

# **THE COUNSELING SOURCE, INC.**

## **POLICY AND PROCEDURE**

**TITLE:** Financial Planning and Management – Internal Control Practices

**PURPOSE:** To reduce risk and to ensure consistent practices with all financial activities.

**POLICY:** The Counseling Source will follow established practices and procedures for all financial procedures.

**PROCEDURE:**

- Receiving Cash: Cash payments may be received for outpatient therapy visits in the office. Selected personnel are authorized to receive cash payments. The client will receive a written receipt and the company will maintain a copy of the receipt. The cash will be locked in the Office Manager's desk and will be deposited in the bank on a weekly basis at minimum.
- Receiving Checks and other payments: Checks may be received from clients for outpatient services and from external payer sources on a periodic basis. Payments may also be received electronically from insurance companies. Checks will be endorsed for deposit only, copied, and deposited on a weekly basis into the checking account using scanning software provided by the bank. The copy of the check, along with the back up or explanation of benefits will be filed with the bank deposit slip. Payments are applied to outstanding accounts receivable balances as follows:
  - Payments from the state of Ohio and insurance companies are generally applied by using electronic files received from these organizations. The electronic file is generally applied before the check is received from the state of Ohio or insurance companies.
  - All other payments are applied manually at the time payment is received.
  - Check writing: the office manager will compile (on a periodic basis) a listing of vendor invoices to be paid and will give the list to the Executive Director for approval. The Executive Director will then authorize which vendor invoices are to be paid. The office manager will print the checks and give them to the Executive Director for signature. At the time the checks are signed, the Executive Director reviews the check and corresponding vendor invoice for appropriateness. The Executive Director will then have a second individual review and sign the check. The signed checks are then returned to the office manager for office mailing.
  - Credit Cards: The Executive Director is responsible for the corporate credit card at all times. With the Executive Director's authorization, other administrative staff may use the card for purchases.
  - Lines of Credit: The company will maintain a line of credit through the bank to assist with working capital needs. The Executive Director and the corporate accountant will monitor the line of credit on an ongoing basis. This line of credit will also be reviewed and renewed on an annual basis by the bank.
  - Capital Equipment: The Executive Director must approve all capital equipment purchases.
  - Routine Expenses and Consumable Items: The Office Manager has the authority to make routine purchases for office supplies, printing of forms and other consumable items.

**REFERENCED STANDARDS AND REGULATIONS:**

CARF Section 1, Criterion I, 6 a-b

EFFECTIVE DATE: 5/16/2006

REVIEWED: February 2018

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David F. Turner, Ph.D., Executive Director