

HCPF County Administration 2025 Proposed Rule Revisions

Partner Relations and Administration Division



COLORADO
Department of Health Care
Policy & Financing



Our Mission:

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



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Agenda

- Review of Guiding Principles
- Where we are in the process
- County Request: 1.010.4(7) - Budgetary Responsibility, section (b) Annual Budgets and (d) Quarterly Budget Reports.
- Review of redlines and County feedback
- Discussion on Business Process Standards definition
- Next Steps

Purpose of Meeting

The purpose of this meeting is to give HCPF and county partners an opportunity to have a working session on each section of the proposed 2025 county administration rules

Because of open meeting laws, any member of the public can participate. However, members of the public will only be allowed to provide comment during the public comment period of the meeting.

We also have additional meetings scheduled for providers, advocates and the general Public



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Guiding Principles

1. Improving Member Experience
2. Addressing federal non-compliance
3. Incorporating lessons learned from the Public Health Emergency (PHE) and PHE Unwind
4. Modernizing fiscal rules
5. Improving state compliance and oversight
Streamlining administrative requirements and processes and incorporating subregulatory guidance



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County Important Dates

Goal: July 1, 2025 Effective Date

Fall 2024

- County fiscal rule committee

January 2025

- Bi-weekly walk throughs with counties on program and fiscal rules

March

- File Rulemaking Notice

May 2025

- Adopt Rules

December 2024

- 12/10 Rule overview
- Begin collecting written rule comments

February 2025

- Continue rule walk throughs
- Advocate, Provider, & Public meetings

April

- April 30th Hearing Date

July

- Rules effective



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County Request: 1.010.4(7) - Budgetary Responsibility (Page 13)

b. Annual Budgets

The County Department Director shall be responsible for estimating future needs of the County Department as accurately as possible, utilizing all available data, including economic and census forecasts. The estimates are to be supported by documentation and a narrative supporting the budget. The budget shall estimate revenues from all sources based on the most current information. County Department revenue shall be sufficient to maintain an appropriate surplus from year to year. The County Department Director is responsible for initiating requests to County Board for changes in the County Department.

~~c. Distribution of the Budget~~

~~The County Department Director shall submit the original budget request to the County Board and as many copies as it may need. A copy of the approved final budget shall be submitted to the State Department, Audits Section, Denver CO 80203-1818 or HCPF_Audit@state.co.us no later than February 15 of each year. The budget shall be submitted to the board of county commissioners no later than October 15 of each year.~~

County Request: 1.010.4(7) - Budgetary Responsibility (Page 13)

ed. Quarterly Budget Reports to Commissioners

The County Department Director, or designee shall be responsible for timely submitting quarterly reports to the Board of County Commissioners Commissioners concerning:

- i). A budget report containing a comparison of calendar year-to-date expenditures to calendar year-to-date county appropriations,
- ii). A budget report containing a comparison of calendar year-to-date earned revenues to calendar year-to-date county estimated revenues,
- iii). A budget report containing a comparison of State fiscal year-to-date expenditures to State fiscal year-to-date allocations from the State Department, and
- iv). Interim Balance Sheet and Statement of Net Assets.

fe. Budget Revisions

The County Department Director shall be responsible for initiating requests to the County Board for changes in the County Department budget.

1.010.7. General Ledger (Page 14)

1. Double-Entry General Ledger

Each county social/human services fund shall maintain a double-entry general ledger system that is the basis for the accounting system and for financial reporting. The general ledger shall be the location in which all of the active accounts are collected.

2. General Ledger in Balance

The general ledger shall be in balance at all times, with aggregate debits equaling aggregate credits.

3. Experienced Staff to Maintain and Utilize the County Department Accounting System

Only county staff experienced in bookkeeping and accounting shall maintain and utilize the County Department accounting system for the county social/human services fund.

4. Subsidiary Journals

Subsidiary journals shall be maintained to support the general ledger. The supporting journals at a minimum shall be the general journal, cash receipts journal, cash disbursements journal, earned revenue journal, electronic benefits authorized journal, and an accounts receivable journal. In an automated accounting system these journals may consist of a distinct code for each type of journal:

1.010.7. General Ledger (Page 15)

a. Accounts Receivable Journal

~~Colorado Department of Human Services – The County Financial management System(CFMSSM)~~ automated accounts receivable ~~system~~ ~~ssystems~~ may be used as a subsidiary journal but only if ~~appropriate~~appropriate fiscal internal controls are in place at the county level for the operation and ~~maintenance~~utilization of these systems.

b. Cash Disbursement Journal

The warrants issued by the County Department shall be recorded in the cash disbursement journal in a manner that distinctions shall be shown for administration, specific programs, and those warrant issues which are returns or refunds or other accounts payable transactions.

1.010.7. General Ledger (Page 15)

5. Postings Are to Be Current

The accounting system shall be kept current. Each month's transactions shall be recorded to the general ledger as soon as possible after all information is received concerning receipts, expenditures, disbursements, electronic benefit authorizations, actual revenue, **and estimated revenue**, for a month.

6. Budgetary Accounts

The budget amounts for each calendar year shall be entered in the county general ledger or budget system used by the county. The amounts noted shall reflect the final budget as approved by the **B**oard of **C**ounty **C**ommissioners or other governing body with authority to approve the budget. If the budget is subsequently revised, the amounts by program shall be posted to the appropriation and estimated revenue accounts.

1.010.8. Financial Statement Reporting (Page 15)

1.010.8. Financial Statement Reporting

1. Prepare in Accordance with Generally Accepted Governmental Accounting Principles (GAAP)
issued by the Governmental Accounting Standard Board (GASB)

Financial statements shall be prepared in accordance with generally accepted **governmental** accounting principles for government entities.

2. Reflect All Financial Activities

Financial statements shall reflect all of the financial activities of the County Department.

3. Additional Financial Reports

Additional reports to fully disclose the operations of the County Department shall be tailored to meet the County Department's needs and enhance the ability to make timely and accurate decisions. Reports shall include but are not limited to such items as: comparison of budget to actual for programs or organizational units; efficiencies and economies in operations; and the results of specific programs and activities, as reflected in accomplishments, benefits, and effectiveness; and compliance with grant requirements and administrative policies.

1.010.9. Accounting and Fiscal Internal Controls (Page 15)

1. Personnel Responsible for Internal Accounting and ~~Fiscal~~Administrative Controls

The County Board, the County Department Director, County Department managers and supervisors, and employees are all responsible for the ~~fiscal~~ internal accounting and ~~administrative~~ control processes within and surrounding the County Department.

a. Signature Authority

The County Department shall identify those persons authorized to sign or approve specific documents for another person. The County Department Director shall approve of such listings that shall contain the name(s) and of those persons delegated signature authority.

b. Adequate and Appropriate Personnel

There shall be personnel of quality, integrity, and experience commensurate with their assigned responsibilities.

c. Access to Assets

There shall be restrictions permitting access to assets only by authorized persons in the performance of their assigned duties.

1.010.9. Accounting and Fiscal Internal Controls (Page 16)

2. Written Plan of Accounting and Fiscal Controls and Administrative Controls

A written plan of accounting controls and administrativefiscal internal controls shall be on file at the County Department. This plan shall reflect the current operations of the County Department and shall provide for but not be limited to the following:

a. Accounting and Administrative-Fiscal Internal Controls Procedures

There shall be adequate authorization and procedures to provide effective accounting control over assets, liabilities, revenues, and expenditures.

b. Continuous Review of the Plan of Internal Accounting and AdministrativeFiscal Internal Controls Plan.-Controls

There shall be an effective process of internal review and adjustment for changes in operating conditions.

c. Purchasing or Procurement Cards (P-Cards)

The County Department Director is responsible for establishing and maintaining written department-specific Pp-Card-card program policies and procedures that include, but are not limited to, purchasing approvals, accounting controls, cardholder compliance and training for employees participating in the -Pp-Card-card program.

1.010.9. Accounting and Fiscal Internal Controls (Page 16)

3. Separation of Duties

There shall be fiscal internal control procedures that include the appropriate separation of duties such as, but not limited to the following:

a. Separation of Duties for the Receipt and Recording of Cash

The same employee shall not receive cash, record the receipt, deposit the funds, and make journal and/or ledger entries for cash.

b. Separation of Duties for the Receipt of Negotiable Items and the Control of Negotiable Items

The same employee shall not receive negotiable items, dispense these items and control the repository and the inventory of them.

c. Separation of Duties, Ordering and Paying for Goods and Services

The same employee shall not order, receive, and process payment for goods and/or services. Orders for goods and/or services are to be approved in writing by the County Department Director or the director's designee prior to placing such orders. There shall be written approval from the County Department Director or the director's designee prior to payment being made for goods and services received.

1.010.9. Accounting and Fiscal Internal Controls (Page 17)

4. Effectiveness and Efficiency of Operations

There shall be an appropriate balance between accounting controls and administrative/fiscal internal controls, and the effectiveness and efficiency of operations.

5. Reliable Financial Reporting

 There shall be systems in place for the accurate and timely compilation of financial reports.

6. Compliance with Applicable Laws and Regulations

There shall be a review process to ensure compliance with the many and varied laws, rules and regulations that are included with the administration of federal grants.

7. Official Receipts

a. Consecutively Numbered Receipt Book

County Departments shall maintain manual or automated receipt books with receipts numbered consecutively. Manual receipt books shall be pre-numbered.

b. Mail Listing of All Negotiable Items

There shall be a listing at the point the mail is opened for all negotiable receipts/items. This mail listing shall be prepared by the person opening the mail and by someone other than the bookkeeper/accountant.

c. Restrictively Endorsed Negotiable Items

Each County Department shall have a restrictive endorsement stamp and each negotiable item shall be immediately stamped with a restrictive endorsement at the point the mail is opened.

d. Separation of Duties for Mail List Preparation and Receipt Writing

The preparation of the mail and the writing of receipts, whether automated or manual shall be performed by different people. If possible, the monies shall be sent to another person for preparation of the deposit.

1.010.9. Accounting and Fiscal Internal Controls (Page 18)

1.010.10. ~~Bid System~~

1. ~~Threshold for Utilizing a Bid System~~

~~A County Department that purchases at one time, supplies, equipment, personal property, or personal services in excess of \$25,000.00 shall use a formal advertising and bidding process to provide, to the maximum extent practicable, open and free competition. If a County Department is unable to use this process, written justification shall be available from the County Department giving the facts related to the purchase and the inability to advertise and seek bids.~~

~~a. Groups of Items Totaling \$25,000 or More~~

~~Purchases, including a group of items or services from one vendor, at one time, that equals or exceeds \$25,000.00 are defined as a purchase of one item or service.~~

29. Reconciliation of County Information with Statewide Financial Automated Systems

a. The county reimbursement or billing will be based on the information that is transmitted by these county statewide- automated tracking systems to the CFM ~~Solorado Department of Human Services financial reporting system~~. The County Departments shall reconcile their own information with the expenditures, reimbursements, and billing information documented in the statewide automated tracking systems and the State financial reporting system.

1.010.9. Accounting and Fiscal Internal Controls

(Page 19)

c. Reporting of Refunds

All refunds collected for previously reimbursed expenditures shall be reported in the ~~CFMS County Financial Management System~~. This reporting shall follow the procedures of the statewide automated tracking systems and/or the financial reporting systems.

d. Over-collections

If the County Department collects more money from a payer than the amount established as due, a County Department warrant shall be issued to the payer to repay this over-collection within 10 business days of determining the over-collection.

1.010.10. Balance Sheet Accounts (Page 20)

2. Cash, Warrants and Electronic Benefits Authorized

a. Cash Reconciliation(s)

~~i.)~~ Performed within 30 Days

All cash accounts are to be reconciled each month~~ly~~ within 30 days of the ~~the following monthend of each month.~~

~~ii.)~~ ~~Send Reconciliation to the State Department~~

~~A copy of the December 31 cash reconciliation(s) report shall be submitted to the State Department, Audits Department, 1570 Grant Street, Denver, CO 80203-1818 or submitted electronically to HCPF_Audit@state.co.us by March 1 of each year.~~

~~iii.)~~ Warrants Redeemed List

A redeemed warrant listing(s) shall be retained or alternative procedures should be in place to reconcile the cash balance of the social/human services fund. The reconciliation of the fund shall be based on warrants written and warrants

1.010.11. Accounts Receivable (Page 23)

1.010.1311. Accounts Receivable

1. ~~Conflict with Accounts Receivable Program Rules~~

~~If the accounts receivable rules of a program are in conflict with these financial rules, the program rules on accounts receivable shall be followed instead of this section 1.010.7.G.~~

2. Establish Accounts Receivable

The County Department shall establish recoveries due from ~~members~~, providers, vendors, and employees for all program and administrative areas in a manner consistent with program rules.

3. Interest Payment on Delinquent Accounts Receivables

a. Statutory Interest

If permitted by program rules, a delinquent receivable not already assigned an interest rate may be assessed interest at the statutory rate as set by § 5-12-102, C.R.S.

b. Interest Begins on Forty-Sixth Day after Notice

If no time for payment has been provided for in writing and interest is assessed, interest on the unpaid balance shall be calculated beginning with the forty-sixth day after the notice has been given that the receivable is due and payable.

c. Interest Stated Separately

Interest liability incurred shall be presented on each billing statement as a separate amount from the original amount due.

1.010.11. Accounts Receivable (Page 24)

~~6. Assignment of Member Benefits~~

~~No assistance payments made to an eligible recipient shall be transferable or assignable at law or in equity, and none of the money paid or payable under these rules shall be subject to execution, levy, attachment, garnishment, or other legal process or to the operation of any bankruptcy or insolvency law.~~

76. Accounts Receivable Recorded in the General Ledger

The total amount of recoveries due shall be recorded in the county's general ledger accounting system. The account will be adjusted at a minimum each quarter, reflecting additional amounts due and collections received.

87. Accounts Receivable, Subsidiary Journal

The county shall maintain detailed subsidiary journals and the total of the subsidiary journals must equal the amount(s) recorded in the general ledger accounting system for accounts receivable.

1.010.12. Fixed Assets (Page 24)

1. ~~County Responsibility~~

~~Each County Department shall be responsible for ensuring that all capitalized equipment is properly accounted for when acquired, annually inventoried, safeguarded throughout its useful life, and properly accounted for at the time of disposal.~~

2. Inventory

The County Department shall be responsible for an annual inventory of property, both real and personal, belonging to the County Department. An inventory shall be required only with respect to items of property having an original cost that equals or exceeds \$510,000.00. For control purposes a County Department may establish an amount less than \$510,000.00.

3. ~~2~~ Property Records

Each County Department shall maintain detailed property records disclosing the:

- a. Date acquired,
- b. Cost of the fixed asset or value at the time of donation,
- c. Specific program fund or cost pool used to acquire the fixed asset,

1.010.12. Fixed Assets (Page 25)

3. Useful Life, Use and Disposal

a. Useful Life

The fixed asset acquired must be used by, and in, the County Department for the useful life of the asset. Useful life will be the same as defined by the Internal Revenue Service for straight-line depreciation for that ~~asset class of asset as discussed in the Internal Revenue Manual 1.35.6, Property and Equipment Accounting (2019), which is hereby incorporated by reference.~~

b. Use for the County Department

~~If the fixed asset is removed from t~~The County Department must use the fixed asset for the program for which it was acquired and for as long as needed. The County Department must not encumber the fixed asset without prior approval of the State Department, the County Department, sold or traded before the useful life is exhausted, the prorated cost of the remaining useful life is to be refunded to the original funding source for the asset.

c. Discontinuance of Program

~~If fixed assets were purchased for a program that has been discontinued, the assets may continue to be used for the benefit of the other federally funded programs that are administered by the County Department~~ must follow disposition instructions from the State Department and the State Department will advise the County on where the credit should be posted. If the State Department fails to provide requested disposition instructions within 120 days, fixed assets with a current fair value in excess of \$10,000 per unit may be retained or sold by the County Department.

d. ~~Credit to the Original Funding Source~~

~~Upon fixed asset disposal, the trade-in value or scrap value is to be reported as a credit to the original funding source of the asset.~~

1.010.12. Fixed Assets (Page 26)

87. Capital Lease of Fixed Assets

Costs under leases, ~~which are required to be treated as capital leases under generally accepted governmental accounting principles,~~ are allowable only up to the amount that would be allowed had the county purchased the fixed asset on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance.

HCPF Written Comment Reviews

For every written comment received, HCPF will document what actions were taken or not taken within the written comment tracker and on what date. These actions are:

- **Approved** - HCPF accepted the suggested edits/revisions
- **Partial Approval** - HCPF accepted a portion of the edits/revisions, with reason for partial approval
- **Rejected** - HCPF rejected the suggested edits/revisions, with reason for rejection
- **Partial Rejected** - HCPF rejected a portion of the edits/revisions, with reason for partial rejection
- **Pending HCPF Leadership Review** - The suggested edits/revisions require review and approval by HCPF Leadership
- **Pending Federal Clarification** - The suggested edits/revisions require federal clarification and are pending until clarification is received
- **Pending State Clarification** - The suggested edits/revisions require state clarification and are pending until clarification is received



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County Written Comments on Rules Covered Today

None Received, but comment period still open
through 4/15



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Questions?



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Next Meeting

- Policy Rules
 - **MONDAY**, February 10th, 1:00-3:00 pm
 - 1.020.7 Non-Discrimination
 - 1.020.8 Civil Rights Procedures
 - 1.020.9 Customer Service
 - 1.020.10 Communications
- Fiscal Rules
 - Wednesday, February 12th, 9:00-11:00 am
 - 1.010.13. Revenue
 - 1.010.14 Expenditures And Allowable Costs
 - 1.010.15. Procurement
 - 1.010.16. Contracts
 - 1.010.17. Travel
 - 1.010.18. Office Space



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Public Comments



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Contact Information

Partner Relations and Administration Division

HCPF_CountyRelations@state.co.us

[County Relations Webform](#)

[County Administration Webpage](#)

[County Administration Rulemaking Webpage](#)



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