

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE POLICY

NUMBER: BA060

NAME: FINANCIAL PLANNING AND MANAGEMENT

INITIAL APPROVAL DATE:	03/29/1999	BY: Audit Committee
(LAST) REVISION DATE:	10/18/2023	BY: Chief Financial Officer
(LAST) REVIEW DATE:	01/18/2024	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

I. **PURPOSE**

Sanilac County Community Mental Health Authority will promote the stability and integrity of its fiscal operations by the establishment of and adherence to the following standards.

II. **APPLICATION**

Populations: **NONE**
Programs: **Direct - NONE**
Contracted - NONE

III. **POLICY**

IV. **DEFINITIONS**

V. **STANDARDS**

- A. A budget will be prepared annually subject to a public hearing and Board approval.
 - 1. The budget shall be used as a forecast and indicator of any corrective actions as needed.
 - 2. Board approved budget revisions will be made as necessary to reflect changes in fiscal operations.

- B. Financial reports will be prepared monthly in order to effectively manage fiscal operations.
 - 1. A balance sheet shall be prepared and the accounts reconciled on a monthly basis.
 - 2. A budget report shall be prepared comparing actual to budget. Significant variances shall be subject to review for corrective action.
 - 3. The Board shall review financial reports.

- C. Fiscal operations will be in compliance with responsible business practices and legal requirements such as, but not limited to:
 - 1. The Michigan Mental Health Code
 - 2. State of Michigan Administrative Rules
 - 3. The Department of Mental Health Master Contract, including Finance Guidelines; and,
 - 4. Generally Accepted Accounting Principles.
 - 5. Federal Office Management and Budget 2 CFR Part 200 and 320
 - 6. Federal Office Management and Budget 45 CFR 75

- D. An annual, independent, certified financial audit shall be obtained which is conducted in accordance with, and conforms to:
 - 1. Generally Accepted Auditing Standards
 - 2. Federal Office Management and Budget 2 CFR Part 200 and 320
- E. An effective system of cash management shall be maintained that anticipates cash needs and plans adequately to satisfy them.
- F. An inventory for the control and disposition of equipment items purchased with Mental Health funds will be maintained.
- G. Issues of cost effectiveness will be examined prior to the development of new programs, supports and services.
- H. A comprehensive risk management program shall be in place that regularly analyzes risk and provides appropriate safeguards including insurance.
 - 1. A Safety and Health Committee comprised of staff shall meet regularly to review safety and health concerns, analyze risks and propose policy.
 - 2. A minimum of \$15,000,000 of liability insurance shall be maintained to adequately protect against claims arising during the course of operations.
 - 3. Adequate property insurance coverage shall be maintained to protect against adverse events during the course of operations.
- I. In those instances where the Agency is the payee and holder of consumer funds, appropriate accounting procedures and controls will be maintained to ensure the integrity of those funds.
- J. Reconciliation of bank accounts will be performed monthly within 14 days of the month ending. The preparation and process of the reconciliation is as follows:
 - 1. Under the supervision of the EAA, two staff shall open the mail bank statements received in the mail.
 - 2. The staff opening the mail will be someone other than those who deal with reconciliation of the statements.
 - 3. Reconciliation will be completed by someone not authorized to sign checks.
 - 4. Reconciliation will be approved by someone outside of the payment process but familiar with the financial activities.
- K. Cost Reporting
 - 1. Annual FSR and EQI reports are due to R10 on 2/15 and to MDHHS by 2/28 per PIHP and MDHHS contracts.
 - 2. Annual Demonstration cost reporting is due by 1/31 following the fiscal year end. CCBHC Cost Report template OMB #0398-1148/ CMS-10398 (#43) dated December 14, 2015 will be used for Demonstration Year 1 and 2. (found in 12.E.1.5 in the MI CCBHC handbook) CCBHC cost report instructions will be adhered to.

VI. ATTACHMENTS

VII. REFERENCES

- A. BA080 – Procurement & Bid Policy
- B. BA083 – Charitable Donations Policy

- C. BA054 – Cash Management Policy
- D. BA055 – Cash Receipts Policy
- E. BA058 – Inventory of Equipment Policy
- F. BA006 – Emergencies Policy Handbook
- G. BA020 – Reimbursement Policy