

OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES**POLICY AND PROCEDURE****Subject: Cash Management****I. Purpose**

The purpose of this policy is to provide guidelines regarding cash management for all non-appropriated funds at developmental centers to safeguard cash. Checks are considered to be cash. The developmental centers will incorporate these guidelines into their procedures.

II. General Requirements

A. All areas receiving cash/checks shall maintain a log of all monies received.

B. Cash kept in the Business Office of the developmental center shall be counted on a daily basis when the Business Office is open. The employee counting the cash cannot be the same person who posts the expenses. The counting of cash shall be done on a rotating basis with staff. Once the cash is counted, the amount, date, and signature of the person who counted the money shall be recorded on a log.

C. Cash and checks shall be kept in locked areas. In residential areas, only RCSs and QIDP shall have access to the safes. In the Business Office, all business office staff may have access to the locked area. Managers in areas responsible for handling cash are ultimately responsible for correct accounting of funds. If a combination safe is utilized, combinations should be changed upon separation or transfer out of personnel.

III. Receipt and Disbursement of Cash/Checks in the Business Office

A. Cash- A pre-numbered receipt shall be completed for all cash received in the Business Office. Cash shall be counted in front of the employee delivering the cash. Provisions shall be in place for return of funds when the Business Office is closed. The Business Office shall create a receipt with the original receipt given back to the employee delivering the cash and a copy of the receipt shall be kept in the business office with original cash withdrawal packet. The remaining copy of the receipt shall stay in the receipt book. Any resident cash received will be logged into individual resident sub accounts.

B. Checks- A pre-numbered receipt shall be completed for all checks received in the Business Office whether by mail or hand delivered. If hand delivered, the person delivering the check shall receive the original receipt. The receipt for checks received

in the mail shall be used for balancing. A copy of the front of the check shall remain with the prenumbered receipt. One receipt can be completed for the total amount of checks received on that day. A receipt per check is not necessary. All checks shall be immediately endorsed on the back of the check "For Deposit Only". Any checks received for residents will be logged into individual resident sub accounts.

C. Distributing Cash/Checks

1. When the Business Office distributes cash, the person receiving the cash shall count the money before receiving to verify the cash matches the amount the Business Office states they are giving them. At a minimum there shall be a verification of the request of the funds.
2. The residential staff shall maintain a log of all spending that occurs for the resident. Receipts for resident purchases shall be required unless the IPP for an individual states that receipts are not required for purchases made by that individual up to a certain dollar amount. See Ohio Administrative Code 5123-9-05 (F) (3).
3. At least monthly, the employee shall return all unspent cash to the Business Office along with the logs. The Business Office shall follow the requirements in paragraph III (A) regarding the receipt of cash.
4. The Business Office shall deposit cash/checks no less than once per week.

IV. Disbursements and receipts of an Individual's Personal Needs Account (PNA) in a Living Area.

- A. When the developmental center manages an Individual's PNA in the living area, it shall establish a system that ensures full and complete accounting for an individual's PNA including the requirements specified in paragraph II of this policy and the requirements outlined in Section 5123-9-05 of the Administrative Code.
- B. On a monthly basis, an employee from the Business Office shall randomly choose living areas and count the cash to see if the amount reconciles to what the balance should be.

V. Implementation

- A. Central Office Fiscal Division shall review the procedures developed by each developmental center and approve them and/or provide suggested changes.
- B. Central Office shall test the procedures at two developmental centers per quarter.

C. Each developmental center shall implement the provisions of this policy within thirty calendar days of the effective date of this policy.

D. This procedure supercedes all previous procedures and memoranda on this subject.

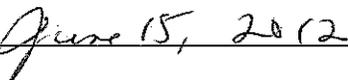
VI. Approval

This procedure is effective July 1, 2012.



Ann Rengert, Deputy Director

Division of Fiscal Administration



Date

OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES

POLICY AND PROCEDURE

Subject: Quickbooks Access

I. Purpose

The purpose of this policy is to provide guidelines regarding roles, security levels and access for the DC fiscal offices to help ensure separation of duties.

II. General Requirements

- A. The Operations Director or in absence of the Operations Director, the Superintendent, will approve fiscal access to Quickbooks.
- B. DODD IT shall act as the Quickbooks administrator and set up roles and access in Quickbooks.
- C. DCs shall set up access and roles based on the attached document. The roles are account clerk or equivalent, fiscal officer or equivalent, and operations director or equivalent.
- D. All account clerks at a DC may have the account clerk role in Quickbooks, but the Fiscal Officer or Operations Director shall periodically review the audit trail in Quickbooks as a compensating control.

III. Implementation

This procedure becomes effective immediately and supercedes all previous procedures and memoranda on this subject.

~~IV.~~ Approval

This procedure is effective immediately.



Ann Rengert, Deputy Director

Division of Fiscal Administration

June 15, 2012

Date

Developmental Center QuickBooks User Roles

Account Clerk Role Access

Accounting **Full Access**

- General Journal
- Equity Accounts
- Trial Balance

Banking **Full Access**

- Bank Accounts
- Checks
- Deposits

Vendors **Full Access**

Find All Transactions **Full Access**

Lists **Full Access**

- Chart of Accounts
- Customer/Vendor Profile

Reports **Full Access**

Vendors-A/P **Full Access**

- A/P Accounts
- Pay Bills

Fiscal Officer Role Access

Accounting **View Access**

- General Journal
- Equity Accounts
- Trial Balance
- Reconcile

Full Access

Banking **View Access**

- Bank Accounts
- Checks
- Deposits

Vendors **View Access**

Find All Transactions **View Access**

Lists

- Chart of Accounts
- Customer/Vendor Profile

View Access

Reports

Full Access

Vendors-A/P

- A/P Accounts
- Pay Bills

View Access

Operations Director Role Access

- **View Only Access to all Functions**

OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES

POLICY AND PROCEDURE

Subject: Segregation of Duties

I. Purpose

- A. The purpose of this policy is to provide guidelines regarding segregation of duties. Segregation of duties provides the following benefits:

It is one method of providing internal controls

It contributes to an organization's system of checks and balances

A deliberate fraud is difficult to detect because it requires collusion of two or more persons and

It is much more likely that innocent errors will be found.

- B. The basic principle underlying segregation of duties is that no employee should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. One individual should never be the only one able to handle all phases of a single transaction, for example, in a cash transaction, one person should not handle disbursing, recording, and reconciling. For example, the person could perform disbursing and recording, but not reconciling.
- C. Developmental centers shall identify the position responsible for each task in all policies and procedures.

II. Guidelines

- A. The attached chart shows how duties shall be segregated with an assumed staffing level of three Account clerks or equivalent, a Business Manager or equivalent, an Operations Director or equivalent, and a Superintendent.
- B. If a Developmental Center (DC) has two Account Clerks, then the hierarchy shall move down with the Business Manager acting as the third account clerk.
- C. When duties cannot be segregated in accordance with the matrix, compensating controls shall be considered. Compensating controls can be preventative or detective controls that are executed by an independent, supervisory-level employee who does not have responsibility for the particular process. Preventative controls prevent loss while detective controls detect a loss that has already occurred. An example of a

compensating control would be if someone prepares the bank reconciliations and prepares cash deposits then a supervisor would perform a review of cash receipt and cash disbursement entries in the general ledger. Central Office shall assist with implementing compensating controls and shall approve the use of compensating controls.

III. Matrix

- A. The attached matrix represents how duties shall be segregated.
- B. In boxes where there are Xs across the row (i.e. open/date stamp mail and cash drawer daily balance), the DC shall rotate which position performs the duty. For example, for cash drawer daily balancing, the first account clerk shall balance the first week and the second account clerk shall balance during the second week.
- C. For signature on checks, each DC shall have two primary signers, and minimum of two backup signers to sign checks when a primary signer is absent.
- D. If the DC uses different job (position) classifications, the DC shall change the classifications on the matrix to the ones it uses.

IV. Process

- A. The DC shall complete a matrix illustrating proper segregation of duties and submit it to the Fiscal Officer 3 in Central Office and the Deputy Director (DD) for Resident Resources for approval. Central Office and the DD for Resident Resources will approve the matrix or work with the developmental center to establish compensating controls.
- B. If an employee in the Developmental Center Business Office is off for an extended period of time, i.e. disability, the Operations Director shall submit changes to the matrix for review and approval to the Central Office Fiscal Officer 3 and the DD for Resident Resources.

V. Implementation

- A. Central Office shall review and evaluate the segregation of duties at all DCs twice a year.
- B. This procedure becomes effective immediately and supersedes all previous procedures and memoranda on this subject.

VI. Approval

This procedure is effective immediately.

Ann Rengert

Ann Rengert, Deputy Director

Division of Fiscal Administration

June 15, 2012

Date

Attachment: Segregation of Duties Matrix

Division Duties	Account Clerk #1	Account Clerk #2	Account Clerk #3	Business Manager/Fiscal Officer	Operations Director	Superintendent
OAKS PURCHASING						
Reviews Approves Facility Purchase Requests				X	X	
Creates Requisition in OAKS		X				
Approves Requisition in OAKS				X	X	
PETTY CASH						
Custodian-Receives Receipts-Prepares Check/Cash			X			
Co-Custodian-Receives Receipts-Prepares Check/Cash		X				
***Sign Check				X	X	X
Reconcile Receipts-Prepares Voucher for Replenishment in OAKS	X					
Prepare Bank Deposit*****		X				
**Counts Cash Box-Daily-Logs	X		X	X	X	
Monthly Bank Reconciliation	X			X		
I&E FUNDS						
Reviews Approves Facility Purchase Requests				X	X	
Custodian-Receives Receipts-Prepares Check/Cash	X					
Co-Custodian-Receives Receipts-		X				
***Sign Check				X	X	X
**Counts Cash Box-Daily-Logs	X	X	X	X	X	
Monthly Bank Reconciliation			X	X		

** Rotate Duties
 *** Two Signatures Required
 **** Moved from Revenue Accounts Receivable
 ***** Added to Matrix

Exhibit 26

DC FISCAL SEGREGATION OF DUTIES						
Division Duties	Account Clerk #1	Account Clerk #2	Account Clerk #3	Business Manager/Fiscal Officer	Operations Director	Superintendent
DAILY MAIL						
Open/Date Stamp Mail		X	X			
RESIDENT FUNDS						
CASH-Count-Verify Cash/Checks Received-Write Receipt ****		X				
Log in Quickbooks	X					
Cash Drawer Daily Balance **	X	X	X	X	X	
Prepare Weekly Bank Deposit *****	X					
Log Deposit in Quickbooks ****			X			
Calculate Sweep		X				
Prepare Sweep Check			X			
Prepare Resident PNA Cash			X			
Forward Check to Central Office ****		X				
Log Date Check Sent to Central Office in Excel ****		X				
Monthly Bank Reconciliation	X			X		
***Sign Check				X	X	X
OAKS ACCOUNTS PAYABLE						
Creates Voucher in OAKS	X					
Processes Payment Card Trans in OAKS	X		X			
Approves Voucher in OAKS				X	X	
Payment Card Holder-Business Office		X				

OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES

PROCEDURE

Subject: Monthly Sweeps

Number: FA-

I. Purpose

To establish requirements for Central Office's review of the monthly sweeps.

II. Process

- A. The DC Operations Director will electronically send a spreadsheet (see attachment) on the day the monthly sweep checks (one for earned income and one for unearned income) and pay-in forms are mailed to the Fiscal Officer 3 of Central Office Business Services. If the DC does not have an Operations Director, the Business Manager will send the spreadsheet. Sending the spreadsheet to the Fiscal Officer 3 indicates that the spreadsheet has been reviewed and approved by the Operations Director.
- B. The spreadsheet will contain a list of each resident currently at the DC, the amount of earned and unearned income the person received the previous month, the amount the resident retained the previous month, and the amount of the monthly sweeps. The Operations Director will also send verification of the earned and unearned income for each resident. After the first month, Central Office will only need to receive verifications with the spreadsheet if the earned and/or unearned income changes for a resident.
- C. The Fiscal Officer 3 in Central Office Business Services will verify the information by checking census data, income verifications, and the formula for calculating the sweeps. After the first month of the year, the Fiscal Officer 3 will also compare the current month's sweep spreadsheet with the previous month's spreadsheet for variations in dollar amounts that aren't explained through the income verification documentation.
- D. The Fiscal Officer 3 will communicate via email with the Operations Director with questions or if trying to determine if corrections need to be made to the spreadsheet. If it is determined that corrections are needed, the Fiscal Officer 3 will electronically return the spreadsheet to the Operations Director with an email explaining what needs to be corrected. If a new check(s) is needed, the Fiscal Officer 3 will write VOID on the existing check and return the check via mail to the Operations Director, and the Operations Director will send a new check(s) and pay in form.
- E. Once corrected, returned, and checked, the Fiscal Officer 3 will instruct the Central Office fiscal specialist to enter the deposits into OAKS and print the OAKS AR deposit forms. The

Fiscal Officer 3 will approve the deposits in OAKS. This approval indicates that the Fiscal Officer 3 reviewed and approved the spreadsheet.

- F. If no corrections are needed, the Fiscal Officer 3 will instruct the Central Office fiscal specialist to enter the deposits into OAKS. The Fiscal Officer 3 will approve the deposits in OAKS and print the OAKS AR deposit form. This approval indicates that the Fiscal Officer 3 reviewed and approved the spreadsheet.
- G. The Fiscal Officer 3 will take any unresolved issues to the Deputy Director of Fiscal Administration.
- H. After the Fiscal Officer 3 approves the deposits, the fiscal specialist 1 will hand deliver the OAKS AR printed deposit forms and checks to the Treasurer's Office, and will send a copy of the deposit ID to the Operations Director. The fiscal specialist 1 should deliver to the Treasurer the deposit form and checks on the same day if the Fiscal Officer 3 approves the deposits by 3:30 p.m.
- I. If the Fiscal Officer 3 does not approve deposits by 3:30 p.m. on the day the fiscal specialist 1 entered them into OAK, the Fiscal Officer 3 will place the checks and forms in the Central Office safe for processing the next day.

III. Implementation

This procedure becomes effective immediately and supercedes all previous procedures and memoranda on this subject.

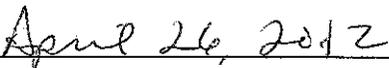
IV. Approval

This procedure is effective immediately.



Ann Rengert, Deputy Director

Division of Fiscal Administration



Date

Attachment: Sweep Spreadsheet