

<b>WCHO</b>		<i>Policy and Procedure</i>	
		<b>Balance Sheet Account Reconciliation</b>	
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**I. PURPOSE**

To establish specific procedures for reconciling balance sheet accounts based on generally accepted accounting principles for governmental entities.

**II. POLICY**

It is policy of the WCHO to monitor and reconcile all balance sheet accounts on a monthly basis. The reconciliation sheets will be the basis of the annual audit.

**III. APPLICATION**

All asset equity and liability accounts pertaining to WCHO operations.

**IV. DEFINITIONS**

Annual Audit: An external audit firm shall conduct an annual audit of the WCHO financial records in accordance with Government Auditing Standards.

Asset Account: An account in which is recorded tangible or intangible resources that will benefit the organization at a future date. An example is an amount owed to WCHO but not yet received (a receivable account).

Equity Account: An account that states the fund balance; i.e., the difference between total assets and total liabilities.

Liability Account: An account in which is recorded future obligations that have not yet been paid.

**V. STANDARDS**

Generally accepted accounting principles for governmental entities.

**VI. EXHIBITS**

None

## VII. REFERENCES

Reference:	Check if applies:	Standard Numbers:
42 CFR Parts 400 et al. (Balanced Budget Act)		
45 CFR Parts 160 & 164 (HIPPA)		
42 CFR Part 2 (Substance Abuse)		
Michigan Mental Health Code Act 258 of 1974		
JCAHO- Behavioral Health Standards		
MDCH Medicaid Contract		
MDCH Substance Abuse Contract		
Michigan Medicaid Provider Manual		

## VIII. PROCEDURES

WHO	DOES WHAT
Finance Director	Assigns specific accounts to finance staff that will have the responsibility of reconciling them.
Finance Staff	Monitor and reconcile each assigned account monthly
	Maintain records pertaining to each account that support the accuracy and appropriateness of each transaction in that account.
	Identify and correct inaccuracies. Documents corrections.
	Review each account with Finance Director summarily each month and in detail on a quarterly basis.