



**MINUTES  
CASH MANAGEMENT REVIEW BOARD  
MEETING OF AUGUST 20, 2014  
CITY PLAZA BUILDING  
445 NORTH BOULEVARD  
7<sup>TH</sup> FLOOR CONFERENCE ROOM**

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Chair Laura Lapeze called the meeting to order. Secretary Marella Houghton called the roll.

**MEMBERS PRESENT:**

Laura Lapeze, as Chair and designee for the State Treasurer  
Afranie Adomako, CPA, as designee for the Commissioner of Administration  
Tom Cole, CPA, as designee for the Legislative Auditor (Non-voting member)

**OTHER PERSONS PRESENT:**

Marella Houghton, CPA, State Treasury Fiscal Control Manager and Secretary to the Board  
Col. Donald Johnson, Department of Military Affairs, Fiscal Manager  
John L. Daniel, JP Morgan Chase Bank, Senior Vice President  
Cindi Nee, JP Morgan Chase Bank, Client Relationship Manager  
Dana Moore, JP Morgan Chase Bank, Senior Vice President  
Gary Hall, State Treasury Office  
Taylor McDowell, State Treasury Office  
Nakul Patel, State Treasury Office

Mr. Afranie Adomako motioned for approval of the minutes for the October 10, 2013 meeting, subject to edits, seconded by Ms. Lapeze, and without objection, the minutes were approved.

Agenda Item 4a was submitted by the Division of Administration, Office of Financial Support Services, requesting the Cash Management Review Board's (CMRB's) approval to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge, Louisiana for the purpose of collecting credit card payments from vendors that will be placed on the state bid list.

Mr. Adomako motioned for approval of the request to open one (1) new ZBA submitted by the Division of Administration, Office of Financial Support Services, seconded by Ms. Lapeze, and without objection, Item 4a was approved.

Agenda Item 4b was submitted by the Louisiana Department of Revenue, Office of Debt Recovery (ODR), requesting the CMRB's approval to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge, Louisiana for the purpose of depositing collections for ODR. Mrs. Houghton stated that ODR did not have an existing bank account. Ms. Lapeze stated that the accounts will be kept separately, and these funds will ultimately go into the Debt Recovery Statutory Dedicated Fund.

Mr. Adomako motioned for approval of the request to open one (1) new ZBA submitted by the Louisiana Department of Revenue, Office of Debt Recovery, seconded by Ms. Lapeze, and without objection, Item 4b was approved.



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Agenda Item 4c was submitted by the Louisiana Department of Military Affairs, requesting the CMRB's approval to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in New Orleans, Louisiana for the purpose of depositing self-generated revenues. The deposits will be made through Image Direct Deposit (IDD) scanning, and the items that cannot be scanned will be deposited directly at the bank by Military staff. The deposits are currently mailed to the Louisiana State Treasury and are classified by Military once deposited in bank and entered in ISIS. Opening a ZBA will reduce the processing time and allow for more prompt classification of revenues. Additionally, a ZBA is required to utilize IDD; otherwise, each individual deposit will pass through the central depository bank account.

Mr. Adomako motioned for approval of the request to open one (1) new ZBA submitted by the Louisiana Department of Military Affairs, seconded by Ms. Lapeze, and without objection, Item 4c was approved.

Agenda Item 4d was submitted by the Louisiana Department of Military Affairs, requesting the CMRB's approval to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in New Orleans, Louisiana for the purpose of depositing Federal Revenues. This account will allow Military to view the details for each transaction immediately upon receipt. Without access to the details, Military is unable to classify their receipts and must rely on the bank to provide this information separately, which delays the classification of Federal Revenues. The requested ZBA will have a debit block and sweep into the central depository bank account daily. Currently, these deposits come through the central depository bank account as incoming wire transfers, so Military does not have access to view the details of these incoming deposits. Ms. Lapeze asked if the Federal Revenues could be distinguished from the self-generated revenues and both be deposited into the same account approved in Agenda Item 4c above.

It was determined that the IDD transactions could be easily distinguished from Federal Revenues, but Military wants to maintain transparency between the two types of revenue. Ms. Lapeze expressed concern about the large number of bank accounts. Mrs. Houghton stated that the Board approve one (1) new ZBA to be used for depositing both self-generated revenues and Federal Revenues. Mrs. Houghton also suggested that Military start utilizing the account by depositing Federal Funds, and that the account will be available when IDD is implemented, without having to present to the Board again.

Mr. Adomako motioned to reject Item 4d as presented and modify the approval of Item 4c, seconded by Ms. Lapaze, and without objection, Item 4d was rejected and modification of Item 4 c was approved.

Mr. Adomako motioned for modification to Item 4c to approve the request to open one (1) new Zero Balance Account (ZBA) submitted by the Louisiana Department of Military Affairs for



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depositing self-generated revenues and Federal Revenues, seconded by Ms. Lapeze, and without objection, Item 4c was amended and approved.

Agenda Item 4e was submitted by the Louisiana School for Math, Science and Art (LSMSA), requesting the CMRB's approval to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge, Louisiana for the purpose of collecting credit card revenues.

Mr. Adomako motioned for approval of the request to open one (1) new ZBA submitted by the Louisiana School for Math, Science and Art, seconded by Ms. Lapeze, and without objection, Item 4e was approved.

Agenda Item 4f was submitted by the Louisiana Department of Health and Hospitals, Office of Management and Finance – OAAS Villa Feliciana, requesting the CMRB's approval to repurpose one (1) existing Zero Balance Account (ZBA) at JP Morgan Chase bank in Baton Rouge, Louisiana for the purpose of collecting CMS – Federal Medicare Title 18 Electronic Funds Transfer revenue. This account was initially approved by the Board on May 28, 2008, to collect Medicare funds via EFT for Mental Health Area B. Ms. Pat Cane was contacted via telephone to confirm that DHH was aware that this account was still being used for Mental Health Area B. The Board wanted to confirm that those entities involved had been contacted with the information that the account was being repurposed. Ms. Cane confirmed that the entities involved in Item 4f, Item 4g and Item 4h had not been initially contacted, but are now fully informed that the accounts will be repurposed.

Agenda Item 4g was submitted by the Louisiana Department of Health and Hospitals, Office of Management & Finance – Pinecrest Support & Services Center, requesting the CMRB's approval to repurpose one (1) existing Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge for the purpose of collecting CMS – Federal Medicare Title 18 Electronic Funds Transfer Revenue. This account was initially approved by the Board on May 28, 2008, to collect Medicare funds via EFT for Mental Health Area A.

Agenda Item 4h was submitted by the Louisiana Department of Health and Hospitals, Office of Management & Finance – South Central Louisiana Human Services District, requesting the CMRB's approval to repurpose one (1) existing Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge for the purpose of collecting CMS – Federal Medicare Title 18 Electronic Funds Transfer revenue. This account was initially approved by the Board on January 14, 2010, to collect Medicare funds via EFT for the Northeast Support & Services and the Greater New Orleans Support & Services.

Mr. Adomako motioned for approval of the request to repurpose three (3) existing ZBAs submitted by the Louisiana Department of Health and Hospitals, Office of Management and Finance, and suggested the agency determine a way to document and classify receipts without using multiple bank accounts to perform this function, seconded by Ms. Lapeze, and without objection, Item 4f, Item 4g and Item 4h was approved.



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Agenda Item 4i was submitted by the Louisiana Department of Health and Hospitals, Office of Public Health (OPH), requesting to open one (1) new Zero Balance Account (ZBA) at JP Morgan Chase Bank in Baton Rouge, Louisiana for the purpose of collecting Pharmacy Medicaid Insurance EFT revenues. The receipts will be EFTs from multiple insurance companies for multiple providers, and a separate ZBA is needed for each OPH provider to properly classify the EFT receipt to the OPH program that provided the service.

Mr. Adomako was concerned with why OPH needed a separate account for each provider. Mr. Holmberg was contacted via telephone to explain why separate bank accounts are needed for each OPH provider. Mr. Holmberg stated that OPH currently has eight different providers depositing money into one account, and there is no way of identifying who deposited what amounts into the account if it is deposited into a single account each day. He further stated that a reconciliation problem would occur if all providers were depositing into one account due to the untimely determination for the classification of each deposit.

Mr. Holmberg stated that the current process of having separate accounts for each provider is working really well for OPH, and that Bayou Health receives Medicaid reimbursements from some of the private insurance companies. Bayou Health provides the banking information to the insurance companies and as the reimbursements are received, it is swept from the individual provider ZBA account to the State Treasury central depository bank every night. Then the banking staff at the Treasurer's Office sends an email to OPH each day of the amount that was swept from each ZBA account. On that email, the Treasury staff includes the accounting codes provided by OPH in the subject line that corresponds to each ZBA account. OPH can then classify the revenues based on the email received from the Treasury.

Mr. Adomako stated that bank accounts should not become the way of accounting for these deposits. He stated that it appeared the same level of detail is provided whether there are multiple accounts or one, but Mr. Holmberg explained that they get no details. Bayou Health is a group of private health insurance companies, and when submitting payments, Bayou Health does not specify the provider. Ms. Houghton suggested that Bayou Health could specify the provider in the comments section to facilitate the classification of each deposit.

Mr. Adomako explained that the Board would need to request an increase of the bank expenditure budget if the Board continued to approve additional bank accounts of this magnitude, and that although the current system is working well for OPH, it is inevitable overhead cost overruns will occur in Treasury. Mr. Holmberg stated that they do not have a mechanism to classify the deposits, and this was the best alternative to ensure accurate and timely classification of revenues. He stated that the current process of having individual accounts and having the Treasury provide classification information for each provider requires no research or reconciliation to determine how to classify the revenue. Mr. Holmberg asked if there is a mechanism other agencies are using to classify deposits. Mr. Holmberg asked if the cost of maintaining the bank accounts could be billed to their agency, and



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they could recover the cost through each OPH program. Mr. Holmberg stated that this situation is a result of the Bayou Health Initiative.

Mr. Adomako motioned to defer the request by the Louisiana Department of Health and Hospitals, Office of Public Health for one (1) new ZBA, seconded by Ms. Lapeze, and without objection, Item 4i was deferred.

Agenda Item 4j was submitted by the Louisiana Department of Health and Hospitals, Office of Public Health (OPH) – Jefferson Davis Parish Health Unit, requesting to close the Petty Cash Account at Capital One Bank for Jefferson Davis Parish Health Unit and open a new Petty Cash Account at Jefferson Davis Bank & Trust Company in Jennings, Louisiana. Capital One bank began charging a \$15 per month service fee and the balance in this petty cash account is so low that the service charges are 5% of the total balance. Jefferson Davis Bank & Trust company is an approved fiscal agent bank and will not charge a monthly service charge.

Mr. Adomako motioned for approval of the request by the Louisiana Department of Health and Hospitals, Office of Public Health – Jefferson Davis Parish Health Unit to close the Petty Cash Account at Capital One Bank for Jefferson Davis Parish Health Unit and open a new Petty Cash Account at Jefferson Davis Bank & Trust Company in Jennings, Louisiana, seconded by Ms. Lapeze, and without objection, Item 4j was approved.

Agenda item 4k was submitted by the Louisiana Department of Health and Hospitals, Office of Public Health – Allen Parish Public Health Unit, requesting to close the Allen Parish Public Health Unit revenue collection bank account for patient fees at Iberia Bank and open a new revenue collection bank account for patient fees at First Federal Bank in Oakdale, Louisiana. The Iberia branch near the health unit is closing and the next branch is too far from the health unit. First Federal Bank is an approved fiscal agent bank.

Mr. Adomako motioned for approval of the request by the Louisiana Department of Health and Hospitals, Office of Public Health – Allen Parish Public Health Unit to close the Allen Parish Public Health Unit revenue collection bank account for patient fees at Iberia Bank and open a new revenue collection bank account for patient fees at First Federal Bank in Oakdale, Louisiana, seconded by Ms. Lapeze, and without objection, Item 4k was approved.

Agenda item 4l was submitted by the Louisiana Department of Health and Hospitals, Office of Public Health – Allen Parish Public Health Unit, requesting to close the Petty Cash Account at Iberia bank for Allen Parish Public Health Unit and open a new Petty Cash Account at First Federal Bank in Oakdale, Louisiana. The Iberia branch near the health unit is closing and the next branch is too far from the health unit. First Federal bank is an approved fiscal agent bank.

Mr. Adomako motioned for approval of the request by the Louisiana Department of Health and Hospitals, Office of Public Health – Allen Parish Public Health Unit to close the Petty Cash Account at



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Iberia bank for Allen Parish Public Health Unit and open a new Petty Cash Account at First Federal Bank in Oakdale, Louisiana, seconded by Ms. Lapeze, and without objection, Item 4l was approved.

For informational purposes only, Agenda item 5a was submitted to the Board recommending a review of the current CMRB Collection Policy and Procedure and the handling of Returned Checks (NSF). In reference to NSFs, the current policy states that a service charge not to exceed \$25 or 5% of the face amount of the check, whichever is greater is allowed. Ms. Houghton suggested to the Board that a review of the current policy may be in order for the upcoming fiscal year, including research to determine if \$25 will cover the agency fees or if that amount should be adjusted. The Board agreed and wanted to move forward with this project.

For informational purposes only, Agenda item 5b was submitted to the Board as notification that the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) is reviewing and/or developing a collection policy and procedure for FEMA collections. Their General Counsel, Bernard Plaia, contacted Ms. Houghton about the parameters for such policy. Since their collections are for FEMA, there are specific requirements that may not be addressed in the current CMRB Collection Policy and Procedure; therefore, GOHSEP is looking at possibly creating a specific procedure for the FEMA collections. Ms. Houghton advised Mr. Plaia that once such procedure has been written, it must be submitted to the Board for review and approval.

For informational purposes only, Agenda item 5c was submitted to the Board as notification that the Louisiana Special Education Center (LSEC) is utilizing three cash boxes for petty cash. All of the expenditures or reimbursements from these boxes are for immaterial activities.

- Imprest (\$500) – These are State Medicaid funds from their approved Imprest checking account for payment of small expenditures (i.e. client haircuts, client meal money on out of town trips, etc.)
- LSEC Student Acct (\$600) – These are personal funds for their student population used by the students for their entertainment or purchases not provided by the Center.
- TFLC Student Acct (\$250) (New Box) – These are personal funds for clients residing in their group home for their entertainment or purchases not provided by the Center.

Ms. Houghton requested that LSEC provide the Board with their policy for replenishing the boxes and how the cash draws are tracked to ensure proper controls over cash are in place.

There were no Other Business topics to be discussed.

Mr. Adomako motioned to adjourn, seconded by Ms. Lapeze, and without objection, the meeting was adjourned.