, most of the residential facilities

provide services to Medicaid clients, thus they cannot collect any rent. Aurora Veterans Home has the most paying clients, and rents are paid to full time AuMHC employees who staff the facility.

The HUD projects use tenant ledgers to keep track of payments, and checks are typically mailed to the Center and processed by the Cash Receipts Coordinator. During move-ins, the Special Project Manager may go for a site visit and get the deposit check from the tenant directly at the inspection. This would then be hand delivered to the Cash Receipts Coordinator for processing.

## **Disbursement/Procurement**

### **General Expense Recording/Cash Disbursements**

Invoices are received via snail mail, interoffice mail, or email and given to AP. AP then stamps with the date received and sorts invoices by team. AP sends the invoices to the appropriate Team Supervisor, but most of the invoices are the responsibility of Director or IT and the CFO. They sign their approval on each invoice and return them to the accounts payable department. AP codes the invoices and enters them into the AP Module of Navision. Supervisors and direct managers have authority to initiate purchases subject to final approval by the CFO or CEO. Once a week, checks are cut on Fridays, and items due within the next ten days are processed. On the rare occasion a check must be cut immediately, this must be approved by CFO. Invoices are entered into the AP module as received.

The Center uses blank check stock which is kept partially in AP's office and partially in the file storage room, however the check stock contains no account information. AP prints checks, separating out any amounts >\$20,000 which requires a 2<sup>nd</sup> signature. This is taken to the Chief Operating Office, (WHO CAN SIGN OVER 20K) to obtain the signatures. This is given back to AP who prepares invoices for mailing. They attach the invoice to the check stub and files them.

The Accounts Payable Supervisor works with AP staff. Currently the check register and invoices are being reviewed prior to cutting checks but a quality assurance process is in place, including the small corps. QA processes are maintained for coding and matching checks to correct invoices. All invoices are verified by at least 2 people. For example, there are two Accounts Payable Coordinator's and if one is keying the other is reviewing the coding, approvals and checking the edit report for any keying errors to the actual invoice. After reviewed, the edit report will be given back with the invoices, changes will be made if needed and the invoices will be posted by the AP Coordinator. The edit report will be signed off on and filed. Furthermore, actual checks are scrutinized when they are mailed to the vendor. This is usually performed by the individual who has done the check run for the week and the individual verifies the vendor name, address, and matches the dollar amounts on the invoice to the printed check. Before checks can be filed they need to be reviewed by the Accounts Payable Supervisor.

The Account Payable Supervisor ensures deadlines are met for month-end reporting which also allows for time to make any changes and corrections. Furthermore, reports are run for the

Grants & Contracts Coordinator, all copies of each transaction are copied for the Grants & Contracts Coordinator to bill the grants.

### **Vendor Setup**

The Accounts Payable Coordinators, the General Ledger Assistant Accountant, the G/L Accountant and the Grants & Contracts Coordinator have the ability to set up new vendors in Navision for Accounts Payable. This happens frequently. Each new vendor will be reviewed to see if a W-9 is required before it can be entered. Also, AP staff are required to fill out a vendor setup form requiring either the G/L Assistant Accountant, the G/L Accountant or the Grant Coordinator's approval before creating a new vendor in Navision. New vendor verification is processed by three staff members. The first person keys the invoice after verifying the document with the manager's approval and documentation request, the next individual posts the invoice and again verifies the validity of the invoice, and the last person who mails the check to the vendor matches the documents before releasing payment. Each month a report is generated by Navision and sent to the CFO, Chief Operations Office, the G/L Accountant, the Accounts Payable Supervisor and the Grant Coordinator, which shows all new added vendors and employees. The report is reviewed to make sure the name is set up correctly and the address information is complete. The Accounts Payable Supervisor also looks to make sure AP did not set up vendors to their own names. If an AP Coordinator were to set up a fictitious vendor that eventually would be paid to themselves, this would be caught during the vendor verification process or the QA process, including reviewing the invoice and approvals of supervisors.

### **Credit Cards**

All deputy directors and some managers have been issued Citywide credit cards. Each person has an individual limit, and CFO has access to change this. The Executive Director also has an American Express credit card. The CFO doesn't usually make temporary increases. Instead, the Center will pay off part of the balance early to enable the cardholder to make additional purchases. Accounts Payable receives the master statement and cardholders receive their individual statements. The cardholder will attach all receipts and write team code on statement next to charge if a charge is not for their own team. The cardholder submits all backup to AP, and they follow up if there are missing receipts. Accounts Payable does all the coding for the statement but will ask the G/L Accountant or the manager if there are questions. AP posts a journal entry to enter the charges into Navision. This is done by grouping all charges per account number per cardholder. The Executive Director and the CFO reviews the credit card statements monthly, if there are any questionable charges the CFO will contact the Manager/Director for an explanation. The board reviews the Executive Director's credit card expenses in detail and approves them. All personal expenses are discouraged, but if there were any charges inadvertently charged on the business card those expenses are coded into a miscellaneous A/R account and charged back to the individual. Once paid, this account is cleared out. The Grants & Contracts Coordinator initiates the EFT payment on the Citywide website and the Executive Director and the CFO both review and approve this payment after it is made. The balance is paid in full each month.

## **Policies**

1. AuMHC will issue a corporate credit card to eligible employees for job-related expenses. In accordance with board policy number 311, eligible employees include members of the Executive Team, as needed. Cards issued to other staff will be done after special consideration and approval of the Executive Director based on documented reasons why issuing a card to the particular staff member is a benefit to AuMHC.
2. Being an AuMHC cardholder is a special privilege that may be revoked at any time.
3. Employees shall use their corporate credit cards to charge business-related expenses. Expenses must be pre-approved by electronic Purchase Order (PO) and for budgeted items only. Any items not in the board approved budget must be pre-authorized by the CEO. Any single expenditure exceeding \$1,000 must receive prior approval of the CEO.
4. Personal purchases of any type are strictly prohibited.
5. Per AuMHC Board policy, no alcoholic beverages may be purchased with the corporate credit card.
6. The CFO and CEO review all credit card purchases monthly, and the CEO's signature on the credit card monthly statement indicates final approval. Cardholders may be questioned about individual purchases by the CEO and/or CFO during their review and approval process. The Board of Directors reviews and approves the CEO's credit card purchases quarterly.
7. The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the credit card statement.

## **Procedures**

1. Cardholders are required to sign the "cardholder agreement" indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.
2. Subject to approval of the CEO, the CFO is responsible for authorizing the use of corporate credit cards and assigning the credit limit, if applicable.

3. Upon receiving a corporate credit card, the employee should call (from an AuMHC telephone) the 800 number on the front of the card to activate it and sign the back of the card.
4. Before any purchase is made, the employee should verify that the funds are available in his or her budget to cover the expense, request an electronic Purchase Order, and receive PO approval.
5. The employee must obtain a receipt for the purchase and include a brief description of the business purpose or the budget account code on the receipt. In the case of meals, each receipt should include the names of all persons involved in the purchase, in accordance with IRS regulations.
6. Receipts are to be submitted to Accounts Payable within 3 business days of receiving the monthly credit card statement with each expense coded to the appropriate team (subaccount.) with notes explaining the purpose of the expense if not self-explanatory on the receipt.
7. Upon receipt of the credit card statement, Accounts Payable staff will match the receipts to the individual items and make a final assignment of the appropriate accounting code. The statement along with a summary will be submitted to the CFO for approval. Any items that do not have a receipt will be the personal responsibility of the cardholder (unless the expense in an authorized monthly deduction).
8. The employee must notify the CFO immediately in the event a card is lost or stolen.
9. The corporate credit card is the property of AuMHC. An employee leaving the employment of AuMHC must surrender the credit card to the CFO who will then notify the issuing authority to cancel the employee's account.

#### CARDHOLDER AGREEMENT

I, \_\_\_\_\_, hereby acknowledge receipt of the Aurora Mental Health Credit Card Number XXXX -XXXX - XXXX - \_\_\_\_ (credit card number – last 4 digits only)

I understand that improper use of this card may result in disciplinary action as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement and the Credit Card Policies and Procedures for AuMHC. I acknowledge receipt of the Credit Card Policies and Procedures and confirm that I understand the terms and conditions

As a holder of this credit card, I agree to accept the responsibility and accountability for the protection and proper use of the card. I will return the card to the Treasurer Officer upon demand during the period of my employment. I understand that the card is not to be used for personal purchases and that I must provide a receipt for every purchase except for authorized monthly

charges. If the card is used for personal purchases or for purchases for any other entity or if I fail to provide a receipt substantiating a legitimate business expense by the end of the current month, AuMHC will be entitled to reimbursement from me of such purchases (through deduction of my paycheck if necessary.) AuMHC shall be entitled to pursue legal action, if required, to recover the most of such purchases, together with costs of collection and reasonable attorney fees.

Signature \_\_\_\_\_ Date \_\_\_\_\_

(Cardholder)

Signature \_\_\_\_\_ Date \_\_\_\_\_

(CFO)

Signature \_\_\_\_\_ Date \_\_\_\_\_

(CEO)

Accounting Department use only:

Date \_\_\_\_\_ Amount approved \$\_(leave blank)\_\_\_

### **PO Approval Process**

The Business office has created an automated email system for the approval process that reduces the amount of paperwork for Managers. This allows the Manager to look at an expense through email and forward their approval directly to the “PO Administrator” email address. This address can be found in the Outlook contact list. This process change does not affect the approval requirements in the August 2005 Purchasing Policy. Among the benefits of a properly functioning PO system are the following: Financial statements are more accurate with consistency of PO entry, because accounting has access to the PO record of projected expenses. Month-end closing in the accounting office is less frenzied as PO’s are created on a daily basis, then easily converted to invoices as receipts and bills arrive, thus saving the time it takes at month end to make sure all invoices are entered from scratch. PO’s also provide an extra level of documentation that helps prevent unnecessary expenditures, and reduces the potential for theft.

Any employee of the Center can obtain a PO number by calling the PBX operator or the A/P (Accounts Payable) office. Staff can also obtain a PO by sending an email to the PBX operator or to A/P. Staff will be asked several questions before a PO number can be provided. Staff should be prepared to answer the follow questions before calling the PBX operator or A/P.

1. Who is the vendor? (Which company are you purchasing from?)
2. What is your purchaser code? (This is your employee ID #)

3. Which team are you purchasing for? (6 digit number for your team)
4. What are you buying? (Give a brief description of the purchase)
5. Do you have the amount of the purchase? (You can give an estimate)
6. What expense account should be charged? (A list of commonly used expense accounts is available by request from A/P)

The accounting system will generate an automated email once a PO is entered into the system. The email will notify the purchaser of any missing information needed to activate the PO. The purchaser will have three business days to supply the missing information on the email and forward the email to his/her Manager for approval with the PO number in the subject line. The Manager will type "Approved" and forward the email to the "PO Administrator" as documentation of approval. The "PO Administrator" email address is in the Outlook company contacts list. If the item is over the Manager's signing authority he/she will send the email to the deputy director for approval, who would then type "Approved" and forward the email to "PO Administrator"

### **Receipt Form - Original Receipts Required within Three Business Days**

After an order is received, whenever possible, the receipt or packing slip should be signed by an employee other than the purchaser to confirm receipt of the items. A Receipt form has been created to use for attaching all receipts and packing slips and sending them to the A/P office. Receipts are required to be sent to the A/P office within 3 business days after the purchase attached to the Receipt Form, which requires the purchaser to record the PO number, account name (PRC; Kroger; Lowe's; Valero; Sam's Club, etc.) account number, name of purchaser, date, and expense coding .

**The ONLY exception where a paper PO is required in addition to an electronic PO is for any purchase made at PRC by an employee of the Center acting on behalf of the Center.** If an employee would like to order a new desk from PRC, he or she should first get a verbal approval from the manager. If the manager approves the purchase (**the purchase must be within the manager's signing authority**) the purchaser would contact the PBX Operator or A/P for a purchase order number and provide the required information. Follow all the steps outlined above to obtain a PO number and Manager's approval, then print out the PO form Payable) office, so A/P can determine if a PO is needed. Employee purchases should not be used to bypass contracted suppliers, such as for office or cleaning supplies.

### **Client Purchases**

If an expense is for a client and it is only for one individual a PO will need to be assigned. For example, if a client is sent out for a physical, a PO is needed first.

### **Center Purchases on Credit Accounts**

We understand use of center credit accounts occurs both after-hours and on weekends, and obtaining a PO number before making a purchase with the credit card is difficult, so we have adapted the process for those needs. Any purchase using a credit card on the accounts listed below can be made before obtaining a PO as long as the purchaser calls the PBX Operator or the A/P office by 4 pm the next business day to request a PO number for the purchase. Since the PO will contain the exact amount of the purchase, the Manager's approval of the PO through the email process outlined above will eliminate the requirement for the Manager to sign approval on the receipt. Credit accounts to which this procedure applies are as follows:

- Kroger/King Soopers – groceries/team supplies
- Lowe's card – maintenance supplies
- Valero – Gas for Vehicles
- Sam's Club – groceries/team supplies

PO's are especially important for Kroger and Valero credit accounts because cards are not issued for those accounts to a specific person and can be used by anyone, and there is no spending limit.

### **Managers to Monitor Compliance with Requirement to Submit Original Receipts to A/P**

Receipts are required to be sent to the A/P office within 3 business days after the purchase attached to the Receipt Form – see above. These receipts will no longer have to wait for a Manager's approval.

Receipts are needed to prove receipt of items purchased and for expense coding. For example, if receipts are not received for Kroger purchases the A/P office codes the entire amount of the purchase to food. However, there may be expenses revealed by the receipt that need to be coded separately, such as cleaning supplies or bus passes. Also, receipts submitted consistently to the A/P office allows the work of converting PO's into invoices to be done throughout the month instead of having this work bunching up at the end of the month.

The A/P-Business Office will not send reminders or requests for receipts to a purchaser, or for a purchaser to forward the automated email to a Manager for approval, but instead will notify the purchaser's supervisor/Manager if PO approvals or receipts are not received on time. The Manager will be expected to arrange compliance. Repeated occurrences of not submitting receipts on time will result in a credit card being withdrawn from the purchaser or the purchaser's team.

### **Emergency Purchases**

Purchases made on behalf of the Center require prior approval, except as noted above. Who the approval comes from depends on what is being purchased and the cost. The one exception to this rule is in responding to an emergency when waiting for approval



will make the emergency worse. In an emergency the purchase can be made without prior approval or a PO. As soon as possible after that, the request for a PO should be done through the normal process, and by separate email describe the situation, the purchase made, and why it was made to the Manager and Deputy Director who approves PO's with a copy to the Purchasing Director and CFO.

### **When is a PO *not* needed?**

There are exceptions to the PO rule for expenses that do not require a PO to be assigned. These would most likely be recurring bills that the Center gets monthly for services such as utilities, contracts, leases, client meds, client labs and client travel. Examples of exceptions are:

- Center Petty Cash Accounts
- Center Cab Vouchers
- Center Lab Accounts
- Center Prescription Accounts
- Employee Mileage & Per Diem
- Lunches and dinners for monthly/quarterly board and board committee meetings
- Purchases by PSSF and OACIC
- Lease and contract payments that occur monthly in the same amount.

Grant related expenses will be required to follow all of the above guidelines. Grant managers will need to code the source documents and indicated that what grant/team number the expense should be charged to but also give an indication which of the approved lines items on the budget it was purchased under.

### **Travel/Mileage**

In the interest of the Center's programs and subject to the availability of funds, the Center may participate in the payment of expenses related to professional conferences and other similar events. Attendance at conferences or meetings during regular working hours must be approved by an employee's supervisor or the Executive Director.

When an employee is granted prior approval to attend a conference or other similar event, the Center's participation in expenses may range up to \$35.00 per diem per day for in-state conferences and up to \$50.00 per diem per day for out-of-state conferences. In both instances the Center may also pay up to the full cost of travel (tourist class air fare), lodging and registration. Exceptions for high-cost areas may be made at the discretion of the Executive Director. When an employee is required by the Executive Director to attend a conference or other similar event, the Center will pay the appropriate per diem and will also pay up to the full cost of travel (tourist class air fare), lodging and registration. Exceptions for high-cost areas may be made at the discretion of the Executive Director.

Employees may be required to use their private vehicle for local Center business. The Center will reimburse an employee for mileage and related parking expenses when on Center business provided a current driver's license and proof of auto insurance are on file in Accounts Payable. It is an employee's responsibility to ensure that their records are kept up-to-date. The Center will not pay parking violations or traffic offenses, or be responsible for damage to an employee's vehicle and/or its occupants. The Center's mileage reimbursement rate is based on the current IRS reimbursement rate.

Certain positions may be authorized for transportation of clients in personal vehicles. Employees should check with their program director for specific information on this authorization.

In order to drive Center vehicles, an employee must have a valid Colorado driver's license. If an employee has recently moved to the area, they will have 60 days in which to procure a Colorado driver's license.

### **Conflict of Interest**

Due to the nature of the Center's business, there is a special concern with regard to potential conflict of interest. In making decisions, all employees of the Center must exercise independent judgment for the best interest of the Center. Personal or outside interests or relationships must not influence an employee to the detriment of the Center. Employees must not use their position or even give the appearance that the employee is motivated by a desire to use his/her position for private financial benefits for themselves or others, such as family members.

Employees should not engage in any activities or relationships, including personal investments, which might directly or indirectly result in a conflict of interest or impair their independence of judgment. Employees must not accept gifts, favors or benefits that might tend in any way to influence them in the performance of their duties. Employees must not trade or deal in any equipment, commodities or services that are purchased or sold by the Center.

If an employee has any questions whether a situation is a conflict of interest, they should discuss the matter with their supervisor. If there is disagreement, the matter should be referred to the Executive Director for a final determination.

### **Private Practice**

- Residents of the Aurora service area shall not be seen in private practice except in unusual circumstances, and then only with prior written approval of the Executive Director. Employees may not establish a private practice or join a group practice within the Aurora service area.

- Non-Aurora residents whose third-party payment benefits are contracted with the Center will be seen as regular Center consumers (e.g. Kaiser, Victims Compensation, Medicaid, etc.). An updated list of such contracts will be kept by the Business Office.
- Employees are not required to obtain approval for services provided to non-Aurora service area residents, agencies or institutions when such services are on their own time and when the payee is not contracted with the Center.
- When it is in the best interest of the Center and the consumer, the Executive Director may allow Center staff to provide inpatient care which may be reimbursed directly by the consumer, the insurer or the Center.
- It is recognized that part time and fee-for-service staff, especially psychiatrists and registered nurses, may require exceptions in order for the Center to fill its staffing needs in specific areas. Such exceptions may be made, in writing, by the Executive Director.

#### Contractual Arrangements

Employees shall not enter into a private contractual arrangement with any agency or institution that has a contract or working relationship with the Center without the prior written approval of the Executive Director. Any Center contract with an employee or employee-owned business for services outside his/her job will be an exception and, which must be the result of a formal RFP and sealed bid process and have the approval in writing by the Executive Director.

#### Penalties for Violations

Employees who violate any portion of this policy will be subject to disciplinary action which may include termination of employment.

#### **Goals of the Procurement Policy**

The goals of Aurora Mental Health Center's procurement policy are to achieve the least cost for the best value, help keep spending within budgeted limits, comply with procurement methods as obligated by governmental and other contractual requirements, and to ensure that every purchase can be tracked and accounted for in order to secure purchasing practices against fraud or misappropriation of funds for any other reason.

#### **Board Policy**

By request of the Executive Director, once this policy is reviewed by the Center's Executive Committee, it will be presented to the Board of Directors with a recommendation that it be adopted as part of the Board fiscal policies. It is also recommended that at the end of each fiscal audit year, the CFO will review the Procurement Policy with the Purchasing Director and recommend any changes needed to the Executive Director for Submission to the Board.

## **Administration of the Procurement Policy**

All aspects of the Procurement Policy will be administered jointly by the Chief Financial Officer (CFO) and Purchasing Director. If needed to reach a consensus on a bid award or any other decision, another member of the Executive Team will be requested to assist as needed by the CFO and the Purchasing Director.

### **Code of conduct**

All procurement methods and processes shall be carried out in a manner that ensures fair and open competition among all qualified interested parties. The awarded bidder will be required to conform to all the material terms and conditions of the invitation for bids. Competitive bids will be requested whenever possible and procurement practices shall comply with laws, regulations, and guidelines of the federal government, state and local governments, the provisions of grant funding, and AuMHC policies. The policy of AuMHC is to obtain all needed goods and services at the lowest total cost that will meet or exceed the customer's requirements for performance, quality, and availability at the time of purchase.

### **Micro-purchases**

Micro-purchase procedures apply to the acquisition of products and services valued at \$5,000 per item or below or smaller purchases that add up to \$10,000 or less from a single vendor over a 12-month period. Micro-purchases do not need to be competitively bid. An authorized purchaser determines if the purchase price is reasonable. However, non-competitive micro-purchases should be fairly distributed among qualified vendors. All purchasing above the micro-purchasing limits will be competitively bid as described in "Solicitation for Bids."

### **Solicitation for Bids:**

#### **Request for Proposal (RFP)**

RFPs should be used for most competitive sourcing projects, and sealed bids will be used when required by law, government contractual requirements, or at the discretion of AuMHC. RFP's may be issued for projects of any dollar amount where subjective services or skill level is an important component to timely and successful completion of the project.

#### **Bidders List**

Proposals will be solicited from a number of qualified sources and at least three proposals will be requested except when the following limitations make it impossible or impractical to solicit three proposals:

1. Time constraints;
2. Availability of qualified suppliers; and

3. An opportunity for significant cost savings.

After proposals are received and evaluated, the contract(s) will be awarded to the supplier(s) presenting the best combination of quality of service, capacity to perform, compliance to specifications, price, and delivery.

### **Awarding process**

The award will be made to the responsible bidder and/or offer in which the proposal is most advantageous to AuMHC with price, quality, and service, agreement to specifications, technical innovation, and compatibility with other programs. AuMHC may disqualify any or all bids if none of the bids meet minimum standards of price and/or performance. Contracts may be awarded based on factors other than price. Consideration of other factors may include the quality of work, technical innovation, and the compatibility with other programs.

### **Sales tax exemption**

AuMHC is a non-profit organization that is entitled to claim exemption from most types of sales tax. When purchasing from a new Colorado supplier, the supplier will be provided with the Center's Colorado tax exempt number and the IRS letter affirming 501 (c) (3) tax exempt status. Stores will not charge sales tax if the Center's tax-exempt status is documented according to the store's policy – that is, the buyer has the forms the store requires. If a staff member pays sales tax, it will not be reimbursed.

### **Overview of the Purchasing Process**

All purchases made by an authorized purchaser for the Center must have a Purchase Order number and be personally signed for by that individual. Receiving documentation for goods or services must be signed by staff other than purchaser. Orders must be inspected immediately when they are received and/or delivered. If problems are encountered with quantity, quality, or the condition of items delivered, the supplier must be contacted immediately for resolution. All shipping documents and original shipping containers will be retained until problems are resolved. Any duplicate shipments must be refused and returned to the supplier. All original receipts must be signed and sent to Accounts Payable as soon as possible after goods are received.

### **Purchase of Office Supplies**

The Center has an approved list of office supplies from the current office supply vendor under contract. Orders from the list need approval according to the requirements of this policy. However, orders of office supplies that are not on the list require approval from the Program Manager, the Division Director and the Purchasing Director.

### **Purchases Other than for Office Supplies**

A Purchase/Requisition form will be approved for use by staff, and the following procedures will be required:

- A purchase order number will be obtained by calling the Center switch board operator, who will request the required information about the purchase before assigning the purchase order number.
- The purchase order number will be written on the Purchase/Requisition form.
- Approval must be obtained by an authorized approver who will sign the Requisition form.
- After the purchase, or order if the item is being shipped, an email will be sent to “PO Administrator” with the following information about the order: (This must be done within three (3) business days after purchase or placing the order. The Purchasing Department will complete this step for all office supplies orders. The Business Office will enter the PO into the accounting system for tracking and to be reconciled to the invoice.)
  1. PO Number
  2. Name of Supplier/Vendor:
  3. Amount of Purchase:
  4. Teams: (Split if for more than one Team)
  5. Order/Purchase date:
  6. Merchandise: Described in detail for proper coding of expenses, and including price of each item if more than one item is purchased.
  7. Shipping amount: stated if known; N/A; or Unknown at this time.
- Receipt of order confirmation will be attached to the Purchase/Requisition form and the paperwork given to the appropriate Program Manager and then to the Division Director.

### **Employee Purchases Claimed for reimbursement.**

- No computers or any other electronic equipment can be purchased by an employee’s personal funds to be reimbursed, but must be purchased on account or with a company credit card.
- Employee business expense reimbursement requests for a total amount exceeding \$250 (two hundred fifty dollars and no/100) must be reviewed and approved in writing by the CFO.
- For non-emergency purchases, the purchaser is required to request the purchase be approved by the Program Manager by email.
- Once the approval has been given by reply on the same email the purchaser forwards the request to the PO Administrator. The PO Administrator assigns a PO number and forwards the number back to the requestor. Once the requestor has been assigned a PO number the purchase can be made.
- For an emergency PO, the purchaser follows the above pre-approval guidelines but calls the PBX operator for a PO number after the purchase has been approved by the Program Manager.

### **Receiving Documentation Required for Payment of Invoices**

The Business Office will not process payments for any invoice unless the invoice is an original invoice, a PO number is included on the invoice, and the following additional documentation is provided: Original Invoices must have original receipts or other forms of original receiving documentation, such as packing slips, attached to them which have original signatures certifying

receipt of the merchandise or services by employees other than the ordering or approving employee. The materials received must match the items being invoiced, as well as the items that were ordered on the PO.

### **Inspecting a shipment**

Persons receiving shipments should, upon acknowledging receipt of an order, conduct an inspection to verify that the products conform to the purchase order requirements and other relevant documents (for example: correct model number, description, size, type, color, ratings, etc.), the quantity ordered against the quantity shipped or delivered, there is no damage or breakage, the unit of measurement count is correct (e.g. if the unit of measurement on the purchase order is one dozen, there should be 12 in the package), and products are operable or functional.

### **Matching the Packing List to Purchase Order**

When a supply order is received and the shipment has been inspected, the receiver will email the Purchasing Department to confirm that it is accurate, and will include the Purchase Order number. Once the order has been received and signed for, and a Manager and/or Executive has signed to approve the expenditure, the invoice will be forwarded to the Accounts Payable Department.

### **Contract Review:**

Contracts for the purchase of most products, services, equipment, or any long-term arrangement with vendors are to be reviewed every year or six months prior to expiration. After proposals are received and evaluated, the contract(s) will be awarded to the supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service. The negotiation of the price and term and conditions will be done jointly by the CFO, Purchasing Director, if needed, another member of the Executive Team to reach a consensus.

### **Property Management and Disposition**

All depreciable assets costing greater than \$5,000 are setup by the Accountant in Navision through the fixed asset card. The asset is automatically assigned a fixed asset number by Navision. In the fixed asset card, the accountant enters the depreciable life, which is based upon the book "Estimated Useful Lives of Depreciable Hospital Assets" by the American Hospital Association. The accountant also sets up the subaccount that will incur the depreciation expense. Each month, the accountant runs the calculate depreciation function in Navision, where a journal entry is then created by Navision. The accountant reviews the journal entry and then posts it to the general ledger. When assets are disposed of, a fixed asset journal entry is entered by the accountant to remove the asset from the general ledger. Also, at the end of each fiscal

year, the list of fixed assets that are active in Navision is reviewed by management to determine if any other equipment was disposed. Again, the accountant will record a fixed asset journal entry to record the disposal.

## **Property Control Policies and Procedures**

The purpose of this document is to list AuMHC's policies for property control and the procedures for implementing these policies - Last Updated August 14, 2016

### **Policies**

8. AuMHC maintains property records that include a description, cost, purchase date, source of funding, location, and condition of each property item.
9. Physical inventories are taken and reconciled to the property records no less than every other year.
10. Property purchased with government funds is tagged and logged for easy identification of location, funding source, and person assigned primary responsibility for the item.
11. Property is safeguarded to prevent loss or theft.

### **Procedures**

10. Property and equipment records exist within Navision and are maintained by senior accounting staff as fixed asset records for capitalized items costing \$5,000 or more. Records are kept by IT staff, overseen by the IT Manager, for computers and other electronic equipment costing less than \$5,000. All items of computer and other electronic equipment, such as printers and copy machines, are tagged with property tags and logged in a spreadsheet by IT staff for easy identification of location, funding source, and person assigned primary responsibility for the item.
11. These records are in the process of being populated in "eMaint," a recently acquired asset management and maintenance software system that will also serve as a maintenance and repair work order system for buildings and associated equipment, both for fixtures and appliances, e.g. HVAC equipment, refrigerators, defibrators, computers, printers, copy



machines, generators, etc.

12. Physical inventories are taken of equipment and reconciled to the records identified above. Inventories are taken by IT and Facilities staff by building on a rotating basis so that all listed equipment in each building owned by AuMHC is inventoried no less than once every other year.
  
13. Property is safeguarded to prevent loss or theft in several ways:
  - a. Access to buildings is strictly controlled with complete records of who has been granted electronic or key access to buildings, and to secured areas within buildings.
  - b. Security guards are on duty in larger buildings and smaller buildings in higher crime neighborhoods.
  - c. Background checks are required for all employees.
  - d. Building access codes for terminated employees are immediately deactivated and keys to buildings and/or offices are obtained from the employee upon termination.

Computer logins and links to the network are monitored to ensure each computer is in appropriate use by assigned staff.

## **Record keeping and Source Documentation**

### **General Record Keeping Requirements**

The Center shall apply effective and cost efficient management techniques to maintain complete, accurate, and high quality records.

All current fiscal year files plus pervious year files are kept on-site in the business office. The fiscal year ends on June 30<sup>th</sup> but due to the annual audit records will not be boxed and sent to storage until after the audit has been completed. After the audit has been completed arrangement will be made to transfer the fiscal years files to our storage facility. Records will be retained until the recommended destroy dates.

1. **Retention of Records.** Records shall be retained in accordance with all applicable laws and regulations. Records containing confidential and proprietary information will be securely maintained, controlled and protected to prevent unauthorized access. The Center will retain all records (as defined below and including but not limited to electronic records and email) in accordance with a Record Retention Schedule adopted by and administered by the Chief Financial Officer.

2. Scheduled Destruction of Records. Except as provided in paragraph 3, records that have satisfied their required period of retention may be destroyed in an appropriate manner, under systems that comply with all applicable laws and regulations. Records to be destroyed shall be destroyed in a manner appropriate to safeguard the confidentiality of Protected Health Information. The Center shall destroy all records in accordance with a record retention schedule adopted and administered by the Chief Financial Officer.

3. Records That Should Not Be Destroyed. Records that cannot be destroyed include records of matters that are the subject of a subpoena, governmental investigation or audit, or litigation, or records with a permanent retention requirement as stated in the retention schedule.

4. Records Relating to Subpoenas or Investigations. In the event that the Center or any Center employee is served with any subpoena or request for documents, or becomes aware of a governmental investigation or audit concerning the Center, or the possible commencement of any litigation against or concerning the Center, the privacy officer shall be notified, and shall take appropriate steps to answer such subpoena or request and to notify the Chief Financial Officer and other appropriate personnel to suspend destruction of relevant records until such time as the Executive Director, acting on the advice of legal counsel, determines otherwise.

5. Responsibility. All AMHC employees and agents are responsible for ensuring that all records are created, used, maintained, preserved and destroyed in accordance with this policy.

### **Definitions**

“Protected Health Information” shall have the meaning set forth in AMHC’s HIPAA compliance policies.

Records” include all books, papers, maps, photographs, notes or other documentary materials, regardless of physical form or characteristics, including electronic documents and email, made or received by AMHC or its personnel in connection with the business, organization, functions, policies, decisions, procedures, operations, or other activities of AMHC.

## ATTACHMENT A

### EXAMPLE OF RECORD RETENTION SCHEDULE\*

#### A. ACCOUNTING AND FINANCE

<b>Record Type</b>	<b>Retention Period</b>
Annual audits and financial statements	Permanent
Depreciation schedules	Permanent
IRS Form 990 Tax Returns	Permanent
General Ledgers	Permanent
Business Expense Records	7 years
IRS Form 1099	7 years
Journal entries	7 years
Invoices	7 years
Medicare/Medicaid Claims and Cost-Reports	10 years

#### B. BANK RECORDS

<b>Record Type</b>	<b>Retention Period</b>
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Check Registers	7 years/permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

**C. CONTRACTS**

<b>Record Type</b>	<b>Retention Period</b>
Contracts and related correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

**D. CORPORATE RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting/Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent

IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent

**E. DONOR AND GRANT RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Donor Records and Acknowledgment Letters	7 years
Grant Applications and Contracts	7 years after completion

**F. CORRESPONDENCE**

**General Principle:** Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

<b>Record Type</b>	<b>Retention Period</b>
Correspondence or memoranda that do not pertain to documents having a prescribed retention period	3 years

**G. ELECTRONIC RECORDS AND EMAIL**

**General Principle:** Email and documents transmitted by email are similar to paper documents. They may be considered business records and are subject to this policy. The retention of email records will depend on the informational content of the email. Employees should appraise email records in the same way that they assess the value of other electronic or paper documents and them as provided in this Record Retention Schedule.

**H. LEGAL, INSURANCE, AND SAFETY RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination
Compliance Program Policies, Procedures, and Records	7 years

**I. MEDICAL RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Patient Medical Records	10 years from date of last patient contact
HIPAA Compliance Records	6 years

**J. PAYROLL AND EMPLOYMENT TAX RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years

Garnishment Records	7 years
Payroll Tax Returns	7 years
W-2 Statements	7 years

**K. PERSONNEL RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion, or Discharge After Termination	Permanent
Accident Reports and Workers' Compensation Records	5 years
Salary Schedules	Permanent
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years

**Audits**

**Annual Financial Audit**

At direction of the Board, the Chief Financial Officer will arrange with an independent Certified Public Accountant or qualified agency to perform an annual audit in accordance with state or other agencies requirements inclusive of generally accepted accounting principles. The annual audit will be for the fiscal year period (July 1 - June 30) and cover both the Center annual audit as well as the A-133.

An auditor will be recommended by the Budget and Finance Committee to the Executive Committee of the Board. The Board of Directors will have final approval of the contract with the auditor.

The Budget and Finance Committee is responsible for monitoring the performance, and independence of the independent Certified Public Accountant or qualified agency that performs audits.

The Budget and Finance Committee will review the external auditor arrangements at a minimum every five years. After its review, the Committee will recommend a new or continued auditor arrangement to the Executive Committee for the Board to take action.

### **Audit Reports**

The Auditors complete their testing and field work by early November for the fiscal year ending on June 30 of the same calendar year. The Auditors prepare the final draft of the Audit Report, including the OMB Circular A-133 report, by mid-November, and review the draft with the CFO and CEO. During the audit, the CFO reports to the Audit team the agency's performance on any corrective action plans from the prior year's audit.

### **Audit Review & Resolution**

The CFO sends the draft audit report to the eight members of the Budget and Finance Committee of the Board a few days in advance of the committee's November meeting, which occurs on the 3<sup>rd</sup> Monday of November. The CEO, CFO, and COO attend the meeting along with the Auditors who present the draft Audit Report to the Committee. Prior to the meeting, the CFO will work with the CEO to prepare responses and corrective action plans if required to address any findings and/or Management Letter items in the Audit Report. The CFO will present these at the Budget and Finance Committee meeting. After receiving the presentation of the draft audit report from the Auditors, and any responses/corrective action plans presented by the CFO, the committee members will ask questions of the Auditors and/or the CFO and CEO. The Committee will then vote on whether to recommend to the full board of directors that the Audit be accepted as final.

The full board of directors meets on Wednesday of the following week, or in the first week of December if the scheduled time falls in Thanksgiving week. The Auditors attend the board meeting and give a presentation of the Audit Report to the full board. The CFO also presents the responses and corrective action plans, if any. The board votes on whether to accept the Audit Report as final. Within a week or so after the board accepts the audit, the Audit firm initiates submission of the Audit Report, including the OMB Circular A-133 report, to the Federal Audit Clearinghouse (FAC) and informs the CFO when the report is ready for final review and signature to submit. The CFO then performs the final submission action sending the report to the FAC.