



NEVADA STATE BOARD OF MASSAGE THERAPY
 POLICY AND PROCEDURE

Subject: Internal Control Monitoring and Evaluation	Policy No. 5.1.1	
	Issued By: Board	Distribution: Nevada State Board of Massage Therapy Members and Employees
	Amends/Supersedes	
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I. PURPOSE

This policy is intended to provide guidance to the Nevada State Board of Massage Therapy (NSBMT) officials and employees to establish precise fiscal internal controls and effective evaluation procedures.

II. POLICY

It is the policy of the NSBMT that all employees maintain strict financial controls.

III. SCOPE

This policy applies to all employees and board members working under the authority of or within the NSBMT.

IV. RESPONSIBILITY

- A. Employees are responsible for complying with the requirements of this policy.
- B. Supervisors are responsible for:
 - 1. Informing current incumbent employees periodically of the content and intent of this policy.
 - 2. Taking disciplinary action when an employee is in violation of this policy.
- C. The Executive Director or his or her designee shall be responsible for:
 - 1. Providing assistance to supervisors and employees in the interpretation and explanation of this policy.
 - 2. Assisting management in determining action to be taken if an employee violates this policy.

V. PROCEDURES

A. Internal Control Monitoring and Evaluation:

1. The internal control system is evaluated at least annually by the Executive Director or his or her designee to identify potential areas of weakness and to ensure compliance with the uniform system of minimum internal control standards as outlined in the Self-Assessment Questionnaire (SAQ).
2. The annual evaluation consists of the following procedures:
 - a. Review actual processes (as determined through interviewing and observing persons involved with each fiscal process) by comparing them to the SAQ.
 - b. Review written procedures by comparing them to the SAQ. Each SAQ question will be cross-referenced to the corresponding location (page, paragraph, etc.) in the written procedures.
 - c. Review written procedures to ensure they accurately reflect actual processes.
 - d. A minimum sample of 10%-15% of each type of transaction (e.g., revenue, expenditure, etc.) will be selected and tested. Each item selected will be reviewed to ensure proper documentation and approval as well as correct posting in QuickBooks.
 - e. All noted exceptions and corrective actions are documented and reviewed by management.

B. Revenues:

1. NSBMT is funded through licensing and renewal fees.
2. The Executive Director or his or her designee tracks revenues and expenditures relative to each of the revenue sources and prepares reimbursement requests where required as well as coding and initializing payments. The Executive Director or his or her designee initiates other maintenance documents such as work programs, wire transfers, journal vouchers as necessary, and prepares federal and state audit reports and work papers as required and maintains files of same.
3. The Secretary/Treasure shall review all state and federal audits prepared by the Executive Director or his or her designee prior to submission.
4. The Executive Director or his or her designee prepare an annual budget which is presented to the Board for approval.

C. Purchasing and Expenditures:

1. The Administrative Assistant III or the Executive Assistant/Management Analyst shall prepare purchase orders for approval by the Executive Director or his or her designee and place the orders for items after approval has been obtained.
2. Receiving merchandise is segregated among individuals. An employee other than the Administrative Assistant III, Executive Assistant/Management Analyst or Executive Director or his or her designee shall receive items, as well as sign and date the packing slip or invoice after receipt.
3. Projected expenditures (i.e. rent, utilities, telephone, contracts, etc....) are posted in an internal budget tracking system at the beginning of each fiscal year by the Executive Director or his or her designee and updated as billings come in throughout the year.

4. The Executive Director or his or her designee reviews and reconciles QuickBooks at least monthly to get the amounts deducted and records this information in the internal budget tracking system.
5. Official internal budget tracking is performed by the Executive Director or his or her designee. The Board Secretary/Treasurer shall review account statements and reconciliations on a monthly basis.

D. No Purchase Order Required:

1. Purchases not requiring a purchase order (e.g., recurring utility payments, phone bills, etc.) receive documented supervisory approval from the Executive Director or his or her designee prior to submission for payment and are entered/adjusted in the official internal budget tracking system by the Executive Director or his or her designee.
2. The Executive Director or his or her designee will record these in the Board's internal budget tracking system.
3. The Executive Director or his or her designee shall provide to the Secretary/Treasurer a monthly update of the budget tracking system and shall provide to the Board at each regularly scheduled Board meeting a copy of the budget tracking document.

E. Purchase Orders (PO):

1. The Administrative Assistant III maintains a purchase order log and creates a purchase order (PO) for Board direct purchase expenditures.
2. The Executive Director or his or her designee verifies budgetary authority and provides signatory approval for POs. In the event the Executive Director or his or her designee is unavailable the Secretary/Treasurer may verify budgetary authority and provide signatory approval.
3. Orders shall not be placed without obtaining appropriate approval.
4. Approval of the budget by the Board constitutes approved budgetary authority for individual line items listed in the budget and back-up spreadsheets.
5. The Executive Director or his or her designee can approve items not specified in the budget up to a maximum of \$5,000 when sufficient funds are available to cover the reserve account balance requirements set forth in Policy 5.2.1.
6. For non-budgeted expenditures between \$5,000 and \$10,000, the Executive Director or his or her designee must obtain additional approval from the Chair or Secretary/Treasurer.
7. All expenditures in excess of \$10,000 not specified in the budget must be approved by the Board.

F. Receiving:

1. Receiving merchandise is performed by the Administrative Aide or compliance inspector, who will verify the condition and quantity of the merchandise. The individual receiving merchandise will sign and date the packing slip (or other receiving documents to evidence receipt of goods).
2. If the merchandise received was ordered with the requisition process, the signed packing slip shall be forwarded to the Administrative Assistant II for payment or for posting in QuickBooks.

G. Payments:

1. The approved purchase order signed receiving document(s), and invoice are matched by the Administrative Assistant II prior submission to the Executive Director or his or her designee for approval.
2. The Executive Director or his or her designee initiates the payment process by signing and dating the invoice or equivalent billing document for entry into QuickBooks by the Administrative Assistant II.
3. An officer of the Board shall sign the checks for payment of expenses. An officer is defined as the Chair, Vice Chair, or Secretary/Treasurer.
4. Check stub, approved purchase order form, packing slip and invoice documents are maintained by the Board in compliance with state approved records retention schedules.

H. Reconciliations:

Quickbooks generated profit and loss statements are reconciled to an internal budget tracking system at least monthly by the Executive Director or his or her designee.

1. The Executive Director or his or her designee shall reconcile each account at least monthly and provide copies of the reconciliations to the Secretary/Treasurer including any back-up documentation requested by the Secretary/Treasurer.
2. The Secretary/Treasurer shall review all account reconciliations and review profit and loss statements monthly.
3. The Executive Director or his or her designee and the Secretary/Treasurer shall insure that the reserve balances are maintained per Policy 5.2.1.

I. Petty Cash

The NSBMT has petty cash funds located in the Reno and Las Vegas offices.

1. Las Vegas Office:

- a. Petty cash is located in a locked drawer in the Compliance Inspector's office.
- b. Petty cash is established in the amount of \$200.00 and is used for incidental expenses.
- c. Cash is dispensed only with written approval of the Executive Director or his or her designee.
- d. The Petty Cash Log is filled out including date, vendor/customer information, description and balance.
- e. Original receipts are placed in an envelope.
- f. Petty cash is reconciled monthly by the Compliance Inspector and submitted to the Executive Director or his or her designee for review and submission to the Secretary/Treasurer.
- g. Executive Director or his or her designee will review petty cash monthly when present in Las Vegas.
- h. Executive Director or his or her designee will replenish funds to \$200.00 as needed by issuing a check payable to the Compliance Inspector who is responsible for cashing the check and placing the funds in the petty cash box.

2. Reno Office:

- a. Petty cash is located in a locked drawer in the Executive Director's office.
- b. Petty cash is established in the amount of \$300.00 and is used for incidental expenses.
- c. Cash is dispensed only with approval of the Executive Assistant or the Executive Director.
- d. The Petty Cash Log is filled out including date, vendor/customer information, description and balance.
- e. The original receipt is placed in the petty cash box.
- f. Petty cash is reconciled monthly and the fund reimbursed accordingly.
- g. Executive Director or his or her designee will review petty cash monthly.
- h. Executive Director or his or her designee will replenish funds to \$300 as needed by issuing a check payable to an employee of the Board other than the Executive Director or his or her designee who is responsible for cashing the check, having the funds verified by the Executive Director or Executive assistant and placing the funds in the petty cash box.

J. OUTSIDE BANK:

The NSBMT maintains accounts with banks meeting the statutory requirements for NRS 336.005.

K. Other

The NSBMT has no significant fiscal processes unique to the Board.

L. Travel:

1. All travel is carried out in accordance with SAM 0200. Budgeted travel is given signatory pre-approval by the Executive Director or his or her designee or Secretary/Treasurer. Travel not approved in the budget shall be approved by the Board at the next regularly scheduled Board meeting.
2. In the event unplanned travel is necessary the Executive Director or his or her designee, Secretary/Treasurer and the Chair may approve the additional expense as long as sufficient balances are available in the reserve accounts.
3. Verification of budget authority is performed by the Executive Director or his or her designee prior to travel. The Executive Director or his or her designee enters the approved amounts into an internal budget tracking system.
4. The Executive Director or his or her designee will reconcile the internal budget tracking system at least monthly.
5. Employees who incorporate business and personal travel must inform their supervisor prior to the trip of their plans and show the personal travel does not increase costs to the Board.

M. Submitting a Travel Claim:

Travel reimbursement shall be in compliance with Policy 1.5.1

N. Individual Liability Travel Cards – Travel Cards:

The Board may issue individual travel cards.

O. Contracts:

1. The Executive Director or his or her designee acts as the Certified Contract Manager (CCM) for the agency. The Executive Assistant/Management Analyst is the backup and may serve as Contract Manager or Contract Monitor as needed.
2. Contracts are approved as part of the annual budget approval or may be submitted to the Board for approval as a separate agenda item.
3. As the Contract Manager the Executive Director or his or her designee shall monitoring the performance and deliverables of the contract and assure contracts are processed in compliance with SAM.
4. Approval of contract payments shall be processed by the Administrative Assistant II as part of the accounts payable duties. Deliverables must be verified prior to payment.
5. The Executive Director or his or her designee monitors the performance and deliverables of the contract and approves contract payments. The Executive Director or his or her designee is responsible for updating the contract log and ensuring that travel, if allowed by the contract, is tracked separately.
6. The Executive Director or his or her designee shall verify budgetary authority and funding sources prior to committing to the contract.
7. As a matter of policy, contracts shall be brought before the Board for approval unless the contract has been included in the approved fiscal year budget as a specific line item with the spending for the contract amount approved as part of the fiscal year budget approval process.
8. The Executive Director or his or her designee or the Chair signs the contract/agreement.
9. The Executive Director or his or her designee, acting as the CCM for the agency, shall ensure completion of the following tasks:
 - a. All formal and informal bids are properly obtained.
 - b. The contractor obtains appropriate insurance coverage, as required by Risk Management.
 - c. Contracts are prepared using forms provided on the Purchasing Division website, <http://purchasing.state.nv.us>.
 - d. Required reviews and signatures are obtained in the preparation process, including the Attorney General's office and the contractor.
 - e. Contracts are complete and include all necessary attachments prior to submission to the Board of Examiners or its Clerk pursuant to SAM 300.
 - f. Contractor maintains continuous insurance coverage.
10. Contract data is entered into the Department of Administration Purchasing Division's contract database for all contracts of \$2,000 or more.
11. Verification that the contractor is performing according to terms of the contract is done by the Executive Director or his or her designee or Executive Assistant/Management Analyst.
12. The Executive Director or his or her designee ensures that the relationship with the contractor(s) remains independent and does not evolve into a state/employee relationship.

13. Invoices and progress payment requests are reviewed by Executive Director or his or her designee to ensure claims are appropriate for work performed and deliverables received on the contract.
- P. Grants:
- The NSBMT may receive grants. The Executive Director or his or her designee shall ensure grants are processed and tracked per SAM and any federal regulations that may be applicable to its activities.
- Q. Capital Assets and Inventory:
1. Physical Inventory and Reconciliation
 - a. Annually, the Executive Director or his or her designee shall download the inventory recorded and maintained by state purchasing and have the Administrative Aide reconcile the document with the Board's physical assets. Upon reconciliation the Administrative Aide shall initial and date the inventory report. The Executive Director or his or her designee shall sign and date the inventory report evidencing review and approval of the report and submit the report to the Department of Administration Purchasing Division.
 - b. The Purchasing Division enters the inventory completion date into Advantage on the Condition/Last Inventory Date Update (FADU) screen.
- R. New Assets:
1. If the Board makes a direct purchase of an asset costing equal to or over \$5,000.00, the Executive Director or Executive Assistant sends an approved *Property Disposition Report* (PDR) and a copy of the invoice to the Purchasing Division – Property Management section.
 2. A state ID tag is prepared, and the asset is entered into Advantage as part of the agency's inventory.
- S. Property Disposition Report (PDR):
1. In addition to those prepared for any direct purchase assets, the Executive Assistant/Management Analyst also completes a PDR on all property that is donated to or by the state, excess property, beyond repair, lost or stolen, missing, or transferred to or from the agency.
 2. All PDR forms are approved and signed by the Executive Director or his or her designee.
 3. The Purchasing Division enters all data into Advantage.
- T. Personnel and Payroll:
1. Personnel:
 - a. The Executive Director or his or her designee maintains a checklist of procedures to follow when an employee's employment status, work tasks, and/or office location is changed significantly.
 - b. This checklist contains things such as check-in of keys, purchase or travel credit cards, EITS and laptops.

2. Payroll:
 - a. Each employee shall identify their regular working hours on their timesheet, as well as any overtime earned, flex earned or taken, or leave taken for the pay period.
 - b. Any overtime worked shall receive prior approval from the Executive Director or his or her designee. If unable to obtain pre-approval, due to unforeseen circumstances, the overtime should receive supervisory approval as soon as possible.
 - c. Annual leave should be approved in advance (whenever possible) by the Executive Director or his or her designee.
 - d. When out ill, a leave request shall be completed and submitted for approval upon returning to work.
 - e. Each employee is responsible for completing timesheets and submitting them to the Executive Director or his or her designee for approval. The Executive Director or his or her designee will ensure that all time sheets with exceptions have paper backup documents on file in the Board's office.
 - f. The Executive Director or his or her designee shall obtain approval for leave from the Chair or the Vice Chair if the Chair is not available via email and shall attach a copy of the email approval to the timesheet.
 - g. If an employee is unable to submit a timesheet, their supervisor will submit and approve an accurate timesheet with any required leave slips on the employee's behalf. When the employee returns to work, they must sign a hard copy of any timesheet(s) submitted on their behalf to evidence agreement with the information entered in the system. The signed timesheet is forwarded to the Executive Director or his or her designee and maintained in the payroll files in accordance with the state records retention policies.
3. Electronic Data Processing:

The NSBMT does not use a separate electronic data processing system other than QuickBooks for payroll.

U. Professional Licensing Boards and Commissions that do not process funds through the IFS are required to comply with all provisions of NRS 333, NAC 333, and SAM 1500 regarding purchases and inventory.

The following procedures shall apply:

1. Agencies shall submit purchase orders directly to contracted vendors.
2. Agencies shall pay the contracted vendor directly for goods and services after they are received.
3. Agencies should report all changes to fixed asset records including Excess, Transfers, Stolen/Lost, additions, corrections and deletions, using Property Disposition Reports (PDRs).
4. Submit to the Purchasing Division written notification of inventory completion date and reconciled Location Codes.
5. Purchasing authorizes PDR actions, initials original document upon completion, and sends copy back to agency.

6. Purchasing updates the "FADU" table within the IFS noting the Last Inventory Update Date.

VI. POLICY EXCEPTION

On occasion there are special circumstances that may require an exception to this policy be granted. Exceptions, while not common, require the approval of the Executive Director or his or her designee.

VII. POLICY COMMUNICATION

All supervisors and managers of the Board of Massage Therapy will provide their employees with a copy of this policy. Employees needing clarification should contact the Executive Director or his or her designee for assistance.

This policy is not a substitute for relevant law or regulation nor does it establish additional rights beyond those provided in law and regulation. This policy is intended to be used in conjunction with federal regulations and State law.