

Chapter: Fiscal Management (FM)

Section 1: Fiscal Management

Policy

The hospital has an annual, formal, written budget of expected revenues and expenses. The Utah Code Annotated states: "The Department [of Human Services] shall prepare and submit to the Governor, for the inclusion in his budget to be submitted to the Legislature, a budget of the Department's financial requirements needed to carry out its responsibilities, as provided by law during the fiscal year following the Legislature's next Annual General Session. The Executive Director shall require a report from each of the divisions and offices of the Department to aid in preparation of the department budget." – UCA 62A-1-113.

1. Revenue: The Hospital's written budget categorizes revenue by source. Revenues are monitored monthly by the Business Office to ensure adequate funding.
2. Expenses: The Hospital's written budget uses two different methods for tracking and budgeting expenses: The object code (expense code) method and organization code method.
 - 2.1. The object code method prepares the budget by type of expense to request appropriations from the State Legislature. The object codes role up into one of the following expense categories: personal services, out-of-state travel, in-state travel, current expense, capital, DP capital, and DP current expense.
 - 2.1.1. The budget is prepared approximately one year prior to the effective date of the budget.
 - 2.1.2. The budget is prepared according to the schedules and guidelines of the State Budget Office. The budget by object code is submitted to the Director of the Division of Substance Abuse and Mental Health who submits it to the Department of Human Services' Bureau of Budget as part of the Division of Substance Abuse and Mental Health's appropriation request. The final approval of the budget request is made by the State Legislature annually.
 - 2.1.3. Expenditures are monitored by the Business Office each month to ensure appropriations are not exceeded.
 - 2.2. The organization code method breaks down the expenses by organization code for internal fiscal management purposes. Each area or unit receives a budget for their personal services expenses and a budget for their operational expenses.
 - 2.2.1. The personal services budgets are allocated to each organization code (units and offices) based on their personnel needs and the funds appropriated to the personal services category by the State Legislature.
 - 2.2.2. The remaining expense categories (travel, current, capital, DP current expense, and DP capital) are combined and distributed by organization code to each office or unit for their operational budget.

- 2.2.3. Each organization (unit or office) is responsible for tracking, monitoring, and staying within their allocated budgets both for their personal services budget and their operational budget.
 - 2.2.4. Although travel, current expense, capital, DP current expenses, and DP capital are combined for each organization's operational budget, the Business Office monitors each of these expense categories separately.
3. Budget revisions.
- 3.1. Revisions for the budget during the state fiscal year, which increase the State General Fund expenditures for the Division of Substance Abuse and Mental Health, are possible only upon approval of the Governor. Revisions, which increase the total Hospital's State General Fund expenditures, without changing the Division of Substance Abuse and Mental Health's budget, must have the approval of the Director of the Division of Substance Abuse and Mental Health.
 - 3.2. The Governor, Executive Director of the Department of Human Services, and the Director of the Division of Substance Abuse and Mental Health have the prerogative of decreasing the Hospital's State General Fund budget.
 - 3.3. Revisions to the Hospital's expense budget may take place throughout the year to adapt to the unexpected needs and changes in the Hospital. Total hospital expenditures will never exceed the Hospital's total revenue.
4. Room rates.
- 4.1. The Hospital's Business Office maintains current calculations of cost per patient day for each of the Hospital's units; the cost per day also includes the cost of ancillary services.
 - 4.2. Costs per patient day and costs per unit of service are accessible to all hospital personnel, patients, and other interested parties.
5. Fiscal Information and Reports.
- 5.1. The Hospital's Business Office provides monthly reports and information regarding the fiscal performance of hospital administration, hospital organizations, and other interested parties.
 - 5.2. A forecast is provided monthly to Hospital Administration and the Division of Substance Abuse and Mental Health. The forecast shows the current status of actual expenditures by type and actual revenue by source. The forecast also provides explanations of unusual variances in the Hospital's budget.
 - 5.3. Monthly expense reports are distributed to administration and all those who have fiscal management responsibilities in each of the units and offices. The reports are generated from data provided by the Department of Human Services. Each office and unit receives a report that contains a year-to-date summary of expense. They also receive a detailed report of the expenses from the previous month.
6. Audits.
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- 6.1. The Utah State Hospital is audited by several federal and state agencies, both as a state agency and as a hospital. As a state agency, the hospital is subject to the following audits:
 - 6.1.1. Audits by the State Auditor as described in sections 67-3-1 to 67-3-7, UCA (1953), as amended 1999;
 - 6.1.2. Audits by the Legislative Auditor General as described in section 36-12-15, UCA (1953), as amended 2000;
 - 6.1.3. Internal audits by the Department of Human Services as provided by Departmental Policy.
 - 6.2. As a hospital, the State Hospital is subject to the following entities:
 - 6.2.1. Audits by Medicare auditors to review compliance with Federal Medicare regulations;
 - 6.2.2. Audits by Medicaid auditors to review compliance with Federal Health, Education, and Welfare regulations;
 - 6.2.3. Audits by Social Security Administration (SSA) to determine compliance with the Federal SSA regulations.
 - 6.3. Documentation in the minutes of governing body meetings verifies that the Director of the Division of Substance Abuse and Mental Health has reviewed the reports of such audits.
7. Documentation and Records. Records are maintained to document compliance with the following policies and procedures:
 - 7.1. Collections and Account Receivables (policies and procedures are available on-line, and Medicaid and Medicare bulletins are available in Business Office).
 - 7.2. Purchasing (See USHOPP, Fiscal Management Chapter, Section 7, and State of Utah Accounting Policies and Procedures).
 - 7.3. Fixed Assets and Inventory Control (See USHOPP, Fiscal Management Chapter, Section 5, and State of Utah Accounting Policies and Procedures).
 - 7.4. Payroll (See USHOPP, Fiscal Management Chapter, Section 4, and Utah State Payroll System Accounting Policies and Procedures).
 - 7.5. Utah State Accounting Policies and Procedures.
 - 7.6. The Department of Human Services Policy Manual.
 8. Fraud Prevention.
 - 8.1. Measures taken to eliminate the opportunity for fraud in the Business Office are:
 - 8.1.1. Separation of duties
 - 8.1.2. Limited access to clinical and billing software
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- 8.1.3. Oversight and/or audits by six separate federal and state entities
- 8.2. All hospital employees are notified that there is federal legislation entitled Federal False Claims Act which states that any person who:
 - 8.2.1. knowingly presents, or causes a false or fraudulent claim for payment or approval to be presented to an officer or employee of the United States
- 9. Government,
 - 9.1.1. knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government,
 - 9.1.2. conspires to defraud the Government by getting a false or fraudulent claim paid or approved by the Government,
 - 9.1.3. knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government, is liable to the United States Government for a civil penalty of not less than \$5,000.00 and not more than \$10,000.00, plus 3 times the amount of damages which the Government sustains because of the act of that person
 - 9.1.3.1. The terms "knowing" and "knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required. 31 U.S.C. § 3729.
 - 9.2. While the False Claims Act imposes liability only when the claimant acts "knowingly," it does not require that the person submitting the claim have actual knowledge that the claim is false.
 - 9.2.1. A person, who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. 31 U.S.C. 3729(b).
 - 9.3. The False Claims Act provides that private parties may bring an action on behalf of the United States 31 U.S.C. 3730 (b).
 - 9.3.1. These private parties known as "qui tam relators," may share in a percentage of the proceeds from an FCA action or settlement.
 - 9.3.1.1. Section 3730(d)(1) of the FCA provides, with some exceptions, that a qui tam relator, when the Government has intervened in the lawsuit, shall receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action.
 - 9.3.1.2. When the Government does not intervene, section 3730(d)(2) provides that the relator shall receive an amount that the court

decides is reasonable and shall be not less than 25 percent and not more than 30 percent.

- 9.4. The FCA provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. 31 U.S.C. 3730(h).
- 9.4.1. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.
- 9.5. Utah State Hospital is also subject to other Regulations and Guidelines as listed below:

State of Utah Accounting Policies and Procedures
Utah Code -- Title 26 -- Chapter 20 -- False Claims Act
Utah Code -- Title 67 -- Chapter 21 -- State Whistle Blowers
Link: <http://www.utah.gov/government/utahlaws.html>

Implemented: 7-19-83

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Revised: 7-6-88

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Reviewed: 12-90

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Chapter: Fiscal Management (FM)

Section 2: Cash Receipting and Check Cashing Procedure

Policy

1. Funds received for deposit to state or hospital accounts are receipted by an accounting technician as assigned. Checks are restrictively endorsed when received. Funds received are entered daily in the cash receipts software program. The funds are deposited in the appropriate bank accounts within three business days of receipt. Funds received which do not belong to the hospital are routed to the proper owner. The Business Office endorses checks made out to the Hospital before re-routing.
2. The hospital has a change fund of \$1,000 which is monitored by a custodian and administered by Business Office staff with the Financial Manager as backup. The primary purpose of the fund is to provide small change to various organizations that collect and disperse cash (i.e. Eatery, Canteen).
3. The Business Office cashes checks for patients only. Employees, volunteers, and guests may write checks at the Canteen or Eatery for the amount of purchase only, no cash back. Checks drawn on out-of-state banks and checks drawn on accounts from which checks have been returned will not be cashed. If the hospital receives two returned checks, no further checks will be accepted for the individual involved. A \$20.00 charge may be assessed for a check which is subsequently returned to the hospital as unpaid. Checks may be cashed between 8:00 AM and 4:30 PM on days the Business Office is open. Patient checks drawn on in-state banks will be cashed for any amount, depending on availability of cash. The Financial Manager must approve any exceptions to these policies.
4. Utah State Hospital does not use petty-cash funds. All items are purchased with purchase cards or through purchase-order systems.

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Revised: 11-01

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Section 3: Patient Money

Policy

1. Receipting
 - 1.1. Visitors wishing to leave money for a patient may do so by leaving it at the Hospital Business office between the hours of 8:00 AM and 5:00 PM Monday through Friday. After hours, visitors leaving money for patients may do so at the Hospital switchboard. Unit staff will not accept money. Upon receiving such money, the cash receipt technician or switchboard operator provides the visitor a receipt indicating:
 - 1.1.1. The amount received;
 - 1.1.2. The date received;
 - 1.1.3. The name of the patient who is to receive the money; and
 - 1.1.4. The name of the visitor from whom the money was received.
 - 1.2. The money is then restrictively endorsed and deposited into the patient's bank account in the Business Office. If the money is received after business hours the money is then receipted at the switchboard and kept in the locked box. Money left at the switchboard is picked up and receipted in the Business Office by the cash receipts technician the next working day. Patient money will not be kept on the unit except for the money allowed on the patient for his/her own personal needs. This amount is set by the patient's treatment team, and/or unit policies.
 2. Daily Patient Banking
 - 2.1. Patients needing funds must complete the following steps:
 - 2.1.1. Contact the environmentalist or designee and request the amount of money needed.
 - 2.1.2. The treatment team reviews the appropriateness of the request.
 - 2.2. The Business Office staff fills daily requests.
 - 2.2.1. Requests will be filled on the next patient daily banking request. (Monday, Tuesday, and Thursday).
 - 2.3. The environmentalist or designee then must complete the following steps:
 - 2.3.1. Submit patient banking request by 8:30 AM on patient banking days.
 - 2.3.2. Come to the Business Office, count, verify, and sign for the funds. (Funds should be signed for only after they are verified. Once signed for, they become the responsibility of the signer).
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- 2.3.3. Disburse the funds to the patients receiving money.
- 2.3.4. Obtain a signature from all patients receiving money. Patient funds must be signed for at the time of disbursement. If the patient is unavailable for disbursement, or the patient no longer wants the money, the money will be returned to the Business Office and receipted back into the patient's account that same day.
- 2.3.5. Maintain a file of all signed money requests for a period of at least seven years. After three years files may be sent to state archives for the remainder of the time period. The requests will be kept by fiscal years - July 1 through June 30.

3. Patient Check Requests

- 3.1. Patients needing checks disbursed from their patient trust account must complete the following steps:
 - 3.1.1. Obtain a patient request form from their environmentalist.
 - 3.1.2. Complete the form indicating the specifics of the request.
 - 3.1.3. Return the completed request form to their environmentalist.
 - 3.1.4. The treatment team will review the request and the patient will be notified as soon as possible regarding the status of their request.
 - 3.1.5. The environmentalist or designee must submit the request 24 hours prior to the time funds are needed. Exceptions will be made for emergencies only. An authorized request is brought to the Business Office and completed by the Business Office staff.
 - 3.1.6. Environmentalist or designee will sign for and pick up completed checks. If appropriate the Business Office staff will mail the check.
 - 3.1.7. Signed request and check denomination reports are kept for a period of seven years. After three years, files may be sent to state archives for the remainder of the time period.

4. Patient Discharges

- 4.1. The environmentalist must complete the following steps:
 - 4.1.1. Complete a money request, stating patient will be discharged, for all remaining money in the patient's trust account.
 - 4.1.2. The check must be picked up and signed for by the environmentalist or the designee or the patient on or before patient's discharge date. If appropriate, the Business Office staff will mail the check.

5. Weekend and Shopping Requests

- 5.1. Money is requested following the procedures stated above. Amounts above the patient personal limit are kept in a locked safe. Access to the safe is limited to the
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environmentalist or designee and the Administrative Director. The funds are clearly identified and separated from other patient monies. Funds are signed for when picked up and signed forms are kept for the seven-year time frame. If funds are not picked up for the intended purpose, the funds will be immediately returned to the business office and deposited back into the patient's account.

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Chapter: Fiscal Management (FM)

Section 4: Fixed Assets

Policy

1. The Utah State Hospital accounts for all capital equipment purchased for use at the State Hospital. The following policies and procedures are followed to ascertain that the capital assets of the hospital are accounted for as required by law.
2. Description.
 - 2.1. Capital Equipment: An item which has a cost in excess of \$5,000.00 and useful life greater than one year.
3. Entry into the Hospital System.
 - 3.1. Capital equipment purchased by RQS.
 - 3.1.1. Capital equipment purchased by using a RQS is delivered to the warehouse. When delivered to unit, the responsible person on the unit signs the delivery slip. The warehouse informs the Business Office when an item is received by submitting a copy of the invoice or packing slip and delivery slip, which includes the following information: description; unit price; requisition, serial, and model numbers; and the unit and person responsible for the item. An inventory tag is affixed to all items purchased and information is entered into Finet by the person assigned that responsibility in the Business Office.
 - 3.2. Capital equipment purchased by warrant request or from unit funds.
 - 3.2.1. When capital equipment purchased by warrant request or unit funds is delivered to the warehouse, the same procedures are followed as outlined in paragraph 3.1.1.
 - 3.2.2. When capital equipment purchased by warrant request or unit funds is picked up by other hospital personnel, the person receiving delivery submits to the Business Office on the day of purchase the invoice or packing slip with the following information: description, price, warrant request number, serial and model numbers, and the unit and the name of the person responsible for the item. When practical, the item is brought to the Business Office with the required documents. An inventory tag is affixed to all items purchased and information is entered into Finet.
 - 3.3. Equipment acquired from the State Agency for Surplus Property.
 - 3.3.1. The State Hospital maintains an inventory system to insure compliance with the Federal terms and conditions on surplus property purchases. A copy of the invoice or packing slip showing description; price; and requisition, serial, and model numbers shall be submitted to the Business Office on the day of purchase. Proper identification and inventory records are maintained as noted in 3.2 above.

- 3.4. Donated Capital Equipment.
 - 3.4.1. Capital equipment donated to the hospital is accompanied by a letter from the donor stating the value and description of the item donated. A copy of the letter from the donor is submitted to the Business Office. Proper identification and inventory records are maintained as noted in 3.2 above.

- 3.5. Items donated to a patient.
 - 3.5.1. The above regulations do not apply to items donated to patients. The Administrative Director of each treatment unit is responsible to monitor items donated to patients.

- 3.6. Accountability.
 - 3.6.1. The Superintendent or Administrative or Department Directors are responsible for all equipment assigned to their areas of responsibility. Unit staff may be assigned to carry out functions associated with this responsibility. On change of directors, all capital equipment assigned to that unit are accounted for, and the new director signs for and is responsible for the equipment assigned to the unit or program.

- 3.7. Procedure of Accountability.
 - 3.7.1. All capital equipment has an inventory control tag attached. The following information is then entered into Finet: low organization number, ID number, description, serial number, model number, purchase date, unit cost, requisition number, and condition.

- 3.8. Transfer of Equipment.
 - 3.8.1. A Notice of Change to Equipment Inventory form DSS/6S-79 must be submitted to the Business Office on all equipment destroyed or declared surplus by the unit or program or transferred between units. Notice of transfer must be accomplished within five working days.

- 3.9. Annual Physical Inventory.
 - 3.9.1. The State Hospital is required to complete an annual physical inventory of capital equipment. The Department of General Services Office provides the hospital with three copies of the latest computer print-out of capital equipment items. The Business Office, with the cooperation of the Superintendent and unit Administrative Directors, or their delegated personnel, takes the inventory. The Superintendent or unit administrative director signs the printout when inventory is completed. One copy of the printout is retained by the unit, one copy goes to the Business Office, and one copy goes to General Services Inventory Control Office, Department of Human Services.

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Chapter: Fiscal Management (FM)

Section 5: Ordering of Capital Expense Items

Policy

A capital expenditure is defined as any item purchased which has a value of over \$5,000.00 and a life expectancy of over one year.

Procedure

1. Distribution: Capital budget is distributed annually through the Assistant Superintendent of Administrative Services. The amount distributed to each unit and department is determined by the amount appropriated and the need of the individual unit or department in comparison to other units and departments within the hospital.
2. Authorization: After allocation of funds, the unit and department directors are authorized to initiate purchase of capital items. All purchases, however, are subject to review by the Assistant Superintendent of Administrative Services.
3. Monitoring of Purchasing Process: Monitoring of the purchasing process, after initiation of the purchase order, is the responsibility of the Hospital Purchasing Agent.
4. Determination of Cost: The determination of cost is the joint responsibility of the Hospital Purchasing Agent and the party initiating the purchase.
5. Inventory: The Hospital Purchasing Agent notifies the Hospital Business Office when new capital items are delivered by the vendor. This will enable the Business Office to assign an inventory number to the item prior to, or soon after, placement on the unit or department. Inventory is monitored annually by the Hospital Business Office. Overall responsibility for the inventory rests with the unit or department director.

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Reviewed: 6-07

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Chapter: Fiscal Management (FM)

Section 6: Purchasing Personal Patient Property

Policy

Patients pay for their own clothing, false teeth, crowns, braces, bridges, eye glasses, wheelchairs, lifts, room decorations, TVs, radios, etc., when the patients have adequate funds available in their trust accounts or through relatives or guardians as determined by unit personnel.

Procedure

1. Medical needs of patients are determined by the medical staff in cooperation with the professional clinics personnel.
2. Personal needs of patients are determined by the unit staff.
3. When it is determined that a patient has a medical or personal need, the appropriate staff member assigned contacts the Business Office and arranges to have the item purchased or acquired.
4. Arrangement for payment is made and a record maintained to account for the purchase and payment of the service needed for the patient.

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Chapter: Fiscal Management (FM)

Section 7: Vehicle Use

Policy

Vehicles purchased or leased by the hospital are used in compliance with Utah State Rules and Regulations for use and operation of state vehicles; that scheduling, maintenance, repair, and refueling be done to obtain the most efficient and economical use of the vehicles; and that accurate records be maintained on each vehicle for auditing and control purposes.

Procedure

1. Purchasing Gas. Each State vehicle is issued a credit card. The credit card is used for all gas purchases; otherwise, the driver shall be billed for the purchase. Cash or purchase orders are not used to purchase gas. The credit card is kept in the vehicle's notebook.
 - 1.1. Vehicles Owned by State Hospital.
 - 1.1.1. State Hospital Gas Pumps. Gas is obtained from the hospital's pumps whenever possible.
 - 1.1.2. Motor Pool Gas Pumps at State Capitol. Driver purchases gas using the vehicle's credit card and receives a receipt.
 - 1.1.3. Department of Transportation Gas Pumps. Gas may also be purchased from the locations which are listed in the Rules and Regulations for Use and Operation of State Vehicles inside the notebook in each vehicle. Gas may also be purchased from the listed Highway Patrol stations, if available.
 - 1.1.4. Major Brand Commercial Gas Stations. Gas is purchased from private major brand gas stations only when it is not available from the above locations. The credit card sales slip is turned in at the switchboard with the notebook when the vehicle is returned. A note explaining why gas was purchased at a private station is attached to the sales slip. The station bills the State Hospital.
 - 1.2. Fleet Vehicles Leased from Motor Pool by State Hospital.
 - 1.2.1. State Hospital Gas Pumps. Gas is obtained from the hospital's pumps whenever possible.
 - 1.2.2. Motor Pool Gas Pumps at State Capitol. Driver purchases gas. Credit card not required.
 - 1.2.3. Same as 1.1.3, except Department of Transportation bills Motor Pool instead of Utah State Hospital.
 - 1.2.4. Same as 1.1.4, except station bills Motor Pool instead of Utah State Hospital.
 2. If Vehicle Breaks Down: If a vehicle breaks down in the Provo area the driver calls the switchboard or garage. They make arrangements to have the vehicle picked up and provide a replacement vehicle. If outside of the Provo area the driver calls Automotive Resources
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International (ARI) at 1-800-227-2273 to have the vehicle towed and call USH to make arrangements for returning to hospital. the driver cannot authorize any repair work. ARI needs to approve any work repairs while traveling outside of the Provo area.

3. In Case of Accident: The instructions in the notebook "In Case of Accident" are to be followed. The Hospital Business Manager is notified within 48 hours.
4. Recording Mileage for Each Trip: The switchboard operator gives the driver a notebook for the vehicle which he/she is issued when the key for the car is picked up. The notebook contains the items listed in #5 below. The date, beginning mileage, departure time, and destination are filled out on the vehicle control and record sheet in the notebook before the driver begins the trip. The remaining columns are filled out at the end of the trip before the notebook and keys are returned to the switchboard operator. The mileage sheets are reconciled at the end of each month to assure proper usage and control of the vehicles.
5. Switchboard Control of Keys and Vehicle Notebooks:
 - 5.1. Each notebook contains the following items:
 - 5.1.1. Copy of vehicle registration.
 - 5.1.2. Credit card.
 - 5.1.3. Instructions in case of accident.
 - 5.1.4. Rules and Regulations for Use and Operation of State Vehicles.
 - 5.1.5. Report of Service needed.
 - 5.1.6. Trip sheet mileage record.
 - 5.1.7. Copy of State Hospital vehicle policy.
 - 5.2. Requesting Vehicles: The request to use a vehicle is submitted to the switchboard by noon Friday to use a vehicle during the following week. Any canceled vehicle requests are to be called in to the switchboard as soon as possible.
 - 5.3. Key and Vehicle Control Notebook:
 - 5.3.1. The driver picks up the key and the vehicle notebook from the switchboard operator at the time that use of the vehicle has been requested. The driver checks the notebook to make sure it contains all the items listed in 5.1 above.
 - 5.3.2. When the driver returns the key and notebook to the switchboard, the switchboard operator checks to make sure that:
 - 5.3.2.1. The key is returned.
 - 5.3.2.2. The notebook is returned.
 - 5.3.2.3. The notebook contains the credit card.
 - 5.3.2.4. The mileage information in the notebook has been completed.

- 5.3.3. The switchboard operator checks the report on service needed on vehicle.
 - 5.3.4. The switchboard operator initials behind the driver's signature to indicate that the items mentioned above in 5.3.2 and 5.3.3 have been checked.
 - 5.3.5. Any repairs needed which a driver notices, is reported to the switchboard while returning keys.
6. If No State Vehicle is Available:
- 6.1. The switchboard operator gives the driver/requester a form entitled "Approval for Payment of Mileage for Use of Private Vehicle for State Business."
 - 6.2. The driver obtains all required signatures prior to using his/her vehicle, fills in actual mileage after trip has been approved and completed, and takes the approval form to the Hospital Personnel Office.
 - 6.3. The Business Office gives the driver a form DF-55. The driver fills out the form and obtains necessary signatures verifying actual miles driven.
 - 6.4. Driver returns approval form and form DF-55 to Business Office. Mileage is paid at current mileage rates as part of the employee's next payroll check.
 - 6.5. Patients are not to be transported in private vehicles. Employees assume all liabilities when using private vehicles on State business.

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Chapter: Fiscal Management (FM)

Section 8: Purchasing and Accounts Payable Documentation

Policy

Through the procurement and payment process there are several checkpoints where internal control procedures assist in providing proper use of state resources. In addition to protecting State resources, internal controls provide protection to each employee included in the process.

Procedure

1. Procurement
 - 1.1. The procurement process begins when a requisition is entered in the computerized Purchasing Program. The program notifies the appropriate supervisors and managers for online approvals. After approvals are obtained the requisition is sent to the Purchasing Department.
 - 1.2. The Purchasing Agents review the requisition for vendor sources, product detail, availability, account and org coding, procurement code, and state or agency-contract availability. Once approved by Purchasing, the program e-mails the initiator that their request has been approved and/or printed by the Purchasing Department. Either the Purchasing Agent or the initiator, depending on the items being purchased, then places the order.
 - 1.3. Any purchase of goods or services requiring payment prior to delivery must be approved by the Financial Manager and Division Budget Officer.
 2. Receiving
 - 2.1. The warehouse receives the majority of supplies and goods delivered to the hospital. When supplies and goods are received the warehouse reviews the delivery ticket against a copy of the purchase order, notes any discrepancies and signs the delivery ticket. The warehouse tracks all back orders and a copy of the Purchase Order and the delivery ticket are sent to Accounts Payable to match up with the payment invoice. The warehouse retains a copy of the Purchase Order for future reference.
 - 2.2. If the supplies or goods are received outside of the warehouse, the delivery ticket is to be signed by the person receiving the merchandise. If the person receiving the merchandise is the same person who originated the Purchase Order then the signature should be obtained from their appointed designee signifying the merchandise in question has been delivered to the Hospital. The delivery ticket is then sent to Accounts Payable.
 - 2.3. Purchasing agents are not permitted to pick up and sign for merchandise they or other agents have ordered for Hospital. If this is unavoidable then additional signatures should be obtained verifying that the merchandise has been received at the Hospital. Pre-payments require the approval of the Financial Manager.
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- 2.4. The Pharmacy is the only department that issues its own purchase orders outside of the Hospital's Purchasing Department. The pharmacy is the only department that can purchase drugs and related medical supplies without going through the Purchasing Department. Pharmacy also does its own receiving. The Business Office will periodically review the Pharmacy's ordering and receiving practices for compliance.
 - 2.5. When a service is provided to the Hospital there is usually not a delivery ticket but a monthly invoice. The department who has benefited from the service must authorize services of this type. The invoice, service ticket, or other notification needs to be reviewed and properly signed and noted as "OK to Pay" by the benefiting department. This signature should be of the department head or authorized person. Like delivery tickets, this documentation is to be forwarded to the Accounts Payable Department.
 - 2.6. There are some exceptions to the above purchasing process. Utility services do not require a Purchase Order or delivery ticket unless additional services are ordered beyond the agreement or contract scope. However, a reasonableness test of the bill should be completed before payment is made.
3. Accounts Payable
- 3.1. Accounts Payable personnel on a daily basis match up incoming invoices with delivery tickets and the purchase orders: 3-way match. The Purchase Order, delivery ticket and invoice are reviewed for the following criteria: Vendor, commodities ordered, quantity, pricing, delivery signatures, authorization to pay, account coding, cost center/org, discounts, and other data that will assist in acquiring sufficient information to process it for payment. After the 3-way match has been reviewed the invoice is ready for payment through the State accounts payable system. Payment from delivery tickets alone should not be made. Performing the 3-way match protects the Hospital from making payments twice for the same goods. All purchase orders will have the department head approval before payment is made. Partial payments as a result of back orders should be minimized and closely tracked. Vendor statements should be reviewed for any invoices that are 60 days old or older.

Implemented: 1-02

Reviewed: 8-04

Reviewed: 6-07

Revised: 4-09

Reviewed: 6-12

Chapter: Fiscal Management (FM)

Section 9: Surplus Property

Policy

The following procedure is initiated when goods are declared surplus by the various hospital units and departments. Units should refer to the Fixed Assets policy when items need to be removed from their units.

Procedure

1. Units, departments, and offices notify the Warehouse Specialist regarding items which are no longer serviceable or usable.
2. Authorization to dispose of such items must be obtained from the Warehouse Specialist and documented on a Utah Department of Social Services Form GS-9 (Notice of Change to Equipment Inventory), which may be obtained from the Business Office/Warehouse.
3. The GS-9 form must be completed accurately, identifying the item by description, hospital ID number, and electrical tag number if appropriate. The form must be signed by the unit, office, or department director. The unit, office, or department will retain one copy of the GS-9 and forward the remaining two copies to the Warehouse Specialist.
4. The Warehouse Specialist may give permission for immediate disposal of surplus items or may schedule a time for pick-up of such. Units, offices, and departments may not remove or discard unusable or unserviceable items without appropriate authorization as described above.
5. Surplus goods not immediately disposed of are stored in the Hospital Warehouse until such time that sufficient inventories of surplus goods warrants disposal.
6. The Warehouse Specialist obtains authorization from the State Agency for Surplus Property to dispose of surplus goods.
7. When surplus goods are made available for sale, all employees have equal opportunity to purchase these goods at a specific time and place and are notified of such sale at the bi-weekly disbursement of paychecks.
8. All items are priced for sale and are available on a first-come-first-serve basis. Items will not be pre-sold or held for employees. All items must be paid for and removed from the warehouse at the time of the sale.
9. Surplus goods remaining after the sale are disposed of under current guidelines for surplus disposal.

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Reviewed: 12-90

Reviewed: 6-92

Reviewed: 9-95

Reviewed: 7-98

Reviewed: 9-01

Reviewed: 8-04

Reviewed: 6-07

Revised: 4-09
Reviewed: 6-12

Chapter: Fiscal Management (FM)

Section 10: Access to Warehouse Supplies

Policy

The warehouse is stocked with most supplies that are used consistently by all treatment units and departments at the hospital. Funds are allocated by the administration to provide the usual and customary supplies. Special items not usually stocked are purchased from other funds allocated by administration to each unit and department. Some items stocked may not be the brand or product that the end user might like. There is some flexibility in what type of product is stocked, but most items are sent out on state contract which mandates that those products be purchased on contract even though the staff, purchasing agent, or administration may wish to stock different products.

Procedure

1. The warehouse is open from 7:00 AM to 6:00 PM Monday through Thursday with the exception of state and national holidays. Orders from the treatment units are submitted to the warehouse by Friday at noon of each week and are delivered to the designated area on Monday of the following week. Items needed between deliveries may be obtained at the warehouse with authorization from the unit administrative director.
2. Supplies needed in an emergency after 6:00 PM and before 7:00 AM Monday through Thursday or on weekends or holidays may be obtained by calling the Shift Supervising Registered Nurse (SSRN).
 - 2.1. The SSRN determines whether the supplies can be obtained from other units of the hospital.
 - 2.2. When supplies cannot be obtained from other areas of the hospital, the SSRN contacts the Security officer on duty and together they obtain the emergency supplies.
 - 2.2.1. The SSRN fills out a form indicating the quantity and type of items removed.

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Reviewed: 12-90

Reviewed: 6-92

Reviewed: 9-95

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Revised: 1-02

Reviewed: 8-04

Reviewed: 6-07

Revised: 4-09

Reviewed: 6-12

Chapter: Fiscal Management (FM)

Section 11: Overtime Meal Vouchers

Policy

Employees are compensated for the expense of a meal when that expense is incurred as a result of being required to work longer than thirteen hours in a 24-hour period.

Procedure

1. Overtime worked at the Hospital. Employees who anticipate a work shift of more than thirteen hours may request one meal voucher from their unit or department director. This voucher may be used to purchase a meal in one of the hospital's cafeterias during regular meal times.
2. Overtime worked away from the hospital. Employees may be reimbursed for a meal when a shift is more than thirteen hours and worked away from the hospital. The hospital follows the State Accounting Policy and Procedure FIACCT 05-03.5 which states the following:
 - An employee not on travel status may be authorized by his agency to receive a meal allowance not to exceed \$10.00 during a 24-hour period (midnight to midnight). The allowance is not considered an absolute right of the employee, especially if the budget of the agency is not adequate to handle this allowance. The allowance may not be given in addition to any other meal allowance or per diem.
- 2.1. Overtime meal tickets are available through the Business Office. They are issued in groups of 25 and may be used in both the cafeteria and the canteen at their \$2.00 value. Tickets are obtained by submitting a request in the hospital PO system and are charged to the requesting Unit or Department. They will be available for pick-up the same day the PO is submitted during business office hours.
- 2.2. Prior authorization for the meal is required from the employee's unit or department director. Employees must submit the receipt with a completed and approved Employee Reimbursement/Earnings Request, form FI 48, to the Business Office. The form is available in the Business Office. Employees must include in the explanation box a listing of the specific dates when the overtime occurred.

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Reviewed: 7-98

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