PURPOSE/POLICY

The Mid-Michigan District Health Department (MMDHD) maintains a proper financial management system and financial reporting in accordance with the requirements of Uniform Grant Guidance 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Generally Accepted Accounting Principles (GAAP), the approved grant agreement and any other applicable laws, regulations, rules and guidelines.

The financial management system will ensure compliance with grant awards and allow for accurate, current and complete financial reporting, accounting records that adequately identify the source and application of funds, allow for effective control and accountability, and the ability to compare the budget to actuals.

MMDHD currently uses Quantum financial software. The software system allows for the following:

- Preparation of reports required by general and program specific terms/conditions
- Tracing of funds to a level of expenditures that shows that funds have been used in accordance with the terms, conditions and regulations of federal and other awards
- Separate account numbers to correctly identify grant awards, including federal grants, and properly classify the federal awards with the correct CFDA title and numbers
- All expenditures and revenues can be uniquely identified to each grant within the account structure
- The correct accounting period can be identified within the system

If a new financial management system is considered in the future, the above compliance issues would be mandatory in consideration of any system.

Accountability is the objective of financial reporting. It is essential that reporting is accurate, timely and complete for the agency as a whole and for each grant award individually. Accurate financial reporting can fulfill the following requirements:

- Accountability to the Board of Health and public including the ability to evaluate MMDHD operations and assess the ability of MMDHD to meet its obligations
- Compliance with federal, state and other grant reporting requirements
- Assist public in evaluating operations of the MMDHD for the year and assess the ability to meet obligations
The reports will be pulled from the financial management system after the current period closing. At a minimum, reports will be pulled for the following:

- Revenue and Expenditure reports will be provided to the Board of Health monthly to review on a line item basis. Additionally, reports are available to staff and the public via the Board of Health packet.
- Financial Status Reports for each program will be provided to the Board of Health after year end completion. Additionally, reports are available to staff and the public via the Board of Health packet.
- Reports in compliance with the award/contract as required in frequency and required deadlines
- Reports will be available to internal staff and distributed as necessary to meet requirements or as requested.
- Various other reports are distributed monthly to management team including salary compared to budgeted amounts, productivity reports etc.

MMDHD will always prepare reports based on the general ledger using the required basis of accounting. The reports and the original source documentation to support all income and expenditures recorded in the general ledger is kept in accordance with the record retention schedule or the grant guidelines, whichever is longer. Source documentation may include but is not limited to purchase orders/requisitions, invoices, receipts, travel authorizations, contracts, bank statements, etc. Internal controls are maintained through segregation of duties as described in individual policies. Journal entries into the general ledger are limited to specific people within the accounting system. All journal entries require adequate source documentation.

MMDHD will contract with an independent auditing firm for the purposes of conducting the agency’s external financial audit, single audit if required and assistance in the preparation and filing of the agency’s 990 annually. The audit results be presented by the auditing firm to the Board of Health at an open meeting. The 990 will be given to the Board of Health for review.

MMDHD normally reports on a modified accrual basis unless otherwise specified within the reporting requirement of awards.

All records will be maintained in accordance with the State of Michigan record retention guidelines for local health departments or the granting agency whichever is longer.
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- Revenue and Expenditure reports will be provided to the Board of Health monthly to review on a line item basis.
- Financial Status Reports for each program will be provided to the Board of Health after year end completion.
- Reports in compliance with the award/contract as required in frequency and required deadlines
- Reports will be available to internal staff and distributed as necessary to meet requirements
- Programs will be monitored internally at least quarterly by the Administrative Division Director and any other applicable staff (program leads, supervisor or division directors)
- Grant awards are kept in the grant database spreadsheet and due dates for reports are monitored with reminders sent to applicable staff