

5122-1-29

Operation of behavioral healthcare organization (BHO) commissaries.

(A) The purpose of this rule shall be:

To establish procedures for the funding and operation of BHO commissaries under the managing responsibility of the integrated behavioral healthcare system (IBHS) which is operated by the Ohio department of mental health (ODMH).

(B) The provisions of this rule shall apply to all ~~BHO's~~ BHOs under the managing responsibility of ODMH.

(C) PROCESS:

- (1) A BHO may create and maintain BHO commissaries for the benefit of the clients. Upon receipt of ODMH central office approval, a BHO may transfer funds from the industrial and entertainment fund to establish a commissary operation.
- (2) Hours of operation of commissaries shall be established by the chief executive officer of the BHO as justified by sales records and dictated by the availability of employees designated and instructed in the workings of the commissary operation.
- (3) The salaries and/or wages of all commissary employees shall be paid from appropriated funds. A state employee must be accountable for the day-to-day operation of the commissary. All volunteers must be covered by a fidelity bond.
- (4) The recording of transactions of the commissaries shall be directly supervised by the business office of each BHO and shall be subject to audit by the internal audit group of legal services ~~fiscal administration~~ located in central office of ODMH, and the auditor of state.

(D) Operation:

- (1) A cash register shall be used to record all cash sales at the time of transaction.
- (2) Form "DMH-FIS-032" shall be used to substantiate all charge sales. Fund transfers for all non-cash sales shall be made within one day of the actual transactions.
- (3) All deliveries shall be checked and verified in the presence of the delivery

person. A receiving document shall be written to substantiate the delivery.

- (4) Commissary invoices shall be extended by commissary personnel and verified by business office personnel before figures are entered into the commissary ledger. The retail value and cash over/short columns shall be completed. "A-2 forms" shall be completed daily and turned into the business office monthly for approval and storage. All other generally accepted accounting practices shall be implemented in maintaining proper financial records.
- (5) Commissary revenue over and above operating costs shall be considered profits. Commissary prices shall be established locally at the lowest possible level which will generate a controlled net profit range of five per cent to fifteen per cent. All profits from commissary operations except those funds needed for equipment shall be paid into the industrial and entertainment fund of the BHO to be used to benefit the clients. Profits shall be transferred at regular intervals in like amounts to establish transfer patterns. Profits needed for replacement of equipment which would exceed normal maintenance costs may be held in reserve to a maximum time limit of six months, at which time the reserved amount shall either be utilized for the intended purpose or transferred to the Industrial and entertainment fund. Once profits are transferred, there shall be no rescission.
- (6) Apparent merchandise shrinkage shall be maintained at a level of not more than two per cent based on total charges for a one year audit period.
- (7) No employee shall gain personally from the operation of the commissary. There shall be no wholesale transactions or personal items purchased through commissary vendors.
- (8) Items for sale in or for operation of commissaries may be purchased from the office of support services of the ODMH or from local suppliers.
- (9) Items purchased locally shall be obtained at the lowest prices available and informal bidding procedures shall be used whenever possible. It is the responsibility of the business office to provide periodic checks for competitive prices from vendors.
- (10) Disbursements in the amount of one thousand dollars or less may be made with the approval of the chief executive officer or designee. Equipment purchases, or any expenditure in excess of one thousand dollars other than items for resale shall have prior approval from ODMH central office. Approval shall be secured in advance by submitting a "Request for approval to purchase form DMH-FIS-005" as follows:

- (a) The form shall be prepared by the requesting BHO, numbered consecutively within each fiscal year, and signed by the chief executive officer.
 - (b) The form, accompanied by at least three letterhead bids, shall be forwarded to central office of ODMH for approval.
 - (i) A vendor's refusal to bid shall be acceptable as a bid.
 - (ii) Items to be purchased from state term contracts or Ohio penal industries shall not require bids.
 - (c) Upon ODMH central office approval, the copy of the certificate of approval shall be returned to the initiating BHO. The certificate shall be retained by the BHO according to the ODMH retention schedule.
- (11) Appropriate expenditures to be paid from the commissary fund shall include but not be limited to:
- (a) All merchandise for resale;
 - (b) Overhead supplies, overhead foods, and raw foods;
 - (c) Equipment;
 - (d) Repair and maintenance of equipment;
 - (e) Commissary sales taxes (state and local);
 - (f) Licenses (food service, cigarette, etc.); and
 - (g) Check printing charges.
- (12) The commissary area shall be maintained in clean, neat and orderly conditions at all times. The cost of building repair and maintenance shall be the responsibility of the BHO.

Effective:

R.C. 119.032 review dates: 11/22/2005

WITHDRAWN ELECTRONICALLY

Certification

11/29/2005

Date

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