



Salish Behavioral Health Organization

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: FINANCIAL MANAGEMENT

Policy Number: 8.02

Reference: WAC 388-865-0270, -0325

Effective Date: 7/2005

Revision Date(s): 1/2013; 7/2016

Reviewed Date: 3/2018

Approved by: SBHO Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

It is the policy of the Salish Behavioral Health Organization (SBHO) to prudently manage public resources and employ accounting practices consistent with the rules of the referenced section, excepting those waived.

PROCEDURE

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

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

- Provides the SBHO, 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/SBHO 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 SBHO 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 SBHO contract with the department.
 - Compliance with the requirements of WAC chapters 388-865 and 388-877, chapters 70.96A, 71.05, 71.24, and 71.34 RCW, and the intentions of the State Appropriations Act.
 - The SBHO will recover all overpayments, especially the recovery of overpayments resulting from fraud, waste or abuse. Notification to the agency will be made as soon as possible, no later than ten days from SBHO learning of the overpayment. The recovery process will begin as soon as it is determined. Any and all agencies shall report all overpayments, in writing, to the SBHO. Any and all agencies shall return the overpayment within 60 days of the date the overpayment was identified or within 60 days of being notified of the overpayment. The written notice will include the reason for the overpayment. Pursuant to 42 CFR 438.608 (d) (i-iii).
4. The SBHO and its providers deliver and/or purchase goods and services prudently consistent with state or county procurement procedures.
- SBHO complies with Kitsap County procurement procedures.
 - Providers designate policies and procedures which so comply.
5. The SBHO manages assets of the SBHO under applicable state and federal requirements and generally accepted accounting principles (GAAP) by maintaining:
- A list of the assets of the SBHO 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 SBHO and its providers for purposes of contract performance.
 - Lists and inventories will be filed at the county and/or SBHO.
6. The SBHO communicates the financial expectation with the network providers through quarterly SBHO Financial Directors meetings.
- The SBHO has also made staff available to provide technical assistance to the individual provider agencies.

MONITORING

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of SBHO:
 - Annual SBHO Provider and Subcontractor Administrative Reviews
 - Annual SBHO Provider Fiscal Review
-

2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for SBHO approval. Reference SBHO Corrective Action Plan policy.