

## SECTION D: FISCAL MANAGEMENT

---

DA	Fiscal Management Goals
DAA	Fiscal Management Priority Objectives
DB	Annual Budget and Appropriations Measure
DBA	Budgeting System
DBB	Fiscal Year
DBC	Budget Deadlines and Schedules
DBD	Budget Planning
DBE	Determination of Budget Priorities
DBF	Dissemination of Budget Recommendations
DBG	Budget Hearings and Reviews
DBH	Budget Adoption Procedures
DBHA	Budget Referenda
DBI	Budget Appeals Procedures
DBJ	Budget Implementation
DBK	Budget Modification Authority
DC	Taxing and Borrowing Authority/Limitations
DD	Funding Proposals and Applications
DE	Revenues from Tax Sources
DEA	Revenues from Local Tax Sources
DEB	Revenues from State Tax Sources
DEC	Revenues from Federal Tax Sources
DF	Revenues from Nontax Sources
DFA	Investment Policy
DFAA	Use of Surplus Funds
DFB	Revenues from School-Owned Real Estate
DFC	Grants from Private Sources
DFD	Rental and Service Charges
DFE	Gate Receipts and Admissions
DFEA	Free Admissions
DFE	Royalties
DFG	Income from School Shop Sales and Services
DG	Depository of Funds
DGA	Authorized Signatures
DGB	Check-Writing Services
DGC	Imprested Account

DH	Bonded Employees and Officers
DI	Fiscal Accounting and Reporting
DIA	Accounting System
DIB	Types of Funds
DIC	Financial Reports and Statements

SECTION D: FISCAL MANAGEMENT  
(Continued)

DID	Inventories (Fixed Assets)
DIE	Audits
DJ	Purchasing
DJA	Purchasing Authority
DJB	Petty Cash Accounts
DJC	Bidding Requirements
DJD	Local Purchasing
DJE	Cooperative Purchasing
DJF	Purchasing Procedures
DJG	Vendor Relations
DJGA	Sales Calls and Demonstrations
DK	Payment Procedures
DKA	Insufficient Fund Checks
DL	Payroll Procedures
DLA	Payday Schedules
DLB	Salary Deductions
DLC	Expense Reimbursements
DLD	Meals, Entertainment, Gifts, Travel Prohibited
DM	Cash in School Buildings
DN	School Properties Disposal Procedure

## 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 CFO/Treasurer keep it informed through both oral and written reports on the fiscal management of the District.

With the assistance of the CFO/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: January 20, 2004]

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 CFO/Treasurer, 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 appropriations measure until such time as the certificates are received.

The CFO/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 CFO/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 CFO/Treasurer to examine the appropriations categories and make the necessary recommendations to the Board.

1 of 2

[Adoption date: January 20, 2004]

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 CFO/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: January 20, 2004]

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 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 CFO/Treasurer to attend the hearing of the County Budget Commission to review the budget and answer any pertinent questions.

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 5705.28; 5705.30

## FUNDING PROPOSALS AND APPLICATIONS

The Board considers whether to apply for any state or federal grants for which it is eligible. 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: January 20, 2004]

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: January 20, 2004]

LEGAL REFS.: Ohio Const. Art. XII, Section 2  
ORC 3301.07  
3311.21  
3313.02-3313.91  
3317.01-3317.11  
3323.09  
Chapters 5701; 5705; 5727  
5747.01  
5748.01-5748.06

## INVESTMENT POLICY

The Board hereby directs that the investing authority of this public entity resides with the CFO/Treasurer in accordance with this investment policy. This policy is designed to cover all monies under the control of the District and those that comprise the core investment portfolio. Notwithstanding the policies detailed below, Chapter 135 of the Ohio Revised Code will be adhered to at all times.

### Objectives and Guidelines

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

1. The primary objective shall be the preservation of capital and protection of principal while earning investment interest.
2. In investing public funds, the CFO/Treasurer will strive to achieve a fair and safe average rate of return on the investment portfolio over the course of budgetary and economic cycles taking into account State law, safety considerations and cash flow requirements.
3. The investment portfolio shall remain sufficiently liquid to enable the CFO/Treasurer to meet reasonable anticipated operating requirements.
4. The investment portfolio should be diversified in order to avoid incurring potential losses regarding individual securities which may not be held to maturity, whether by erosion of market value or change in market conditions. The CFO/Treasurer, acting in accordance with the law, may withdraw funds from approved public depository or sell negotiable instruments prior to maturity.
5. Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. Bank account relationships will be managed in order to secure adequate services while minimizing costs. Deposits should be concentrated in single accounts except where audit control considerations dictate otherwise.

### Authorized Financial Institutions and Dealers

U.S. Treasury and Agency securities purchased outright are purchased only through financial institutions located within the state of Ohio or through primary security dealers as designated by the Federal Reserve Board.

Repurchase Agreements are transacted only through banks located within the state of Ohio with which the CFO/Treasurer has signed a Master Repurchase Agreement as required in ORC Chapter 135.

1 of 3

Certificates of Deposit are transacted through commercial banks or savings and loans with FDIC or FSLIC coverage which are located within the state of Ohio and qualify as eligible financial institutions under ORC Chapter 135.

A list of 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 investing authority.

### Maturity

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

### Derivatives

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

### Allowable Investments

The CFO/Treasurer may invest in any instrument or security authorized in ORC, Chapter 135 as amended. A copy of the appropriate ORC section will be kept with this policy.

### Collateral

All deposits are collateralized pursuant to ORC Chapter 135.

### Reporting

The CFO/Treasurer establishes and maintains an inventory of all obligations and securities acquired by the investing authority. The inventory shall include the description of the security, type, cost, par value, maturity date, settlement date and coupon rate. The investing authority produces a monthly portfolio report detailing the current inventory of all obligations and securities and all transactions during the month, income received and investment expenses paid and the names of any persons effecting transactions on behalf of the investment authority.

Pursuant to ORC Chapter 135, all brokers, dealers and financial institutions initiating transactions with the CFO/Treasurer by giving advice or making investment policy, or executing transactions initiated by the CFO/Treasurer must acknowledge their agreement to abide by the investment policy's content.



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

Name of Institution \_\_\_\_\_

Authorized Officer \_\_\_\_\_

Date \_\_\_\_\_

[Adoption date: January 20, 2004]

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



## IMPRESTED ACCOUNT

The Board authorizes the CFO/Treasurer to establish, at his/her discretion, a separate checking account for the limited purpose of payment of officials and police officers for athletic events, when such officials and officers are not otherwise employed by the District.

The Athletic Director may be the signatory for this account, and is responsible to maintain accurate records of all disbursements. These records and bank statements are provided to the CFO/Treasurer's office. Interest earned (if any) and service fees are processed through the Athletic Student Activity Fund.

[Adoption date: January 20, 2004]

## BONDED EMPLOYEES AND OFFICERS

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

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

[Adoption date: January 20, 2004]

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. The CFO/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 CFO/Treasurer which show receipts, disbursements, appropriations, encumbrances, balances, assets and liabilities. The CFO/Treasurer makes all other financial reports required by law or by state agencies and submits them to the proper authorities.

The CFO/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: January 20, 2004]

LEGAL REFS.: ORC 117.101; 117.38; 117.43  
3301.07  
3313.29; 3313.32; 3313.94  
3315.04; 3315.13  
Chapter 1347  
Chapter 5705

CROSS REF.: EHA, Data and Records Retention

## TYPES OF FUNDS

### Textbook and Instructional Materials Fund

The Board maintains a Textbook and Instructional Materials Fund. The fund is accounted for within the District's General Fund using a reasonable accounting method implemented under the Auditor of State's Guidelines as they are currently enacted. The requirement may be less than 3% for a particular fiscal year.

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

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

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

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

### Capital and Maintenance Fund

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

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 3315.17; 3315.18

Bath Local School District, Lima, Ohio

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

INVENTORIES  
(Fixed Assets)

The purpose of this policy is to ensure that the fixed assets of the District are managed in a manner so that the following objectives can be met:

1. To help in the preparation of financial statements according to generally accepted accounting principles.
2. To maintain information regarding location, responsible party and condition of public property.
3. To prevent the District's assets from being over or under insured.
4. To provide for adequate controls and accountability.

A fixed asset is defined as a financial resource that is tangible in nature and has an extended useful life of at least one year. It is not a repair part or supply item, and does not lose its identity as part of a larger unit. It has a value greater than the capitalization limit set by the Board or is considered to be an asset for which accountability is desired. Based on the above purposes, the Board approves the following policies regarding fixed assets:

1. The capitalization dollar limit shall be \$5,000.
2. There may be items that should be included in the inventory for insurance or control purposes that do not meet the capitalization limit above. The CFO/Treasurer shall include in the equipment inventory those assets that he/she believes should be included even though they may not meet the capitalization limit.
3. The Board recognizes that assets will move from department to department and that assets will be liquidated. For that reason, the equipment transfer/disposal form has been developed. The supervisor receiving the equipment and the supervisor transferring the equipment must both sign and complete the form and then forward it to the CFO/Treasurer for entry into the computer system. All assets must be approved by the supervisor and the Superintendent before any physical disposal takes place.
4. Operating leases will not be maintained on the system but capital leases will.
5. Depreciation will be on the straight line basis. Depreciation will begin the year of purchase. The useful life will be determined by the CFO/Treasurer after consultation with the supervisor.
6. Assets will be valued at cost. Donated assets must be reported immediately to the CFO/Treasurer's office, and will be valued at their estimated fair market value at the

time they are received. The cost of an asset when a trade-in is involved is the cash paid plus the fair market value of the trade-in.

7. Library books, textbooks, musical instruments and multiple purchase items (chairs, tables, desks, etc.) will not be capitalized even though their combined total is greater than the capitalization threshold.

1 of 2

8. A periodic physical inventory is necessary for accountability and control. This physical inventory is necessary to confirm and validate fixed assets and to comply with auditing, legal and insurance requirements. Periodic inventories are costly and time consuming and should be done at least once every five years from an outside appraisal company. At least once per fiscal year a listing of group of assets in a specific area will be sent to and verified by the building principal or his/her designee. If this comparison indicates a problem or potential problem additional steps should be taken.
9. Tags are to be selected and placed on the assets so that they are not easily removed or destroyed by asset use. Tag placement should be in an area where the number can be identified without disturbing the operation of the asset. Tags will contain both the District name and an identification number, and will be assigned by the CFO/Treasurer's office.

[Adoption date: January 20, 2004]

LEGAL REF.: ORC 117.38



## 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: January 20, 2004]

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 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 CFO/Treasurer is charged with the responsibility to ensure that no purchases exceed appropriations and that they are consistent with the approved educational goals and programs of the District.

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 3313.171; 3313.172; 3313.18; 3313.29; 3313.31; 3313.33; 3313.37;  
3313.46  
3319.04  
3327.08  
5705.38; 5705.40; 5705.41; 5705.412  
Ohio Const. VIII, Section 2e

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

## PETTY CASH ACCOUNTS

The Board directs the CFO/Treasurer to create petty cash accounts allowing certain administrators to make purchases within the District. The CFO/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.

Annually, the CFO/Treasurer establishes the amount of money to be placed in the accounts. The CFO/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: January 20, 2004]

LEGAL REFS.: ORC 9.38  
3313.291

CROSS REF.: DM, Cash in School Buildings

## BIDDING REQUIREMENTS

Contracts for construction or demolition of buildings or for any improvements or repairs which exceed \$25,000 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 exceeding \$15,000 but less than \$25,000 will be based on price quotations submitted by two or more vendors. These quotations are treated confidentially until the deadline for filing is past; thereafter, they are public information.

The CFO/Treasurer assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The CFO/Treasurer receives the bids and price quotations and records them. The CFO/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.

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 153.50 thru 153.56  
3313.372; 33313.373; 3313.46  
3319.04  
3327.08

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 CFO/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 CFO/Treasurer may authorize it to be paid without the ratification or affirmation of the Board. Under certain conditions, the law also allows the CFO/Treasurer to issue blanket certification, subject to limitations of time and amount as set by law.

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

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

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

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 3313.46  
3327.08  
5705.41; 5705.412; 5705.44

CROSS REFS.: DJ, Purchasing  
DJC, Bidding Requirements

## PURCHASING PROCEDURES

1. The Board designates the Superintendent as the purchasing agent.
2. Only persons designated by the Board may commit the system to a purchase.
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. All orders placed for purchase of supplies, materials, equipment or services for all funds are made on requisition forms provided by the CFO/Treasurer. Requisitions are approved by building principals or supervisors and then forwarded to the purchasing agent.
5. The CFO/Treasurer certifies the availability of funds and processes approved requisitions into purchase orders.
6. The CFO/Treasurer is authorized to provide specific guidelines to ensure that the purchase process operates efficiently and that good internal controls are in place.

(Approval date: January 20, 2004)

## PAYMENT PROCEDURES

All claims for payment from District funds are processed by the CFO/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 CFO/Treasurer for debts or claims. The Board receives a list of bills paid the previous month.

The CFO/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: January 20, 2004]

LEGAL REFS.: ORC 3313.18  
3315.08  
5705.38 thru 5705.412

CROSS REFS.: DJ, Purchasing  
DLB, Salary Deductions

## INSUFFICIENT FUND CHECKS

The CFO/Treasurer of Bath Local Schools may require an individual to make payment to the District only by cash, money order or certified check if the District has one or more personal checks from that individual returned for insufficient funds until reimbursement is made to the CFO/Treasurer's office, or if the District has had three or more personal checks from that individual returned for insufficient funds in the last 12 months.

[Adoption date: January 20, 2004]

## 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 five 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 workyear 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: January 20, 2004]

LEGAL REFS.: ORC 9.40 thru 9.43; 9.45; 9.80; 9.81; 9.90; 9.91  
145.37; 145.71-145.73  
148.04  
3307.51  
3313.262

3315.08  
3917.04

1 of 2

CROSS REFS.: DK, Payment Procedures  
GCBD, Professional Staff Leaves and Absences  
GDBD, Support Staff Leaves and Absences

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



## EXPENSE REIMBURSEMENTS

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

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

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

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 3313.12; 3313.20  
3315.15

CROSS REF.: GCL, Professional Staff Development Opportunities

## EXPENSE REIMBURSEMENTS

The following regulations relate to travel and other types of reimbursable expenses:

1. Travel Requests: These must be submitted through the appropriate administrators to the Superintendent in advance.
2. Transportation: All modes of transportation will be authorized consistent with the requirements of the assignment and the efficient and economic conduct of official business. School vehicles should be used unless otherwise authorized by the Superintendent. Travel will be by the most direct route.
  - A. Public Conveyance: Round-trip tickets should be purchased if these offer a price advantage.
  - B. Automobile: Mileage reimbursement will be made at the rate approved by the Board. This is the maximum rate regardless of the number of passengers. Parking charges in reasonable amounts, as well as toll road, toll bridge and ferry charges, are reimbursable. Operators of personal automobiles must have a valid driver's license and certification from insurance carrier.
  - C. Local Transportation: Local transportation such as taxicabs, airport limousines and buses may be used when justified. Justification must be given on the travel voucher.
  - D. Car Rentals: Rental cars may be used only in cases of emergencies or when no other means of public transportation is practicable. Emergencies may include: cancelled airline flights or change in destination due to inclement weather or other circumstances; disabled personal automobile; disruption of other means of transportation.
3. Subsistence
  - A. Lodging: Any person on official District business, who must provide lodging for himself/herself in connection with that business will be entitled to reimbursement for the cost of a single room at the hotel of his/her choice per the Negotiated Agreement.
  - B. Meals: Meals consumed by any person on official business will be reimbursed at cost up to limits approved per the Negotiated Agreement:
  - C. Overtime: Meal costs not in excess of approved limits of B. will be allowed when an employee is required to work overtime and the overtime carries beyond the normal meal hours.

- D. Luncheon or Dinner Meetings: Reimbursement may be claimed for costs incurred while on official business conducted at luncheon or dinner meetings.

4. Other Reimbursable Expense

- A. Telephone, Telegraph and Postage: Telephone toll calls from or to the District must be charged to the District office, thereby eliminating a claim on an expense voucher. Calls other than from or to the District and telegrams should be charged whenever possible to the District. If an expense for telephone, telegraph, postage, or certified or registered mail must be paid in cash, the claim may be made on an expense voucher as a "miscellaneous expense." An explanation must be given, such as the origin and destination of the call. A receipt should be obtained when practical.
- B. Conference Registration Fees: Conference and convention registration fees are reimbursable as a miscellaneous expense on the travel expense voucher.

5. Expense Voucher and Receipts

Reimbursement for expense is obtained by submitting an expense voucher within 30 days after the month in which the expense was incurred. Vouchers submitted later are subject to delays in payments.

The original and one copy, both signed, are required.

- A. Attachments to Expense Voucher: Receipts are required for cash expenditures for travel by public conveyance; local transportation; car rentals; parking, toll bridge and ferry charges; lodging; meals; conference and convention registration fees.
- B. Payment of Travel Voucher: Checks for vouchers will be mailed to the address shown on the voucher.

(Approval date: January 20, 2004)



## MEALS, ENTERTAINMENT, GIFTS, TRAVEL PROHIBITED

Public school officials are prohibited from soliciting or accepting travel, meals, entertainment and gifts offered by an interested person. Only meals or gifts of a purely de minimis or nominal nature fall outside this prohibition. Professional sporting event tickets, meals and lodging, discounts on furniture and appliances, frequent flyer miles, free transit passes and free parking passes are prohibited from being offered or given to, solicited or accepted by all public officials.

An interested person is prohibited from offering or giving travel, meals, entertainment and gifts to school officials.

### Golf/Outings Prohibited:

Public officials are prohibited from soliciting or accepting rounds of golf from persons who are regulated by, or interested in matters before or doing or seeking to do business with a public agency (an "interested person"). Likewise, an interested person is prohibited from offering or giving rounds of golf to public officials.

Advisory Opinion 2001-03 eliminates golf outings and states that acceptance of golf outings by public officials is not permitted pursuant to ORC Section 102.03.

Advisory Opinion 2001-04 eliminates travel, meals, entertainment and gifts and concludes that acceptance of items is prohibited under ORC Section 102.03.

Therefore, public officials may not solicit or accept golf outings, travel, meals, entertainment and gifts from interested persons. Such interested persons are likewise prohibited from offering or giving golf outings, travel, meals, entertainment and gifts to all public officials.

[Adoption date: January 20, 2004]

## CASH IN SCHOOL BUILDINGS

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

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

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

[Adoption date: January 20, 2004]

LEGAL REFS.: ORC 9.38  
3313.291

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