

POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Section:	Cash Management		
Policy: <input type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 2	Review Cycle: Biennial Author: Finance Council	Adopted Date: 11.22.2013 Review Date: 05.09.2023 Revision Eff. Date:	Related Policies: Financial Management

Purpose

To ensure the appropriate control of cash disbursements on behalf of Mid-State Health Network (MSHN).

Policy

It is the policy of MSHN that cash disbursements are made with good internal controls and in accordance with generally accepted accounting principles (GAAP).

- A. All disbursements of the Entity’s funds are made by check, electronic funds transfer, or purchasing card, and are recorded in such a manner as to clearly show to which budget category they are charged.
- B. The Entity disburses funds through either the accounts payable system, or electronic funds transfer.
- C. Checks issued through the accounts payable system shall be signed by the Chief Executive Officer and the Deputy Director. Signature plates or electronic signatures may be utilized.
- D. Electronic funds transfer (EFT) and checks are processed through the payables system.
- E. Purchasing Cards may be issued to permanent employees to be used for MSHN expenditures only.
- F. The purchasing card is the property of MSHN and shall not be used for personal purchases. Cards used for personal purchases, or any other misuse must be reported to the Chief Financial Officer and Deputy Director immediately.
 - 1. Restrictions by individual will be maintained by the Deputy Director limiting the dollar limit per cycle, dollar limit per transaction, number of transactions allowed per day, and number of transactions allowed per cycle.
 - 2. Purchasing card users shall be required to sign a Purchasing Card Holder Agreement (*see Exhibit A*) before obtaining card which in part states that “misuse or fraudulent use of the card may result in disciplinary actions and may be grounds for dismissal”.
 - 3. Financial Manager shall forward monthly purchasing card statements to purchaser’s Chief or Director in reporting line for review and sign off. Chief or Director should ensure supporting documentation is submitted by the purchaser prior to sign off.

Applies to:

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
- MSHN’s CMHSP Participants: Policy Only Policy and Procedure
- Other: Sub-contract Providers

Definitions:

EFT: Electronic Funds Transfer; the transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems

GAAP: Generally Accepted Accounting Principles; a collection of commonly followed accounting rules and standards for financial reporting

MSHN: Mid-State Health Network

Other Related Materials

Audit Procedure

References/Legal Authority

N/A

Change Log:

Date of Change	Description of Change	Responsible Party
11.2013	Policy Update	Chief Financial Officer
10.05.2015	Policy Update	Chief Financial Officer
03.20.2017	Policy Update	Chief Financial Officer
3.2018	Annual Review	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Policy Update	Chief Financial Officer

Exhibit A – Purchasing Card Holder Agreement:

**MID-STATE HEALTH NETWORK (MSHN)
PURCHASING CARD HOLDER AGREEMENT**

**Participating Employee
Acknowledgment of Responsibilities**

By participating in MSHN Purchasing Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Purchasing Card Program. These responsibilities include, but are not limited to, the following:

MSHN Purchasing Card is to be used for business expenditures only. MSHN Purchasing Card may not be used for personal purposes.

The Purchasing Card will be issued in the name of the employee. By accepting the Card, the employee assumes responsibility for the Card and will be responsible for all charges made with the Card. The Card is not transferable and may not be used by anyone other than the Cardholder.

MSHN Purchasing Card must be maintained with the highest level of security. If the Card is lost or stolen, or if the Cardholder suspects the Card of Account Number to have been compromised, the Cardholder agrees to immediately notify JP Morgan Chase at 1-800-316-6056, and the MSHN Chief Finance Officer.

All charges will be billed to and paid directly by MSHN. On a bi- monthly basis, the Cardholder will receive a statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While the Cardholder will not be responsible for making payments, the Cardholder will be responsible for the verification and reconciliation of all Account activity within **seven (7)** days of receiving the statement.

Cardholders' accounts may be subject to periodic internal control reviews and audits designed to protect the interests of MSHN. By accepting the Card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the Card to validate its existence and will be required to produce statements and receipts to verify appropriate use.

Parameters and procedures related to the Purchasing Card Program may be updated or changed at any time. MSHN will promptly notify all Cardholders of these changes. The Cardholder agrees to and will be responsible for the execution of and compliance with any program changes.

The Cardholder agrees to surrender and cease use of their Card upon termination of employment whether for retirement, voluntary separation, lay off, resignation, or dismissal. In the event of transfer within MSHN, the card may be canceled or modified to reflect that change. The Cardholder may also be asked to surrender the Card at any time deemed necessary by management.

MSHN reserves the sole and absolute discretion to deny the issuance of a Purchasing Card to any employee.

Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document. I certify that, as a participating Cardholder of MSHN, I understand and assume the responsibilities listed above.

Employee signature

Title

Name (Print)

Date