

IMP-D3 - Payroll-to-Billing Reconciliation

Supporting Fiscal Program Integrity Control

Primary Regulatory Reference	OAC 5123-2-08 - Provider Certification - Agency Providers
Related References	Applicable OAC Chapter 5123-9 service documentation and billing requirements; DODD Compliance Review Tool; CICL Internal Monitoring & Program Integrity Policy
Primary Responsible Roles	Chief Financial Officer (CFO), Billing Manager, Financial Specialist, and Fiscal Team
Frequency	Every payroll cycle, generally every other Monday after payroll is finalized and paid
Review Standard	100% payroll-period reconciliation; exceptions investigated and resolved or appropriately documented

Purpose

To provide reasonable assurance that services billed to DODD/ODM are supported by employee time processed through payroll. This reconciliation is a key detective control designed to identify documentation discrepancies, late entries, billing exceptions, and potential program integrity concerns.

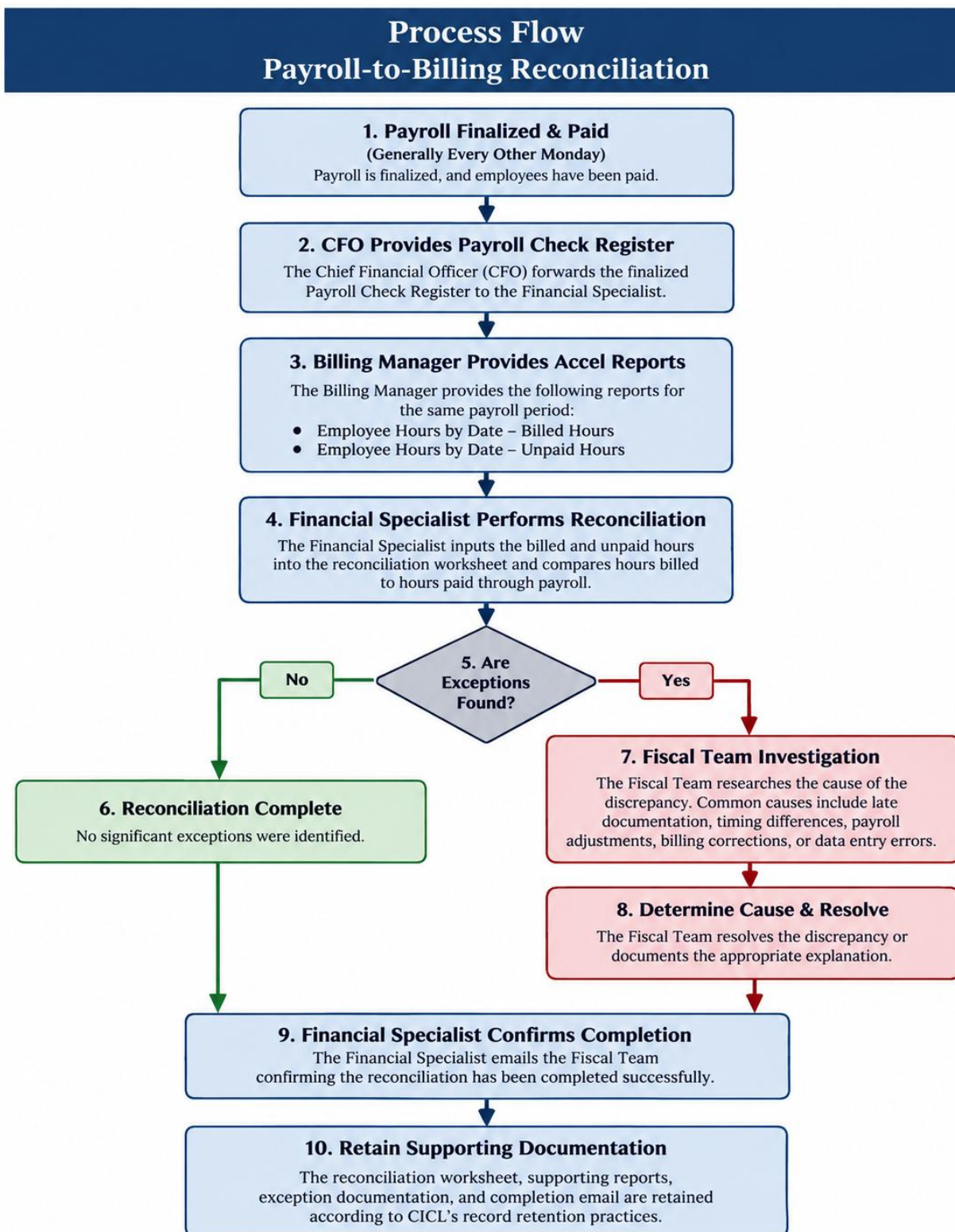
Relationship to IMP-D3

This procedure is a supporting fiscal control within IMP-D3 - Service Delivery, Documentation & Billing Monitoring. The Program Team is responsible for development of the broader IMP-D3 monitoring procedure. This fiscal reconciliation supplements that monitoring by comparing payroll-paid hours to billed and unpaid service hours each payroll cycle. A separate numeric sub-procedure designation should be assigned only if the final IMP-D3 structure uses numbered supporting procedures.

Roles and Responsibilities

Role	Responsibility
Chief Financial Officer (CFO)	Provides the finalized Payroll Check Register after payroll is finalized and paid.
Billing Manager	Provides the Accel Employee Hours by Date - Billed Hours report and Employee Hours by Date - Unpaid Hours report for the same payroll period.
Financial Specialist	Performs the payroll-to-billing reconciliation, documents findings and exceptions, and communicates completion.
Fiscal Team	Investigates discrepancies, determines the cause, documents resolution, and assists with corrective action when necessary.

Process Flow



Payroll-to-Billing Reconciliation Process Flow

Procedure

1. Payroll Finalization

After payroll has been finalized and employees have been paid, the CFO forwards the finalized Payroll Check Register to the Financial Specialist.

2. Billing Reports

The Billing Manager provides the Accel Employee Hours by Date - Billed Hours report and Employee Hours by Date - Unpaid Hours report for the same payroll period.

3. Reconciliation

The Financial Specialist inputs the billed and unpaid hours into the reconciliation worksheet and compares hours billed to hours paid through payroll.

4. Exception Identification

If billed hours exceed paid hours, the discrepancy is identified as an exception and referred to the Fiscal Team for investigation.

5. Investigation and Resolution

The Fiscal Team researches the cause of each exception. Common causes may include late documentation, timing differences, payroll adjustments, billing corrections, or data-entry errors. The cause and resolution are documented.

6. Completion Confirmation

After all discrepancies have been resolved or appropriately documented, the Financial Specialist emails the Fiscal Team confirming that the reconciliation has been completed.

7. Record Retention

The reconciliation worksheet, Payroll Check Register, Accel reports, exception documentation, and completion email are retained according to CICL record-retention practices.

Key Internal Control

Every hour billed to Medicaid should be supported by employee-compensated time or by a documented explanation for any variance. The reconciliation is a detective control intended to identify potentially unsupported billing and strengthen program integrity. The reconciliation covers the full payroll period rather than a sample.

Evidence Reviewed and Retained

- Finalized Payroll Check Register
- Accel Employee Hours by Date - Billed Hours report
- Accel Employee Hours by Date - Unpaid Hours report
- Payroll-to-billing reconciliation worksheet
- Exception research and resolution documentation
- Financial Specialist completion email

Monitoring Indicators

- Reconciliation completed every payroll cycle
- 100% of the applicable payroll period included in the reconciliation
- Exceptions investigated and resolved or appropriately documented
- Completion email issued
- Late entries, billing corrections, and recurring exception types trended
- Supporting reconciliation documentation retained

Oversight distinction: The operational reconciliation is performed every payroll cycle and serves as the primary evidence of control performance. Exhibit A is a periodic oversight tool and is not required to be completed with each payroll reconciliation.

Corrective Action and Escalation

Exceptions that cannot be resolved through routine reconciliation will be documented and escalated to the CFO and other appropriate leadership or program personnel. Corrective action may include payroll correction, billing correction, documentation follow-up, staff education, process revision, expanded review, or other action appropriate to the identified cause. Recurring or material exceptions will be evaluated for trends and potential program integrity concerns.

Exhibit A - IMP-D3 Periodic Oversight Review Checklist

Periodic Oversight Review of the Payroll-to-Billing Control

Purpose of Exhibit A: This checklist is not required for each payroll cycle. The completed payroll-to-billing reconciliation worksheet, supporting source reports, exception documentation, and completion email constitute the evidence that the operational control was performed. Exhibit A is used periodically to verify that the control is operating as designed, that exceptions are appropriately resolved, that documentation is retained, and that recurring issues are identified and addressed.

Oversight Review Period:		Date Completed:	
Reviewer:		Payroll Cycle(s) Sampled:	
Prior / Recurring Issue?	☐ No ☐ Yes	Expanded Review Required?	☐ No ☐ Yes

#	Periodic Oversight Test	Evidence / Notes	Y / N / N/A	Finding / Follow-Up
1	For each payroll cycle sampled, a completed payroll-to-billing reconciliation worksheet is retained.		☐ Y ☐ N ☐ N/A	
2	The finalized Payroll Check Register and the Accel Billed Hours and Unpaid Hours reports support the same payroll period reviewed.		☐ Y ☐ N ☐ N/A	
3	The reconciliation demonstrates that 100% of the applicable payroll-period hours were included in the operational reconciliation.		☐ Y ☐ N ☐ N/A	
4	Instances in which billed hours exceeded paid hours were identified as exceptions.		☐ Y ☐ N ☐ N/A	
5	Exceptions were investigated, with the cause and resolution or documented explanation retained.		☐ Y ☐ N ☐ N/A	
6	Required billing, payroll, documentation, or data-entry corrections were completed when applicable.		☐ Y ☐ N ☐ N/A	
7	The Financial Specialist issued completion confirmation and supporting documentation was retained.		☐ Y ☐ N ☐ N/A	
8	Late entries, billing corrections, and recurring exception types were identified for trend review when applicable.		☐ Y ☐ N ☐ N/A	
9	Prior findings or recurring issues were followed through to corrective action and closure.		☐ Y ☐ N ☐ N/A	
10	No evidence was identified that the payroll-to-billing control failed to operate as designed; if concerns were identified, the review was expanded or escalated as appropriate.		☐ Y ☐ N ☐ N/A	

Overall Oversight Conclusion	☐ Control Operating as Designed ☐ Follow-Up Required ☐ Expanded Review Required
Payroll Cycle(s) / Exceptions Reviewed	
Findings / Trends / Follow-Up	
Corrective Action / Responsible Position / Due Date	
Review Closed	Date: _____ Reviewer Initials: _____