

## SECTION D: FISCAL MANAGEMENT

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## FISCAL MANAGEMENT GOALS

The quantity and quality of learning programs are related to the funding provided and the effective, efficient management of those funds. It follows that the District's purposes can best be achieved through prudent fiscal management.

Due to resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the Board take specific action to make certain that education remains central and that fiscal management contributes to the educational program. This concept is incorporated into Board operations and into all aspects of District management and operation.

As trustees of the community's investment in the facilities, materials and operational funds, the Board has a fiduciary responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Board expects that the Superintendent and the Treasurer keep it informed through both oral and written reports on the fiscal management of the District.

With the cooperation of the Treasurer and assistance from other designated personnel, the Superintendent is expected to develop an efficient and effective procedure for fiscal accounting, purchasing and the protection of plant, grounds, materials and equipment through prudent and economical operation, maintenance and insurance.

The Board seeks to achieve the following goals to:

1. engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures to achieve the greatest educational returns for the dollars expended;
2. establish levels of funding which provide high quality education for the District's students;
3. use the best available techniques for budget development and management;
4. provide timely and appropriate information to all staff with fiscal management responsibilities and
5. establish effective procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors and all other areas of fiscal management.

[Adoption date: October 22, 2013]

Coldwater Exempted Village School District, Coldwater, Ohio

**BUDGET PLANNING**  
(Five-Year Forecast)

Budget planning is an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the District. Budget planning is a year-round process involving broad participation by administrators, teachers and other personnel throughout the District.

The Superintendent and the Treasurer are responsible for preparing the five-year forecast for the Board's approval. The forecast is for the current fiscal year and four years beyond.

The five-year forecast is prepared twice a year and filed with the Ohio Department of Education. The initial filing is due on or before November 30 and an update by May 31. The five-year forecast is updated as often as necessary in order to communicate significant changes in the District's financial position.

[Adoption date: October 22, 2013]  
[Re-adoption date: October 9, 2018]

LEGAL REFS.: ORC 5705.01; 5705.28 through 5705.32; 5705.35; 5705.36; 5705.37; 5705.39;  
5705.391

CROSS REF.: BCF, Advisory Committees to the Board

ANNUAL BUDGET AND APPROPRIATIONS MEASURE/  
BUDGET MODIFICATION AUTHORITY

Budget

The purpose of the annual tax budget is to enable the county budget commission to establish tax rates and serve as the basis for certification of revenue to the District. Determination whether or not a county tax budget is required will rest with the Mercer County Auditor.

The annual tax budget is regulated and controlled by State law and requirements of the county budget commission. The Board may establish additional budget requirements for funds at its disposal.

The Treasurer, Superintendent and their staffs are responsible for the preparation of the annual budget and presentation of the budget to the Board for adoption. The annual tax budget can be waived at the discretion of the Mercer County Auditor.

Appropriations

As permitted by law, at the start of the fiscal year, the Board may pass a temporary appropriations measure to provide for meeting the ordinary expenses of the District until such time as the Board approves the annual appropriations resolution for the year, which is not later than October 1. If by October 1 the county budget commission has not certified all amended certificates of estimated resources to the Board of Education (or submitted a certification that no amended certificates are necessary), the Board can delay action on the annual appropriation measure until such time as the certificates are received.

The Treasurer files both the temporary and final appropriations measures at the proper times with the office of the county auditor.

The appropriation measure shall be adopted at the Fund-Object level for the General Fund, and at the Fund level for all other funds.

The Superintendent/designee notifies each school administrator and/or department head of the allocations approved for expenditure.

Transfers

During the final quarter of the fiscal year, appropriations categories are examined, and the year-end status of each is estimated. Before the close of the fiscal year, the Board authorizes the Treasurer to transfer monies from those categories in which a surplus is anticipated into those in which a deficit is anticipated as permitted by State or Federal statutes.

Transfers from fund to fund as permitted by statutes require Board action and may require approval from the Court of Common Pleas and the tax commissioner.

It is the responsibility of the Superintendent and the Treasurer to examine the appropriation categories and make the necessary recommendations to the Board.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 9.34  
3313.18  
5705.14; 5705.15; 5705.16; 5705.28; 5705.29; 5705.35 through  
5705.412

## DETERMINATION OF BUDGET PRIORITIES

### Adequate Cash Reserves

Operating the District with fiscally sound management practices is integral to the ongoing well-being of the District. Responsible management of operational costs, while maintaining a high level of educational excellence within the District, is the primary focus of the Board, administrators, teachers and other school personnel when making budgetary decisions.

The District maintains that, in order to maintain financial effectiveness, a yearly ending cash balance equal to three months operating cash be the minimum operational benchmark for determining ending cash needs for the General Fund. When the District is unable to maintain three months' operating cash as a yearly ending balance, a plan should be put in place during the fall and spring forecast adoptions of how the District will work toward attaining a three-month operating cash yearly ending balance for the General Fund. While the minimum benchmark is established at three months, the general direction of the District will be to maintain a higher balance, if possible, of four to six months ending cash in order to adequately protect the District for times when state and local support may diminish.

[Adoption date: October 22, 2013]

## FUNDING PROPOSALS AND APPLICATIONS

The Board directs the Superintendent/designee to apply for any state or federal grants for which the District is eligible, at his/her discretion. The Superintendent/designee evaluates federally funded programs and state grants, including their possible benefits to the students in the District, appraises the Board of the worth of each and makes recommendations accordingly.

The District participates to its limit of eligibility in the use of funds provided by the state for the educational benefit of its students.

[Adoption date: October 22, 2013]

LEGAL REF.: ORC 3313.20

## REVENUES FROM TAX SOURCES

In an attempt to provide sufficient financial resources, the Board:

1. requests that voters approve adequate local funds for the operation of the District and determines the amount of the individual levies at the time of the initial request, or at the time of a request for renewal or replacement, to yield sufficient revenue for the operating expenses of the District;
2. accepts available state funds to which the District is entitled by law or through regulations of the State Board of Education and
3. accepts federal funds that are available, provided that there is a specific need for them and that the required matching funds are available.

[Adoption date: October 22, 2013]

LEGAL REFS.: Ohio Const. Art. XII, Section 2

ORC 3301.07

3311.21

3313.17 through 3313.20; 3313.29; 3313.51

3317.01 through 3317.11

3323.09

Chapters 5701; 5705

5748.01 through 5748.06



## ADMINISTRATION OF FEDERAL GRANT FUNDS

The Board accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available. The Board intends to administer federal grant awards efficiently, effectively and in compliance with all requirements imposed by law, the awarding agency and the Ohio Department of Education (ODE) or other applicable pass-through entity.

The Board directs the Treasurer to develop, monitor, and enforce effective financial management systems and other internal controls over federal awards that provide reasonable assurances that the District is managing the awards in compliance with all requirements for federal grants and awards. Systems and controls must meet all requirements of Federal law and regulation, including the Uniform Guidance issued by the U.S. Office of Management and Budget (OMB) and any applicable state requirements, and shall be based on best practices.

All individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award.

The financial management systems and internal controls must provide for:

1. identification of all federal funds received and expended and their program source;
2. accurate, current, and complete disclosure of financial data in accordance with federal requirements;
3. records sufficient to track the receipt and use of funds;
4. effective control and accountability over assets to assure they are used only for authorized purposes and
5. comparison of expenditures against budget.

In addition, written procedures must be established for cash management and for determining the allowability of costs, as required by the Uniform Guidance.

At a minimum, the financial management systems and internal controls will address the following areas:

1. Allowability

Costs charged by the school system to a federal grant must be allowed under the individual program and be in accordance with the cost principles established in the Uniform Guidance, including how charges made to the grant for personnel are to be determined. Costs will be charged to a federal grant only when the cost is:

- A. reasonable and necessary for the program;
- B. in compliance with applicable laws, regulations, and grant terms;
- C. allocable to the grant;
- D. adequately documented and
- E. consistent with District policies and procedures that apply to both federally-funded and non-federally funded activities.

Internal controls will be sufficient to provide reasonable assurance that charges to federal awards for personnel expenses are accurate, allowable, and properly allocated and documented.

Controls include time and effort reporting in accordance with Uniform Guidance and the requirements of ODE or other applicable pass-through-entity. Records are sufficient to verify that time spent and compensation (including salary and benefits) are allocable to the fund.

2. Cash Management and Fund Control

Payment methods must be established in writing that minimize the time elapsed between the draw-down of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments and in accordance with the requirements of ODE or other applicable pass-through-entity.

### 3. Procurement

Prior to July 1, 2018, the District followed the requirements outlined in previous OMB guidance. Effective July 1, 2018 all purchases for property and services made using federal funds must be conducted in accordance with all applicable Federal, State and local laws and regulations, the Uniform Guidance, and the District's written policies and procedures.

The District avoids situations that unnecessarily restrict competition and avoids acquisition of unnecessary or duplicative items. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, are excluded from competing for such purchases. The District performs a cost and price analysis for every procurement over the established simplified acquisition threshold.

Contracts are awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration is given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. No contract is awarded to a contractor who is suspended or debarred from eligibility for participation in federal assistance programs or activities.

The District takes all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Purchasing records are sufficiently maintained to detail the history of all procurements and must include at least the rationale for the method of procurement, selection of contract type, and contractor selection or rejection; the basis for the contract price; and verification that the contractor is not suspended or debarred.

### 4. Conflict of Interest and Mandatory Disclosures

The District complies with the requirements of State law and the Uniform Guidance for conflicts of interest and mandatory disclosures for all procurements with federal funds.

Each employee, board member, or agent of the school system who is engaged in the selection, award, or administration of a contract supported by a federal grant or award and who has a potential conflict of interest must disclose that conflict in writing to the Treasurer. The Treasurer discloses in writing any potential conflict of interest to ODE or other applicable pass-through-entity.

A conflict of interest would arise when the covered individual, any member of his/her immediate family, his/her partner, or an organization, which employs or is about to employ any of those parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for a contract. A covered individual who is required to disclose a conflict will not participate in the selection, award, or administration of a contract supported by a federal grant or award.

Employees, Board members, or agents of the District will not solicit or accept any gratuities, favors, or items from a contractor or a party to a subcontractor for a federal grant or award. Violations of this rule are subject to disciplinary action.

The Treasurer discloses in writing to ODE or other applicable pass-through-entity in a timely manner all violations of Federal criminal law involving fraud, bribery, or gratuities potentially affecting any federal award. The Treasurer fully addresses any such violations promptly and notifies the Board accordingly.

5. Equipment and Supplies Purchased with Federal Funds

Equipment and supplies acquired with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds.

6. Accountability and Certifications

All fiscal transactions must be approved by the Treasurer/designee who can attest that the expenditure is allowable and approved under the federal program. The Treasurer submits all required certifications.

7. Monitoring and Reporting Performance

The Treasurer will establish sufficient oversight of the operations of federally supported activities to assure compliance with applicable federal requirements and to ensure that program objectives established by the awarding agency are being achieved. The District submits all reports as required by federal or state authorities.

[Adoption date: July 12, 2016]

[Re-adoption date: June 20, 2017]

[Re-adoption date: October 10, 2017]

[Re-adoption date: October 9, 2018]

[Re-adoption date: April 9, 2019]

LEGAL REFS.: ORC 9.314  
117.101; 117.43  
3313.33; 3313.46  
3319.04  
5705.39; 5705.41; 5705.412  
2 C.F.R. Part 200

CROSS REFS.: BBFA, Board Member Conflict of Interest  
BCC, Qualifications and Duties of the Treasurer  
DI, Fiscal Accounting and Reporting  
DID, Inventories (Fixed Assets)  
DJ, Purchasing  
DJC, Bidding Requirements  
DJF, Purchasing Procedures  
DK, Payment Procedures  
EF/EFB, Food Services Management/Free and Reduced-Price Food Services  
GBCA, Staff Conflict of Interest  
IGBJ, Title I Programs

*NOTE: The Uniform Grant Guidance (Uniform Guidance) issued by the U.S. Office of Management and Budget (OMB) effects certain federal funds districts receive. The guidance replaces requirements found in eight previous OMB circulars. The new rules are in effect for new or noncompeting continuation grants awarded by OMB on or after December 26, 2014.*

*Districts are required to have written policies and/or procedures for the management of funds subject to the Uniform Guidance. The new rules are outlined in the Code of Federal Regulations (CFR) 200 and emphasize the need for strong financial management systems and other internal controls aimed at controlling fraud, waste and abuse. Internal controls should be in compliance with guidance in the Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.*

*This policy is intended to establish the board's expectations and standards for financial management and other internal controls necessary to meet its obligations when receiving federal grant awards. This policy is not sufficient, alone, to serve as the written controls required by the Uniform Guidance. It must be supplemented with written procedures that should be developed by the Treasurer.*

## REVENUES FROM INVESTMENTS

### Scope

The Board directs that the investing authority of the District resides with its Treasurer. This policy is designed to cover all monies under the control of the Board.

### Objectives and Guidelines

The following investment objectives are applied in the management of the District's funds.

1. Liquidity: The investment portfolio remains sufficiently liquid to enable the Treasurer to meet reasonably anticipated operating requirements.
2. Safety: Investments are undertaken in a manner consistent with State law, which seeks to ensure the preservation of public funds.
3. Income: The Treasurer strives to achieve a fair and safe rate of return on the investment portfolio over the course of budgetary and economic cycles, taking into account State law, safety considerations and cash flow requirements.
4. Diversification: The investment portfolio should be diversified in order to avoid incurring potential losses regarding individual securities that may not be held to maturity, whether by erosion of market value or change in market conditions.
5. Prudence: Investments are made with judgment and care – under circumstances then prevailing – that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. Bank Accounts: Relationships with banks are managed in order to secure adequate services while minimizing costs. Deposits should be concentrated in single accounts except where audit control considerations dictate otherwise.

### Authorized Financial Institutions and Dealers

U.S. Treasury and agency securities purchased outright are made only through a member of the National Association of Securities Dealers, through a bank, savings bank or savings and loan association regulated by the Superintendent of Financial Institutions or through an institution regulated by the Comptroller of the Currency, Federal Deposit Insurance Corporation or board of governors of the Federal Reserve System.

1. Repurchase agreements are transacted through banks and/or eligible dealers consistent with State law.
2. Certificates of deposit are transacted through commercial banks or savings and loans with FDIC coverage, and qualify as eligible financial institutions under State law.

### Maturity

To the extent possible, the Treasurer attempts to match the District's investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Treasurer will not directly invest in securities maturing more than five years from the date of purchase.

### Derivatives

Investments in derivatives are strictly prohibited. A derivative means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself. Additionally, any security, obligation, trust account or instrument that is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument.

### Allowable Investments

The Treasurer may invest in any instrument or security authorized in State law as amended. A copy of the appropriate section of the Ohio Revised Code is kept with this policy.

### Collateral

All deposits are collateralized pursuant to State law.

### Reporting

The Treasurer reports and maintains records of all investments and deposits.

All brokers, dealers and financial institutions initiating transactions with the investment authority by giving advice or executing transactions initiated by the investment authority must acknowledge their agreement to abide by the investment policy's content.

### Internal Controls

The investing authority establishes a system of internal controls, which are documented in writing. The internal controls are reviewed periodically by an independent auditor. The controls are designed to prevent loss of public funds due to fraud, employee error and imprudent actions by employees and officers of the District.

[Adoption date: October 22, 2013]

LEGAL REFS.: Intergovernmental Cooperation Act  
ORC 135.01 through 135.21  
3313.51



## GATE RECEIPTS AND ADMISSIONS

### Complimentary Tickets

The Board recognizes that, during the course of the year, the athletic department may issue complimentary tickets. The Board also recognizes that the tickets represent public funds and should be governed to some degree on how and to whom the complimentary tickets are issued.

Each year, prior to the fall sports season, the Board will approve a list of eligible recipients for athletic tickets and/or passes, listing 1) the names and positions of each individual, 2) the relationship to the District's athletic program, 3) type and number of tickets/passes issued and 4) whether or not the tickets/passes are for one season or the entire school year. This list will then be presented for the Board's approval prior to any issuance of complimentary ticket/passes.

The Board recognizes that one general admission pass will be issued to each certificated and non-certificated contractual employee of the District to be used at any school function during the school year in which the pass is designated; the pass is nontransferable.

[Adoption date: October 22, 2013]

AUTHORIZED SIGNATURES  
(Use of Facsimile Signatures)

The Treasurer authorizes designated depositories to honor any instrument bearing an authorized facsimile signature in a form as he/she may designate and to charge the same to the account as fully as though it bore a manually written signature.

A facsimile signature includes, but is not limited to, the reproduction of any authorized signature by a copper plate or a photographic, photostatic or mechanical device. Written notice of the adoption of a facsimile signature is provided to the depositories. The notice includes a description of the device to be used and a sample of the facsimile signature. Written approval must be received from the depository before the facsimile signature can be used.

The Board purchases a surety bond to protect the loss of any public funds.

[Adoption date: October 22, 2013]

[Re-adoption date: December 11, 2018]

LEGAL REFS.: ORC 9.10 through 9.12; 9.14  
1306.06

## BONDED EMPLOYEES AND OFFICERS

At the time of appointment or re-appointment of the Treasurer, the Board authorizes the Treasurer to execute a bond for himself/herself in an amount determined and approved by the Board. The bond must be deposited with the Board President and a copy certified by him/her must be filed with the County Auditor. The premium is paid by the Board.

The Superintendent, Board President and employees who handle school funds are included, at Board expense, in a position schedule bond. Position schedule bonds pertain to a specific position, not to an individual.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 3.06  
131.18  
3313.25; 3313.83  
3319.05  
5705.412

CROSS REFS.: DM, Cash in School Buildings  
EI, Insurance Management

## FISCAL ACCOUNTING AND REPORTING

The District's accounting system is in conformance with the Uniform School Accounting System as prescribed by the Auditor of State for the use of school districts, federal funds also are accounted for in conformance with the Uniform Guidance issued by the U.S. Office of Management and Budget and any applicable state requirements. The Treasurer is responsible for receiving and properly accounting for all funds of the District.

The financial records must be adequate to:

1. guide the making or deferring of purchases, the expansion or curtailing of programs and the controlling of expenses;
2. ensure that current data are immediately available and in such form that routine summaries can be readily made;
3. serve as a guide to budget estimates for future years and to hold expenditures to the amounts appropriated and
4. show that those in charge have handled funds within limitations established by law and in accordance with Board policy.

The Board receives monthly financial statements from the Treasurer, which show receipts, disbursements, appropriations, encumbrances and balances. The Treasurer makes all other financial reports required by law or by state or federal agencies and submits them to the proper authorities.

The Treasurer provides the Board with any other financial management reports that the Board determines necessary.

Financial records are permanent. The supporting documents may be destroyed only in compliance with the provisions of State law and in compliance with specifications of the District's records commission, the Auditor of State and the Ohio History Connection.

[Adoption date: July 11, 2017]

[Re-adoption date: October 10, 2017]

LEGAL REFS.: ORC 117.101; 117.38; 117.43  
149.01 through 149.43  
3301.07  
3313.29; 3313.32  
3315.04  
Chapter 1347  
Chapter 5705  
2 C.F.R. Part 200

CROSS REFS.: DECA, Administration of Federal Grant Funds  
EHA, Data and Records Retention

*NOTE: In 2013, the biennium budget, House Bill (HB) 59, made changes to financial reporting requirements for schools; these changes are found in Ohio Revised Code Section (RC) 3301.07. The first significant change extended the reporting requirements to new entities. The financial reporting requirements now apply not only to each district board of education and each governing board of an educational service center, but also to each governing authority of a community school established under RC 3314, each governing body of a STEM school established under RC 3328 and each board of trustees of a college-preparatory boarding school established under RC 3328. The new format must show, both at the district and at the school building level, revenue by source, expenditures for salaries, wages and benefits of employees, showing such amounts separately for classroom teachers, other employees required to hold licenses issued pursuant to RC 3319.22 through 3319.31 and all other employees, expenditures other than for personnel, by category, including utilities, textbooks and other educational materials, equipment, permanent improvements, pupil transportation, extracurricular athletics, and other extracurricular activities and per pupil expenditures. New requirements include information on total revenue and expenditures, per pupil revenue and expenditures for both classroom and non-classroom purposes, as defined in RC 3302.20, in the aggregate and for each subgroup of students, as defined by RC 3317.40, that receives services provided for by state or federal funding.*

*HB 59 also places a new requirement on the Ohio Department of Education (ODE). Once all required financial information has been reported, ODE must make these reports available in such a way that allows for comparison between financial information included in these reports and financial information included in reports produced prior to July 1, 2013. Further, ODE must post these reports in a prominent location on its website and must notify each school when the reports are made available.*

*Federal funds must be accounted for in conformance with the Uniform Guidance issued by the U.S. Office of Management and Budget. Districts are required to have written policies and/or procedures for the management of funds subject to the Uniform Guidance. The rules are outlined in the Code of Federal Regulations (CFR) 200 and emphasize the need for strong financial management systems and other internal controls aimed at controlling fraud, waste and abuse. Internal controls should be in compliance with guidance in the Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.*

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The Treasurer provides the Board with any other financial management reports that the Board determines necessary.

Financial records are permanent. The supporting documents may be destroyed only in compliance with the provisions of State law and in compliance with specifications of the District's records commission, the Auditor of State and the Ohio Historical Society.

[Adoption date: July 11, 2017]

LEGAL REFS.: ORC 117.101; 117.38; 117.43  
149.01 through 149.43  
3301.07  
3313.29; 3313.32  
3315.04  
Chapter 1347  
Chapter 5705  
2 C.F.R. Part 200

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## INVENTORIES (Fixed Assets)

To ensure effective management of its fixed assets and to conform to generally accepted accounting principles (commonly called GAAP), the Board adopts this policy and accompanying procedures to establish and maintain a fixed asset system for the District. The purpose of the fixed asset system will be to obtain financial statement information, insurable values, control and accountability, maintenance scheduling and cost analysis, accounting for depreciation, preparation of capital and operating budgets and debt management.

1. Fixed Asset Definition

For purpose of items purchased with federal funds, equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year with an acquisition cost of \$5,000 or more per unit.

2. Controlled Asset Definition

A controlled asset is one that does not meet the definition of a fixed asset, but is sensitive, portable and/or prone to theft and requires control. Consumable inventories will be considered consumed at the point of acquisition and will not be inventoried or counted in the compilation of fixed assets.

3. Classifications of Fixed Assets

- A. Land
- B. Buildings
- C. Furniture and Fixtures
- D. Machinery and Equipment
- E. Construction-in-Progress
- F. Vehicles
- G. Building Improvements, Major Repair
- H. Leased Fixed Assets
- I. Lease-Hold Improvements

4. Quantity Purchases

Assets purchased/acquired that do not meet the capitalization criteria individually (i.e., students' desks), but that do so in quantity, shall be "batched" when deemed feasible. Those batched items will be part of the capitalized assets.

5. Valuation

Fixed assets are to be valued at historical cost. When it is necessary to estimate cost data, the standard costing method and the normal costing method described in the following paragraph have been and will be used.

The standard costing method uses an average of original costs of similar assets that were acquired and installed at the time the asset in question was acquired. Such information may come from catalogues, price lists, consultants or trade publications. The normal costing method first determines the cost of reproducing the asset at current prices then using published indices, indexed at the reproduction cost back to the acquisition date.

Donated fixed assets shall be valued at fair market value at the date of gifting.

6. Tag System

A tag system will be maintained for all portable assets (both capitalized and controlled) valued at more than \$200.

Property records and inventory systems are sufficiently maintained to account for and track equipment acquired with federal funds.

7. Transfer of Fixed Assets

Transfer of fixed assets between buildings or departments shall be initiated by department heads or principals and physically moved only upon written approval of the fixed asset manager and building administrator.

8. Disposal of Assets

Disposal of assets shall be initiated by department heads, building administrators, Superintendent or Treasurer. Assets initiated for disposal will be accumulated by the fixed asset manager and will be disposed of by auction or at his/her discretion. When such property exceeds \$10,000 in value, its disposition will follow the provisions of ORC 3313.41.

9. Depreciation

Depreciation of fixed assets will be by use of the straight-line method. Depreciable life for each class of fixed asset will be established by the Board in the Fixed Asset Accounting Manual. Depreciation is required only for the District's proprietary fund assets. Depreciation will be calculated using the formulas and useful lives as established in the Fixed Asset Accounting Manual.

10. Fixed Asset Manager

The fixed asset manager shall be the Treasurer or his/her designee. The fixed asset manager shall record all transactions of fixed assets. The Treasurer shall record all information of the fixed assets to the book of accounts as required by the Auditor of State. The building administrator and/or department supervisors shall be accountable for the fixed assets assigned to their building/department.

11. Fixed Asset Accounting Manual

Management of fixed assets will be in accordance with the regulations as presented in the District's Fixed Asset Accounting Manual.

[Adoption date: October 22, 2013]

[Re-adoption date: June 20, 2017]

[Re-adoption date: November 21, 2017]

LEGAL REFS.: ORC 117.38  
3313.20; 3313.41  
2 C.F.R. Part 200

CROSS REF.: DECA, Administration of Federal Grant Funds

*NOTE: The Uniform Grant Guidance (Uniform Guidance) outlined in 2 CFR 200 sets forth the requirements for management of equipment purchased with federal funds. Districts should ensure district procedures for inventory accurately track items purchased with federal funds.*

## AUDITS

In accordance with State statutes, all District financial records are subject to audit by the Bureau of Inspection and Supervision of Public Offices of the Auditor of State's office. The Board has the right to request an independent audit with the approval of the Auditor of State's office.

A copy of the Auditor's report is placed on file in the Auditor of State's office; another copy is submitted to the Board. The Board makes the audit report available for public inspection.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 117.10; 117.11; 117.12; 117.26; 117.27  
3313.29

## PURCHASING

The function of purchasing is to serve the educational program by providing the necessary supplies, equipment and services. The Board's authority for the purchase of materials, equipment, supplies and services is extended to the District administration through its adoption of the annual appropriations resolution.

The Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended. The purchase of items and services found on lists from the appropriations resolution requires no further Board approval, except in those instances in which, by law or Board policy, the purchases or services must be put to bid.

A blanket purchase order for a "specific" permitted purpose and in an amount not to exceed the line-item appropriation and fund, whichever is less, is authorized to the extent permitted by law. The permitted purpose list may include payment for accountants, architects, attorneys, construction project managers, consultants, engineers, fuel oil, gasoline, food items and utilities. The blanket purchase order may not extend beyond the current fiscal year.

The acquisition of supplies, equipment and services is centralized in the business office, which functions under the supervision of the purchasing agent through whose office all purchasing transactions are conducted.

The Board assigns to the purchasing agent the responsibility for the quality and quantity of purchases made. The Treasurer is charged with the responsibility to ensure that all purchases do not exceed appropriations and that they are consistent with the approved educational goals and programs of the District and are conducted in accordance with all applicable laws and regulations.

[Adoption date: October 22, 2013]

[Re-adoption date: October 9, 2018]

LEGAL REFS.: Ohio Const. VIII, Section 2e

ORC 9.314

3313.172; 3313.18; 3313.33; 3313.46

3319.04

3327.08

5705.38; 5705.39; 5705.40; 5705.41; 5705.412

CROSS REFS.: DJC, Bidding Requirements

DJF, Purchasing Procedures

DK, Payment Procedures

## PURCHASING AUTHORITY

The Board's authority for the purchase of materials, equipment, supplies and services is extended to the District administration through the detailed listing of such items compiled as part of the budget-making process and approved by the Board through its adoption of the annual appropriations resolution.

The purchase of items and services on such lists require no further Board approval except in those instances in which, by law or Board policy, the purchases or services must be put to bid.

In an effort to bring about the smooth and efficient operation of the school system, the Board will pass, at its first meeting of the school fiscal year, specific authorizations for the procurement of supplies, equipment and services for the fiscal year and for the disposal of obsolete equipment and materials.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 3313.17; 3313.171; 3313.172; 3313.18

CROSS REFS.: DID, Inventories (Fixed Assets)  
DJ, Purchasing  
DJF, Purchasing Procedures

## PETTY CASH ACCOUNTS

Petty cash funds not to exceed \$100 each are maintained by the Treasurer. Receipts for purchased items are kept in a regular manner and presented to the Board in accordance with the laws of the state of Ohio and are administered by the Superintendent. In addition, change cash funds are maintained for the offices, cafeteria and athletic department and are shown on the monthly reconciliation presented to the Board. All petty cash and change cash funds are internally audited at least twice annually.

Petty cash purchases are expected to be for small and/or emergency purchases made by employees. Purchases should fall under \$25. If a single purchase is over \$25, the employee is asked to utilize the purchase order procedure for any future purchases of \$25 or more. Purchases normally covered by petty cash are small office or classroom supplies, stamps, miscellaneous food items, batteries and other such small items for classroom or office use or other miscellaneous school uses.

An athletic checking account not to exceed \$8,000 may be established for the use of the athletic fund, for the sole and express purpose of paying athletic officials who are not otherwise employed by the District for the payment of entry fees for school athletic competitions. This account functions under an impressed petty cash system. Its use is restricted to stated purposes and procedures. The signature of the athletic director is authorized for checks written in amounts less than \$500; for amounts \$500 or greater, the Treasurer's signature is also required.

The athletic director maintains a \$1,500 startup for ticket sales, which maintains a constant balance.

Any administrator who ignores procedures and does not take prudent measures to ensure that proper security is maintained, may be held personally liable for losses.

[Adoption date: October 22, 2013]

[Re-adoption date: October 9, 2018]

LEGAL REFS.: ORC 9.38  
3313.291; 3313.31; 3313.51

CROSS REF.: DM, Cash in School Buildings

## BIDDING REQUIREMENTS

Contracts for construction or demolition of buildings or for any improvements or repairs that exceed \$50,000 are let only after bids are solicited and received in compliance with law. However, if the Board enters into a shared savings contract for energy conservation measures, competitive bidding is not required. The Board may also enter into an installment payment contract for the purchase and installation of energy conservation measures and competitive bidding does not need to be utilized if two-thirds of the entire Board adopts a resolution stating that competitive bidding does not apply to the project.

If feasible, all purchases over \$5,000 but under \$50,000 and not otherwise subject to required federal or state bidding requirements will be based on price quotations submitted by at least three vendors. These quotations are treated confidentially until the deadline for filing is past; thereafter, they are public information.

The Business Manager assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Treasurer receives the bids and price quotations and records them. The Business Manager makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding.

Purchases made through the use of federal funds are made in compliance with the requirements of State and Federal law and District policies and procedures including the applicable bidding requirements.

[Adoption date: October 22, 2013]  
[Re-adoption date: February 14, 2017]  
[Re-adoption date: June 20, 2017]  
[Re-adoption date: October 9, 2018]

LEGAL REFS.: ORC 9.314  
153.01; 153.12 through 153.14; 153.50 through 153.56  
3313.372; 3313.373; 3313.46  
3319.04  
2 C.F.R. Part 200



CROSS REFS.: DJ, Purchasing  
DJF, Purchasing Procedures  
ECF, Energy Conservation  
FA, Facilities Development Goals  
FEF, Construction Contracts Bidding and Awards

*NOTE: In a district lacking a business manager, the superintendent normally acts in that capacity.*

*Beginning September 12, 2008, the second required notice for competitive bidding will change to allow advertising for bids in trade or other publications and by electronic means, such as posting on the district's website.*

*Districts must continue to comply with State law regarding competitive bidding, including the requirement that school districts place the first notice in a newspaper of general circulation.*

*When using federal funds, districts also are subject to the Uniform Grant Guidance requirements.*

*Senate Bill 3 (2016) increased the bidding threshold from \$25,000 to \$50,000.*

## PURCHASING PROCEDURES

Monies under the jurisdiction of the Board may not be expended except upon a warrant drawn against a specific appropriation and against a specific fund. Therefore, no contract or purchase order for the expenditure of money will be made unless there is attached to it a certificate of the Treasurer certifying that the amount required to meet the contract or purchase order has been appropriated and is in the treasury, or is in the process of collection, and is free from previous encumbrance.

Any contract or purchase order issued without such a certificate attached is void, except as the law allows later issuance within 30 days of the certificate and except that, if the amount involved is less than \$3,000, the Treasurer may authorize it to be paid without the ratification or affirmation of the Board. Under certain conditions, the law also allows the Treasurer to issue blanket certification, subject to limitations of time and amount as set by law.

Purchasing procedures are designed to ensure the best possible price for the desired products and services. Procedures for purchasing are developed to require that all purchases are made on properly approved purchase orders and that, for items not put up for bid, price quotations are solicited.

Special arrangements may be made for ordering perishable and emergency supplies.

Prior to July 1, 2018, the District followed the requirements outlined in previous OMB guidance. Effective July 1, 2018 all purchases for property and services made using federal funds must be conducted in accordance with all applicable Federal, State and local laws and regulations, the Uniform Guidance, and the District's written policies and procedures.

[Adoption date: October 22, 2013]

[Re-adoption date: June 20, 2017]

[Re-adoption date: October 9, 2018]

LEGAL REFS.: ORC 3313.46  
3327.08  
5705.41(D)(1); 5705.412; 5705.44  
2 C.F.R. Part 200

CROSS REFS.: DECA, Administration of Federal Grant Funds  
DJ, Purchasing  
DJC, Bidding Requirements

*NOTE: The Uniform Grant Guidance (Uniform Guidance) issued by the U.S. Office of Management and Budget (OMB) effects certain federal funds districts receive.*

*The guidance replaces requirements found in eight previous OMB circulars. The new rules are in effect for new or noncompeting continuation grants awarded by OMB on or after December 26, 2014.*

*Districts are required to have written policies and/or procedures for the management of funds subject to the Uniform Guidance. The new rules are outlined in the Code of Federal Regulations (CFR) 200 and emphasize the need for strong financial management systems and other internal controls aimed at controlling fraud, waste and abuse. Internal controls should be in compliance with guidance in the Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.*

## PURCHASING PROCEDURES

### General

1. The Board designates the Superintendent as the purchasing agent.
2. No person may commit the District to a purchase without the appropriate certificate of the availability of funds.
3. The materials, equipment, supplies and/or services to be purchased are of the quality required to serve the function in a satisfactory manner, as determined by the requisitioner and the Superintendent.
4. It is the responsibility of the requisitioner to provide an adequate description of the item(s) purchased so that the purchasing agent may be able to prepare the specifications and to procure most expeditiously and economically the desired commodity and/or service. A source of supply should be included on requisitions for specialty or unusual items.
5. No requisitioner shall knowingly restrict competition or otherwise preclude the most economical purchase of the required items.
6. When a low bidder proposes an alternate as equal to that specified, it is the responsibility of the Treasurer to determine whether the proposed substitution is, in fact, an equal. Such decision is based on his/her evaluation and that of the requisitioner. In the case of disagreement between the requisitioner and the Treasurer, either party may refer the matter to the Superintendent.

### Requisitions

1. The District establishes a standardized requisition procedure to allow authorized representatives to submit requests for the purchase of materials and supplies.
2. The following are designated as “requisitioner”; that is, they are authorized to issue requisitions against stipulated segments of budgetary appropriations: the Superintendent, administrative assistants, directors, supervisors and building principals. Each requisitioner is responsible for limiting his/her requisitions to the appropriate amounts.
3. Only District-approved methods or forms are used for requisitioning.

4. A requisition, to be considered appropriate for processing, meets the following requirements:
  - A. contains adequate information and
  - B. is approved by and bears the signature of an authorized requisitioner.
5. All approved requisitions are submitted to the Treasurer.
6. After a purchase order has been issued by the Treasurer's office, the number of the purchase order is recorded on the requisition.
7. After processing, the original copy of the requisition is filed in the office of the Treasurer.

#### Purchase Orders

1. Purchase orders are prepared by the appropriate person and at a minimum include the following essentials:
  - A. a specification that adequately describes to the supplier the characteristics and the quality standards of the item required;
  - B. a firm, quoted, net-delivered price, whenever possible (unit prices are shown);
  - C. clear delivery instructions, including place and time;
  - D. appropriate account code number or appropriation code and
  - E. the Treasurer's certificate of available revenue and appropriation.
2. Purchase orders use an identifiable tracking system established by the District and contain the appropriate number of copies to meet District needs.
3. Verbal confirmation orders subject to subsequent confirmation by a written purchase order may be issued only in cases in which a bona fide emergency situation exists that can be handled only by this procedure:
  - A. whenever possible, a purchase order number should be given to the supplier and
  - B. a confirming requisition is issued immediately, marked "confirmation" indicating the purchase order number, if one was given.

### Federal Procurement

Purchasing of goods and services using federal funds must be done in accordance with the above procedures and also in accordance with all federal requirements including allowability of costs. All purchases must be reasonable and free of conflicts of interest and conducted in a manner providing full and open competition.

No purchase will be made using federal funds unless the District verifies that the contractor is not suspended or debarred.

The District will look back at the last three years of expenditures for the specific goods or services to be purchased with federal funds and determine which method of procurement/contract type is applicable to the individual situation based on the average aggregate amount spent with the providing vendor in a fiscal year.

The following methods of procurement will be used for all purchases of goods and services made with federal funds.

1. Micro-purchases are purchases up to \$10,000 and may be made in accordance with District purchasing procedures when the costs are reasonable. To the extent practicable, these purchases are distributed equitably among qualified suppliers.
2. Small purchase are purchases between \$10,000 and \$250,000. Prior to authorizing the purchase, the District will try to obtain price rates or quotations from a minimum of 3 vendors or providers. The District will obtain these price rates or quotations by email, in writing, or from price listings on websites.
3. Sealed bid procedures are used for firm fixed price contracts over \$250,000 and is used as the preferred method for construction projects. Bids are solicited from an adequate number of known suppliers, which cannot be less than two responsible bidders. The Treasurer assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Treasurer receives the bids and price quotations and records them. The Treasurer makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding. The contract will be awarded to the lowest responsive and responsible bidder.
4. Competitive proposals are used for all purchases over \$250,000 for which sealed bids are not appropriate and must be used for architectural or engineering services. Contracts entered into for competitive proposals may be fixed-price or cost-reimbursement. The District will publicize a request for proposal by using various advertising methods including but not limited to newspapers and internet. The District

will evaluate proposals in order to award the contract to the most advantageous proposal when considering cost and other factors. The District will evaluate proposals based on the specifications of the goods or services requested. The District may use a score card or rubric to assist with this process.

5. Sole source procurement is used only when the goods or services are only available from a single source; a public exigency or emergency exists; there is inadequate competition and the applicable pass through entity approves this method.

All solicitations:

1. Include clear and accurate description on the technical requirements for the material, product or service to be procured. This description sets forth the minimum and essential characteristics the material, product or service must meet.
2. Will not contain specifications that unduly restrict competition.
3. Identify all requirements offerors must fulfil and all other factors to be used in evaluating bids or proposals.

The District maintains records to verify selection of procurement type and compliance with applicable procurement requirements.

[Adoption date: July 11, 2017]

[Re-adoption date: October 9, 2018]

*NOTE: Most boards wish to review and give their official stamp of approval to procedural regulations involving purchasing, but a board would not be expected to develop such a regulation—only to review and approve it.*

*The Uniform Grant Guidance (Uniform Guidance) outlined in 2 CFR 200 outlines the requirements for purchases made through the use of federal funds. Districts should ensure district procedures for purchasing items with federal funds are in compliance with the Uniform Guidance requirements. Districts may customize this regulation to reflect district practice for purchases made with federal funds.*

## CREDIT CARDS

The Board recognizes the efficiency and convenience afforded the day-to-day operation of the District through the use of credit cards under the supervision of the Treasurer. However, credit cards are not to be used to circumvent the general purchasing procedures required by State law and Board policies.

The Board authorizes the Treasurer to review available credit card accounts to determine which account and account provider best meets the needs of the District. The Treasurer will determine how many accounts, cards and checks are to be issued, and establish a process for credit card reissuance or cancellation.

1. The District name must appear on each card and/or check associated with the credit card account. The maximum credit card account limit is \$50,000. The Treasurer provides an annual report to the Board detailing all rewards received based on use of the credit card account.
2. All credit cards issued to and in the name of the District are held and supervised by the Treasurer and used only for purposes authorized by this policy. The Treasurer establishes a system for cards to be signed out for use by an authorized user.
3. Bank issued credit cards may only be used by the following positions: Treasurer, Assistant Treasurer, Fiscal Assistant, and the Athletic Director. The District may maintain store credit cards for use by staff. The store credit cards will be maintained in the Treasurer's office and will be checked out by the staff only after showing evidence of having a purchase order in place for a store credit card purchase. Staff members who check out a store credit card are responsible for the safety and security of the credit card while it is checked out.
4. Credit cards may be used for District-related transportation, reservations and expenses, conference registrations and hotel reservation guarantees for the Board and staff. Such expenses are subject to the reimbursement limits established by the Board.
5. If monies are budgeted and deposited with the Treasurer in advance, credit cards may be used by school employees for student trips and competitions for safety and security reasons.
6. With prior approval of the Treasurer, credit cards may be used by school employees for school-related purchases from a vendor who does not accept purchase orders or vouchers.



7. Gratuities are permissible only when card use is for group purchases and the tip is automatically added to the bill.
8. All credit card statements are sent directly to the Treasurer's office. The Treasurer keeps a record of all credit card use.
9. Receipts and appropriate form(s) are to be turned in with the credit card to the Treasurer within 20 business days upon completion of approved use. Receipts for meals must include the names of all individuals for whom meals were provided and the purpose of the meeting. Failure to turn in receipts and appropriate form(s) to the Treasurer within the required timeframe may result in the charges being deemed unrelated or unsubstantiated. The user is responsible for any unsubstantiated or unrelated purchases. Any late fees assessed to the District due to an employee failing to submit invoices and credit card receipts on a timely basis are the responsibility of the employee.
10. All authorized users must immediately report loss or theft of the District credit card to the Treasurer who will immediately contact the credit card issuer.

The use of the credit card for the following items is considered unauthorized use and classified as credit card misuse:

1. expenditures not specifically authorized by this policy;
2. purchase of personal goods or services for an administrator, an administrator's spouse, children or anyone employed or not employed by the Board and attending a District business function;
3. payment of any fines, penalties or personal liabilities incurred by the administrator or anyone else;
4. alcoholic beverages or tobacco;
5. fuel for use in a personal vehicle;
6. entertainment expenses, including pay-per-view movie charges and/or
7. cash advances.

Persons using a credit card for personal, non-authorized purposes or undocumented expenditures shall be held personally responsible for those expenditures. Misuse of the credit card is subject to disciplinary procedures, including termination. An employee or officer of the Board who knowingly misuses a District credit card account also is in violation of State criminal law.

[Adoption date: October 22, 2013]

[Re-adoption date: October 9, 2018]

LEGAL REFS.: ORC 9.21; 9.22  
2913.21  
3313.311

CROSS REFS.: DJ, Purchasing  
DLC, Expense Reimbursement  
GCL, Professional Staff Development Opportunities  
GDL, Support Staff Development Opportunities

*NOTES: House Bill 312 adds new requirements for district credit cards.*

*Credit card accounts are defined as any bank-issued credit card account, store-issued credit card account, financial institution credit card account, affinity credit card account or any other card account allowing the holder to purchase goods or services on credit or to transact with the account and any debit or gift card*

*account related to the receipt of grant moneys. The definition specifically does not include: procurement card accounts, gasoline or telephone credit card accounts or any other card account where merchant category codes are in place as a system of control for use of the card account.*

*Boards holding credit cards on the bill effective date must adopt policies for these cards meeting statutory requirements no later than three months after the bill's effective date. Boards not currently holding credit card accounts must adopt a written policy meeting the requirements prior to holding a credit card account.*

*The board policy must include:*

- *The officers or positions authorized to use credit card accounts;*
- *The types of expenses for which a credit card account may be used;*
- *The procedure for acquisition, use and management of credit card accounts and presentation instruments related to the account including cards and checks;*
- *Procedures for submitting itemized receipts to the treasurer or chief fiscal officer or their designee;*
- *Procedures for credit card issuance, reissuance, cancellation and the process for reporting lost or stolen credit cards;*
- *The credit account's maximum credit limit or limits and*
- *Actions or omissions by an officer or employee that qualifies as credit card misuse.*

*If the treasurer retains general possession and control of the account and presentation instruments, they may use a system to sign out credit cards to users authorized by the board policy. If the user does not provide itemized receipts in accordance with the policy, they may be required to reimburse the amount in accordance with State law or board policy.*

*If the treasurer does not retain general possession and control of the account and presentation instruments, the board must appoint a compliance officer who must fulfill statutory requirements.*

*This policy must be locally customized prior to adoption.*

## PAYMENT PROCEDURES

All claims for payment from District funds are processed by the Treasurer. Payment is authorized against invoices supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the Board. Actual invoices, statements and vouchers are available for inspection by the Board.

As an operating procedure, the Board has adopted an annual resolution authorizing payment by the Treasurer for debts or claims. The Board receives a list of bills paid the previous month.

The Treasurer is responsible for ensuring that appropriate allocations are observed and that total expenditures do not exceed the amounts appropriated for all items.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 3313.18  
3315.08  
5705.38 thru 5705.412

CROSS REF.: DJ, Purchasing

## EXPENSE REIMBURSEMENTS

District personnel who incur expenses in carrying out their authorized duties are reimbursed by the District upon submission of a properly filled out and approved voucher with supporting receipts required by administrative regulations. Expenses may be approved and incurred within the limits of budgetary allocations for the specific type of expense.

When official travel by a personally owned vehicle is authorized, mileage payment is made at the rate currently approved by the Board and within the limitations of Federal law.

The Board prohibits employees and Board members from accepting, soliciting or using the authority or influence of his/her position to secure, for personal travel, a discounted or “frequent flyer” airline ticket or other benefit from an airline if he/she has obtained or earned the ticket on official travel. Any miles earned become the property of the District and must be used for future official travel by District employees or the Board.

A traveler on official school business is expected to exercise the same care in incurring expenses as a prudent person exercises in traveling on personal business. Excessive costs, such as those caused by circuitous routes or luxury services or accommodations, are not considered prudent, nor are they accepted for reimbursement.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 2921.42; 2921.43  
3313.12; 3313.20  
3315.15

CROSS REFS.: BHD, Board Member Compensation and Expenses  
GCL, Certificated Staff Development Opportunities

## EXPENSE REIMBURSEMENTS

All expenses must have prior approval from the Superintendent/designee. The following regulations apply to travel and other types of reimbursable expenses directly related to the performance of District business.

1. Travel Requests: These must be submitted in advance through the appropriate administrators to the Superintendent/designee 30 days in advance.
2. Transportation: All modes of transportation are authorized consistent with the requirements of the assignment and the efficient and economic conduct of official business. Travel is by the most direct route.
  - A. Automobile: Reimbursement is made at the rate approved by the Board each year in January. This is the maximum rate regardless of the number of passengers. Parking charges, as well as toll and ferry charges, are reimbursable. An operator of a personal automobile must have a valid license and certificate from an insurance carrier for liability insurance coverage.
  - B. Travel by Public Conveyance: Round-trip tickets should be purchased if these offer a price advantage. Approval is for coach fare only.
  - C. Local Transportation: Local transportation such as taxicabs, airport limousines and buses should be used when justified.
  - D. Car Rentals: Rental cars may be used only in cases of emergencies or when no other means of local transportation is practicable and the rental has been pre-approved. Emergencies include: canceled airline flights or change in destination due to inclement weather or other circumstances.
3. Subsistence:
  - A. Lodging: Any person on official District business who must secure lodging in connection with that business is entitled to reimbursement for the cost of a single room (not to exceed \$125 unless approved in advance by the Superintendent). If the traveler is accompanied by his/her spouse, lodging expenses are reimbursed at the single occupancy rate.

- B. Meals: Meals consumed by any person on official business are reimbursed at cost up to a total limit of \$30 per day unless approved in advance by the Superintendent.
  - C. Luncheon or Dinner Meeting: Reimbursement may be claimed for costs incurred while on official business conducted at such meetings.
4. Other Reimbursable Expense:
- A. Telephone and Postage: Telephone toll calls from or to the District must be charged to the District office, thereby eliminating a claim on an expense voucher. Calls other than from or to the District should be charged whenever possible to the District. If an expense for telephone, postage or certified or registered mail must be paid in cash, the claim may be made on an expense voucher as a “miscellaneous expense.” An explanation must be given, such as the origin and destination of the call. A receipt should be obtained.
  - B. Conference Registration Fees: Conference and convention registration fees are reimbursable as a miscellaneous expense on the travel expense voucher. Registration fees in excess of \$50 or more may be requested for advance payment to the agency by separate purchase order prior to the event.
  - C. Gratuities: Gratuities will not be reimbursed except in the case when the bill includes a “large group” service fee or when the event is paid for with the District credit card and the gratuity is included on that bill (maximum gratuity allowed is 15%).

5. Travel Form and Receipts

Reimbursement for expenses is obtained by submitting an expense voucher within 10 days after the month in which the expense was incurred.

**Attachments to Expense Voucher:** Receipts are required for cash expenditures for travel by public conveyance, local transportation, car rentals, parking, toll bridges and ferry charges, lodging, meals and conference/convention registration fees.

[Adoption date: October 22, 2013]

## CASH IN SCHOOL BUILDINGS

Monies collected by employees and by student treasurers are handled with prudent business procedures, in order to demonstrate the ability of employees to operate in that fashion and to teach such procedures to our students.

State law requires a proper receipting and depositing of all public monies. Therefore, all monies collected are receipted, accounted for and deposited every day, if possible. Specifically, if the money collected:

1. exceeds \$1,000, it must be deposited on the next business day or placed in a safe or
2. does not exceed \$1,000, it must be deposited the next business day or placed in a safe place to be deposited within three business days.

In no case shall more than \$10 be left overnight in unsecured areas of school buildings. The Treasurer provides for making bank deposits after regular banking hours in order to avoid leaving money in a school building overnight.

[Adoption date: October 22, 2013]

LEGAL REFS.: ORC 9.38  
3313.291

CROSS REFS.: DH, Bonded Employees and Officers  
DJB, Petty Cash Accounts  
IGDG, Student Activities Funds Management  
KMA, Relations with Parent Organizations  
KMB, Relations with Booster Organizations



## SCHOOL PROPERTIES DISPOSAL

The Board believes that the efficient administration of the District requires disposition of property and goods no longer necessary for the maintenance of the educational program or operation of the District.

The Board recognizes that most unused property of the District has value and that it may be practical to retain such property for a period of time. Once property is no longer needed for school purposes currently or in the future, it should be slated for disposal at the Superintendent's discretion. State law governs the retention and method of disposal of the Board's property. Property and goods purchased with federal funds also are subject to the disposal requirements outlined in the Uniform Guidance issued by the U.S. Office of Management and Budget. Therefore, the Board follows the procedures required by the various statutes governing the disposal of real or personal property.

The Board follows the procedures set forth in State and Federal law for the disposal of real or personal property at the minimum dollar value set forth in the statute on the date the Board decides to dispose of the property. The Board is required to offer its real property for sale to all community schools, college-preparatory boarding schools, STEM and STEAM schools for the period of time set forth in law. High-performing community schools as defined by State law, are given first priority. If a high-performing community school is not interested in buying the property, the Board then proceeds with offers to purchase from other start-up community schools operating in the District, college-preparatory boarding schools, STEM and STEAM schools located within the territory of the District. If no community school, college-preparatory boarding school, STEM or STEAM school is interested in buying the property, the Board may sell its real or personal property at a public auction, following specific statutory requirements if the property exceeds \$10,000 in value. If this statutory threshold is changed by the legislature, the Board and administration's responsibility changes automatically to reflect the new minimum statutory dollar value.

The Board directs the periodic review of all District property and authorizes the disposition by sale, donation, trade or discard of any property not required for school purposes.

The District complies with State law regarding the sale or lease of unused school facilities to high-performing community schools, community schools, college-preparatory boarding schools, STEM and STEAM schools.

### Disposal of Property Valued at Less Than the Dollar Value Set Forth in State Law

For the disposal of property that is not governed by Federal law, the Ohio Revised Code or administrative regulations, the administration is required to follow these procedures:

1. The Superintendent determines that the value of the property is less than the value set forth in State and Federal law when applicable. The property is valued pursuant to a reasonable method as determined by the Superintendent.
2. The Board is notified when real or personal property is no longer needed for school purposes and directs that the property be sold.
3. The Superintendent sells the property to a start-up community school or by bids, general sale, negotiated sale or by trade as determined by the Superintendent or the Board on an individual basis.

[Adoption date: November 17, 2015]

[Re-adoption date: February 14, 2017]

[Re-adoption date: June 20, 2017]

[Re-adoption date: October 10, 2017]

[Re-adoption date: November 19, 2019]

LEGAL REFS.: ORC 131.09

3313.17; 3313.37; 3313.40; 3313.41; 3313.411; 3313.413

3314.051

5705.10

2 C.F.R. Part 200

CROSS REFS.: DECA, Administration of Federal Grant Funds

FL, Retirement of Facilities

*NOTE: Any appraisals required by State law must be not more than one year old. Intent to purchase or lease the property must be provided to the treasurer, and only qualified parties who have provided intent to purchase or lease to the treasurer may participate in any resulting auctions or lotteries.*

*If the district decides to dispose of real property that exceeds \$10,000 in value, the district must offer to sell it to all community schools, college-preparatory boarding schools, STEM and STEAM schools in the district's territory for one period of 60 days. No later than 60 days after the district board makes the offer, interested governing authorities, boards of trustees or governing bodies must notify the district treasurer of the intent to purchase. High-performing community schools as defined by State law are given first priority. If more than one governing authority*

*of a high-performing community school notifies the district treasurer of its intention to purchase the property, the board must conduct a public auction. Only the schools that notified the district treasurer are eligible to bid at the auction. If a high-performing community school is not interested in buying the property within 60 days of the offer, the Board is then required to proceed with offers from all other start-up community schools, college-preparatory boarding schools, STEM or STEAM schools within the district's territory. The sale must be for fair market value, as determined by a property appraisal not more than one year old. If more than one community school, college-preparatory boarding school, STEM or STEAM school notifies the district treasurer of its intention to purchase within 60 days, the district will conduct a public auction. Only entities that notified the district treasurer of their intent to purchase are eligible to bid at the auction. If no community schools, college-preparatory boarding schools, STEM or STEAM schools notify the district treasurer of their intention to purchase the property within 60 days, the district may dispose of the real property in compliance with State law.*

*HB 64 (15) prohibits community schools and college-preparatory boarding schools that have purchased property from districts from, within five years, selling any property purchased under the requirement that districts first offer unused school facilities to them. The provision goes on to add the exception that such property may be sold within five years, only if it is sold or transferred to another community school or college-preparatory boarding school located within the territory of the district that initially made the sale.*

*There are specific requirements regarding "unused school facilities." Unused school facilities are facilities that have been used by the district for school operations since July 1, 1998, but have not been used in that capacity for one year. Districts also must offer these facilities to all community schools, college-preparatory boarding schools, STEM and STEAM schools within the district for sale or lease for one period of 60 days. First priority is to be given to the governing authorities of high-performing community schools that are located within the territory of the district.*

*If, within 60 days, a high-performing community school notifies the district treasurer in writing of the intention to purchase the district must sell the real property to that community school for fair market value. If, within 60 days, more than one high-performing community school states its intention to purchase by notifying the treasurer, the district must hold a public auction for the real property, but it is important to note that the district is not required to accept a bid for less*

*than the appraised fair market value of the property, as determined by a property appraisal that is not more than one year old. Only qualified parties who notified the treasurer of their intent to purchase the property are eligible to bid at auction. If no high-performing community schools are interested in the property, the district must then proceed with offers from other start-up community schools, college-preparatory boarding schools, STEM and STEAM schools within the district's territory.*

*If, within 60 days, a high-performing community school notifies the district treasurer of its intention to lease unused facilities, the district must lease to that community school for the fair market value of a lease on the real property. Fair market value is determined by a property appraisal that is not more than one year old. If, within 60 days more than one high-performing community school within the district sends a written intention to lease the property to the treasurer, the district must conduct a lottery to determine to which community school the district will award the lease. Only qualified parties who have notified the treasurer of their intent to lease the property will be eligible for participation in the lottery. If no high-performing community schools are interested in the property, the district treasurer must then proceed with offers from other start-up community schools, college-preparatory boarding schools, STEM and STEAM schools within the district's territory. It is important to note that districts that have outstanding leases with entities other than community schools or college-preparatory boarding schools may renew those leases. Nothing in the statute affects current lease agreements between the district and other entities.*

*If, within 60 days, no community school, college-preparatory boarding school, STEM or STEAM school accepts the offer to lease or buy the property, the district may offer it to any other entity, in accordance with State law.*



## ADMINISTRATION OF FEDERAL GRANT FUNDS

The Board accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available. The Board intends to administer federal grant awards efficiently, effectively and in compliance with all requirements imposed by law, the awarding agency and the Ohio Department of Education (ODE) or other applicable pass-through entity.

The Board directs the Treasurer to develop, monitor, and enforce effective financial management systems and other internal controls over federal awards that provide reasonable assurances that the District is managing the awards in compliance with all requirements for federal grants and awards. Systems and controls must meet all requirements of Federal law and regulation, including the Uniform Guidance issued by the U.S. Office of Management and Budget (OMB) and any applicable state requirements, and shall be based on best practices.

All individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award.

The financial management systems and internal controls must provide for:

1. identification of all federal funds received and expended and their program source;
2. accurate, current, and complete disclosure of financial data in accordance with federal requirements;
3. records sufficient to track the receipt and use of funds;
4. effective control and accountability over assets to assure they are used only for authorized purposes and
5. comparison of expenditures against budget.

In addition, written procedures must be established for cash management and for determining the allowability of costs, as required by the Uniform Guidance.

At a minimum, the financial management systems and internal controls will address the following areas:

1. Allowability

Costs charged by the school system to a federal grant must be allowed under the individual program and be in accordance with the cost principles established in the Uniform Guidance, including how charges made to the grant for personnel are to be determined. Costs will be charged to a federal grant only when the cost is:

- A. reasonable and necessary for the program;
- B. in compliance with applicable laws, regulations, and grant terms;
- C. allocable to the grant;
- D. adequately documented and
- E. consistent with District policies and procedures that apply to both federally-funded and non-federally funded activities.

Internal controls will be sufficient to provide reasonable assurance that charges to federal awards for personnel expenses are accurate, allowable, and properly allocated and documented.

Controls include time and effort reporting in accordance with Uniform Guidance and the requirements of ODE or other applicable pass-through-entity. Records are sufficient to verify that time spent and compensation (including salary and benefits) are allocable to the fund.

2. Cash Management and Fund Control

Payment methods must be established in writing that minimize the time elapsed between the draw-down of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments and in accordance with the requirements of ODE or other applicable pass-through-entity.

### 3. Procurement

Prior to July 1, 2018, the District followed the requirements outlined in previous OMB guidance. Effective July 1, 2018 all purchases for property and services made using federal funds must be conducted in accordance with all applicable Federal, State and local laws and regulations, the Uniform Guidance, and the District's written policies and procedures.

The District avoids situations that unnecessarily restrict competition and avoids acquisition of unnecessary or duplicative items. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, are excluded from competing for such purchases. The District performs a cost and price analysis for every procurement over the established simplified acquisition threshold.

Contracts are awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration is given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. No contract is awarded to a contractor who is suspended or debarred from eligibility for participation in federal assistance programs or activities.

The District takes all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Purchasing records are sufficiently maintained to detail the history of all procurements and must include at least the rationale for the method of procurement, selection of contract type, and contractor selection or rejection; the basis for the contract price; and verification that the contractor is not suspended or debarred.

### 4. Conflict of Interest and Mandatory Disclosures

The District complies with the requirements of State law and the Uniform Guidance for conflicts of interest and mandatory disclosures for all procurements with federal funds.

Each employee, board member, or agent of the school system who is engaged in the selection, award, or administration of a contract supported by a federal grant or award and who has a potential conflict of interest must disclose that conflict in writing to the Treasurer. The Treasurer discloses in writing any potential conflict of interest to ODE or other applicable pass-through-entity.



A conflict of interest would arise when the covered individual, any member of his/her immediate family, his/her partner, or an organization, which employs or is about to employ any of those parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for a contract. A covered individual who is required to disclose a conflict will not participate in the selection, award, or administration of a contract supported by a federal grant or award.

Employees, Board members, or agents of the District will not solicit or accept any gratuities, favors, or items from a contractor or a party to a subcontractor for a federal grant or award. Violations of this rule are subject to disciplinary action.

The Treasurer discloses in writing to ODE or other applicable pass-through-entity in a timely manner all violations of Federal criminal law involving fraud, bribery, or gratuities potentially affecting any federal award. The Treasurer fully addresses any such violations promptly and notifies the Board accordingly.

5. Equipment and Supplies Purchased with Federal Funds

Equipment and supplies acquired with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds.

6. Accountability and Certifications

All fiscal transactions must be approved by the Treasurer/designee who can attest that the expenditure is allowable and approved under the federal program. The Treasurer submits all required certifications.

7. Monitoring and Reporting Performance

The Treasurer will establish sufficient oversight of the operations of federally supported activities to assure compliance with applicable federal requirements and to ensure that program objectives established by the awarding agency are being achieved. The District submits all reports as required by federal or state authorities.

[Adoption date: July 12, 2016]

[Re-adoption date: June 20, 2017]

[Re-adoption date: October 10, 2017]

[Re-adoption date: October 9, 2018]

[Re-adoption date: April 9, 2019]

LEGAL REFS.: ORC 9.314  
117.101; 117.43  
3313.33; 3313.46  
3319.04  
5705.39; 5705.41; 5705.412  
2 C.F.R. Part 200

CROSS REFS.: BBFA, Board Member Conflict of Interest  
BCC, Qualifications and Duties of the Treasurer  
DI, Fiscal Accounting and Reporting  
DID, Inventories (Fixed Assets)  
DJ, Purchasing  
DJC, Bidding Requirements  
DJF, Purchasing Procedures  
DK, Payment Procedures  
EF/EFB, Food Services Management/Free and Reduced-Price Food Services  
GBCA, Staff Conflict of Interest  
IGBJ, Title I Programs

*NOTE: The Uniform Grant Guidance (Uniform Guidance) issued by the U.S. Office of Management and Budget (OMB) effects certain federal funds districts receive. The guidance replaces requirements found in eight previous OMB circulars. The new rules are in effect for new or noncompeting continuation grants awarded by OMB on or after December 26, 2014.*

*Districts are required to have written policies and/or procedures for the management of funds subject to the Uniform Guidance. The new rules are outlined in the Code of Federal Regulations (CFR) 200 and emphasize the need for strong financial management systems and other internal controls aimed at controlling fraud, waste and abuse. Internal controls should be in compliance with guidance in the Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.*

*This policy is intended to establish the board's expectations and standards for financial management and other internal controls necessary to meet its obligations when receiving federal grant awards. This policy is not sufficient, alone, to serve as the written controls required by the Uniform Guidance. It must be supplemented with written procedures that should be developed by the Treasurer.*