

Accounting Methodology

Policy

It is the policy of Central Florida Behavioral Health Network, Inc. (CFBHN) to use an accrual method of accounting to record and report all financial activity of the corporation.

Purpose

The purpose of this policy is to detail the accrual method of accounting used by CFBHN in accordance with the accounting principles set by the generally accepted accounting principles (GAAP). CFBHN operates under a July 1 – June 30 fiscal year.

Procedure

The financial reporting of the corporation is in accordance with standard accounting practices that accrue revenue and expense for the respective reporting period.

The revenue and expense accrued for a reporting period shall be documented through, but not limited to, invoices, purchase orders, revenue earned, personnel schedules, etc. CFBHN follows standards in accordance with GAAP and practices and compliance requirements described in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements, (also known as the “OMB Super Circular”), 65E-14 and the Reference Guide for State Expenditures. Accordingly, financial statements are prepared on an accrual basis of accounting that includes recognizing revenues when earned and expenses when incurred. Federal, state, local government grants, and other revenue are recorded as support when performance occurs under the terms of the grant or contract agreement. To ensure observance of limitations and restrictions placed on the use of resources available, CFBHN maintains its accounts in accordance with the principles of fund accounting.

All expenses incurred must be authorized and approved by the Chief Financial Officer (CFO.) If the CFO is unavailable, approval will be the responsibility of the Chief Operating Officer (COO) or President/Chief Executive Officer (CEO). Salaries and other direct expenses that related to more than one program are allocated to the appropriate contract. Approved invoices are submitted to the Finance Department for payment processing.


CFBHN maintains a financial reporting system that provides the ability to track line item expenses by contract at any given time. Expenses are posted directly to the general ledger as accounts payable is processed. Payroll is recorded by journal entries to the general ledger and charges to each appropriate contract. Entries from the cash receipts log are also recorded to the general ledger by journal entry. All fiscal records are processed and kept within the agency and are maintained by the CFO.

CFBHN prepares an annual operating budget and capital plan, which is outlined in detail in the *Annual Operating Budget* policy.

CFBHN has an independent financial audit performed annually. CFBHN’s current auditors, CBIZ MHM, LLC & Mayer Hoffman McCann P.C. performs CFBHN’s audit in accordance with Government Auditing Standards, 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards and the Reference Guide for State Expenditures, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.650, Rules of the Auditor General.

Finance department desk procedures are located in the CFO’s office.

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(continued)

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