	Department:	Policy No.:
HAWAII HEALTH SYSTEMS C O R P O R A T I O N "Touching Lives Everyday"	Corporate Finance	FIN 0029
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Policies	Issued by:	Effective Date:
	Kelley Roberson COO & CFO	January 29, 2009
Subject:	Approved by:	Supersedes Policy:
ACCOUNTING	100	NA
	HHSC Board of Directors By: Raymond Ono Its: Secretary/Treasurer	Page: 1 of 3

- I. PURPOSE AND SCOPE: To establish and define the policy and responsibilities of HHSC Corporate Board of Directors and HHSC Regional System Boards of Directors relating to financial accounting and reporting.
- II. STATEMENT OF POLICY: It is the policy of HHSC to follow generally accepted accounting principles (GAAP) and guidance from the Financial Accounting Standards Board (FASB), the Government Accounting Standards Board (GASB), and comply with applicable federal and state laws, in order to maintain timely and accurate information on the status and trends concerning the finances, risks, and management of the HHSC system, its regions the corporate office, and its individual facilities. It is the policy of HHSC to design and implement internal controls for the integrity of financial reports. "HHSC" as used herein shall mean the entire system, including the corporation, the regions and the facilities therein, and any other entities and business ventures owned, operated, managed, or controlled by the corporation, its regions or facilities therein, or any one or more of the foregoing, including, but not limited to, nonprofit corporation, for profit corporations, limited liability companies, and partnerships.
- III. IMPLEMENTATION OF POLICY. Management at all levels of HHSC are responsible for taking actions to comply with this policy.
  - A. Accounting Manual. HHSC corporation management shall publish accounting manual or manuals necessary to implement this policy. Accounting principles and concepts in the accounting manual shall be based on the Proposed Audit and Accounting Guide "Audits of Providers of Health Care Services", May 1, 2004, prepared by the Health Care Committee and the Health Care Audit Guide Task Force for the American Institute of Certified Public Accountants (AICPA). The accounting manual shall be developed in coordination with regional management and staffs and shall be updated periodically as necessary. Regional leaders and managers shall operate in accordance with the accounting manual.

**Managerial Review**: Managers review transaction recording to gain reasonable assurance controls are functioning and to take timely corrective action when they are not functioning.

- V. APPLICABILITY: All HHSC regions and activities and staff and all HHSC Corporate staff.
- VI. Regional Policies. Regional System Boards of Directors are authorized to issue regional policies consistent with this policy.
- VII. REFERENCE: HRS Chapter 323F, AICPA, FASB, GASB