

Kids Central, Inc. System of Care Policy & Procedure

Series: Finance, Accounting and Contracts

Policy Name: Cash Receipts

Policy Number: 926

Origination Date: 08/23/06

Revision Date:

Authority:

Policy:

It is the policy of Kids Central, Inc. to accurately and consistently record and track all monies received and record them to the appropriate accounts/general ledgers. All monies and deposits are recognized, totaled, balanced and transported to the appropriate banking facility.

Procedure:

1. Sources:
 - a. On account (credit to accounts receivable from clients and third party payers, i.e., Medicare, Medicaid and insurance)
 - b. Receipt of income on investments
 - c. Cash borrowed
 - d. Contributions and donations
 - e. Grants and fees-for-service contracts
 - f. Sundry income
2. Method of receiving:
 - a. By mail
 - b. Directly from person making payment
3. Forms of Receipts:
 - a. Coin or currency
 - b. Checks, money orders, drafts
 - c. Credit card charges
4. Procedures:
 - a. Remittance received in daily mail
 - b. Receptionist opens mail, lists all remittances and stamps all checks with "for deposit only". The list and remittances are forwarded to Accounting Director
 - c. Staff Accountant records person(s) served case number to individual's payments. Medicare, Medicaid, and insurance payment back-up is forwarded to the Billing Department for processing.
 - d. Accounting Director prepares a deposit report showing remittances recorded to correct general ledger accounts.

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5. Governmental Grants, Private Grants, and Contracts Awards:
 - a. The Finance Director should maintain a file of all grants awarded the agency
 - b. The Finance Director prepares a standard journal entry to recognize the amount
 - c. The Chief Financial Officer approves the standard journal entry for posting.
 - d. When the cash is received for the grant, it normally will be included in the daily cash receipts listing at which time the Accounting Director should ensure that such amount is debited to cash and credited to the proper grant account receivable. A copy of the correspondence accompanying the cash receipt should be filed in the grant file.
 - e. The receipt and expenditure of each grant or contract award will be recorded separately in the grants file.
6. Deposits
 - a. The Accounting Director consolidates and balances facility and administrative deposit reports, and reconciles and prepares the deposit. Deposit amounts are maintained on a monthly cash position summary sheet. Deposits shall be made on a daily basis or on a reasonable basis as needed.
7. Photocopies are made of all checks in the deposit

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date