

**Huerfano County Department of Human Resources
Supplemental Accounting and Purchasing Controls Policy**

Policy Title: Supplemental Accounting and Purchasing Controls Policy	Effective Date: 12/17/2024 Revision Date:
Policy Program Area Accounting Operations All Units	Authorizing Signature

POLICY STATEMENT

This policy is created to detail the accounting and purchasing controls within the Huerfano County Department of Human Services. It is a supplement to Huerfano County Resolution 24-37. In areas where the policies conflict, Resolution 24-37 supercedes this policy. This policy sets spending limits, details spending procedures, and outlines internal controls for purchasing, accounts payable, and receiving cash payments.

PURCHASING

1. All requests for purchases must be filled out on the appropriate DSS-1 form.
2. The request for purchases is given to the unit manager for approval and signature.
 - a. The unit manager or designee brings the DSS-1 to the Director when required.
3. The form will then be given to the purchasing agent.
 - a. The Office Manager is HCDHS's designated purchasing agent.
4. The Office Manager will ensure the DSS-1 form is correctly filled out and that appropriate approvals are obtained. Spending thresholds are
 - a. Up to \$100 may be purchased with Unit Supervisor approval.
 - b. Purchases more than \$100 must be approved by the director unless made by Adult Services, who have a spending threshold of \$200 for client services.
5. All items are purchased through approved vendors and following the county procurement policy. The Office Manager is responsible for conducting a thorough search to find the best quality for the best price.
6. All receipts for purchases will be attached to the DSS-1 and remitted to the accounting department.
7. The accounting department will follow procedures ensuring the director reviews payments and signs off on coding.
8. All large purchases will follow the Huerfano County Procurement Procedures.

Internal Control for Accounts Payable

1. All purchases, contracts, leases, and other operating costs are approved by a unit supervisor and the Director or Designee prior to authorization of the expenditure. For purchasing, the approval process is detailed above.
2. Invoices from outside sources are received through the front desk. Upon receipt
 - a. Invoices are logged in the Mail Log
 - b. Invoices are routed to the Accounting department for processing.
3. Unless specific instructions are provided, the accountant determines which program area is responsible for the expense and codes the bills accordingly based on the HCDHS chart of accounts.
4. Once invoices are verified and the correct accounting codes are determined, the accountant labels each invoice with the accounting code and signs that it has been verified.
5. The accountant then submits the invoices for approval by the Director or Designee who signs each invoice as being reviewed and appropriately coded.
6. Invoices are required for all payments within the accounting system.
 - a. Invoices are entered into the Accounts Payable module of the accounting software.
 - b. Once entered, a payroll proof is printed and balanced against the invoices and fund requests.
 - c. Following proofing, invoices are posted to the Accounts Payable Module in the accounting software.
 - d. Invoices are then selected for payment and balanced against the proof in the previous step.
 - e. A final payroll proof is printed and submitted to the Board of Human Services for their information and approval.
 - f. The accounting software then prints checks for the selected invoices which are signed automatically.
7. Once checks are printed, they are given to the office manager who posts them on the same day if received before 3:30 pm. If not received before 3:30 pm, they will be posted by 10 am the following business day.
8. Once the checks have been printed and routed for posting, the accounting department activates the posting feature of the accounting software, posting the disbursements into the Cash Disbursements Journal and the individual vendor ledgers. At the month end, the accounting department activates the automatic posting feature of the accounting software's general ledger module to post the Cash Disbursement Journal to the General Ledger.
9. The dollar amount of disbursements is tracked by the accounting department staff. Twice per month, the accounting department requests the Huerfano County Treasurer's Office to transfer cash to the Human Services bank account to cover the amount of disbursements.

10. After the last payroll of the month is processed, the accounting department prints the Invoice Register, a report that lists all the invoices paid for the month. A copy of the Invoice Register is given to the Director for review. The accounting department uses this report to balance against the funds transfer requests and to data enter expenditures in the the State's CFMS accounting software.
11. At the same time, the accounting department prints the monthly check register, which is kept on file and used to balance the Human Services checking account.
12. At month end, the accounting department closes the period in the accounting software Accounts Payable Module. End of period processing requires that all checks have been posted to the General Ledger and that the

Internal Controls for Accounts Receivable

1. Checks, cash, and money orders are the only forms of payment accepted by HCDHS. Checks may be denied if client has history of returned checks.
2. All payments are received by the Office Manager and logged in the mail log.
3. For all non-child support payments are then delivered to the accountant who logs the receipt of the payment in the correct account. Child support payments are routed to the child support technician who logs them in the system and then are routed to the accounting department.
4. The accounting department prepares the deposit.
5. The office manager delivers the deposit to the bank once per month.

CONTRACTS AND PROCUREMENT SUPPLEMENTAL PROCEDURE

Subrecipient vs. Contractor Determination

1. HCDHS uses the AGA's subrecipient vs. contractor checklist to determine if the organization is a subrecipient or contractor.
2. The HCDHS Director will use the instrument to determine the relationship.
3. The determination sheet will then be kept with the procurement file for the organization.