

DHS Clients Services Exception Payment (EP) Procedures

RE: Replace current process for Emergency, Old Year, and Other Non-Routine Payments currently being paid through the Emergency Revolving Fund (which is being eliminated). As Exception Payments will only be

Background

For many years, DHS has had an Emergency Revolving Fund (ERF), which is a large imprest fund that has been used to allow payment for client services outside of the normal weekly warrant run. These payments would then be input to service history of the regular payment system. Such a fund was necessary to allow the Bureau of Finance to make quick/emergency payments and exception payments as needed. Region staff were also allowed to make such payments.

However, things have now changed. Region staff no longer issue such payments, the State's Warrant System currently runs each workday, and the number of checks needed outside of normal runs should be greatly reduced (especially due to a process that has been set up to allow old-year payments to be handled as part of the normal weekly runs). Also, maintaining a separate fund has become more costly and security has become more of a concern.

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- I. The procedures for requesting an EP warrant by DHS Regions (currently referred to as "Handwrite" check) will not change. The requisite form title has been changed to "**EXCEPTION PAYMENT (Previously HANDWRITE) CHECK REQUEST FORM**". This form requires the same approvals as before.
- II. An additional form for Non-Region requests has been developed titled "**USSDS EXCEPTION PAYMENT – NON REGION REQUEST**". The documentation and approvals required are listed on the form.
- III. All types of EP requests will be initially reviewed and approved by the client services payment system (currently USSDS) help desk. This review is to determine if all appropriate documentation and approvals have been obtained. This is also a final check to ensure no duplicated payments are made.
- IV. Once an EP request passes initial review, it will be forwarded to the Director of Finance (or designee) for review and final approval.
- V. After final approval, the EP request package will be given directly to and only to the DHS Bureau of Finance Cashier (or back up) for processing of a FINET GAX document. Only EP requests signed with final approval are to be processed.
- VI. The following information supports issuing EP warrants through FINET:
 - A. FINET already cuts checks every night 4 days a week, Monday-Thursday.
 - B. FINET already has the necessary security controls.
 - C. FINET already has the option of same-day check, if requested by 2:30 PM.
 - D. As payments can be entered directly into FINET, entry into a separate check issuing system is not necessary.

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- VII. EP FINET GAX payments will be made following the below listed procedures:
- A. GAX entry will normally be done by the Bureau of Finance Cashier, or assigned back up, as previously stated.
 - B. The unique Zero Vendor code of “**000EPP**” will be used. This code has been approved and set up by State Finance. This is allowable, because the providers/vendors paid will have a 1099 issued from DHS client services payment system, as applicable.
 - C. Entry of these special EP Payments will be entered with an identifying Transaction ID (e.g. GAX20011EPP000001), with "EPP" being used as an additional identifier to set these payments apart for reconciliation and other purposes.
 - D. In the absence of an actual Vendor Invoice Number, the GAX Vendor Invoice Number will be the last 6 digits of the GAX document number, followed by a dash and the associated contract number (if applicable).
 - E. Each EP GAX payment will be designated as requiring the issuance of a single check.
 - F. Payment is to be made directly to the payee/vendor, as input on the GAX (unless otherwise approved by Bureau of Finance Director or designee).
 - G. **Check Stub “Line Description” information** will include:
 1. Line 1—Information is listed in order of importance.
 - a. “**USSDS** ” (4 digits and a space) will be input first. This will change from USSDS to a short name for the new system when it comes on line.
 - b. “**Ph:801-538-4120** ” (15 characters and a space) will be listed next, as it is the phone number of the Client Services Payment Coordinator.
 - c. **Service Code** (3 digits and a space) for each amount being paid, unless the number of service dates is too voluminous.
 - d. **Service Date month & year** (format e.g. APR 2010).
 - e. **Amount paid for each service for each client** prints automatically for each line.
 - f. **No confidential information will be included** in FINET or on the Warrant being issued. Client name, client number, and provider ID are three things that will never be provided in FINET.
 2. Line 2 (and subsequent lines)—Listing information in order of importance.
 - a. **Service Code** (3 digits and a space) for each amount being paid, unless the number of service dates is too voluminous.
 - b. **Service Date month & year** (format e.g. APR 2010).
 - c. **Amount paid for each service for each client** prints automatically for each line.
 - d. **No confidential information will be included** in FINET or on the Warrant being issued. Client name, client number, and provider ID are three things that will never be provided in FINET.
 - H. Prior to finalizing the GAX for approval, it will be reviewed by the client services payment system (currently USSDS) help desk to ensure it is correct and does not include any confidential information.

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- I. GAX document will be approved by designated Bureau of Finance staff, or assigned back up. Approval of an EP GAX should only be done after thorough review to ensure all procedures have been followed, including but not limited to; 1) accounting string accuracy, 2) correct payment amount, 3) correct payee name and address, 4) sufficient documentation/backup is included, 5) payment is going directly to payee—unless approved otherwise, 6) no confidential information is included in any description field, and 7) all approval signatures have been obtained.
- VIII. **Important Transparency Note:** Because the unique Zero Vendor code of “000EPP” is used, the related GAX transaction shows as a “Human Services Exception Payment Process” payment on the Transparency web site and the actual payee name does not appear, thus maintaining confidentiality of confidential payees. Descriptions of the payment, drawn from the accounting string used, do appear on the site.
- IX. EP GAX and Warrant Number information will be provided to the DHS client services payment system coordinator (by the GAX originator) for entry into the DHS client services payment system (warrant number may also be obtained by the system coordinator through data warehouse).
 - A. The FINET warrant number will be used as the warrant number for the payment (just like the current ERF check numbers are entered).
 - B. As currently done, based on the FINET warrant date, it may be necessary to input a slightly later paid date in the DHS client services payment system to ensure appropriate billing of services to Medicaid. For example, a payment made after the last monthly Wednesday run, but prior to the 1st day of the following month, will be input using a payment date equal to the first day of the following month.
- X. Monthly reconciliation of EP FINET transactions to the DHS client payment system will be completed, to ensure all have been properly input.
 - A. The reconciler will normally not be allowed to either enter or approve an Exception Payment Process transaction into FINET.
 - B. Entry or approval by the reconciler may be required in an emergency (essential segregation of duties would still apply, meaning the reconciler is not to do both entry and approval of a GAX transaction).
- XI. Documentation of EP transactions will not change, except that back up documentation will now be filed in a designated EP “GAX” FINET documentation file (instead of being maintained in a separate file by check number). Back-up documentation may also include keeping a file or electronic listing of these payments by (or with) the FINET warrant number. Such back-up documentation must meet audit and retrieval-of-information needs.
 - A. Back up documentation will be kept secured and locked.