

5122-9-10 Management and control of internal funds.

- (A) The purpose of this rule shall be to establish policy for management and control of the internal funds at each Ohio department of mental health and addiction services regional psychiatric hospital (RPH) business office, to establish books and accounts for each fund in a standardized and uniform manner, and to install a system of internal controls which will ensure the safe guarding of assets.
- (B) The provisions of this rule shall be applicable to all RPHs . Further, the provisions of this rule shall apply to all internal funds now on hand or which may be established in the future at the RPH. Should any conflict arise between the provisions of this rule and the provisions of rules 5122-2-03, 5122-1-28, and 5122-1-29 of the Administrative Code, the provisions of the latter rules shall apply.
- (C) The following definitions shall apply to this rule in addition to or in place of those appearing in rule 5122-1-01 of the Administrative Code:
- (1) "Cash journal" means a printed form (DMH-FIS-053), usually bound in a post binder, suitable for maintaining a daily record of money received and spent, and a stated balance of assets. The use of any other form, paper or electronic must be approved by the office of fiscal administration and support.
 - (2) "Patients funds account" means that internal fund established under the authority of section 5119.56 of the Revised Code for the purpose of receiving, holding in trust, and disbursing for their benefit those monies in the possession of patients on admission to a regional psychiatric hospital or received for them during the course of their residence at a RPH. There are specific earmarked portions within this fund called patients' funds account, patients' representative payee account, commissary fund, and savings fund.
 - (3) "Commissary cash journal" means a printed form, usually bound in a post-binder, used for maintaining a daily record of money received and spent, the balance of assets, and special columns in which to detail the exact nature of receipts and disbursements, and the retail value of merchandise bought for resale.
 - (4) "Internal funds" means those funds that are maintained and controlled by the managing officers at the hospital. Such funds may include, but are not limited to the following:
 - (a) Patients' funds account, per section 5119.56 of the Revised Code;
 - (b) Commissary fund, per rule 5122-1-29 of the Administrative Code;
 - (c) General revenue fund, per Chapter 131. of the Revised Code;
 - (d) Industrial and entertainment fund, per rule 5122-1-28 of the Administrative Code;
 - (e) Petty cash fund; per division (A)(6) of section 126.21 of the Revised Code; and
 - (f) Any other fund which may be established.
 - (5) "Pre-numbered receipts" means a multiple part form used for recording a sum of money from an organization or individual for credit to a specific account to which the money will be deposited. The forms shall be sequentially pre-numbered, and shall have captions to describe from where the money came, the amount received in both alphabetic and numerical form, and the signature of an employee of the hospital who has been authorized by the managing officer to receive and deposit funds.
 - (6) "Rotary change fund" means a fixed sum of cash for the purpose of making small disbursements from any of the internal funds where cash is appropriate or required, and for tendering change to patrons in the conduct of the commissary sales activity. A change fund drawer or cash box must contain the total of the

fixed amount at all times, such total to be comprised of cash, paid invoices, or any combination of the two. The cash journal will be posted only when checks are drawn to replenish the change fund. All change funds or modifications must have the prior approval of the chief of fiscal administration.

(7) "Subsidiary ledger" means a special section of a cash journal by which to account for a portion of an internal fund that has been designated for a specific purpose, the balance of which must be included in the total assets of the fund.

(8) "Voucher" means a printed form used for each internal fund to identify the purpose and amount of a disbursement and provide an authorization for payment by the managing officer or his designee. It must be supported by an invoice or invoices and other related documents, such as patient roster, receiving reports, freight bill, etc., to assure accuracy, completeness, and validity.

(D) Procedure:

(1) Pre-numbered receipts shall be used as the source document to record all income into each internal fund.

(2) Cash withdrawal form "DMH-CA-001" shall be the source document to authorize all disbursements from the patients' fund account.

(3) Cash receipts shall be deposited intact on a timely basis into a bank checking account, but in no instance later than every Friday, allowing a minimum to remain on hospital grounds over a weekend. The deposit amount shall be posted in the checkbook from the certified amount listed on the bank deposit ticket.

(a) All monies accruing to a fund in excess of current needs should be invested in interest-bearing accounts. This does not apply to patients' fund account where savings may be established only in the name of individual patients. Savings accounts may be established in commissary funds only to the extent of anticipated or projected needs for repairs, remodeling, or replacement of equipment.

(b) A cash journal shall be established for each fund in which to record daily all receipts and disbursements. A special cash journal shall be established for commissaries. Subsidiary ledgers may be established within the cash journals of certain funds as necessary.

(c) All disbursements from internal funds shall be by check. Cash requirements shall be met through the use of a rotary change fund which is reimbursed by check. The bank signature cards shall be updated as needed and maintained in a current status.

(d) Disbursements from internal funds shall be controlled and documented by a voucher system. Disbursements made for supplies, clothing, or equipment must be supported by a receiving report prior to payment. Disbursements made for the entertainment of patients must be documented by a verified roster of the patients served.

(E) To the extent possible, there shall be a division of responsibility between the cash receiving and cash disbursing functions. These duties should be divided into two positions. The first will receive all income and deposit it intact into the appropriate account. The second will tender all cash pay outs and prepare checks. This separation should reduce the possibility of records being manipulated for personal gain.

(F) Daily procedures for maintaining funds:

(1) Post the total sum of cash receipts to the cash journal of each fund.

(2) Post all disbursements to the cash journal as checks are drawn.

(3) The patients' fund receipts and disbursements shall be posted on-line to the patient accounting system . At the conclusion of the business day, the daily posting journal and daily balance reports shall be printed and maintained in accordance with the department's retention schedule. The patients' fund daily reconciliation form shall be completed verifying liabilities (amount due patients) agree with the assets of the fund.

(G) Procedures to be completed monthly:

(1) Foot the receipts and disbursements columns of all cash journals, reconcile the amounts shown in the balance columns, and balance these sums to the total cash on hand and in the bank for each fund.

(2) When all funds have been balanced to the bank statement, a monthly report of cash book balances and bank reconciliations shall be forwarded to the internal audit group.