

DHHS POLICIES AND PROCEDURES

Section II:	Budget and Finance
Title:	Cash Management Plan
Chapter:	Statutory Policy and Plan Administration
Current Effective Date:	8/1/02
Revision History:	8/1/02
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Statutory Policy

North Carolina (NC) law, Chapter 147-86.10 of the General Statutes, requires that "all agencies, division, facilities, schools, departments, bureaus, boards, commissions and officers of the state shall devise techniques and procedures for the receipt, deposit and disbursement of moneys coming into their control and custody which are designed to maximize interest-bearing investment of cash and to minimize idle and nonproductive cash balances."

Plan Administration

The NC State Controller, with the advice and assistance of the State Treasurer, the State Budget Officer and the State Auditor, is charged with developing and implementing a uniform statewide plan to carry out the cash management policy for all state agencies. The Department of Health and Human Services (DHHS) Cash Management Plan (CMP) outlines the policies, duties, responsibilities and requirements for cash management within state government on a broad basis generally and within the department specifically. It is the responsibility of each agency, department, division, facility and school to implement the provisions of this plan in their respective agency. Any exceptions or deviations from the DHHS Cash Management Plan must be approved by the DHHS Controller's Office.

The DHHS CMP is comprehensive and includes all Divisions and Institutions. A DHHS CMP Responsibilities Matrix Supplement form (see Attachment 16) will be prepared for each division, facility and school that designates the primary and secondary employees by position number that are responsible for the cash management duties identified in this plan. All employees of DHHS shall adhere to the provisions of the DHHS CMP. G.S. 147-86.11-I states that "A willful or continued failure of an employee paid from state funds or employed by a state agency to follow the statewide CMP is sufficient cause for immediate dismissal of the employee".

The NC State Controller, under the provisions of G.S. 143-3.2 has exclusive responsibility for issuance of all warrants for the payment of money upon the state treasurer. The NC State Controller has delegated via an agreement dated July 1, 2001 to the DHHS Controller, the

authority to make disbursements through disbursing accounts established with the State Treasurer for the NC DHHS.

The DHHS Controller is identified as the individual who has cash management responsibility, and who is responsible for the DHHS CMP. The DHHS Controller's Office Section Chiefs will prepare the DHHS CMP Responsibilities Matrix Supplement forms (Matrix) (see Attachment 16) by branch for each of the cash management functions that fall in their area of responsibility. Divisions, facilities and schools will complete the matrix form for division positions that perform any of the cash management functions listed in the matrix. The DHHS CMP will be submitted for approval to the Office of the State Controller. The approved DHHS CMP and the approved division, facility and school matrix forms will be maintained on file in the DHHS Controller's Office for review by the Office of the State Controller and Office of the State Auditor.

The DHHS Controller's Office Section Chiefs will be responsible for obtaining approval from the DHHS Controller for any exceptions to the policies stated in the DHHS CMP that are within their functional areas of responsibility. Division, facility and school directors will request approval of exceptions from the DHHS Controller for any non-conforming policy or activity under their supervision. Requests for exceptions are to be submitted in writing to the DHHS Controller for review and approval utilizing Attachment # 1, DHHS CMP Request for Exception of CMP Policy/Approval form. Exceptions are effective upon approval by the DHHS Controller, and will be filed with the official copy of the DHHS CMP maintained in the DHHS Controller's Office. DHHS Controller's Office Section Chiefs and division, facility and school directors will prepare revisions to the matrix forms for the cash management functions they supervise within 30 days of a cash receipting or disbursement process change or when the position responsible for a cash management function listed in the matrix is changed. The text of the DHHS CMP will be updated for approved changes annually. If a cash receipting or disbursement process change is not in accordance with this plan, implementation shall not occur until such time as the DHHS Controller has approved. Any existing procedures that do not comply with the minimum standards herein shall be modified in accordance with these standards as soon as possible or an exception must be requested.

CMP can be divided into two (2) areas:

1. Management of receipts, including accounts receivable policy toward prompt billing of amounts due to the state and acceleration of deposits, and
2. Management of disbursements, including timely payments of amounts due from the state to all vendors.

For questions or clarification on any of the information contained in this policy, please contact [The Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).