

Community Mental Health Partnership of Southeast Michigan		<i>Policy</i>	
		<i>Balance Sheet Reconciliation</i>	
PIHP Operations			
	Date of Board Approval 5/14/2014	Date of Implementation 5/15/2014	

I. PURPOSE

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

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
08/24/2018	Routine Review	10/01/2019

III. POLICY

It is policy of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) to monitor and reconcile all balance sheet accounts on a monthly basis. The reconciliation sheets will be the basis of the annual audit.

IV. APPLICATION

All asset, equity and liability accounts pertaining to CMHPSM operations.

V. DEFINITIONS

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

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

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

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

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

VI. STANDARDS

A. Generally accepted accounting principles for governmental entities shall be followed.

VII. EXHIBITS

None

VIII. REFERENCES

None