

**NORTHERN MICHIGAN REGIONAL ENTITY  
ADMINISTRATIVE MANUAL**

**PROCEDURE NAME:** ADVANCE PAYMENTS PROCEDURE  
**CHAPTER:** EIGHT - FINANCE  
**POLICY #:** 08-02-011  
**EFFECTIVE DATE:** September 20, 2016

**PURPOSE**

It is the expectation of the Northern Michigan Regional Entity (NMRE) that all Community Mental Health Services Programs (CMHSP) will operate within the budget parameters established and approved for the fiscal year.

In the event that a CMHSP requires a cash advance for reasons beyond its control, it may request such an advance payment from the NMRE, if the CMHSP does not have an unrestricted fund balance or other case reserve available.

Advance Payments, in aggregate, may not exceed one month's normal budget payment to any CMHSP.

**APPLICATION**

All Community Mental Health Services Programs in Northern Michigan Regional Entity.

**PROCEDURE**

It is understood that time is of the essence in these matters.

- I. Request for Advance
  - A. In order to request an advance payment, the CMHSP will complete the Advance Payment Request Form ("Attachment A" to this procedure).
  - B. The completed Advance Payment Request Form is to be submitted the NMRE Chief Financial Officer.
  - C. The NMRE CFO will review the submitted Advance Payment Request Form for the following:
    - i. Completeness
    - ii. Accuracy of information
  - D. The NMRE CFO will request additional information from the CMHSP if needed.
  
- II. NMRE Review of Request
  - A. The NMRE CFO will forward the completed form and any supporting information to the NMRE CEO for review and consideration.
  - B. Upon reviewing the financial information provided, the supporting explanation, and the CMHSP plan for addressing the funding situation, the CEO may approve the advance payment.
  
- III. Additional Review (As Needed)
  - A. If, upon review of the information, the NMRE CEO does not approve the advance payment for any reason, the request will be forwarded to the NMRE Finance Committee for consideration at its next regularly scheduled meeting.
  - B. The NMRE Finance Committee shall consider the request and determine, by majority vote of those attending, whether to approve or deny the request.

- C. If the NMRE Finance Committee:
  - i. Denies the request, it will be forwarded to the Operations Committee for consideration.
  - ii. Approves the request, and the CEO does not agree, the request will be forwarded to the Operations Committee for consideration.
  - iii. Approves the request and the CEO agrees, the advance payment will be approved.
- D. If necessary, the request will be forwarded to the NMRE Operations Committee for consideration at its next regularly scheduled meeting.
- E. If necessary, the NMRE Operations Committee shall review the request and make a determination of whether to make an advance payment. The decision of the Operations Committee is final. If the requesting CMHSP does not agree, it may invoke the Dispute Resolution process in the Operating Agreement.

IV. Advance Payment

- A. If approved, at any step, the NMRE CFO will notify the CMHSP of the amount and intended date of the payment.
- B. The approved advance payment will be made to the CMHSP within five (5) business days of the decision.

**REFERENCE**

REVISED:

REVIEWED:

APPROVED: September 20, 2016

*Signed copy is on file with NMRE*

\_\_\_\_\_  
Dave Schneider  
Chief Executive Officer  
Northern Michigan Regional Entity

\_\_\_\_\_  
Date

Northern Michigan Regional Entity  
Request for Advance Payment

Date: \_\_\_\_\_

CMHSP: \_\_\_\_\_

Amount of Request: \_\_\_\_\_

**Explanation of need for advance payment:** (Include explanation of increased demand or cost with supporting data.)

[Click here to enter text.](#)

**Current CMHSP Unrestricted Fund Balance:** \_\_\_\_\_

**CMHSP Unrestricted Fund Balance at end of previous fiscal year:** \_\_\_\_\_

**Reason for changes to Unrestricted Fund Balance:**

[Click here to enter text.](#)

**Current CMHSP Cash Reserves:** \_\_\_\_\_

**Name of Person Completing Form:** \_\_\_\_\_

**Signature of Person Completing Form:** \_\_\_\_\_

**NMRE DETERMINATION:**

NMRE CFO:       APPROVE     DENY      \_\_\_\_\_ SIGNATURE      \_\_\_\_\_ DATE

NMRE CEO:       APPROVE     DENY      \_\_\_\_\_ SIGNATURE      \_\_\_\_\_ DATE

FINANCE COMMITTEE DETERMINATION (If Required):       APPROVE     DENY      \_\_\_\_\_ DATE

OPERATIONS COMMITTEE DETERMINATION (If Required):       APPROVE     DENY      \_\_\_\_\_ DATE