	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN048	
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	GAAP ACCOUNTING		<i>Supersedes</i>	10-01-06

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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. (JHPAH), 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

This policy provides clear guidance for the use and implementation of generally accepted accounting principles (GAAP) for JHHS and its affiliates.

Definition

Generally accepted accounting principles is meant to represent the following accounting literature and pronouncements: (1) FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins; (2) FASB Technical Bulletins, AICPA Industry Audit and Accounting Guides, and American Institute of Certified Public Accountants (AICPA) Statements of Position; (3) AICPA Accounting Standards Executive Committee Practice Bulletins and consensus positions of the FASB Emerging Issues Task Force; (4) AICPA Accounting Interpretations and implementation guides; (5) Other accounting literature including FASB Concept Statements, APB Statements, and all other statements issued by either the Financial Accounting Standards Board of the AICPA or its committees. If there is a conflict between accounting principles relevant to the circumstances, the treatment specified in category 1 supersedes category 2, 2 supersedes 3, etc.

Implementation Process

JHHS and its affiliates will implement all applicable accounting pronouncements in accordance with generally accepted accounting principles (GAAP). The Corporate Controller's Office will review and interpret all pronouncements to determine each pronouncement's spirit and intent. The JHHS Corporate Controller will implement all new accounting pronouncements, with the approval of the Vice President of Finance/Chief Financial Officer (CFO) and Treasurer, JHHS. The Corporate Controller will work with each affiliate's CFO, and the independent auditors to ensure that the interpretation and implementation of the accounting pronouncements are appropriate.


There may be circumstances where the accounting requirements adopted by regulatory agencies for reports filed with them may differ and may take precedence over GAAP in certain aspects. If this situation occurs, there is specific accounting literature related to lack of conformity with GAAP.

RESPONSIBILITIES

Corporate Controller

Review and interpret all new accounting pronouncements.

Recommend the plan for implementation of new accounting pronouncements to the Vice President of Finance/CFO and

 <p>JOHNS HOPKINS M E D I C I N E JOHNS HOPKINS H E A L T H S Y S T E M</p>	<p>The Johns Hopkins Health System Policy & Procedure</p>	<p><i>Policy Number</i> FIN048</p>
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Treasurer, JHHS.

Review with the independent auditors the plan for implementing the new accounting pronouncements and obtain any comments they might have.

Vice President of Finance/CFO and
Treasurer, JHHS

Review and approve the plan for implementation of the new accounting pronouncements as recommended by the Corporate Controller.

SPONSOR

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

REVIEW CYCLE

Three (3) years

APPROVAL

President, JHHS

Date

PROCEDURES

1. Corporate Controller
 - a. Review all new accounting pronouncements and determine the appropriate interpretation regarding JHHS and its affiliates.
 - b. Develop a specific plan for the implementation of the new accounting pronouncements.
 - c. Review with the independent auditors and the plan for implementing the new accounting pronouncements and obtain any comments they might have.
 - d. Recommend to the Vice President of Finance/Chief Financial Officer and Treasurer the plan for implementation of the new accounting pronouncements.
 - e. Carry out the approved plan for implementation of new accounting pronouncements.

2. Vice President of Finance/CFO and Treasurer, JHHS
 - a. Review and approve the plan for implementation of the new accounting pronouncements as recommended by the Corporate Controller.