

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
Fiscal	Incidental Funds Account	2005

1. Purpose. This policy has been prepared to establish DDS procedures regarding Incidental Account Funds relative to residential programs (HDCs).
2. Scope. This policy is directed to all applicable DDS employees.
3. Definition. Those funds not in the State Treasury, in which the State has a vested interest.
4. Funds Source. The basic source of incidental funds are those revenues derived from canteen sales and reimbursement-type charges assessed to the responsible party of the individual's account.
5. Use of Incidental Account Funds. Incidental funds shall be expended for supplemental purposes unless approved by the Director. Supplemental being defined as:
 - A. Items and/or services not ICF/MR reimbursable, except those services of a contractual nature.
 - B. Items and/or services for special events and holidays designed for the benefit of the individuals residing at the HDCs, including Christmas presents for those individuals not going home.
 - C. Non-consumable items purchased to directly benefit individuals when no other funds are available, excluding any item that is normally purchased from Maintenance and Operations.

Replacement Notation: This Policy replaces DDS Director's Office Policy #2005 dated April 1, 1989.

Effective Date: December 1, 1993

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References: Act 876 of 1983, as amended, The General Accounting and Budgetary Procedures Law; State Accounting Procedures Manual; Act 482 of 1979, as amended, Arkansas Purchasing Law.

Administrative Rules & Regulations Sub Committee of the Arkansas Legislative Council: November 4, 1993.

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6. Procedures for Incidental Funds Expenditures.

- A. Incidental funds will be placed in interest-bearing account(s) or other mechanisms.
- B. Deposits made at the facility will be keyed and a copy of the deposit slips will be sent to the Division of Finance, Funds Management Section.
- C. All funds generated to include interest by each HDC to the Incidental Account shall remain with that HDC. A local bank account shall be established by each HDC for deposit of generated funds. It is each HDC's responsibility to maintain appropriate accounting mechanisms to insure accountability.
- D. Division of Finance Funds Management Section will provide monthly reports showing receipts, disbursements and bank balances.
- E. Requests for purchases and/or checks by HDC Superintendents in the amount up to \$5,000.00 will need no further Agency approval. Expenditures over \$5,000.00 must be approved by the DDS Director.

7. The procurement party assumes responsibility for following the state purchasing law and accounting procedures manual and, policy and procedures relating to Incidental Funds when making obligations against that fund. In addition, he/she is responsible for ensuring that there are adequate sums in the subsidiary account to cover the purchase. The Division of Management Services, Purchasing Section, and the Division of Finance, Funds Management Section, will be available to provide advice upon request.

8. A request and explanation for cash will be routed to Central Office for approval. Supporting documentation for the expenditures will be maintained at the HDC.

9. Procedures for Incidental Account and Monitoring.

Incidental funds by their nature encompass several unique activities. General criteria shall be established, with the unique characteristics for each discussed separately. As state funds, incidentals are tied to regulations governing purchases. Requisitions, purchase orders, and receiving reports must be prepared for the majority of transactions. There are, however, exceptions to preparations of these documents as follows:

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- a) Medical Services - Medical authorization form, signed by the doctor, nurse supervisor, or director of medical services, as may be appropriate for the particular HDC, then approved by the Superintendent or his/her designee will suffice.
- b) Field Trip Request - Authorized and signed by the Superintendent or his/her designee and submitted in advance.
- c) Birth Certificate Request - Signed by the party requesting.
- d) Total Economy, Token Economy, and Workshop Payrolls - Submitted in memo for, signed by the requesting responsible party, countersigned by the Superintendent or his/her designee.
- e) Canteen Purchases - Revolving items, i.e., candy, potato chips, or "route type" purchases requires a sales slip and receiving person's signature.
- f) Clothing for an Individual - In order to insure stylish, individualized clothing is purchased for individuals, the Office of State Purchasing has issued a Delegation Order outlining procedures to be followed. This procedure will be used as a guideline in this type purchase. The current delegation order will be maintained in the Division of Management Services, Purchasing Section.
- g) Vending Machine Operations - Exempt from justification. One individual should be responsible for checking product count, and another individual should be responsible for counting and depositing funds.

