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FISCAL MANAGEMENT GOALS

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

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

As trustees of the community's investment in the facilities, materials and operational funds, the Board has a fiduciary responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Board expects that the Superintendent and the Treasurer keep it informed through 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, materials and equipment through prudent and economical operation, maintenance and insurance.

The Board seeks to achieve the following goals to:

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

[Adoption date: April 11, 2005]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE/
BUDGET MODIFICATION AUTHORITY

Budget

The purpose of the annual tax budget is to enable the county budget commission to establish tax rates and serve as the basis for certification of revenue to the District.

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

The Treasurer, the Superintendent and their staffs 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 (or submitted a certification that no amended certificates are necessary), the Board can delay action on the annual appropriation measure until such time as the certificates are received.

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

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

Budget Modification

Modification of funds from major fund to major fund require Board approval.

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: April 11, 2005]

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

THIS IS A REQUIRED POLICY

BUDGET PLANNING

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 financial forecasts for at least four years beyond the current fiscal year.

The budget reflects the District's goals, objectives and programs. Any changes or alterations in programs are approved by vote of the Board.

The budget is prepared and adopted by January 15 of each year and covers the period from July 1 to June 30 of the succeeding year.

[Adoption date: April 11, 2005]

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

CROSS REFS.: AE, School District Goals and Objectives
BCF, Advisory Committees to the Board

THIS IS A REQUIRED POLICY

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 and is 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.

It is the responsibility of the Superintendent, members of his/her staff and the Treasurer to attend the hearing of the county budget commission to review the budget and answer any pertinent questions.

[Adoption date: April 11, 2005]

LEGAL REFS.: ORC 5705.28; 5705.30

FUNDING PROPOSALS AND APPLICATIONS

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

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

[Adoption date: April 11, 2005]

LEGAL REF.: ORC 3313.20

THIS IS A REQUIRED POLICY

REVENUES FROM TAX SOURCES

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

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

[Adoption date: April 11, 2005]

LEGAL REFS.: Ohio Const. Art. XII, Section 2
ORC 3301.07
3311.21
3313.17 through 3313.20; 3313.29; 3313.51
3317.01 through 3317.11
3323.09
Chapters 5701; 5705
5748.01 through 5748.06

THIS IS A REQUIRED POLICY

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 will include time and effort reporting in accordance with Uniform Guidance and the requirements of ODE or other applicable pass-through-entity.

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

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.

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.

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.

Covered individuals will not solicit or accept any gratuities, favors, or items from a contractor or a party to a subcontractor for a federal grant or award. Violations of this rule are subject to disciplinary action.

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

5. Equipment and Supplies Purchased with Federal Funds

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

6. Accountability and Certifications

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

7. Monitoring and Reporting Performance

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

[Adoption date: July 12, 2016]

[Re-adoption date: January 8, 2018]

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 NONTAX SOURCES

All moneys collected by the District from fees, fines, admissions and other nontax sources are deposited in appropriate accounts within 24 hours unless the amount collected is not material in nature, in which case, as soon as possible after collection.

Federal and state grants, gifts and donations to the Board are processed as specified by law.

[Adoption date: April 11, 2005]

REVENUES FROM INVESTMENTS

Scope

This policy is designed to cover all monies under control of the Treasurer. In addition to the policies detailed below, State law is adhered to at all times. This policy automatically incorporates any and all changes in State law affecting school district investments as they from time to time occur.

Objectives

The following objectives apply to the management of District funds.

1. Investments are made in order to seek preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities, whether by default or erosion of market value, does not exceed the income generated from the remainder of the portfolio.
2. The portfolio remains sufficiently liquid to enable the District to meet reasonably anticipated operational requirements.
3. The portfolio is managed in such a way as to exceed or at least equal the market average rate of return over the course of budgetary and economic cycles, taking into account State law (which restricts the type of investments), safety considerations and cash flow requirements.
4. Bank account relationships are managed in order to secure adequate services while minimizing costs.

Investing Authority

In accordance with State law, the investing authority resides with the Treasurer. Such authority allows for the explicit delegation of authority to persons responsible for investment transactions.

Authorized Financial Institutions and Dealers

U.S. Treasury and agency securities and instrumentalities purchased outright are purchased only through financial institutions located within the State or through “primary securities dealers” located within the state, as designated by the Federal Reserve Board.

Purchase agreements are transacted only through bank branches and/or through “primary securities dealers” located within the state with which the District has a signed master repurchase agreement as required in State law.

Certificates of deposit are transacted through commercial banks or savings and loans with FDIC coverage.

A list of these authorized institutions and dealers is maintained with the investing authority. Additions and deletions to this list are made when deemed in the best interest of the District.

Authorized Investments

The investing authority may invest on behalf of and in the name of the District in those instruments as defined in State law at a price not exceeding their fair market value.

Prohibited Investments

The following investments and investment practices are prohibited:

1. investments in derivatives and no-load money market mutual funds that invest in derivatives. Derivative is defined by State law as any financial instrument based upon or linked to another asset or index that is separate from the financial instrument itself. Any security that is based upon an issue of the United States Treasury, other federal agency or instrumentality, the state of Ohio or any political subdivision of the state is not considered to be a derivative even though it has a variable interest rate based upon a single interest payment or single index consisting of other securities issued or guaranteed by the United States, provided that such variable interest rate investment has maximum maturity of two years;
2. inactive fund investment in stripped principal or interest obligations;
3. inactive fund investments in a fund established by another country, subdivision, treasurer or governing board for the purpose of investing public funds of other subdivisions other than STAROhio and funds established to acquire, construct, lease or operate a municipal utility;
4. repurchase agreements whereby the District agrees to repurchase securities (reverse repos.);
5. sale of taxable notes for the purpose of arbitrage;
6. use of current investment assets as collateral to purchase other assets or
7. contracting to sell securities that have not yet been acquired on speculation that bond prices will decline.

Maturity

Market conditions and cash flow requirements are considered in determining the term of an investment. Provided cash flow requirements have been satisfied, maturity length is determined by market conditions and interest rate forecasts, with the goal being to buy where relative value exists along the maturity spectrum.

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Collateral

All investments and deposits are collateralized pursuant to State law.

The institution below by signing submits that it has read and acknowledges the investments and depository policy, and agrees to abide by its content.

Name of Institution

Authorized Officer

Date Signed

[Adoption date: April 11, 2005]

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

THIS IS A REQUIRED POLICY

USE OF SURPLUS FUNDS

The Treasurer or his/her designee is permitted to invest in any security specifically authorized by State law. For purposes of this policy, repurchase agreements are defined as follows.

All portfolio transactions are performed on a competitive basis. Each bid or offer is simultaneously received from three providers, when practical. Each price is recorded and the best price selected for execution. In the case of a tie (matching prices), the tie is broken by the Treasurer/designee.

At no time will safety of the portfolio's principal investment be impaired or jeopardized. Safety is herein defined as the certainty of receiving full par value plus accrued interest, at the security's legal final maturity.

[Adoption date: April 11, 2005]

LEGAL REFS.: ORC 135.01; 135.03; 135.04; 135.05; 135.08; 135.09; 135.12; 135.14; 135.21

REVENUES FROM SCHOOL-OWNED REAL ESTATE

The Board may dispose of real and personal property held by it in its corporate capacity, in the manner prescribed by law. The Board has no authority to donate or give school property to any private person, public corporation or agency.

If property valued at more than the statutory limit is to be sold, the Board sells such property at public auction after giving public notice of at least 30 days in advance of the sale.

The Board may accept rental fees for the use of property which is not needed for school purposes.

[Adoption date: April 11, 2005]

LEGAL REFS.: ORC 3313.41

GIFTS, GRANTS AND BEQUESTS FROM PRIVATE SOURCES

The Board may accept and hold in trust for the use and benefit of the District any grant or devise of land and any donation or bequest of money or personal property, provided any stipulations or conditions involved do not remove any portion of the District from the control of the Board.

[Adoption date: April 11, 2005]

FISCAL ACCOUNTING AND REPORTING

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

The financial records must be adequate to:

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

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

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

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

[Adoption date: April 11, 2005]

[Re-adoption date: September 23, 2014]

[Re-adoption date: January 8, 2018]

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

TYPES OF FUNDS

Textbook and Instructional Materials Fund

The Board directs the establishment of a reserve fund (reserve) to provide sufficient instructional materials to ensure a thorough and efficient education of all students of the District. The monies are to be used strictly for items in accordance with statute and/or rules established by the State Auditor and the Ohio Superintendent of Public Instruction.

The Treasurer is responsible for the administration of the reserve and arranges to deposit into the reserve each year the percentage designated by the state.

During any given fiscal year, monies may be appropriated for other purposes than those listed above if the Board so resolves by unanimous vote of all members after receiving written certification from the Superintendent and the President (or designee) of the Three Rivers Education Association that the District has sufficient textbooks and instructional software, materials, supplies and equipment to ensure a thorough and efficient education within the District.

This funding requirement is not to be superseded by any terms of a collectively bargained negotiated agreement.

Capital and Maintenance Fund

The Board directs the establishment of a reserve fund (reserve) to be used solely for acquisition, replacement, enhancement, maintenance or repair of permanent improvements in accordance with statute and/or the rules established by the State Auditor and the Ohio Superintendent of Public Instruction.

The Treasurer is responsible for the administration of the reserve and annually deposits into the reserve the percentage or revenues stipulated by the state. Revenues from a permanent improvement levy may be substituted for the reserve set-aside requirement.

This funding requirement is not to be superseded by any terms of a collectively bargained negotiated agreement.

[Adoption date: April 11, 2005]

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 shall conduct 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 which retain shape and appearance with use, is nonexpendable and does not lose its identity when incorporated into a more complex unit.

This District shall maintain a fixed asset accounting system. The fixed asset system shall maintain 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 \$1,000 or more and with an estimated useful life of five years or more is tagged and made part of the equipment inventory.

Audio-visual equipment and computer equipment are inventoried. Each component is inventoried and a number is engraved on each. An accurate official record of textbooks, computer software and library books is kept.

A computer-generated listing of all equipment is supplied to 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 computer update.

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 computer update.

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

[Adoption date: April 11, 2005]

LEGAL REF.: ORC 3313.20

THIS IS A REQUIRED POLICY

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: April 11, 2005]

LEGAL REFS.: ORC 117.10; 117.11; 117.12; 117.26; 117.27; 117.28
3313.29

PURCHASING

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

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

The Board authorizes "open" purchase orders to be issued for generic supplies for up to one year and up to the \$5,000 limit. Open purchase orders will not extend beyond the current fiscal year.

An open purchase order for a "specific" permitted purpose and in an amount not to exceed \$5,000 or the line-item appropriation and fund, whichever is less, is authorized to the extent permitted by law. The permitted purpose list may include payment for accountants, architects, attorneys, construction project managers, consultants, engineers, fuel oil, gasoline, food items and utilities. The specific purpose purchase order may not extend beyond the current fiscal year.

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

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

[Adoption date: April 11, 2005]

LEGAL REFS.: Ohio Const. VIII, Section 2e
ORC 9.314
3313.172; 3313.18; 3313.33; 3313.46
3319.04
3327.08
5705.38; 5705.39; 5705.40; 5705.41; 5705.412

CROSS REFS.: DJC, Bidding Requirements
DJF, Purchasing Procedures
DK, Payment Procedures

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.

Check access is limited to only those individuals who have a job-related need to use these payment methods. Any person using checks 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 procedure, or who does not take prudent measures to ensure that proper security is maintained, may be held personally liable for losses.

[Adoption date: April 11, 2005]

LEGAL REFS.: ORC 9.38
3313.291

CROSS REF.: DM, Cash in School Buildings

THIS IS A REQUIRED POLICY

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 \$25,000 but under \$50,000 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, including the applicable bidding requirements.

[Adoption date: April 11, 2005]

[Re-adoption date: December 9, 2014]

[Re-adoption date: March 29, 2017]

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

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.

All purchases for property and services made using federal funds are 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: April 11, 2005]

[Re-adoption date: January 8, 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 Provisions

1. All purchases are by purchase order processed through the Treasurer's office.
2. The Treasurer is the contracting agent for all financial obligations.
3. The Treasurer is responsible for encumbering the funds as soon as the purchase order has been issued.
4. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order. Before such a commitment is made, the Treasurer or designee is contacted for prior approval and for a purchase order number. In all such cases, a purchase order is issued as soon as possible after the commitment is made.
5. Confirming purchase orders are honored only in cases cited in the above paragraph.
6. Purchase orders for ongoing commitments such as service contracts and leases should be renewed annually at the beginning of each fiscal year (July 1).
7. Purchases of contracted services are negotiated either verbally, by a Request for Proposal or through the bid process, as determined by the Superintendent/designee.
8. Each administrator responsible for an operational budget may determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
9. Three quotes should be requested for any item or group of items in a single transaction costing over \$25,000, unless otherwise determined by the Superintendent/designee.
10. Blanket Purchase Orders

Blanket purchase orders may be issued for limited amounts to cover small regular purchases by authorized employees. The purchase orders are to be issued in an amount not greater than \$5,000, for only a three-month period and for a specific type of purchase. Authorized employees may purchase items from designated vendors when the blanket purchase order has been properly executed and pre-approved. At the end of each month, attach the accumulation of invoices to the verification copy (goldenrod) of the purchase order and submit to the Treasurer's office. **PAYMENT FOR UNAUTHORIZED PURCHASES IS THE RESPONSIBILITY OF THE PURCHASER.**

Blanket purchase order payments must be supported by itemized invoices. The invoices should be stapled to the verification copy of the purchase order. Invoices stuffed into interoffice mail haphazardly are returned.

1 of 3

Invoices and related documents must be submitted within 10 days following the month end. If these documents are not provided in a timely manner, future blanket order requests for a vendor will be disapproved.

A new requisition is required each quarter.

11. A "Super Blanket PO" may be issued for amounts greater than \$5,000 for expenditures and/or contracts from a specific line item appropriation in a specified fund for most professional services, fuel, oil, food items (cafeteria use) and other specific recurring and reasonably predictable operating expenses. This certification is not to extend beyond the current fiscal year.
12. Annual purchase order cut off dates are as follows:
 - A. Purchase orders must be processed in the Treasurer's office on or before April 30, unless an emergency exists (as determined by the Treasurer).

Purchase Order Procedure

1. The requisitioner completes the purchase requisition form and submits the purchase requisition form to the principal/supervisor for approval.
2. Once approved, the principal/supervisor (or designee) enters the purchase requisition into the computer system.
3. The requisition (printed from the computer) is sent to the Treasurer's office, along with all appropriate attachments, for final approval (by the Superintendent or designee).
4. The purchase order is then printed in the Treasurer's office.
5. The original copy of the purchase order is sent to the vendor (unless there are specific instructions to the contrary).
6. A copy of the purchase order is filed in the Treasurer's office and copies are sent to the appropriate personnel.

Payment Procedure

1. When delivery is made, the principal/supervisor checks the goldenrod copy of the purchase order to ensure the order has been received correctly and in proper condition.
2. If everything is in order, the goldenrod copy of the purchase order is initialed (in the lower right hand corner) and sent within five working days to the Treasurer's office for payment.

3. The Treasurer's office compares the goldenrod copy against the invoice. If everything is in order, payment is issued.

4. If the Treasurer's office finds discrepancies or has questions, the principal/supervisor is contacted.
5. The vendor's invoice and the goldenrod copy of the purchase order are filed with a copy of the payment voucher.

(Approval date: April 11, 2005)

CREDIT CARDS

The Board recognizes the efficiency and convenience afforded the day-to-day operation of the District through the use of credit cards. 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 use of credit cards in the following manner.

1. All credit cards issued to an individual and/or in the name of the District shall be supervised by the Treasurer.
2. Credit cards may be used for proper District expenditure purposes.
3. Credit cards may be used for District-related travel and meetings including registrations, lodging, meals, parking and other related travel costs subject to the reimbursement limits established by the Board. Professional leave forms must still be completed when applicable.
4. Credit cards may be used by employees for purchases from a vendor who does not accept purchase orders.
5. Credit cards may be used for purchases from a vendor who accepts purchase orders but the expediency of the purchase is needed to maintain a safe, orderly, and/or uninterrupted educational or extracurricular activity. This use is subject to Treasurer discretion.
6. Provided funds are budgeted and deposited with the Treasurer in advance, credit cards may be used by District employees for student trips and competitions for safety and security reasons.
7. A purchase order for the proper expenditure accounts must be in place to the credit card financial institution prior to the credit card purchase.
8. The employee using the credit card should provide the appropriate tax exemption form so that sales tax is not charged. If the use of the tax exemption form is not possible, the reason must be documented and expenditure is allowed. A tax from outside the state of Ohio is allowed.
9. Receipts and appropriate form(s) are to be turned in to the Treasurer in accordance with current Treasurer's office procedures. Failure to turn in the receipts and appropriate form(s) to the Treasurer may result in charges being deemed unrelated and unsubstantiated.

10. The individual cardholder is personally responsible for any unrelated or undocumented purchases. All purchases over the Internet are the sole responsibility of the employee using the card in the event of business fraud. Repayment of unrelated or undocumented purchases may be made by cash, check or payroll deduction to the District. Abuse of the credit card is subject to disciplinary procedures, including termination.
11. The Treasurer's office will maintain a record of all credit card procedures, cardholders/users, card spending limits, and use.

The use of the credit card is prohibited for the following items:

1. Purchase of personal goods or services for any person(s) attending a District business function with the employee as a guest.
2. Payment of any fines, penalties, or personal liabilities incurred by the employee using the card.
3. Alcoholic beverages or tobacco products.
4. Fuel for use in personal vehicle.
5. Entertainment expenses, including pay-per-view charges and/or, cash advances.

[Adoption date: April 11, 2005]

[Re-adoption date: December 9, 2014]

[Re-adoption date: September 27, 2016]

CROSS REFS.: DJ, Purchasing
DJB, Petty Cash Accounts
DLC, Expense Reimbursement
GCL, Credentialed Staff Development Opportunities
GDL, Classified Staff Development Opportunities

CREDIT CARDS

Credit cards may be used for the following purposes.

1. School business travel, meetings, lodging and meals for out-of-District meetings or seminars are subject to the reimbursement limits established by the Board.
2. Gratuities are permissible only when card use is for group purchases and the tip is automatically added to the bill.
3. Purchases from vendors that require a credit card as form of payment do not supersede the requirement of pre-approval of a purchase order for the purchase. The use of the credit card for electronic commerce must be pre-approved by the submission of a purchase order prior to purchase.
4. The use of the credit card over the Internet must be safeguarded at all times. All vendors must be pre-approved for use and must show sufficient proof of being a legitimate business entity. All purchases over the Internet are the sole responsibility of the Board's authorized buyer in the event of business fraud.
5. If the use of a tax-exempt form is not possible, the expenditure is allowed. The person using the credit card should take along the appropriate tax exemption form so that sales tax is not charged.

Upon returning from an approved business trip, an employee shall submit all original itemized invoices and original credit card charge receipts to the Treasurer's office. Credit card statements will not suffice as invoices. Credit card statements will be mailed directly to the Treasurer's office. 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. Receipts for meals must include the names of all individuals for whom meals were provided and the purpose of the meeting.

The use of the credit card is prohibited for the following items:

1. 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;
2. payment of any fines, penalties or personal liabilities incurred by the administrator or anyone else;
3. alcoholic beverages or tobacco;

4. fuel for use in a personal vehicle;
5. entertainment expenses, including pay-per-view movie charges and/or
6. cash advances.

Persons using a credit card for personal, nonauthorized purposes or undocumented expenditures shall be held personally responsible for those expenditures. Abuse of the credit card is subject to disciplinary procedures, including termination.

The use of a credit card does not supersede the required completion of a professional leave form when applicable. These procedures also dictate the reimbursement procedures of the Board.

(Approval date: April 11, 2005)

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: April 11, 2005]

LEGAL REFS.: ORC 3313.18
3315.08
5705.38 through 5705.412

CROSS REFS.: DJ, Purchasing
DLB, Salary Deductions

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.

The District may limit the right of an individual employee to designate the agent, broker or company to write tax-sheltered annuities by requiring designation by at least one percent of the District's full-time employees or at least five, whichever is greater, except that a District may not require that a company be designated by more than 50 employees.

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 workdays 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: April 11, 2005]

LEGAL REFS.: ORC 9.40 through 9.43; 9.45; 9.80; 9.81; 9.90; 9.91
148.01; 148.04
3315.08

CROSS REFS.: DK, Payment Procedures

Three Rivers Local School District, Cleves, Ohio

GCBD, Credentialed Staff Leaves and Absences
GDBD, Classified Staff Leaves and Absences

CONTRACT REFS.: Teachers' Negotiated Agreement
Classified 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 procedures. 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: April 11, 2005]

LEGAL REFS.: ORC 3313.12; 3313.20
3315.15

CROSS REF.: GCL, Credentialed Staff Development Opportunities

THIS IS A REQUIRED POLICY

EXPENSE REIMBURSEMENTS

Professional Meeting Reimbursement

A professional meeting is defined as a meeting, conference, seminar, discussion, class or other gathering which an employee attends to improve, educate, advise or assist the employee so that he/she may improve his/her performance. Professional meetings for members of the Board are designated as such by the Board. Approval of expenses for members of the Board is by the Superintendent, subject to review by the Board. Professional meetings and reimbursements for employees are approved by the Superintendent or his/her designee in accordance with this procedure.

An employee requesting leave with pay to attend a professional meeting must file a written request with the Superintendent at least five days in advance of the meeting, indicating the dates of the requested leave, the meeting he/she wishes to attend and the purpose of the meeting. If a leave is approved, the employee is entitled to attend the approved meeting at no loss in pay and reimbursed for the approved itemized expenses. Registration fees are reimbursable. When meals are not part of the registration or program, an employee may include the cost of meals for reimbursement. The maximum is \$10 for breakfast, \$15 for lunch and \$25 for dinner. The Superintendent has the authority to approve larger amounts if circumstances warrant. As authorized by the Auditor of State, gratuities paid for service at meals may be reimbursed up to a maximum of 15% of the cost of the meal reimbursement in addition to the amounts above.

When an employee requests advance payments of registration fees, lodging or transportation costs to attend a professional meeting and does not attend, the employee is personally responsible for repayment of all fees advanced. Non-payment could result in a payroll deduction.

The per mile travel reimbursement rate is established by the Internal Revenue Service (IRS) and amended by the IRS from time to time.

Air fare reimbursement is limited to coach. Rooms are procured at group rates whenever possible. To the maximum extent possible, room tax exemptions are sought in advance in accordance with procedures and forms from the Treasurer's office. When tax exemptions are available, but not properly requested, they become the obligation of the employee.

The Superintendent is hereby authorized to approve or disapprove professional meeting requests for employees and the payment of expenses for attendance at the same in accordance with this procedure or to approve partial cost reimbursement and/or a maximum total reimbursement which is less than actual expenses.

(Approval date: April 11, 2005)

CASH IN SCHOOL BUILDINGS

On many occasions, cash and personal checks are received in payment of obligations to schools or from student activity and athletic sources. Such monies are to be deposited in designated financial institutions or with the Treasurer, as he/she directs, no later than 24 hours after the collection. Holding such funds overnight is not encouraged.

Monies are not to be commingled with personal funds.

Funds held longer than this period prevent proper crediting to accounts, delay bank clearing of checks and invite loss by theft and neglect. The employee(s) holding such funds longer than 24 hours and which such funds are stolen or otherwise negligently lost are expected to make full restitution or to assure recovery and held personally responsible for any such loss.

The policy does not apply to authorized petty cash or change funds. Although they must be properly protected, they need not be deposited unless they exceed designated limits.

No payments are to be made from cash receipts.

[Adoption date: April 11, 2005]

LEGAL REFS.: ORC 9.38
3313.291

CROSS REFS.: DJB, Petty Cash Accounts
IGDG, Student Activities Funds Management
KMA, Relations with Parent Organizations

SCHOOL PROPERTIES DISPOSAL

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

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

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

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

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

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

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

1. The Superintendent determines that the value of the property is less than the value set forth in State and Federal law. 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: April 11, 2005]

[Re-adoption date: July 9, 2007]

[Re-adoption date: December 13, 2011]

[Re-adoption date: May 28, 2013]

[Re-adoption date: September 23, 2014]

[Re-adoption date: September 8, 2015]

[Re-adoption date: March 29, 2017]

[Re-adoption date: January 8, 2018]

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