

Policy for Medicaid Reimbursement Fund

I. Background

The Allegheny County School Board recognizes one of the keys to sound financial management is the development of a systematic way to ensure financial stabilization for the school division. In addition to the *Policy for Use of Year End Balance*, the School Board believes it is important to set up a funding stream and guidelines to provide for student programs and services. The National Advisory Council on State and Local Budgeting (NACSLB) has issued guidelines representing standards of excellence in governmental budgeting that include the preparation of policies and plans for reserve funds (Principle 2; Element 4; Practice 4.1). This policy addresses this standard.

II. Purpose

This policy establishes guidelines to set aside reserves to provide for the continuity of programs and services provided to students.

III. Policy Guidelines for Medicaid Reimbursement Fund

- a. The School Board hereby establishes a Medicaid Reimbursement Fund for the purpose of accumulating funds to provide for the continuity of programs and services provided for the benefit of students.
- b. Funds will be deposited into the Medicaid Reimbursement Fund from the following source:
 - i. As specified in the *Policy for Use of Year End Balance*, unexpended Local funds, as determined on the cash basis of accounting, obtained through Medicaid reimbursement that remain at the end of a fiscal year will revert to the Medicaid Reimbursement Fund. While Medicaid reimbursement is recognized as a State revenue source, it may be considered to be Local funds provided the County of Allegheny exceeds its required local effort by a corresponding amount.
- c. Funds may be allocated from the Medicaid Reimbursement Fund for the following purposes:
 - i. Cash outlay to offset reduction in Local or State appropriation for expenditures related to programs and services provided for the benefit of students.
 - ii. Payment of one-time expenditures eligible for reimbursement under Medicaid guidelines.
 - iii. Other uses due to extraordinary circumstances as authorized by the Division Superintendent per the School Board Policy Manual.

Adopted: January 24, 2011