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FISCAL MANAGEMENT GOALS

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

Because of 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 contribute to the educational program. This concept will be incorporated into Board operations and into all aspects of District management and operation.

As trustees of the community's investment in plant, facilities and operational funds, the Board has a 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 will keep it informed through reports, both oral and written, of the fiscal management of the District.

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

The Board seeks to achieve the following goals:

1. to 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. to establish levels of funding which will provide high quality education for the District's students;
3. to use the best available techniques for budget development and management;
4. to provide timely and appropriate information to all staff with fiscal management responsibilities and
5. to 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: May 9, 1994]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE

Budget

The purpose of the annual operating budget is to identify adequate financial resources for the education program and to provide a basis for accountability in fiscal management. The school budget is also the legal basis for the establishment of tax rates.

Public school budgeting is regulated and controlled by statute and State regulations and requirements of the Board. A budget is required for every fund that a school district uses in its yearly operation.

The Superintendent, Treasurer and staff will be responsible for the preparation of the annual school budget, and the Superintendent will present the budget to the Board for adoption.

The District creates and maintains a budget reserve fund for the purpose of covering unanticipated revenue shortfalls and other emergencies.

Appropriations

As permitted by law, no later than July 1, 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 will be no later than October 1. If by October 1 the county budget commission has not certified all amended certificates of estimated resources to the Board (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 will file both the temporary and final appropriations measures at the proper times with the office of the County Auditor.

The Superintendent or the Superintendent's designee will notify each school administrator and/or department head of the allocations approved for expenditure.

[Adoption date: May 9, 1994]

[Re-adoption date: August 17, 1999]

LEGAL REFS.: ORC 9.34
3311.40
5705.28; 5705.29; 5705.38-5705.40

BUDGET PLANNING

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

Although the immediate concern will be the ensuing fiscal year, budget projections should be prepared for at least five years beyond the current fiscal year. Budget planning will be related to the District's goals, objectives and programs. The policy of the Board is to follow the planned projections as closely as possible.

The budget will reflect in detail the educational programs previously approved. Any changes or alterations in programs will have been approved by vote of the Board.

The budget will be prepared by January 1 of each year and will cover the period from July 1 to June 30 of the succeeding year.

[Adoption date: May 9, 1994]

[Re-adoption date: August 17, 1999]

LEGAL REFS.: ORC 5705.01; 5705.28-5705.32; 5705.35; 5705.36; 5705.38; 5705.39;
5705.391

CROSS REF.: AE, School District Goals and Objectives

BUDGET ADOPTION PROCEDURES

If, as a result of the public hearing, it should be determined that certain changes in the budget are necessary, these changes will be made before the budget is adopted. The adoption of the budget by the Board will take place on or before January 15 and will be by roll-call vote.

Following the public hearing and approval of the budget by the Board, the budget will be submitted to the County Budget Commission for review and approval.

It will be the responsibility of the Superintendent, or the Treasurer to attend the hearing of the County Budget Commission to review the budget and answer any pertinent questions.

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 3311.40
5705.28

BUDGET MODIFICATION AUTHORITY

Modification of funds between line item appropriations within each major fund and any transfers permitted by law from major fund to major fund will require Board approval.

Transfers Among Categories

During the final quarter of the fiscal year, appropriations categories will be examined, and the year-end status of each will be estimated. Before the close of the fiscal year, the Board may authorize the Treasurer to transfer moneys from those categories in which a surplus is anticipated into those in which a deficit is anticipated as permitted by State or federal statute.

Transfers among funds as permitted by State or federal statutes will require Board action and may require approval from the Court of Common Pleas and the Tax Commissioner.

It will be the responsibility of the Superintendent and the Treasurer to examine the appropriations categories and make the necessary recommendations to the Board.

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 5705.14; 5705.15; 5705.16; 5705.40

FUNDING PROPOSALS AND APPLICATIONS

The Board will consider whether to apply for any federal aid for which it is eligible. It charges the administrative staff with the responsibility to evaluate federally funded programs, including their possible benefits to the students in the District; apprise the Board of the worth of each and make recommendations accordingly.

The District will participate to its limit of eligibility in the use of funds provided by the State of Ohio for the educational benefit of its students.

The Superintendent and Treasurer will ensure federal program guidelines compliance for state and federal programs through collaborative annual internal review while completing the CCIP, in addition to annual PACTS self-evaluation. These programs will include, but are not limited to Title I, IDEA, IDEA-B, Title IIA, Title V, Title III and Gifted funds. The intent is to assure uses of funds comply with federal and state guidelines and within established parameters.

[Adoption date: May 9, 1994]

[Re-adoption date: December 19, 2011]

LEGAL REF.: ORC 3313.20

REVENUES FROM TAX SOURCES

In an attempt to provide the best education possible within the financial resources available, the Board will:

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

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 319.301
3301.07
3311.21
3313.02-3313.91
3317.01-3317.11
3323.09
Chapters 5701; 5705; 5727
5747.01
5748.01-5748.06
5757.021

ADMINISTRATION OF FEDERAL GRANT FUNDS

Federal Grant Guidelines

1. Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

- A. Identification: The District identifies, in its accounts, all federal awards received and expended and the federal programs under which they were received.
- B. Financial Reporting: Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in §200.327 Financial reporting and §200.328 Monitoring and reporting program performance.
- C. Internal Controls: Effective control over, and accountability for, all funds, property and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- D. Budget Control: Actual expenditures or outlays must be compared with budgeted amounts for each federal award.
- E. Cash Management: The District must maintain written procedures to implement the cash management requirements found in §200.305 Payment.
- F. Allowable Costs: The District must maintain written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.

2. Cash Management Policy/Procedures

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the District receives payment from the Ohio Department of Education on a reimbursement basis. 2 CFR § 200.305. However, if the District receives an advance in federal grant funds, the District will liquidate those funds within five (5) days of receipt, in accordance with Cash Management Guidelines.

3. Payment Methods

- A. Reimbursements: The Treasurer will request reimbursement for actual expenditures incurred under the federal grants. Each month, the Accounts Payable/Receivable officer will update all grant tracking sheets and submit to the Treasurer for review. All requests for funds will be completed by the Treasurer, as deemed necessary. Attached to all cash requests is the current USAS year-to-date budget report that is the supporting documentation for the grant tracking sheet. All reimbursements are based on actual disbursements, not on obligations.

The District will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the ODE to review upon request. Reimbursements of actual expenditures do not require interest calculations.

- B. Advances: To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District attempts to expend all drawdowns of federal funds within 72 hours of receipt.

4. Procurement System

The District maintains the following purchasing procedures.

The Superintendent is the purchasing agent for the school district and as such, retains the authority to review and approve all purchases. Northwestern Local School District requires all requests to purchase goods or services to be in writing. Requisitions submitted by the employee must be approved by their supervisor. Once approved, requisitions are routed to the Superintendent. Approved requisitions are processed into Purchase Orders. Printed purchase orders are processed by the Accounts Payable/Receivable officer. Purchase orders are then approved by the Superintendent and the Treasurer.

The type of purchase procedures required depends on the cost of the item(s) being purchased. In addition to these rules, sub-recipients must also follow both state and local procurement rules. State and local procurement rules are often stricter than federal requirements. Accordingly, this section should be revised to account for the appropriate thresholds and purchasing procedures within each threshold amount in accordance with any state and local procurement rules.

5. Purchases up to \$3,000 (Micro-Purchases)

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed \$3,000. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the District distributes micro-purchases equitably among qualified suppliers. Distribution of micro-purchases can be accomplished in two ways. First, the individual requesting the purchase, who is most knowledgeable about vendors who can provide the goods or services requested, equitably distribute the purchases throughout the life of the grant. Secondly, the Treasurer's Office can review the equitable distribution of purchases as part of the monthly grant review. If it appears micro-purchases are not being equitably distributed, the Superintendent or the Treasurer will deny purchase orders until the issue is remedied.

Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable. Please see written procedures on how to determine whether a price is reasonable.

6. Purchases between \$3,001 and \$24,999 (Small Purchases)

The procurement procedure for purchasing supplies and services between \$3,001 and \$24,999 requires soliciting three written or oral quotes. Northwestern Local School District recommends a written description / terms be provided to all vendors to ensure an 'apples to apples' comparison of prices. No formal advertising is required. The contract is awarded to the responsible and responsive person offering the best price. Purchases over \$25,000 require Board approval.

7. Sealed Bids or Proposals

A. Sealed Bids (Formal Advertising): For purchases over \$25,000 bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, which conforms to all the material terms and conditions of the invitation for bids, is the lowest in price. If a Request for Proposal is issued, the most advantageous proposal from a responsible and responsive proposer taking into consideration price and no-price proposals. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- 1) a complete, adequate, and realistic specification or purchase description is available;

- 2) Two or more responsible bidders are willing and able to compete effectively for the business and
- 3) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- 1) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publicly advertised;
- 2) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- 3) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- 4) A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

Advertising is required once in a newspaper of general circulation at least two weeks before bids or proposals are due.

B. Competitive Proposals: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- 1) requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- 2) proposals must be solicited from an adequate number of qualified sources and

- 3) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

- C. Contract/Price Analysis: The District performs a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. 2 C.F.R. § 200.323(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

8. Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- A. the item is available only from a single source;
- B. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- C. the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District or
- D. after solicitation of a number of sources, competition is determined inadequate.

Sole source contracts in excess of \$25,000 are only allowable for the following purchases:

- A. software maintenance, library books, school textbooks and educational materials;
and
- B. utilities.

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R §200.319.

9. Debarment and Suspension

The District awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The District may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 the District verifies that the vendor with whom the District intends to do business with is not excluded or disqualified. 2 C.F.R. Part 200, Appendix II (1) and 2 C.F.R. §§ 180.220 and 180.300.

If there is a potential error in the way the procurement was conducted, or the district seeks advice on correcting the error, the Superintendent or Treasurer will ask the advice of the applicable state agency. If the vendor files a complaint in Superior Court, the district will seek the advice of legal counsel.

Conflict of Interest Requirements

1. Standards of Conduct

In accordance with 2 C.F.R. §200.18(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

2. Mandatory Disclosure

Upon discovery of any potential conflict, the District will disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy.

3. Allowable Costs

Although each grant may have specific allowable and unallowable costs, Northwestern Local School District adheres to the federal cost principles when developing and administering the budget. Federal cost principles require costs to be allowable, reasonable, and allocable.

To meet the definition of “allowable,” a cost must:

- A. be necessary and reasonable to carry out the grant;
- B. be consistent with the policies and procedures that apply uniformly to federal and non-federally financed expenses;
- C. not be included as part of a match of federal funds and
- D. be adequately documented.

To meet the definition of “reasonable,” the cost of the good or service does not exceed the amount a prudent person would spend on an item at the time the decision was made to incur the cost. Reasonable is further defined as:

- A. Use of sound business practices, adherence to federal, state and local laws and regulations; and the terms and conditions of the Federal award.
- B. Use of market prices in the area for comparing the costs of goods and services.

To meet the definition of “allocable,” the cost of the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. Allocable is further defined as:

- A. Costs are incurred specifically for the Federal award.
- B. Costs can be distributed in proportions that may be approximated using reasonable methods.
- C. Costs necessary to the overall operation of the non-Federal entity.

These definitions are copied from the Code of Federal Regulations (CFR).

While developing and reviewing the grant budget, the Treasurer should keep in mind the difference between direct costs and indirect costs.

4. Direct and Indirect Costs

- A. Determining Whether a Cost is Direct or Indirect: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 C.F.R. § 200.413(a). Indirect costs are those that have been incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 C.F.R. § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a).

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. 2 C.F.R. § 200.413(b). The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- 1) administrative or clerical services are integral to a project or activity;
 - 2) individuals involved can be specifically identified with the project or activity;
 - 3) such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency and
 - 4) the costs are not also recovered as indirect costs. 2 C.F.R. § 200.413(c).
- B. Indirect Cost Rate: The Ohio Department of Education has created an Indirect Cost Rate Proposal based on the U.S. Office of Management and Budget's (OMB) 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Federal Education Department General Administrative Regulations (EDGAR). Section 34 CFR 76.561 of EDGAR requires the Department to approve an indirect cost -rate plan for each district that requests one on an annual basis. The indirect cost-rate plan has been approved by the U.S. Department of Education. Ohio school districts are not required to prepare indirect cost proposals. The decision to recover indirect costs using these established rates is a local option. Northwestern Local School District does not apply an indirect cost rate to federal grants.

5. **Determining Allowability of Costs:** Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state.

When determining how the District will spend its grant funds, the Treasurer will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 CFR Part 3474 and 2 CFR Part 200, which are provided in the bulleted list below.

The Treasurer must consider these factors when making an allowability determination.

6. **Be Necessary and Reasonable for the performance of the federal award:** District staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- A. Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award.
- B. The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
- C. Market prices for comparable goods or services for the geographic area.
- D. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.

When determining whether a cost is necessary, consideration may be given to:

- A. Whether the cost is needed for the proper and efficient performance of the grant program.
- B. Whether the cost is identified in the approved budget or application.
- C. Whether there is an educational benefit associated with the cost.

- D. Whether the cost aligns with identified needs based on results and findings from a needs assessment.
 - E. Whether the cost addresses program goals and objectives and is based on program data.
7. Allocable to the federal award: A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. §200.405. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
 8. Consistent with policies and procedures that apply uniformly to both federally financed and other activities of the District.
 9. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.
 10. Consistent treatment: A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
 11. Adequately documented: All expenditures must be properly documented

REVENUES FROM INVESTMENTS

The investment of District funds must be in accordance with State statutes and will be made in a manner which secures maximum return for the District.

The primary goals of investing funds for the District shall be preservation o

[Adoption date: May 9, 1994]

LEGAL REFS.: Intergovernmental Cooperation Act of 1968, Pub. L. No. 90-577 (1968)
ORC 135.01-135.21
3313.51

BONDED EMPLOYEES AND OFFICERS

At the time of appointment or re-appointment of the Treasurer, the Board will authorize the Treasurer to execute a bond in an amount determined and approved by the Board. The bond must be deposited with the President of the Board, and a certified copy must be filed with the County Auditor. The premium will be paid by the Board.

Faithful performance bonds will be provided for the Superintendent and President at Board expense.

A blanket bond will also be provided for all school employees who handle school funds.

[Adoption date: May 9, 1994]

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

FISCAL ACCOUNTING AND REPORTING

The District's accounting system will be in conformance with the Uniform School Accounting System as prescribed by the Auditor of State for the use of school districts. The Treasurer will be 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 Treasurer will make all financial reports required by law or by State agencies and those requested by the Board.

The financial records must be kept for not less than 10 years and 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: May 9, 1994]

LEGAL REFS.: ORC 117.05; 117.06
3301.07
3313.29; 3313.32
3315.04; 3315.13
Chapter 5705

TYPES OF FUNDS

Textbook and Instructional Materials Fund

The Board maintains a Textbook and Instructional Materials Fund. The fund is accounted for within the District's General Fund, using a reasonable accounting method implemented under the Auditor of State's guidelines as they are currently enacted. The requirement may be less than 3% for a particular fiscal year. The Board may also utilize the alternate set-aside calculation as set forth as noted below in S.B. 345.

This fund is used for textbooks, instructional software, materials, supplies and equipment. Any money in the fund that is not used in a fiscal year is brought forward to the next fiscal year. The amount brought forward is not intended to meet the set-aside requirement for the current fiscal year.

The percentage of revenues on deposit, as well as the definition of what constitutes textbooks and instructional materials, is subject to applicable rules to be jointly adopted by the State Auditor and the Superintendent of Public Instruction.

The fund may be used for other purposes if both of the following steps occur during a fiscal year.

1. All of the following individuals must certify, in writing, that the District has sufficient textbooks, instructional software, materials, supplies and equipment to ensure a thorough and efficient education within the District:
 - A. the Superintendent
 - B. a person designated by vote of the business advisory council (in districts where required)
 - C. the president of the teacher's union (or designee), if applicable
2. The entire Board must unanimously adopt a resolution stating that the District has sufficient textbooks and instructional software, materials, supplies and equipment to ensure a thorough and efficient education within the District.

Capital and Maintenance Fund

The Capital and Maintenance Fund consists of 3% of all revenues received that would otherwise have been deposited in the General Fund, except that money received from a permanent improvement levy may be used to meet this requirement. Money in this fund may only be used as provided by State law. The fund is implemented under the Auditor of State's guidelines as they are currently enacted; therefore, the requirement may be less for a particular fiscal year.

Budget Reserve Fund

The Budget Reserve Fund consists of no less than \$200,000 unless the District is in a fiscal watch or fiscal emergency, or if the money is appropriated from the fund to cover revenue shortfalls and emergencies.

Maintenance Fund

The Maintenance Fund consists of the revenue generated by the District ½ mill levy. This levy will expire December, 2024. All expenditures from this fund will be in line with the District maintenance plan.

[Adoption date: August 17, 1999]

[Re-adoption date: October 9, 2006]

LEGAL REFS.: ORC 3315.17; 3315.18

CROSS REFS.: BHD, Board Member Compensation and Expenses
DBD, Budget Planning
HA, Negotiations
IGDJ, Interscholastic Athletics
IIAA, Textbook Selection and Adoption

INVENTORIES
(Fixed Assets)

The Board, as steward of this District's property, recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records. The District maintains fixed asset inventory in such a fashion as to be able to secure adequate property insurance.

In addition, a spreadsheet is to be maintained by the District for Title I equipment purchased, as well as equipment purchased from any federal funds. This inventory will include:

- Equipment description
- Identification number
- Funding source of the equipment
- Acquisition date
- % of federal participation in cost of equipment
- Disposal date and method of disposal when decommissioned

[Adoption date: May 9, 1994]

[Re-adoption date: June 17, 1997]

[Re-adoption date: October 9, 2006]

[Re-adoption date: July 25, 2011]

LEGAL REF.: ORC 3313.20

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 State Auditor's Office. The Board has the right to request an independent audit with the approval of the State Auditor's Office.

A copy of the Auditor's report will be placed on file in the State Auditor's Office; another copy will be submitted to the Board. The Board will make the audit report available for public inspection.

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 117.09
3313.27; 3313.30; 3313.483

PURCHASING

The function of purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.

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

The Board assigns the Superintendent 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.

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 3313.171; 3313.172; 3313.33; 3313.37; 3313.46
3319.04
3327.08
5705.41
Ohio CONST. art. VIII, § 4

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.

The Board will pass temporary appropriations. This will be the temporary authorization for purchases until permanent appropriations are adopted in September.

[Adoption date: May 9, 1994]

[Re-adoption date: October 9, 2006]

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

PETTY CASH ACCOUNTS

The Board authorizes the Treasurer to establish a petty cash fund for the primary purpose of mailing packages and large envelopes. Emergency types of needs will also be considered. A maximum amount of \$300 will be kept in the Treasurer's office. The Treasurer will designate who may draw from the petty cash fund. Any use of the petty cash must be reflected with the appropriate receipt.

[Adoption date: August 22, 2011]

LEGAL REFS.: ORC 9.38
3313.291

CROSS REF.: DM, Cash in School Buildings

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.

In compliance with the State Use Law, the Board directs the administration to determine if products and services needed by the District may be purchased from the Ohio Industries for the Handicapped. If applicable, the District will purchase products and/or services from the OIH.

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

Any purchase order from the General Fund, Permanent Improvement Fund or Maintenance Fund in excess of \$10,000 must have Board approval with the following exceptions: normal educational supplies including prior Board-approved textbooks, maintenance supplies, utilities, insurances, payroll, debt payments and other items needed for the daily operation of the District.

[Adoption date: May 9, 1994]

[Re-adoption date: October 11, 1999]

[Re-adoption date: October 9, 2006]

[Re-adoption date: April 20, 2015]

LEGAL REFS.: ORC 3313.46
3327.08
5705.41(D)(1); 5705.412; 5705.44

CROSS REF.: DJ, Purchasing
DJC, Bidding Requirements

PURCHASING PROCEDURES

General

1. Only the Superintendent or Treasurer may commit the system for a purchase.
2. The materials, equipment, supplies and/or services to be purchased will be of the quality required to serve the function in a satisfactory manner, as determined by the requisitioner and the Superintendent.
3. It is the responsibility of the requisitioner to provide an adequate description as required by the Superintendent, so that the latter 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.
4. It is the responsibility of the Superintendent to make alternate suggestions to the requisitioner if, in the judgment of the Superintendent, the specification would restrict competition or otherwise preclude the most economical purchase of the required items. In the case of disagreement, either party may refer the matter in accordance with established procedure.
5. When a low bidder proposes an alternate as equal to that specified, it is the responsibility of the Superintendent to determine whether the proposed substitution is, in fact, an equal. Such decision will be based on his or her evaluation and that of the requisitioner. In the case of disagreement between the requisitioner and the Superintendent, either party may refer the matter in accordance with established procedure.

Requisitions

1. The following are designated as “requisitioner”; that is, they are authorized to issue requisitions against stipulated segments of budgetary appropriations: Superintendent, supervisors and building principals. Each requisitioner will be responsible for limiting his or her requisitions to the appropriate amounts.
2. Only forms provided by the Treasurer will be used for requisitioning.
3. Standard supply lists of commonly used items will be maintained by the Superintendent and Treasurer.
4. Items not specifically included on standard lists will be requisitioned on the regular requisition forms.
5. The number of requisitions will be kept to a minimum. They will be submitted to conform with the purchasing schedule established by the Treasurer.

6. A requisition to be considered appropriate for processing will meet the following requirements:
 - A. be issued by and bear the signature of an authorized requisitioner;
 - B. contain adequate information;
 - C. be verified for adequacy of budgetary appropriation and
 - D. have the approval of the Superintendent .
7. All approved requisitions will be submitted to the Treasurer.
8. After a purchase order has been issued, the number of the purchase order will be recorded on the requisition.
9. After processing, the original copy of the requisition will be filed in the office of the Treasurer.

Purchase Orders

1. Purchase orders will include the following essentials:
 - A. a specification which 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 will be shown;
 - C. clear delivery instructions, including place and time;
 - D. signature of building principal (when appropriate), Superintendent and Treasurer;
 - E. appropriate account code number and
 - F. Treasurer's certificate of available revenue and appropriation.
2. Oral 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 which 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 will be issued immediately, marked "confirmation" indicating the purchase order number, if one was given.

(Approval date: May 9, 1994)

SALES CALLS AND DEMONSTRATIONS

Salesmen, lecturers and exhibitors shall not interfere with or interview teachers during school hours, except with the permission of the principal and/or Superintendent.

[Adoption date: May 9, 1994]

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 the Ohio Revised Code and the policies of this Board. As such the Board authorizes the use of credit cards in the following manner:

1. The Treasurer shall supervise the use of all bank credit cards issued to and in the name of the District. Such credit cards shall be used only for approved school-related activities. All employees are eligible to sign out and use the credit card under the terms of this policy provided they follow the procedures established by the Treasurer to sign out, use, substantiate, and return the card.
2. With prior approval by the Treasurer, school employees may use bank credit cards for school-related purchases from a vendor who does not accept purchase orders or in other authorizes purchases. The Board authorizes the use of District credit cards for use in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the District and serve a valid and proper public purpose shall be paid for by credit card. This includes accounts that can be used to make purchases on credit even when no physical credit card exists. The term credit card expressly excludes any procurement card account, gas or telephone card account, or any other card account where merchant category codes are in place as a system of control for use of the account.

The Board authorizes the Treasurer to determine appropriate purchases that can be made with a district credit card. The use of a credit card does not eliminate the need for compliance with the district's purchase order policies and procedures.

3. Users of credit cards shall submit the credit card and appropriate receipts and documents to the Treasurer's office within three business days. Employees permitted to carry credit cards may use the cards for any expense deemed a proper public purpose, provided a purchase order is in place in advance of the purchase. Itemized receipts must be returned with the credit card to the Treasurer substantiating the exact amount charged to the card. Reasonable gratuities are acceptable. Every effort should be made by employees to notify and provide vendors with an Ohio Sales Tax exempt form. If a merchant fails to waive the tax, the employee and Treasurer are authorized to pay it.

- A. The Board authorizes the Treasurer to work with the appropriate financial institutions that issue credit cards to determine the best type of credit card accounts for the district, and also to determine which store credit card accounts the district will utilize.
 - B. The Treasurer is responsible for working with the issuing financial institution to determine the dates when credit cards expire and the reissuance of replacement cards.
 - C. The Treasurer is responsible for determining, when necessary, the need to cancel a credit card account.
 - D. The Treasurer is responsible for notifying the issuing financial institution of a lost or stolen card. Employees using a credit card must notify the Treasurer when they become aware that a card is lost or stolen.
4. The credit card shall not be used for personal purchases or expenditures, meaning expenses that are not incurred in connection with board-approved school-related activities. Employees are liable in person and upon official bond for any unauthorized use of credit and any employee who suspects the loss, theft, or possibility of unauthorized use of a card must notify the Treasurer immediately. Inappropriate or illegal use of the card and/or failure to strictly adhere to the requirements set forth in the Treasurer's guidelines, including submitting detailed itemized receipts, may result in loss of credit card privileges, disciplinary action, up to and including termination, personal responsibility for any and all charges, including finance charges and interest assessed, and referral to law enforcement for prosecution. Employees shall be responsible to make full reimbursement to the District within thirty days for any charges that were not supported with detailed itemized receipts. Under no circumstances shall cards be used for personal purchases or the purchase of alcoholic beverages. Use of credit cards for any cash withdrawal transaction is strictly prohibited.
5. The Board authorizes the Treasurer to review available credit card accounts and to determine which account type, account provider, and credit limit 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 card reissuance or cancellation. Debit cards are prohibited by law.
6. Name of school must appear on each card. Not required by HB 312; however, the district may choose to include the district's tax ID number on the card.
7. Treasurer must file a report annually to the board detailing rewards received.

8. Sales Tax is not a permitted charge unless preauthorized by the Treasurer or the Superintendent.
9. The use of the credit card for the following items is considered unauthorized use and classified as credit card misuse - expenditures not specifically authorized by this policy, personal goods or services purchases, payment of any fines, penalties, or personal liabilities, alcoholic beverages or tobacco, fuel for use in a personal vehicle, entertainment expense (including pay-per-view movie charges, and/or any cash advances.
10. Misuse of the credit card is subject to disciplinary action, including termination; also, could be subject to prosecution if it is in violation of State criminal law.

[Adoption date: May 26, 2009]

[Re-adoption date: January 7, 2019]

LEGAL REFS.: ORC 9.21; 9.22
2913.21
3313.311

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

PAYDAY SCHEDULES

Payroll for all personnel in the District is on a bi-weekly basis, not to exceed 24 pays per contract year. Exception to the above policy is considered by the Board on an individual basis.

[Adoption date: May 9, 1994]

[Re-adoption date: October 9, 2006]

CONTACT REF.: Teachers' Negotiated Agreement

SALARY DEDUCTIONS

Except for deductions for absence not covered by paid leave or those required by law, salary deductions will be allowed only upon authorization by the employee and approval by the Board.

The following deductions are required:

1. federal, State and local income tax;
2. employee's share of retirement contribution according to current rate as set by law;
3. absence not covered by paid leave and
4. Medicare deduction in compliance with federal law.

Other deductions will be in accordance with negotiated agreements and/or Board policy.

[Adoption date: May 9, 1994]

LEGAL REFS.: ORC 9.41-9.43; 9.80; 9.81; 9.90
145.37
3307.51
3313.262
3917.04

CONTRACT REF.: Teachers' Negotiated Agreement

TRAVEL 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 personally owned vehicle has been 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 will be 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: May 9, 1994]

[Re-adoption date: August 22, 2011]

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

TRAVEL EXPENSE REIMBURSEMENTS

All expenses must have prior approval from the Superintendent or his/her 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 or his/her designee.
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 IRS rate. This is the maximum rate regardless of the number of passengers. Parking charges, as well as toll and ferry charges are reimbursable.
 - 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. If the traveler is accompanied by his/her spouse, lodging expenses are reimbursed at the single occupancy rate.
 - B. Meals: Meals consumed by a person on official business are reimbursed upon submission of appropriate itemized receipts

4. Other Reimbursable Expenses

- 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: Staff members are reimbursed with bona fide documentation for gratuities for any meals while on professional leave in the performance of their duties within the limits of prior approved meal reimbursements.

5. Travel Form and Receipts

Reimbursement for expenses is obtained by submitting an expense voucher after the expense was incurred.

(Approval date: August 22, 2011)

CASH IN SCHOOL BUILDINGS

Moneys collected by District employees and by student treasurers will be handled with prudent business procedures in order to demonstrate the ability of District employees to operate in that fashion and to teach such procedures to our students.

All moneys collected will be receipted, accounted for and directed without delay to the proper location for deposit.

In no case, shall moneys be left overnight in school buildings, except in safes provided for safekeeping of valuables; even then, no more than a few dollars should be kept. All school banks will provide for making bank deposits after regular banking hours in order to avoid leaving money in a school building overnight.

[Adoption date: May 9, 1994]

LEGAL REF.: ORC 9.38