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| <b>CHAPTER</b><br>Fiscal Management                                  | <b>CHAPTER</b><br>06  | <b>SECTION</b><br>003   | <b>SUBJECT</b><br>135 |
| <b>SECTION</b><br>Reimbursement                                      |   | <b>DESCRIPTION</b><br>Internal Control: Cash Handling/Cash Deposits   |                       |
| <b>WRITTEN BY</b><br>Michael K. Vizena, M.B.A.<br>Executive Director | <b>REVISED BY</b><br>Emma McQuillan, MBA<br>Chief Financial Officer | <b>AUTHORIZED BY</b><br><br>Lauren Emmons, ACSW<br>CEO |                       |

**APPLICATION:**

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|--|---|---|---|
| <input checked="" type="checkbox"/> CMH Staff                  | <input type="checkbox"/> Board Members                      | <input type="checkbox"/> Provider Network | <input checked="" type="checkbox"/> Employment Services Providers |
| <input type="checkbox"/> Employment Services Provider Agencies | <input checked="" type="checkbox"/> Independent Contractors | <input type="checkbox"/> Students         | <input type="checkbox"/> Interns                                  |
| <input type="checkbox"/> Volunteers                            | <input type="checkbox"/> Persons Served                     |   |   |

**POLICY:**

The Lapeer County Community Mental Health (LCCMH) accounts receivable system provides a mechanism for the collection and deposit of funds. This system assures proper recording of receipts and establish internal control over funds received.

**PROCEDURES:**

A. Payments Received:

1. Payments are processed by two assigned clerical staff. One assigned clerical staff opens mailed payments, records payments on LCCMH Form #68 in the cash and checks binder, and initials each received payment. The second assigned clerical staff verifies the checks and cash are correctly logged and initials in the second space in Form #68.
2. Clerical staff prepare a receipt for each payment. A copy of each receipt is forwarded to the assigned finance staff. Finance staff review each receipt against entries in binder and distribute copies of receipts to other program

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staff as applicable. The finance staff calculates the total of checks and cash received each day.

3. Payments received directly from persons served are immediately entered into the OASIS electronic health record. A receipt is generated and given to the person served. A copy of this receipt is sent to accounts payable staff to attach to the deposit.

**B. Cash Flow Process:**

1. After processing payments, the assigned clerical staff places funds in the cash and checks binder.
2. Finance staff complete a deposit advice daily by listing cash and checks received with the total amount collected.

**C. County Treasurer Deposit Process:**

1. Deposits are made with the County Treasurer at least one time per week. A deposit is made when cash and checks exceed \$1,000.00.
2. Finance staff will process all cash receipts by using the subledger account numbers in the Accounts Payable portal (URL: <http://149.255.10.218:8080/wow75/runApp?id=54>).
3. A Lapeer County Treasurer's Deposit Advice is completed by listing all cash, checks, and totals from daily deposit advice forms. The county's general ledger account numbers are used on the deposit advice form. The total amount on the deposit advice needs to match the total in the Accounts Payable portal. Checks included in the deposit and the Deposit Advice form are photocopied and retained. The original Deposit Advice and funds are delivered to the County Treasurer's office. County staff verify the deposit and issue a deposit receipt.
4. The finance staff brings back the deposit receipt and attach it to the deposit form. A finance staff reviews this deposit receipt against the cash and checks binder. A copy of the receipt is given to the Chief Financial Officer to post the deposit to the sub ledger.

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- Each month, revenue reports are forwarded from the County Treasury Department to the County Finance Department. The revenue report is reconciled against the deposit records by the assigned accounting staff.

EM:mgr

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This policy supersedes #07/11024  
#02/06008 dated 02/21/2006.  
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