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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.

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 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 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, materials 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 involvement, in developing budgets and guiding expenditures that achieve the greatest educational returns for the dollars expended;
2. to establish levels of funding which 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: June 24, 2002]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE/
BUDGET MODIFICATION AUTHORITY

Budget

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

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

The Superintendent/staff are responsible for the preparation of the annual budget and presentation of the budget to the Board for adoption.

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 the final appropriations measures at the proper times with the office of the County Auditor.

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

Budget Modification

1. Appropriations Modifications - With the concurrence of the Superintendent, the Treasurer is authorized to make appropriations modifications within any fund so as to cause no deficit balance within any line item of a fund, provided that such appropriation modifications are reported to and approved by the Board prior to or within 45 days after they are made; and with the concurrence of the Superintendent and without further authorization by the Board of Education, the Treasurer is authorized to make appropriations modifications within any function code series within any fund.

2. Transfers - With the concurrence of the Superintendent, the Treasurer is authorized to transfer monies between funds as is necessary to cause each line item within each fund not to have a deficit balance, provided that such transfers are reported to and approved by the Board prior to or within 45 days after they are made.
3. Advances - With the concurrence of the Superintendent and without further authorization by the Board, the Treasurer is authorized to advance monies from any line item within any fund to any line within any fund and to repay such advances, provided that repayment of each such advance is made on or before the 30th day of June next succeeding the date on which the advance is made.

Transfers Among Categories

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 among funds 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 appropriations categories and make the necessary recommendations to the Board.

[Adoption date: June 24, 2002]

LEGAL REFS.: ORC 9.34
3311.40
3313.18
5705.14; 5705.15; 5705.16; 5705.28; 5705.29; 5705.35-5705.412

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: December 10, 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

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 takes place on or before January 15 by roll-call vote.

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

[Adoption date: June 24, 2002]

LEGAL REFS.: ORC 3311.40
5705.28

FUNDING PROPOSALS AND APPLICATIONS

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 of Ohio for the educational benefit of its students.

[Adoption date: June 24, 2002]

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 adequate local funds for the operation of the District. The amount of the individual levies will be adjusted at the time of the initial request or at the time of a request for a renewal to yield sufficient revenue for the current operating expenses of the school system.
2. Accept all available state funds to which the District is entitled by law or through regulations of the State Board of Education.
3. Accept all federal funds that are available providing there is specific need for them and matching funds that are required are available.

[Adoption date: June 24, 2002]

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

ORC
3301.07
3311.21
3313.02-3313.91
3317.01-3317.11
3323.09
Chapters 5701; 5705; 5727
5747.01
5748.01-5748.06

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: April 8, 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

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 – which 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 only 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: July 16, 2007
Re-adoption date: July 13, 2015

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

REVENUES FROM INVESTMENTS

The Board of the District authorizes the District's Treasurer or the Treasurer's designee to make investments of available monies from the funds of the District in eligible securities as provided in ORC 135.14 as amended.

Under no circumstances may the District invest in a derivative as defined by the Ohio Revised Code, reverse repurchase agreements, or other funds prohibited by law.

Deposits made with an authorized institution requires a depository agreement and shall be collateralized pursuant to ORC chapter 135.

The following investment objectives will be applied in the management of the District's funds:

1. The preservation of capital and protection of principal will be assured while earning investment income.
2. The investment portfolio shall remain sufficiently liquid to enable the Treasurer to meet reasonable anticipated operating requirements.
3. Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, and not for speculation, but for investment considering the probable safety of the capital and principal.

No investments may have a maturity greater than five years from the date of purchase. To the extent possible, investments will be matched to anticipated cash flow requirements.

The Treasurer, acting in accord with the law, may withdraw funds from approved public depositories or sell negotiable instruments prior to maturity.

The Board requires the Treasurer to provide a report to the Board quarterly describing, each investment including securities, date purchased, par value, maturity date, and earning rate.

All authorized institutions and dealers initiating a sale with the District must agree to abide to the provision of this policy and sign a statement acknowledging receipt of the policy and understanding of it.

(Approval date: June 24, 2002)

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: December 10, 2018

LEGAL REFS.: ORC 9.10 through 9.12; 9.14
1306.06

BONDED EMPLOYEES AND OFFICERS

At the time of appointment or reappointment 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: April 8, 2019

LEGAL REFS.: ORC 3.06; 3.061
 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 Budget and Management 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 Historical Society.

Adoption Date: June 24, 2002
Re-adoption Date: August 14, 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

ACCOUNTING SYSTEM

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The following fund types and account groups are used by the District.

1. Governmental Funds:

General Funds – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special fund are specified by Federal and State statutes.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principle, interest and related costs.

Capital Projects Fund – The Capital Projects fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

2. Proprietary Funds:

Enterprise Funds – The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through use charges.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, generally on a cost-reimbursement basis.

3. Fiduciary Funds:

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Expendable trust funds, which account for resources which must be expended according to the provision of a trust agreement, are

accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds account for trust principal which may not be expended; only the interest earned on the principal may be used for trust operations. These funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

4. Account Groups:

General Fixed Assets Account Group – This account group is established to account for fixed assets of the District, other than those accounted for in the proprietary and trust funds.

General Long-Term Obligations Account Group – This account group is established to account for all long-term debt of the District except that accounted for in the proprietary funds.

Procedure: Review and classify all funds and account groups utilized by the District based on the above criteria.

Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds, the agency funds and the expendable trust fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. Measurable means that the amount of the transaction can be determined. Available means that the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, with two exceptions: interest on long-term debt is recorded when due; and the noncurrent portion of accrued vacation and sick leave is recorded in the general long-term debt account group.

The accrual basis of accounting (i.e., revenues are recorded when earned and expenses are recorded when incurred) is utilized by the propriety funds.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized.

Procedure: Identify, classify and apply the appropriate basis of accounting for each fund in the fund types and account groups classified in A.

Receivables

1. Property Taxes Receivable – At June 30 of each year, the property tax receivable consists of taxes assessed and uncollected for the 12-month period subsequent to the balance sheet date (including delinquencies) and taxes collected by the county auditor but not yet paid to the District. These assessed and uncollected taxes are measurable but generally not intended to finance current period operations. The receivable for taxes is offset by crediting a reserve of fund balance for the portion of those taxes that represents the amount available as an advance at fiscal year-end. The remaining portion, which is not intended to finance current year operations, is credited to deferred revenue.

Procedures:

- A. Identify total property taxes (current and delinquent) due on or before June 30 for the next fiscal year. Contact the Miami County Auditor's Office for assistance.
 - B. Set up a receivable for Property Taxes – Current, offset by an entry to Reserved for Property Taxes for the amount available as an advance at year-end and an entry to Deferred Revenue for the remaining amount.
 - C. Set up a receivable for Property Taxes – Delinquent with an offsetting entry to Deferred Revenue.
2. Accounts Receivable – Revenue which is both measurable and available or earned but has not been received and deposited prior to the end of the fiscal year is set up as a receivable.

Procedures:

- A. Analyze the original receipts for the months of July, August and September following the close of the fiscal year to identify amounts due on or before June 30 which were received after the end of the fiscal year. Such receipts may include tuition and fees, revenue from extracurricular activities, sales revenues from food services, and miscellaneous receipts. Reductions of expenditures, if they apply to transactions prior to June 30, are also part of the receivable total. Amounts due from other governments will be accumulated separately and reported as part of the Due from Other governments total below.
 - B. Set up an accounts receivable entry, crediting the proper revenue or expenditure account.
3. Accrued Interest – Investment interest which was earned on or before the end of the fiscal year but was not received and deposited before that date should be recognized as Accrued Interest.

Procedures:

- A. Review all investments held at the end of the fiscal year. Calculate the interest receivable based on interest rates, principal outstanding and date interest was last received.

- B. Debit Accrued Interest and credit Interest Income for the calculated amount.
4. Due from Other Governments – Intergovernmental revenues consisting of entitlements, grants, and charges for goods or services to other governmental units which were due but not received before the balance sheet date must be accrued.

Procedures:

- A. Amounts due from other governments which were accumulated during the analysis of the receipts for the three months following the end of the fiscal year will be reported here, with corresponding credits to the appropriate revenue accounts. Any prior year tuition and fees for students who live in another school district and attend classes at Troy City Schools which has not been received before June 30 of that year will be included.
 - B. The Accrued Wages and Benefits calculated for the internal service special education fund (014), for which the fund will be fully reimbursed, is recorded as due from other governments and offset by a corresponding entry to intergovernmental revenue.
 - C. Homestead and Rollback reimbursement – The loss of real and personal property taxes is reimbursed by the state. The amounts to be received within the next fiscal year (measurable but not available) are recorded with the offsetting entry made to Deferred Revenue – Other.
5. Due from Other Funds – During the year, transactions occur between funds for goods provided or services rendered. If payment has not been made by year-end, a receivable or payable must be recorded.

Procedures:

- A. Advances to other funds – Long-term interfund loans are reported as advances to other funds and are offset by a fund balance reserve account which indicates that the loan does not constitute expendable available financial resources and therefore is not available for appropriation.
- B. Operating transfers are recurring or routine interfund transactions. A schedule of the transfers for the fiscal year will be prepared. The transfers appear on the operating statement as Other Financial Sources/Uses.

Inventory

The inventory figure on the balance sheet represents the cost of all inventory on hand as of June 30, the close of the fiscal year. A complete physical inventory will be taken as of this date to determine the value of the inventory. The purchase method of expenditure recognition is used for the governmental fund inventory. Supplies are charged as an expenditure at the time of acquisition. Inventories on hand at year-end are recorded as an asset with a corresponding reserve for inventory in fund equity indicating that the asset does not represent spendable financial resources.

Procedures:

1. Contact the State Auditor's Office to send a representative to observe the physical inventory.
2. Identify all inventory items at the various locations by fund. These include supplies and paper at the maintenance warehouse; parts, supplies and paper at the transportation center; supplies and forms in the technology department and food service commodities, food and supplies.

The counting procedure for the inventory will be as follows:

- A. Maintenance Warehouse
 - 1) Paint – actual count of full containers
 - 2) Electrical, plumbing and heating supplies – estimate value by category
 - 3) Chemicals – actual count of full cases and individual containers
 - 4) Paper – actual count of full cases
 - B. Transportation Center
 - 1) Vehicle repair parts and supplies – estimate value by category except for major items, such as engines and tires where items counts are made
 - C. Technology Department
 - 1) Supplies and forms – actual counts of each item
 - D. Food Service
 - 1) Commodities, food and supplies – actual counts of each item
3. Value the inventory, using first-in, first-out.
 4. For governmental funds types, offset the Inventory asset entry with a credit to Fund Balance – Reserve for Inventory.
 5. Donated commodities on hand at year-end are included in inventory. Title to donated commodities, however, does not pass to the District until the commodities are used; therefore, the donated commodities revenue corresponding to the value of the commodities on hand should be deferred until the inventory is used. The fair market value of the donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue in the Non-Operating Revenue – Operating Grants.

Prepaid Items

The District pays in advance for some services, which will be received in future periods. Prepaid assets may include such items as prepaid insurance, maintenance and service contracts and rent. Because prepayments are not current financial resources, the governmental fund's fund balance should be reserved by the amount presented in the asset balance.

Procedures:

1. Identify all prepaid amounts and services. Based on the amount of the prepayment and the number of days which it covers, compute the prepaid amount.
2. Record the prepaid asset and the offsetting credit to the Fund Balance – Reserved for Prepaids.

Property, Plant and Equipment

Fixed assets belonging to the District are accounted for as either fund fixed assets or general fixed assets. Fund fixed assets are those assets utilized in providing the goods or services which are accounted for in proprietary and trust funds. Fund fixed assets are not limited to those assets acquired with proprietary fund resources but can include assets that are donated or purchased with other District resources. Depreciation of these assets is an element of expense. General fixed assets do not represent financial resources available for expenditure but are items for which financial resources have been used and for which accountability should be maintained. They are not assets of any fund but are assets of the District as a whole. Depreciation is not reported in governmental funds.

Procedures:

1. Conduct a physical inventory at the end of the fiscal year. Identify items by location and major category (buildings, equipment, and land) within fund.
2. Value all fixed assets at cost or, if the cost is not practicably determinable, at estimated cost. Donated fixed assets are recorded at their estimated fair market value at the time received. Items meeting the definition of fixed assets but not meeting the minimum dollar value, \$500, are not reported on the balance sheet as fixed assets and will not be maintained on the records as fixed assets.
3. Review lease agreements for capital leases. Once identified, these fixed assets should be included in the fixed assets listing.
4. For all fund assets, determine the estimated useful lives and calculate depreciation.

Useful lives of fixed assets have been established for the following general categories as follows:

Buildings	30 to 50 years
Building Improvements	10 to 40 years
Improvements other than Buildings	10 to 20 years
Furniture, Fixtures and Equipment	5 to 20 years

Assets received or put into service during the first six months of the year (July-December) will be depreciated for the full year and assets received or put into service during the last six months (January – June) will receive six months of depreciation for the year.

5. Record the amount of general fixed assets in the General fixed Assets Account Group.
6. Capitalize fund asset increases as Property, Plant and Equipment with the offsetting entry to Materials and Supplies Expenditure, and record depreciation expense for the year.

Payables

1. Accounts Payable – Liabilities result when the District has not yet paid for goods or services received as of the balance sheet date. The recognition of the liability, for both governmental and proprietary funds, occurs on the date that the goods or services are provided.

Procedures:

- A. Review all vouchers and supporting documentation for the 90-day period following the balance sheet date for liabilities incurred before June 30. Amounts due to other governments will be accumulated separately and reported as part of the Due to Other Governments total below.
 - B. Summarize the payables by fund and function, debiting the proper expenditures accounts.
2. Accrued Wages and Benefits – Hours worked but not paid at June 30 are reported as accrued wages payable on the District's balance sheet.

Procedures:

- A. Review the District's payroll records to determine the payroll payments made after the balance sheet date for employment services of the prior fiscal year, and summarize the data by fund and function. In addition to wages, these accruals include the following payroll amounts:

- 1) Eligible sick pay – This is the amount of severance pay due to employees who are eligible to retire but have chosen not to.
- 2) Ineligible sick pay – This is an estimate of the amount of severance pay due to employees who are not currently eligible to retire. It is based on an average of all classifications of employees.
- 3) Vacation pay – This is the amount of vacation pay earned but not taken.
- 4) Severance pay – This is the amount of sick pay due to those employees who have chosen to retire.
- 5) STRS/SERS Contribution – This is the District’s share of the retirement benefit cost (14.75% of the accrued wages).
- 6) SERS surcharge – For employees who earn less than a minimum pay, the District is required to pay a surcharge based on the difference between the employee’s pay and the minimum.
- 7) Medicare – This accrual is calculated as a percentage (1.45%) of the accrued wages.
- 8) Medical claims – This is the total of all medical claims which have been incurred but not paid as of the balance sheet date.
- 9) Medical reserves – This is an estimate of the medical claims for the three months following the balance sheet date. The estimate is based on average claims payments for the past year.
- 10) Workers’ Compensation – Since the Workers’ Compensation payment is based on a calendar year, an accrual is required for the last six months of the fiscal year. The amount is estimated using the previous year’s data.
- 11) Accrued STRS/SERS Short-term – At June 30 the school district owes an obligation equal to two months’ deductions to STRS and six months’ deduction to SERS. Since the District recognizes a three month availability period, the short-term accrual consists of the full STRS obligation (two months) and the first three months of the SERS obligation.
- 12) Accrued SERS Long-term – This is the amount of the SERS obligation which falls beyond the three-month availability period. It equals three months’ deduction to SERS.

- A. Accrued sick pay for the General Fund (001) and the Chapter 1 special revenue fund (572) is recorded in the General Long-term Debt Account Group. In addition, for these two funds, the long-term SERS obligation, which is equivalent to three months' deductions, is also included in the General Long-term Debt Account Group. All other applicable payroll payments, including the STRS/SERS short-term obligation, for funds 001 and 572 are recorded as Accrued Wages and Benefits in the 001 fund.
 - B. For the proprietary funds (food service 006, Hayner 013, and internal service 014) and the auxiliary services special revenue fund (401), all of the accrued payroll payments, including accrued sick pay and all STRS/SERS accruals, are entered as Accrued Wages and Benefits in their respective funds.
3. Due to Other Governments – Intergovernmental expenditures for goods or services from other governmental units which were received but not paid for before the balance sheet date must be accrued.

Procedures:

- A. Amounts due to other governments which were accumulated during the analysis of the vouchers for the three months following June 30 will be reported here, with corresponding debits to the appropriate expenditure accounts.
4. Due to Other funds – During the year, transactions occur between funds for goods provided or services rendered. If payment has not been made by year-end, a receivable or payable must be recorded.

Procedures:

- A. Advances from other funds – Long-term interfund loans from other funds are reported as advances from other funds.
 - B. Operating transfers are recurring or routine interfund transactions. A schedule of the transfers for the fiscal year will be prepared. The transfers appear on the operating statement as Other Financial Sources/Uses.
5. Due To Others – At the end of the fiscal year, the unreserved fund balance and the reserve for encumbrance for the student-managed activity agency fund (200) is recognized as a liability.

Procedures:

- A. For fund 200, calculate the unreserved fund balance and transfer it to the Due to Others account.

Deferred Revenue

1. Deferred Revenue: Property Taxes – Property taxes (current and delinquent) assessed for the 12-month period following the balance sheet date but not yet paid to the District are reported as receivable. The portion that represents the amount available as an advance at year-end is reported as a reserve of fund balance. The remaining portion, which is not intended to finance current year operations, is recorded as deferred revenue.

Procedures:

- A. Credit the deferred revenue account for the amount of taxes receivable which is not expected to finance current year operations.
2. Deferred Revenue: Other – The Homestead and Rollback reimbursements set up as receivables are not intended to finance current year operations and should be set up as deferred revenue. In addition, the title to the donated commodities does not pass to the District until they are consumed; therefore, the commodities which are on hand at the end of the fiscal year should be recognized as deferred revenue, not as part of the nonoperating revenue.

Procedures:

- A. Credit the deferred revenue account for the Homestead and Rollback reimbursements.
- B. Credit the deferred revenue account for the value of the donated commodities on hand at the balance sheet date.

General Obligation Bonds Payable

The principal amount of the long-term debt of the District is accounted for as a liability in the general long-term debt account group. If it were to be paid from one of the proprietary funds, it would be reported as a liability in that fund.

Procedures:

1. Identify all outstanding bonds payable as of the balance sheet date.
2. Record proprietary fund bonds as liabilities of the fund.
3. Report governmental fund bonds as part of the General Long-Term Obligation Account Group.

Fund Equity

Fund equity is the third major classification on the balance sheet and represents the difference between assets and liabilities. Fund equity has three components: investment in general fixed assets, retained earnings and fund balance.

Procedures:

1. Investment in General Fixed Assets – Record the total amount of fixed assets for the governmental funds as in the General Fixed Assets Account Group.
2. Retained Earnings – For proprietary funds, record the net income/loss in Retained Earnings. This account represents the accumulated earnings of the enterprise funds and the internal service fund.
3. Fund Balance – For governmental funds, record the net change in the unreserved fund balance for the year in the Unreserved Fund Balance account. Portions of this equity may have been reserved to indicate that a certain amount of the fund balance is not available for appropriation or is legally segregated for specific future uses. The following reserves appear on the balance sheet.
 - A. Reserved for Encumbrances – A portion of the fund balance will be expended for open purchase commitments upon vendor performance in the subsequent year. The amount recorded in this account will be the total gross encumbrances adjusted by the amount of the accounts payable and due to other governments liabilities.
 - B. Reserved for Property Taxes – The reserve amount is the amount of accrued property tax revenue that is available as an advance at the fiscal year-end.
 - C. Reserved for Inventory – The reserve amount equals the amount recorded as inventory and indicates that this portion of the fund balance is not available for expenditure.
 - D. Reserved for Prepaids – The reserve amount equals the amount of prepaid items and indicates that this portion is not available for expenditure.
 - E. Reserved for Endowments and Cash Awards – This portion of the fund balance is not available for expenditure.
 - F. Reserved for Bus Purchase - This reserve represents the amount received from the state of Ohio for the purpose of purchasing new replacement buses.

[Adoption date: June 24, 2002]

TYPES OF FUNDS
(Set Asides)

Textbook and Instructional Materials Set Aside

The Board maintains a Textbook and Instructional Materials Set Aside. 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 4% for a particular fiscal year.

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 Set Aside

The Capital and Maintenance Set Aside 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 be used only 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 than 4% for a particular fiscal year.

[Adoption date: June 24, 2002]

LEGAL REFS.: ORC 3315.17; 3315.18

CROSS REFS.: DBD, Budget Planning
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 conducts a complete inventory every five years, by physical count, of all District-owned equipment and supplies. For purposes of this policy, "equipment" means a unit of furniture or furnishings, an instrument, a machine, an apparatus or articles that retain shape and appearance with use, is nonexpendable and does not lose its identity when incorporated into a more complex unit. 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.

This District maintains a fixed asset accounting system. The fixed asset system maintains sufficient information to permit:

1. preparation of year-end financial statements in accordance with generally accepted accounting principles;
2. adequate insurance coverage and
3. control and accountability.

Each building and additions to buildings are identified by location or name and are described in detail (e.g., size, number of floors, square footage, type of construction, etc.) with the value shown for all individual structures.

Fixed equipment is inventoried by building, floor and room name or number; each item is to be listed individually. (Leased equipment that the District will eventually own must be inventoried.)

Movable equipment is inventoried by building, floor and room name or number; each item is to be listed individually. Any item that has a model number or serial number has that number noted in the description for full identification. All items assigned to a building are the building administrator's responsibility.

All equipment purchased, after the initial inventory, as capital outlay or replacement with a cost of \$2,500.00 or more and with an estimated useful life of five years or more is tagged and made part of the equipment inventory. For fixed asset reporting purposes, all equipment in excess of \$2,500.00 is used. Property records and inventory systems are sufficiently maintained to account for and track equipment acquired with federal funds.

A listing of all equipment is maintained for each building and department. This listing is updated annually by the close of the school year, or not later than the second Friday in June of each year. This updated listing is then submitted to the Treasurer's office for audit purposes.

A physical inventory of supplies is taken at the building level at the close of the school year, or not later than the second Friday in June of each year. This updated listing is then submitted to the Treasurer's office for audit purposes.

The Treasurer is assisted by principals, directors, supervisors and professional and support staffs in the performance of this function.

Adoption date: March 11, 2019

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

CROSS REF.: DECA, Administration of Federal Grant 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 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 is placed on file in the State Auditor's Office; another copy is submitted to the Board. The Board makes the audit report available for public inspection.

[Adoption date: June 24, 2002]

LEGAL REFS.: ORC 117.09; 117.10; 117.101; 117.11; 117.12; 117.26; 117.27; 117.28
3313.27; 3313.29; 3313.483

AUDITS

An Audit Committee, consisting of the Treasurer, the Superintendent, and the President of the Board of Education, shall meet within 30 days after the publication of the audit of the School District by the state of Ohio, Auditor of State or by an independent auditor to consider, review and discuss the content of the audit report and to work with the Treasurer in developing changes in policy and procedure based upon the citations, findings and recommendations contained in the audit. This annual meeting shall be called by the Treasurer by giving written notice at least two days in advance to the other members of the Committee. In addition, the Committee shall meet as called by any member of the Committee by giving written notice of time, date and place of the meeting at least two days in advance to the other members of the Committee. Matters which the Committee may consider include, but are not limited to:

1. recommending the appointment of the independent auditor;
2. studying the proposed scope of the independent audit;
3. communicating with and evaluating internal auditors on their activities, effectiveness and suggestions for improving the management's control structure;
4. evaluating the financial statements and conclusions of the independent audit and
5. examining carefully the internal control weaknesses that the auditor discovered during the audit.

To assist the Committee, by majority vote of its full membership, the Committee may appoint up to two certified public accountants who practice or reside in the Troy City School District who volunteer their assistance to the Committee. These volunteers, if appointed, shall not be members of the Committee, but shall assist the Committee in its deliberations and in the formation of its recommendations. These volunteers shall serve at the pleasure of a majority of the members of the Committee.

(Approval date: June 24, 2002)

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.

The Board authorizes "blanket" purchase orders to be issued for generic supplies. Blanket purchase orders will not extend beyond the current fiscal year.

A "super blanket": purchase order for a "specific" permitted purpose and in an amount not to exceed the line-item appropriation and fund 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 super blanket purchase order may not extend beyond the current fiscal year.

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: December 10, 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
2 C.F.R. Part 200

CROSS REFS.: DECA, Administration of Federal Grant Funds
DJC, Bidding Requirements
DJF, Purchasing Procedures
DK, Payment Procedures

PURCHASING AUTHORITY

The authority for the purchase of materials, equipment, supplies and services is extended to the District administration through approval of the annual fiscal appropriations by the Board of Education. This annual request for appropriations will be a line item presentation with supporting detail provided for each appropriate line item (SM-1 format).

The purchase of items and service on such lists require no further Board approval except in those instances where 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 of Education will pass, at its annual organizational meeting, a resolution designating the Business Manager as purchasing agent for procurement of materials, equipment, supplies and services for the appropriation year, and for the disposal of obsolete equipment and materials.

The general authorization limits which apply to all types of purchases and expense transactions are as follows:

Principals, Supervisors, Athletic Director	up to \$1,500
Cabinet Level Positions	up to \$15,000
Superintendent	over \$15,000

Any request for purchase exceeding the approved levels of authority must be routed to that individual's immediate supervisor for authorization. If the supervisor is not available within a reasonable time, then the request will be routed to the next level of authority as defined by the organization chart.

It will be the responsibility of the individual authorizing the expenditure to insure the request if within the approved appropriations.

A commitment to purchase cannot be made until a purchase order has been appropriately prepared and processed.

[Adoption date: June 24, 2002]

PETTY CASH ACCOUNTS

The Board directs the Treasurer to create petty cash accounts allowing certain administrators to make purchases within the District. Money can be drawn from accounts by check. The Treasurer designates who can use the accounts, the amount of money that may be placed in the accounts as well as the procedures and requirements for replenishing the accounts.

Account access is limited to only those individuals who have a job-related need to use these accounts. Any person using the accounts must keep a written log, which is to be turned in each day.

Annually, the Treasurer establishes the amount of money to be placed in the accounts. The Treasurer's approval is needed to replenish the accounts. No major purchases may be made from the accounts.

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: December 10, 2018

LEGAL REFS.: ORC 9.22; 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 \$10,000 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: December 10, 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

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: December 10, 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

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.

Once the threshold has been established, 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 multiple price rates or quotations.
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 District will solicit bids in writing. 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. The District will evaluate proposals in order to award the contract to the most advantageous proposal when considering cost and other factors.
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.

Approval date: December 10, 2018

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 \$20,000. 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. Credit cards may only be used by the following individuals: any District employee as monitored by the District Treasurer.
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. Reasonable gratuities are permissible.
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 five (5) 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, nonauthorized 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: December 10, 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

PAYMENT PROCEDURES

All claims for payment from District funds are processed by the Treasurer. Payment is authorized against invoices and supporting documents verifying receipt, supported by approved purchase orders or in accordance with salaries and salary schedules approved 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: June 24, 2002]

LEGAL REFS.: ORC 3313.18
3315.08
5705.41; 5705.412

CROSS REF.: DJ, Purchasing

SALARY DEDUCTIONS

Except for deductions for absence not covered by paid leave or those required by law, salary deductions are 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. unexcused or excused absence not covered by paid leave and
4. Medicare deduction in compliance with Federal law.

If requested by employees, the Board will implement payroll deductions for the Ohio Deferred Compensation Program. Other deductions are in accordance with negotiated agreements and/or Board policy.

When a teacher is absent from duty and there is no leave applicable, the absence is unauthorized. The salary deduction for each day of unauthorized absence is based on the current annual salary divided by the number of teacher work days in the official school calendar as adopted by the Board. In no case will only the salary of the substitute be deducted or a teacher be allowed to employ and pay for the substitute.

When an employee is absent from duty and there is no leave applicable, the absence is unauthorized. The salary deduction for an unauthorized absence is made on a per-diem basis in accordance with the required work year for that particular job classification.

Unauthorized absences should not occur. Repeated unauthorized absences can result in the teacher or other employee being disciplined.

[Adoption date: June 24, 2002]

LEGAL REFS.: ORC 9.41-9.43; 9.80; 9.81; 9.90; 9.91
145.37; 145.71-145.73
3307.51
3313.262
3917.04

CROSS REF.: GCBD, Professional Staff Leaves and Absences

CONTRACT REFS.: Teachers' Negotiated Agreement
Support Staff Negotiated Agreement

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 such supporting receipts as required by the administrative regulations. Such 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 has been authorized, mileage payment is made at the rate currently approved by the Board and within the limitations of Federal law.

A traveler on official school business is expected to exercise the same care in incurring expenses that a prudent person would exercise 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: June 24, 2002]

LEGAL REFS.: ORC 3313.12; 3313.20
3315.15

CROSS REF.: GCL, Professional Staff Development Opportunities

CASH IN SCHOOL BUILDINGS

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

All monies collected are receipted, accounted for and deposited every 24 hours if possible. In the event the Treasurer or person in charge of an activity is unable to deposit the money in 24 hours, the money will be accounted for and placed in a secure area. The money can be held no longer than three business days after receipt and the amount must be under \$1000.00. If the amount is more than \$1000, or the money cannot be adequately safeguarded, it must be deposited on the business day following the date of receipt.

In no case shall monies be left overnight in school classrooms. The Treasurer provides for making bank deposits after regular banking hours in order to avoid leaving money in a school building overnight.

[Adoption date: June 24, 2002]

LEGAL REF.: ORC 9.38

CROSS REFS.: DH, Bonded Employees and Officers
IGDG, Student Activities Funds Management

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, or 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: October 9, 2017

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