



**MONTANA STATE HOSPITAL
POLICY AND PROCEDURE**

**REVOLVING CASH CHECKING
(CONTINGENCY) ACCOUNT**

Effective Date: May 22, 2020

Policy: BS-09

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- I. PURPOSE:** To establish policy and procedure under which a Contingency Check is to be utilized in lieu of a Pay Voucher.
- II. POLICY:** The Revolving Cash Account consists of monies withdrawn from a treasury account to establish a local checking account to be used to make disbursements where timing needs cannot be met by the present voucher system.
- III. DEFINITIONS:** None.
- IV. RESPONSIBILITIES:**
- A. **Accountant:** For following this policy and for the management of the Revolving Cash Checking (Contingency) Account.
- B. **Chief Financial Officer:** Ensures the appropriate procedures are in place allowing accuracy of the Revolving Cash Checking (Contingency) Account.
- V. PROCEDURE:**
- A. The following detailed procedure sets forth how money is to be withdrawn from and deposited to the Revolving Cash Account.
- B. The Revolving Cash Account is to be used only for purposes demanding immediate payments including but not limited to the following purposes:
- a. purchase of less than \$25.00;
 - b. shipping charges requiring immediate payment;
 - c. emergency travel advances if a warrant cannot be issued in a timely manner;
 - d. postage not to include reimbursement of postage machines;
 - e. emergency payroll disbursements only if authorized by Central Payroll;
 - f. publications requiring cash orders;
 - g. invoices requiring immediate payment for discount eligibility;
 - h. gas payment in lieu of bus ticket for Patients without funds when discharged;
 - i. training registration fees if a warrant cannot be issued in a timely manner.

Agencies should use their professional judgment in deciding whether a particular transaction qualifies as a minor, immediate, or emergency payment.

C. PAYMENT PROCEDURES

1. **Every** request must be submitted using the Contingent Check Request Form (Attachment A) to the Patient Accounts Tech. The individual requesting a payment from the Contingency Account initiates the request. The request along with supporting documentation is then submitted to the Accounting Tech for appropriate coding. The Accounting Supervisor or Chief Financial Officer approves/disapproves the request and submits to the Patient Accounts Tech for processing.
2. The Patient Accounts Tech attaches the check to the properly authorized documentation and presents to, *two* of the authorized signatories for signature.
3. Signatories authorized are the Chief Financial Officer, Accounting Supervisor, Accountant, Purchasing Agent, and the Director of Quality Improvement. After two signatures are received, the check is properly delivered. If the check is delivered in person to the payee or designee, the Contingent Check Request Form is to be signed by the receiving party. If the check is to be mailed, the mailing information of address and date is to be completed on the Contingent Check Request Form. The Contingent Check Request Form and supporting documentation for withdrawal is kept at the Business Office in Patient Accounts for replenishment and reconciliation purposes.

D. REPLENISHMENT PROCEDURES

1. The Accountant prepares the Cost Distribution Voucher indicating the appropriate responsibility center and object of expenditure. This Voucher is then sent to the Accounting Tech/Claims Technician for processing of a Pay Voucher.
2. The Accounting Tech receives the **original** receipt and one copy along with the Warrant. The **original receipt** is filed with the replenishment request. The **second copy** is retained and attached to the duplicate deposit ticket for the Contingency Account. The Accountant, Accounting Supervisor, or Chief Financial Officer reviews and approves the deposit.

E. RECONCILIATION PROCEDURES

1. The Accountant reconciles the Contingency Account using Form AD-10 (Attachment B) on a monthly basis as soon after the receipt of the monthly bank statement as possible, but no later than the 15th of the month.

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2. Upon completion of the reconciliation, Form AD-10 is presented to the Accounting Supervisor or Chief Financial Officer for review and approval. The original reconciliation is filed in the Business Office.

- VI. REFERENCES:** Montana Operating Manual, Non-Treasury Cash Accounts, Revolving Cash Account.
- VII. COLLABORATED WITH:** Chief Financial Officer, Accounting Supervisor, Accountant, and Hospital Administrator.
- VIII. RESCISSIONS:** BS-09, *Revolving Cash Checking (Contingency) Account dated April 21, 2016*; BS-09, *Revolving Cash Checking (Contingency) Account dated May 3, 2011*; BS-09, *Revolving Cash Checking (Contingency) Account, dated December 1, 2007*; BS-09, *Revolving Cash Checking (Contingency) Account, dated November 17, 2004*; HOPP 12-02C.080684, *Revolving Cash Checking (Contingency) Account, dated August 6, 1984*.
- IX. DISTRIBUTION:** All hospital policy manuals.
- X. ANNUAL REVIEW AND AUTHORIZATION:** This policy is subject to annual review and authorization for use by either the Administrator or the Medical Director with written documentation of the review per ARM § 37-106-330.
- XI. FOLLOW-UP RESPONSIBILITY:** Chief Financial Officer.
- XII. ATTACHMENTS:** For internal use only.
- A. Contingent Check Request
 - B. Form AD-10

Signatures:

Kyle Fouts
Hospital Administrator

Tracey Thun
Chief Financial Officer