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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 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:

1. to engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures to achieve the greatest educational returns for the dollars expended;
2. to establish levels of funding which 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: August 14, 2000]

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 Ohio 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.

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

Appropriations

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

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

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

Budget Modification

Modification of funds between line item appropriations within each major fund and any transfers permitted by law 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 moneys 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: August 14, 2000]

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

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 Treasurer are responsible for preparing financial forecasts for at least five 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 by January 1 of each year and covers the period from July 1 to June 30 of the succeeding year.

[Adoption date: August 14, 2000]

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

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

## 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: August 14, 2000]

LEGAL REFS.: ORC 3311.40  
5705.28

CLEAR FORK VALLEY LOCAL SCHOOL DISTRICT  
POST-ISSUANCE COMPLIANCE POLICY

Purpose:

The Clear Fork Valley Local School District, Richland and Knox Counties, Ohio (the "District") uses bonds as one means of financing capital projects in support of its mission. This Post-Issuance Compliance Policy (the "Policy") outlines the policies and procedures to promote compliance with federal income tax and securities laws, as well as the requirements set forth in the bond documents for each bond issue. The policy is to strictly follow the U.S. Constitution and laws and the Ohio Constitution and laws. For purposes of this policy, the term "bonds" means any obligation of the District incurred for the purpose of borrowing money, including, without limitation, bonds, notes and certificates of participation in capital leases.

I. Monitoring of Post-Issuance Compliance

Monitoring of post-issuance compliance for bonds will be the responsibility of the Treasurer. The Treasurer may designate employees to carry out the Treasurer's duties under this Policy on the Treasurer's behalf in the same manner and with the same effect as any similar designation for any other purpose permitted by law.

II. Compliance with Covenants in Bond Documents

The Treasurer shall ensure compliance with all financial and operational covenants made by the District in the bond documents, including but not limited to financial reporting, insurance requirements, the recording of mortgages, restrictions on incurring additional indebtedness, restrictions on the disposition of property, and restrictions on granting liens or encumbering property.

III. Federal Tax Law Compliance

A. Proper Use of Proceeds

The Treasurer shall ensure that bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any tax compliance certificate or agreement related to each bond issue.

B. Investment of Bond Proceeds

The Treasurer shall ensure that bond proceeds are invested in investments that are permissible under the terms of the Ohio Revised Code, the bond documents, and any applicable federal tax laws.



C. Arbitrage Rebate Calculations

The Treasurer shall ensure the timely completion of arbitrage rebate calculations and filings.

D. Administration of Direct Pay Bonds

The Treasurer shall ensure the proper administration of each issue of bonds qualifying for the payment by the federal government of a credit equal to a percentage of interest on such bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the bonds for purposes of federal income taxation.

E. Use of Bond-Financed Facilities

The Treasurer shall consult with Bond Counsel for the District before entering into any agreement or other arrangement for the sale, lease, or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements. The Treasurer or the designee of the Treasurer shall review such agreements for compliance with federal tax laws and complete a Private Business Use Contract Review Worksheet (attached as Exhibit A) to document that such review has been completed.

F. Post-Issuance Transactions

The Treasurer shall consult with Bond Counsel for the District before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the bonds; engaging in post-issuance credit enhancement transactions (*e.g.*, bond insurance, letter of credit) or hedging transactions (*e.g.*, interest rate swap, cap); terminating or appointing successor trustees; releasing any liens; or reissuing the bonds.

G. Remedial Action

In the event that it is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the bonds, the Treasurer shall consult with the District's Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the District to take with respect to such bonds or bond-financed facilities according to Treasury Regulations Section 1.141-12 or other remedial actions authorized by the Commissioner of Internal Revenue under 1.141-12(h).

IV. Federal Securities Law Compliance

- A. The Treasurer shall ensure compliance with all applicable federal securities laws and regulations, including the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.
- B. To the extent required by any continuing disclosure agreement, the Treasurer shall:

On an annual basis, submit an annual financial report, including audited financial statements and any other information required by the continuing disclosure agreement, to the entities required by the bond documents.

Make a timely report of any significant material events (as defined by the continuing disclosure agreement) related to the District's outstanding bond issues to the entities required by the bond documents.

V. Recordkeeping

A. Responsibility for Records Maintenance

1. The Treasurer shall be responsible for maintaining records related to bonds of the District.
2. The Treasurer shall maintain a central list of records related to each issue of bonds of the District. The list shall identify:
  - a. The name and date of the document related to the issue,
  - b. The person or office responsible for the document, and
  - c. The physical or electronic location of the document.

B. Bond Records to be Maintained

1. The following records shall be maintained for each outstanding bond issue for the term of the outstanding bond issue plus three years:
  - a. Basic records relating to the bond transaction, including the trust indenture, loan, lease, or other financing agreement, the relevant IRS Form 8038 (including Forms 8038-G, 8038-B, or 8038-TC, as applicable) with proof of filing, and bond counsel opinion shall be maintained by the Treasurer's Office;
  - b. Documentation evidencing the expenditure of bond proceeds, such as construction or contractor invoices and receipts for equipment and furnishings, as well as records of any special allocation made for tax purposes shall be maintained by the Treasurer's Office;
  - c. Documentation evidencing the lease or use of bond-financed property by public and private sources, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements shall be maintained by the District office executing such agreement for use of bond-financed property; and

- d. Documentation pertaining to investment of bond proceeds, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds, and rebate calculations shall be maintained by the Treasurer's Office.
2. The Treasurer shall maintain the District's audited financial statements for not less than seven years.

#### VI. Bond Counsel Review

The Treasurer may engage Bond Counsel to assist in implementing this policy, including, but not limited to, assistance in the following areas:

- A. Rebate calculations and compliance;
- B. Records retention;
- C. Periodic review of the central list of records related to bonds for compliance with federal tax laws regarding private business use;
- D. Other federal tax law compliance, including any annual reporting requirements that may be imposed by the Internal Revenue Service; and
- E. Federal securities law compliance.

#### VII. Training Requirements

Within six months of becoming the Treasurer, and on an as-needed basis thereafter, the Treasurer and the Treasurer's designees, if any, shall undergo training regarding basic federal tax concepts relating to bonds and records required to be maintained under this policy.

#### VIII. Annual Policy Review

On an annual basis, or sooner if deemed necessary by the Treasurer, the Treasurer shall review this policy and assess the District's compliance with this policy. The Treasurer shall make changes to this Policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities laws and any other applicable law.

**EXHIBIT A**

**CLEAR FORK VALLEY LOCAL SCHOOL DISTRICT  
PRIVATE BUSINESS USE CONTRACT REVIEW WORKSHEET**

District Department: \_\_\_\_\_

Contracting Parties: \_\_\_\_\_

Type/Title of Agreement: \_\_\_\_\_

**Agreement Not Subject to Private Use Limitation**

- \_\_\_\_\_ Relates solely to construction of bond-financed facility
- \_\_\_\_\_ Relates to property that was not financed with proceeds of a bond issue
- \_\_\_\_\_ Does not relate to use or function of property
- \_\_\_\_\_ Includes incidental services only (janitorial, office equipment repair, or similar services)
- \_\_\_\_\_ Compensation consists solely of reimbursement of actual and direct expenses incurred by the service provider while providing services under the agreement

**Agreement Satisfies Safe Harbors for Management/Service Contracts** (See definitions on page 2.)

- \_\_\_\_\_ Service provider is not an agent or *related party* and
- \_\_\_\_\_ Payments are reasonable in amount and are not based in whole or in part on share of *net profits* and
- \_\_\_\_\_ Compensation meets one of the following sets of criteria:
  - \_\_\_\_\_ at least 95% *Periodic Fixed Fee*; maximum term of 15 years
  - \_\_\_\_\_ at least 80% *Periodic Fixed Fee*; maximum term of 10 years
  - \_\_\_\_\_ at least 50% *Periodic Fixed Fee*, 100% *Capitation Fee*, or combination; maximum term of 5 years; terminable without *penalty* or cause after 3 years
  - \_\_\_\_\_ *Per Unit Fee* or combination *Periodic Fixed Fee* and *Per Unit Fee*; maximum term of 3 years; terminable without *penalty* or cause after 2 years
  - \_\_\_\_\_ percentage of fees charged or combination of *Per Unit Fee* and percentage of gross revenues or expenses (but not both); maximum term of 2 years; terminable without *penalty* or cause after 1 year; and one of the following must apply:
    - \_\_\_\_\_ service provider primarily provides services to third parties
    - \_\_\_\_\_ agreement involves a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses (*e.g.* contract for general management services for the first year of operations)

**Agreement Requires Further Review by Bond Counsel**

- \_\_\_\_\_ Ownership (including agreement that transfers title at end of the term)
- \_\_\_\_\_ Lease, license, or any other agreement which creates exclusive or priority rights to use any portion of a bond-financed property or which creates an economic benefit for the third-party user
- \_\_\_\_\_ Agreement with governmental entity or 501(c)(3) organization
- \_\_\_\_\_ Research agreement
- \_\_\_\_\_ Management or service contract falling outside safe harbors listed above (provide explanation)

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Reviewer: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Definitions:**

*Related Party:*

In reference to a governmental unit or a 501(c)(3) organization, any member of the same "controlled group" as defined in §1.150-1(e) of the Treasury Regulations, and in reference to any person that is not a governmental unit or 501(c)(3) organization, a "related person" as defined in §144(a)(3) of the Internal Revenue Code.

*Net Profits:*

Net profits under generally accepted accounting principles (GAAP). IRS Rev. Proc. 97-13 expressly provides that compensation agreements based on the following are not considered to be compensation based on a share of net profits:

- (a) a percentage of gross revenues (or adjusted gross revenues) of a facility or a percentage of expenses from a facility, but not both;
- (b) a Capitation Fee; or
- (c) a Per Unit Fee is generally not considered to be based on a share of net profits.
- (d) a productivity reward equal to a stated dollar amount based on increases or decreases in gross revenues (or adjusted gross revenues), or reductions in total expenses (but not both increases in gross revenues (or adjusted gross revenues) and reductions in total expenses) in any annual period during the term of the contract

*Periodic Fixed Fee:*

A stated dollar amount for services rendered during a specific period of time. The stated dollar amount may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of the facility (e.g., the Consumer Price Index). Capitation fees and per-unit fees are not periodic fixed fees.

*Capitation Fee:*

A fixed periodic amount for each person for whom the service provider assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to covered persons varies substantially. For example, a capitation fee includes a fixed dollar amount payable per month to a medical service provider for each member of a health maintenance organization plan for whom the provider agrees to provide all needed medical services for a specified period. A capitation fee may include a variable component of up to 20% of the total capitation fee designed to protect the service provider against risks such as catastrophic loss.

*Per Unit Fee:*

A fee based on a unit of services provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program. For example, a stated dollar amount for each specified medical procedure performed, car parked, or passenger mile is a per-unit fee. Separate billing arrangements between physicians and hospitals generally are treated as per-unit fee arrangements.

*Penalty:*

Penalties for terminating a contract include a limitation on the 501(c)(3) organization's right to compete with the service provider; a requirement that the 501(c)(3) organization purchase equipment, goods, or services from the service provider; and a requirement that the 501(c)(3) organization pay liquidated damages for cancellation of the contract. In contrast, a requirement effective on cancellation that the 501(c)(3) organization reimburse the service provider for ordinary and necessary expenses or a restriction on the 501(c)(3) organization against hiring key personnel of the service provider is generally not a contract termination penalty.

[Adoption date: August 13, 2015]

## FUNDING PROPOSALS AND APPLICATIONS

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

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

[Adoption date: August 14, 2000]  
(Revision date: July 10, 2014)

LEGAL REF.: ORC 3313.20

## REVENUES FROM TAX SOURCES

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

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

[Adoption date: August 14, 2000]

(Revision date: July 10, 2014)

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

5748.01-5748.06



## 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 Budget and Management 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 contactors 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 effecting 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 will submit all reports as required by federal or state authorities.

[Adoption date: August 11, 2016]  
(Revision date: August 10, 2017)

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  
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

## UNIFORM FEDERAL GRANT GUIDANCE

This policy shall apply to the District's receipt and use of federal grant awards.

### 1. Payment

The District shall minimize the time elapsing between the transfer of funds from the United States Treasury or a pass-through entity and the disbursement by the District, whether payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall make timely payment to contractors in accordance with relevant contract provisions.

#### A. Use of Resources Before Requesting Cash Advance Payments

To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

#### B. Use of Banks and Other Institutions as Depositories of Advanced Payments

The District shall account for the receipt, obligation, and expenditure of funds. The District shall deposit and maintain advance payments of federal funds in insured accounts whenever possible. Advance payments of federal awards shall be maintained in interest-bearing accounts, unless the following apply:

- 1) The District receives less than \$120,000 in federal awards per year;
- 2) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances;
- 3) The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources  
or
- 4) A foreign government or banking system prohibits or precludes interest-bearing accounts.

Interest earned amounts up to \$500 per year may be retained by the District for administrative expenses. Any additional interest earned on federal advance payments deposited in interest-bearing accounts shall be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Fiscal Management Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by financial institutions), as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account

Number (PAN) if the payment originated from PMS, or agency information if the payment originated from the Automated Standard Application for Payments (ASAP), the National Science Foundation (NSF), or another federal agency payment system. Submitted remittances shall comply with the requirements of 2 C.F.R. 200.305.

## 2. Financial Management

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowed under federal awards:

- A. Be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.
- B. Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items.
- C. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the District.
- D. Be accorded consistent treatments. A Cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
- E. Be determined in accordance with generally accepted accounting principles (GAAP), except as otherwise provided for in 2 C.F.R. 200.403.
- F. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.

Be adequately documented.

## 3. Financial Management System

The District's financial management system, including records documenting compliance with Federal statutes, regulations and the terms and conditions of the federal award, shall be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such fiscal management funds have been used according to the Federal statutes, regulations, and the terms and conditions of the federal award. The District's financial management system shall provide for the following:

- A. Identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. Federal program and federal award

identification must include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number. Federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.

- B. Accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements set forth in 2 C.F.R. 200.327 and 200.328.
  
- C. Records that identify adequately the source and application of funds for federally funded activities. These records shall contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
  
- D. Effective control over, and accountability for, all funds, property, and other assets. The District shall adequately safeguard all assets and assure that they are used solely for authorized purposes.
  
- E. Comparison of expenditures with budget amounts for each federal awards.

4. Compensation – Personal Costs

5.

Compensation for personal services includes all remuneration, paid currently or accrued, for services of Board employees rendered during the period of performance under the federal award, including, but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, as set forth in 2 C.F.R. 200.431. Costs of compensation are allowable to the extent that they satisfy the individual employees:

- A. Is reasonable for the services rendered and conforms to the established and written policies of the District, as consistently applied to both federal and non-federal activities;
  
- B. Follows an appointment made in accordance with the District’s written policies and meets the requirements of Federal statute, where applicable and
  
- C. Is determined and supported as provided in 2 C.F.R. 200.430(i), when applicable.

Compensation for employees engaged in work on federal awards will be considered reasonable to the extent that is consistent with that paid for similar work in other activities of the District. In cases where the kinds of employees required for federal awards are not found in the other activities of the District, compensation will be

considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the District competes for the kind of employees involved.

6. Standards for Documentation of Personnel Expenses

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- A. Be supported by a system of internal control, which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. Be incorporated into the official records of the District;
- C. Reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of compensated activities;
- D. Encompass both federally assisted and all other activities compensated by the District on an integrated basis, but may include the use of subsidiary records in accordance with the District's written policies;
- E. Comply with the established accounting policies and practices of the District and
- F. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

(Approval date: Adopted August 10, 2017)



## REVENUES FROM NONTAX SOURCES

The Board receives and makes the best possible use of revenues from nontax sources.

1. Whenever there occurs a cash balance in a District fund which, though allocated to a specific use, is temporarily not needed, where practical, the temporary balance is invested as permitted by law and the interest earned is deposited to the fund or in accordance with state law.
2. Grants from private sources are accepted and applied to the furtherance of District programs and operations where such acceptance is consistent with the philosophy and goals of the District, in the best short and long term interest of Clear Fork students and permitted by state law.
3. Rental and service charges are made where appropriate and where mandated for the use of school buildings, grounds and equipment. Such revenues are credited to the general fund.
4. Fees may be charged for the use of consumable materials by students in the process of instruction. A list of fees are developed by the administration and presented to the Board for approval before the beginning of each school year. Upon payment of fees, parents are given an itemized list identifying the individual charges and the total of each fee. Revenue from fees are credited to the general fund.
5. Tuition fees from out of district students attending classes in the Clear Fork Valley Local Schools in accordance with Board policy and state law are credited to the general fund.
6. Revenues from disposal of school properties are credited to the general fund except that funds from the disposal of land and/or buildings are credited to the permanent improvement on bond retirement fund.

[Adoption date: August 14, 2000]

## REVENUES FROM INVESTMENTS

All moneys are under the control of the Board, which extends to the Treasurer the responsibility of overseeing these funds. In addition to the objectives detailed below, all relevant sections of the Ohio Revised Code are adhered to at all times.

### 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 District's 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 Ohio 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.
5. All deposits are concentrated in one account except where audit control considerations dictate otherwise or where interest earnings are more beneficial in multiple accounts.

### Public Trust

All participants in the investment process act responsibly as custodians of public trust. Investment officials avoid any transactions that might impair confidence in the government of the District. The Board recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return.

### Investing Authority

The investing authority resides with the Treasurer. Such authority allows for the explicit delegation of authority to persons responsible for investment transactions.

The Treasurer signs and files the investment policies with the Auditor of State.

### Authorized Financial Institutions and Dealers

U.S. Treasury and Agency securities and instrumentalities purchased outright are purchased through financial institutions located within the State of Ohio or through “primary securities Dealers” located in the State of Ohio, as designated by the Federal Reserve Board, whenever possible. Changing portfolio needs may dictate the use of “primary securities dealers” outside of the State of Ohio. First consideration are given to State institutions.

Repurchase Agreements are transacted only through bank branches and/or through “primary securities dealers” located within the State of Ohio with which the District has a signed Master Repurchase Agreement as required in ORC Chapter 135.

Certificates of Deposit are transacted through commercial banks or savings and loans with either FDIC or FOLIC.

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 and other relevant sections of Chapter 135 ORC, at a price not exceeding their fair market value.

### 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.

### Diversification

Investments of the District are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. Strategies to achieve this are determined and revised periodically.

### Collateral

All investments and deposits are collateralized pursuant to the Ohio Revised Code.

### Competitive Bids

All sales and purchases of securities are bid competitively and to the extent practical are placed with the institution yielding the highest return. The right is reserved to reject the bid yielding the highest return on any investment if inconsistent with the investment strategy, i.e., maturity, risk, liquidity, etc.

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.

Reporting

The investing authority submits monthly an investment report that summarizes recent market conditions, economic developments and anticipated investment conditions. The report describes the portfolio in terms of security type, maturity and other features. The report contains all transactions executed that month. The report also explains the month's total investment return.

Performance Evaluation

The monthly investment reports contains sufficient information to permit an independent organization to evaluate the performance of the investment program.

[Adoption date: August 14, 2000]  
(Revision date: July 17, 2008)

LEGAL REFS.: Intergovernmental Cooperation Act  
ORC 135.01-135.21;  
3313.51

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This area to be completed by financial institution receiving District funds for investing.

By signing below, the financial institution acknowledges receipt of this investment policy.

Date: \_\_\_\_\_

Name and address of financial Institution:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

Signature

Title

**AUTHORIZED SIGNATURES**  
(Use of Facsimile Signatures)

The Treasurer's signature is used on checks, drafts, warrant-checks, vouchers and other orders on public funds deposited in designated depositories.

The Treasurer authorizes these designated depositories to honor any instrument bearing the Treasurer's 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, photo static or mechanical device. The Treasurer must notify the designated depositories, in writing, a description of the device used to produce the facsimile signature and a sample of the signature.

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

[Adoption date: October 18, 2007]

LEGAL REFS.: ORC 9.10 through 9.14  
1306.06

BONDED EMPLOYEES AND OFFICERS

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

The Superintendent, Assistant Superintendent, Board President, staff and other 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: August 14, 2000]

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

CROSS REF.: DM, Cash in School Buildings

## 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, balances, assets and liabilities. 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 Ohio law and in compliance with specifications of the District's records commission, the Auditor of State and the Ohio Historical Society.

[Adoption date: August 14, 2000]  
(Revision date: July 10, 2014)  
(Revision date: August 10, 2017)

LEGAL REFS.: ORC 117.101; 117.38; 117.43  
149.01 through 149.43  
3301.07  
3313.29; 3313.32  
3315.04  
Chapter 1347  
Chapter 5705

Clear Fork Valley Local School District, Bellville, Ohio

2 C.F.R. Part 200

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



## 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. 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 shall maintain a fixed asset accounting system. The fixed asset system shall maintain sufficient information to permit the:

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 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 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 \$500.00 or more and with an estimated useful life of five years or more are tagged and made part of the equipment inventory. For fixed asset reporting purposes, all equipment in excess of \$1,500 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 office for computer update.

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

[Adoption date: August 14, 2000]

(Revision date: August 10, 2017)

LEGAL REF.: 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: August 14, 2000]

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

## 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 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 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: August 14, 2000]

LEGAL REFS.: ORC 3313.171; 3313.172; 3313.18; 3313.33; 3313.37; 3313.46  
3319.04  
3327.08  
5705.41  
Ohio Const. VIII, ° 2e

CROSS REF.: DK, Payment Procedures

## PETTY CASH ACCOUNTS/CHANGE FUNDS

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 or debit card. 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.

The debit card and check access is limited to only those individuals who have a job-related need to use these payment methods. Any person using the debit card or check 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 and allows anyone else to use the card, or who does not take prudent measures to ensure the proper security is maintained, may be held personally liable for losses.

### Change Funds

The Board authorizes the establishment of change funds for the sole purpose of making change in the cafeterias, libraries and office of the District, and the athletic department. The level of each respective change fund is determined by the cafeteria supervisor, principal and the athletic director and is granted at the discretion of the Treasurer.

Change funds are to be returned to the office of the Treasurer no later than the end of the school year and are to be deposited with the District depository.

[Adoption date: August 14, 2000]

LEGAL REF.: ORC 9.38

CROSS REF.: DM, Cash in School Buildings

## BIDDING REQUIREMENTS

Contracts for construction or demolition of buildings or for any improvements or repairs which 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 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 Treasurer assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Treasurer receives the bids and price quotations and records them. The Treasurer makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding.

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: August 14, 2000]  
(Revision date: January 8, 2009)  
(Revision date: February 20, 2017)  
(Revision date: August 10, 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 REF.: DJ, Purchasing  
DJF, Purchasing Procedures  
ECF, Energy Conservation  
FA, Facilities Development Goals  
FEF, Construction Contracts Bidding and Awards

## LOCAL PURCHASING

The Board prefers to make purchases from local vendors and resident taxpayers of the District insofar as such purchase are prudent and wise expenditures of public funds.

In soliciting bids and quotations, invitations are sent to known local vendors.

All things such as price, quality and service being equal, purchases are made from local vendors.

[Adoption date: August 14, 2000]

## COOPERATIVE PURCHASING

In the interest of securing the best value possible for the public dollar, the Board encourages participation in cooperative purchasing arrangement in the best interest of the District.

The Superintendent keeps advised of available purchasing cooperatives and the District participates in them where practical and efficient.

The Superintendent or his/her designee takes the initiative in forming purchasing cooperatives with other school districts where in the best interests of the Clear Fork Valley Local Schools.

[Adoption date: August 14, 2000]



## PURCHASING PROCEDURES

Moneys 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 \$1,000, 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: August 14, 2000]  
(Revision date: August 10, 2017)

LEGAL REFS.: ORC 3313.46  
3327.08  
5705.41(D)(1); 5705.412; 5705.44; ~~5705.45~~  
2 C.F.R. Part 200

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

## PURCHASING PROCEDURES

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 include the following essentials:
  - A. a specification which adequately describes to the supplier the characteristics and the quality standards of the item required;
  - B. a firm, quoted, net-delivered price, whenever possible (unit prices are shown);
  - C. clear delivery instructions, including place and time;
  - D. signature of Business Manager;
  - E. appropriate account code number and
  - F. 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 which can be handled only by this procedure:
  - A. whenever possible, a purchase order number should be given to the supplier and
  - B. a confirming requisition is issued immediately, marked "confirmation" indicating the purchase order number, if one was given.

(Approval date: August 14, 2000)

(Revision date: August 10, 2017)

## 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 use of credit cards in the following manner.

### Credit Cards

1. All credit cards issued to and in the name of the District shall be held and supervised by the Treasurer and used only for approved District-related activities.
2. Credit cards may be used for District-related transportation, reservations and expenses, conference registrations and hotel reservation guarantees for the Board and staff.
3. 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.
4. 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.
5. Usually tips are not permitted to be paid with credit cards.
6. The Treasurer keeps a record of all credit card use.
7. Receipts and appropriate form(s) are to be turned in with the credit card to the Treasurer within five business days upon completion of approved use. Failure to turn in receipts and appropriate form(s) to the Treasurer within five business days may result in the charges being deemed unrelated or unsubstantiated. The user is responsible for any unsubstantiated or unrelated purchases.

[Adoption date: December 13, 2004]

CROSS REFS.:        DJ, Purchasing  
                          DJB, Petty Cash Accounts  
                          DLC, Expense Reimbursement  
                          GCL, Professional staff Development Opportunities  
                          GDL, Support Staff Develop

## 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 supercede the requirement of pre-approval of a purchase order for the purchase. The use of the Board's credit card for electronic commerce must be pre-approved by the submission of a purchase order prior to purchase.
4. The use of the Board's 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 Board's credit card is prohibited for the following items:

1. the purchase of personal goods or service 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 Board's 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 Board 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: December 13, 2004]

## 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: August 14, 2000]

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.

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 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: August 14, 2000]

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  
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: August 14, 2000]

LEGAL REFS.: ORC 3313.12; 3313.20  
3315.15

CROSS REF.: GCL, Professional Staff Development Opportunities

## CASH IN SCHOOL BUILDINGS

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

All moneys collected are receipted, accounted for and deposited every 24 hours.

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

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

In no case shall more than \$100 be left overnight in school buildings. The Treasurer provides for making bank deposits after regular banking hours in order to avoid leaving money in a school building overnight.

[Adoption date: August 14, 2000]  
(Revision date: March 28, 2005)

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 the disposition of property and goods no longer necessary for the maintenance of the educational program or the 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 Budget and Management. 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 and college-preparatory boarding schools for the period of time set forth in law. High performing community schools are defined by State law, are given first priority. If a high performing community school is not interested in buying the property, the Board will then proceed with offers to purchase from other start-up community schools operating in the District and college-preparatory boarding schools located within the territory of the District. If no community school or college-preparatory boarding school is interested in buying the property, the Board can sell its real or personal property at a public auction and follow specific statutory requirements if the property exceeds \$10,000 in value. If this amount 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 District property to high performing community schools, community schools and college-preparatory boarding schools.

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

For the disposal of property which 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: August 14, 2000]  
(Revision date: June 28, 2007)  
(Revision date: December 13, 2011)  
(Revision date: July 10, 2014)  
(Revision date: April 20, 2017)  
(Revision date: August 10, 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 REF.: DECA, Administration of Federal Grant Funds  
FL, Retirement of Facilities