

HFMA – Wisconsin Chapter

**Board of Directors
POLICIES & PROCEDURES**

<u>Policy Title:</u> Financial Review	<u>Policy #:</u> B-05	<u>Page:</u> 1 of 2
<u>Policy and Procedure Manual Chapter:</u> Finance and Accounting		<u>Director Responsible:</u> Northern District Director
<u>Approval Date:</u> 03/11/2016		<u>Effective Date:</u> 03/11/2016

A. PURPOSE

The purpose of the Financial Review Policy is to:

- Ensure that the Chapter's financial statements correctly reflect its activities for the year.
- Ensure that minimum financial review procedures are in place that test the Chapter's receipts and disbursement transactions to the reconciled checking and savings account bank statements.
- Validate that transaction approval guidelines are in place and being observed.
- Ensure internal control and the safeguarding of the Chapter's assets.

B. GUIDELINES

- a. The Chapter is required to conduct an independent audit or the HFMA internal financial review by an individual or individuals possessing the appropriate financial experience and who are not involved in the Chapter's bookkeeping activity.
 - i. The Chapter must send a copy of the completed and signed Financial Review Program to HFMA National by August 1.
 - ii. The Chapter must meet the minimum guidelines established in the HFMA financial review programs (a financial *statement* review does not meet the minimum requirements).
- b. Prior to submitting the IRS 990, a Confirmation of Chapter Fiscal Year End Financial Review Requirement signed by the Chapter President and Treasurer must be submitted to HFMA National by August 1st.
- c. Chapter
- d. The results of the annual financial review or audit should be reviewed by the Chapter's Board of Directors.
- e. Whether the Chapter conducts an independent audit or the HFMA internal financial review, the Chapter is responsible for keeping a copy of the audit or review and supporting work papers permanently on file.

C. POLICY

The Chapter's financial records will be reviewed by a public accounting firm within 90 days of the Chapter's fiscal year end.

D. PROCEDURE

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Specific procedures with respect to this process are set forth below:

- The President will contact a public accounting firm to secure professional services to conduct the financial review.
- The public accounting firm will not conduct more than three consecutive years' financial reviews.
- The minimum standard for the financial review will be the Agreed Upon Procedure requirements issued by HFMA National.
- The Treasurer will coordinate the financial review with the public accounting firm.
- The review will be completed by the deadline established by HFMA National.
- The report issued by the public accounting firm will be presented to the Board of Directors for their approval at their September Board meeting.
- The report issued by the public accounting firm will be made available to members of HFMA-WI upon request.

E. REFERENCES/RESOURCES

- Financial, Tax, and Insurance Management Guide distributed at LTC and available on the HFMA web site at www.hfma.org in the Chapter Leader Resources area.
- Guidelines for record retention are also listed in the Financial, Tax, and Insurance Management Guide.
- Sponsorship Guide distributed at LTC and available on the HFMA National web site.
- Contact HFMA's Finance Director at (800) 252-4362, ext. 318.

F. DOCUMENT HISTORY

Created Date: 2006

Revised Date: (March 2016)