

DEPARTMENT OF HUMAN SERVICES

Finance and Accounting Rules

RULE MANUAL VOLUME 5 FINANCE

11 CCR 2508-1

[Editor's Notes follow the text of the rules at the end of this CCR Document.]

STATEMENT OF BASIS AND PURPOSE, FISCAL IMPACT/REGULATORY ANALYSIS, AND SPECIFIC STATUTORY AUTHORITY OF REVISIONS MADE TO STAFF MANUAL VOLUME 5

Revisions to sections 5.210.31, 5.210.312, 5.210.313, 5.210.314, 5.210.315, 5.221.2, 5.221.3, 5.221.32, 5.221.322, 5.221.323 were finally adopted at the 11/1/85 State Board meeting, with an effective date of 1/1/86 (Document 6). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.105.416, 5.105.481, 5.111.25, 5.220.11, 5.220.2 and 5.550.1 were finally adopted at the 12/6/85 meeting with an effective date of 2/1/86 (Document 8). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.640.51, 5.640.53, 5.640.54, 5.640.56, and 5.640.57 were finally adopted at the 12/6/85 meeting with an effective date of 2/1/86 (Executive Director Document 1). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.312 through 5.313.3 were finally adopted at the 6/6/86 meeting with an effective date of 8/1/86 (Executive Director Document 1 and Document 2). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions and additions to Section 5.505.2, were finally adopted at the 7/11/86 State Board meeting, with an effective date of 9/1/86 (Document 13). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Addition of Sections 5.155, 5.155.1, 5.155.2, were emergency adopted at the 7/11/86 State Board meeting, with an effective date of 7/11/86 (Document 10). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions and additions to sections 5.650 and 5.221.3 were finally adopted at the 9/5/86 State Board meeting, with an effective date of 11/1/86 (Document 2). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions and additions to section 5.155 were finally adopted emergency at the 9/5/86 State Board meeting with an effective date of 8/1/86 (Document 5). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.155.1, 5.155.2 were emergency adopted at the 10/3/86 State Board meeting, with an effective date of 10/3/86 (Document 3). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions, deletions, and additions to sections 5.224.1, 5.224.2, 5.225, 5.340.3, 5.420, 5.700, 5.710, 5.715 - 5.720, 5.730, and 5.740 were finally adopted at the 11/7/86 State Board meeting, with an effective date of 1/1/87 (Documents 11, 14, 1 E.D., 2 E.D.). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to section 5.505.2 were adopted emergency at the 11/7/86 State Board meeting, with an effective date of 11/7/86 (Document 19). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.155.1 and 5.155.2 were finally adopted emergency at the 11/7/86 State Board meeting, with an effective date of 10/3/86 (Document 17). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.111.13 and 5.502 were finally adopted following publication at the 3/6/87 State Board meeting, with an effective date of 6/1/87 (Document 1 E.D.). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Deletion of sections 5.721 through 5.724.21 were finally adopted following publication at the 6/5/87 State Board meeting, with an effective date of 8/1/87 (Document 18). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.505.2 and 5.505.3 were finally adopted following publication at the 8/7/87 State Board meeting, with an effective date of 10/1/87 (Document 15). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions and deletions to sections 5.505.2 - 5.505.3 and 5.155.1 - 5.155.2 were emergency adopted at the 9/11/87 State Board meeting, with an effective date of 9/11/87 (Documents 18 and 28). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Deletions to section 5.155.1 - 5.155.2 were final adoption of emergency at the 10/2/87 State Board meeting, with an effective date of 9/11/87 (Document 11). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.505.2 through 5.505.3 were emergency and final adoption at the 11/6/87 State Board meeting, with an effective date of 11/6/87 (Document 14). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.223 through 5.224 were emergency adopted at the 1/8/88 State Board meeting, with an effective date of 1/8/88 (Document 9). Statement of Basis and Purpose, Fiscal Impact, and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Administrator, Department of Social Services.

Revisions to sections 5.505.2 and 5.505.3 were finally adopted following publication at the 6/3/88 State Board meeting, with an effective date of 8/1/88 (CSPR# 88-2-8-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to section 5.111 were finally adopted following publication at the 8/5/88 State Board meeting, with an effective date of 10/1/88 (CSPR# 88-1-15-2). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.210 and 5.221 were emergency adopted at the 9/9/88 State Board meeting, with an effective date of 10/1/88 (CSPR# 88-8-1-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.210 and 5.221 were final adoption of emergency at the 10/7/88 State Board meeting, with an effective date of 10/1/88 (CSPR# 88-8-1-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.010 - 5.013, 5.154, 5.210, and 5.640 were finally adopted following publication at the 10/7/88 State Board meeting, with an effective date of 12/1/88 (CSPR# 88-8-12-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.000, 5.010 - 5.013, 5.120, 5.155, 5.200 - 5.221, 5.223 - 5.230, 5.300, 5.315, 5.400 - 5.411, 5.430 - 5.511, 5.550 - 5.630, and 5.640 were finally adopted following publication at the 10/7/88 State Board meeting as Executive Director rule, with an effective date of 12/1/88 (CSPR# 88-2-19-2). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.111, 5.153, and 5.390 were finally adopted following publication at the 4/7/89 State Board meeting as Executive Director rule, with an effective date of 6/1/89 (CSPR# 88-12-6-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to Table of Contents and sections 5.100 - 5.120, 5.157 - 5.211, 5.230, 5.300 - 5.392, 5.450, and 5.900 - 5.910 were finally adopted following publication at the 1/5/90 State Board meeting as an Executive Director rule, with an effective date of 3/1/90 (CSPR# 89-9-19-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.210 through 5.211 were adopted emergency at the 7/6/90 State Board meeting as Executive Director rule, with an effective date of 7/6/90 (CSPR# 90-6-4-1b). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.210 through 5.211 were final adoption of emergency at the 8/3/90 State Board meeting as Executive Director rule, with an effective date of 7/6/90 (CSPR# 90-6-4-1b). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to Table of Contents and sections 5.100 - 5.101, 5.111, 5.315, 5.391 - 5.392, and 5.910 were finally adopted following publication at the 11/2/90 State Board meeting as an Executive Director rule, with an effective date of 1/1/91 (CSPR# 90-5-3-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to section 5.105 were adopted emergency at the 11/2/90 State Board meeting as an Executive Director rule, with an effective date of 1/1/91 (CSPR# 90-9-17-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to section 5.105 were final adoption of emergency at the 12/7/90 State Board meeting, during the Executive Director Rule-making session as an Executive Director rule, with an effective date of 1/1/91 (CSPR# 90-9-17-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to the entirety of Staff Manual Volume 5 were final adoption following publication at the 11/1/91 State Board meeting, during the Executive Director Rule-making session as an Executive Director rule, with an effective date of 1/1/92 (CSPR# 91-3-26-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to Staff Manual Volume 5 were final adoption following publication at the 4/3/92 Executive Director Rule-making session, with an effective date of 6/1/92 (CSPR# 91-11-12-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to the Table of Contents and section 5.420 were final adoption following publication at the 8/6/93 Executive Director Rule-making session, with an effective date of 10/1/93 (CSPR# 93-4-28-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to section 5.101.331 were final adoption following publication at the 1/7/94 Executive Director Rule-making session, with an effective date of 3/1/94 (CSPR# 93-5-26-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.153, 5.360, and 5.420 were final adoption following publication at the 4/1/94 Executive Director Rule-making session, with an effective date of 6/1/94 (CSPR# 94-2-16-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Revisions to sections 5.105 and 5.210 were final adoption following publication at the 6/3/94 Executive Director Rule-making session, with an effective date of 8/1/94 (CSPR#'s 94-2-9-1 and 94-2-9-2). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of the State Board Liaison, Department of Social Services.

Rewrite of this Finance Staff Manual was final adoption following publication at the 1/3/97 Executive Director Rule-making session, with an effective date of 3/1/97 (CSPR# 96-9-3-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of External Affairs, Department of Human Services.

Revisions to sections 5.010 - 5.013, 5.101 - 5.105, and 5.153 were final adoption following publication at the 1/8/99 Executive Director Rule-making session, with an effective date of 3/1/99 (CSPR# 98-10-28-1). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Office of External Affairs, Department of Human Services.

Revision of Section 5.424 was final adoption following publication at the 2/6/2009 Executive Director rule-making session, with an effective date of 4/1/2009 (Rule-making# 08-8-13-3). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Colorado Department of Human Services, Boards and Commissions Division, State Board Administration. *[Eff. 04/01/2009]*

Rewrite of this Finance Staff Manual was final adoption following publication at the 3/10/2004 Executive Director Rule-making session, with an effective date of 5/1/2004 (Rule-making# 03-6-30-2). Statement of Basis and Purpose and specific statutory authority for these revisions were incorporated by reference into the rule. These materials are available for review by the public during normal working hours at the Department of Human Services, Office of Performance Improvement, Boards and Commissions Division.

5.000 FINANCE AND ACCOUNTING

5.100 USE OF DEFINITIONS

The following definitions are used in this Rule Manual, unless the context otherwise requires.

5.101 Definitions

“Accounts Receivable” are recoveries that may be due the county department of social/human services for, but not limited to the following: Overpayment of a benefit or benefits, Ineligibility for a benefit or benefits, Child support from an absent parent, Parental fee for foster care, Fee for service provided such as; Home study for an adoptive home or foster care home, Determination of parentage, Overpayment to a; Vender of goods, Provider of service, or Employee.

“Adult Protective Services” provides casework services to disabled and/or frail elderly adults age 18 and older who are at risk of abuse, exploitation, caregiver neglect or self-neglect and who lack the resources or ability to protect themselves. Services include: Taking reports, Conducting client interviews, Assessing client risk, Investigation, Case planning, Arranging for services, Monitoring of services, and, Court related activities on behalf of clients who lack the capacity to make informed decisions about their own safety. There are no client payments involved in this program.

“Allowable Expenditures” are those which the Colorado Department of Human Services deems are allowed or required.

“Applicable Credits” refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items as direct or indirect costs. Examples of such transactions are: Purchase discounts, Rebates or allowances, Recoveries or indemnities on losses, Insurance refunds or rebates, Adjustments of overpayments, or Erroneous charges, Fees for custody investigations, and Fees for adoptive services. To the extent that such credits accrue to or are received by the county department of social/human services and relate to allowable costs, they shall be credited to the Colorado Department of Human Services and or federal award as a reduction of expenditures.

“Applicant” is any individual or family who individually or through a designated representative or someone acting responsibly for them has applied for benefits under the programs of public assistance administered or supervised by the Colorado Department of Human Services, in accordance with the provisions of Section 26-2-103, C.R.S.

“Appointing Authority” is the person with the direct authority and responsibility for: Appointment of employment, Disciplinary action, Promotion of, and or Discharge of employment, over another person.

“Appropriation” means the authorization by ordinance or resolution of a spending limit for expenditures and obligations for specific purposes, in accordance with the provisions of Section 29-1-102, C.R.S.

“Appropriations Account” is a budgetary account that represents the total authorized expenditures for a current fiscal period.

“Approving Authority” is the person with direct authority and responsibility for reviewing and approving of another's activities or requests for payment of expenses.

“Arms-length Bargaining” means both parties to a contract have relatively equal powers of negotiation upon entering the contract. Neither party has a disproportionate amount of power to strong-arm the other party.

“Assistance Payments” is financial assistance (other than medical assistance covered by the “Colorado Medical Assistance Act”) provided pursuant to rules and regulations adopted by the Colorado Department of Human Services and includes pensions, grants, and other money payments to or on behalf of recipients, in accordance with the provisions of 26-2-103, C.R.S.

“Capital Expenditure” shall be the cost of the asset including the cost to put it in place. Capital expenditure for equipment means, the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it

is acquired. Ancillary charges, such as taxes, duty, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the county department of social/human services' accounting policies.

"Capitalized Equipment" is tangible personal property that has an acquisition cost of more than \$5,000.00, which is not a permanent part of a building and does not lose its identity through incorporation into a more complex unit.

"Capital Lease" transfers to the lessee substantially all of the benefits and risks related to ownership of the property. The lessee records the leased property as an asset and establishes a liability for the lease obligation.

"Cash" means the cash account(s) of the county department of social/human services, all trust accounts, all petty cash accounts and any other cash accounts maintained.

"Cash Reconciliation" means the treasurer/bank balance shall be agreed to the general ledger cash balance using an outstanding warrant list and possibly other identifiable reconciling items.

"Chart of Accounts" is a numbered list of accounts that gives order and consistency to a bookkeeping system. Common terminology and classifications shall be used consistently through out the budget, the accounts, and the financial reports of the fund.

"Child Care Direct Payments" are those made to child care providers for Low-Income and Colorado Works families through the statewide automated tracking system.

"Child Care Quality Activities" include capacity building, staff connected with quality activities, resource and referral, licensing, contracts for quality, parental education, and start up costs for facilities. Major remodeling and construction of childcare facilities cannot be funded.

"Client" is a generic term for an individual or group of individuals who receives any assistance from the county department of social/human services whether it is in the form of cash, non-cash or services.

"Commercial Lodging" is a hotel, motel, resort or public inn as defined in Section 12-44-101, C.R.S. or a bed and breakfast as defined in Section 12-47-103, C.R.S.

"Commitment Vouchers" can be a contract; an approved travel authorization, an appointment of employment, or any other document that appropriately approves a transaction, and creates an obligation that ultimately results in a disbursement.

"Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. Contracts do not include grants and cooperative agreements covered by 31 USC 6301 et seq.

"Corrective Action" means action taken by an auditee that corrects identified deficiencies.

"Cost Allocation Methodology" is a system of principles, practices, and procedures that identify the: Types of services provided, Cost of each service, Reasonable basis of allocation for each type of service which will produce an equitable distribution of costs, Cost objective(s), and Appropriate mathematical computation to make a rational allocation of costs.

"Cost Allocation Plan" is a systematic and rational allocation of all administrative costs and a narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to the benefiting programs and activities.

“Cost Objective” is a program, grant, organizational subdivision, function, contract or other activity for which costs are being accumulated.

“Cost Pool” is an aggregation of costs for subsequent allocation to another cost pool or a cost objective.

“Costs” are all expenses incurred, either directly or indirectly. Costs include such items as: Labor, Material, Supplies, Rent or building charges, Operating expenses, and Administrative expenses that might properly be assigned to a project or program. It does not include transfers to a general fund or similar fund.

“County Board of Social/Human Services” means the county or district board of social/human services except in the case of the City and County of Denver or the City and County of Broomfield, means the department or agency with responsibility for public assistance, social services and related activities.

“County Department of Social/Human Services” means the county or district department of social/human services except in the City and County of Denver or in the City and County of Broomfield this means the department or agency responsible for public assistance, social services and related activities.

“County Director” means the director of the county or district department of social/human services except in the City and County of Denver or in the City and County of Broomfield this means the department or agency responsible for public assistance, social services and related activities.

“County” is a county or a city and county.

“Data” refers to all books, papers, maps, photographs, or other documentary materials regardless of physical form. Data may be in hard copy form, microfiche, electronic, or other form.

“Deferred Revenue” means a revenue collected but not yet earned.

“Direct Costs” are those costs that can be specifically and readily identified with a program, grant, function, contract, or other activity.

“Disbursement” is any decrease in fund resources.

“Double-entry Accounting” is a method of accounting that recognizes the duality of a transaction. Any change in one account also causes a change in another account.

“Electronic Benefit Authorizations” is the official payment mechanism for clients and or providers through the Colorado Electronic Benefit Transfer (CO/EBT), whereby payments are made either to the Colorado Quest card or by direct deposit into a client or provider's bank account. This payment mechanism has been operational statewide since February 28, 1998.

“Equipment” shall be an article of nonexpendable, tangible personal property having a cost, which equals the lesser of the capitalization level established, by the county for financial statement purposes, or \$5,000.00.

“Estimated Revenues Account” is a budgetary account that represents the total anticipated revenues expected to be available during the fiscal year on a budgetary basis.

“Executive Director” means the executive director of the Colorado Department of Human Services.

“Expenditures” is a decrease in fund resources other than through inter-fund transfer.

“Federal Award” means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.

"Federal Financial Assistance" means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as 1) Medicare payments to a non-federal entity for providing patient care services to Medicare eligible individuals are not considered federal awards expended under this part, and 2) Medicaid payments to a sub-recipient for providing patient care services to Medicaid eligible individuals are not considered federal awards expended unless a state requires the funds to be treated as federal awards expended because reimbursement is on a cost-reimbursement basis.

"Fiscal Year" for a county department of social/human services is the period covered by the county appropriations for county social/human services funds and shall be the calendar year, which coincides with the county fiscal year. The fiscal year covered by the Colorado Department of Human Services appropriations and allocations to the counties shall be July through June. The fiscal year covered by the federal grants in aid shall be October through September. Federal projects may cover fiscal years other than the federal fiscal year and will be specified in the terms of the project.

"Fund" is an accounting entity, which owns assets and incurs liabilities. This means the social/human services fund in each county must be accounted for separately from any other funds in the county. The assets, including cash, must be identified as assets of this fund.

"General Ledger" is a book or computer database that contains a full set of accounts. It should be in balance at all times, with aggregate debits equaling aggregate credits.

"Generally Accepted Governmental Accounting Principles" has the meaning specified by the American Institute of Certified Public Accountants (AICPA). They encompass a wide spectrum of accounting guidelines, ranging from basic concepts and standards to detailed methods and procedures

The Comptroller General of the United States issues "Governmental Auditing Standards". They are the standards for audits of governmental organizations, programs, activities and functions, and of governmental assistance received by contractors, nonprofit organizations and other nongovernmental organizations. They are more commonly known as the "Yellow Book".

"Social/Human Services Fund" is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

"Indirect Costs" relate to a cost incurred that cannot be specifically and readily identified with a cost objective and therefore must be allocated on some basis of imputed benefit. Indirect costs are more commonly known as the costs of administration.

"Indirect Cost Rate Proposal" means the documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Attachment E of Office of Management and Budget (OMB) Circular A-87.

OMB Circular A-87 was published at 60 FR 26484 on May 4, 1995, and further amended at 62 FR 45934 on August 29, 1997. No later amendments or editions are incorporated.

OMB Circular A-87 is effective as follows:

- For costs charged indirectly or otherwise covered by the cost allocation plans described in Attachments C, D and E, this revision shall be applied to cost allocation plans and indirect cost proposals submitted or prepared for a governmental unit's fiscal year that begins on or after September 1, 1995.

- For other costs, this revision shall be applied to all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995.
- Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

“Internal Control” is a process effected by an entity's board of directors, management, and other personnel that is designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) reliability of financial reporting, b) effectiveness and efficiency of operations, and c) compliance with applicable laws and regulations.

The above definition reflects certain fundamental concepts:

- A. Internal control is a process. It is a means to an end, not an end in itself. People affect internal control. It is not policy manuals and forms, but people at every level of an organization.
- B. Internal control can be expected to provide only reasonable, not absolute assurance, to an entity's management and board.
- C. Internal Control comprises five interrelated components:
 1. Control Environment: The people - their individual attributes, including integrity, ethical values and competence - and the environment in which they operate. They are the engine that drives the entity and the foundation on which everything rests.
 2. Risk Assessment: Mechanisms that identify, analyze and manage related business and operating risks.
 3. Control Activities: Control policies and procedures must be established and implemented to help ensure that the actions identified by management as necessary to address risks and obtain the specified goals are effectively carried out. Policies and procedures should be reviewed on a periodic basis by management.
 4. Information and Communication: Surrounding these activities are information and communication systems. These enable the county department of social/human services to capture and exchange the information needed to conduct, manage and control their operations.
 5. Monitoring: The entire process must be monitored, and modifications made as necessary. In this way, the system can react dynamically, changing as conditions warrant.

“Inventory” means a yearly physical identification and count using detailed property records.

“Less-than-arms-length Transactions” include, but are not limited to, those where; one party to is able to control or substantially influence the actions of the other.

“Management Decision” means the evaluation by the federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

“Maintenance of Effort” is a requirement that a county department of social/human services must maintain

a specified level of financial effort in a specific area in order to receive federal grant funds.

“Non-capital Expenditure” is one that is less than \$5,000.00 or a lesser threshold amount set by the county department of social/human services.

“Partisan” refers to any election in which any one of the candidates for office is nominated or elected representing a political party whose candidates for presidential election received votes at the last preceding election at which presidential electors were selected.

“Pass-through” is generally defined as any federal funds earned by a county department of social/human services without the use of State general funds. Pass-through continues to be applied for the countywide cost allocation, automated data processing (ADP), county only, county deficits and training. These adjustments are made monthly and may be tracked in the financial reporting system.

“Pass-through Entity” means a non-federal entity that provides a federal award to a sub-recipient to carry out a federal program.

“Payroll” means a list of expenditures and or disbursements that are similar in nature or object of expenditure. An employee payroll listing wages, with the amounts due to each employee is an example of a payroll. A listing of Old Age Pension benefits payable to eligible OAP clients is another type of payroll. Such lists become vouchers when certified and approved. Only one official copy of the payroll or monthly summary of expenditures needs to be signed.

“Personal Property” is property such as machinery, equipment, or furniture that is not real property.

“Post-audit” is the examination and verification of expenditures after reimbursement with State and or federal funds.

“Pre-audit” is the examination and verification of expenditures before reimbursement with State and or federal funds.

“Program” is a generic term for any “social services”, “assistance payments”, “payments under the Colorado Medical Assistance Act”, or a specific function or activity.

“Provider” generically means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a program. These goods or services may be for an organization's own use or for the use of beneficiaries of the program.

“Public Assistance” is any cash grant, benefit, service, or other form of assistance offered by the county department of social/human services and administered or supervised by the Colorado Department of Human Services, either in cooperation with the federal government or independently without federal aid, in accordance with the provisions of Section 26-2-103, C.R.S.

“Questioned Cost” means a cost that is questioned by an auditor because of an audit finding: (1) Which resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of federal funds, including funds used to match federal funds; (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

“Random Moment Sampling” is the federally approved cost allocation method that documents the efforts expended in support of programs in order to receive reimbursement for the expenditures.

“Real Property” is land and generally anything erected on, growing on, or attached to land, for instance, a building.

“Recipient Agency” means a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program.

“Recipient” means any individual or group of individuals who is receiving or has received benefits from programs of public assistance administered or supervised by the Colorado Department of Human Services or the Colorado Department of Health Care Policy and Financing, in accordance with the provisions of Section 26-2-103, C.R.S.

“Regulation” is a rule or order issued by an executive authority or regulatory agency of a government and having the force of law.

“Reimbursable Expenditures” are supported in whole or in part by State general fund, federal (Pass Through) or a combination of State and federal money.

“Revenue Expenditure” is one that is less than \$5,000.00 or a lesser amount established by the county and the expenditure is not for land, a building or a permanent part of a building and does not lose its identity through incorporation into a more complex unit.

“Rule” is an agency statement of general applicability and future effect implementing, interpreting, or declaring law or policy or setting forth the procedure or practice requirements of any agency. “Rule” includes “regulation”.

“Social Services” are services and payments for services available, directly or indirectly, through the county departments of social/human services or through State designated agencies, where applicable, for the benefit of eligible persons.

“State Board of Human Services” means the state board of human services authorized to act, in accordance with the provisions of Section 26-1-107, C.R.S.

“Sub-recipient” means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. Guidance on distinguishing between a sub-recipient and a vendor is provided in Office of Management and Budget’s (OMB) Circular A-133, Audits of States, Local Governments and Non-profit Organizations.

OMB Circular A-133 was published at 61 FR 19134 on April 30, 1996 and further amended at 68 FR 38401 on June 27, 2003. No later amendments or editions are incorporated.

OMB Circular A-133 is effective as follows:

For audits of fiscal years beginning after June 30, 1996, with the exception that section 305(b) of the Attachment applies to audits of fiscal years beginning after June 30, 1998. The revisions published in the Federal Register June 27, 2003, are effective for fiscal years ending after December 31, 2003, and early implementation is not permitted with the exception of the definition of oversight agency for audit, which is effective July 28, 2003.

Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

“Targeted Spending” is the amount that must be appropriated by each county for Colorado Works/Temporary Assistance for Needy Families (TANF).

“Temporary Assistance for Needy Families (TANF) Reserve Funds” are unexpended balances of the

county department of social/human service's Colorado Works/TANF allocation that may be carried over into the next State fiscal year. Since the State and county shares of the allocations will have been expended as Maintenance of Effort (MOE), the balances remaining are 100% federal funds, in accordance with Section 26-2-714, C.R.S.

"Training Function" is a meeting, conference, or other function which is held to enhance staff knowledge or to educate customers of the county that are affected by the county department of social/human services' operations or regulations.

"Transportation" is travel by commercial airline, railroad, bus, taxicab; county owned, or personally owned automobile or any other means of conveyance.

"Trial Balance" is a list of all open accounts in a ledger and their balances. The debits and credits should be in balance at all times. It provides a summary that can be used in making later adjusting and closing entries before financial statements are prepared.

"Trust Accounts" may result from activity of a foster care, child support enforcement, adult protective or any other activity when a county department of social/human services employee is given the responsibility as representative payee for a client's financial affairs. Trust account funds typically come from a client's income from SSA, SSI, Railroad Retirement, Veteran's Affairs, court ordered lump sum settlements, or child support enforcement activities. Trust accounts maintained by the county departments of social/human service imply a high degree of fiduciary responsibility.

"Vendor" generically means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. Additional guidance on distinguishing between a sub-recipient and a vendor is provided in Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

"Welfare" is a generic term for any "social services", "public assistance", or "payments under the Colorado Medical Assistance Act".

5.200 PURPOSE AND SCOPE

5.201 Purpose And Scope

These rules are the fiscal rules for county departments of social/human services concerning public assistance, social services, other forms of assistance, and the administration of the above including but not limited to internal controls, financial reporting, accounting and auditing.

5.210 Executive Director

5.211 Executive Director Rules

The Colorado Department of Human Services' Finance and Accounting Manual consists entirely of Executive Director rules.

5.220 Board of County Commissioners

5.221 Responsibility of Boards of County Commissioners for Twenty Percent Share

5.221.1 Board of County Commissioners Responsible for Appropriating Twenty Percent Share

The board of county commissioners in each county of Colorado or department or agency responsible for administering public assistance, social service sand related activities shall annually appropriate as

provided by law the funds necessary to defray the county department of social/human services' twenty percent share of the overall cost of providing the assistance payments, food assistance (except the value of the food assistance electronic benefits authorized), and social services activities delivered in the county, including the costs allocated to the administration of each, and shall include in the tax levy the funds appropriated for that purpose. Such appropriation shall be based upon the county department of social/human services' budget prepared by the county department of social/human services' director.

The Child Support Enforcement Program is exempt from these provisions. The child support incentives earned under this program are to be deposited to the county social/human services fund with the intention of funding the local share of Child Support Enforcement.

5.221.2 Board of County Commissioners Responsible for Availability of Twenty Percent Share

Additional funds shall be made available by the board of county commissioners if the county funds so appropriated prove insufficient to defray the county department of social/human services' twenty percent share of actual costs for assistance payments, food assistance (except the value of food assistance electronic benefits authorized), and social services activities, including the administrative costs of each.

5.221.3 Authority to Spend in Excess of Twenty Percent

The county department of social/human services shall have the authority to spend in excess of twenty percent of the actual costs for the purpose of matching federal funds for the administration of the child support enforcement program or for the administrative costs of activities involving food assistance, public assistance, social services, or medical assistance fraud investigations or prosecutions.

5.221.4 Federal Funds Received from Spending in Excess of Twenty Percent

The county department of social/human services shall have the authority to receive and spend federal funds to which it is entitled by reason of the county's expenditures in excess of the twenty percent required for any social/human services activity that has been approved by the Colorado Department of Human Services as an activity that is eligible for reimbursement under any federal program. Acceptance and expenditure of such federal funds shall in no way affect the Colorado Department of Human Services' share of and contribution to such payments, and the county department of social/human services shall be solely responsible for the provision of the nonfederal share that is in excess of the twenty percent.

5.222 Board of County Commissioners Appropriation of Maintenance of Effort

5.222.1 Responsible for the Appropriation of Maintenance of Effort

The board of county commissioners in each county of Colorado shall annually appropriate such funds as shall be necessary to defray the county's maintenance of effort requirement for the Colorado Works Program and the Colorado Child Care Assistance Program, including the costs allocated to the administration of each, and shall include in the tax levy the funds appropriated for that purpose.

5.222.2 Responsible for Availability of Maintenance of Effort Funds

Additional funds shall be made available by the board of county commissioners if the county funds so appropriated prove insufficient to defray the county department of social/human services' maintenance of effort requirements for the Colorado Works Program and the Colorado Child Care Assistance Program, including the costs allocated to the administration of each.

5.223 Board of County Commissioners Budgetary Responsibilities

5.223.1 Approval of the County Department of Social/Human Services Budget

The board of county commissioners approves the final county department of social/human services' budget and makes a county department of social/human services' levy to provide the necessary money to defray the local share of amounts appropriated for assistance payments and social services programs, their administration and the administration of the county department of social/human services.

5.223.2 Send a Copy of the Approved Budget to the Colorado Department of Human Services

One copy of the Approved final budget shall be submitted to the Colorado Department of Human Services, Director of the Field Administration Division, 1575 Sherman St., Denver, CO 80203-1714 as soon as the budget is approved or by January 1 of each year, whichever date is earlier.

5.224 Board of County Commissioners Merit System Responsibility

5.224.1 Approval of the County Merit System Plan

The board of county commissioners shall annually approve the county merit system.

5.225 Purchase of Liability Insurance

5.225.1 Liability Insurance

The board of county commissioners shall purchase insurance for its officers, employees and agents that protects them against any liability for injuries or damages resulting from their negligence or other tortuous conduct during the course of their service or employment. The board of county commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible.

5.225.2 Surety Bond

A surety bond shall be purchased for the county social/human services' director and other social/human services' employees, who receive, disburse, handle or have access to currency, checks, money orders, and warrants. The bond shall be in favor of the county department of social/human services and be the greater of \$10,000 or 15% of the maximum value of cash and or cash-like items the employee has access to during a year. The Board of County Commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible. This bonding requirement applies to any contractual employees having the same responsibilities.

5.230 County Board of Social/Human Services

5.231 Agent of the State

County departments of social/human services shall serve as agents of the State and exist for the convenient administration of State government. The county board of social/human services is set up as a subordinate agency and is bound by the fiscal and personnel rules set up by the State Board of Human Services and the Executive Director of the Colorado Department of Human Services.

5.232 County Board of Social/Human Services Membership

5.232.1 Consists of County Board of Commissioners

The county board of social/human services shall consist of the board of county commissioners in each county; except that "board of county commissioners" as used in this title, in the City and County of Denver, means the department or agency with the responsibility for public assistance and welfare activities, and, in the City and County of Broomfield, means the department or agency with the responsibility for public assistance and welfare activities.

5.232.2 District Department

In the case of a district department of social/human services established pursuant to Section 26-1-115, C.R.S., the district board of social/human services shall consist of not less than three members, and each county in the district shall select one or more of its county commissioners to serve as a member of the district board of social/human services. The district board of social/human services shall, in relation to the district department of social/human services, have all the powers, duties, and responsibilities, which the county board of social/human services has in relation to the county department of social/human services.

5.233 County Board of Social/Human Services are Separate from County Commissioners

The county board of social/human services shall perform its public assistance and welfare duties, responsibilities, and activities separate and apart from the duties and responsibilities of the board of county commissioners and in accordance with rules and regulations adopted by the Colorado Department of Human Services for the administration of public assistance and welfare activities in the counties.

5.234 Cooperation and Reporting

The county department of social/human services shall cooperate with the State and federal government in any reasonable manner, in conformity with the laws of the State, which may be necessary to qualify for federal aid, including the preparation of plans, making reports in such form and containing such information as any federal agency may require from time to time, and compliance with such provisions as the federal government may from time to time find necessary to assure correctness and verification of the reports.

5.235 County Board of Social/Human Services Responsibilities

5.235.1 Appoint a County Department of Social/Human Services Director

The county board of social/human services shall appoint a county department of social/human services director or shall appoint someone acting in the capacity of a director. At no time will the county social/human services department be without the services of a director or an acting director.

5.235.2 Sign All Warrants

One member of the county board of social/human services shall sign all warrants or one member of the county board of social/human services shall have their facsimile signature on all social/human services warrants. In the case of a facsimile signature there shall be detailed written procedures that set forth internal administrative controls and internal accounting controls surrounding the application of the facsimile signature.

5.235.3 Approve All Expenditures

One member of the county board of social/human services, who shall be designated by resolution for that purpose, shall review and approve of the expenditure payrolls and electronic benefit authorization payrolls or review and approve of the county director's monthly summary of expenditures and electronic benefit authorizations. Such written approvals shall indicate the approval of the board of county commissioners and the county board of social/human services.

5.236 Financial Statements

The county board of social/human services is ultimately responsible for the preparation, content, completion and/or distribution of materially correct financial statements of the social/human services fund prepared by county department staff, or outside entities.

5.237 Petty Cash Limits and Review

5.237.1 Approval of Petty Cash Fund(s)

A county department of social/human services may upon written approval of the county social/human services board draw a sum considered appropriate for the circumstances, to be used for the payment of incidental expenses. Written approval shall be required from the county social/human services board prior to establishing a bank account as a petty cash fund.

5.237.2 Annual Review of Petty Cash

The county social/human services board shall document an annual review of the appropriateness of the amount and the use of the petty cash fund(s).

5.240 County Department of Social/Human Services Director

5.240.1 Secretary to the County Board of Social/Human Services

The county social/human services director shall serve as secretary to the county board of social/human services, unless the county board of social/human services otherwise appoints a secretary.

5.240.2 General Duties of the Director

A. Director Responsibilities

The county social/human services director shall be charged with the executive and administrative duties and responsibilities of the county department of social/human services, subject to the policies, rules, and regulations of the Colorado Department of Human Services.

B. Responsibility For Staffing

The county social/human services director, with the approval of the county board of social/human services, shall appoint such staff as may be necessary to administer public assistance, social services, and medical assistance within the county. Such staff shall be appointed and shall serve in accordance with a merit system for the selection, retention, and promotion of county department of social/human services employees as described in the county merit system. The salaries of the members of such staff shall be fixed in accordance with the rules and salary schedules prescribed by the county merit system.

5.240.3 Responsibilities for Administrative Internal Control and Accounting Internal Control

The county director shall be responsible for organizing staff functions to assure adequate control and safeguards for all cash, fixed assets and negotiable items (cash, bonds, securities, etc.) handled by, stored in or used in the county department of social/human services, and to establish appropriate internal controls and separation of duties.

A. Responsibility for Internal Control on Trust Accounts

1. Signatures Required

Internal control on trust accounts or other funds entrusted or maintained for others outside the county department of social/human services shall require at least two signatures, one of which is to be the county social/human services director or designee of the county director, for making withdrawals from savings accounts, checking accounts or for the sale of, or redemption of bonds or other

securities.

2. High Degree of Fiduciary Responsibility

Trust accounts require a high degree of fiduciary responsibility. The county department of social/human services director is responsible for every trust account transaction.

B. Responsibility for Record Retention

The county social/human services director shall assure that the county department of social/human services has available all necessary and complete records for audit purposes and that adequate prior years' expenditure documents are maintained for use in the budgeting process.

5.240.4 Budgetary Responsibility

A. Budget Preparation

As part of the county budget and in conformity with the county budget law and the rules of the State Department, the county director shall prepare a county department of social/human services budget on the Colorado Department of Human Services prescribed forms or alternative forms containing the same or similar information and submit this to the county board of social/human services for approval.

B. Annual Budgets

The county social/human services director shall be responsible for estimating future needs of the county department of social/human services as accurately as possible, utilizing all available data, including economic and census forecasts. The estimates are to be supported by documentation and a narrative supporting the budget. The budget shall estimate Colorado Department of Human Services grant revenues based on the most current information. County department of social/human services revenue shall be sufficient to maintain an appropriate surplus from year to year. The county director is responsible for initiating requests to the county board of social/human services for changes in the county department of social/human services budget.

C. Distribution of the Budget

The county director shall submit the original budget request to the county board of social/human services and as many copies as it may need. One copy shall be submitted to the Colorado Department of Human Services, Director of the Field Administration Division, 1575 Sherman St., Denver CO 80203-1714 and the county department of social/human services shall retain two copies. The budget shall be submitted to the board of county commissioners no later than October 15 of each year.

D. Spending Within Budgeted Appropriations

The county director shall be responsible for assuring that expenditures do not exceed appropriations, electronic benefit authorizations do not exceed appropriations, and controlling the county surplus fund balance or deficit fund balance at all times.

E. Monthly Budget Reports to Commissioners

The county director shall be responsible for timely submitting monthly reports to the board of county commissioners concerning,

1. A budget report containing a comparison of calendar year-to-date expenditures to calendar year-to-date county appropriations,
2. A budget report containing a comparison of calendar year-to-date earned revenues to calendar year-to-date county estimated revenues
3. A budget report containing a comparison of State fiscal year-to-date expenditures to State fiscal year-to-date allocations from the Colorado Department of Human Services, and
4. Interim Balance Sheet and Statement of Net Assets.

F. Budget Revisions

The county director shall be responsible for initiating requests to the county board of social/human services for changes in the county department of social/human services budget.

5.240.5 Payroll Responsibility

A. Payroll Certification

Each month the county social/human services director shall certify all payrolls or a summary of payrolls for issuance of warrants and for electronic benefit authorizations.

B. Certified Payrolls Presented to the County Board of Social/Human Services

The county social/human services director shall present to the county board of social/human services the certified payrolls or a monthly summary of warrants written and electronic benefit authorizations that have been certified.

C. Certification Description

A description of the certification process for issuance of warrants and electronic benefit authorizations for the county social/human services fund, and a copy of each certificate shall be available for audit purposes.

5.240.6 Responsible for Overseeing the Maintenance of the Accounting System

The county social/human services director shall be responsible for overseeing the maintenance of the county department of social/human services accounting system.

A. Financial Reports Follow Generally Accepted Governmental Accounting Principles

Each monthly reporting period shall be regarded as an integral part of the fiscal year. Revenues shall be allocated to monthly reporting periods in accordance with generally accepted governmental accounting principles. Expenditures such as salaries and operating expenditures shall be allocated to interim periods in which they were incurred. Arbitrary assignment to a monthly period shall not be allowed. The county social/human services director shall submit these monthly reports to the county board of social/human services within 60 calendar days of the end of each month.

B. Financial Reports Come From The General Ledger

The county department of social/human services general ledger and supporting systems to the general ledger shall be the system used to record the county department of

social/human services financial information and the system from which standard reports shall be prepared and forwarded to the county board of social/human services.

C. Monthly Financial Reports

Pursuant to section 5.240.4, E, the county social/human services director shall be responsible for submitting monthly financial reports to the board of county commissioners. These financial reports shall be available for use by county executive management, and their respective staffs for planning purposes and decision-making.

D. Annual Financial Statements

The county social/human services director shall be responsible for generating un-audited annual financial statements fully disclosing the financial position of the social/human services fund by March 1 of the subsequent fiscal year.

5.250.7 Monthly Reporting To The Colorado Department Of Social/Human Services

The county social/human services director shall report to the Colorado Department of Human Services at such times and in such manner and form as the Colorado Department of Human Services may from time to time direct. The routine reporting period from the county to the Colorado Department of Human Services is a calendar month. The Controller of the Colorado Department of Human Services shall determine the date required to submit financial data for each monthly reporting cycle.

5.250 County Treasurer

5.251 County Treasurer Shall Act As Custodian

The county treasurer shall be the treasurer and custodian of the social/human services fund and shall disburse money from the fund only upon distinct county social/human services warrants drawn by the person duly appointed by the county board of social/human services.

5.252 Monthly County Treasurer's Reports

The county treasurer, or county entity acting as the county treasurer, shall prepare a monthly report which indicates a beginning balance of cash, the amount of monies deposited into the social/human services fund each month, the warrants redeemed by the treasurer or designated redemption entity each month, and an ending cash balance. Alternate forms of tracking the monthly amounts of cash through a redemption entity are also accepted. One example of this is the use of a zero balance account(s) where the balance of this account(s) at any point in time is the amount of unredeemed warrants.

5.253 No County Treasurer's Fee for Social/Human Services Fund

The county treasurer, or county entity acting as the county treasurer, shall not collect any fee for the collection or deposit of any monies into the county social/human services fund.

5.300 Accounting Systems, Internal Control, Bids, Allocations and Reporting

5.310 Chart of Accounts

5.310.1 Chart of Accounts

A chart of account numbering system shall reflect the order of the Statement of Net Assets/Balance Sheet and Statement of Activity/Statement of Revenues and Expenditures accounts. The numbering shall start with the accounts that go into current assets, the first section of your balance sheet, and end with the last

category of expenses in your income statement.

5.320 General Ledger

5.321 Double-Entry General Ledger

Each county's social/human services fund shall maintain a double-entry general ledger system that is the basis for the accounting system and for financial reporting. The general ledger shall be the location in which all of the active accounts are collected.

5.322 General Ledger in Balance

The general ledger shall be in balance at all times, with aggregate debits equaling aggregate credits.

5.323 Experienced Staff to Maintain the Accounting System

Only county staff experienced in bookkeeping and accounting shall maintain the accounting system for the social/human services fund.

5.324 Subsidiary Journals

Subsidiary journals shall be maintained to support the general ledger. The supporting journals at a minimum shall be the general journal, cash receipts journal, cash disbursements journal, earned revenue journal, electronic benefits authorized journal, and an accounts receivable journal. In an automated accounting system these journals may consist of a distinct code for each type of journal.

5.324.1 Accounts Receivable Journal

Colorado Department of Human Services automated accounts receivable systems may be used as a subsidiary journal but only if appropriate internal controls are in place at the county level for the operation and maintenance of these systems.

5.324.2 Cash Disbursement Journal

The warrants issued by the county department of social/human services shall be recorded in the cash disbursement journal in a manner that distinctions shall be shown for administration, specific programs, and those warrant issues which are returns or refunds or other accounts payable transactions.

5.325 Postings Are To Be Current

The accounting system shall be kept current. Each month's transactions shall be recorded to the general ledger as soon as possible after all information is received concerning receipts, expenditures, disbursements, electronic benefit authorizations, actual revenue, and estimated revenue, for a month.

5.326 Budgetary Accounts

The budget amounts for each calendar year shall be entered in the county department of social/human services general ledger. The amounts noted shall reflect the final budget as approved by the Board of County Commissioners or other governing body with authority to approve the budget. If the budget is subsequently revised, the amounts by program shall be posted to the appropriation and estimated revenue accounts.

5.330 Financial Statement Reporting

5.331 Prepare In Accordance With Generally Accepted Governmental Accounting Principles

Financial statements shall be prepared in accordance with generally accepted governmental accounting principles.

5.332 Reflect All Financial Activities

Financial statements shall reflect all of the financial activities of the county department of social/human services.

5.333 Submittal of Financial Statements

County departments shall, by April 1 of each year, complete and send to the Colorado Department of Human Services, Director of the Audit Division, 4120 S. Julian Way, Denver, CO 80236-3102 county prepared financial statements for the preceding calendar year.

5.334 Additional Financial Report for Electronic Benefits Authorized

In addition to the financial statements required by generally accepted governmental accounting principles, the counties shall prepare a schedule of electronic benefits authorized if the Statement of Activity/Statement of Revenues and Expenditures does not disclose the full amount of the electronic benefits authorized.

5.335 Additional Financial Reports

Additional reports to fully disclose the operations of the county department of social/human services shall be tailored to meet the county department of social/human service's needs and enhance the ability to make timely and accurate decisions. Reports shall include but are not limited to such items as: comparison of budget to actual for programs or organizational units; efficiencies and economies in operations; and the results of specific programs and activities, as reflected in accomplishments, benefits, and effectiveness; and compliance with grant requirements and administrative policies.

5.340 Internal Control

5.341 Responsibility for Internal Accounting and Administrative Controls

5.341.1 Personnel Responsible for Internal Accounting and Administrative Controls

The county board of social/human services, the county social/human services director, county social/human services' managers and supervisors, and employees are all responsible for the internal accounting and administrative control processes within and surrounding the county department of social/human services.

A. Signature Authority

County department of social/human services shall identify those persons authorized to sign or approve specific documents for another person. The county department of social/human services director shall approve of such listing that shall contain the name(s) and manual signature(s) of those persons delegated signature authority.

B. Adequate and Appropriate Personnel

There shall be personnel of quality and integrity commensurate with their assigned responsibilities.

C. Access to Assets

There shall be restrictions permitting access to assets only by authorized persons in the performance of their assigned duties.

5.342 Written Plan of Accounting Controls and Administrative Controls

A written plan of accounting controls and administrative controls shall be on file at the county department of social/human services. This plan shall reflect the current operations of the county department of social/human services and shall provide for but not be limited to the following:

5.342.1 Accounting and Administrative Procedures

There shall be adequate authorization and procedures to provide effective accounting control over assets, liabilities, revenues, and expenditures.

5.342.2 Continuous Review of the Plan of Internal Accounting and Administrative Controls

There shall be an effective process of internal review and adjustment for changes in operating conditions.

5.343 Separation of Duties

There shall be internal control procedures that include the appropriate separation of duties such as, but not limited to the following,

5.343.1 Separation of Duties for the Receipt and Recording of Cash

The same employee shall not receive cash, record the receipt, deposit the funds, and make journal and/or ledger entries for cash.

5.343.2 Separation of Duties for the Receipt of Negotiable Items and the Control of Negotiable Items

The same employee shall not receive negotiable items, dispense these items and control the repository and the inventory of them.

5.343.3 Separation of Duties, Ordering and Paying for Goods and Services

The same employee shall not order, receive, and process payment for goods and/or services. Orders for goods and/or services are to be approved by the county director or the director's designee prior to placing such orders. There shall be approval from the director or the director's designee prior to payment being made for goods and services received.

5.343.4 Security for the Colorado Department of Human Services Computer Systems

There shall be security for the access of and for the data input functions for the Colorado Department of Human Services information systems.

5.344 Effectiveness and Efficiency of Operations

There shall be an appropriate balance between accounting controls and administrative controls, and the effectiveness and efficiency of operations.

5.345 Reliable Financial Reporting

There shall be systems in place for the accurate and timely compilation of financial reports.

5.346 Compliance with Applicable Laws and Regulations

There shall be a review process to ensure compliance with the many and varied laws, rules and regulations that are included with the administration of federal grants.

5.347 Record Retention

Data of any form shall be retained for the current year, plus three previous years unless:

- A. There is a written statutory requirement, rule, or regulation available from a county, state or federal agency requiring a longer retention period; or,
- B. There has been a claim, audit, negotiation, litigation or other action started before the expiration of the three-year period.

5.348 Official Receipts

5.348.1 Consecutively Numbered Receipt Book

County departments of social/human services shall maintain manual or automated receipt books with receipts numbered consecutively. Manual receipt books shall be pre-numbered.

5.348.2 Mail Listing of All Negotiable Items

There shall be a listing at the point the mail is opened for all negotiable receipts. This mail listing shall be prepared by the person opening the mail and by someone other than the bookkeeper/accountant.

5.348.3 Restrictively Endorsed Negotiable Items

Each county shall have a restrictive endorsement stamp and each negotiable item shall be immediately stamped with a restrictive endorsement at the point the mail is opened.

5.348.4 Separation of Duties for Mail List Preparation and Receipt Writing

The preparation of the mail and the writing of receipts, whether automated or manual shall be performed by different people. If possible, the monies shall be sent to another person for preparation of the deposit.

5.349 Deposit of All Cash

All cash or negotiable items made payable to the county department of social/human services shall be deposited directly into the department of social/human services fund.

5.349.1 Daily Deposit of All Cash Totaling \$100 or More

Monies shall be deposited daily unless the total amount received is less than \$100.00. Once the cumulative amount of monies received equals \$100 or more, it shall be deposited at the end of the county's business day.

5.349.2 Cash Receipts Shall Equal Cash Deposits

The cash receipt total shall be the same as the amount deposited and the same as that reported to the Colorado Human Services Department, Division of Accounting, except the counties have the option of not reporting to the Colorado Department of Human Services; general assistance refunds, refunds of non-reimbursable expenditures, over-collections returned, and other reconciling items as documented.

5.349.3 Reconcile the Mail List to the Receipts to the Deposits

At least at the end of each month, the mail listing and the listing of receipts shall be reconciled with the amount deposited and any differences shall be noted and reconciled.

5.349.4 Identification of Cash Receipts

At a minimum cash receipts shall include information to distinguish Colorado Department of Human Services remittances, county revenues, plus receipts from individuals, vendors, and other sources.

5.349.5 Maintain a Cash Receipts Journal

The county department of social/human services shall record the monies received for deposit into the social/human services fund on a cash receipts journal. The cash receipts journal shall record the receipt transactions for a calendar month.

5.349.6 Receipt of Negotiable Items Not Made Payable to The County Department of Human Services

If the county department of social/human services must accept negotiable items made payable to others, the county department of social/human services shall initiate a procedure to record the county department of social/human services receipt of the negotiable item, the amount of the negotiable item, the sender, the payee, the reason the transaction must be handled in this way, and the date the negotiable item was forwarded to the payee. All available methods to eliminate or minimize these transactions shall be undertaken by the county department of social/human services.

5.350 Bid System

5.351 Threshold for Utilizing a Bid System

A county department of social/human services that purchases at one time, supplies, equipment, construction material, personal or real property, or personal services in excess of \$25,000.00 shall use a formal advertising and bidding process to provide, to the maximum extent practicable, open and free competition. If a county department of social/human services is unable to use this process, written justification shall be available at that county department of social/human services giving the facts related to the purchase and the inability to advertise and seek bids.

5.351.1 Groups of Items Totaling \$25,000 or More

One time purchases of \$25,000.00 or more can be defined as a purchase of one item or service or a group of items or services from a vendor at one time that will equal or exceed \$25,000.00.

5.360 County Allocations

5.361 Preliminary Allocations

The Colorado Department of Human Services, through the respective program allocation committee, shall issue preliminary allocations no later than August 31 of each State fiscal year or within two months after the appropriation bill is approved by the Governor, whichever is later. The preliminary allocation shall include a description of the methodology and data used as the basis for the allocation.

5.362 Composition of Allocation Includes All Shares

Allocations include all shares: Federal, State, and county shares.

5.363 Allocations are At Least Partially Based on Historical Spending

The county department of social/human services shall be responsible for reporting accurate data for the allocation process.

5.364 Special Purpose And Holdout Full Time Equivalent (FTE)

Special purpose and holdout full-time equivalents (FTE) shall be those designated for functions that cross county geographical/political boundaries or functions for FTE that are not otherwise generated by an allocation formula.

5.365 Allocation Appeals

County departments of social/human services shall have a 30-day appeal period after receipt of the preliminary allocation to object to the adequacy of their allocations. County departments of social/human services shall make all appeals with respect to the allocations to the appropriate program allocation committee and shall be subject to such allocation committee's policies and procedures. An appealable issue is one that alleges data errors or misapplication of established policy and procedures.

5.366 Final Allocations

A final allocation shall be issued within 60 days of the preliminary allocations report and shall reflect any adjustments due to county appeals or other discovery of data errors.

5.367 Closeout Of County Administration

When possible, unexpended county administration allocations shall be redistributed to those overexpended counties with reimbursable county administration costs at the close-out of the State fiscal year.

5.368 Allocation Adjustments

The Executive Director of the Colorado Department of Human Services or designee may adjust allocations during the year as deemed necessary.

5.369 Allocation Limits

County department of social/human services allocations shall be limited by the annual appropriation of the general assembly.

5.370 Reporting to the Colorado Department of Human Services

5.371 Required Use of Statewide Automated Systems

County departments of social/human services shall use the Colorado Department of Human Services automated statewide client and or provider information systems. These systems are designed to collect and store program data; assist with eligibility and payment determinations; generate forms and reports; create electronic benefit authorizations; and add to, delete, or make changes to the information on file.

5.372 Reconciliation of County Information with Statewide Automated Systems

County department of social/human services reimbursement or billing will be based on the information that is transmitted by these statewide-automated tracking systems to the Colorado Department of Human Services financial reporting system. County departments of social/human services shall reconcile their own information with the expenditures, reimbursements, and billing information documented in the

statewide automated tracking systems and the State financial reporting system.

5.373 Correct Coding of Information

County departments of social/human services shall correctly code all information reported to the Colorado Department of Human Services. These codes determine whether the expenditure falls within budgetary allocations, disregards budgetary maximums or is a special project.

5.373.1 Reimbursable and Non-Reimbursable Costs

Some costs have a reimbursable portion and a non-reimbursable portion. County department of social/human services shall split and appropriately code these costs for reporting to the Colorado Department of Human Services.

5.374 Reporting of Refunds

All refunds collected for previously reimbursed expenditures shall be reported to the Colorado Department of Human Services. This reporting shall follow the procedures of the statewide automated tracking systems and or the financial reporting systems.

5.375 Overcollections

If the county department of social/human services collects more money from a payer than the amount established as due, a county warrant shall be issued to the payer to repay this overcollection within 10 business days of receiving the overcollection.

5.400 Balance Sheet Accounts

5.410 Social/Human Services Fund

5.411 Separate Social/Human Services Fund

A fund to be known as the county social/human services fund shall be established and maintained in each of the counties of the State of Colorado.

5.411.1 Separate From Other Funds

The social/human services fund in each county shall be accounted for separately from any other funds in the county so that the cash balance in the county social/human services fund can be determined at all times.

5.411.2 Special Revenue Fund

The county social/human services fund shall be maintained as a special revenue fund and used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

5.411.3 Includes All Public Assistance, Social Services, and Related Funds

The county social/human services fund shall include all money appropriated by the board of county commissioners for public assistance, social services, and related purposes.

5.411.4 Includes All Colorado Department of Human Services and Federal Funds

The county social/human services fund shall include all moneys allotted, allocated, or apportioned to the

county by the Colorado Department of Human Services. These funds are granted by the State of Colorado and by the federal government for public assistance, welfare and related purposes and paid to the county by the Colorado Department of Human Services.

5.411.5 Composition of The Social/Human Services Fund

The fund consists of:

- A. Appropriations,
- B. Estimated Revenues
- C. Expenditures
- D. Revenues,
- E. Assets,
- F. Liabilities, and
- G. Fund Balance (surplus or deficit of local revenues, both current and prior year).

5.420 Cash, Warrants and Electronic Benefits Authorized

5.421 Cash Reconciliation(s)

5.421.1 Performed Within 30 Days

All cash accounts are to be reconciled each month within 30 days of the end of each month.

5.421.2 Send Reconciliation to the Colorado Department of Human Services

A copy of the December 31 cash reconciliation(s) report shall be submitted to the Colorado Department of Human Services, Director of the Audit Division, 4120 S. Julian Way, Denver, CO 80236-3102 by March 1 of each year.

5.421.3 Warrants Redeemed List

A redeemed warrant listing(s) shall be retained or alternative procedures should be in place to reconcile the cash balance of the social/human services fund based on warrants written with the cash balance of the social/human services fund based on warrants redeemed.

5.421.4 Retain Redeemed Warrants

The redeemed warrants shall be retained, filed in numerical sequence or by date redeemed, and available for audit.

5.422 Date of Warrant Issue

The date of issue on a warrant must be on or before the date of mailing.

5.422.1 Delivery

On the established pay date, all client and vendor warrants shall be mailed to the last known address of the payee. Client and vendor warrants shall not be hand delivered to payees. Employee compensation or

employee travel reimbursement may be hand delivered with appropriate internal control surrounding the delivery.

5.423 Warrant Redemption Period of 180 Days

Each warrant drawn on and issued from the county social/human services fund shall bear a notation clearly printed in a prominent position upon its face, stating: "Void after 180 days from issue date".

5.423.1 Exception to Rule

Counties shall not have the option of using a time period longer than 180 days for canceling warrants.

5.423.2 Canceling Warrants

Any warrants outstanding after the specified time period shall be canceled in accordance with the county's internal control procedures or by resolution of the county board of social/human services at their next county social/human services board meeting with the stipulation that should such warrant be presented for payment, a new warrant shall be issued.

5.423.3 Stale Dated Warrants

A stop-payment order will be issued to the county treasurer or county redemption entity at the time the warrant cancellation resolution is passed. The county shall report to the Colorado Department of Human Services all canceled warrants that have been previously reported to the Colorado Department of Human Services for reimbursement.

5.424 CLIENT WARRANTS ARE NOT ASSIGNABLE [Eff. 04/01/2009]

No warrants issued or electronic benefits authorized to recipients shall be transferable or assignable. None of the money paid or payable to recipients under the Social Services Acts shall be subject to execution, levy, attachment, garnishment, or other legal process nor be restricted in any way. Any money paid or payable to vendors shall be subject to execution, levy, attachment, garnishment or other legal process. *[Eff. 04/01/2009]*

5.424.1 Exception to Rule

Payment to a guardian or caretaker and protective payments are exceptions to Section 5.424.

5.425 Forged Warrants

5.425.1 County Procedure

Disposition of the forged warrant shall follow whatever steps are available at the county level to recover the amount of the forged warrant.

5.425.2 Non-Reimbursable

The expenditure as a result of a forged warrant is non-reimbursable. If the amount is collected (from the forger or through return through the banking system) the refund is not reported to Colorado Department of Human Services.

5.426 Electronic Benefits Authorized That are not Paid

5.426.1 Returned Electronic Benefits

Electronic Benefits Authorized that are returned to the Colorado Department of Human Services as not paid, shall be paid by the county department of social/human services within 48 hours of the Colorado Department of Human Services' notice to the county department of social/human services that the transaction delivery failed.

5.426.2 Administrative Fee

If the county department of social/human services does not issue a warrant within 48 hours of the Colorado Department of Human Services' notice, the Colorado Department of Human Services will issue a warrant and may charge the county department of social/human services an administrative fee.

5.430 Advances

5.431 Request for Advances

5.431.1 County Department of Social/Human Services Files Requests for Advances

The county department of social/human services shall file requests with the Colorado Department of Human Services for advancement of funds for public assistance, social services and administrative costs.

5.431.2 Colorado Department of Human Services Advances to be Deposited in the County Social/Human Services Fund

The county treasurer shall deposit the advances from the Colorado Department of Human Services into the county social/human services fund.

5.432 Due to the State/Due From the State Accounts)

The county departments of social/human services shall pay their monthly local share from the electronic benefit transfer programs by netting this payable amount with the revenue earned as a result of county expenditures and the settlement of other items.

5.440 Petty Cash Fund

5.441 Petty Cash Usage

5.441.1 Petty Cash Is Only For Incidental Expenses

Petty cash funds shall only be used for payment of incidental expenses of a nominal amount that require cash payment, such as postage or parking or expenses not otherwise appropriately billed by invoice and paid by voucher or warrant. Petty cash expenditures shall comply with all applicable laws, rules, regulations, and grant requirements.

5.441.2 Not for Employee Loans

Petty cash shall not be used to loan money to employees for personal use.

5.441.3 Petty Cash Reimbursements

The custodian of the petty cash fund shall submit a voucher to the county treasurer covering the total amount of petty cash expenditures. A list of all such expenditures, together with proper receipts shall be submitted to the treasurer who shall draw funds against the social/human services fund to cover all items of expenditure. Reimbursements to petty cash accounts shall be limited to actual expenditures. Request for reimbursements shall be made so that all disbursements are properly reported on the county social/human services general ledger.

5.441.4 Petty Cash Deposits

Deposits to petty cash accounts shall only be in the form of county treasurer reimbursements for expenditures, interest earnings, and other miscellaneous adjustments credited by the banking institution.

5.442 Petty Cash in General Ledger

All petty cash funds shall be recorded as an account(s) in the county department of social/human services' general ledger.

5.450 Trust Accounts

5.451 Responsibility

All trust accounts shall bear the name and the title of the director of the county department of social/human services as trustee for the recipient. Withdrawals from savings, checking or investment accounts shall require two signatures, neither, of which can be the caseworker or the bookkeeper. They may be the business office supervisor and director or director designee, caseworker supervisor and director or director designee. Shortages in trust accounts are the responsibility of the county department of social/human services.

5.452 Trust Accounts Usage

5.452.1 Deposits

All trust account funds shall initially be deposited with the county treasurer with the understanding that it is to be invested where it can draw interest.

5.452.2 Document Security

All savings account passbooks, blank checks, checkbooks, bonds, all other securities and any other documentation that could provide access to a trust account shall be kept in a secure place.

5.452.3 Checking Accounts

When a client has monthly needs the trust account funds may be held in a checking account. When it is determined that the checking account contains more than is reasonably needed for the current month's needs, the excess shall be deposited in an interest bearing account.

5.452.4 Documentation

Documentation must exist for all transactions of the trust account(s). Withdrawals from trust accounts shall be documented by use of a disbursement request form developed by the county department of social/human services.

5.452.5 Termination

Termination of trust accounts shall be documented on a notice to terminate trust account form. The form shall be prepared by the caseworker/technician indicating the fact that all payments are to cease on a given date and indicating the disposition of the funds.

5.452.6 Reconciliations

All trust accounts shall be reconciled each month and the business office shall prepare a monthly trust account status report 10 working days after the close of the month's business. If all activity is limited to

saving account interest earnings, quarterly status reports are acceptable.

5.452.7 Commingling

Multiple trust accounts may be held in one account. The monthly reconciliation shall indicate that the adjusted bank balance will cover the positive balances of all the individual trust accounts.

5.453 Trust Accounts Recorded in the General Ledger

Trust account deposits, withdrawals, and balances shall be recorded in a general ledger account(s). The general ledger account(s) shall, at a minimum, be updated at the conclusion of each month's business.

5.460 Accounts Receivable

5.461 Conflict with Accounts Receivable Program Rules

If the accounts receivable rules of a program are in conflict with these financial rules, the program rules shall be followed instead of these financial rules.

5.462 Establish Accounts Receivable

County department of social/human services shall establish recoveries due from clients, providers, absent parents, vendors, and employees for all program and administrative areas in a manner consistent with program rules.

5.463 Interest Payment On Delinquent Accounts Receivables

5.463.1 Statutory Interest is 8%

If permitted by program rules, a delinquent receivable not already assigned an interest rate may be assessed interest at the statutory rate of 8% annually.

5.463.2 Interest Begins on Forty-Sixth Day After Notice

If no time for payment has been provided for in writing and interest is assessed, interest on the unpaid balance shall be calculated beginning with the forty-sixth day after the notice has been given that the receivable is due and payable.

5.463.3 Interest Stated Separately

Interest liability incurred shall be presented on each billing statement as a separate amount from the original amount due.

5.464 Monthly Billing for Accounts Receivable

The billing shall be supported by the detail of the amount owed, prepared by the county department of social/human services referencing the delinquent receivable, the number of days of interest to be paid if applicable, and the interest rate if applicable.

5.465 Aging Accounts Receivable

Each month every account receivable shall be aged in increments of 1-60 days past due, 61-90 days past due, and over 91 days past due.

5.465.1 Referral of Accounts Receivable to a Collection Agency

When a county has exhausted its collection resources on a claim, the claim shall be either referred to a collection agency, suspended from further collection activity, or written off.

5.466 Assignment of Client Benefits

No assistance payments made to an eligible recipient shall be transferable or assignable at law or in equity, and none of the money paid or payable under this article shall be subject to execution, levy, attachment, garnishment, or other legal process or to the operation of any bankruptcy or insolvency law.

5.467 Accounts Receivable Recorded in the General Ledger

The total amount of recoveries due shall be recorded in the county department of social/human service's general ledger accounting system. The account will be adjusted at a minimum each quarter, reflecting additional amounts due and collections received.

5.468 Accounts Receivable, Subsidiary Journal

The county department of social/human services shall maintain detailed subsidiary journals and the total of the subsidiary journals must equal the amount(s) recorded in the general ledger accounting system for accounts receivable.

5.470 Fixed Assets

5.471 County Responsibility

Each county department of social/human services shall be responsible for ensuring that all capitalized equipment is: properly accounted for when acquired, annually inventoried, safeguarded throughout its useful life, and properly accounted for at the time of disposal.

5.472 Inventory

The county department of social/human services shall be responsible for an annual inventory of property, both real and personal, belonging to the county department of social/human services. An inventory shall be required only with respect to items of property having an original cost that equals or exceeds \$5,000.00. For control purposes a county department of social/human services may establish an amount less than \$5,000.00.

5.473 Property Records

Each county department of social/human services shall maintain detailed property records disclosing the:

- A. Date acquired,
- B. Cost of the fixed asset or value at the time of donation,
- C. Specific program fund or cost pool used to acquire the fixed asset,
- D. Any alterations made to the fixed asset, and
- E. The physical location of the fixed asset.

5.474 Useful Life, Use and Disposal

5.474.1 Useful Life

The fixed asset acquired must be used by, and in, the county department of social/human services for the useful life of the asset. Useful life will be the same as defined by the Internal Revenue Service for straight-line depreciation for that class of asset.

5.474.2 Use for the County Department of Social/Human Services

If the fixed asset is removed from the county department of social/human services, sold or traded before the useful life is exhausted, the prorated cost of the remaining useful life is to be refunded to the original funding source for the asset.

5.474.3 Discontinuance of Program

If fixed assets were purchased from a program that has been discontinued, the assets may continue to be used for the benefit of the other federally funded programs that are administered by the county department of social/human services.

5.474.4 Credit to the Original Funding Source

Upon fixed asset disposal, the trade-in value or scrap value is to be reported as a credit to original funding source of the asset.

5.475 Recorded in the General Ledger

The total dollar amount of fixed assets shall be recorded in the general ledger and shall be supported by and agree to the detailed property records that disclose the funding source of the assets.

5.476 Donated Fixed Assets

Fixed assets donated to a county department of social/human services shall be recorded at the fair market value on the date of the gift and treated as purchased equipment for inventory and accounting purposes.

5.477 Leased Fixed Assets With No Intent to Purchase

The fixed asset so acquired must be used by, and in, the county department of social/human services for the term of the lease.

5.477.1 Interest

Interest is allowable per the restrictions found in this rule manual, Section 5.582.3.

5.477.2 Allowable Cost in a Sale and Leaseback

Costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the county department of social/human services continued to own the fixed asset.

5.477.3 Limit on Amount of Reimbursement

Fixed assets rented by the county department of social/human services with no intent to purchase are reimbursable only up to the amount of the annual depreciation had the county purchased the asset.

5.478 Capital Lease of Fixed Assets

Costs under leases, which are required to be treated as capital leases under generally accepted governmental accounting principles, are allowable only up to the amount that would be allowed had the

county purchased the fixed asset on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance.

5.500 Revenue And Expenditures

5.510 County Revenue

5.511 County Tax Revenue

The county government, through the budget process, determines the amount of county tax revenue that will be deposited into the social/human services fund during a calendar year.

5.511.1 Apportioned Taxes

County tax revenue apportioned to the social/human services fund includes but is not limited to,

- A. Levy on assessed valuation of property, and
- B. Specific ownership taxes.

5.511.2 Deposits are Revenues

The county department of social/human services shall record the actual deposits) made each month to the social/human services fund from information furnished by the county treasurer. No calculation of earned revenue from county sources is necessary month by month.

5.511.3 Child Support Incentives

Federal Child Support Enforcement incentives are to be deposited into the social/human services fund to be used as county revenue to supplement the local share or to be re-invested into the Child Support Enforcement program.

State Child Support Enforcement incentives are to be deposited into the social/human services fund to be used as county revenue to supplement the county local share or to be spent on social service type expenditures.

5.512 Miscellaneous Revenue

5.512.1 Revenue from Social/Human Services Costs

All revenue received by a county or county department of social/human services, as a result of part or all of the costs being borne by a social services program, shall be deposited into the county social/human services fund.

5.512.2 Donations and Gifts

Unrestricted bequests, gifts or donations to the county department of social/human services are used as local revenue. If a restricted donation to the county department of social/human services is invested and the income from the investment is not restricted, such income is a source of local revenues.

5.520 State and/or Federal Revenue and Payables

5.520.1 Monthly Posting to the General Ledger

Accounting entries to record the county department of social/human services' calculation of the monthly

earned revenues and electronic benefit authorization payables shall be posted monthly to the county department of social/human services general ledger.

5.520.2 State and Federal Revenues Recorded Based on Net Expenditures

The county department of social/human services shall calculate and record revenues at the conclusion of each month's transactions based upon the net expenditures and net electronic benefits authorized during a month and the current reimbursement rate applicable to each specific program.

5.520.3 Special Program Revenues Recorded are Based on Estimates

Special programs, such as Contingency or 1V-D Incentives, or where other factors are involved in addition to net expenditures, earned revenues can be estimated based upon past actual revenues.

5.521 Revenue and Payable Adjustments

County departments of social/human services shall reconcile and adjust their estimated earned revenue and payable accounts if they are different than the earned revenue and payable amounts in the Colorado Department of Human Services' financial reporting system.

5.521.1 Analysis of Revenue and/or Payable Differences

The county department of social/human services shall determine the reason for the discrepancy and shall analyze differences between the county department of social/human services recorded earned revenue and Colorado Department of Human Services recorded revenue.

5.521.2 Correcting Revenue and/or Payables

The county department of social/human services shall initiate procedures, if applicable, as soon as possible to correct the revenue and or payable amount(s) with the Colorado Department of Human Services.

5.530 Expenditures

5.531 Expenditures, Basis of Claims for Reimbursement and Factors Affecting Allowability of Costs

To be allowable for reimbursement under Federal awards, expenditures reported to the Colorado Department of Human Services shall meet the following general criteria.

5.531.1 No Provision for Profit

Reimbursable expenditures shall be based on actual cost with no provision for profit or increment above cost.

5.531.2 Expenditures shall be Based on Actual Costs

Reimbursable expenditures shall be an actual cost and not a cost based on an average, allocated, anticipated or budgeted cost.

5.531.3 Expenditures Shall Not Be Prohibited

Reimbursable expenditures shall not be prohibited under federal, State, or local, laws, rules, and regulations.

5.531.4 Expenditure Policies, Regulations and Procedures Shall Be Applied Uniformly

Reimbursable expenditures shall be consistent with policies, regulations, and procedures that apply uniformly to State and federal awards and other activities of the county.

A. Expenditures Shall Have Consistent Treatment

Expenditures shall be accorded consistent treatment. A cost shall not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.

B. Expenditures Shall Comply With Generally Accepted Accounting Principles

Expenditures shall, except for provisions in Office of Management and Budget, Circular A-87, be determined in accordance with generally accepted governmental accounting principles.

5.531.5 Expenditures Shall Only Be Used Once as a Match

Expenditures shall not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.

5.531.6 Expenditures Shall Be Net of Applicable Credits

A. Net of All Credits

Expenditures shall be claimed net of all credits, including but not limited to, volume and cash discounts, refunds, rental income, trade-ins, scrap sales, rebates or allowances, recoveries or indemnities on losses, insurance refunds, adjustments of overpayments, erroneous charges, fees for custody investigations, and fees for adoptive services.

B. In Some Instances, the Amounts Received from the Federal Government Shall Be Treated as Applicable Credits

In some instances, the amounts received from the Federal government to finance activities or service operations shall be treated as applicable credits. Specifically, the concept of netting such credit items, including any amounts used to meet cost sharing or matching requirements, should be recognized in determining the rates or amounts to be charged to federal awards.

5.531.7 Expenditures Shall Be Necessary and Reasonable

Expenditures shall be necessary and reasonable for proper and efficient performance and administration. A cost is reasonable if, in its nature and amount, it meets all the following criteria,

A. Expenditures Shall Be Compared to Market Prices for Reasonableness

Expenditures shall be compared to the market prices for comparable goods or services as a test for reasonableness.

B. Expenditures Shall Be Ordinary and Necessary

Expenditures shall be of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the federal award.

C. Expenditures Shall Meet Standards Such as Sound Business Practices and Arms-Length Bargaining

Expenditures shall have restraints or requirements imposed by such factors as: sound business practices; arms-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the State and/or Federal award.

D. Expenditures Shall Be the Same as Would Be Incurred by a Prudent Person

Expenditures shall not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. A prudent person is one who considers their responsibilities to the governmental unit, its employees, the public at large, and the federal government.

5.532 Legal Settlements

Legal judgments and settlements against county departments of social/human services are not reimbursable.

5.540 Documentation of Expenditures

5.541 Documentation to Support Expenditures

The authorization to purchase, documentation of the receipt of the goods or services, the vendor's invoice, and a commitment voucher or approval to pay are documents supporting expenditures and must be retained and available for audit purposes.

5.541.1 Prior Authorization

Expenditures shall be prior authorized by a requisition, purchase order, or similar form of prior authorization.

5.541.2 Different People are Required for Ordering, Receiving and for Paying

The person ordering goods and/or services shall not be the same person receiving or paying for them.

5.541.3 Receiving Reports

A. Proper Receiving Report

Expenditures shall be documented by evidence of the receipt of goods or services such as a receiving report signed by an employee authorized to receive the goods or services. A receiving report shall include; actual quantities received, any unsatisfactory condition, and compliance with specifications, prior to a voucher being processed for payment.

B. Exception to Rule

When an adequate system of internal accounting and administrative controls exists to provide sufficient verification that the goods or services were received, evidence of the receipt of goods and services may not be required.

5.541.4 Verification of Vendor's Invoice

The vendor's invoice must be verified by checking for proper authorization, correct addition, and extensions. Any discounts for prompt payment or volume purchase shall be reported as a credit or

reduction of expenditures.

5.541.5 Commitment Vouchers

No disbursement of funds shall be made unless the county department of social/human services director, or a delegate has approved a commitment voucher or approval to pay.

5.550 Employee Salary and Benefits

5.551 Documentation of Employee Salary and Benefits on Payrolls

The county director and/or board of county commissioners will document employee salary, benefits, and withholdings on payrolls. County department of social/human services' expenditures shall be listed on payrolls separate from other county personnel costs. These payrolls will not be submitted to the Colorado Department of Human Services; however, they do constitute the basis of reporting to the Colorado Department of Human Services, and must be retained and available for audit.

5.551.1 Documentation of Employee Salary and Benefits

County departments shall have records documenting all personnel actions including but not limited to; appointments and separations, employee salary level, transfers, demotions, funding changes, pay increases, promotions, terminations, title changes, attendance and leave records, longevity or other circumstances affecting employee compensation.

5.551.2 Controls Over Employee Salary and Benefits

Adequate controls shall be maintained to initiate changes in salary due to promotion, longevity or other circumstances affecting employee compensation.

5.552 Severance Pay

An individual's severance pay over the amount of two month's salary for that individual is allowable for reimbursement only if it has prior approval from the Controller of the Colorado Department of Human Services, 1575 Sherman, Denver, CO 80203, prior to claiming these costs directly or indirectly.

5.553 Employee Wage Assignments

County department of social/human services' employee wages are subject to execution, levy, attachment, garnishment, or other legal processes.

5.554 Leave Records

All county departments of social/human services shall maintain records of all leave both accrued and taken.

5.555 Employee Training

5.555.1 Training Purpose

Training functions shall be held to achieve program objectives, develop employees, enhance employee's job performance, and shall be limited to reasonable and actual costs.

5.555.2 Training Attendance

The attendance of employees at training functions shall be kept to a minimum and shall include only

those individuals directly related to the purpose of the function.

5.555.3 Training Functions Shall Be Documented

Training functions shall have a written agenda, study materials, and be led by an identified presenter.

5.560 Contracts

5.561 General Contract Principles

5.561.1 Contract Intent

Each county department of social/human services shall be responsible for assuring that the contracts they initiate are within the intent of the funding source and that the contract is necessary and is the most economical and efficient means for accomplishing the identified tasks.

5.561.2 Interagency Contracts

Formal agreements between two principal agencies, sometimes referred to as “Interagency Agreements”, “Memoranda of Understanding”, or “Memoranda of Agreement” are to be treated as if they are contracts.

5.561.3 Contracts Legality

The county department of social/human services shall be responsible for assuring that all constitutional, statutory, regulatory, and grant requirements have been met prior to signing a contract.

5.561.4 Protection of Interests

A county department of social/human services shall negotiate and process a contract when protecting the interest of the county can only be accomplished by using a contract. When questions arise in this area the county's legal representative should be contacted for assistance.

5.561.5 Advance Payments/Retainers

Contracts and other commitment vouchers shall not provide for advance payment for goods and or services unless it is an established industry standard or unless the party to the contract can demonstrate a hardship and justify a need. Any advance payment made on a contract shall require the written approval of the chairman of the county social/human services board, or an authorized delegate.

5.561.6 No Personal Benefit

The county signatories of a contract shall have no personal or beneficial interest whatsoever in the goods or services described in the contract.

5.562 Contracts at a Minimum Shall:

5.562.1 Be in Writing

All contracts at a minimum shall be prepared in writing.

5.562.2 Specifically Identify the Parties to the Contract

All contracts at a minimum shall specifically identify the parties to the contract.

5.562.3 Contain a County Fiscal Year Restriction

All Contracts shall contain a fiscal year restriction such as:

"This contract is subject to and contingent upon the continuing availability of budgeted county funds for the purposes hereof."

5.562.4 Contain a Restriction Regarding the Availability of State and/or Federal Funds

Contracts shall contain a restrictive clause involving State and or federal funds such as:

"This contract is subject to and contingent upon the continuing availability of State and or federal funds for the purposes hereof."

5.562.5 Be Restricted as to the Amount of Funds

All contracts where a maximum contract amount cannot be readily determined shall contain a restrictive clause such as:

"Payment pursuant to this contract shall be made as earned, in whole or in part, from available funds in an amount not to exceed \$_____ for the purchase of _____ for fiscal year_____."

5.562.6 Contain a Termination Date

Contracts shall contain a specific termination date, or an event from which such date can be determined, or a provision for termination when determined by the county department of social/human services to be in its best interest.

5.562.7 Request Reimbursement at Least Monthly

Contractors shall bill for goods or services at least monthly. Goods or services claimed for reimbursement must be identified in detail. All parties to the contract shall maintain, for audit purposes, documentation to support expenditures claimed under the contract.

5.562.8 Define Breach of Contract

The County shall define breach of contract and remedies.

5.562.9 State a Preference for Colorado Labor

Pursuant to Sections 8-17-101 and 8-17-102, C.R.S., a preference for Colorado labor is applicable if the contract is financed in part or in whole with State funds.

5.563 Contract Review

5.563.1 Contract Monitoring

The County shall have a monitoring system to assure that expenditures claimed are within the terms of the contract.

5.563.2 Review for Availability of Funds

Before the execution of a contract, the county director or a delegate shall review the contract for completeness and to ensure that funds are available to cover the contract liability.

5.563.3 Review for Compliance

The county's legal representative shall review all contracts and the review shall include compliance with,

- A. The federal and the State constitution,
- B. Federal and State laws,
- C. Federal and State rules and regulations,
- D. Executive orders, and
- E. The authority of the county department of social/human services to enter into the contract.

5.563.4 Delegation of the Contracting Authority

Under certain circumstances the county director may delegate in writing authority to execute contracts. Delegation of the county director's signature authority does not eliminate the requirement that all contracts have a legal review, or exempt any county department of social/human services from securing the required approval from the chairman of the county social/human services board.

5.564 Contract Signature Approval

5.564.1 Signature Authority

The chairman of the county social/human services board, or a delegate shall sign all contracts on behalf of the county department of social/human services. Delegated authority shall be in writing and maintained for audit purposes.

5.564.2 Original Signatures

It shall be the responsibility of the contracting county to obtain original signatures of all parties to the contract and to retain at least one contract that contains the original signatures of all of the contracting parties.

5.565 Required for Personal Services

Contracts shall be required when a county department of social/human services purchases personal services outside of the County Merit System. Personal service contracts include maintenance and service agreements, including but not limited to; legal services, management services, extensions of county department of social/human services staff, adoptive studies, custody investigations, other public or private agencies, child support enforcement, case management, automated data processing services, and training by other than Colorado Department of Human Services or county department of social/human services' staff.

5.565.1 Case Services Exception

Exceptions for the requirement that all personal services be provided under an employee - employer relationship or a contractual relationship are the provision of one time Case Services.

5.566 Contract With The District Attorney

Pursuant with Sections 20-1-302, 26-1-112, and 26-1-127, C.R.S., the county department of social/human services shall negotiate a contract with the district attorney and pay expenditures incurred by the district attorney's office in investigating and prosecuting any person who has fraudulently obtained public assistance or fraudulently obtained payment from the county department of social/human services. Costs of the District Attorney's office for training county department of social/human services staff are also

allowable.

5.567 Required for Lease/Rent

A county department of social/human services shall negotiate and process a contract when leasing land, buildings, or other office or meeting space when the rental is for more than thirty days, or for an amount more than \$5,000.00.

5.568 Required for Capital Construction/Maintenance

A county department of social/human services shall negotiate and process a contract when expending capital construction or maintenance funds in excess of \$5,000.00.

5.570 Travel

5.571 General

5.571.1 Travel Policies Shall Be Consistent Throughout the County

The travel policies for county departments of social/human services employee reimbursement for lodging, meals and transportation shall be consistent with those policies in the county's other departments, offices and divisions.

5.571.2 Travel Expense as Part of Another Fee

If travel expenses (meals, lodging, transportation, etc.) are included in conference fees, registration fees, or are otherwise furnished at no additional cost to the traveler, no reimbursement shall be made for these items. If, however, a meal included in a commercial transportation ticket is not adequate, and the traveler incurs an additional meal expense, reimbursement may be claimed at the authorized rate for that meal.

5.571.3 Travel Reimbursement for Only County Business

Lodging, meals, and other reimbursable travel expenses shall only be reimbursed for the period of time necessary for the traveler to accomplish the county's business. When a traveler uses an alternate method of transportation, which is authorized by the approving authority, any additional time required to complete the county's business shall be charged to approved leave.

5.571.4 Limited Time for Reimbursement

Reimbursement for travel and related expenses is available for the current (month being paid) and two preceding months.

5.572 Transportation

5.572.1 Reimbursement for the Most Economical and Efficient Means Available

Transportation shall be completed using the most economical and efficient means available that will satisfactorily accomplish the county department of social/human services' business.

5.572.2 Documentation of Trip

Sufficient documentation of the purpose and the cost of the trip shall be included with the travel expense form. If the purpose of the travel is not solely for business purposes, the individual involved shall make a reasonable allocation of the expenses and the travel reimbursement request shall contain sufficient documentation to indicate the allocation made and the basis for the allocation.

5.572.3 Mileage Rate

Reimbursement of vehicle transportation is not more than the mileage rate allowed by the Internal Revenue Service (USC Title 26, Section 162). The rate established by the county department of social/human services shall be the same rate used for the county's other departments, offices or divisions. This mileage rate is to cover all ownership and operating costs of the .vehicle, such as depreciation, use allowance, insurance, repairs, maintenance, gas, oil, tires, etc.

A. Mileage Rate for Specific Programs

Reimbursement of vehicle transportation for certain program purposes shall be the rate or amount allowed per the specific program.

B. Vehicle Purchase

The purchase cost or lease of a vehicle is a reimbursable expenditure only if the vehicle is to be used for a single grant. If the vehicle is to be used for multiple purposes, then funds from the Regular Administration program shall be used to purchase the vehicle. Additional ownership and operating costs shall be charged to the same funding source as the purchase or lease costs. A combination of direct reimbursement of ownership and operating costs, and mileage, is not allowed.

5.572.4 Transportation Does Not Include Employee's Spouse or Other Person

Reimbursable costs shall not include the cost of an employee's spouse or other person(s) accompanying the employee on a business trip.

5.572.5 Only One Reimbursement per Vehicle

When two or more people travel together in the same personally owned and operated automobile, only the employee responsible for the automobile shall be allowed mileage reimbursement.

5.573 Lodging

5.573.1 Lodging Receipt

Receipts for lodging shall be obtained and submitted with the travel expense form. The actual lodging receipt is required. Charge slips are not sufficient.

5.573.2 Travel Reimbursement at Reasonable Accommodations

Employees authorized to travel shall be reimbursed the actual cost of reasonable accommodations. Employees may be required to use approved or designated lodging facilities in certain areas to assist in controlling travel cost. Reimbursement shall be limited to the cost of commercial lodging.

5.574 Meals

5.574.1 Meal Per Diem

Employees authorized to travel shall be reimbursed for the cost of meals, including tax, tip and other incidental expenses with the established State fiscal rules and per diem rates or at the established county policies and per diem rates.

5.575 Reimbursable Items

In addition to lodging, meals, and transportation, the following actual expenses incurred as a necessary part of approved travel may be reimbursed.

5.575.1 Travel Tips

Reasonable tips paid by the traveler for bellhops, porters, maids, and ground transportation are reimbursable. Tips paid in conjunction with meals are included in the meal per diem and cannot be claimed separately.

5.575.2 Vehicle Trips

A. Mileage of a Private Vehicle

Mileage for the approved use of a private vehicle.

B. Commercial Vehicle

Commercial transportation expenses paid by the traveler are reimbursable. A receipt shall be required for each individual ride in a commercial vehicle, if over \$25.00.

5.575.3 Travel Campsite Fees

Campsite fees paid by the traveler for a commercial camp ground or a State or national park are reimbursable. A receipt shall be required if over \$25.00.

5.575.4 Parking Fees

Parking fees paid by the traveler are reimbursable. A receipt shall be required for any single fee over \$25.00.

5.575.5 Travel Registration Fees

Registration fees paid by the traveler are reimbursable. A receipt is required for all registration fees paid.

5.575.6 Rental Car Cost

Rental car costs paid by the traveler are reimbursable. A receipt is required for all rental car expenditures.

5.575.7 Communications Charges

Telephone, fax, and other similar charges paid by the traveler for official county business are reimbursable. A receipt shall be required for any single charge over \$25.00.

5.575.8 Toll Road Charges

Toll road charges paid by the traveler are reimbursable.

5.575.9 Transaction Charges

Traveler's check charges paid by the traveler are reimbursable. A receipt shall be required if the total amount claimed for reimbursement is over \$25.00.

5.576 Non-Reimbursable Travel Items

In addition to lodging, meals, and transportation, the following actual expenses incurred as a part of

approved travel shall not be reimbursed.

5.576.1 Alcohol

Alcoholic beverages purchased by the traveler are not allowable for reimbursement.

5.576.2 Entertainment Fees

Entertainment expenses paid by the traveler are not allowable for reimbursement.

5.576.3 Personal Items

Personal expenses incurred during travel that are primarily for the benefit of the traveler and not directly related to the official purpose of the travel are not allowable for reimbursement. Examples include the purchase of personal hygiene items, magazines, snacks, movie rentals, and other miscellaneous items.

5.576.4 Insurance Expense

Travel insurance expenses paid by the traveler are not allowable for reimbursement.

5.576.5 Traffic Fines and Tickets

The cost of traffic fines and traffic tickets are not allowable for reimbursement.

5.577 Travel Expense Form and Approval

5.577.1 Travel Expense Form

The Colorado Department of Human Services prescribed travel expense form or alternate form containing the same information shall be used for claiming all travel expense for which an employee, volunteer, or county social/human service board member requests reimbursement. A properly completed and approved travel expense form shall support all payments for travel expense.

5.577.2 Approval

A county approving authority shall endorse the travel expense form. This endorsement shall signify a review and approval of all travel expense items. Receipts for lodging, parking and other miscellaneous claims shall be attached to the county department of social/human services' copy of the travel expense form. This travel expense form and all receipts shall be retained.

5.578 Travel Coding and Reimbursement

5.578.1 Travel Coding

Travel shall be reported under the same coding as the employee's salary and benefits. If the travel expense is reported under a coding other than the coding for the employee's salary and benefits, sufficient explanation and or documentation to support this alternate coding shall be attached to the travel expense form.

5.578.2 Travel Appropriations and Reimbursement

Travel by county department of social/human services employees and members of county social/human services boards will be reimbursed within the limit of each county's allocation(s) if travel was pursuant to Section 5.570.

5.580 Office Space

5.581 General

5.581.1 Purchase of Office Space

A county social/human service fund shall not use federal funds to construct or purchase buildings or facilities or to purchase real estate unless prior approval has been obtained by the Controller of the Colorado Department of Human Services, 1575 Sherman, Denver, CO 80203.

5.581.2 Allocation of Office Space Costs

The reimbursement for office space is a part of each program's administrative allocation and allowable only to the extent of each program's administrative allocation. The allocation of the total office space costs to each program is to be based on square foot used or other reasonable and documented method.

5.581.3 Sharing Office Space

If a building is shared with another agency, the county department of social/human services' cost shall not exceed the prorated share of the total building costs based on square feet used.

5.581.4 Substantiating Space Costs

Prior to building or contracting for another building, or changing the current contract, the county department of social/human services shall obtain and retain documentation that office space costs incurred are equal to or less than the cost of comparable commercial leases in the area.

5.582 Allowable Costs for County Owned Office Space

5.582.1 Allowable Capital Costs for Owned Office Space

The allowable cost for county owned office space is based on a usage allowance of two percent per year of the capitalized cost of the building or an amount based on a reasonable depreciation schedule that is approved by the Controller of the Colorado Department of Human Services, 1575 Sherman, Denver, CO 80203.

5.582.2 Expenditure of the Social/Human Service Fund

A. Pay Full Amount of Use Allowance or Depreciation

The full amount of the usage allowance or depreciation for office space shall be an actual expenditure from the social/human services fund. This expenditure shall be paid to the county fund or other county entity that owns the building(s), or

B. Record Full Amount of Use Allowance or Depreciation

The full amount of the usage allowance or depreciation for office space shall be recorded in the county department of social/human services' general ledger as an accrued expenditure of the social/human services fund.

5.582.3 Allowable Office Space Costs in Addition to Capital Costs

Office space costs that are allowable for reimbursement are as follows but are not limited to; utilities such as heating, lighting or cooling the building, normal repairs and maintenance that are not capitalized, ordinary and normal rearrangement and alterations that are not capitalized, security, janitorial, building

insurance, elevator service, and upkeep of grounds.

5.582.4 Allowable Interest on Office Space Costs

Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided below.

A. Office Space Interest Expense Limitations

Financing costs (including interest) paid or incurred on or after August 29, 1997, associated with the otherwise allowable costs of building acquisition, construction, or fabrication, reconstruction or remodeling completed on or after October 1, 1980, is allowable, subject to the following three conditions:

1. Bona Fide Third Party Funding

The financing is provided (from other than tax or user fee sources) by a bona fide third party external to the governmental unit,

2. Support Federal Awards

The assets are used in support of federal awards, and

3. Interest Earnings

Earnings on debt service reserve funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period's cost or the capitalized interest, as appropriate. Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable.

5.583 Allowable Costs for Leased Office Space

5.583.1 Allowable Office Space Costs for Leased Office Space

The allowable cost for non-county owned office space is the lower of the actual lease cost or a rate that is reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased.

5.583.2 Allowable Office Space Costs in Addition to Lease Costs

Office space costs that are allowable for reimbursement if not already provided for in the lease agreement are as follows but are not limited to; utilities such as heating, lighting or cooling the building, normal repairs and maintenance that are not capitalized, ordinary and normal rearrangement and alterations that are not capitalized, security, janitorial, building insurance, elevator service, upkeep of grounds, and appraisal fees required by the county department of social/human services for cost comparisons.

5.583.3 Allowable Office Space Costs in a Sale and Leaseback

Costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the county continued to own the property.

5.583.4 Office Space Costs in a Less-Than-Arms-Length Lease

Office space costs under a less-than-arms-length lease are allowable at the lower of the actual lease cost

or an amount that is reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased.

5.583.5 Authority Created to Acquire and Lease Office Space

Prior approval from the Controller of the Colorado Department of Human Services, 1575 Sherman, Denver, CO 80203, is required for reimbursement of office space costs when the county creates an authority or similar entity to acquire and lease the office space to the county.

5.583.6 Capital Lease of Office Space

Costs under leases, which are required to be treated as capital leases under generally accepted governmental accounting principles, are allowable only up to the amount that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance. Interest costs related to capital leases are allowable to the extent they meet the criteria for allowability of interest in Section 5.582.4.

5.584 Office Space Costs to be Excluded from Reimbursement

5.584.1 Office Space Funded by Others

Office space cost to be excluded is space that is funded by another State or private agency.

5.584.2 Sublet Office Space

Office space cost to be excluded is space sublet to a local, state, or federal agency or other user.

5.584.3 Used by Others

Office space cost to be excluded is space used solely by staff not authorized by the Colorado Department of Human Services.

5.584.4 Not Authorized for Use

Office space cost to be excluded is space used solely for functions not authorized by the Colorado Department of Human Services.

5.584.5 Not Incurred

Office space cost to be excluded is cost, which has not been incurred by or paid from the county department of social/human services. Costs excluded are the value of donated materials, labor or buildings. Other costs excluded are those paid from a grant, or a cost used as matching funds for a grant.

5.584.6 Idle or Empty Office Space

Office space cost to be excluded is idle facilities or idle capacity unless necessary to meet fluctuations in workload.

5.600 Cost Accounting

5.610 Cost Allocation Plan

5.610.1 Application of Indirect Costs Requires a Plan

Where an accumulation of indirect costs will ultimately result in charges to a federal award, a cost allocation plan, indirect rate proposal or application of random moment sampling shall be required.

5.610.2 Direct or Indirect Cost

A. Consistent Treatment

Each item of cost shall be treated consistently in like circumstances either as a direct or an indirect cost.

B. No Universal Rule

There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the federal award or other final cost objective.

5.610.3 Reasonable and Based on Generally Accepted Governmental Accounting Principles

All costs incurred shall be allocated to the program/activity/cost pool based on generally accepted governmental accounting principles and OMB Circular A-87. Direct costs shall be allocated to the project on a reasonable basis relating directly to the benefit or value added to the program. Indirect costs shall be allocated from indirect cost pools on a reasonable basis consistent with that of other similar or related projects/grants/activities.

5.610.4 All Inclusive Cost Accounting Plan

All activities that benefit from an indirect cost, including unallowable activities and services, shall receive an appropriate allocation of indirect costs.

5.610.5 Duplicate Claims for Reimbursement

A. Same Cost Not Allowed

Costs shall not be claimed for reimbursement by a county or a county department of social/human services more than once.

B. Direct and Also Indirect

The same cost shall not be charged directly to a program and then charged again through a cost allocation plan or an indirect rate proposal.

C. Same Cost Reported to More Than One Program

The same cost shall not be charged to more than one program. For example, a staff person being reported and reimbursed from county administration full-time may have some costs reimbursed through a special program, project, or grant. Any reimbursement received from the special grant must be reported as a reduction of expenditures, not as a source of revenue. Crediting the refund to the funding source from which the original reimbursement was made reduces expenditures.

5.610.6 Net of All Credits

Expenditures shall be claimed net of all credits, for example, volume and cash discounts, refunds, rental income, trade-ins, scrap sales, rebates or allowances, recoveries or indemnities on losses, insurance refunds, adjustments of overpayments, erroneous charges, fees for custody investigations, fees for adoptive services, etc.

5.610.7 Relative Benefits Received

A cost is allocable to a particular cost objective if the goods or services involved shall be chargeable or assignable to such cost objective in accordance with relative benefits received.

5.610.8 Cost Shifting to Fund Deficiencies

Any cost allocable to a particular federal award or cost objective shall not be charged to other federal awards to overcome fund deficiencies or to avoid restrictions imposed by law or terms of the federal awards, or for other reasons. However, this prohibition shall not preclude from shifting costs that are allowable under two or more awards in accordance with existing program agreements.

5.620 Random Moment Sampling

5.621 Participation in Random Moment Sampling

Participation in random moment sample reporting shall be required by all county departments of social/human services employees as determined by the Colorado Department of Human Services.

5.622 Purpose of Reporting Under Random Moment Sampling

The purpose of this reporting is to measure time expended by employees on certain programs in order to substantiate expenditures eligible for federal reimbursement. Reporting on random moment sampling measures the direct services provided by the county department of social/human services. The results of the workload study are used to distribute the indirect costs of the county department of social/human services to direct service areas.

5.630 Countywide Cost Allocation Plan

5.631 Availability of Funds

Based on the availability of State and federal funds, a county's allowable indirect countywide costs shall be reimbursed.

5.632 Purpose of the Countywide Cost Allocation Plan

Counties shall prepare a countywide cost allocation plan that allocates indirect costs across the county operations relative to the benefit derived. Countywide cost allocation plans shall be used in determining rates, fees, or the cost of services provided, and by management in determining the cost effectiveness of a program or activity.

5.633 Countywide Cost Allocation Plan, Cost Principles

Certified countywide cost allocation plans must be prepared in accordance with the cost principles found in the Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments" or other cost principles as required by a specific grant.

5.634 Responsibility for the Countywide Cost Allocation Plan

Responsibility for preparation and submittal of an indirect countywide cost allocation plan is with the county.

5.635 Submittal of the Countywide Cost Allocation Plan

Countywide cost allocation plans are due on June 30 of each year for the prior year and are submitted in

duplicate. One copy is to be sent to the Colorado Department of Human Services, Division of Accounting, 1575 Sherman, Denver, CO 80203 and the second copy is to be sent to the Colorado Department of Human Services, Audit Division, 4120 South Julian Way, Denver, CO 80236.

5.700 Audits, Conflict of Interest, Confidentiality, Misappropriation, and OMB Circulars

5.710 County Responsibility for Administration

5.710.1 County Responsibilities

The county department of social/human services is charged with the responsibility for administering all social/human services funds in accordance with rules established by the Colorado Department of Human Services. The county department of social/human services will only be reimbursed for social services, assistance payments, payments under the Colorado Medical Assistance Act and the administration of these programs if said programs are administered in accordance with Colorado Department of Human Services, and Colorado Department of Health Care Policy and Financing rules plus all other applicable Federal, State, and local; laws, rules and regulations.

5.710.2 Federal Compliance on Pass Through Funds

County departments of social/human services are responsible for administering federal programs that involve contracts, grants, block grants, and other agreements and shall comply with the applicable federal laws and regulations even though the funds were passed through the Colorado Department of Human Services.

5.710.3 Contracts and Memorandums of Understanding

Existing laws, rules and regulations cannot be overridden by terms in a contract or a memorandum of understanding.

5.711 Knowledge of Laws and Regulations

There are many Federal, State and local, laws, rules and regulations that govern the administration of grants, the employment of personnel and the health and safety of our lands and the general population. When in doubt as to the existence, applicability or intent of any law, rule or regulation, county personnel shall make inquiries with the Colorado Department of Human Services and or the applicable federal department or agency.

5.720 Audit by an Independent Certified Public Accountant

Each county shall annually have an audit made by a certified public accountant.

5.720.1 Office of State Audit Submittal Deadline

This audit is to be received by the Office of the State Auditor, Local Government Audits, 200 E. 14th Ave., Denver, CO 80203-2211 by July 31 for the subsequent year's audit. Extensions for filing can be requested from the Office of the State Auditor.

5.720.2 OMB A-133 Submittal Deadline

The audit report shall be received by the Office of the State Auditor, Local Government Audit Section, 200 E. 14th Ave., Denver CO 80203-2211, within nine months after the end of the audit period. If the audit report is not received by the Office of the State Auditor within nine months after the end of the audit period, the Colorado Department of Human Services may suspend reimbursements of expenditures until such time as the audit report is received.

5.730 Audits by the Colorado Department of Human Services

5.730.1 Pre-Audits

The Colorado Department of Human Services is responsible for supervising the maintenance of fiscal and administrative controls to insure proper accountability for all expenditures of State and Federal funds. Pre-audits made at the Colorado Department of Human Services may result in reducing a county's claim for reimbursement by the amount of any incorrect claims for reimbursement.

5.730.2 Post-Audits

Post-audits are made by the Colorado Department of Human Services to verify the correctness of payments and benefit authorizations and may result in additional adjustments in county claims for reimbursement.

5.731 Recovery of Money Owed by a County

Pursuant to Section 26-1-109, C.R.S., the Colorado Department of Human Services has the power to recover any monies owed by a county to the Colorado Department of Human Services by reducing the amount of any payments due from the Colorado Department of Human Services in connection with any program or activity.

5.732 Corrective Action Process for Financial Compliance Reviews Performed by the Audit Division of the Colorado Department of Human Services

5.732.1 Copy to County Director

The Colorado Department of Human Services, Audit Division, will mail one copy of the preliminary Financial Compliance Review report to the County Director.

5.732.2 Deadline for Factual Corrections

The county department of social/human services will have 15 working days from the date of mailing to submit any factual corrections to the Financial Compliance Review report to the Colorado Department of Human Services, Audit Division, 4120 S. Julian Way, Denver, CO 80236-3102. If no factual corrections are to be submitted, then the county department of social/human services shall have 30 working days from the date of mailing to submit a corrective action plan to the Audit Division.

5.732.3 Corrective Action Plan

The corrective action plan submitted by the county department of social/human service shall include a:

A. Written Corrective Action Plan

Description, in writing, on how each non-compliance issue has been corrected; or

B. Information in the Corrective Action Plan

Plan, in writing, by which each non-compliance issue will be corrected. Such a plan must contain the following information for each non-compliance issue:

1. Identify the non-compliance issue,
2. List the specific action(s) to be taken to correct the non-compliance, and

3. List the specific time frames for completion of each specific action.

5.732.4 Technical Assistance

The county department of social/human services may request technical assistance from the State in developing the corrective action plan. This request must occur within the 30-day period.

5.732.5 Extension of Time

If the county department of social/human services needs additional time to develop a Corrective Action Plan, the county director must submit a request in writing, to the Colorado Department of Human Services, Audit Division, 4120 S. Julian Way, Denver, CO 80236-3102 specifying the new timeframe and providing an explanation for the extension request.

A. Review of Extension Request

The Colorado Department of Human Services, Audit Division, will review the request for time extension within five working days and respond to the county director.

B. Accept or Reject the Corrective Action Plan

Within 20 working days of receipt of the Corrective Action Plan, from the county department of social/human services, the Colorado Department of Human Services, Audit Division, will review and either accept or reject the corrective action plan.

5.732.6 Corrective Action Plan

A. Accepted Corrective Action Plan

If the plan is accepted, this decision will be indicated and the county department of social/human services will be notified via letter. At the same time an e-mail notification will be sent to the Field Administration Division along with an electronic copy of the corrective action plan.

B. Rejected Corrective Action Plan

If the plan is rejected by the Colorado Department of Human Services, Audit Division, the county department of social/human services will be notified of the decision along with a new due date for an amended plan to be submitted.

C. Accepted Plan

Upon acceptance of new plan, the Colorado Department of Human Services, Audit Division will follow procedures outlined in Section 5.732.6.

D. Follow-Up

The Colorado Department of Human Services, Field Administration Division will verify that the county department of social/human services has complied with the corrective action plan.

E. Closure

The Colorado Department of Human Services, Audit Division, will send a closure letter to the county director and any applicable financial adjustments to the Colorado Department of Human Services, Accounting Division to be processed in the State financial reporting system.

5.733 Appeal Process for Financial Compliance Reviews Performed and Management Decisions Issued by the Colorado Department of Human Services, Audit Division

5.733.1 Appeal in Writing

The appeal must be in writing and addressed to the Executive Director of the Colorado Department of Human Services, 1575 Sherman St., Denver, CO 80203-1746. The basis for the appeal shall be limited to a factual error in the report or an incorrect interpretation of law, rule or regulations.

5.733.2 The decision of the Executive Director of the Colorado Department of Human Services shall be the end of the appeal process.

5.734 Interest on Wrongful Claims

5.734.1 Statutory Interest

When money or property has been wrongfully claimed, withheld or reimbursed, and when there is no agreement as to the interest rate, interest charged by the State may be at the rate of eight percent per annum compounded annually commencing on the date of the wrongful claim, withholding or reimbursement to the date of settlement for all moneys or the value of property wrongfully claimed withheld, withheld or reimbursed. Interest paid to the State may not be claimed for reimbursement.

5.735 Federal Department of Health and Human Services, and Other Federal Department or Agencies

The federal Department of Health and Human Services and other federal departments or agencies with whom the county department of social/human services expends funds and is reimbursed with federal funds may make periodic audits in selected county department of social/human services to verify the correctness of payments, case recording and pertinent administrative practices. County departments of social/human services shall comply with requests from these federal auditors. These audits may result in adjustments in county claims for reimbursement.

5.740 Conflict of Interest

5.740.1 Conflicts of Interest

No county department of social/human services employee shall accept fees, compensation, gifts, payment of expenses, or any other item of monetary value under circumstances, in which the acceptance could result in:

A. Preferential Treatment

An undertaking to give preferential treatment to any person or business, or,

B. Impeding Efficiency or Economy

Impeding governmental efficiency or economy, or,

C. Loss of Independence or Impartiality

Any loss of complete independence or impartiality, or,

D. Decisions Made Outside Official Channels

The making of governmental decisions outside official channels, or,

E. Activity Detrimental to Duties and Responsibilities

County department of social/human services employees shall not engage in any activity that may be perceived as detrimental to the discharge of assigned duties and responsibilities, or,

F. Reasonable Inference of Conflict of Interest

The reasonable inference that any of the provisions in this rule manual have happened or might happen, or,

G. Adverse Effect on Public Confidence

Any adverse effect on the confidence of the public in the integrity of the government of the State of Colorado or its county departments of social/human services.

5.740.2 Personal Business Interests

County commissioners, county social/human service directors or any other county department of social/human services employee shall not perform an official act directly and substantially affecting an economic benefit for a business or other undertaking in which they either have a substantial financial interest or are engaged as counsel, consultant, representative, or agent.

5.740.3 Outside Employment

All outside employment of county department of social/human services' employees shall have the prior written approval of their appointing authority. The outside employment shall not conflict with the interests of the county department of social/human services, the county involved, the State of Colorado, or the federal government.

5.740.4 Private Business With People You inspect or Supervise

County commissioners, city council or any board of social/human services, county social/human service directors or any other county department of social/human services employee shall not engage in a substantial financial transaction for their private business purpose with a person whom they inspect or supervise in the course of their official duties.

5.740.5 Employment Within Six Months of Termination

County commissioners, city council or any board of social/human services, county social/human services directors or any other county department of social/human services employee shall not, within six months following the termination of their office or employment, take advantage, unavailable to others, of matters with which they were directly involved during their employment.

5.740.6 Voting or Attempting to Influence

County commissioners, city council or any board of social/human services, county social/human services directors or any other county department of social/human services employee shall not vote and shall refrain from attempting to influence the decision of other members of the governing body in voting on matters in which they have a personal or private interest.

5.740.7 Meritorious Awards

The provisions of Section 5.740 do not preclude receipt of awards for meritorious public contribution given by a non-profit organization.

5.740.8 Honoraria or Expenses

The provisions of Section 5.740 does not preclude receipt of honoraria or expenses paid for papers, talks, demonstrations, or appearances made by employees with the approval of their appointing authority, or on their own time, including on personal/annual leave status, for which the county department of social/human services does not compensate them, and which are not prohibited by these rules.

5.750 Political Activity

5.750.1 Partisan Politics

Pursuant to the Hatch Act, 5 United State Code (USC) Chapter 15, county department of social/human services' employees whose salary is reimbursed partially or fully with federal funds shall not be candidates for partisan elective office.

5.750.2 Non-Partisan Politics

Activity with respect to the proposed adoption of constitutional amendments, the approval of matters specified in referendums, the proposed adoption of charter amendments, the approval of municipal ordinances, or with respect to other matters of a similar non-partisan character, shall not be deemed to be political activity.

5.760 Confidentiality

5.761 Confidentiality of Financial Data

Pursuant to Sections 19-1-301 to 19-1-311, 25-1-1108, 25-2-113.5, 26-1-114, and 26-13-102.7, C.R.S., financial systems contain both public and confidential information; therefore access to financial data shall not be granted to anyone for general perusal of financial records. However, fiscal data, budgets, financial statements and reports that do not identify social/human services recipients by name, number, or other identifying information are open records.

5.762 Confidentiality of Clients

Pursuant to Sections 19-1-301 to 19-1-311, 25-1-1108, 25-2-113.5, and 26-1-114, 26-13-102.7, C.R.S., whenever names, addresses or other identifying information of applicants for, recipients of, or former and potential recipients of public assistance, social services, or other form of assistance that is furnished to or held by another agency or department, such agency or department shall be required to prevent the publication of lists thereof and their uses for purposes not directly connected with the administration of such public assistance and welfare.

5.770 Misappropriations

5.770.1 Employee Misappropriation

No county department of social/human services employee shall use county department of social/human services' time, property, equipment, or supplies for private or any other use not in the pursuit of county department of social/human services' business.

5.771 Reporting of Employee Theft or Embezzlement

Any suspected theft or embezzlement of federal, State or local funds shall be immediately reported to at least one level of management above the party(s) suspected or to the county social/human services board. In addition, suspected thefts or embezzlements shall be reported to the Director of the Audit Division of the Colorado Department of Human Services at 4120 S. Julian Way, Denver, CO 80236-3102.

A theft or embezzlement of State and or federal funds or assets totaling \$5,000.00 or more shall be reported in writing to the county social/human services board and to the Director of the Audit Division of the Colorado Department of Human Services at 4120 S. Julian Way, Denver, CO 80236-3102.

5.772 Fraud Training

No less than eight hours of fraud prevention training shall be given to all eligibility technicians, caseworkers, resource investigators, homemakers, supervisors, and such other persons within the county department of social/human services as the director deems necessary, who have not previously received such training. A law enforcement agency or its appropriate professional association shall conduct such training.

5.780 Office of Management and Budget (OMB) Circulars

5.780.1 Compliance with Office of Management and Budget (OMB) Circulars

The Office of Management and Budget has issued several documents pertaining to grants management. Counties shall comply with the applicable circulars and shall hold their sub-recipients and vendors accountable for compliance with the applicable circulars.

5.780.2 OMB Circular A-87, “Cost Principles For State, Local, and Indian Tribal Governments”

OMB Circular A-87 was published at 60 FR 26484 on 05/04/1995, and further amended at 62 FR 45934 on 08/29/1997. No later amendments or editions are incorporated. OMB Circular A-87 is effective as follows:

For costs charged indirectly or otherwise covered by the cost allocation plans described in Attachments C, D and E, this revision shall be applied to cost allocation plans and indirect cost proposals submitted or prepared for a governmental unit's fiscal year that begins on or after September 1, 1995.

For other costs, this revision shall be applied to all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995.

Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

5.780.3 OMB Circular A-102, “Grants And Cooperative Agreements with State and Local Governments, and the Attached Common Rule”

OMB Circular A-102 was published at 59 FR 52224 and dated on 10/07/1994. OMB Circular A-102 was further amended at 62 FR 45934 and dated 08/29/1997. No later amendments or additions are incorporated. OMB Circular A-102 is effective on publication.

Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

5.780 Office of Management and Budget (OMB) Circulars (continued)

5.780.4 OMB Circular A-133 “Audits of States, Local Governments, and Non-Profit Organizations”

OMB Circular A-133 was published at 61 FR 19134 on 04/30/1996 and further amended at 68 FR 38401 on 06/27/2003. No later amendments or editions are incorporated.

Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

5.781 Applicable Cost Principles Flow Through on Federal Funds

The county shall comply with OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments". If the county passes through federal funds to a non-profit organization, that non-profit organization shall comply with OMB Circular A-122, "Cost Principles for Non-Profit Organizations". If the county passes through federal funds to an educational institution, that educational institution shall comply with OMB Circular A-21, "Cost Principles for Educational Institutions". No later amendments or editions are incorporated.

Copies of this material are available by contacting the Controller of the Colorado Department of Human Services, 1575 Sherman Street, Denver, Colorado 80203. Additionally, any incorporated material in these rules may be examined at any State publications depository library.

5.782 Compliance with Individual Federal Awards

Individual federal awards may identify circumstances or dictate policy that is unique to the federal participation. In these instances the federal award policy shall be followed in the administration and financing of that particular federal award.

5.800 Programs

5.810 Child Care

5.810.1 Attendance Record and Billing Form

Child Care Attendance Record and Billing Form shall be prepared and signed by the provider monthly and used by the county department of social/human services' business office to verify that the billing does not exceed the authorized number of units.

5.810.2 Retroactive Reimbursements of Child Care Payments

Reimbursement for retroactive Child Care payments is available for the current (month being paid) and two preceding months.

5.820 Child Support Enforcement

5.820.1 Contracts for Child Support Enforcement

The federal requirements for the Child Support Enforcement program specify the Child Support Enforcement program must negotiate necessary agreements with District Attorneys, courts and others to carry out the provisions of Child Support Enforcement. Legal costs of securing and enforcing collection of support from, and locating, absent parents will be established through these agreements. These agreements are to be approved by the Colorado Department of Human Services, Director of the Division of Child Support Enforcement. The county department of social/human services shall pay such costs as an expense of the Child Support Enforcement program.

5.820.2 Federal Incentives

Pursuant to Section 26-13-112.5, C.R.S., 100% of the federal incentives that the State of Colorado earns are passed through to the county departments of social/human services. The performance measures for all states, and for all Colorado counties are the Paternity Establishment Percentage, the Percent of

Caseload with Orders, the Percent of Current Support Paid, the Percent of Arrears Cases with a Payment, and the Cost-Effectiveness Ratio.

5.830 Child Welfare

5.830.1 Monthly Provider Billing

A certification shall be prepared and signed by the provider monthly and used by the county business office to verify the days the children are in the facility. This shall be done using the Colorado Department of Human Services prescribed form. These forms are due in the county department of social/human services by the end of the month in which care was given. These forms shall be kept on file and available for audit.

5.830.2 Reimbursement for Retroactive Payments

Reimbursement is available only for the current (month being paid) and two preceding months.

Editor's Notes

History

Rule Sections SB&P, 5.424 eff. 04/01/2009.