

LOCAL BOARDS OF HEALTH FINANCIAL MANAGEMENT

BUDGET DEVELOPMENT

One of the major Board of Health (BOH) responsibilities for financial management is to establish, approve and control the agency budget and financial plan, seeing that adequate funds are provided from all possible sources.

For Financial Development the BOH should designate a person for development and implementation of a financial plan. This person should seek input from professional/community advisors and assure that the financial plan is consistent with the strategic plan.

In order to meet the financial management responsibilities of the BOH, members must be knowledgeable about many aspects of the health department. These include:

- The budget development and review procedure;
- Appropriate journals, ledgers, registers, and financial reports kept in the health department, using generally accepted accounting procedures;
- Copies of the health department annual financial audit are available and useful.

The Iowa Code Chapter 331.433 (County Home Rule Chapter) specifies that on or before January 15 of each year each board prepares and submits to the auditor an estimated budget (itemized in the detail required by the BOS and consistent with existing county accounts) showing:

- Proposed expenditures, and
- Estimate of revenues, except property taxes, to be collected for the county by the office.
- Budget justifications should reflect health department programs and health problems within its jurisdiction.

In development of the budget, the BOH has the power given to them by the Iowa Code Chapter 137 to employ persons as necessary for the efficient discharge of its duties. Chapter 137.6(4) also states that employment practices shall meet the requirements of civil services provision adopted under Chapter 400 of the Iowa Code.

Under this part of Chapter 137 it was the opinion of the Attorney General in 1989 that the local Board of Health has the authority to set raises for county health department employees. The Board of Supervisors is authorized to "fix the compensation" for county officers and employees "if not otherwise fixed by state law." Insofar as 137.6(4) authorizes the board of health to

implement employment practices on matters which include pay, compensation of employees of the boards of health may be deemed "fixed by state law." Chapter 137.6(4) is more specific than 331.324(1)(o) and therefore prevails.

Chapter 137.7 states that local Boards of Health may provide such personal services as may be deemed necessary for the protection and improvement of the public health. Again this identifies the need for a thorough community assessment of public health needs.

Once the budget is developed, it is the responsibility of the Board of Health to approve the budget prior to submission to the BOS. The BOH is dependent on the BOS for appropriations of tax funds which is used for operating. The Board of Health is responsible for managing the tax appropriations as well as all other revenues.

Once the budget is submitted to the Board of Supervisors, the BOS (331.433) may consult with any department concerning their estimates and requests and may adjust the request of tax appropriations for any county office or department.

If there is an adjustment in county tax asking for the county health office/department, it becomes the responsibility of the Board of Health, as the governing board of the department, to decide how they will meet the BOS adjustment.

SETTING FEES

The Board of Health may also charge reasonable fees for personal health services, but may not deny a client necessary services, within the limits of available personnel, because of inability to pay the cost of such services. (137.7(3)). The BOH may also engage in joint operations and contract for public health activities and projects (137.7(2)).

Iowa Code Chapter 331.384 Abatement of public health and safety hazards – special assessments, i.e., nuisance, diseased trees, dangerous buildings or structure, drainage systems, weeds that constitute a health, safety or fire hazard. Subsection 2 says: "If the property owner does not perform an action required under this section within a reasonable time after notice, a county may perform the required action and assess the costs against the property for collection in the same manner as a property tax."

FINANCIAL MANAGEMENT

Financial Management does not stop with approval of a budget. There needs to be ongoing financial analysis and planning. The BOH should work with agency administration to identify revenue on both a cash basis as reported by the county accounting system, but also on an accrual method so that costs are congruent with services provided.

For efficient and effective analysis, the financial data needs to be put into a format where financial condition is routinely monitored by the BOH. It is key that open communication is maintained with the BOS regarding changes in financial needs of the health department and the financial status in regards to revenue generated and additional outside funds obtained. Within time lines, there is potential for the health department's budget to be amended to allow for expansion of services without increasing county tax allocations.

Iowa Code Chapter 331.427(2)(e) "Local health services. The county auditor shall keep a complete record of appropriations for local health services and shall issue warrants on them only on requisition of the local or district health board."

FINANCIAL RECORD CONSIDERATIONS

Do the expenditures follow the budget and financial plan of the department?

Does the financial report identify accounts receivable?

What is the revenue as deposited as well as accrued revenue for reporting period?

Is the information in a format that is easily understood by BOH members?

Does the BOH understand their general responsibility to the public for wise financial decisions?

Does the BOH also understand their legal obligations according to Chapter 137 of the Iowa Code?

Is there a method for new BOH members to become knowledgeable about the financial system so they can make informed decisions?

The BOH needs to continually evaluate the agency need to increase or decrease agency services or programs based on agency mission and community needs.

The BOH should determine what additional financing or change in financing is required.

- Is there a grant that will soon be over and do we need to continue the program?
- Are there grants we can apply for that are consistent with our agency mission and identified needs?
- Do we have adequate staff for the programs that we have or do we need to add staff?
- Are our services consumer friendly?

- Are agency services generally available and accessible to county/municipal residents?
- Are agency hours of service appropriate and adequate to meet demand?

AGENCY ADMINISTRATIVE RESPONSIBILITIES

Management cannot price services unless management knows the operating costs in detail.

Management informational needs include the following:

- Direct Cost Per Visit;
- Indirect Costs per Visit, including related costs within the county structure;
- Visits Per Case;
- Cost Per Case;
- Cost per Program participant and encounter for all activities;
- Cost benefit of the program – How is it making a difference?
- Prevent institutionalization/adequate Case management/Access to health care
- Financial management decisions should be considered in light of meeting the agency's mission and goals.