

## CONNECTICUT VALLEY HOSPITAL OPERATIONAL PROCEDURE MANUAL

<b>SECTION II:</b>	ORGANIZATION FOCUSED FUNCTIONS
<b>CHAPTER 7:</b>	Management of the Environment of Care
<b>PROCEDURE 7.20:</b>	<b>Activity/Welfare Funds</b>
<b>REVISED:</b>	11/97; 01/25/07; 04/11/11; 04/25/17; 07/10/2017
<b>Governing Body Approval:</b>	05/26/11; 06/27/2018( <i>electronic vote</i> )

### **POLICY:**

CVH Activity Fund is a fund operated by the hospital for the benefit of the employees or clients. The benefits may include but not be limited to recreational activities, holiday festivities, business enterprises, vending operations, monthly grants. Revenue is derived from the operation of canteens, vending machines, greenhouse, café's, boutiques or any other legal source compatible with the good government of the hospital.

The Chief Fiscal Officer authorizes the annual budget and expenditures from the Activity Fund. The Supervisor of Valley Finances is the Treasurer of the Activity Fund and is responsible for the day to day operation of the fund, which includes purchases, expenditures, financial reports, cash management, Comptroller requests and establishment internal controls.

### **PROCEDURE:**

#### *Cash Receipts*

- a. All cash belonging to the fund will be deposited within 24 hours after receipt. Receipts are issued to depositors and copies are kept at the Valley Finance Office in Page Hall There is a drop box at this location for off hour deposits.
- b. A Bank of America deposit ticket is prepared and logged for Dunbar Armored Car Service to pick up, Monday – Friday (except holidays).
- c. All deposits are posted to the Quickbooks accounting system using specific coding that charts the specific source of said receipts.

#### *Expenditures (Comptroller's A.P.M. for Activity and Welfare Fund):*

Purchases are to be done according to State Procedures as defined in the State Comptroller's Accounting Procedures Manual.

#### *Special Approval:*

Prior approval of the State Comptroller-Accounting System Division must be obtained for (1) any single expenditure from the Institution Activity or Welfare Fund in excess of \$1,000 or (2) any combination of expenditures in excess of \$1,000 for any single project, contract or event within a 12-month period. Form CO-1052, Activity or Welfare Fund Request Form, must be completed for this request.

A waiver from the approval process may be granted to agencies that submit detailed annual budgets for expenditures from their Activity Fund. Requests for such waivers should be made to the Director of the Policy Services Division, Comptroller.

#### *Purchasing Regulations:*

Purchases should be made using best business practice. Before making a purchase the Treasurer of the Activity Fund obtains information about special rates available ~~on~~ with State contractors. Competitive bids must be obtained for ~~major~~ purchases over \$2500.00. A purchase order/requisition system is required.

#### *Unauthorized Expenditures:*

Examples of unauthorized use:

1. Loans to State Employees;
2. Non-State Business Expenditures that would directly benefit the employees; such as testimonial dinners, holiday parties, or travel expenses.
4. Gifts, services, or donations to State Employee, citizens, or organizations

#### *Disbursement Procedures:*

The following procedure is required when making expenditures from the ~~for~~ Activity Fund

1. Payments for goods are initiated by preparing Purchase Requisition.
2. The Purchase Requisition is signed by the purchaser and approved by their supervisor.
3. All payments for goods and services should be substantiated by Vendor's Invoices or by receipts from individuals.
4. The signed Purchase Requisition, with supporting documentation attached, is then processed for payment.
5. Valley Finances codes and approves the purchase requisition and enters it into QuickBooks to generate the check. Valley Finance then enters the check information into the CashPro banking system authorize the funds release from Bank of America. An accountant in the Fiscal division reconciles the bank statement to ensure proper internal controls are in place.