

# SCDDSN Internal Audit

Cash on Hand - 200-01-DD

DOL Standards for sub-minimum wage

Internal Controls for revenues received in the Day Program

# Cash On Hand

- ▶ **Maximum cash on hand for each person will be stated in his/her Financial Plan.**
  - ▶ **A person's maximum cash on hand cannot exceed \$50 without programmatic justification and documented in the Financial Plan.**
  - ▶ **Cash on hand includes both cash held by the provider staff for a person in the residence plus cash actually held by the person.**
  - ▶ **Cash on hand is not the same as a weekly spending allowance.**
  - ▶ **Generally, cash on hand results from cashing weekly spending allowance checks. If weekly spending allowances are appropriately set, cash on hand should not exceed the limit.**
  - ▶ **Records must be kept for cash held on behalf of a person.**
  - ▶ **Cash on hand records must be kept separate from the actual cash.**
  - ▶ **Counts of the cash will be performed at least monthly by staff who do not hold cash or keep the records.**
  - ▶ **Counts will be documented in the cash record. Staff performing the cash count should sign and date the cash record.**



The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, layered effect.

# **Prevailing Wage, Commensurate Wage, & Time Studies**

**To determine the prevailing wage you must find the prevailing wage for your current contracts. The appropriate size of the sample - the number of firms surveyed - will depend on the number of firms doing similar work in the vicinity, but normally should include no less than three. The prevailing wage is a rate paid in the vicinity to an experienced (not beginner) worker without a disability for the work to be performed.**

**Experienced worker means:**

**A worker who has learned the basic elements or requirements of the work to be performed**

**\* ordinarily by completion of a probationary or training period,**

**and**

**\* typically will have received at least one pay raise after successful completion of the probationary or training period.**

## RECORDS REQUIRED FOR PREVAILING WAGE SURVEYS

- 1. Date of contact with firm or other source**
- 2. Name, address, and phone number of firm or source contacted**
- 3. Name of individual contacted within firm or source**
- 4. Title of individual contacted**
- 5. Wage rate information provided**
- 6. Brief description of work for which information is provided**
- 7. Basis for the conclusion that the wage rate is not based on an entry level position**

# COMPUTING COMMENSURATE WAGES FOR HOURLY WORKERS

Must be based upon the prevailing hourly wage rate and must be based on the worker's productivity as it compares to the standard of a worker without disability for the quality and quantity of work performed.

**REMINDER:** An initial evaluation of the worker's productivity to determine the commensurate wage rate must be made within one month after employment begins.

The results of the evaluation must be recorded and the worker's wages adjusted accordingly by the first complete pay period after the evaluation. A retroactive pay increase for the initial period is required if the commensurate wage exceeds the wage paid during the initial period.

Upon completion of not more than 6 months of employment, a review shall be made of the quantity and quality of work of each hourly-rated worker with a disability and the worker's wages adjusted accordingly. In order to ensure payment of the proper commensurate wage rate, the worker's productivity should be reviewed and findings recorded at least every 6 months thereafter and after a worker changes jobs.

*Remember: Behavior or general work habits cannot be considered when establishing commensurate wages.*

In sheltered workshop environments, it is not unusual for the facility to be required to keep individuals for a specific number of hours. In many instances, transportation is not available to allow individuals to leave the facility. Under such conditions, the employer is required to pay the individual for all time spent at the facility. An exception to this regulation states that if the individual is completely relieved from work and is not required to remain available the time is not compensable. The employer may, in such cases, provide therapeutic or alternative activities. Thus, down time should be documented noting activities the individual participated in during periods of non-work.



# Segregation of Duties in the Workshop

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, dynamic aesthetic.

To achieve a proper segregation of duties, the assignment of responsibilities should be such that no one person has the authority to do two or more of the following: (1) authorize transactions, (2) record transactions; and (3) maintain custody of assets. Management should maintain an awareness of the internal control structure to ensure that reasonable policies and procedures exist and are maintained.

Determine that there is a proper segregation of duties for the person handling receipts (the person receiving and recording payments does not perform the record keeping or bank reconciliation).

Receipts books should be prenumbered and accounted for in numerical sequence.

All recipients should be given a formal signed receipt when paying in cash.

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the page, creating a modern, dynamic feel.

# SCDDSN Internal Audit

(803) 898 - 9774