**District/County Health Department  
Address  
City Name, Kentucky Zip Code**

**Policy I-D-15 DD/MM/YYYY**

**Environmental Fee Revenue Procedures**

**Purpose.** To establish standard procedures for the collection and processing of fees of the XXXXX Health Department’s Environmental Health Programs and to identify measures that promotes and assures accountability, efficiency and security of funds and resources.

Environmental revenues are those revenues generated by the payment of permits and fees collected through programs administered by the Environmental Health Program of the XXXXXXX District/County Health Department. Environmental revenues include both fees obtained from mandated program services and those fees obtained through activities operated by the individual county or district health departments. **A well-controlled revenue process includes multiple components**:

**1. Application for Environmental Permit**

An application for permit should be completed whenever there is a new establishment or when there are changes made to an existing establishment. Typically, a fee is will accompany the application on all new facilities or when the ownership changes for an existing facility. Exceptions include; state owned facilities and charitable or fee exempt facilities. Permit fees should be collected at the time the permit application is received whenever possible. Invoicing of permit fees is allowable when necessary; however, fees should be received and entered prior to the final approval and generating of the permit to operate. On all new establishments, an opening inspection report should accompany the permit application when being entered into the system. Renewal applications for all permitted program areas should be mailed out at least thirty days prior to the permit expiration date.

At the time of processing, the applicant should be given a copy of their completed application. If received by mail, the applicant should be mailed a completed and approved application. Checks received should be logged, documented, and stamped “For Deposit Only, at the time it is received. Receipts should be issued with each transaction and shall include at minimum the customer or establishment name, the amount and type of payment, receipt number, the date with year, the person receiving fees, and any other pertinent information deemed necessary by the health department. The application for permit may suffice as the receipt if the necessary information is included on the pre-numbered application and copies are available and provided to both parties.

**2. State Owned Facilities**

State owned facilities such as state confinement facilities and state park operations (such as hotels, food service operations, RV parks, pools, spas and bathing beaches), routinely pay permit fees through an inter-accounting system that is processed through the state. The application for permit should be entered into the system at the local level and flagged as a state owned property. These facilities are then identified by the State office and forwarded for payment processing through EMARS, the Electronic Management Administrative Reporting System, which in turn sends the bill to the appropriate Cabinet.

**3. Charitable/Fee Exempt Facilities**

Charitable or other fee exempt facilities such as schools and soup kitchens shall be entered into the data system as normal and flagged as fee exempt on the application for permit form.

**4. Environmental Fees**

Environmental fees for mandated programs are calculated based on the program code and the establishment type code entered into the data system for the facility. The computer, based on the information provided, will generate an “accounts pending” or a renewal application based on that amount. Care should be taken to ensure that the data and establishment information is accurate. The data entry personnel should check the application for completeness and confirm with Environmental staff that the program code and establishment type code are accurate. It is suggested that program codes be reviewed at least annually prior to the printing of permit renewals to insure that the appropriate renewal fee isbeing collected.

**5. Accounts Receivable**

All moneys collected, regardless of their origin, should be properly documented, stored and deposited into the appropriate bank accounts. Monies collected should be logged the day of receipt and deposited into the Environmental Holding account within three days of receipt if possible. This time frame may be expanded to five days for district health departments.

a. All establishment accounts should be kept current. It is recommended that accounts receivables be monitored monthly and appropriate enforcement action taken to collect balances due the health department. It is recommended that facilities with outstanding balances over 30 days old shall be sent, at a minimum, a letter notifying them of the past due balance. Additional enforcement action should be taken as necessary to collect outstanding fees. Accounts deemed uncollectible may be written off with supervisory approval and proper documentation when the account exceeds 120 days (see below). A facility permit should not be renewed when there are outstanding balances against that particular facility and permit holder.

b. Fees collected for the On Site Sewage program should be made in the office and logged into an On-Site Sewage logbook. The log should include at a minimum: the customer name, the site address, the amount paid, method of payment, receipt number, the person receiving payment, the installer name, permit number , the date with year, and other information as deemed necessary by the agency. See the On Site Sewage Permit log form example. Pre-numbered permits and or receipts should be used to further safeguard monies.

c. Cash payments shall be discouraged as method of payment for all programs, but can be accepted if no other payment method is possible. All fees collected shall be secured stored in a fireproof, locked filing cabinet, drawer or safe, at the end of day and until time of deposit. In the case of Temporary Food permits, efforts should be made to promote pre-payment when possible and when not possible a system should be used for fee collection in the field in order to properly document and account for payments received.

d. The person assigned to enter data will key the service information into the computer system and initiate audit trails as needed for review by supervisory personnel. All data should be entered into the CDP Computer System (EHMIS Module).

e. At the end of the month, the data entry personnel should send copies of the Cash Receipt Report, CDP Report #50 along with any documented and approved refunds or adjustments to the financial personnel for reconciliation with the monthly bank statement

f. According to amounts prorated by statute, checks will be drawn payable to Kentucky State Treasurer and to the LHD Regular Operating Account at the end of each month to in effect “zero out” the Environmental Holding Account. The assigned financial personnel will then forward the CDP Report #50 along with the Kentucky State Treasurer check to the Department of Public Health prior to the 10th of the month. The check made out to the Regular Operating Account will be deposited to that account. Two authorized individuals must sign checks written on the Environmental Holding Account. The Environmental Holding Account should be reviewed and reconciled at the end of each month and documented by the date and initials of the person assigned that responsibility.

**6. Write-offs to Accounts Receivable**

All debts that are deemed uncollectible or monies that have been entered by mistake and require a refund shall be documented in the EHMIS system and accompanied by a write off form, which is included, and signed off by a supervisor prior to the write off taking place. All write-off authorizations shall be retained and attached to a monthly accounting report for review.

**7. Refunds and Non-cash credits**

a. Requests for refunds will be made in writing with sufficient explanation for a common sense decision to be made.

b. Refunds are authorized on a case-by-case basis. An unsatisfactory inspection will not be a sufficient reason for a refund. The Request for Refund Form should be completed by the data entry personnel identifying the pertinent data needed to write off the account. Supervisory approval is needed for approval.

c. Non-cash credits (write-offs) are also made on a on a case-by-case basis. Common credits that are approved include businesses that have ceased operations, yet were billed for renewal. The data entry personnel should prepare a Write-off form in accordance agency policy identifying the reason why the write-off is requested as well as the client/establishment and the amount to be written off.

d. Whenever identified, refunds for overpayments are documented in a written Request for Refund form and approved by the director or his delegate. The approved request is forwarded to the financial personnel to process a check for refund.

e. Persons involved in the collection of monies or the entering of data may not be the same person authorized to approve write offs.

**8. Segregation of Duties.**

The various functions involved in processing of Environmental Fees should be segregated to minimize the potential for one person to compromise the system. No one person shall be responsible for collecting, entering, and depositing environmental funds. Clear boundaries shall be created and documented to prevent overlapping of key duties.

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**Public Health Director:** **Date:**

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**Chair of the County Board of Health: Date:**