

BUSINESS STANDARDS – Section 1

- 1.0 Basic Standards for Financial Transactions
- 1.2 Invoice/Payment Approvals – Basic Standards
- 2.0 Standards of Business Conduct
- 3.0 Standards for Fiscal Personnel
- 4.0 Decentralized Accounting Systems
- 5.0 Delegation of Authority
- 6.0 Safeguarding Assets : Custodianship Responsibilities
- 7.0 Standards for Collecting Receivables
- 8.0 Lead Accountants

SUMMARY OF BUSINESS STANDARDS

These business standards are the foundation of accounting policy within the Department of Health and Family Services. Accounting policy rests upon the concept of accountability for fiscal transactions. Every manager and fiscal employee should be familiar with these standards and apply them to his or her fiscal responsibilities.

Important concepts discussed in these standards are the following:

- Basic standards for transactions and financial reports include compliance with Department policies and State (and federal) statutes, rules and regulation. Sufficient funds must be available and authorized by the budget act. Transactions are to be properly authorized, mathematically accurate and complete. Receipt of goods and services must be assured prior to input into the accounting system. Financial reports must be accurate, complete and reconcilable to the fiscal system. (**BUSINESS STANDARDS 1.0**).
- Basic documentation/information is needed to pay an invoice. This describes and gives examples of the documentation/information that must be included on an invoice or other payment request before authorization to pay is provided. (**BUSINESS STANDARDS 1.2**).
- Ethical standards of conduct, including conflict of interest situations, acceptance of gifts, use of state property and time are to be known by all employees, and internal control responsibilities must be in effect at all times, including cash handling, check processing and data processing controls. (**BUSINESS STANDARDS 2.0**).
- Job standards for fiscal personnel, including basic knowledge of accounting, Generally Accepted Accounting Principles (GAAP) and training are discussed in **BUSINESS**

STANDARDS 3.0. Job expectations for fiscal, accounting and related positions should be placed in PPD's.

- The Bureau of Fiscal Services (BFS) approval of decentralized accounting systems (existing and planned) is required by **BUSINESS STANDARDS 4.0.**
- Delegation of Authority is discussed in **BUSINESS STANDARDS 5.0.**
- Standards for safeguarding assets and collecting receivables are provided in **BUSINESS STANDARDS 6.0** and **7.0.**