


**LAPEER COUNTY COMMUNITY MENTAL HEALTH**

**Date Issued 10/03/2007**

**Date Revised 03/20/12; 12/14/12; 02/04/19; 02/04/22**

<b>CHAPTER</b> Fiscal Management	<b>CHAPTER</b> 06	<b>SECTION</b> 002	<b>SUBJECT</b> 50
<b>SECTION</b> Accounting		<b>DESCRIPTION</b> Accounts Payable Processing	
<b>WRITTEN BY</b> Michael K. Vizena, M.B.A. Executive Director	<b>REVISED BY</b> Sandy Koyl, BHSA IT, Billing, and Data Management Supervisor	<b>AUTHORIZED BY</b>  Lauren Emmons, ACSW CEO	

**APPLICATION:**

<input checked="" type="checkbox"/> CMH Staff	<input checked="" 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 checked="" type="checkbox"/> Students	<input checked="" type="checkbox"/> Interns
<input checked="" type="checkbox"/> Volunteers	<input type="checkbox"/> Persons Served		

**POLICY:**

In order to assure proper payments are made for services provided to Lapeer County Community Mental Health, the following guidelines for payment and filing of all accounts payable will be used.

**STANDARDS:**

1. No vendor will be paid without receipt of an original invoice, which has been approved by the appropriate supervisory staff person.
2. Invoices submitted for payment will comply with federal and state regulations, including, but not limited to Health Insurance Portability and Accountability Act (HIPAA) and Michigan Mental Health Code requirements. Invoices and supporting documentation will assure confidentiality of persons served.
3. Accounting staff will review all invoices and requests for payment to assure payments are consistent with contract agreements, charged to the appropriate cost centers, and properly calculated.

CHAPTER Fiscal Management	CHAPTER 06	SECTION 002	SUBJECT 50
SECTION Accounting		DESCRIPTION Accounts Payable Processing	

4. The Financial Officer (or designee) reviews invoices to ensure all accounts are correct.
5. The Chief Executive Officer (CEO) or designee will review and authorize all invoice payment requests. The CEO or designee signature is required for processing invoice payments.

**PROCEDURES:**

Accounts Payable staff will prepare for bi-weekly payment of invoices as follows:

1. Following the bi-weekly audit schedule, preauthorized / prepaid bills, (e.g. contracted specialized residential homes, utility bills, residential leases, etc.) should be pulled from their designated files for payment processing.
2. All invoices reviewed / approved by the supervisor are entered into the finance accounting software daily.
3. A face sheet is prepared and printed for each service provider.
4. All prepared bills are kept in a portfolio folder.
5. Vouchers are reviewed by the designated fiscal staff person to assure accuracy and compliance with agency confidentiality policies.
6. Vouchers are presented to the CEO or designee in alphabetical order to be reviewed and signed.

After the CEO or designee's signature, Accounts Payable staff will complete the following steps:

1. All vouchers are scanned into finance documentation software.
2. When remittance advice is needed, a copy of the invoice is put in a stamped envelope and sent to county finance department. The remittance advice will be mailed with the check when processed.
3. A vendor summary report is attached to the original vouchers, and is taken to the County Finance Department to be filed with the County.

CHAPTER Fiscal Management	CHAPTER 06	SECTION 002	SUBJECT 50
SECTION Accounting		DESCRIPTION Accounts Payable Processing	

4. An unpaid invoice report is given to the designated fiscal staff.
5. Checks are prepared by the County Finance Department and mailed from the County building.
6. When the check register is returned from the County Finance Department, CMH checks are balanced with the County's check register.
7. Check numbers and check dates are entered into the finance documentation software and the finance accounting software.
8. Check numbers and check dates are entered into the electronic medical record for invoices paid to contract providers for service delivery.
9. The check register resides in the County General Ledger. Reports are generated to assure that all checks are posted correctly.
10. The payables report and check register are held until the report for the Board is completed.
11. After the Board Expenditure Report is prepared, the check register and payables report is scanned into the finance documentation software.
12. The Board Expenditure Report is submitted as an agenda item for the next meeting of the CMH Board of Directors for the review and approval of the listed expenditures.

SK:mgr

-----  
This policy supersedes  
#10/07018 dated 10/03/2007.  
-----