

Yellow Medicine County
Cash Receipts
Narrative
FYE 12/31/2011

Completed/updated by: Michelle May, Finance Manager, 10/1/2014

General Receipting and Recording Procedures

Miscellaneous Receipts:

The majority of the revenue received by the county flows through the county's "Miscellaneous Receipts". This narrative will deal mainly with the handling and recording of miscellaneous receipts. The Cash Register system that Yellow Medicine County uses automatically numbers the receipts as they are prepared, printed, and processed. The users are required to enter into the system whom the money was received from and their check number and/or cash, the amount, a description, the general ledger account number(s) it should be recorded to, and the fund receiving the collections. The system prints two copies of the receipt. One copy goes to the appropriate department or customer, and one copy stays with the deposit in the P&A Deputy's office. The printed receipt shows the amount collected, the date, the receipt number, the general ledger account number(s), and the fund receiving the collections.

If a specific receipt needs to be reprinted because of a change in account number or incorrect amount, both copies of the original receipt must be saved in number order with all other receipts in the office of the Property & Administration (P&A) Deputy. The two copies should be stapled together with "CHANGED" written on the top page in bold along with the reason the receipt was changed. Then the Finance Manager needs to review the original receipt and the replacement receipt and sign off on the explanation for the changed receipt. If a transaction is cancelled, "VOIDED" should be written on the receipt with an explanation and the Finance Manager should review and sign off on the cancelled receipt. In this case the receipt should be marked as voided in the Cash Register system and not reused.

The F&A office receipts money electronically transferred from the State and US Treasury except for PPSD, Sheriff, Highway and Human Services EFTs. The F&A office collects and receipts revenue for various County departments such as the Fairgrounds, Parks, and Ditch. Some County departments process their own receipts; these include the Sheriff, Jail, Extension, and Planning and Zoning. These departments either bring or mail their money and a report over to the Property & Administration Deputy. The Property & Administration Deputy reconciles the cash to the reports and enters the information into the county's Cash Register system. The automatically numbered receipts print on the receipts printer, the person processing the receipt retrieves it from the printer then gives it and the money to either the F&A Deputy or the Finance Manager. All receipts are filed in the F&A office. The Attorney, Assessor and Veteran Services personnel bring their money to the Property & Administration Deputy, tell her what their revenue is for and she receipts it. The Highway Accountant, the Human Services Fiscal Officer and the Human Services Clerk Accountant enter their miscellaneous receipts into the Cash Register system. All receipts print on the receipts printer in F&A Office; the person printing the receipt gives it and the money to a F&A Deputy, P&A Deputy, or the Finance Manager. The person receiving the receipt reconciles the receipt to the collection received. At the end of each day, the cash and receipts are stored in the safe. The next morning the cash is counted and reconciled to the receipts. Deposits are taken to the bank daily except for rare instances when the revenues are minimal and staff shortages occur.

Property taxes are collected and receipted by the Property & Public Services Dept. and included in the daily deposit.

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All State collections are directly deposited into various County accounts. Each morning the P&A Deputy goes into the state website to check for vendor payments. She retains one copy for the F&A Office records. The payments usually hit the various County accounts the following day. The next day the P&A Deputy checks with the bank for the transaction. If the transaction went to the Sheriff checking account she gives them a copy. Another copy is given either to Human Services or Highway when the money is related to their Funds and is received by the bank.

Unpaid Accounts:

Policy 405 Accounts Receivable Collection Policy

General Fund Departmental Receipts:

The General Fund departments that collect money handle their collections in various ways. Then all money is eventually remitted to the Finance Manager. Receipts are prepared for all transaction received by the county. Daily deposits are made to the bank. Daily reconciliations are completed between amounts receipted and deposited. All receipts are reviewed for proper coding and adjustments are made as needed. The P&A Deputy keeps a Collection Register in an excel file. They also keep a mini trial balance of cash available to each Fund.

Most revenue is received when the transaction is made. Certain transactions are billed, for example, lessees and other departments are billed for reimbursement of postage, phone service, internet service, attorney services and other services. Those bills are usually prepared by the F&A Deputy or P&A Deputy either quarterly or annually. Municipalities are billed special assessment fees for adding new special assessments or updating the prior year special assessments and dispatch services. They are billed, respectively, by the Director of Property & Public Service in charge of doing tax calculations after the tax statements are sent out in the spring and the P&A Deputy quarterly. Banks are billed escrow fees if they want a copy of the tax statements. Escrow fees are billed by the P&A Deputy and bills are mailed with the tax statements. If an auditor's certificate is prepared, the bonding company is billed at the time the certificate is completed. Lessees are not billed but pay annually, quarterly, or monthly. All amounts billed and payments received are recorded in QuickBooks at the time of billing. The person recording a receivable in QuickBooks has their own log-in information. Their initials are included on the invoice when created. The Finance Manager reviews the accounts receivable occasionally. If an entity is not paying their bill a second notice is mailed.

Sheriff - The Sheriff's office receipts their collections in on their own pre-numbered receipts. Administrative Assistant in the Sheriff's office does the receipting and deposits the collections into the Sheriff's checking account. Once a month, the Sheriff's office remits collections to the Finance Manager's office by writing a check to them. The check, along with a statement of fees, which summarizes the revenue types, is given to the F&A office. This statement of fees includes general ledger account numbers on it; the F&A office inputs the cash receipts into the G/L.

Planning & Zoning - Planning & Zoning use their own pre-numbered receipts to issue for collections received. The receipts by individual transaction are listed on a record that is mailed monthly to the P&A Deputy along with the collections. At the end of each day, the receipts are reconciled to the collections. Cash and checks are kept in an envelope in an undisclosed location inside the desk.

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Attorney's Office - The Attorney's Office occasionally takes in money for confiscated property sales, copies, and legal services for other counties. The Attorney's office restrictively endorses the checks and brings or mails them to the F&A Office daily where they are recorded on a miscellaneous receipt. The money received for the above items is received by check in the mail. Upon receiving the checks, they are maintained in a locked drawer in the County Attorney's Office until endorsed and delivered to the F&A Office.

Jail - The Jail invoices clients (normally other Counties and pay to stay) for boarding. The Jail Administrator is responsible for tracking the inmates stay and invoicing the appropriate government. She is also responsible for collecting home arrest funds and various other charges in the form of cash. She delivers the cash to the F&A office the day it is received. The money is received by the Jail, which is then brought over to the F&A office for receipting. A copy of the receipt is forwarded to the Jail Administrator. She is responsible for making sure all outstanding invoices are received, second notices issued, and the money collected. The Jail receipts their other collections in on their own pre-numbered receipts. Various correction officers in the Sheriff's office do the receipting. The Jail Administrator deposits the collections into the Jail's checking account. Once a month, the Jail remits collections to the F&A office by writing a check to them. The check, along with a statement of fees, which summarizes the revenue types, is given to the F&A Office. This statement of fees does not include general ledger account numbers. The F&A Office inputs the cash receipts into the G/L.

Assessor's Office - The Assessor's office occasionally takes in money for assessment services and copies. On an annual basis, valuation of commercial/industrial property is done in 8 taxing districts for which appraisal fees are received for these valuations. The Assessor's office restrictively endorses the checks when they are received and brings them to the F&A Office monthly where they are recorded on a miscellaneous receipt. All dollars collected are placed in a file cabinet that is not accessed by the general public.

Veteran Service Office - The Veteran Service's office occasionally takes in money for the Veteran's Memorial Plaza and van reimbursement. The Veteran Service's office restrictively endorses the checks and brings them to the F&A Office where they are recorded on a miscellaneous receipt. Monies collected during the day are kept in a locked box in the file cabinet. Then all the money is taken to the F&A Office at the end of the day.

Extension - Extension uses their own pre-numbered receipts to issue for collections received. The receipts by individual transaction are listed on a record that is mailed monthly to the P&A Deputy in the F&A Office along with the collections. At the end of each day, the receipts are reconciled to the collections. The Extension Office Manager is the main contact for collections of monies and receipting, and completing information that is sent to the P&A Deputy along with the money.

Human Services:

Human Services receives money from various sources such as over the counter, through the mail, and EFT from the State. Human Services records their collections on the IFS receipting system. Their collections are brought to the F&A Office daily to match up with the receipt printed out on the receipts printer.

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SCREENING FEES: Each month the Accounting Technician bills the Granite Falls Hospital and Manor, Clarkfield Care Center and Sanford Medical Center for screening fees. Payments due and received are entered in a journal by the Accounting Technician. Accounts are monitored by the Accounting Technician.

MA RECOVERIES: The Financial Worker determines during a review that a recipient has assets that cause them to be ineligible for Medical Assistance. The recipient remits the excess assets to the Human Service Agency.

The agency receives a letter from the Department of Human Services indicating that a recipient's estate is pending in District Court. The Fiscal Supervisor orders a claims history report from the Department of Human Services. After the report is received, the Fiscal Supervisor files a claim per Minnesota Statute 256B.15 to the Court. The Court will determine the amount that will be reimbursed to the Human Services Agency.

The Financial Worker determines the estate of a recipient does not exceed \$10,000 and an Affidavit for Collection of Personal Property is completed and submitted to the banking institution of the recipient. The bank institution remits the checking account balance to the Human Services Agency.

UCARE MSHO FEES: The Social Workers provide case management services to UCARE recipients. UCARE has a monthly reimbursement rate per recipient. Therefore, each month UCARE remits a check and documentation of the recipients to the Human Services Agency. The Adult Social Service Supervisor reviews the documentation for accuracy.

BLUEPLUS REVENUE: Social Workers provide case management services to clients that are eligible for BluePlus managed care. The Social Service Case Aide generates a report from SSIS and the Fiscal Supervisor bills for the case management in MN E-CONNECT. The Fiscal Supervisor reconciles the check received with the remittance advice. If billings are not paid, the Fiscal Supervisor corrects errors and resubmits to BluePlus.

Countryside Public Health Services also provides case management services to clients eligible for BluePlus managed care and then bills our agency. The Fiscal Supervisor bills for the case management in MN E-CONNECT. The Fiscal Supervisor reconciles the check received with the remittance advice. If billings are not paid, the Fiscal Supervisor corrects errors and resubmits to BluePlus.

The Fiscal Supervisor posts the revenue to the proper account in the receipts system.

EFT PAYMENTS: The Fiscal Supervisor submits fiscal reports to the Department of Human Services on a quarterly basis. The Department of Human Services determines the State and Federal revenue due. The revenue is direct deposited in a checking account. The F&A Office faxes the payment detail to the Fiscal Supervisor. The Fiscal Supervisor posts the revenue to the proper account in the receipts system.

PACT FOUR GRANTS: On a quarterly basis, the Fiscal Supervisor submits to Pact 4 expenditures incurred. The Fiscal Supervisor monitors the account to assure payments are received.

SOUTHWESTERN MINNESOTA ADULT MENTAL HEALTH CONSORTIUM: The Fiscal Supervisor on a quarterly basis submits expenditures for the Mental Health Discretionary Fund. On a

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quarterly basis, the consortium remits payment to the Human Service Agency for the supportive employment assistance. The Fiscal Supervisor monitors the account to assure payments are received.

Highway:

Highway receives money from various sources such as over the counter, through the mail, and EFT from the State. Certain transactions are billed for goods and/or services, for example, to other government entities and individuals, and usually include an overhead markup. Those bills are prepared by the Highway Accountant on a weekly basis and reviewed monthly. All accounts are reviewed quarterly by the Accountant; if accounts are outstanding, second notices are mailed. All amounts billed and payments received are tracked by first recording them manually in separate journals for accounts receivable and for receipts. The Accountant then records the collections on the IFS receipting system and brings the money to the F&A office to match with the receipts printed for deposit. The receipts are then entered on the Costing system. The G/L accounts on receipts may differ between the IFS system and Costing system entries because of the separate accounting methods of the two systems. The Accountant reconciles this on a monthly basis.

Revenue recognition on monies received from local governments on “shared” projects is determined by the date they are received and by what is being shared. “Contracted items” in a shared project is the most common area where recognized revenues may vary. Money received within the first 2 months of a new year is considered the same type of revenue as if it was received during the prior year. For example, if money is received for contracted items before the project’s current year end, or by the end of February of the following year, the recognized revenue would actually be a “negative expense” which would reflect the reimbursement of project expenditures. If the items can be tracked specifically, the G/L account would show the object of the expense in the engineering department. However, if the contracted items are a general mix of costs, the G/L account used is a separate account entitled “Local Share of Highway Projects” which is mapped against construction expenses in IFS. If money for contracted items is received after February of the following year, the recognition would be “Miscellaneous Revenue”. If county engineering costs are part of the shared project costs, that portion received would always be “Fees for Services” no matter when the monies are received.

Highway records their collections on the IFS receipting system. Their collections are brought to the F&A Office daily to match up with the receipt printed out on the receipts printer.