

**(VERSION 1)**  
**ORDER OF THE TRAVIS COUNTY COMMISSIONERS COURT**  
**AMENDING THE TRAVIS COUNTY HEALTHCARE DISTRICT**  
**FINANCIAL POLICIES**

STATE OF TEXAS     §  
                                  §  
COUNTY OF TRAVIS §

Pursuant to Chapter 281 of the Health & Safety Code, Section 049, Purchasing and Accounting Methods and Procedures, the Commissioners Court hereby orders that the Hospital District Financial Policies be revised, and the Healthcare District Financial Policies in the form attached to this order be adopted effective for reporting for the fiscal year ending September 30, 2018 and thereafter.

Date of Order: \_\_\_\_\_

TRAVIS COUNTY COMMISSIONERS COURT

\_\_\_\_\_  
Sarah Eckhardt  
County Judge

\_\_\_\_\_  
Jeffrey Travillion  
Commissioner, Precinct 1

\_\_\_\_\_  
Brigid Shea  
Commissioner, Precinct 2

\_\_\_\_\_  
Gerald Daugherty  
Commissioner, Precinct 3

\_\_\_\_\_  
Margaret Gómez  
Commissioner, Precinct 4

# TRAVIS COUNTY HEALTHCARE DISTRICT FINANCIAL POLICIES

## The Healthcare District will:

1. Maintain the Travis County Healthcare District's ("District") financial records in accordance with a comprehensive basis of accounting consistent with all applicable laws and regulations.
2. Prepare the District's annual budget using Local Gov't Code, Chapter 111, Section 63 as the method for formatting a budget in the same manner used by the Travis County Planning and Budget Office, except that the District's CFO shall serve as the budget officer and will obtain any information necessary to prepare financial statements from District auditors, as necessary, and references to projects shall refer to programs, as those terms are defined in District's budget.
3. In delivering funds for any Interlocal Agreement, Memorandum of Understanding or any other contracting method with a non-profit or governmental entity, the District will comply with all applicable statutes and constitutional requirements, including Tex. Const. Art. III, Sections 52(a), and Texas Health & Safety Code Chapters 281 and 61 to ensure that all funds are used for the purposes as set forth in law. The District shall ensure adequate controls are in place so as to avoid jeopardizing the District's ability to comply with all applicable laws. In addition, the District shall include this requirement for compliance in every service contract with vendors, and affiliated units and non-profits (i.e., CommUnityCare, Sendero, Community Care Collaborative, and Capital City Innovation).
4. Maintain an adequate and effective system of internal controls over the District's financial operations (including transactions and reporting). At a minimum, adequate internal controls should be maintained and monitored for the following areas: cash handling and management, collections, receivables, liabilities, capital assets, and financial reporting. The District shall enter into arms-length transactions to protect its appropriate profit sharing or other interests in intellectual property and commercialization rights in all agreements for all the products and services it funds. **The District shall require that its funds are allocated on all joint projects according to written allocation procedures, such as those that are appropriate for educational institutions, state agencies, or non-**

# TRAVIS COUNTY HEALTHCARE DISTRICT FINANCIAL POLICIES

profits, respectively. All providers shall be required by agreement to keep proper documentation to support the allocation.

5. Create and maintain District policies for the following areas:
  - Investments
  - Capital Assets
  - Fixed Asset Procedures
  - Cash handling
  - Electronic funds transfers
6. Prepare the District's annual financial statements in accordance with a comprehensive basis of accounting consistent with state law.
7. Provide the County Auditor with the District's, including component units and Capital City Innovation, monthly financial statements and related variance analysis by the last day of the following month after presentation to the District's Board of Managers, and CommUnityCare's financial statements on a quarterly basis after presentation to the District's Board of Managers. For any financial statements for Sendero, the Commissioners Court will accept filings as sufficient when they are filed with the Texas Department of Insurance and then copied to County Auditor.
8. Contract with a qualified firm of certified public accountants to audit the District's financial statements each fiscal year in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
  - As required under the Texas Government Code, Chapter 2256, Public Funds Investment Act, the District will, in conjunction with the annual financial audit, contract with the audit firm to perform a compliance audit of management controls on investments and adherence to the District's established investment policies and statutory obligations.

## TRAVIS COUNTY HEALTHCARE DISTRICT FINANCIAL POLICIES

- The District will, in conjunction with the annual financial audit, contract with the audit firm to audit the compliance of the District with types of compliance procedures required in the U.S. Office of Management and Budget (“OMB”) Circular A-133 Compliance Supplement that are applicable to each of the District’s Federal and State programs.
  - The audit must be completed by February 28<sup>th</sup> of each year for the previous fiscal year ended September 30<sup>th</sup>, with the exception of the Sendero audit which will be completed by July 31<sup>st</sup> of each year for the previous fiscal year ended December 31<sup>st</sup>.
  - The District will direct its affiliated component units and non-profits (i.e., CommUnityCare, Sendero, Community Care Collaborative, and Capital City Innovation) to prepare annual audits for District and County review that meet all of the standards described for the District in this section.
9. Pay for an outside accountant or specialist hired by the County, if the County determines that the financial data requested above is not reliable, not in accordance with state statutes or is not timely.
  10. Central Health will work towards Government Finance Officers Association distinguished budget designation; presently believed to be able to be submitted in Fiscal Year 2021.
  11. Provide for an independent third party performance review or audit, no less than every five years to include Central Health’s budgeting, financial reporting, governance, and management processes. Further, the review or audit will evaluate the relationships between Central Health and affiliated and non-affiliated entities. The reviews or audits will incorporate public input, and the final reports will be matters of public record. Additionally, the five-year reviews or audits will not preclude other targeted reviews or audits.
  12. Central Health shall demonstrate to the County, as part of the annual budget adoption process before the Travis County Commissioner’s Court or upon request by a delegated agent or employee of the County, the documented processes or other means