



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 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 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). [A1]
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. [A2]
  - b. Review written procedures by comparing them to the SAQ. [A3] Each SAQ question will be cross-referenced to the corresponding location (page, paragraph, etc.) in the written procedures. [A4]
  - c. Review written procedures to ensure they accurately reflect actual processes.
  - d. A sample of three to five items of each type of transaction (e.g., revenue, expenditure, etc.) will be selected and tested. [A5] 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. [A6]

### B. Revenues:

1. NSBMT is funded through licensing and renewal fees.
2. The Executive Director maintains fund mapping to track 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 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 Executive Director and his/her respective administrators prepare an annual budget which is presented to the Board for approval.

### C. Purchasing and Expenditures:

1. The duties of the Executive Director include: [D2]
  - a. Preparing purchase orders.
  - b. Approving purchase orders and invoice payments.
  - c. Receiving merchandise is segregated among individuals.
2. 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 and updated as billings come in throughout the year.
3. The Executive Director reviews QuickBooks at least monthly to get the amounts deducted and records this information in the internal budget tracking system.

4. Official internal budget tracking is performed by the Executive Director. The Board Secretary/Treasurer shall review account statements 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 prior to submission for payment and are entered/adjusted in the official internal budget tracking system by the Executive Director. **[D3]**
2. The Executive Director will record these in the Board's internal budget tracking system.

E. Local Purchase Orders (LPO):

1. The Administrative Assistant III maintains a purchase order log and creates a Local Purchase Order (LPO) for Board's direct purchase expenditures. **[D4]**
2. The Administrative Assistant III initials the LPO upon verification of budgetary authority. **[D5]**
3. The Executive Director reviews and provides signatory approval for the LPO. **[D4]** The LPO amount is entered into the internal budget tracking system by the Administrative Assistant III. **[D6]**

F. Receiving:

1. Receiving merchandise is performed by the Administrative Assistant II, or designee, who will verify the condition and quantity of the merchandise. **[D13]** The Administrative Assistant III, or designee, will sign and date the packing slip (or other receiving documents to evidence receipt of goods. **[D14]**
2. If the merchandise received was ordered with the requisition process, the signed packing slip shall be forwarded to the Executive Director for payment or for posting in QuickBooks. **[D15a, b]**

G. Payments:

1. The approved purchase order signed receiving document(s) and invoice are matched by the Executive Director prior to payment. **[D17]**
2. The Executive Director initiates the payment by signing and dating the invoice or equivalent billing document and enters it in QuickBooks.
3. Approved purchase order form, packing slip and invoice documents are kept by the Board. **[D18, 19]**

H. Reconciliations:

QuickBooks generated profit and loss statements are reconciled to an internal budget tracking system at least monthly by the Executive Director. **[D20]** The Board Secretary/Treasurer reviews profit and loss statements. **[D21]**

I. Petty Cash **[L1-6]**

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 Executive Director'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 approval of the ~~Southern Nevada Operations Manager or the~~ Executive Director.
  - d. Petty Cash Log is to be filled out with date, vendor/customer information, description and balance.
  - e. Original receipt is placed in the envelope.
  - f. Petty cash is reconciled monthly and the fund reimbursed accordingly.
  - g. Executive Director will review petty cash ~~monthly~~ when present in Las Vegas.
  - h. Executive Director will replenish funds to \$200.00 as needed.
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~~ Management Analyst II or the Executive Director.
  - d. Petty Cash Log is to be filled out with date, vendor/customer information, description and balance.
  - e. Original receipt is placed in the envelope.
  - f. Petty cash is reconciled monthly and the fund reimbursed accordingly.
  - g. Executive Director will review petty cash monthly.
  - h. Executive Director will replenish funds to \$300 as needed.

**J. OUTSIDE BANK:**

The NSBMT maintains accounts with banks meeting the statutory requirements for NRS 336.005. [L7-14]

**K. Other [L15-17]**

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

**L. Travel:**

- 1. All travel is carried out in accordance with SAM 0200. Planned in-state travel is given signatory pre-approval by the Executive Director or designee. Out of State travel is approved by the Board, [E2b]. Verification of budget authority is performed by the Executive Director prior to travel. The Executive Director enters the approved amounts into an internal budget tracking system. [E2A, E2C] The Executive Director will reconcile the internal budget tracking system at least monthly.
- 2. 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. [E2D]

**M. Submitting a Travel Claim:**

- 1. Employees who travel at least 50 miles from their principal duty station are eligible for meal reimbursement. If meals are included with lodging, training, conferences, or any other function attended for Board business, reimbursement cannot be claimed.

- Reimbursement can be claimed for breakfast, even if a continental breakfast is provided by the lodging, conference, or other function.
2. Employees entering travel status at or before 6:00 AM and returning at or after 8:00 AM will be eligible for breakfast. **[E3B]**
  3. Employees entering travel status at or before 11:00 AM and returning at or after 1:00 PM will be eligible for lunch. **[E3B]**
  4. Employees entering travel status at or before 5:00 PM and returning at or after 7:00 PM will be eligible for dinner. **[E3B]**
  5. Incidentals may be claimed if travel status exceeds 50 miles from employee's principal duty station. **[E3C]**
  6. Employees claiming mileage for personal vehicle use should compute the travel miles to be claimed as follows:
    - a. When traveling from the Board to a work station, the employee claims the total miles from the office to the work station.
    - b. When traveling from home to a work station, the employee can claim miles if the commute from their home to the work station is longer than the commute from their home to the office.
    - c. The amount to be claimed should be computed as the distance from their home to their work station, less the distance from their home to the office. **[E3D]**
  7. Employees shall submit their travel claim within 30 days of completing travel. **[E3E]**
    - a. All travel claims must be filed on a standard Travel Expense Reimbursement Claim form (TE) with original signatures by the claimant and The Executive Director.
    - b. Travel claims must include the destination, including city, purpose of trip, transportation codes, and time entering and leaving travel status.
    - c. Any airline itineraries, training or conference agendas, or original receipts must be attached to the TE form. Dates and times indicating when the travel switches from business to personal, and vice versa, must be clearly delineated on the travel claim. **[E3f]**

N. Individual Liability Travel Cards – Travel Cards:

The Board may issue individual travel cards.

O. Contracts:

1. The Executive Director acts as the Certified Contract Manager (CCM) for the agency. **[F1]** ~~The Management Analyst Executive Assistant and the Southern Nevada Operations Manager are the backups and~~ may serve as a Contract Managers.
2. The duties of 1. authorizing and approving the contract/agreement, 2. monitoring the performance and deliverables of the contract, and 3. approving contract payments are segregated among individuals. **[F2]**
  - a. The Board authorizes and approves the contract/agreement
3. The Executive Director monitors the performance and deliverables of the contract and approves contract payments. The Executive Director is responsible for updating the contract log and ensuring that travel, if allowed by the contract, is tracked separately.
4. The Executive Director shall verify budgetary authority and funding sources prior to committing to the contract. **[F3]**

5. 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.
6. The Executive Director approves and signs the contract/agreement. [F4]
7. The Executive Director, acting as the CCM for the agency, shall ensure completion of the following tasks:
  - a. All formal and informal bids are properly obtained. [F6a]
  - b. The contractor obtains appropriate insurance coverage, as required by Risk Management. [F6b]
  - c. Contracts are prepared using forms provided on the Purchasing Division website, <http://purchasing.state.nv.us>. [F6C]
  - 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. [F6E]
  - f. Contractor maintains continuous insurance coverage. [F6F]
8. Contract data is entered into the Purchasing Division's contract database for all contracts of \$2,000 and over by the Executive Director. [F7]
9. Verification that the contractor is performing according to terms of the contract is done by the Executive Director. [F8]
10. The Executive Director ensures that the relationship with the contractor(s) remains independent and does not evolve into a state/employee relationship. [F9]
11. Invoices and progress payment requests are reviewed by Executive Director to ensure claims are appropriate for work performed and deliverables received on the contract. [F10a]

P. Grants:

The NSBMT may receive grants. The Executive Director shall ensure grants be 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 shall download the inventory recorded and maintained by state purchasing and reconciles it with a physical inventory of the Board's assets. [H3] Upon reconciliation the **Management Analyst II** ~~Executive Assistant~~ initials and dates the inventory report. [H4] The Executive Director signs and dates the inventory report evidencing review and approval of the report. [H5]
  - b. Purchasing Division enters the inventory completion date into Advantage on the Condition/Last Inventory Date Update (FADU) screen. [H6]

R. New Assets:

1. If the Board makes a direct purchase of an asset costing equal to or over \$1,000.00, the Executive Director or **Management Analyst** ~~Executive Assistant~~ sends an approved *Property Disposition Report* (PDR) and a copy of the invoice to the Purchasing Division – Property Management section. [H7a]

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 Director also completes a PDR on all property that is donated to or by the state, [H7b] excess property, [H7c] beyond repair, [H7d] lost or stolen, [H7e] missing, [H7f] or transferred to or from the agency. [H7g]
2. All PDR forms are approved and signed by the Executive Director. [H2c]

T. Personnel and Payroll:

1. Personnel:

- a. The Executive Director 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. [I5]

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. [I7]
- b. Any overtime worked shall receive prior approval from the Executive Director. [I7a] If unable to obtain pre-approval, due to unforeseen circumstances, the overtime should receive supervisory approval as soon as possible. Annual leave should be approved in advance (whenever possible) by the Executive Director. [I7b]
- c. When out ill, a leave request shall be completed and submitted for approval upon returning to work.
- d. Each employee is responsible for completing timesheets and submitting them to the Executive Director for approval. The Executive Director will ensure that all time sheets with exceptions have paper backup documents on file in the Board's office. [I10]
- e. 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. [I12a] This timesheet is then attached to the Payroll Exception Report. [I12b] 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 for verification. [I12c]

3. Electronic Data Processing:

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

**U. Bad Debt Write Off – Annually after June 30<sup>th</sup> and during the year-end closing process prior to July 31<sup>st</sup> any debts older than ninety days that have been turned over to the Controller's Office for collection will be written off as non-collectible.**

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.

#### **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 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.*