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INTERNAL CONTROL POLICY

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501. INTERNAL CONTROLS OVERVIEW

- A. Citizens demand and deserve cost effective government programs. They also expect to receive value for their tax dollars. Most major shortcomings that have been discovered in government programs, range from a lack of program accomplishments, wasteful or fraudulent activity, and can be traced to a breakdown in some component of the system of internal control.
- B. Internal control has been the focus of much attention over the past several years. This interest in internal control in government has increased in recent years as governments have become more complex and as taxpayers have demanded more accountability. Citizens are demanding more than just an accountability of how funds were spent. Government managers are now under pressure to demonstrate the value of the program and whether its objectives were met.
- C. One significant development concerning internal control occurred when The National Commission on Fraudulent Financial Reporting, known as the Treadway Commission, was created in 1985 to identify the causal factors of fraudulent financial reporting and to make recommendations to reduce its incidence. Recommendations made by the Treadway Commission led to a review of internal control literature by a task force called the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This task force issued a report in September 1992 called Internal Control - Integrated Framework. The report, referred to as the COSO report, was used as a guide in developing the information relating to internal controls included in this manual.
- D. In 1988, the AICPA's Auditing Standards Board issued a revised auditing standard on internal control, Statement on Auditing Standards (SAS) No. 55, "Consideration of the Internal Control Structure in a Financial Statement Audit". This Statement on Auditing Standards was amended in December 1995 with the issuance of SAS No. 78 "Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55", to reflect the definition and description of internal control contained in the COSO Internal Control -Integrated Framework.
- E. DEFINITION OF INTERNAL CONTROL
1. Activities undertaken by management to increase the likelihood of achieving management objectives in the areas of efficiency and effectiveness of operations, reliability of financial reporting, compliance with laws and regulations, and safeguarding of assets.
 2. Internal control is a process that keeps an organization on course in achieving its objectives. A system of such controls should provide reasonable assurance that entity objectives are being met.

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3. These objectives fall into four separate but related categories:
 - a. effective and efficient operations
 - b. reliability of financial reporting
 - c. compliance with applicable laws and regulations
 - d. safeguarding of assets

- F. An important aspect of every State organization's responsibility is to provide legislative bodies, citizen/tax payers, bond rating agencies, other governmental agencies, regulators and other interested parties, with reasonable assurance that the State organization's activities are controlled and its risks are prudently and soundly managed.

- G. Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization. If State organizations build the components of an internal control system into its planning efforts as well as its daily activities, its members are more likely to avoid unnecessary costs, make quick responses as needs arise, and adapt to decreasing resources and changing political and economic climates.

- H. It is the policy of the Division of Family and Children Services (DFCS) that each fiscal year the County DFCS and Regional Accounting offices will develop and maintain a system of internal control designed to safeguard its assets and promote operational efficiency and encourage adherence to prescribed managerial policies.

- I. Effective Fiscal Year 2021, instead of using ICP Signature Sheets each office (CW, OFI, Aging, ILP, etc.) in each region will be required to provide their Organizational Chart. The Org Chart will be used to identify the hierarchy for signing/approving documents. Even if no changes have occurred between months, an Org Chart must be submitted by the 10th of the month. If the Org Chart does not have the date indicated on the report, then a copy of the email needs to be attached for Audit reference.

- J. The establishment and maintenance of effective internal controls within a strong and effective internal control environment are fundamental components in the safe and sound management of all DFCS offices.

- K. People at every level of the DFCS organization affect internal control. Internal control is, to some degree, everyone's responsibility. Within each State organization, department heads are primarily responsible, and will be held accountable for internal control in their respective departments.

- L. Effective internal control helps DFCS achieve its operations, financial reporting, and compliance objectives. Internal control keeps each DFCS office on course toward its objectives and the achievement of its mission and minimizes surprises along the way. Internal control promotes effectiveness and efficiency of operations, reduces the risk of asset loss, helps to ensure the reliability of financial reporting, and compliance with laws and regulations.

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M. Internal control can provide only reasonable (not absolute) assurance regarding the achievement of an organization's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the realities that human judgment decision-making may be faulty, that persons responsible for establishing internal controls need to consider their relative costs and benefits, and those breakdowns that can occur because of human failures such as simple error or mistake. Moreover, controls can be circumvented by collusion of two or more people, or by management override of the internal control system.

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502. Separation of Duties

- A. Separation of duties is the division of key tasks and responsibilities among the various employees and subunits of an organization. No one individual should control all the key aspects of a transaction or event.
- B. By separating key tasks and responsibilities - such as receiving, recording, depositing, securing, and reconciling assets - management can reduce the risk of error, waste, or wrongful acts occurring or going undetected.
- C. Specifically, the various activities related to a purchase (e.g., initiating, authorizing, approving, ordering, receiving, paying, and recordkeeping) should be done by different employees or subunits of an organization.
- D. In cases where tasks cannot be effectively separated, management can substitute increased supervision as an alternative control activity that can help prevent or reduce these risks.

NOTE: In the event that a county DFCS office is unable to comply with the policy on separation of Duties, then the county director will need to submit a Waiver Request explaining their concerns. The Regional Director in conjunction with the Fiscal Operations Manager will review the Waiver Request and determine if other options are available or approve the waiver.

- E. The duties and responsibilities of personnel involved in the various accounting functions will be arranged so that a different individual handles each of the following:
 - a. Preparing checks
 - b. Printing/Signing checks
 - c. Reconciling bank statements
 - d. Handling cash receipts
- F. Personnel responsible for preparing checks do not print/sign checks, reconcile bank statements, or have cash receiving duties.
- G. Personnel responsible for printing/signing checks are covered by the Department of Human Services' blanket bond. These individuals do not prepare checks, reconcile bank statements, or have cash receiving duties.
- H. Personnel responsible for reconciling bank statements do not prepare checks drawn from the bank accounts being reconciled, print/sign checks, or have cash receiving duties.
- I. Personnel responsible for cash receiving duties do not prepare checks, print/sign checks, or reconcile bank statements.

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- J. General Journal Entries, along with supporting documentation, are reviewed and approved by an Accounting Supervisor, Fiscal Operations Manager or Unit Manager.

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503. Control of Funds Received

1. Cash receiving activities must be centralized.
 - Cash receipts are not commingled with petty cash.
 - Employees do not cash personal checks from cash receipts or petty cash.
2. Cash Receipt Books should be pre-numbered and three-part. Depending on the needs of the county, the county may decide to have either:
 - One receipt book series for the whole county for restricted fund bank account
 - One receipt book series for the front desk personnel and one receipt book series for the personnel opening the mail for restricted fund bank account

NOTE: If the county accepts any FS/TANF payments, these are to be entered in a separate receipt book and the payments mailed directly to OIG. The funds are NOT to be deposited into the county's restricted fund bank account.

3. The Regional Accounting office will maintain the only receipt book for deposits made into the regular operating funds.
4. The DFCS county office may receive these funds in the mail, from clients coming to their offices, from the staff or via direct deposit.
5. These funds may come in many different sources i.e., cash, money orders, checks and direct deposit. All checks and money orders should be made payable to the DFCS County Office, not an individual employee.
6. Employee(s) who have the responsibility for opening incoming mail must prepare cash receipts on a daily basis.

NOTE: In the event a DFCS office only has one person who can open and process incoming mail, at the beginning of each Fiscal Year, the Regional Director and Fiscal Operations Manager will need to prepare a waiver to handle these situations and ensure that additional safeguards are in place to reduce the possibility of fraud.

7. Receipts must be written and posted for all funds received in a DFCS County office and deposited into the county's bank account. Effective July 1, 2007, the DFCS county offices should only be receipting and depositing funds into their restricted fund accounts. Any State or Grant funds collected by the county are to be deposited into the county's restricted fund accounts and will be transferred to the lead county's Regular Operating Bank account at month-end.

NOTE: Receipts for all Regular Operating Bank Accounts will be written and deposited by the regional accounting office.

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8. All copies of spoiled or voided receipts are to be retained and marked “VOID”. The top two copies of these receipts are to be submitted to the accounting department to be entered into the Cash Receipt Journal in sequential order. The remaining copy should be maintained in the cash receipts book.
9. A review should be completed on all checks and money orders before they are deposited into the DFCS County office’s bank account to ensure they are made payable to DFCS, and that they do not appear to be a scam. The DFCS county office should reach out to Fiscal Operations Manager before depositing any suspicious looking checks or money orders.
10. All checks and money orders received must be endorsed payable “For Deposit Only” to include the agency name as soon as they are received.
11. Regardless of the source of payment, control procedures should be in place to ensure a continuous and uninterrupted flow of cash from initial receipt to deposit in an authorized bank account. Immediate counting, immediate recording and timely deposits of cash received should be required in these controls.

NOTE: If funds are received by personnel responsible for preparing the receipts, and they have already transferred the funds to the personnel that will be responsible for preparing and taking the deposit, then they should continue writing receipts with the current day’s date, but will need to mark the time the funds were received.

12. Cash receipts are kept intact and are deposited within:
 - Three (3) banking days of receipt provided receipts total less than \$100.00
 - Receipts totaling \$100.00 or more must be deposited within 24 hours
 - All receipts received must be deposited by the last day of the month

NOTE: Copies of checks and money orders should be made and maintained with the receipts and deposits for mailing to Regional Accounting. **Please do not make copies of cash received and submit to accounting. If copied with correct proportions, the copy could be interpreted as a potential fraudulent act.**

13. Bank deposit slips are initialed by the employee transporting funds to the bank for deposit.
14. Once the funds are receipted and deposited, a copy of the receipts, deposit slips and a copy of the checks and/or money orders should be sent to accounting.
15. Receipts, deposit slips, copies of the checks and/or money orders and all backup documentation are to be mailed or scanned/emailed to the Regional Accounting offices no later than three business dates after the date of deposit. If the information is emailed to the Regional Accounting offices, it must be legible.

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16. Funds from the State for your Grant-In-Aid (GIA) reimbursements or for some of your client's Social Security, SSI and Child Support are received via direct deposit. A receipt will not be written for funds received via Direct Deposit.

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504. Client or Vendor Overpayments

A. Food Stamps, TANF, or Child Care

1. If a case manager determines there is an error in FS/TANF benefits, whether an underpayment, overpayment or fraud, the caseworker handles as follows:
 - a. Suspect Fraud – The worker completes Form 5667 and given to their Claims Manager for review and logging. Then it is forwarded to the OIG department for further investigations.
 - b. Non-Fraud Clams (overpayment or underpayment) – The worker determines the correct eligibility funding for the client and establishes the amount of benefit error. This information is then passed on to their supervisor who approves the overpayment for collection. Underpayments are immediately processed without supervisory review. The worker will then contact the client to negotiate a Repayment Agreement to make payments to the BIRU unit at the state office on a regular basis. As long as the client is making their payments according to the repayment agreement, they are still eligible for services. As long as payments are made according to the contract, the claim is not turned over to the Tax Intercept department for recoupment.

2. If a case manager determines there is an error in Child Care benefits, whether an underpayment, overpayment or fraud, the caseworker handles as follows:
 - a. A Child Care Repayment/Correct Authorization (Form 112) is completed for each program/entitlement code and month detailing the overpayment.
 - b. A Child Care Claim and Repayment Agreement (Form 111) is completed and signed by the case manager and the client.
 - c. Child Care Claims data is reported on the OFI Data Forms which is e-mailed monthly to OFIdataforms@dhr.state.ga.us.

3. Procedures
 - a. If a client is paying a claim with cash (cash, check, or money order):
 - i. Payments will be entered into a three-part, pre-numbered receipt book.
 - ii. Receipts for Food Stamp, TANF and Child Care claim payments should indicate the client’s outstanding claim balance before and after the payment.
 - iii. The employees in OIG that are responsible for receiving cash payments from clients for Food Stamp and TANF claims payments cannot enter the claims data into GATEWAY.
 - b. Each month, if Regional Accounting receives any receipts from the county offices for FS/TANF/Child Care, they will submit FS/TANF payments to the BRAIU Unit and Child Care to the DECAL Unit.

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B. Family/Vendor Overpayments

Vendor Overpayment

1. If it is determined that services are overpaid to a vendor, the vendor can either do one of the following:
 - a. Return the Check
 - b. Ask regional accounting to pull back the Direct Deposit
 - c. Issue a refund check
 - d. Ask that the overpayment be taken from their next payment

Foster Care, Relative Care or Adoption Assistance Overpayments

1. Within five business days of knowledge of an overpayment, the case manager and the family are to negotiate a Repayment Agreement.
2. The repayment agreement will provide details as to the amount of each repayment and the frequency of the payments.
3. Payments are to be made to the DFCS office.
4. A copy of the approved Repayment Agreement must be sent to the regional accounting office so that they can re-rate the overpayments into an Accounts Receivable account to await reimbursement.
5. Each overpayment will be tracked in EXCEL to monitor the progress of the repayment.

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505. Control of Cash Disbursements

A. State Budgets

The Division of Family and Children Services' Office of Planning and Budget approves budgets containing allocated Grant-in-Aid funds. Line-item budgets are developed to plan and control the expenditure of operating funds by activity.

Some programs have limited funding and therefore should be reviewed prior to payments being made. State Management, District Directors and Regional Directors should review the monthly 500 Series reports that are created and monitor any shortfalls in their programmatic budgets. It may be necessary for them to reach out to the DFCS Chief Financial Officer about having funds transferred between regions to cover these shortages.

B. County Budgets

Each County's Commission approves their county's operational budget each year.

A copy of the signed, approved budget or an email from the county commission's office providing you the amount of the approved budget are to be provided to Regional Accounting to maintain for audit purposes.

If a county does not have carte blanc spending privileges in their county budgets, or have spending limits, then a copy of the minute meetings must be attached to any purchases that go outside of these approved limits.

It is the discretion of the Commission as to whether the remaining funds at the end of each budgeted year are returned to the county, maintained in the Cash Advance account, or moved to the Fund Balance to be used at a later time.

If the County Commission approves the remaining funds are maintained in the Cash Advance Account, then the County Board has the discretion to use these funds to increase their current year's approved budget if needed or make special purchases.

If the County Commission approves the remaining funds are to be moved to the Fund Balance Account, then the County Board must grant the funds to be moved back to the Cash Advance Account to use for special purchases.

C. Disbursement Requirements:

1. Personnel that do not process checks can distribute checks at the Regional Accounting offices or DFCS County offices.

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2. A current Request for Taxpayer Identification Number and Certification Form (W9) is on file that provides the Taxpayer Identification Number (TIN) for each vendor subject to receive a Form 1099 – MISC from the Agency. Regional Accounting cannot add a new vendor into SMILE without the information on this form.

NOTE: Vendors receiving \$600.00 or more for rents, services, medical, health care or legal services will receive a 1099 at the end of each calendar year.

3. The county should provide the following information for clients before so that they are correctly added into SMILE, client’s name, address, phone number, Taxpayer Identification Number (TIN) and case number. This will ensure that the correct client is being paid for services.
4. Regardless of funding source, all disbursements are subject to the same internal control policies and procedures.
5. Disbursements are processed from invoices, check requests, ADPORS, Relative Care Agreements, AA or RC EXCEL Per Diem Spreadsheets, SSID Print Screens or Form 750 with all supporting documentation attached. See page 20-27 for a description of appropriate supporting documentation and signatures for each type of payment. Before any disbursement request are submitted to the Regional Accounting offices, all documentation needs to have been reviewed and approved by the county or the county’s contract liaison.

NOTE: An ADPOR is only needed if the vendor/family/client is submitting supporting documentation to be reimbursed and does not have a company invoice. (Example would be a Relative Care parent submitting clothing receipts, an ADPOR would be needed to attach all of the receipts.)

NOTE: Any payment requests that are over 60 days old should be reviewed in the system to ensure payment has not already been made to prevent duplicate payments.

6. All paperwork received by the county will need to indicate the date received into their offices via one of the following options:
 - All paperwork will be date stamped OR
 - A copy of the email from the provider will be attached to the top of each payment package with the date/time clearly indicated

BATCHING: In order for accounting to be able to ascertain that all invoices were received whether via mail or email, the following options for batching are allowed:

- The county or the County Contract Liaison will complete the batch sheet and send a copy with the payment packages and email a copy to regional accounting
- Send separate emails for each payment package indicating the Vendor’s Name and the Service Month in the subject line

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7. All paperwork received by the regional accounting offices will need to indicate the date received into their offices via one of the following options:
 - All paperwork will be date stamped OR
 - A copy of the email from the county will be attached to the top of each payment package received from the county with the date/time clearly indicated

5-Day Payment Processing Rule begins the business day after the date on the email sent to Regional Accounting or the date stamped in by Regional Accounting.

EARLY CLOSEOUT: Quarterly, Regional Accounting must close 3 business days before the end of the month due to Cost Allocation activity. Therefore, there may be times that the 5 business days may not be met as we cannot process checks once the books are closed until the first of the following month.

INVOICING ERRORS: If when the regional accounting office’s review the payment packages they are not complete, then the regional accounting office will email the county a request for the needed information. The payment packages will not be mailed back to the county offices. The counties will correct and resubmit via email.

DELIVERED SERVICES – Due to the volume of invoice packages received, per their contracts we have 30 calendar days to process their invoices once they have been fully reviewed for accuracy by the regional accounting department.

SHINES INVOICES – Due to the fact that all invoices, except Adoption and Relative Care, only drop on the last day of the month, staff cannot begin to work these packages until the first working day of the following month. Therefore, any payment packages date stamped into the regional accounting office with a prior month’s date, the 5-business day rule will not begin until the first working day of the following month.

SHINES PAYMENT RULE – There is an additional 3-day process before a payment package processed in SHINES will roll over to SMILE for processing.

DIRECT DEPOSIT RULE – There is an additional 3-day process before funds for a processed payment package will post to a client/family/vendor’s account.

8. There may be times when the county has an emergency and needs to have a check written and picked up from the accounting department by a DFCS employee the same day. Checks are not to be picked up from accounting by clients or vendors.
9. Once checks are processed, they will either be mailed to the client/vendor, direct deposited into the client/vendor’s accounts, or mailed back to the county for disposition.

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D. General Information on Disbursements:

1. ADOPTIONS AND RELATIVE CARE PROGRAMS

Effective FY2014, Adoption and Relative Care ongoing monthly subsidy payments will be processed using the approved EXCEL (Adoption Assistance and Relative Care Per Diem Reports) received via an email. The original source document will be maintained at the DFCS county office.

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2. DELIVERED SERVICES for CLIENTS

- a. The Service Authorization or a SMILE generated Purchase Order (PO) is required for any services performed and/or purchases made for DFCS clients. These forms should be submitted to the providers via fax or email. The provider is responsible for attaching a copy of the Service Authorization or PO to each invoice packet when requesting payment
- b. Invoices, Service Authorization or Purchase Order, mileage logs and receipts will be mailed to the DFCS county office or the county's contract liaison to review and approve the services, unit rates, and number of units (sessions, visits, hours, etc.).
- c. For Programs 511, 518, 521, 551, 571 and 573, there are state mandated invoices, and Travel Logs that the provider must use. Regional Accounting will return any invoice packets submitted for processing if they did not use the appropriate forms.

NOTE: Payments in SHINES for Delivered Services are not mandatory at this time. However, Regional Accounting is to make every effort to pay as many invoices from SHINES as possible.

- d. Payments should not be made from quotes or estimates. If payments have to be made from a quote or estimate, it is the case manager's responsibility to follow up and get a paid receipt and submit to the Regional Accounting offices as supporting documentation.

3. FOSTER CARE

- a. The foster parents must complete a Form 526 for each child in their custody during the month, and the form must include the child's custody county name, child's legal name, foster home name and address, boarding county name, if different, and the items they are asking reimbursement for.

BOARDING COUNTY: This is when a child is in the legal custody of one county but is being housed in another county.

- b. The foster parents should sign and date the foster care invoices before mailing it and all supporting documentation to the county or regional accounting office for processing. If the foster parents are emailing the invoices and supporting documentation to the county, it is acceptable for them to type their name instead of signing it. These emails must be sent ENCRYPTED due to containing personal identifying information.

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- c. Family Foster Care invoices (form 526) may be emailed or mailed directly to the DFCS county office, or they may be mailed directly to the Region Accounting offices. Any unusual items on the Family Foster Care Invoice that require county level approval will be sent to the child’s legal county of custody for review/approval.

NOTE: Any foster care related invoices that do not match the SHINES generated invoice will require additional verification with the appropriate DFCS office before the payment will be processed.

NOTE: The county’s foster care policy must include a statement that Region Accounting is authorized to process payment for county expenditures as long as they are within the limits contained in their guidelines. No approval signatures from the county will be required. The county should provide a new county foster care policy to regional accounting anytime a change is made or at least at the beginning of each new fiscal year.

- d. Accounting staff will enter any other state-funded foster care expenditures (clothing, supplemental supervision, medical cost, etc.) to the SHINES generated foster care invoice based on foster care policy. Legible receipts are required.
- e. Accounting staff will enter any county-funded foster care expenditures (clothing, allowances, etc.) to the SHINES generated foster care invoice based on the boarding county’s current policy. Legible receipts are required.

BOARDING COUNTY NOTE: If a child is placed in a county other than their legal custody county, the case manager needs to contact the boarding county to determine what types of county funded expenditures the legal county will be responsible for paying. The child’s legal county of custody must pay the foster home where the child is placed for these expenditures whether they pay their foster homes for these same items or not.

- f. Accounting staff will enter a line item to the SHINES generated foster care invoice using the child’s restricted funds against any state-funded or county-fund expenditures as appropriate.

4. PAYROLL

- a. All employee positions must be authorized and be within an approved budget.

All vacant/new positions go through HR PASS for approval, recruitment, interviewing and hiring. Any position that compensation is going to be more than \$40,000 must also receive DFCS Budget Services and Office of Planning and Budget approval.

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- b. Payroll forms may be sent to payroll staff via HR PASS, email, regular mail, or hand delivered. Original forms and/or signatures are not required.
- c. All payroll taxes, flexes, deferred compensation, health premiums and miscellaneous employee deductions should be made timely and accurately. Any differences identified should be researched and corrected.
- d. All payroll withholdings and deductions must be supported by the appropriate forms and maintained on all employees. All payroll withholdings/deductions are to be reconciled monthly and any differences should be researched and corrected.

NOTE: A separate file should be maintained on each employee that contains all of their payroll deduction forms, direct deposit forms, tax withholding forms and personnel forms that were needed in order to set an employee up for payroll.

NOTE: Performance Based Salary Increases will not be on individual PARs but will be included in a statewide report provided by state management. SMI is provided with the report and will upload the raises into the system. Payroll will use the report to check their payroll for accuracy.

NOTE: All Court Ordered paperwork is to be maintained in a file separate from the employee's normal payroll file.

For more detailed information about Payroll Policy, go to the FFS Website and view Payroll Policy.

5. RBWO

- a. RBWO Pre-Bills (generated from the SMILE PORTAL) will be downloaded by the providers, reviewed, and adjusted as needed, signed, and mailed directly to the RBWO Payment Centers for processing. The RBWO processing centers only process payments for state foster care related expenditures.
- b. Unapproved RBWO Providers are allowed to mail all Family Foster Care Invoices directly to their RBWO Payment Center without the county's approval signatures. Any unusual items on the Family Foster Care Invoice that required county level approval will be sent to the child's legal county of custody for review/approval.

NOTE: Any foster care related pre-bills or invoices that do not match the SHINES generated invoice will require additional verification with the appropriate DFCS office before the payment will be processed.

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- c. RBWO providers must submit a Family Foster Care invoice (form 526) for all non-foster care state related expenditures or county related expenditures either via email or mail directly to the DFCS county office, or they may be mailed directly to the Region Accounting offices. Any unusual items on the Family Foster Care Invoice that require county level approval will be sent to the child’s legal county of custody for review/approval.

6. RESTRICTED FUNDS

Restricted fund expenditure requests for children (other than items included on a FC Invoice), special programs, and county related funds will be paid from SMILE. In order for Regional Accounting to process these payments, they will need:

- The Form 750 may be used to authorize more than one check if the checks are for the same client and going to the same vendor, such as allowances. Each time a check is given to the client, a copy of the Form 750 needs to be signed acknowledging the funds were received and returned to Regional Accounting as supporting documentation.
- The Form 750 may be used when purchasing for multiple clients provided it is from the same vendor. Form must be copied in order for each client to certify the goods were received. Copies of receipts must be attached to the signed Form 750 and returned to Regional Accounting as supporting documentation.

NOTE: A Form 750 should be completed in advance of placing an order or making a purchase as it serves as the Purchase Order for Restricted Funds. If an order is placed on-line, then the confirmation order form will need to be submitted along with the Form 750 to Regional Accounting. Once the check is given to the vendor, the final receipt/invoice should be submitted to Regional Accounting within five business days as supporting documentation.

NOTE: Since restricted fund payments are issued using the Regular Operating Bank Account (BK #1), a copy of the check and supporting documentation must be filed in the child’s individual restricted fund’s folder.

7. TRAVEL

- a. All reimbursements to employees, other than payroll or petty cash, are to be reported on a travel statement (Form 726) containing the purpose of the trips, odometer readings, and any meals/lodging/miscellaneous expenditures.
- b. The employee will type their name on the employee line of the travel statement, attach all supporting documentation, and submit it via email to their supervisor for review with the following attestation statement in the body of the email, ***“I attest that I have incurred the described expenses and the State use mileage while performing my official duties for the State.”***

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- c. The supervisor reviews the travel statement, and they will forward the employee’s original email, along with supporting documentation to the Travel Email Addresses for processing via the following attestation statement in the body of the email, ***“I attest that I have reviewed and am authorizing payment.”***

For more detailed information for submitting travel statements, go to the FFS Website and view DFCS Field Travel Policy 2020.

8. GENERAL OPERATIONS

All counties, regardless of the funding source, must submit the Critical Supply Request form before ordering any supplies to Sr. Director of Fiscal Services office for review and approval.

Per the Director of Operations, Regional Office invoices for month-to-month expenditures, postage meter rental, copier rental, registration fees, etc., may be approved by the Regional Director.

Purchases for \$1,000 or more for equipment or travel must be approved by the District Director.

E. Supporting Documentation and Approvals for invoices:

NOTE: Any of the following are considered to be an appropriate check request form. Some may vary depending on which program is used.

- Vendor’s Invoice
- Adoption and Relative Care Per Diem Reports (EXCEL document)
- Request Authorization for Disbursement Form (ADPOR)
- Authorization for Restricted Funds Form (750)
- Statement for Contracted Services (Form 5357)
- SSID Screen Prints/GATEWAY
- Travel Statements

If the county approving authorities sign and date the invoices and all supporting documentation, they can either mail them or email them to Regional Accounting for processing. Original invoices or signatures are not required. Approving Authorities must also write their name below their signature for Internal Control purposes.

If the county approving authorities cannot physically sign and date the invoices and all supporting documentation, then the following Attestation statement should be included in the email when being submitted to Regional Accounting for processing. *“I attest that I have reviewed and am authorizing payment.”*

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Type of Payment	Documentation Required	Approval & Signature Required
Adoptions and Relative Care	SMILE system Per Diem reports for each category in EXCEL format	Only one DFCS case manager or Post Adoption Manager must initial by each case on the EXCEL document to approve payment, these initials will not be originals. The DFCS approving authority will attach the spreadsheet and include the attestation statement in their email to Regional Accounting.
Other AA and RC type payments	Payments for provider services is required to have an invoice. Payment for items to the family should have an ADPOR with receipts attached.	The provider/family will either type/stamp/sign their name. The DFCS approving authority may either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.
Services Provider Related (Delivered Services)	For Provider payments – Provider invoice or state mandated invoices, travel logs and Service Authorization, receipts attached if applicable.	The provider will either type/stamp/sign their name. The DFCS county contract liaison may either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.

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Type of Payment	Documentation Required	Approval & Signature Required
Services/ Client Related (Delivered Services)	For Family/Client payments – check request form, with receipts attached. If being paid in SHINES, the Service Authorization, if applicable, is required to be attached.	The Case Manager will complete the ADPOR and type their name in the Caseworker’s Signature Line. Then they will email it along with all supporting documentation, and their attestation statement, to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.
Non-Services Provider Related (TANF)	Vendor invoices and SMILE issued Purchase Order with receipts attached. Refer to COSTAR 3007 for appropriate documentation that must be submitted for processing.	The provider will either type/stamp/sign their name. The case manager will review and attach the invoice to an email with their attestation statement. The DFCS approving authority may either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.
Non-Services Client Related (TANF)	SSID Screen Print from GATEWAY with receipts attached. Refer to COSTAR 3007 for appropriate documentation that must be submitted for processing.	The Case Manager will complete the SSID in GATEWAY and then submits via the system to their supervisor for approval. The case manager or supervisor may either mail/email the SSID and supporting documents to Regional Accounting. If they are emailed, the attestation statement must be in the body of the email when submitted.

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Type of Payment	Documentation Required	Approval & Signature Required
Foster Care	Foster Care Invoice with receipts to support purchases. If receipts are for multiple children, a copy of the receipts should be attached to each child's invoice and clearly identify which purchases belong to which child.	The Foster Parent will either type/stamp/sign their name. If the per diem placement is entered in SHINES and within COSTAR Guidelines, no signatures are required. For all other state expenditures, as long as within COSTAR limits then no signatures are required. For all county expenditures, as long as the expenditures are defined in the county's approved county guidelines, no signatures are required. If expenditures are not outlined in the county's policy or they go over the county's spending limits, then the county director will have to approve the expenditure.
Payroll – Appointments, changes, and terminations	Personnel action forms must be on file	Personnel action are download from HR PASS or faxed/emailed to RA by OHR. All original documents with original signatures are maintained at the state office
Performance Based Increases (PBI)	EXCEL file provided by state management	No Signatures will come via email from state management
Payroll – Employee deductions	Appropriate authorization forms from vendors, direct deposit forms, ADP health documentation, GA Breeze flex documentation, PSR def compensation documentation, etc.	Authorization forms signed by the employee. For ADP, GA BREEZE and PSR the employee goes to their websites to make the changes and then reports are generated for use

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Type of Payment	Documentation Required	Approval & Signature Required
Payroll – Taxes and Court Order Deductions	Answers of Garnishment Letters, Bankruptcy Notices, Tax Levy, Child Support Orders, Tax Withholding Calculations Worksheet, etc.	These are state mandated deductions received from courts or mandated by IRS, no approval signatures required
RBWO – Contracted Providers	RBWO Pre-Bill with receipts to support purchases. If receipts are for multiple children, separate copies of the receipts should be attached one for each child clearly identifying their purchases	The RBWO Provider will either type/stamp/sign their name. If the per diem placement is entered in SHINES and within COSTAR Guidelines, no signatures are required. For all other state expenditures, as long as within COSTAR limits then no signatures are required. For all county expenditures, a separate FC Invoice must be submitted to the legal county of custody for reimbursement.
RBWO – Non-Contracted Providers	Foster Care Invoice with receipts to support purchases. If receipts are for multiple children, a copy of the receipts should be attached to each child’s invoice and clearly identify which purchases belong to which child.	The RBWO provider will either type/stamp/sign their name. If the per diem placement is entered in SHINES and within COSTAR Guidelines, no signatures are required. For all other state expenditures, as long as within COSTAR limits then no signatures are required. For all county expenditures, a separate FC Invoice must be submitted to the legal county of custody for reimbursement.

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Type of Payment	Documentation Required	Approval & Signature Required
Restricted Funds to RBWO Payment Central	EXCEL spreadsheet listing Child's Name, Type of Funds Received, Service Month and Amount	Email from the Accounting Supervisor or Fiscal Operations Manager attached with EXCEL document attached will serve as approval
Restricted Funds – Foster Care kids	Foster Care Invoice or RBWO Pre-Bill with receipts to support purchases. If receipts are for multiple children, a copy of the receipts should be attached to each child's invoice and clearly identify which purchases belong to which child.	Based on SSA and CSR policy, Regional Accounting staff will review the Current Balance reports and utilize as much of a Child's Restricted Balances possible to offset state or county related expenditures. Will follow same policy as for FC or RBWO for approvals.
Restricted Funds – Other, County, and Clearing Accounts	Authorization for Restricted Funds (Form 750) is required and should have vendor invoices, utility bills, and/or receipts attached. For month-end reconciliation checks, the Form 750 is required along with EXCEL Spreadsheet and other supporting documentation to validate the amounts being moved.	The Case Manager or Regional Accounting employee will complete the FORM 750 and type their name in the Name of Caseworker Line. Then they will hand deliver/email it along with all supporting documentation with their attestation statement, if emailed, to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.

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Type of Payment	Documentation Required	Approval & Signature Required
Travel - Regular	Travel Statement with all receipts attached, such as Hotel, Rental Car, Gas for Rental Car, Parking, etc.	The Case Manager will complete the Travel Statement and type their name in the Signature or Employee box. Then they will email it along with all supporting documentation to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.
Travel – Monthly Rental	Monthly Rental Log with all gas receipts. If the Enterprise invoice comes to county that should be attached, if goes to RA, they will attach	The Rental Car Custodian will email the Monthly Rental Logs, Enterprise Car Invoices and Enterprise Gas Invoices along with all supporting documentation and the attestation statement to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting. Employees are to sign each gas receipt. If the Enterprise Car Invoices and Gas Invoices come directly to Regional Accounting, if in the ICP the FOM can sign as the approving authority.

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Type of Payment	Documentation Required	Approval & Signature Required
Regular Operating	Vendor invoices/statements or ADPOR, if reimbursing individuals, with receipts attached. If the check is required in advance, then the employee will be required to provide a receipt upon return.	Someone at the County Office will review the invoices for accuracy and complete the ADPOR, if needed. They will type their name in the Caseworker's Signature Line. Then they will hand deliver/email it along with all supporting documentation and the attestation statement, if emailed, to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.

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Type of Payment	Documentation Required	Approval & Signature Required
Purchase Orders	Vendor invoices or ADPOR, if reimbursing individuals, Approved Critical Supply Order List, Purchase Order, Packing/Receiving Slip, and receipts attached.	<p>Someone at the County Office will review the invoices for accuracy and complete the ADPOR, if needed. They will type their name in the Caseworker's Signature Line. Then they will hand deliver/email it along with all supporting documentation to the approving authority in their offices who will either sign the documents and mail/email them or attach the attestation statement to the documents and email them to Regional Accounting.</p> <p>The Purchase Order should be signed by the budget approving authority and the County Purchasing Officer. The packing slip and the receiving order should also be signed and dated by the person who physically checked in the order</p>

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F. Check Procedures

1. Effective July 1, 2012, DFCS will no longer use pre-printed, pre-numbered checks. Check stock will be blank. Routing numbers, account numbers, check numbers, vendor names, amounts, etc. will be entered automatically during the systems check printing process.
2. All disbursements, with the exception of petty cash purchases, are made by agency check.
3. Checks are not made payable to “CASH” or “BEARER”.
4. Blank checks are never issued.
5. Checks are made payable to employees only for purposes of payroll, official travel, and reimbursement as the Petty Cash Custodian.
6. Once the checks have been printed, the Finance Clerk will match each check stub or Direct Deposit Voucher with its appropriate source document (i.e., approved invoice) for filing.
7. The Finance Clerk will also ensure that the checks are made to the correct vendor, and for the correct amounts (total all backup documentation) before the checks are mailed or before the direct deposit files are sent to SMI.
8. Voided checks are clearly marked with the word “VOID” written across the face and signature space is obliterated. All prior month voided checks are entered back into the system via a General Journal Entry. The voided check number should always be indicated on the description line in the accounting system.

NOTE: When voiding checks that are written on the Payroll and Travel Module, please do not do a GJE, but an adjustment screen in the appropriate module.

9. Printed on the face of each check is the statement “VOID AFTER 180 DAYS”. When checks become 90 days old, accounting should be investigating why the checks have not cleared the bank. Before the checks are 180 days old, a stop payment should be issued on the check and the check be voided in the accounting system.
10. Monthly, check registers are reviewed for sequential order. Any missing check numbers are researched and, if needed, entered into the accounting system as a VOIDED check (V).

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E. Check Signing

- A. Effective May 2012, per the Office of the State Treasury, all DFCS offices must receive prior approval before negotiating changes or opening a new bank account by submitting the Plan of Operations Form (AKA: Request to Open/Change Banks Form) to the Fiscal Service Director. The Fiscal Services Director will forward these requests to the Office of State Treasury for approval.
- B. Current bank signature cards are to be reviewed and updated as changes in management occur. When completing the new fiscal year's Internal Control Plan, the bank signature cards should be reviewed to ensure information is still accurate.
- C. A copy of the most current signature cards should be maintained at the regional accounting offices and a set on file with the bank(s). These signature cards will identify management staff who are authorized to sign checks and/or request changes in the bank account.
- D. The DFCS Chief Financial Officer (CFO) should always be the main signature on all bank account(s), including savings accounts. The CFO's signature will be the one present on all DFCS issued checks.

NOTE: Effective July 1, 2012, signature plates will no longer be located at the regional accounting offices' but at the accounting software company's office in Carrollton, GA. IP addresses have been established that will control a regional accounting offices' ability to print and sign checks.

- E. Banks are to be notified immediately when an authorized check signer terminates. If the County Director's position becomes vacant, the bank, by County Board resolution, will be authorized to recognize the signature of the individual placed in charge.
- F. Due to Separation of Duties, no employee under the Field Fiscal Services section can be a signer on the county's bank account. The Fiscal Operations Manager or their Accounting Supervisors may be added to On-Line Banking, if available, for purposes of voiding checks, printing bank statements, issuing stop payments and reviewing cleared checks for posting accuracy.

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506. PURCHASING AND PROCUREMENT

A. Control of Contracts

1. Procurement contracts must conform to policy and procedures established by DHS and/or DOAS as published in the Georgia Procurement Manual.

NOTE: A non-contracted vendor can be used if the service cannot be provided by an existing contracted vendor. In those circumstances, approval from the DFCS Contracts Administration Director must be obtained before services are rendered. A copy of the approval must be attached with the vendor's invoice and all supporting documentation in order for the payment to be processed.

2. No changes are permissible to Contract templates or Annexes unless approved by the Office of Procurement and Contracts.
3. All county level contracts must be submitted to the Office of Procurement and Contracts for review and approval by the Commissioner's office.

B. Purchase Orders (PO) for Non-Services' Related Programs or Service Authorizations (SA) for Services' Related Programs MUST be issued before services are performed or purchases are made. These documents signify that there are funds available to pay for these services or purchases.

C. The DFCS County Purchasing Officer (CPO) receives all non-SHINES related purchase requests. The CPO will work with Regional Accounting to ascertain that funds are available before purchases are made or services rendered. The CPO will review the appropriateness of each purchase request and review each purchase request for accuracy and completeness.

D. Request are sent to Regional Accounting for a Purchase Order. They may be made via email or by submitting a completed Authorization for Disbursements/Purchase Order Request Form or Authorization for Restricted Funds (Form 750) depending on funding source.

E. A Purchase Order must be completed in SMILE for all non-services related services and all regular operating contracts. Delivered Services Contracts are entered into SHINES only using the information on the Annex D so that the case managers can complete Service Authorizations for needed services.

F. Service Authorizations are completed by the case management staff.

G. Purchase Orders (PO), Service Authorizations (SA), Authorizations for the Use of Restricted Funds (Form 750) or Authorization for Disbursement/Purchase Order Request Form (ADPOR) are approved and signed by the County Director or designee prior to purchases being made or services being rendered.

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- H. The County Purchasing Officer (CPO) does not acknowledge receipt of the purchases nor approves payment for the purchases.
- I. An employee other than the CPO or the approving authority is responsible for verifying, signing, and dating the packing slip or receiving report and the Purchase Order stating that the items listed on the packing slip or receiving report have been received. If there is no receiving report or packing slip, then the employee will need to verify items received using the Original Purchase Order and write on the Purchase Order that they have verified all items were received, sign and date it.
- J. The packing list or receiving report will be submitted to the CPO who will then confirm the items received match the Purchase Order. If the order is altered in any way, the CPO notes the change on the Purchase Order and notifies the vendor within 24 hours of receipt.

K. Partial Shipments

A partial shipment invoice can be approved for payment after the CPO verifies that the invoice accurately reflects the quantity and description of the items received to date. A copy of the Purchase Order indicating which items to pay, the packing slip and/or the receiving report and invoice must all be approved for payment.

Once the remaining items on the order are received, the original Purchase Order indicating those remaining items are okay to pay, the packing slip and/or the receiving report and final invoice must all be approved for payment.

- L. The CPO will attach the Invoice, Purchase Order, packing slip and/or receiving report together and submit for approval.

NOTE: All purchases paid directly to a vendor require that an approved Purchase Order (PO), or Service Authorization (SA) be attached as part of the invoice package.

- M. The county's approving authority for payment of purchases should not be the same person who acknowledges the receipt of the purchases.
- N. Once **ALL** documents are approved for payment, the county's accounting liaison will mail/email the invoice package to the Regional Accounting office for payment.

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507. Credit Cards (P-Cards) and Direct Billing

P-Cards

- A. The Bank of America P-Card is the only acceptable Credit Card allowed for DFCS employees.
- B. P-Cards may be used to purchase client related expenditures and office supplies. It is prohibited to put any employee related cost on a P-Card.
- C. A system generated Purchase Order (Form 745) payable to Bank of America will be issued for each county at the first of the month to cover all office related purchase made on the P-Cards for that month.
- D. System generated SHINES Service Authorizations should be completed for each purchase needed for a child.

NOTE: Foster Care child(ren) related expenditures (clothing, miscellaneous, etc.) may be purchased with a P-Card. However, these expenditures must be reimbursed from county funds. Only expenditures paid directly to the foster parents on a Foster Care Invoice or RBWO providers on the RBWO Pre-Bill can be reimbursed through Grant-in-Aid funds.

- E. Employees are required to complete and receive their supervisor’s approval on the P-Card Approval Log prior to making any purchases.
- F. Employees are required to upload the P-Card Approval Log, the P-Card Activity Log, and all supporting documentation into the WORKs system for every purchase.
- G. The P-Card Approval Log, the P-Card Activity Log, and the employee’s P-Card statement must be signed by their appropriate approving authority before being submitted to regional accounting for processing.
- H. Employees are required to attach the P-Card Approval Log, the P-Card Activity Log, Purchase Order or Service Authorization and all supporting documentation to their statement when submitted to regional accounting for processing.

NOTE: The employee should code all supporting documentation with the appropriate chart of Account code or Program/Entitlement code to be charged. If it is Child related, they must include the child’s name, DOB, and County of Residence.

- I. The Regional Accounting staff will reconcile the Master P-Card statement against all of the employee’s individual P-Card Statements to ensure all individual P-Card statements have been submitted.

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NOTE: Because the contract between the state and the Bank of America state that all charges must be paid every month, any missing transactions from the Master P-Card statement will be charged to County funds. Once the employee submits the appropriate documentation, the Regional Accounting staff will re-rate the charge to the correct program.

NOTE: Continual failure by an employee to submit their P-Card statement and all supporting documentation will result in their P-Card being suspended.

Direct Billing

- A. DFCS does have a contract for direct billing of hotels for trainings processed through IOTIS with the University of Georgia.
- B. The CFO has given a few regions special permission to have direct billing with hotels for special needs, such as repatriation clients where we may have last minute hoteling needs.

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508. Gift Cards

- A. The county must designate an employee as their Gift Card custodian. Due to Separation of Duties, Regional Accounting personnel cannot serve as the county’s gift card custodian.
- B. County DFCS employees will submit an Authorization for Disbursement Form (ADPOR) or Authorization for the Use of Restricted Funds (Form 750) to request a check be issued to purchase gift cards, gas cards, etc. for clients. The County Directors or their designee must sign the ADPOR or Form 750 approving the purchase of the cards for client use.

NOTE: These purchases are to be charged to 127.150 unless the cards are being distributed immediately or the invoice is not received until after the cards have been disbursed.

- C. The Gift Card Custodian will place the gift card order. Once the cards are received, the custodian will complete the Gift Card Log/Form listing all Gift Card numbers for tracking to be maintained with the gift cards. A copy of the completed Gift Card Log/Form and the receipt/invoice will be returned to Regional Accounting to attach as supporting documentation to the original check.
- D. Daily, the gift card custodian may release a group of gift cards and their corresponding logs to an employee or supervisor for distribution throughout the day. However, it is still the gift card custodian’s responsibility for ensuring that all unused cards are returned and secured at the end of each day.
- E. Once the logs are returned, the gift card custodian will ensure that the logs are completed as follows:
 - Client signature
 - Current date entered
 - Client’s name and case number entered
 - Program/entitlement code entered
 - DFCS employee who distributed the cards signature
- F. Monthly or as a Gift Card Log/Form is completed, these logs should be submitted to regional accounting for proper posting of the current month’s expenditures.

NOTE: Failure to remit the Gift Card Log/Form once all cards have been expended could cause all cost to be charged against county funds.

- G. On the last day of each month, the Gift Card Custodian will complete the Gift Card Reconciliation Report which will provide an inventory of all remaining cards by vendor type and amounts to Regional Accounting.

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H. The Regional Accounting supervisor or Fiscal Operations Manager will use the Gift Card Reconciliations from all of their counties and balance it back to the 127.150 account to ensure all cards have been properly expended.

Special Notes about use of Gift Cards:

- A. Counties are not allowed to purchase gift cards for employees.
- B. Counties are not allowed to purchase gift cards for foster care children for Birthdays, Christmas, etc.
- C. The use of gift cards is not an acceptable method for purchasing supplies or other items that are required to be purchased with a purchase order.
- D. Independent Living Program (ILP) gift cards should only be purchased as part of a contract for a planned training or event. They must follow the same procedures as listed above.
- E. In the event of a disaster, gift cards can be bought for clients. The Division will determine at the time how gift cards will be distributed.

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509. Equipment/Inventory Control

- A. Personnel responsible for maintaining inventory records do not approve purchases or approve invoices for payment.
- B. Each year, the county is responsible for reviewing their Asset Management List sent to them from the Office of Facilities and Support Services. This inventory report will only be for items \$1000 or more in cost.
 - If there is equipment in the county offices that is not on the report, they will need to submit a Form 5111 to the Office of Facilities and Support Services so that it can be added to their inventory report.
 - If they have equipment on the report that has been surplus, destroyed or transferred to another office/agency, they need to submit a Form 5086 to the Office of Facilities and Support Services to have the item removed from their inventory.
- C. The county also has the ability to maintain an in-house inventory system through the SMILE system on all Agency equipment regardless of cost. A copy of the in-house inventory listing should be maintained in the event of a disaster so that it can be provided to the State Office for insurance purposes.
- D. The in-house inventory system should include the following data:
 1. Description
 2. Date purchased
 3. Acquisition cost
 4. Fund Source
 5. Location

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510. Safeguarding Assets

- A. The purpose behind safeguarding assets is to restrict the access to resources and information in order to help reduce the risk of unauthorized use or loss.
- B. It is management's responsibility to ensure that the organization's assets, files, documents, and other resources are properly secured to avoid them being wrongfully used, damaged, or stolen.
- C. Management can protect these resources by limiting access to authorized individuals. Access can be limited by various means, such as locks, passwords, and guards.
- D. Management should decide which resources should be subject to safeguarding and to what extent. Management should make this decision based on the vulnerability of the items being secured and the perceived risk of loss and reassess this decision periodically.
- E. The following items should be reviewed to ensure that the safeguarding of assets is being maintained:
 - 1. Safe combination and keys must be secured, and access limited only to authorized personnel.
 - 2. Access to office door keys, fobs or access cards is controlled by the County Director or their designee. An inventory is maintained and updated as personnel changes occur.
 - 3. Accounting records must be secured in a lockable office or secure area to prevent access by unauthorized personnel.
 - 4. Payroll files are to be properly safeguarded. Access to such records should be limited to payroll and management personnel.
 - 5. Checks that have been signed, but not yet mailed or otherwise distributed to the payee, must be kept in a locked container or secured location.
 - 6. Cash Receipts are to be kept intact and secured in a locked container or secured location until deposited.
 - 7. Petty Cash funds are to be secured in a locked container or secured location. Petty cash funds are never to be co-mingled with Cash Receipts.
 - 8. Undistributed Gift Cards are to be secured in a locked container or secured location.
 - 9. Postage meters are to be locked when not in use.

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10. Office supplies are kept in a secured area to safeguard against losses from theft.
11. Postage stamps must be stored in a locked container or secured location.
12. Third party checks, EBT cards/PINs should be kept in a secured location until disposition.

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511. Petty Cash

- A. All petty cash accounts are to be maintained on an imprest accounting basis.
- B. Funds for the petty cash account are usually drawn from regular operating funds.
- C. The petty cash fund is established by issuing an Agency check made payable to the custodian to start the petty cash fund. (Account 112.105)
- D. One individual, the Custodian, is to have sole responsibility for the petty cash fund.
- E. The Custodian will keep the currency and coins in a locked box.
- F. “Surprise counts” will be conducted quarterly by a representative from the regional accounting office or from the Fiscal Services Staff to test the accuracy of the balance.
- G. At all times, the sum of the cash and the vouchers are to equal the original amount of the petty cash funds.
- H. The petty cash fund should be limited to miscellaneous payments for which it would be impractical to issue individual checks. The amount of funds maintained for this purpose should be as small as possible, but adequate for the requirement of the fund.

NOTE: If it is determined that the petty cash fund is no longer needed, it should be closed.

NOTE: Purchases made by employees using their personal credit card cannot be reimbursed with Petty Cash, they must submit the expenditures for reimbursement on their Travel Statement.

- I. As expenditures are made, a petty cash voucher should be prepared and attached to the supporting documentation (receipt/invoice) provided. A copy of each voucher and supporting documentation should be retained in the petty cash box until the funds are reimbursed.
- J. An Authorization for Disbursement Form (ADPOR) will be prepared to replenish the funds for all petty cash vouchers/receipts in the box. The approved ADPOR and receipts will be submitted to Regional Accounting when requesting reimbursement.
- K. Regional Accounting will post the vouchers to the appropriate Chart of Accounts based on the type of activity for which the petty cash was used.
- L. A check will be written to the custodian for the total amount shown on the ADPOR. The custodian will cash the reimbursement check and convert it to cash to replenish the available cash on hand.

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512. Reconciling Bank Statements

- A. Bank statements can be delivered to the reconciler in either of these ways:
- The mailed bank statements are hand delivered to the reconciler, within same office
 - The FOM can scan and email the bank statement to the reconciler, different office
 - The FOM downloads a copy of the bank statement from the internet and emails it directly to the reconciler
 - The FOM prints a copy of the bank statement from the internet and hand delivers to the reconciler
- B. Bank Statements are reconciled either by the 15th of the month or within seven (7) business days of receipt (whichever is the later date for the agency). If the 15th of the month or within seven (7) business days falls on a weekend, then the bank reconciliations are to be reconciled by the next working day.
- C. All bank statements will be reconciled to the appropriate cash account balance in the general ledger each month.
- D. The reconciliation will be prepared by a person who does not handle cash receipts, process payments, or print and sign checks for the bank account being reconciled.
- E. The bank reconciler must insure the bank statement deposits and cash receipts journals agree.
- F. The Fiscal Operation Manager will review, sign and date the completed reconciliation. In the event the Fiscal Operation Manager is completing the bank reconciliations, then their Unit Manager will review, sign and date the completed reconciliation.
- G. Reconciling Items

Once you have identified your bank reconciling items, make copies of the documentation that supports what needs to be corrected and attach them to your bank reconciliation. All reconciling items are to be corrected within 60 days.

H. Outstanding Checks

1. Monthly, the Fiscal Operations Manager or the reconciler should provide the staff with a list of any checks that are more than 90 days old that need to be investigated with the county or vendor. This includes Bank 1, Bank 8, and the restricted fund county accounts.

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2. Monthly, the Fiscal Operations Manager or the reconciler should provide their staff with a list of any checks 120/150 days old that need to be voided before they become stale dated at 180 days. This includes Bank 1, Bank 8, and the restricted fund county accounts.

State Funded Checks that are voided in the same fiscal year that they were issued are journalized to the original account with a General Journal Entry.

State Funded Checks that are voided in the following fiscal year that they were issued are journalized to the account called “Due to DHR” (214.225) with a General Journal Entry. If it is a Child Welfare check, override the account number on the Child Welfare Module as well and use the Due to DHR Account (214.225) instead of the normal expense account.

NOTE: If the checks are going to be reissued, please remember that they will need to be reissued from the 214.225 account.

Restricted Funded or County Funded Checks that are voided are journalized to the original account with a General Journal Entry.

3. If it is determined by the DFCS case manager that a voided check needs to be reissued, the case manager can either provide a copy of the original paperwork or can ask the Regional Accounting office to look up the original check and make a copy of the original paperwork to use for reprocessing.
4. If the original paperwork or filed check cannot be located, the DFCS case manager will need to submit a new set of documents with appropriate signatures for processing.

I. Cancelled Checks

NOTE: In the event of an OIG Investigation, it is mandatory that the banks either:

- Return the actual cancelled checks
- Send copies of the front and back of each cancelled check
- Send a CD which contains the front and back of each cancelled check
- Provide the Fiscal Operations Manager access to the bank account on-line so that the front and backs of checks can be retrieved

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513. EBT Cards and PINs

- A. An EBT control log for EBT cards is maintained by the County DFCS office. The EBT vendor does not issue PIN's any longer those are selected by the cardholder via a toll-free phone number.
- B. The County DFCS office may be appointed guardian of a recipient's cash and/or food benefits. The name on the card will then be that of the DFCS office.
 - 1. As guardian, the DFCS office must designate separate staff to be responsible for securing and logging receipt of all EBT cards.
 - 2. Upon receipt of the EBT card, the county must activate the card and select a PIN using the EBT service provider's toll-free phone number.
 - 3. Once a PIN is selected, the county must maintain the PIN in a separate location from the EBT Card.
 - 4. The DFCS office must designate a management level person(s) that will authorize appropriate employees to use the card and PIN to conduct business on behalf of the recipient.
 - 5. Authorization will be accomplished by use of the EBT Card/PIN Sign-out Authorization Form. This form is presented to the person(s) responsible for storing and maintaining the cards and PINS in the County DFCS office.
 - 6. The card and PIN are signed for separately using the EBT Control Log – Sign-In/Sign-out Log. Return of the card and PIN will be documented on the same log.
- C. When a worker assists the recipient to shop or shops for the recipient who has control of their own card, the EBT Family Service Worker/Recipient Receipt Form must be completed according to instructions. The recipient must initial beside his/her account balances (cash and food benefits) before and after the shopping trip. After the purchases are made, the card and any written documentation of the PIN are returned to the recipient.
- D. If an EBT card is found and returned to the County DFCS office by the general public or voluntarily returned by the recipient, an EBT Control log for found or returned EBT cards is to be maintained by the County DFCS office.
 - 1. The control log is signed by the employee responsible for safeguarding the card.
 - 2. After thirty (30) days if it is not claimed by the recipient, the county should return the EBT card to the address on the back of the card. This can be mailed in an envelope or dropped into a US Post Box.

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- E. If an EBT card and PIN is given to other staff for safeguarding, the staff receiving the EBT card and PIN initials the applicable control log.
- F. IF EBT cards are received by the Agency, they are to be stored separately in a secure location until given to the recipient.
- G. When presenting the recipient with the EBT card, the employee responsible for safeguarding the EBT card will deliver the card and have the recipient sign the control log for the EBT card.