



WEST ASCENSION PARISH HOSPITAL		
Policy Name: DISBURSEMENT POLICY		Policy Number:
Department: ACCOUNTING	Effective Date: 1/1/2025	Page: Page 1 of 3

DISBURSEMENT POLICY

I. PURPOSE

The purpose of this Disbursement Policy is to establish clear guidelines for the authorization, processing, and documentation of financial disbursements at West Ascension Parish Hospital (WAPH). This policy ensures that all expenditures are properly approved, recorded, and comply with applicable laws, regulations, and hospital policies. It also safeguards hospital funds by enforcing internal controls and accountability measures.

II. SCOPE

This policy applies to all financial disbursements made by WAPH, including but not limited to:

1. Vendor payments for goods and services.
2. Employee reimbursements for work-related expenses.
3. Payroll disbursements, including wages, bonuses, and benefits.
4. Capital expenditures for facility improvements and equipment purchases.
5. Any other financial transactions requiring the outflow of hospital funds.

III. GENERAL POLICY STATEMENT

All disbursements must meet the following criteria:

1. Be properly authorized according to hospital approval hierarchy.
2. Be supported by appropriate documentation, such as purchase orders, invoices, receipts, or contracts.
3. Align with the hospital's budget and financial planning.
4. Be processed through the established financial system for accurate record-keeping.
5. Undergo thorough review and verification to prevent errors or fraud.

IV. AUTHORIZATION AND APPROVAL PROCESS

1. Routine Operating Expenses: Payments for utilities, lease agreements, and other recurring expenses must be pre-approved within the hospital's annual budget and submitted to the Chief Financial Officer (CFO) for review. Final approval must be granted by the Chief Executive Officer (CEO).
2. Vendor Payments: All vendor payments must meet the following requirements:
 - A valid purchase order approved by the requesting department.
 - A detailed invoice confirming the goods or services received.
 - Approval by the CFO before processing, with final authorization from the CEO for payments exceeding \$10,000.
3. Payroll Disbursements:

- Payroll payments must be approved by the Finance Department and the CFO before processing.
- Adjustments such as bonuses, overtime, and wage corrections must be documented and approved by the CEO.
- 4. Employee Reimbursements:
 - Employees must submit a reimbursement request form, including itemized receipts and a justification for the expense.
 - The department head must approve the request before submission to the CFO.
 - Final approval for reimbursements exceeding \$500 must be granted by the CEO.
- 5. Capital Expenditures:
 - All purchases of equipment, technology, or facility improvements exceeding \$10,000 require a capital expenditure request form.
 - The request must include vendor quotes, cost-benefit analysis, and justification for the expenditure.
 - The CFO must approve the request before submission to the CEO for final authorization.

V. DISBURSEMENT PROCESS

1. Invoice Verification:
 - The Finance Department must verify invoices for accuracy and match them to the corresponding purchase order and delivery confirmation.
 - Any discrepancies must be resolved before approval.
2. Check Requests:
 - All check requests must be accompanied by supporting documentation and signed by an authorized department head before submission to the CFO.
 - Payments exceeding \$10,000 require CEO approval.
3. Payment Methods:
 - Payments may be processed via electronic funds transfer (EFT), checks, or corporate credit cards as determined by the Finance Department.
 - EFT transactions require dual authentication and approval from both the CFO and CEO.
4. Review and Approval:
 - The CFO must review all disbursements to ensure compliance with hospital policies and budget constraints.
 - The CEO must grant final approval before any funds are released.
5. Record Retention:
 - All disbursement records, including invoices, approvals, and receipts, must be retained for a minimum of seven (7) years.
 - Financial records must be stored securely and be accessible for audits and compliance reviews.

VI. INTERNAL CONTROLS AND COMPLIANCE

1. Separation of Duties:
 - The same individual may not authorize, process, and reconcile a transaction to prevent conflicts of interest and fraud.
2. Dual Authorization:

- Payments exceeding \$5,000 require approval from both the CFO and another designated hospital officer.
- Payments exceeding \$10,000 require final CEO approval.
- 3. Fraud Prevention:
 - Any suspected fraudulent activity must be reported immediately to the CFO.
 - The CFO will investigate the issue and escalate it to the CEO and legal department as necessary.
- 4. Bank Reconciliations:
 - Monthly bank reconciliations must be performed by the Finance Department to ensure all transactions are accounted for and correctly recorded.
 - Discrepancies must be reported to the CFO and resolved promptly.

VII. NON-COMPLIANCE AND VIOLATIONS

1. Consequences of Non-Compliance:
 - Employees or vendors who fail to comply with this policy may face disciplinary action, including suspension, termination, or legal consequences.
2. Reporting Violations:
 - Any employee who becomes aware of non-compliance should report the issue to the CFO or CEO immediately.
 - Reports may be made confidentially without fear of retaliation.

VIII. POLICY REVIEW AND REVISION

1. This policy shall be reviewed annually by the CFO and updated as needed to ensure compliance with regulatory requirements and financial best practices.
2. Any modifications to this policy require approval from both the CFO and CEO.