 <p>JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM</p>	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN023	
		<i>Effective Date</i>	01-01-08	
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POLICY


This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAHI), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHCG), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN).

Purpose

The Check Request (SAP Online Payment Request) may be used to obtain payment for:

1. Advertisements
2. Honoraria
3. Prepayment of conference registration and hotel accommodations
4. Real Property transactions
5. Patient and insurance refunds
6. Student refunds
7. Licensing and filing fees
8. Attorneys
9. Trophies and awards
10. Gifts (\$25 and less to employees)
11. Auctions (requires a blank check)
12. Real Property leases and rentals (recurring payments)
13. Payments to insurance and investment firms
14. Tax payments
15. Dues and subscriptions
16. Government Fees
17. Royalties
18. Utilities
19. FedEx and shipping costs
20. Catering – delivered food
21. Bond payments (trustee)
22. Postage
23. Payments to investment managers
24. Guest lecturers and speakers
25. Tickets for sporting/special events hosted for students, guests, donors

Supplies, repairs, and purchased services should be handled through the procurement process by Purchasing Shared Services. Payments processed for purchased goods and services via Check Request contribute to a weak control environment because the additional internal controls of the purchasing function (e.g., formalization of agreements through written contractual purchase orders, competitive bidding, etc.) are bypassed. Due to this inherent weakness in internal control, Check Requests will be

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subject to closer scrutiny by our auditors and the Finance Department than payments to vendors processed through the normal purchasing channels. The Finance Department will be responsible for resolving any questions regarding the appropriate procedure for processing payments to vendors. Any exceptions to this policy shall require the approval of the JHHS Vice President - Finance or the Director of General Accounting/Controller. All vendors must have a W-9 form completed before the first payment will be made.

REFERENCE


JHHS Finance Policies and Procedures Manual

- Policy No. FIN003 - Signature Authority: General Policy
- Policy No. FIN004 - Signature Authority: Non-Capital Goods and Services
- Policy No. FIN005 - Signature Authority: Requisitions for Approved Minor Capital Budget Items
- Policy No. FIN006 - Signature Authority: Requisitions for Approved Major Capital Budget Items
- Policy No. FIN008 - Signature Authority: Purchase Orders and Agreements Supported By Purchase Orders
- Policy No. FIN010 - Signature Authority: Insurance Policies
- Policy No. FIN011 - Signature Authority: Agreements
- Policy No. FIN015 - Signature Authority: MCIC Medical and Non-medical Malpractice and General Liability Legal and Claim Settlements
- Policy No. FIN017 - Signature Authority: Patient Accounts
- Policy No. FIN022 - Business and Travel Expenses

RESPONSIBILITIES - ALL AFFILIATES (JHMSC differences appear in brackets)

Director/Administrator	Designate three authorized signors for Check Requests and ensure Check Request approvals are in compliance with Signature Authority Policies. Signature authorization is maintained within SAP. Changes in signature authority must be submitted to the Support Maintenance Organization.
Requestor	Initiate and complete online payment request. Forward to payment approver for proper authorization. Approver will forward to Accounts Payable Shared Services if the payment amount does not exceed the maximum amount allocated to the cost center approver position.
JHHS Vice President - Finance or Director of General Accounting [Controller]	Review and approve online requests for those which are exceptions due to the limitations of amounts delegated to cost center approvers. [After approval, forward to Accounts Payable Shared Services for payment processing..
Accounts Payable Shared Services	Review online payment requests for compliance with purchase order exception policy.
Director of Tax Compliance, JHHS	Ensure relocation expenses are processed and recorded in accordance with tax guidelines.

SPONSOR

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Vice President of Finance/Chief Financial Officer and Treasurer, JHHS

REVIEW CYCLE

Three (3) years

APPROVAL

President, JHHS


Date

PROCEDURES - ALL AFFILIATES (JHMSC differences appear in brackets)

Check Requests should not be used for employee expense reimbursement (See Policy No. FIN022, Business and Travel Expenses) or for payment requests for any invoice from a vendor that relates to the purchase of Supplies, Purchased Services, and Repairs and Maintenance (including service contracts).

Check Requests must be received by the Accounts Payable Shared Service Center by the agreed upon date for each affiliate.

1. Director/Administrator
 - a. Assure SAP maintains current signature authorization.
2. Requestor
 - a. Complete an Online Payment Request (check request). Most information will default onto the screen. Listed below is information which is required to be entered by the requestor:
 - 1) The Basic Data tab:
 - a. Payable to/Payee Address - select the payee online from the vendor listing inquiry. The vendor number will default onto the screen once selected. When searching for the vendor, be certain to type an * before and after the name. If the vendor does not exist in the file, submitted, contact amoultr1@jhuadig.admin.jhu.edu for new vendor set up.
 - b. Type the invoice number in the Reference field exactly as it appears on the vendor invoice if applicable.
 - c. Complete the invoice date and amount fields.. Most of JHHS is exempt from sales tax. Please contact the Finance department with questions regarding sales tax exemption status.–
 - d. Complete the text field (optional). This field can be used to state reason for the payment. **If information**

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on this field needs to print on the check stub, an asterisk (*) must precede the text.. “”–”–

d. –’—The Payment Tab:

a) –Payment method supplement field: this field is used if special handling of the check is required. Clicking on this Pmnt Meth Sup field will produce a drop down of selections. Select code 01 if the check is to be picked up by the requestor. In this case, the text field on the Basic Data tab should be completed with a leading * followed by the phone extension of the requestor. One would select payment method supp code 02 if the check requires a remittance be enclosed with mailing of the check.

b) General Ledger account information: there are two fields to be completed on the payment tab. SAP will prompt the requestor to correct invalid g/l coding.

- G/L account – this is the desired 6 digit expense code
- Cost center - this is a 10 digit code comprised of the business area, functional unit, and department numbers.

c) Date To Be Paid – indicate the desired due date in the due on field.

d) Forward to approver if not parked awaiting vendor number set up. One must click on Save as Completed in order to trigger workflow.

3. Director/Administrator

a. Review online payment request:


1) Departmental Approval - Complete online approval per the applicable signature authority (See Policy Nos. FIN003 through FIN019). The "Payable To" name cannot be an individual who has approval authority on that particular Check Request. Forward on to Accounts Payable.

b. Reject and return to the requestor for corrections, explanations.

4. Accounts Payable Shared Services

a. Verify the check request adheres to all requirements set forth in this document. Also verify that sales tax is not inappropriately applied.

Non compliant check requests should be rejected and returned to the originator.

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5. Director of Tax Compliance, JHHS a.

PROCEDURES - JHMSC - Same as all other affiliates except for the following: