

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The Arkansas State Board of Massage Therapy was created with the intent to upgrade the standards of practice and education of massage therapy and regulate the practice of massage therapy in the State of Arkansas.

The Board consists of seven (7) members appointed by the Governor for a term of three years. Four members are licensed to practice massage therapy. One member represents the elderly, one member represents the public, and one member represents the medical field.

The Board has statutory authority to examine and inspect all massage therapy schools, offices, and clinics in the State. The Board is required to hold at least one examination each year, and may hold other examinations from time to time. Certificates of registration are issued annually for Massage Therapists, Master Massage Therapists, Massage Therapy Instructors, Massage Therapy Schools, and Massage Therapy Offices or Clinics. Registration certificates are issued annually and expire on June 30 of each year.

During the 1997-99 Biennium, the Board was authorized two part time positions, (Therapy Technology Secretary with a FY99 maximum salary of \$9,468 and one extra help position). Due to the increased workload of the Board, the part time positions were replaced by a full time Management Project Analyst I in FY99. Continuation of the full time position (Therapy Technology Secretary) with a maximum salary of \$21,964 and \$22,578 is requested for the 1999-01 Biennium. No other changes are requested.

AGENCY Arkansas State Board of Massage Therapy	DIRECTOR  Martha Farmere	AGENCY PROGRAM COMMENTARY BR21	PAGE 237
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ARKANSAS STATE BOARD OF MASSAGE THERAPY
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 53,218	\$ 10,611	\$ 214	\$ 64,043	\$ 84	\$ 0	\$ 84	\$ 63,959		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 41,995	\$ 998	\$ 42,993	\$ 6,888	\$ 0	\$ 2,500	\$ 25,403	\$ 34,791	\$ 628

Findings

1. UNACCOUNTED FOR FUNDS - During the audit it was noted that a new massage therapy school was approved by the Board during the year ended June 30, 1996, but certain fees totaling \$850.00, as required by Ark. Code Ann. 17-86-306(f), were not collected. New schools are required to pay a registration fee of \$750.00 and an inspection (license) fee of \$100.00. Review of the Agency's records indicated that Body Wellness Therapeutic Massage Academy, owned by Donna McGriff, board member, submitted a new school application to the board in May, 1995. After bringing this to the attention of the Agency during the audit, full payment of \$850.00 was remitted October 3, 1997.

2. UNAUTHORIZED DISBURSEMENTS - During the audit of the Arkansas State Board of Massage Therapy for the year ended June 30, 1996, the following unauthorized disbursements were noted:
 - A. A duplicate payment of \$52.25 was paid to Donna McGriff, board member, for per diem and parking fees associated with her performance of board duties on May 14, 1996. The voucher for the second payment was approved by Ms. McGriff, who was an authorized disbursing officer at that time. After bringing this to the attention of the Agency during the audit, reimbursement of \$52.25 was remitted October 3, 1997.

 - B. Former board member Sherry Matthew was reimbursed for two thousand miles of nonbusiness related travel in the amount of \$500.00. Private car mileage was claimed from San Francisco, California to Little Rock and back; however, the official station of Ms. Matthew was listed as North Little Rock. Current addresses for both North Little Rock and California were provided by the board member on the travel expense reimbursement forms. The Agency's enabling legislation (Ark. Code Ann. 17-86-201) authorizes board members to be reimbursed at the rate approved for State employees. Part II, Chapter 11 of the State Accounting Procedures Manual provides that the traveler is reimbursed for the shorter distance to the destination calculated from the employee's residence or the official station.

Recommendations

1. Our findings in these matters are being reported in accordance with Ark. Code Ann. 10-4-111.

2. Seek a refund of the unauthorized disbursement to the board member and comply with State law and accounting procedures.

Our findings in these matters are being reported in accordance with Ark. Code Ann. 10-4-111 and 21-2-708.

ARKANSAS STATE BOARD OF MASSAGE THERAPY
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

3. INADEQUATE RECORD KEEPING - Review of the records of the Arkansas State Board of Massage Therapy revealed the following:
- A. Cash receipts were not issued for all items of income as required by Part II, Chapter 16 of the State Accounting Procedures Manual.
 - B. The amount of funds recorded in the cash receipts journal did not support deposits in the Board's Treasury fund. Deposits totaling \$239.00, excluding an interbank transfer, were not recorded in the journal.
 - C. The Agency could not account for all certificate (license) forms used during the year and reconcile these certificates to the amount of fees received from therapists. The Agency records indicated that sixty-seven (67) certificates were voided and not issued to therapists due to printer errors, misspellings, etc., but none of these unissued certificates were available for audit inspection.
 - D. The Agency did not deposit revenues in a timely manner. At the time of audit work, there were sixty-two (62) personal checks, money orders and cashier's checks, dated from June 21, 1997 through September 5, 1997 in amounts ranging from \$10.00 to \$650.00, totaling \$5,515.00, undeposited in the office of the Agency.

Recommendations (Continued)

3. Prepare receipts for all monies received in compliance with State accounting procedures.
- Record all funds received in the cash receipts journal so that deposits are supported by the accounting records.
- Establish a licensing system by which licenses used can be readily reconciled to the amount of money received and retain all unused licenses for audit review.
- Process incoming mail regularly and deposit receipts within a reasonable period of time.

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 245 - STATE BOARD OF MASSAGE THERAPY

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF 08/08/98			<u>0</u>	<u>0%</u>
DATE			TOTAL MINORITIES	
			<u>1</u>	<u>100%</u>
			TOTAL EMPLOYEES	

Michael J. Plak

 AGENCY DIRECTOR

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Arkansas State Board of Massage Therapy was created with the intent to upgrade the standards of practice and education of massage therapy and regulate the practice of massage therapy in the State of Arkansas. The Board has statutory authority to examine and inspect all massage therapy schools, offices, and clinics in the State. The Board is required to hold at least one examination each year, and may hold other examinations from time to time. Certificates of registration are issued annually for massage therapists, master massage therapists, massage therapy instructors, massage therapy schools, and massage therapy offices or clinics.

During the 1997-99 Biennium, the Board was authorized two part time positions, (Therapy Technology Secretary with a FY99 maximum salary of \$9,468 and one extra help position). Due to the increased workload of the Board, the part time positions were replaced by one full time position (Management Project Analyst I, Grade 18) in Fiscal Year 1999.

Base Level includes a cost of living increase of 2.8% each year over the FY99 salary levels, related Personal Services Matching costs, and Operating Expenses. Continuation of the full time position (Therapy Technology Secretary, Grade 99) as unclassified with a maximum salary of \$21,964 in FY00 and \$22,578 in FY01 is included in Base Level. No other changes are requested.

The Executive Recommendation provides for Base Level. Expenditure of appropriation is dependent upon available funding.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Board of Massage Therapy Code: 245	Name: Massage Therapy- Operations Code: 428	Name: Massage Therapy Bd. Code: MMT	BR20	241

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
REGULAR SALARIES	6,826	21,366	9,000	21,964	0	21,964	22,578	0	22,578	21,964	22,579		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
TRAVEL HELP	4,760	0	9,100	0	0	0	0	0	0	0	0		
NUMBER OF POSITIONS	1	0	1	0	0	0	0	0	0	0	0		
PERSONAL SERVICES MATCHING	18,372	7,000	5,430	7,118	0	7,118	7,227	0	7,227	7,118	7,227		
TRAINING EXPENSES	14,616	31,840	32,520	31,840	0	31,840	31,840	0	31,840	31,840	31,840		
CONFERENCES & TRAVEL	0	0	0	0	0	0	0	0	0	0	0		
CONFERENCES & SERVICES	0	0	0	0	0	0	0	0	0	0	0		
TOTAL OUTLAY	0	2,500	2,500	0	0	0	0	0	0	0	0		
POSTAGE PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
GRAND TOTAL	44,574	62,706	58,550	60,922	0	60,922	61,645	0	61,645	60,922	61,646		
PROPOSED FUNDING SOURCES			*****										
UNASSIGNED BALANCES	69,476	95,149	*****	162,443		162,443	231,521		231,521	162,443	231,521		
GENERAL REVENUES			*****										
SALES REVENUES			*****										
GRAND TOTAL			*****										
STATE CENTRAL SERVICES FUND			*****										
REVENUE RECEIPTS			*****										
GRAND TOTAL	70,247	130,000	*****	130,000		130,000	130,000		130,000	130,000	130,000		
GRAND TOTAL			*****										
NET FUNDING	139,723	225,149	*****	292,443		292,443	361,521		361,521	292,443	361,521		
NET APPROX. (FUNDING)	(95,149)	(162,443)	*****	(231,521)		(231,521)	(299,876)		(299,876)	(231,521)	(299,875)		
GRAND TOTAL	44,574	62,706	*****	60,922		60,922	61,645		61,645	60,922	61,646		

007 REGULATORY BOARDS AND COMMISSIONS
 245 ARKANSAS STATE BOARD OF MASSAGE THERAPY
 428 OPERATIONS
 HMT MASSAGE THERAPY BOARD-(245)

The FY99 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the approval of a full time position during FY99.

APPROPRIATION SUMMARY

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ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	---BUDGETED---	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST-----			REQUEST-----			1999-00	2000-01	1999-00	2000-01		
00		MHT	245 428	B	44,574 1	62,706 1	60,922 1			61,645 1			60,922 1	61,646 1				
01		MHT	245 428	C10			0 0			0 0								
<p>The Board is requesting to continue the full time position, (Therapy Technology Secretary) as unclassified status for each year of the 1999-01 Biennium.</p>																		

EPT 007 REGULATORY BOARDS AND COMMISSIONS
GY 245 ARKANSAS STATE BOARD OF MASSAGE THERAPY
PPRO 428 OPERATIONS
UND MHT MASSAGE THERAPY BOARD-(245)

RANK BY APPROPRIATION
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