



## PENINSULA RSN

### FISCAL MANAGEMENT POLICIES AND PROCEDURES

**Policy Name:** FINANCIAL MANAGEMENT

**Policy Number:** 8.02

**Reference:** WAC 388-865-0270, -0325 and 1996 Waiver

**Effective Date:** 7/2005

**Revision Date(s):**

**Approved by:** PRSN Executive Board

#### CROSS REFERENCES

- Policy: Corrective Action Plan

#### PURPOSE

It is the policy of the Peninsula Regional Support Network (PRSN) to prudently manage public resources and employ accounting practices consistent with the rules of the referenced section, excepting those waived.

#### PROCEDURE

1. The PRSN, by Inter-local agreement, operates administratively under the auspices of the Kitsap County Personnel and Human Services Department.

PRSN financial resources are managed by the Kitsap County Personnel and Human Services Department Accounting section, which:

- Provides the PRSN, its administrator, and its Governing Body such monthly, quarterly or annual budgets, reports and other financial statements required to meet contractual agreement with the state.
  - Performs and evidences sound accounting procedures.
  - Maintains consistency with applicable state and federal requirements and accepted accounting procedures (GAAP).
2. By subcontract, providers agree to prudently manage public resources so that quality services are provided in a cost efficient and cost effective manner and to employ accounting procedures that are consistent with applicable state and federal requirements and generally accepted accounting principles (GAAP), to wit:

- Providers maintain readily accessible documents and records sufficient to provide an audit trail to the County.
  - Provider's documents identify contracted funds and their expenditures.
  - Providers document income and expenditures for contracted programs/services and/or funds.
  - Providers deliver requested documentation to the county/PRSN as required.
  - County maintains the right to review and monitor financial components of the program and will inform providers in writing of such requests.
3. The PRSN and its providers expend funds received by the department in accordance with the revenue contract with the department and only for the purposes that they are intended to achieve:
- The performance and outcome terms of the PRSN contract with the department.
  - Compliance with the requirements of WAC chapters 388-865, chapters 71.05, 71.24, and 71.34 RCW, and the intentions of the State Appropriations Act.
4. The PRSN and its providers deliver and/or purchase goods and services prudently consistent with state or county procurement procedures.
- PRSN complies with Kitsap County procurement procedures.
  - Providers designate policies and procedures which so comply.
5. The PRSN manages assets of the PRSN under applicable state and federal requirements and generally accepted accounting principles (GAAP) by maintaining:
- A list of the assets of the PRSN including property, equipment, vehicles, buildings, capital reserve funds, operating reserve funds, risk reserve funds, or self insurance funds.
  - An accounting of any interest accrued on funds; using any accrued interest to perform requirements of contract.
  - A physical inventory of property, equipment, vehicles, and buildings every two years. Proceeds from the disposal of any assets will be retained by the PRSN and its providers for purposes of contract performance.
  - Lists and inventories will be filed at the county and/or PRSN.

## **MONITORING**

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of PRSN:
  - Annual PRSN Provider and Subcontractor Administrative Reviews
  - Annual PRSN Provider Fiscal Review
  - Monthly Provider Chart Reviews
2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.