



**Retrieval Name**  
 HCSD Katrina Disaster Recovery- PS Finance System Structure.doc  
**Page 1 of 4**  
**Issue/Rev Date:** September 26, 2005  
**Originator:**  
 Financial Services Division  
**Supercedes:** \_\_\_\_\_

**Health Care Services Division**  
**Finance Policies and Procedures**

**Disaster Recovery Procedures**

<b>AUTHORITY</b>				
<b>Federal</b>	<b>State Statutes</b>	<b>La. Admin Code</b>	<b>LSU</b>	<b>HCSD</b>

**PROCEDURE NAME:** Accounting for Hurricane Katrina Financial Activity – PeopleSoft Financial Structure

**PURPOSE:** Health Care Services Division has established a new combination of PeopleSoft Funds (Similar to our 1xx/8xx combinations) in order to account for Hurricane Katrina Financial Activity, (Revenues and Expenses), that will allow distinct accounting for reimbursement and reporting of activity for state and federal regulatory reporting.

HCSD has established Fund 116 for recording actual cash basis revenue and expenditures (Similar to current funds 111, 113, and 115).

HCSD has established Fund 816 for accruals that will be used exclusively by HQ Finance Staff to classify accrued expenses and accounts receivable at the end of reporting periods, (i.e. Year end)

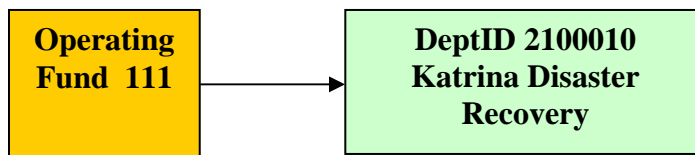
We have also established within these funds a specific and distinct PeopleSoft project number for each of the 9 HCSD General Ledger Business Units to accumulate this information.

Additionally, we have established a distinct Katrina DeptID within our operating fund (Fund 111), for items to be reclassified if reimbursement approval is denied or inappropriate. We will use the following code for this DeptID: 2100010

It may also be appropriate to use this DeptID in Fund 116 if the expenses do not fit an existing PeopleSoft Department.

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Potential sources of Katrina revenue include:

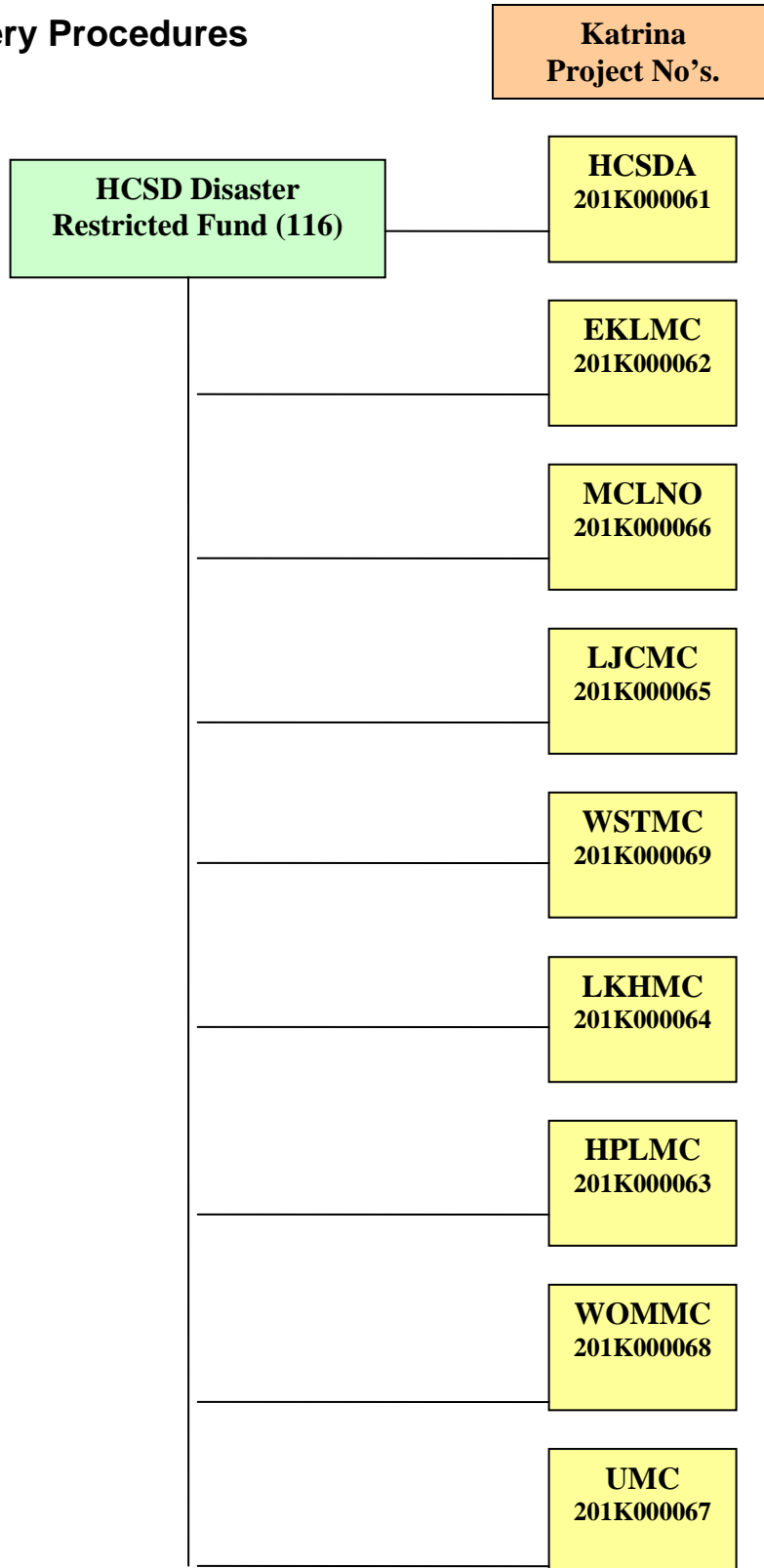
- FEMA Reimbursement
- Office of Risk Management Reimbursement.
- Federal Direct Appropriation
- State Supplemental Appropriation
- Donations and/or Grants

The separate PeopleSoft Fund approach offers organizational advantages that include:

- Separation of Katrina and Rita Revenues and Expenses from regular hospital operating activities.
- Katrina and Rita financial activity, when isolated, will not skew operating statistical reporting.
- This approach offers the most extensive PeopleSoft reporting and drill down capability.
- Ease of reporting (Only Katrina or Rita related Revenues and Expenses in the designated Fund). For Financial Reporting, Katrina and Rita activity should be reported as an extraordinary event.
- Retaining department and account integrity for documentation from the original transactions.
- The Fund should only contain Katrina or Rita transactions and should be for a limited duration although that duration will probably cross fiscal years. Once settlement of all Katrina and Rita Expenses and Revenues (Collections) are accounted for, all non-qualifying expenditures would be reclassified to the most appropriate fund and the fund should be closed out with a \$-0- Fund Balance.

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**Page 4 of 4**  
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## **Health Care Services Division Finance Policies and Procedures**

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#### **RESPONSIBLE PERSON**

#### **ACTION STEPS**

Hospital CFO's and  
Purchasing Directors

Distribute Disaster Recovery Fund/Katrina project  
combination coding instructions to appropriate  
accounting and purchasing staff members

Hospital CFO's and  
Purchasing Directors

Notify HQ Finance staff concerning any issues with the  
fund/project combinations.