

Washtenaw County Community Mental Health

FINANCIAL MANAGEMENT - (policy)

PURPOSE:

To establish financial management practices for Washtenaw County Community Mental Health (WCCMH) that ensures fiscal stability.

POLICY:

It is the policy of WCCMH to be responsible stewards of public funds and participate in the development and oversight of an annual financial plan (i.e. budget).

STANDARDS:

- A balanced budget will be prepared in advance of every fiscal year.
- Monthly monitoring of budget-to-actual revenue and expenses will occur. Significant variances are investigated.
- The need for a budget amendment will be considered on a regular basis.
- Finance staff will assist with the completion of the annual external audit.

DEFINITIONS:

Budget: An estimate of revenue and expenses for a period of time. An acceptable budget is balanced with total revenues that are equal to total expenses.

Budget Amendment: A change that is made to an existing budget to reflect updated assumptions about revenue and expenses. This is typically done after an original budget is approved and some length of time has elapsed.

External Audit: An annual examination by an independent group for the purpose of forming an opinion on the reported revenues, expenses, and methodologies of accounting for the activities of the organization.

REFERENCES:

- Washtenaw County Policy: Budget Preparation and Approval
- MDCH/CMHSP Managed Mental Health Supports Services Contract