POLICY/PURPOSE

The purpose of this policy is to describe the payment processing and control for the Mid-Michigan District Health Department. All payment processing must be 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.

All invoices must be approved by a Division Director or the Health Officer prior to completion of the payment. Any payments made by the agency require a source document (traditionally an invoice), have an account number assigned, and must represent a valid business expense. All purchases must additionally follow the purchasing, capital asset and inventory policies if applicable. Payments are processed once every two weeks. In general, every effort must be made to take advantage of offered discounts or to comply with the terms noted on the invoice.

Expense vouchers (EV) are prepared to request funds from the Treasurer in order to deposit into the agency bank account that is to disburse payments. Only the amount that is needed for payments in that cycle is requested on the EV. The Expense Voucher must be authorized by a Division Director or the Health Officer.

Only Division Directors and the Health Officer will be authorized signers on the bank accounts. All signers require authorization from the Board of Health to be added to the bank accounts. All checks require two signatures from those that are authorized bank signers.

A wire transfer is an alternative method to authorize and disburse payments in instances where it is desirable or essential that the payee receive immediate funds in settlements of a particular transaction. Wire transfers are currently limited only to obtaining postage from Stamps.com and require two authorized signatures of those on the bank accounts to complete the transfer. The bank will normally confirm authorization through a phone call to complete the transfer.

An automated clearing hours (ACH) payment is another form of payment method and is normally used for direct deposits, employee benefit payments (i.e. AFLAC, MERS), employment taxes and credit card payments. All payments must be approved through the A/P and payroll process which requires the approval of the Administrative Services Division Director or another Division Director/Health Officer.

All payments, including checks, wire transfers, and ACH payments must be listed on the EV which is presented to the Board of Health monthly for review and approval. In addition, the check register is also presented to the Board of Health with the EV. Bank statements and reconciliation must be approved by the Administrative Services Division Director monthly.