

County Fiscal Ruleset^{CTO} Revision

Presented by: Christine Torres

Slide 1

CTO [@Sahagun, Kristina] [@Green, Spencer] Kristina, will you be available on Friday, Sept 27 from 9:00-10:30 to start the recording and advance the slides?

Torres, Christine, 2024-09-26T01:22:31.591

O O [@Torres, Christine], yes, I will.

Sahagun, Kristina, 2024-09-26T14:54:49.933

Meeting Expectations

- Meeting Space
 - Zoom meeting - you have full control of your mic and video, please stay muted when not speaking.
- Questions:
 - Use Chat function for comments & questions in Zoom or raise hand during the presentation.

Today's Agenda

- Meeting Purpose
- Goals
- Review Rulemaking Schedule
- Review the Fiscal rules 1.010.9-.13
- Public Comment

HDO

Slide 3

HDO [[@Torres, Christine](#)] we should add public comment to every rulemaking meeting
Henry, Danielle, 2024-09-11T20:30:07.520

Meeting Purpose

Review the HPCF Executive Director County fiscal rules and ensure a robust stakeholder process that will provide Counties several opportunities to engage, including repurposing some of the monthly director calls to focus on rules

Goals

Our goals for County fiscal rulemaking are:

- **Modernize County fiscal rules**
- **Align with other state agencies**
- **Reduce/streamline County workload/administrative processes**

Rulemaking Schedule CTCT1

Fall 2024

- County Fiscal Rule Committee
- October County Director Monthly Call

December 2024

- File Rule Notice
- Notice published in the register

February 2025

- Adopt Rules

April 1, 2025

- Rules effective

November 2024

- Stakeholder Meetings
 - Advocate
 - County
 - Providers/Hospitals

January 2025

- Release Final Redlines
- Rule Hearing

March 2025

- Notice Published in Register

Slide 6

CT0 [@Henry, Danielle]

Torres, Christine, 2024-09-12T16:17:02.801

CT1 [@Green, Spencer] Danielle provided a walk-through for the rulemaking schedule. Will you get with Danielle to get her script or listen to the 9/16/24 recording in the County Rulemaking folder:

https://drive.google.com/drive/folders/110wQOlxBgBYKN1zNwOkXGHHVNzzBB7w-?usp=drive_link

Torres, Christine, 2024-09-26T00:26:35.921

Internal Control

1.010.9

1. Personnel Responsible for Internal Accounting and Administrative Controls--The County Board, the County Department Director, County Department managers and supervisors, and employees are all responsible for the 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.

Internal Control

1.010.9

2. Written Plan of Accounting Controls and Administrative Controls--A written plan of accounting controls and administrative 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 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 Administrative 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 P-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 P-Card program.

Internal Control

1.010.9

3. Separation of Duties--There shall be 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.

Internal Control

1.010.9

4. Effectiveness and Efficiency of Operations--There shall be an appropriate balance between accounting controls and administrative 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.

Internal Control

1.010.9

7. Official Receipts

- b. Mail Listing of All Negotiable Items--There shall be a listing at the point the mail is opened for all negotiable receipts. 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.

Internal Control

1.010.9

9. Deposit of All Cash--All cash or negotiable items made payable to the County Department shall be deposited directly into the social/human services fund.
 - a. Daily Deposit of All Cash Totaling \$500 or More--Monies shall be deposited daily unless the total amount received is less than \$500.00. Once the cumulative amount of monies received equals \$500 or more, it shall be deposited no later than the next business day. Sufficient security shall be provided to secure cash and negotiable items against theft or loss.
 - b. Cash Receipts Shall Equal Cash Deposits--The cash receipt total shall be the same as the amount deposited.
 - c. Reconcile the Mail List to the Receipts to the Deposits--At least at the end of each month, the mail listing and the listing of receipts shall be reconciled with the amount deposited and any differences shall be noted and reconciled.

Internal Control

1.010.9

9. Deposit of All Cash--All cash or negotiable items made payable to the County Department shall be deposited directly into the social/human services fund.
 - d. Identification of Cash Receipts--At a minimum, cash receipts shall include information to distinguish Colorado Department of Health Care Policy and Financing remittances, county revenues, plus receipts from individuals, vendors, and other sources.
 - e. Maintain a Cash Receipts Journal--The county shall record the monies received for deposit into the social/human services fund on a cash receipts journal. The cash receipts journal shall record the receipt transactions for a calendar month.

Internal Control

1.010.9

9. Deposit of All Cash--All cash or negotiable items made payable to the County Department shall be deposited directly into the social/human services fund.
 - f. Receipt of Negotiable Items Not Made Payable to the County Department--If the county must accept negotiable items made payable to others, the county shall initiate a procedure to record the county receipt of the negotiable item, the amount of the negotiable item, the sender, the payee, the reason the transaction must be handled in this way, and the date the negotiable item was forwarded to the payee. All available methods to eliminate or minimize these transactions shall be undertaken by the county.

Bid System

1.010.10

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.

Bid System

1.010.10

2. Reconciliation of County Information with Statewide Financial Automated Systems--The county reimbursement or billing will be based on the information that is transmitted by these statewide-automated tracking systems to the Colorado 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.

Bid System

1.010.10

3. Correct Coding of Information--The county shall correctly code all information reported to the Colorado Department of Human Services and the Department of Health Care Policy and Financing. These codes determine whether the expenditure falls within budgetary allocations, disregards budgetary maximums or is a special project.
 - a. Reimbursable and Non-Reimbursable Costs--Some costs have a reimbursable portion and a non-reimbursable portion. The county shall split and appropriately code these costs for reporting in the County Financial Management System.

Bid System

1.010.10

4. Reporting of Refunds--All refunds collected for previously reimbursed expenditures shall be reported in the County Financial Management System. This reporting shall follow the procedures of the statewide automated tracking systems and/or the financial reporting systems
5. 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.

Balance Sheet Accounts

1.010.11

1. Social/Human Services Fund--A fund to be known as the social/human services fund shall be established and maintained in each of the counties of the State of Colorado.
 - a. Separate from Other Funds--The social/human services fund in each county shall be accounted for separately from any other funds in the county so that the cash balance in the social/human services fund can be determined at all times.
 - b. Special Revenue Fund--The social/human services fund shall be maintained as a special revenue fund and used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Balance Sheet Accounts

1.010.11

1. Social/Human Services Fund--A fund to be known as the social/human services fund shall be established and maintained in each of the counties of the State of Colorado.
 - c. Includes All Medical Assistance--The social/human services fund shall include all money appropriated by the board of county commissioners for Medical Assistance administration and related purposes.
 - d. Includes All Colorado Department of Health Care Policy and Financing and Federal Funds--The social/human services fund shall include all money allotted, allocated, or apportioned to the county by the State Department. These funds are granted by the State of Colorado and by the federal government for Medical Assistance administration and related purposes and paid to the county by the State Department.

Balance Sheet Accounts

1.010.11

1. Social/Human Services Fund--A fund to be known as the social/human services fund shall be established and maintained in each of the counties of the State of Colorado.
 - e. Composition of the Social/Human Services Fund--The fund consists of:
 - i. Assets,
 - ii. Liabilities,
 - iii. Approved budget,
 - iv. and Fund balance (surplus or deficit of local revenues, both current and prior year).
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 within 30 days of the end of each month.

Balance Sheet Accounts

1.010.11

2. Cash, Warrants and Electronic Benefits Authorized

a. Cash Reconciliation(s)

- 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 802031818 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 outstanding along with other reconciling items to agree the book balance of the cash in the account with the actual cash balance of the social/human services fund.

Balance Sheet Accounts

1.010.11

2. Cash, Warrants and Electronic Benefits Authorized

- c. Warrant Redemption Period of 180 Days--Each warrant drawn on and issued from the social/human services fund shall bear a notation clearly printed in a prominent position upon its face, stating that the warrant is void after a predetermined number of days, for example: “Void after 180 days from issue date.”
 - i. Exception to Rule--County Departments shall not have the option of using a time period longer than 180 days for canceling warrants but may use a shorter period of time for cancellation of the warrants.
 - ii. Canceling Warrants--Any warrants outstanding after the specified time period shall be canceled in accordance with the county internal control procedures or by resolution of the County Board at their next County Board meeting with the stipulation that should such warrant be presented for payment, a new warrant shall be issued.

Balance Sheet Accounts

1.010.11

2. Cash, Warrants and Electronic Benefits Authorized

- c. Warrant Redemption Period of 180 Days--Each warrant drawn on and issued from the social/human services fund shall bear a notation clearly printed in a prominent position upon its face, stating that the warrant is void after a predetermined number of days, for example: “Void after 180 days from issue date.”
 - iii. Stale Dated Warrants--A stop-payment order will be issued to the County Treasurer or county redemption entity at the time the warrant cancellation resolution is passed.

Balance Sheet Accounts

1.010.11

2. Cash, Warrants and Electronic Benefits Authorized

d. Forged Warrants

- i. County Procedure--Disposition of the forged warrant shall follow whatever steps are available at the county level to recover the amount of the forged warrant.
- ii. Non-Reimbursable--The expenditure as a result of a forged warrant is non-reimbursable. If the amount is collected (from the forger or through return through the banking system) the refund is not reported through the County Financial Management System.

Trust Accounts

1.010.12

1. Responsibility--All trust accounts arising from the State Department programs shall bear the name and the title of the County Department Director as trustee for the recipient. Withdrawals from savings, checking or investment accounts shall require two signatures, neither of which can be the caseworker or the bookkeeper. They may be the business office supervisor and director or director designee, or the caseworker supervisor and director or director designee. Shortages in trust accounts are the responsibility of the County Department.
2. Trust Accounts Usage
 - a. Deposits--All trust account funds shall initially be deposited with the County Treasurer with the understanding that it is to be deposited where it can draw interest.

Trust Accounts

1.010.12

2. Trust Accounts Usage

- b. Document Security--All savings account passbooks, blank checks, checkbooks, bonds, all other securities and any other documentation that could provide access to a trust account shall be kept in a secure place.
- c. Checking Accounts--When a member has monthly needs, the trust account funds may be held in a checking account. When it is determined that the checking account contains more than is reasonably needed for the current month's needs, the excess shall be deposited in an interest bearing account.
- d. Documentation--Documentation must exist for all transactions of the trust account(s). Withdrawals from trust accounts shall be documented by use of a disbursement request form developed by the County Department.

Trust Accounts

1.010.12

2. Trust Accounts Usage

- e. Termination--Termination of trust accounts shall be documented on a notice to terminate trust account form. The form shall be prepared by a caseworker/technician indicating the fact that all payments are to cease on a given date and indicating the disposition of the funds.
- f. Reconciliations--All trust accounts shall be reconciled each month and the business office shall prepare a monthly trust account status report 10 working days after the close of the month's business. If all activity is limited to saving account interest earnings, quarterly status reports are acceptable.
- g. Commingling--Multiple trust accounts may be held in one account. The monthly reconciliation shall indicate that the adjusted bank balance will cover the positive balances of all the individual trust accounts.

Trust Accounts

1.010.12

3. Trust Accounts Recorded in the General Ledger--Trust account deposits, withdrawals, and balances shall be recorded in a general ledger account(s). The general ledger account(s) shall, at a minimum, be updated at the conclusion of each month's business.

Accounts Receivable

1.010.13

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.

Accounts Receivable

1.010.13

3. Interest Payment on Delinquent Accounts Receivables
 - 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.
4. Monthly Billing for Accounts Receivable--The billing shall be supported by the detail of the amount owed, prepared by the County Department referencing the delinquent receivable, the number of days of interest to be paid if applicable, and the interest rate if applicable.

Accounts Receivable

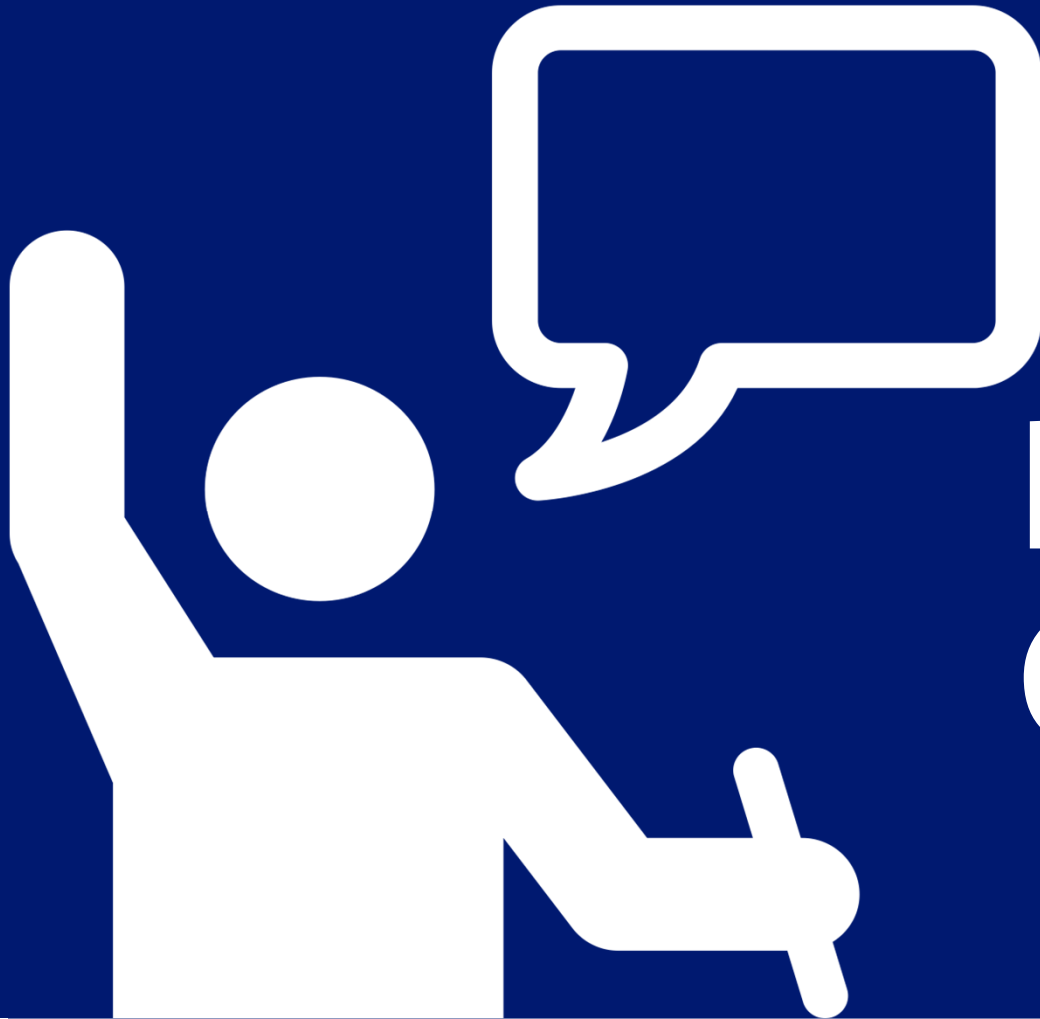
1.010.13

5. Aging Accounts Receivable--Each month every account receivable shall be aged in increments of 1-30 days past due, 31-60 days past due, 61-90 days past due, and 91 or more days past due.
 - a. Referral of Accounts Receivable to a Collection Agency--When a county has exhausted its collection resources on a claim, the claim shall be referred to a collection agency and written off.
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.

Accounts Receivable

1.010.13

7. 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.
8. 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.



Public Comment

Next Fiscal Ruleset Revision Meeting

<p>Oct 10, 2024 1:00-2:30</p>	<p>1.010.14- Fixed Assets 1.010.15- Revenue and Expenditures 1.010.16- Contracts 1.010.17- Travel 1.010.18- Office Space</p>	<p>You are invited to a Zoom meeting. When: Oct 10, 2024 01:00 PM Mountain Time (US and Canada)</p> <p>Register in advance for this meeting: https://us02web.zoom.us/j/81065820220?pwd=ZUJlZ0pH9PQn1TdSBlkAOkuaV281oR</p>
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Contact Info

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To submit public comment please fill
out this [google form](#)

Thank you!