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FISCAL MANAGEMENT GOALS

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

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

As trustees of the state and local investment of funds, the Board has a responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Board expects that the Superintendent and the Treasurer will keep it informed through reports, both oral and written, of the fiscal management of the District.

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

The Board seeks to achieve the following goals:

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

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE

The Board considers the preparation of the annual budget to be one of its most important functions as the budget is the financial reflection of the operating plan for the District. The budget shall be designed to carry out that plan in a thorough and efficient manner.

Annually, the Superintendent and Treasurer shall prepare and present to the Board, a budget for adoption, in accordance with State Board of Education timelines. Verification of fund sources and a defense of the projected budget shall be provided to the Board for review.

The budget should evolve primarily from the needs of the individual programs as expressed by the Superintendent and the needs of the operational supervisors and be compatible with the approved District plans.

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

In preparing the budget, the responsible administrator shall set the following general priorities for expenditures:

1. staff for the maintenance of current programs;
2. equipment and supplies for the maintenance of current programs;
3. maintenance of existing facilities and equipment;
4. new staff for the improvement or expansion of current programs and
5. new equipment and supplies for the improvement or expansion of current programs.

When presented to the Board for review, the budget shall contain the number of administrators, teachers and all other employees for the current and the budgeted year, the proposed expenditures in each financial category for the ensuing school year, an estimate of unencumbered balances, and all revenue by sources.

Appropriations

As permitted by law, no later than July 1, the Board may pass a temporary appropriation measure to provide for meeting the ordinary expenses of the District until such time as the Board approves the annual appropriation resolution for the year, which will be not later than October 1.

The Treasurer will file both the temporary and final appropriation measures at the proper times with the State Department of Education.

The Superintendent or his/her designee will notify each school administrator of the allocations approved for expenditure.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: ORC 9.34

3311.40

5705.14; 5705.15; 5705.16; 5705.28; 5705.29; 5705.35-5705.412

BUDGET PLANNING

Prudent fiscal management provides the keystone for an efficient system of quality public education. To maintain a solid foundation for operation of the Educational Service District, the Board will:

1. explore all legal and practical sources of income;
2. encourage advance planning;
3. review and guide proposed expenditures to achieve the greatest educational value and
4. require an accurate, current system of accounting and reporting.

The Board shall annually approve the operating budget for the District. The budget shall be designed to reflect the Board's objectives for the education of the students of the District; therefore, it must be carefully organized and planned to ensure adequate understanding of the financial needs associated with program operation and development.

To meet the objectives of this policy, the Board directs the Superintendent to:

1. include in all ongoing District studies of the educational program, an estimated annual cost of implementing said program;
2. prepare a long-range year-by-year plan for the maintenance and replacement of facilities and equipment;
3. maintain a plan of anticipated revenues based on changes in state and federal legislation and
4. report to the Board any serious financial implications arising from the budget plan.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

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

CROSS REF.: AE, School District Goals and Objectives

BUDGET MODIFICATION AUTHORITY

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

Transfers Among Categories

Appropriation categories may be examined monthly. The Board may authorize the Treasurer to transfer moneys from those categories in which a surplus is anticipated into those in which a deficit is anticipated as permitted by state or federal statute.

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

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

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

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

REVENUES FROM TAX SOURCES

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

1. accept local district contributions made based on contract agreement;
2. accept available state funds to which the District is entitled by law or through regulations of the State Board of Education and
3. accept federal funds which are available, provided that there is a specific need for them and that the required matching funds are available.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: Ohio Const. Art. XII, § 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

REVENUES FROM FEDERAL TAX SOURCES

It is the objective of the Board to provide equal educational opportunities for all students within the District; therefore, it is the intent of the Board to study all federal legislation with this philosophy in mind, selecting those particular parts of such legislation which will help the Board to provide better educational opportunities, better educational environment, and better physical and mental growth for each student.

The Superintendent shall review all new federal education legislation and prepare proposals for programs he/she deems would be of aid to the students of this District. The Board shall approve each such proposal prior to its submission.

The Board regards available federal funds of aid to local school districts and communities as a public trust. If the Board determines particular areas in which federal money can assist and provide better educational opportunities for the students of this District, this money will be expended with like consideration and responsibility given to other District funds.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

REVENUES FROM INVESTMENTS

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

To ensure the proper implementation of this policy, the administration is authorized to:

1. offer all funds which may be invested to all qualified and insured financial institutions on the basis of bids or quotes and
2. keep the balances in all checking accounts at the minimum necessary to cover the warrants issued by the District.

Funds invested will be placed on the basis of competitive bids or quotes.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

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

REVENUES FROM INVESTMENTS

Scope

The Southern Ohio Educational Service Center Governing Board hereby directs that the Investing Authority of this public entity shall reside with the chief fiscal officer (the “Treasurer”) in accordance with this investment policy. This policy is designed to cover all moneys under the control of said governing board 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 public entity’s funds.

1. The primary objective shall be the preservation of capital and protection of principal while earning investment interest.
2. The investment portfolio shall remain sufficiently liquid to enable the Treasurer to meet reasonable anticipated operating requirements.

Authorized Financial Institutions and Dealers

U.S. Treasury and Agency securities purchased outright shall be purchased only through financial institutions located within the United States of America, or through “primary securities dealers” as designated by the Federal Reserve Board, or directly through the Federal Reserve Board.

Repurchase agreements shall be transacted only through banks located within the United States of America with which the Treasurer has signed a Master Repurchase Agreement as required in ORC 135.

Certificates of deposit shall be transacted through commercial banks or savings and loans with FDIC coverage, which are located within the United States of America and qualify as eligible financial institutions under ORC 135.

A list of authorized institutions and dealers (those with depository contracts) shall be maintained with the Treasurer.

Maturity

To the extent possible, the Treasurer will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Treasurer will not directly invest in securities maturing more than five years from the date of purchase.

Derivatives

Investments in derivatives 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 Treasurer may invest in any instrument or security authorized in ORC 135 as amended.

Collateral

All deposits shall be collateralized pursuant to ORC 135.

Reporting

The Treasurer shall establish and maintain an inventory of all obligations and securities acquired by the Treasurer. The inventory shall include the description of the security, type, cost, maturity date, settlement date, and rate of interest. The Treasurer shall produce a monthly report detailing the current inventory of all obligations and securities, and all transactions during the month, income received and investment expenses paid.

Pursuant to ORC 135, all brokers, dealers and financial institutions initiating transactions with the investment authority by giving advice or making investment policy, or executing transactions initiated by the investment authority, 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

Treasurer (Investment Authority)

(Approval date: September 20, 1994)
(Revision approved: May 26, 1998)
(Revision approved: December 16, 2003)
(Revision approved: September 27, 2005)
(Update: November 28, 2006)

FISCAL ACCOUNTING AND REPORTING

The District's accounting system will be in conformance with the Uniform School Accounting System as prescribed by the Auditor of State for the use of school districts. The Treasurer will be responsible for receiving and properly accounting for all funds of the District.

The financial records must be adequate to:

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

The Board shall receive, at each regular monthly meeting, statements showing the financial position of the District as of the last day of the preceding month.

The Treasurer shall be responsible for the submission of the monthly financial report. Said report shall include obligations incurred last month, expenditures last month and, funds received last month.

The financial records must be kept for not less than 10 years and may be destroyed only in compliance with the provisions of state law and in compliance with specifications of the District's records commission, the Auditor of State and the Ohio Historical Society.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

[Update: May 23, 2006]

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

INVENTORIES FIXED ASSETS

The Board expects the Treasurer or his/her designee to maintain a Fixed Asset System for recording and reporting monetary amounts to account for Board-owned real property and equipment. The system will maintain sufficient information to permit the following:

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

The Superintendent is authorized to contract for the annual fixed asset inventory and establishment of values for all real estate and equipment owned by the Board. Staff members shall participate in the continuous updating of the fixed asset inventories and values of Board-owned equipment as may be deemed necessary by the Superintendent or his/her designee.

The Superintendent, or designee, as fixed asset manager is responsible for the maintenance of the fixed asset tracking system. The manager shall develop procedures to ensure compliance with the fixed asset policy. An individual in each building, department and/or organization shall be assigned fixed asset responsibility and be designated to provide updated information for fixed assets as changed. The Board will not maintain inventory for fiscal agent relationships (such as SERRC, etc.).

Fixed assets are defined as tangible assets with a useful life in excess of three years and initial cost equal to or exceeding \$2,500 for GAAP purposes (#1 listed above), \$250 for insurance and control purposes (#2 and #3 listed above) and all equipment purchased with federal project funds.

Fixed asset classification:

Land

Building and building improvement useful life 20-50 years

Machinery, equipment, furniture useful life 3-10 years

Fixed assets are generally valued at historical cost. Sources of historical cost data can include: invoices, purchase orders, canceled checks, vouchers, contracts, Board minutes, general ledger records, real estate closing documents, tax assessment records, grant records, inventory cards, maintenance records, price lists, vendors, appraiser's libraries, back-trend multipliers, etc. Land cost would include purchase price, legal and title fees, damage payments, site preparation and demolition. Buildings and building improvements would include purchase price, contract price, fees, claims, interest and related cost during construction. The value of donated assets should be based on the fair market value of the asset on the date of the donation.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

[Amended: March 25, 2003]

[Update: May 23, 2006]

LEGAL REF.: ORC 117.38

INVENTORIES

The Treasurer or designee will be responsible for the maintenance of the fixed asset inventory computer database in accordance with the following procedures.

Fixed Asset Computer Database

1. *Asset description
2. Asset classification
3. *Identification tag number
4. Manufacturer's serial or encoded number
5. Location where asset will be used
6. *Purchase price (cost)
7. *Acquisition method (source: purchased or donated)
8. Purchase order number
9. Check number
10. *Date of acquisition
11. Estimated useful life of asset
12. Accumulated depreciation as required by law
13. *Asset disposal information
14. *Funding source for purchase
15. *Percent federal funds used in purchase

*Federal Fund requirement

The Superintendent (fixed asset manager) or designee will be responsible for the maintenance of the asset tracking system in accordance with the following procedures.

Fixed Asset Tracking

1. Initiate and supervise the annual physical inventory of all equipment under the jurisdiction of the ESD.
2. Direct assignment of inventory control number (tag number) when the initial cost of the equipment exceeds \$250 per policy and send to the originator along with a copy of the purchase order and an Inventory Control Form. The originator is responsible for affixing tag to equipment and completing the control form.
3. Receive the completed Inventory Control Form back from the originator.
4. Submit the completed form to the Treasurer for updating of the computer database system.

All relevant information regarding exchanges or trade-ins of fixed assets must be noted and described on the related purchase orders and communicated to the Treasurer at the time of the new replacement acquisition.

Disposal of any equipment, especially fixed assets, require the prior written approval of the Superintendent as the fixed asset manager. Upon his approval, the disposal information should be submitted to the Treasurer for updating of the computer database.

Depreciation, where required, shall be calculated on a straight-line basis.

(Approval date: September 20, 1994)

(Re-approval date: May 26, 1998)

(Amended: March 25, 2003)

AUDITS

In accordance with state statutes, all District financial records are subject to audit by the Bureau of Inspection and Supervision of Public Offices of the State Auditor's Office. The Board has the right to request an independent audit with the approval of the State Auditor's Office.

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

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

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/PURCHASING AUTHORITY

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

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

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

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

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 purchase of items and services on such lists require no further Board approval, except in those instances in which, by law or Board policy, the purchases or services must be put to bid.

In an effort to bring about the smooth and efficient operation of the school system, the Board will pass, at the first meeting of the calendar year, specific authorizations for the procurement of supplies, equipment and services for the fiscal year and for the disposal of obsolete equipment and materials.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

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

PETTY CASH ACCOUNTS

The Board authorizes the Treasurer to create petty cash accounts. The treasurer designates who can use the accounts, the amount of money that may be placed in the accounts and the procedures for the accounts.

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.

An employee who fails to follow the procedure established by the Treasurer will be held liable for losses.

Treasurer has the authority to revoke any petty cash account.

[Adoption date: November 27, 2007]

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 will exceed \$25,000 will be let only after bids are solicited in compliance with law.

If practical, all purchases over \$1,000 but under \$25,000 will be based on price quotations submitted by at least three vendors. These quotations will be treated confidentially until the deadline for filing is past; thereafter they will be public information.

The Superintendent or designee will assemble the proper specifications and make the necessary arrangements for public bidding and price quotations. The Treasurer will receive the bids and price quotations and record them. The Superintendent will make his/her recommendations to the Board. Upon approval by the Board, he/she will process purchase orders to those bidders awarded contracts and notify the other bidders of the results of the bidding.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: ORC 153.54
3313.46
3319.04
3327.08

LOCAL PURCHASING

The Board recognizes its position as a major purchaser in this three county area, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the District from established local merchants.

The Board authorizes the Superintendent to award purchases placed in accordance with law, this policy, and all policies of the Board otherwise applicable to local merchants when:

1. their quotation is competitive;
2. freight charges are a factor;
3. maintenance service may be required and
4. promptness of delivery is a consideration provided that all statutes pertaining to public purchasing are duly observed.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

COOPERATIVE PURCHASING

It is the desire of the Board to provide the educational service district with the opportunity to obtain the greatest value to education through District purchases. The Board, therefore, encourages the utilization of a centralized purchasing plan when advantages accrue to local boards of education in cost, quality and convenience.

The Board will permit the Superintendent to join the E.P.C. (Educational Purchasing Cooperative) and administer a program of centralized purchasing to be available to appropriate local educational systems. In the establishment of a centralized purchasing system, the Board requires its agents to observe the same precepts in the placement of orders as it requires for orders placed in the name of this District.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

PURCHASING PROCEDURES

It is the policy of the Board that, when funds are available, all purchases contemplated within the current budget and not subject to bid, be made in a manner that tends toward the insurance of maximum value for the District.

All purchases that are within budgetary limits and were originally contemplated within the budget may be made upon authorization of the Treasurer and Superintendent.

Before the Superintendent places a purchase order, approval must be obtained from the Treasurer, who shall check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the District.

In the interest of economy, fairness and efficiency in its business dealings, the Board requires items commonly used in the various schools or units thereof be standardized whenever consistency with educational goals can be maintained.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: ORC 3313.46
3327.08
5705.41; 5705.412; 5705.44; 5705.45

PAYMENT PROCEDURES

All claims for payment from District funds will be processed by the Treasurer. Payment will be authorized against invoices supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the Board.

As an operating procedure, the Board will receive lists of bills paid from school funds each month.

The Treasurer will be responsible for ensuring that appropriate allocations are observed and that total expenditures do not exceed the amounts appropriated for all items.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: ORC 3313.18
3315.08
5705.41; 5705.412

PAYMENT PROCEDURES

It is the purpose of the Board of Education to effect the prompt payment of bills, but at the same time, ensure that due care has been taken in the review of such bills.

Each bill or obligation of this Board must be fully itemized, verified and duly audited. The Treasurer is directed to make the following payments prior to specific Board approval:

1. progress payments to contractors as specified in their contract and as approved by the Board;
2. warrants to cover approved payrolls and agency account deposits;
3. utility bills in months during which the Board does not meet and
4. supplies and services as required to maintain continuity of District operation.

It shall be the responsibility of the Treasurer upon receipt of an invoice to verify that the voucher is in order, the goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the item is one for which the Board budgeted, and the invoice is for the amount contracted. Upon approval of a voucher by the Treasurer, a warrant for payment, canceling the commitment placed against the appropriate account, shall be prepared and the actual cost posted.

All claims for payment shall be submitted to the Board for review in the form of a listing, including warrant number, warrant date, to whom paid and amount of remittance. The Board shall show by a resolution the approval of paid bills as submitted by the Treasurer. This action shall be recorded in Board minutes.

(Approval date: September 20, 1994)

(Re-approval date: May 26, 1998)

PAYROLL PROCEDURES

The most substantial payment of public funds for the operation of the District is that which is made to the employees of the Board for services rendered. To ensure that each person so compensated is validly employed by this District and that the compensation remitted fairly represents the services rendered, this policy is promulgated.

Employment of all District personnel whether by the year, term, month, week, day or hour in contract, temporary or substitute form must be approved by the Board except where authority to appoint certain personnel of the District has been delegated to the Superintendent.

Each motion of the Board to employ or re-employ on a contractual basis (i.e., for fixed period of time) shall include the name of the individual, the tentative position assignment, the salary or hourly rate to be paid over the term of the contract, including approved salary increases during contract period, and the period of employment.

All employees, including those whose contract is for less than twelve months, shall be paid as per board policy DLA over a twelve month period, unless an employee's compensation is calculated and paid for actual hours worked as documented by the submission of a time sheet. Employees who leave the employment of the board will be paid a final payment in a timely manner upon termination of employment. The Board will deny all requests for advance in salary for all employees.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

[Revision date: September 25, 2007]

PAYDAY SCHEDULES

The pay schedule shall be semimonthly on the 15th and 30th of each month or the last working day preceding the 15th or 30th. Payment date may be changed as deemed necessary by the Treasurer, due to Christmas break, Spring break, etc.

Re-issuance of Lost Payroll or Accounting Warrants

Any payroll or warrant check that has not been received by the payee will be eligible for stop-payment and re-issuance after five working days from the date of issuance.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

SALARY DEDUCTIONS

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

The following deductions are required:

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

Other deductions will be in accordance with Board policy.

When an employee is absent from duty and there is no sick leave applicable, or when the absence is unauthorized, the salary deduction for each day of unauthorized absence will be based on the current annual salary divided by the number of work days in contract of the employee. In no case will only the salary of the substitute be deducted or an employee be allowed to employ and pay for the substitute.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

[Adoption date: November 25, 2008]

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

SALARY DEDUCTIONS

Southern Ohio Educational Service Center 403(b) Retirement Plan

Policy Regarding Funding Vehicle(s) / Vendor(s) Selection and Deselection

Purpose

The Southern Ohio Educational Service Center (the “District”) offers the Southern Ohio Educational Service Center 403(b) Retirement Plan (the “Plan”) to give its employees the opportunity to save additional funds for retirement. The investment options made available under the Plan include annuity contract(s) and/or custodial accounts(s) (referred to as “Funding Vehicles”) and/or investment providers or any other entities authorized by investment providers that offer annuity contract(s) and/or custodial account(s) (referred to as “Vendors”), provided such Funding Vehicles and/or Vendors are specifically approved by the District for use under the Plan.

This Policy Regarding Funding Vehicle(s) / Vendor(s) Selection and Deselection (the “Policy”) sets forth the policy of the Board of Education of the Southern Ohio Educational Service Center (the “Board”) regarding the manner in which Funding Vehicles and/or Vendors will be selected and deselected by the District for use under the Plan, effective as of the date adopted by the Board as set forth at the end of this Policy, and supersedes any prior polic(ies) adopted by the Board regarding the matters addressed herein.

Policy

Selection of Funding Vehicle(s) and/or Vendor(s)

Funding Vehicle(s) and/or Vendor(s) offered as an investment option under the Plan will be listed on one or more of four (4) appendices to the Plan document, subject to the terms of the Plan. These appendices to the Plan are as follows: Appendix A (Funding Vehicle(s) / Vendor(s) Authorized to Receive Plan Contributions), Appendix B (Funding Vehicle(s) / Vendor(s) Authorized to Receive Only Contract Exchanges and Plan Transfers), Appendix C (Funding Vehicle(s) / Vendor(s) Authorized to Receive Only Plan Contributions from Grandfathered Participants) and Appendix D (Funding Vehicle(s) / Vendor(s) Selected for Deposit of Automatic Enrollment Contributions). Appendices B, C and D may be used only if such designations and transactions are permitted under the terms of the Plan.

Subject to the terms of the Plan, a Funding Vehicle and/or Vendor will be listed in Appendices A, B, C and/or D (as applicable) and offered as an investment option under the Plan only if all of the following conditions are satisfied:

- (1) The Funding Vehicle and/or Vendor must be designated as the investment selection for Plan contributions by at least one (1) employee who is eligible to participate in the Plan (or such other minimum number of eligible employees as is provided under the terms of a collective bargaining agreement, if applicable).

In order for a Funding Vehicle and/or Vendor to be considered for selection as an investment option offered under the Plan, a letter of request to include the Funding Vehicle and/or Vendor as an investment option offered under the Plan must be submitted to Gatekeeper Administration & Consulting, L.L.C. (the compliance administrator for the Plan), 1338 West Forest Meadows Drive, Suite 220, Flagstaff, AZ 86001, and such letter of request must include an enclosure of copies of account applications with such Funding Vehicle and/or Vendor signed by the minimum number of eligible employees designated above.

- (2) The provider of the Funding Vehicle, Vendor and/or licensed agent or broker must enter into and comply with the terms of a 403(b) Retirement Plan Group Investment Provider Agreement (“Investment Provider Agreement”) with Gatekeeper Administration & Consulting, L.L.C. (“Gatekeeper”) or other reasonable written compliance agreement, service agreement, information sharing agreement, hold harmless agreement and/or other similar agreement with Gatekeeper and/or the District, with the terms and signatory parties of such agreement to be determined at the discretion of the District and provided that such agreement protects the District from any liability under Internal Revenue Code section 403(b), other provisions of the Internal Revenue Code and any other applicable federal and/or state law which may result from the procurement of the annuity contract and/or custodial account.
- (3) The representative(s) of the Funding Vehicle and/or Vendor must follow the solicitation policy of the District in accordance with the provisions of the Investment Provider Agreement or any other written compliance agreement referenced in Section (2) above. Pursuant to this solicitation policy, the representative(s) of the Funding Vehicle and/or Vendor are only allowed to meet with and otherwise solicit employees on campus at such dates, times and in such locations as is determined at the discretion of the District and indicated by written approval of the Superintendent or the Superintendent’s designee.

- (4) The Funding Vehicle and/or Vendor is not required to but may agree to reimburse Plan recordkeeping fees as an operating expense paid by the provider of the Funding Vehicle or Vendor from its general assets (“Reimbursement Credits”) and/or to reimburse Plan recordkeeping fees as an individual account expense deducted directly from each Plan participant’s custodial account or annuity contract, subject to agreement by the Plan participant in the Salary Reduction Agreement and the terms of any applicable collective bargaining agreement (“Reimbursement Debits”).

In the event a Funding Vehicle and/or Vendor submits a letter of request to be included as an investment option offered under the Plan and it is determined that one or more of the above conditions are not satisfied, Gatekeeper will issue a written notice that advises the District, the Funding Vehicle and/or Vendor and the eligible employees who have designated such Funding Vehicle and/or Vendor of the conditions that are not satisfied. If such unsatisfied conditions may be subsequently satisfied by the Funding Vehicle and/or Vendor, a letter of request may be re-submitted to Gatekeeper with evidence of such subsequently satisfied conditions.

Deselection of Funding Vehicle(s) and/or Vendor(s)

In the event a Funding Vehicle and/or Vendor that is offered as an investment option under the Plan and listed on one or more of the four (4) appendices to the Plan document fails to satisfy any one of the conditions listed above to be included as a selected Funding Vehicle and/or Vendor under the Plan, such Funding Vehicle and/or Vendor will be de-selected as an investment option offered under the Plan and removed from the applicable listing(s) on the Plan appendices.

At the time that Gatekeeper and/or the District determine that a Funding Vehicle and/or Vendor has failed to satisfy any one of the conditions listed above, Gatekeeper will issue a written notice to the Funding Vehicle and/or Vendor advising it of the condition(s) that are not satisfied and that the Funding Vehicle and/or Vendor will be deselected as an investment option offered under the Plan if such condition(s) are not subsequently satisfied. The Funding Vehicle and/or Vendor will be given an opportunity to subsequently satisfy such conditions, pursuant to the terms of the Investment Provider Agreement or other written compliance agreement between the provider of the Funding Vehicle and/or Vendor, Gatekeeper and/or the District. If the Funding Vehicle and/or Vendor does not satisfy all of the conditions listed above within the time period and pursuant to the terms provided under the Investment Provider Agreement or other written compliance agreement, the Funding Vehicle and/or Vendor will be deselected as an investment option offered under the Plan at such time.

If the only condition that is not satisfied is that the minimum number of eligible employees are no longer contributing to the Funding Vehicle and/or Vendor, the Funding Vehicle and/or Vendor will be given an opportunity to submit to Gatekeeper a letter of request to remain as a selected Funding Vehicle and/or Vendor with an enclosure of copies of account applications with such Funding Vehicle and/or Vendor signed by the minimum number of eligible employees designated above. If the Funding Vehicle and/or Vendor cannot provide copies of account applications signed by the minimum number of eligible employees within the time period provided under the Investment Provider Agreement or other written compliance agreement, the Plan participants contributing to such Funding Vehicle and/or Vendor at such time may continue to contribute to the Funding Vehicle and/or Vendor, but no other Plan participants or eligible employees may contribute to the Funding Vehicle and/or Vendor. In such case, the Funding Vehicle and/or Vendor will be listed on Appendix C (Funding Vehicle(s) / Vendor(s) Authorized to Receive Only Plan Contributions from Grandfathered Participants) as authorized to receive only Plan contributions from such grandfathered participants.

IN WITNESS WHEREOF, the undersigned hereby certifies that he/she is Treasurer / Secretary of the Board of Education of the Southern Ohio Educational Service Center and that this Policy was duly adopted by the Board, effective as of the adoption date set forth below, and that the same has not been amended or rescinded and is in full force and effect.

Adoption date: November 25, 2008

Revision date: May 26, 2009

LEGAL REFS.: ORC 9.91

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File: DLBA

DIRECT DEPOSIT OF PAYROLL CHECKS

The Board authorizes the Treasurer to develop, implement and disseminate to employees, for those who request to participate, regulations necessary to implement the policy of direct deposit of payroll checks.

[Adoption date: July 1, 1997]

[Re-adoption date: May 26, 1998]

DIRECT DEPOSIT OF PAYROLL CHECKS

Employees who wish to participate in direct deposit of payroll checks must complete a direct deposit enrollment form.

All information on the direct deposit enrollment form is required and is confidential. The information will be used to process payment data by the fiscal office to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit/Electronic Funds Transfer Program.

The agreement represented by this authorization remains in effect until the employer discontinues the direct deposit program or the employee cancels his/her participation. All employees shall have the option to enroll indirect deposit or to cancel direct deposit. Enrollments or changes must be made in writing to the Treasurer 30 days prior to the effective date. For example, to start your direct deposit for the September 15 payroll, this form must be received by the Treasurer on or before August 15. This allows for a trial run on the August 30 payroll to verify all electronic information before the actual direct deposit takes place on September 15. Cancellations must be made in writing to the Treasurer 15 days prior to the effective date.

It is the responsibility of the employee to obtain and submit the information necessary to process a direct deposit. Any changes made by you or your bank regarding your account must be provided to the Treasurer in writing by completing a new sign-up sheet and must be received 30 days prior to the effective date.

The first payroll processed after receiving an enrollment form (new or change) will be a trial run to verify the electronic information provided. An actual check will be issued to the employee for that payroll. The second run (the second payroll) will make the actual deposit and a check receipt will be distributed to the employee.

(Approval date: July 1, 1997)

(Re-approval date: May 26, 1998)

[Amended date: May 23, 2006]

DIRECT DEPOSIT ENROLLMENT FORM

Southern Ohio Educational Service Center

DIRECT DEPOSIT ENROLLMENT FORM

All information on the DIRECT DEPOSIT ENROLLMENT FORM is required and is confidential. The information will be used to process payment data from Southern Ohio Educational Service Center fiscal office to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit/Electronic Funds Transfer Program.

The agreement represented by this authorization remains in effect until the employer discontinues the direct deposit program or the employee cancels his participation. **Enrollments or changes must be made in writing to the treasurer 30 days prior to the effective date.** For example, to start your direct deposit for the September 15 payroll, this form must be received by the treasurer on or before August 15. This allows for a trial run on the August 30 payroll to verify all electronic information before the actual direct deposit takes place on September 15. **Cancellations must be made in writing to the treasurer 15 days prior to the effective date.**

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The first payroll processed after receiving an enrollment form (new or change) will be a trial run to verify the electronic information provided. An actual check will be issued to the employee for that payroll. The second run (the second payroll) will make the actual deposit and a check receipt will be distributed to the employee.

DIRECT DEPOSIT

ENROLLMENT FORM

TO BE COMPLETED BY EMPLOYEE

NAME OF EMPLOYEE (PRINT)	TYPE OF DEPOSITOR ACCOUNT: CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/>
SIGNATURE	DEPOSITOR ACCOUNT NUMBER
DATE	_____

TO BE COMPLETED BY YOUR FINANCIAL INSTITUTION

NAME & ADDRESS OF FINANCIAL INSTITUTION _____ _____ _____	ROUTING NUMBER _____
SIGNATURE OF REPRESENTATIVE _____	DATE _____

PLEASE READ THIS CAREFULLY

White Copy - Employer Yellow Copy - Employee Pink Copy - Financial Institution

EXPENSE REIMBURSEMENTS

The Board will provide for the payment of the actual and necessary expenses, including traveling expenses, of any employee of the District incurred in the course of performing services for the District, whether within or outside the District, under the direction of the Board.

The validity of payments for job-related expenses shall be determined by the Superintendent.

The Board shall pay the expenses of employees when they attend professional meetings approved in accordance with the policy of this Board and in accordance with the following conditions:

1. Preliminary approval for attendance at the meeting as well as amounts of reimbursement for registration and expenses should be secured from the Superintendent.
2. Reimbursement shall be made only upon the presentation of original receipts for all expenses submitted for reimbursement. No reimbursement shall be made unless original receipts are presented for all costs except mileage.
3. Mileage must be computed as actual miles driven at the rate currently approved by the Board for its employees. Mileage will only be paid to one driver to a given destination on a given date unless specific approval is given in advance by the Superintendent.
4. Person attending conferences shall be reimbursed for all approved expenses at the Board approved rate for mileage, meals, room, tax and parking, upon filing of proper receipts.

The validity of payments for job-related expenses shall be determined by the Superintendent. The use of a personal vehicle shall be considered a legitimate job expense if:

1. travel is among schools to which the employee is assigned;
2. travel is required to a local store to receive job-related materials;
3. travel is authorized in advance by the Superintendent;
4. travel for special emergency purposes is a recognized part of the employee's job responsibilities and
5. travel to job-related destinations.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REFS.: ORC 3313.12; 3313.20
3315.15

EXPENSE REIMBURSEMENTS

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

1. Nonroutine Travel Requests: These must be submitted to the Superintendent 30 days 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. 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: Reimbursement will be made at the Internal Revenue Service (IRS) approved rate in effect on July 1 of each year. In the event that the IRS approved rate increases during a fiscal year, the adjustment will occur on July 1 of the following fiscal year. In the event that the IRS approved rate decreases during a fiscal year, the adjustment will occur simultaneously with the IRS effective date. This is the maximum rate regardless of the number of passengers. Charges in reasonable amounts for parking, toll road, toll bridge and ferry charges are reimbursable. An operator of a personal automobile must have a valid driver's license and certification from an insurance carrier for liability insurance coverage.
 - 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: canceled airline flights, change in destination due to inclement weather or other circumstances disabled personal automobile or 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. If such person is accompanied by his wife or her husband, lodging expenses will be reimbursed for the cost of a double room at the single occupancy rate.
 - B. Meals: Meals consumed by any person on official business will be reimbursed at a maximum of \$60 per day, per person, including tips at a 15% to 20% range. Alcoholic beverages will not be reimbursed.

- C. Overtime: Meal costs not in excess of approved limits listed in B above 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, or while on out of area job related travel.
4. Other Reimbursable Expense
- A. Telephone, Telegraph and Postage: Telephone toll calls from or to the District may 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 five days after the month in which the expense was incurred. Vouchers submitted later are subject to delays in payments.

The voucher must be signed and dated.

- A. Attachments to Expense Voucher: Receipts are required for cash expenditures in excess of \$1.00 for travel by public conveyance; local transportation; car rentals; parking, toll bridge and ferry charges; lodging; meals and conference and convention registration fees.
- B. Payment of Travel Voucher: Checks for timely vouchers will normally be included with the 15th payroll check.

(Approval date: September 20, 1994)
(Re-approval date: May 26, 1998)
[Revised revision: November 27, 2001]
(Revised Update: January 28, 2003)

CASH IN BUILDINGS

Moneys collected by District employees will be handled with prudent business procedures.

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

In no case shall moneys be left overnight in the buildings, except in secured areas, and no more than a few dollars should be kept.

Money held is employees' liability, not the Board's.

[Adoption date: September 20, 1994]

[Re-adoption date: May 26, 1998]

LEGAL REF.: ORC 9.38