

POLICY MANUAL

Subject: Receipts and Deposits

Effective Date: 6/30/99

Initiated By: Listy Hartley
Accountant

Approved By: Timothy A. Tull
Chief Financial Officer

Review Dates: 02/11 JSC, 04/12 JSC, 3/13 JSC
2/14 JSC

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POLICY:

- I. Receipts are received from:
 1. Patient fees
 2. Donations
 3. Management Contracts
 4. Meals sold to staff and visitors
 5. Miscellaneous sources such as vending commissions, rebates, medical records fees etc.
- II. Deposits
 1. All checks are endorsed "For Deposit Only" with the appropriate account number by the depositor. Every effort is made to deposit receipts as soon as possible, usually on the next banking day after they are received, with all receipts being deposited within 3 banking days. In situations where deposits cannot be made within 3 days, the Chief Financial Officer is to be notified.
 2. All cash and checks are secured in the business office until deposited.

PROCEDURE:

- I. Donation Deposits
 1. When donations are received, an effort will be made to determine if there is any designation. The Director of Development will decide if there is a designation.
 2. Copies of the check with a note as to the intended designation i.e. (Patient Assistance Fund, Campaign etc.) will be made by the Director of Development. Copies will be kept by both the Development Office and the Business Office.
 3. The accountant will receive from the depositor slip along with the copies of the checks.
 4. The accountant will work with the Accounts Payable Coordinator to ensure that the expenses will offset designated donations when they are used.

II. Daily Deposit Procedures

1. After the mail is received, the Accounts Receivable Clerk will sort incoming checks and money orders into various categories including insurance, donations, and miscellaneous and self pay collections. A tape will be run on the total until two tapes match. This total becomes the Accounts Receivable Clerk total for mail and is recorded on the daily receipt log.
2. The depositor then runs a tape to match that of the Accounts Receivable Clerk grand total. If the depositor cannot get the tapes to reconcile then the accountant is notified and any discrepancies are accounted for and signed off on by the accountant. In addition, a tape is run from all sources other than mail (i.e. admission, courier, etc.) and both totals are recorded on the daily receipt log.
3. Included in one or more of these totals is money designated as miscellaneous cash. In order for miscellaneous cash to be keyed, the depositor will code the receipts based on predetermined general ledger codes supplied by the accountant. If the depositor is unable to code an item, it will be held until such time as the accountant can supply the correct code (this should be noted on the daily receipt log as previously indicated).
4. Endorsed checks and receipts are then given to the data entry person to be keyed. No cash should ever be passed to this person. The data entry person will key all batches providing batch slips back to the depositor to match to individual deposit slips. The data entry person will check the total amount keyed back to the depositor's grand total and record that amount on the daily receipt log. Any discrepancies need to be reported and signed off on by the accountant with a brief explanation. The daily receipts' log is given to the accountant.
5. Miscellaneous batches are sent to the account to be reviewed and initialed. Any discrepancies will be corrected by journal entries. The data entry and depositor will be notified of the changes to help prevent the reoccurrence of the mistake.
6. An audit is performed on the following day to confirm that all batches have posted for the correct amounts. This is accomplished by comparing the deposits to what was keyed and reflected in the G/L update and day end reports. Any final discrepancies are reconciled and exceptions from previous daily logs are accounted for properly.

III. Credit Card Deposits

1. After a credit card transaction has been authorized, the merchant copy is attached to a completed cash receipt journal. The journal should be forwarded to the depositor.
2. The depositor will add credit card transactions to the amount received from other sources on the daily receipts log. The depositor will then forward all sheets to be keyed. A deposit slip is not necessary since credit cards automatically hit the general operating account of the Cumberland Heights Professional Associates account automatically.
3. Once the credit card transaction is keyed the batch edit sheet should be attached to the cash receipt journal and filed with the other payments. The merchant copy is initialed by the data entry person and attached to a copy of the batch edit. The batch edit is forwarded to the accountant.