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FISCAL MANAGEMENT GOALS

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

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

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

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

The Board seeks to achieve the following goals:

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

[Adoption date: November 19, 2001]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE/
BUDGET MODIFICATION AUTHORITY

Budget

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

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

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

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

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

Budget Modification

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

Transfers Among Categories

During the final quarter of the fiscal year, appropriations categories are examined, and the year-end status of each is estimated. Before the close of the fiscal year, the Board authorizes the Treasurer to transfer monies from those categories in which a surplus is anticipated into those in which a deficit is anticipated as permitted by State or Federal statutes.

Transfers among funds as permitted by statutes require Board action and may require approval from the Court of Common Pleas and the Tax Commissioner.

It is the responsibility of the Superintendent and the Treasurer to examine the appropriations categories and make the necessary recommendations to the Board.

[Adoption date: November 19, 2001]

[Re-adoption date: May 16, 2005]

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

BUDGET PLANNING

Budget planning is an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the District. Budget planning is a year-round process involving broad participation by administrators, teachers and other personnel throughout the District.

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

[Adoption date: November 19, 2001]

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

CROSS REF.: AE, School District Mission, Goals and Objectives

BUDGET HEARINGS AND REVIEWS

At a date, time and place determined by the Board, a budget hearing shall be held in the District, at which time Board members and appropriate members of the administrative staff will explain the proposed budget and invite questions and discussions relative to the items of the budget. No action on any part of the budget shall be taken at this hearing.

The announcement of the hearing, and the date, shall conform with the following legal requirements: Notice of the time and place of the hearing shall be published not less than 10 days prior to the date of the hearing; the proposed budget shall be made available for public inspection in the Treasurer's office 10 days before its adoption.

[Adoption date: November 19, 2001]

LEGAL REF.: ORC 5705.30

ANNUAL TAX 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 tax budget is adopted. The adoption of the budget by the Board takes place on or before January 15 and is by roll-call vote.

Following the public hearing and approval of the budget by the Board, the tax budget is submitted to the county budget commission for review and approval.

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

[Adoption date: November 19, 2001]

LEGAL REFS.: ORC 3311.40
5705.28

FUNDING PROPOSALS AND APPLICATIONS

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

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

[Adoption date: November 19, 2001]

[Re-adoption date: November 4, 2013]

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: November 19, 2001]

[Re-adoption date: November 4, 2013]

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

ORC 3301.07

3311.21

3313.17 through 3313.20; 3313.29; 3313.51

3317.01 through 3317.11

3323.09

Chapters 5701; 5705

5748.01 through 5748.06

ADMINISTRATION OF FEDERAL GRANT FUNDS

The Board accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available. The Board intends to administer federal grant awards efficiently, effectively and in compliance with all requirements imposed by law, the awarding agency and the Ohio Department of Education (ODE) or other applicable pass-through entity.

The Board directs the Treasurer to develop, monitor, and enforce effective financial management systems and other internal controls over federal awards that provide reasonable assurances that the District is managing the awards in compliance with all requirements for federal grants and awards. Systems and controls must meet all requirements of Federal law and regulation, including the Uniform Guidance issued by the U.S. Office of Budget and Management and any applicable state requirements, and shall be based on best practices.

All individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award.

The financial management systems and internal controls must provide for:

1. identification of all federal funds received and expended and their program source;
2. accurate, current, and complete disclosure of financial data in accordance with federal requirements;
3. records sufficient to track the receipt and use of funds;
4. effective control and accountability over assets to assure they are used only for authorized purposes and
5. comparison of expenditures against budget.

In addition, written procedures must be established for cash management and for determining the allowability of costs, as required by the Uniform Guidance.

At a minimum the financial management systems and internal controls will address the following areas:

1. Allowability

Costs charged by the school system to a federal grant must be allowed under the individual program and be in accordance with the cost principles established in the Uniform Guidance, including how charges made to the grant for personnel are to be determined. Costs will be charged to a federal grant only when the cost is:

- A. reasonable and necessary for the program;
- B. in compliance with applicable laws, regulations, and grant terms;
- C. allocable to the grant;
- D. adequately documented and
- E. consistent with District policies and procedures that apply to both federally-funded and non-federally funded activities.

Internal controls will be sufficient to provide reasonable assurance that charges to federal awards for personnel expenses are accurate, allowable, and properly allocated and documented. Controls will include time and effort reporting in accordance with Uniform Guidance and the requirements of ODE or other applicable pass-through-entity.

2. Cash Management and Fund Control

Payment methods must be established in writing that minimize the time elapsed between the draw down of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments and in accordance with the requirements of ODE or other applicable pass-through-entity.

3. Procurement

All purchases for property and services made using federal funds must be conducted in accordance with all applicable Federal, State and local laws and regulations, the Uniform Guidance, and the District's written policies and procedures.

4. Conflict of Interest and Mandatory Disclosures

The District complies with the requirements of State law and the Uniform Guidance for conflicts of interest and mandatory disclosures for all procurements with federal funds.

5. Equipment and Supplies Purchased with Federal Funds

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

6. Accountability and Certifications

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

7. Monitoring and Reporting Performance

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

[Adoption date: October 10, 2016]

LEGAL REFS.: ORC 9.314
117.101; 117.43
3313.33; 3313.46
3319.04
5705.39; 5705.41; 5705.412
2 C.F.R. Part 200

CROSS REFS.: BBFA, Board Member Conflict of Interest
BCC, Qualifications and Duties of the Treasurer
DI, Fiscal Accounting and Reporting
DID, Inventories (Fixed Assets)
DJ, Purchasing
DJC, Bidding Requirements
DJF, Purchasing Procedures
DK, Payment Procedures
EF/EFB, Food Services Management/Free and Reduced-Price Food Services
GBCA, Staff Conflict of Interest
IGBJ, Title I Programs

REVENUES FROM INVESTMENTS

Scope

The Board directs that the investing authority of the District resides with its Treasurer. This policy is designed to cover all monies under the control of the Board.

Objectives and Guidelines

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

1. **Liquidity:** The investment portfolio remains sufficiently liquid to enable the Treasurer to meet reasonably anticipated operating requirements.
2. **Safety:** Investments are undertaken in a manner consistent with State law, which seeks to ensure the preservation of public funds.
3. **Income:** The Treasurer strives to achieve a fair and safe rate of return on the investment portfolio over the course of budgetary and economic cycles, taking into account State law, safety considerations and cash flow requirements.
4. **Diversification:** The investment portfolio should be diversified in order to avoid incurring potential losses regarding individual securities that may not be held to maturity, whether by erosion of market value or change in market conditions.
5. **Prudence:** Investments are made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. **Bank Accounts:** Relationships with banks are managed in order to secure adequate services while minimizing costs. Deposits should be concentrated in single accounts except where audit control considerations dictate otherwise.

Authorized Financial Institutions and Dealers

U.S. Treasury and agency securities purchased outright are made only through a member of the National Association of Securities Dealers, through a bank, savings bank or savings and loan association regulated by the Superintendent of Financial Institutions or through an institution regulated by the Comptroller of the Currency, Federal Deposit Insurance Corporation or board of governors of the Federal Reserve System.

1. Repurchase agreements are transacted through banks and/or eligible dealers consistent with State law.
2. Certificates of deposit are transacted through commercial banks or savings and loans with FDIC coverage, and qualify as eligible financial institutions under State law.

Maturity

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

Derivatives

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

Allowable Investments

The Treasurer may invest in any instrument or security authorized in State law as amended. A copy of the appropriate section of the Ohio Revised Code is kept with this policy.

Collateral

All deposits are collateralized pursuant to State law.

Reporting

The Treasurer reports and maintains records of all investments and deposits.

All brokers, dealers and financial institutions initiating transactions with the investment authority by giving advice or executing transactions initiated by the investment authority must acknowledge their agreement to abide by the investment policy's content.

Internal Controls

The investing authority establishes a system of internal controls, which are documented in writing. The internal controls are reviewed periodically by an independent auditor. The controls are designed to prevent loss of public funds due to fraud, employee error and imprudent actions by employees and officers of the District.

[Adoption date: November 19, 2001]

[Re-adoption date: February 9, 2015]

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

FREE ADMISSIONS

Any employee who has completed 10 years of service to the District will be recognized with a lifetime pass to all in-District school activities. The Board may also grant a lifetime pass to any person who has made a significant contribution to the school.

Senior citizens, 60 years of age or older, may obtain a free pass upon request at the administration office.

Current staff members will also be admitted free.

[Adoption date: November 19, 2001]

BONDED EMPLOYEES AND OFFICERS

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

The Superintendent, Board President, staff and other employees who handle school funds are included, at Board expense, in a position schedule bond. Position schedule bonds pertain to a specific position, not to an individual.

[Adoption date: November 19, 2001]

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 Treasurer is responsible for receiving and properly accounting for all funds of the District.

The financial records must be adequate to:

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

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

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

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

[Adoption date: November 19, 2001]

[Re-adoption date: April 14, 2014]

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

CROSS REF.: EHA, Data and Records Retention

INVENTORIES
(Fixed Assets)

The Board, as steward of the District's property, recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The District shall conduct a complete inventory as needed but in no case less often than every five years, by physical count, of all District owned fixed assets and annually of all supplies.

Fixed assets purchased through a capital lease agreement shall be capitalized in accordance with the Fixed Asset Recording and Accounting Procedures incorporated as a part of this policy.

The Sandusky City School District shall maintain a fixed asset accounting system. The fixed asset system shall maintain sufficient information to permit:

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

The Treasurer is responsible for the development and implementation of Fixed Asset Recording and Accounting Procedures which are adopted as part of this policy. These procedures shall ensure compliance with the fixed asset policy, grant regulations, GASB, and state, federal and local regulations.

All fixed assets purchased, as capital outlay or replacement with a cost of \$5,000 (\$25,000 for land and building improvements), or more, and with an estimated useful life of three years or more, is tagged and made a part of the fixed asset inventory. Officials, administrators, department heads and principals may identify "controlled" assets that, although they do not meet all fixed asset criteria, are to be recorded on the fixed asset system to maintain control. In addition, any items that need to be classified as fixed assets in accordance with grant guidelines will be so classified.

[Adoption date: November 19, 2001]

[Re-adoption date: April 26, 2010]

LEGAL REF.: ORC 3313.20

INVENTORIES
(Fixed Asset Recording and Accounting Procedures)

The Treasurer's office, in order to comply with GASB mandated financial reporting requirements, which incorporate capital asset valuation and safeguarding, is responsible for coordinating the property management function of the District.

The Treasurer's office is responsible for:

1. the implementation of and conversion to the District's fixed asset policy utilizing the criteria described within these procedures and the Board policies, and establishing a beginning capital asset balance and a beginning balance of accumulated depreciation, both of which should be broken down to the function level;
2. a summary of the changes in General capital assets and the Fund capital assets (See "Classification of Fixed Assets") during the year by asset type and function;
3. the design, implementation and perpetuation of an asset management system to effectively utilize and report the District's fixed assets, including, but not limited to, the establishing of edit/input procedures, maintenance of data records, maintenance of appropriate documentation, and ensuring that police reports are on file for all property thefts;
4. the specific identification of all District fixed assets;
5. the assignment of fixed assets to building/department administrators who then become ultimately responsible for the assigned property;
6. the directing and monitoring of a periodic physical inventory at each location in accordance with Board policy;
7. ensuring that an authorized transfer request form is on file for the physical transfer of fixed assets;
8. ensuring that proper reports are available to determine if the District has sufficient assets and
9. coordinating the periodic sale of surplus property and account for the sale according to state, GASB and District regulations and procedures.

The building/department administrator shall be responsible for all fixed assets within their jurisdiction. They shall be responsible for:

1. completing and filing all transfer/disposal request forms in a timely manner;
2. properly reporting all stolen, lost or damaged fixed assets to the Treasurer's office;
3. reporting all donated property to the Treasurer's office;
4. completing an accurate period physical inventory, according to the guidelines established by the Treasurer's office and
5. maintaining copies of all transfer/disposal forms and annual printouts used for inventory, for at least three years.

Whenever a building/department administrator resigns, retires or otherwise leaves the District, he/she shall be subject to an exit audit of fixed assets under his/her control.

Definition of a Fixed Asset

The District defines a fixed asset as tangible property, owned by the District, used in a productive capacity by the District and that will benefit the District for a period of time greater than three years.

To qualify for inclusion as a capital asset in the District's fixed asset system, the following five criteria must be met:

1. The asset must have a cost or dollar value.
2. The asset must have a useful life of three years or more.
3. The asset must be:
 - A. land;
 - B. land improvement;
 - C. building;
 - D. building improvement;
 - E. equipment;

- F. furniture;
 - G. fixture;
 - H. vehicle or
 - I. other item tangible in nature (possess physical substance).
4. The asset does not lose its identity as part of a larger unit.
 5. The asset is not a repair part or supply item.

An item not meeting the above criteria will not be capitalized but may be entered into the fixed asset accounting system for control purposes.

Due to the inherent limitations, the following types of property may be maintained on a separate supportive inventory for additional control procedure purposes:

1. library books
2. textbooks
3. maintenance/custodial tools
4. films/tapes/CD's/DVD's
5. software
6. computers
7. electronic devises

Group purchases where the unit cost of an item is below the capitalization threshold will not be classified as a fixed asset.

The District will report only capitalized assets on its financial statements, unless state, federal or local regulations, grant guidelines or GASB pronouncements require non-capitalized assets to be reported.

Identification and Tracking

The District, in conforming to GASB standards, defines the data elements to identify and track fixed assets. The District understands that during the conversion process all elements may not be available for assets previously recorded on the fixed asset system. To insure that the District is conforming to the GASB standards, those elements that are required are identified with an asterisk (*). All items mentioned below are required for new purchases made after the implementation of these procedures.

* District Asset Number

* Location of Asset – Department responsible for

* Acquisition Date (estimated year if unknown)

* Actual Cost (estimated if unknown)

Acquisition method (purchase, donation, etc.)

Source of Funding

* Description of Asset

Asset Serial Number

Purchase Order Number

Warrant Voucher Number

* Function Classification (function that currently utilizes the asset)

* Classification of Asset – General (depreciable or non-depreciable) – Fund (depreciable or non-depreciable) – Infrastructure

* Property Classification of Asset

Building
Building Improvement
Furniture
Fixtures
Equipment
Vehicles

* Estimated Useful Life

* Salvage Value of Asset

* Accumulated Depreciation

Maintenance Agreement Vendor Name and Number

Insurance Code

Asset Disposal Date

Manner of Disposal (auction, trade-in, sale, junked, ect.)

Gain or Loss on Disposal of Asset

Acquisitions

New assets acquired by the District will be processed in the same manner as other purchases, with the Treasurer's office processing the fixed asset form when the purchase is complete, the asset tag will be assigned and forwarded to receiving department to be affixed to the asset.

Under GASB 34, gains and losses are recognized on the exchange or trade-in of fixed assets. The gain or loss is the difference between the trade in allowance and the book value (cost minus depreciation) of the old asset.

District Asset Number

The primary purpose of the District Asset Number is to maintain a positive identification of assets owned by the District. The District Asset Number should be affixed to the asset by means of a label or engraving. Effective labeling of an asset provides for:

1. an accurate method of identifying individual assets as property of the district;
2. facilitating the inventory process on a period basis;
3. controlling the location of all physical assets;
4. assisting in maintaining fixed assets and
5. a common ground for communication for the asset.

Some federal programs may require a separate label that can not be incorporated into the District label that shall be in addition to the District label.

Large fixed assets (ex. buildings, land, etc.) will be exempt from affixing of a label or engraving, as will any item that it is not practical to affix a label or engraving to (ex. roof, wiring, asphalt, etc.)

Classification of Fixed Assets

The District conforms to GASB guidelines in classifying fixed assets. The distinctive nature of governmental financial operations requires fixed assets to be accounted for either within the proprietary funds or within the governmental activities. Fiduciary funds (i.e. Trust Funds) rarely maintain fixed assets; however, assets must be reported within these funds if applicable.

Under GASB No. 34 there are three classes of fixed assets:

1. General Capital Assets – are those within the governmental activities. There are two classifications:
 - A. Depreciable Capital Assets, net (capital assets minus depreciation)
 - B. Non-Depreciable Capital Assets (land and construction-in-progress)
2. Fund Capital Assets – these are fixed assets accounted for within the proprietary funds.
3. Infrastructure – are long lived capital assets that are normally stationary and that can be preserved for a significantly greater number years than most capital assets. General infrastructure assets are associated with and generally arise from governmental activities and are considered only to have value to the District.

Property Classifications

Land

Real property, which generally includes both surface and content of the land. Includes land currently in use, being held for use, or available for sale by the District.

Land records should include the assessor's parcel number and/or lot, book and tract, as well as an identification of use and location/address.

Land Improvements

Consist of land attachments with limited lives, including driveways, walls, fences and parking lots.

Land improvements must have a significant impact and be of a material amount (\$25,000 or more) in order to be capitalized. Special consideration must be given as to whether these costs are improvements or just repair costs.

Buildings

Consist of structures erected above or below ground level for the purposes of sheltering persons or property.

Building records should include a quantitative and qualitative description of each structure segregating, where possible and practical, basic building construction from heating, ventilating, air conditioning, roof, elevators, plumbing, lighting, floor and ceiling cover, and built-ins for component lifting purposes. These latter assets may be replaced several times during the life of the building shell and therefore, take a shorter useful life estimate and will generally be considered building improvements.

Building Improvements

Consist of additions, improvements and replacements made to existing buildings or improvements added to newly capitalized buildings.

Building Improvements increase the service potential of a building; they expand area, increase safety, improve climate control or improve mobility within the building. Examples include the addition of a building wing, installation of a sprinkler system, central air conditioning or an elevator.

Building Improvements must have a significant impact and be a material amount (\$25,000 or more) to be capitalized. For this reason, carpeting, partitions, installation of and/or renovation of an office wall structure will generally be expensed. Special consideration must be given as to whether these costs are improvements or repair costs.

Additions to the building improvements are capitalized to the extent a new asset has been created that increases the ability to provide service. If significant changes to the existing structure are made as a result of the addition, the amount should be capitalized. If a significant portion of the old structure has been torn down, the book value of the demolished portion should be removed from the fixed asset records. In many cases when a building improvement is acquired, the original cost of the old asset is not known. In these circumstances, the cost of the new asset may either be debited to the accumulated depreciation account of the old asset (if depreciation is being recorded) or charged directly to the asset account.

Furniture, Fixtures, Equipment and Vehicles

Personal property not attached to land, buildings or improvements and which remain movable. Included in this category are buses, trucks, computers, desks, cabinets, cameras, etc.

Construction-in-Progress

Used to account for expenditures accumulated relative to the construction of fixed assets. Construction-in-progress is an accounting valuation of assets being built or assembled, in terms of the cumulative cost incurred up to the balance sheet date. The construction accounts are typically supported by capital project or construction funds and should be used to accumulate and record construction related transactions and costs until such time as the asset is complete and placed into service. It is at this point that the construction accounts would be closed to the appropriate fixed asset accounts and the fixed asset recorded.

Infrastructure

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets. They are immovable and of value only to the District. Most school districts have no fixed assets that would be considered infrastructure.

Basis/Cost

The District defines cost (or basis) as the cash price, or its equivalent, plus all other necessary costs to place an asset in its intended location and condition for use.

According to the “Codification of Governmental Accounting and Financial Reporting Standards Section 1400.111”, “Fixed assets should be reported at cost or if the cost is not practicably determinable, at estimated cost. Donated fixed assets should be recorded at their estimated fair value at the time received.”

Sources of historical cost data can include: invoices, purchase orders, cancelled 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.

Sources of standard cost data can include: manufacturer’s price lists, catalogs, quotations, distributor’s and supply company catalogs, industry publications, magazines, director’s and trade journals, consulting, cost engineering, cost estimating manuals and handbooks, technical service companies and organizations and appraiser’s libraries.

Sources of normal cost data can include published prices and back-trend factors.

Land

Land costs include the original purchase price and related costs such as liens assumed, legal and title fees, surveying, filling, grading, drainage and other costs of preparation to ready the land for its intended use.

Land acquired through forfeiture is capitalized at the total amount of all tax liens and other claims surrendered, such as the cost of acquiring ownership and perfecting title.

Land acquired through donation is valued at the appraised fair market value at the date of acquisition. The cost of the appraisal, however, should not be capitalized.

Land Improvements

Additions to the land improvements are capitalized to the extent that a new asset has been created that increases the ability to provide service. If significant changes to the existing structure are made as the result of the addition, the amount should be capitalized. If a significant portion of the old structure is torn down, the book value to the demolished portion should be removed from the fixed asset records. In many cases when a land improvement is acquired, the original cost of the old asset is not known. In these circumstances, the cost of the new asset may either be debited to the accumulated depreciation account of the old asset (if depreciation is being recorded) or charged directly to the asset account.

Often the original cost of a specific land improvement will not be determinable as it was acquired as a part of a larger unit. In cases where a significant improvement has been performed, and the original asset is being tagged and tracked separately, the original asset should be removed at its book value when replaced. If the book value of the original asset cannot be determined, no disposal will be recorded.

Buildings

Building costs include construction and purchase cost and the cost of all fixtures permanently attached and made a part of the building. For constructed buildings, costs include contractor payments, in-house labor costs, attorney fees, building permits, architectural fees and similar types of costs.

In constructed buildings, interest charges incurred during construction may be capitalized for Fund capital assets if they meet the criteria of FASB Statement No. 34 and FASB Statement No. 62. GASB Statement No. 37 prohibits capitalizing interest for governmental capital assets.

Building Improvements

Building Improvement costs include construction costs, contractor payments and other costs required to place the improvement in its finished and useable state.

Additions to the building improvements are capitalized to the extent a new asset has been created that increases the ability to provide service. If significant changes to the existing structure are made as a result of the addition, the amount should be capitalized. If a significant portion of the old structure is torn down, the book value of the demolished portion should be removed from the fixed asset records. In many cases when a building improvement is acquired, the original cost of the old asset is not known. In these circumstances, the cost of the new asset may either be debited to the accumulated depreciation account of the old asset (if depreciation is being recorded) or charged directly to the asset account.

Often the original cost of a specific building improvement will not be determinable as it was acquired as part of a larger unit. In cases where a significant improvement has been performed, and the original asset it being tagged and tracked separately, the original asset should be removed at its book value when replaced. If the book value of the original asset cannot be determined, no disposal will be recorded.

Furniture, Fixtures, Equipment and Vehicles

Furniture, fixtures, equipment and vehicle costs include the purchase price, freight/handling charges, insurance on the equipment while in transit, cost of special foundations if required, assembling and installation costs and the costs of conducting trial runs. Costs thus include all expenditures incurred in acquiring the machinery or equipment and preparing it for use, plus the value of any trade-ins or exchanges.

Special Cost/Basis Considerations

Donations

The value of donations should be established based on their fair market value on the date of the gift. A verified invoice copy to substantiate value should accompany all donations from school related groups. All donations must be submitted to the Board for acceptance.

Repairs

Ordinary repairs are expenditures to maintain assets in operating condition, they are charged to an expense account in the period in which they are incurred on the basis that it is the only period benefited. Cost incurred to achieve greater future benefits should be capitalized, whereas expenditures that simply maintain a given level of service should be expensed.

Used Equipment

Used Equipment is not differentiated from any other fixed asset acquisition except that special consideration should be given to the useful life established for the asset as well as any salvage value assigned.

Leased Equipment

If a fixed asset is acquired under a lease agreement, it may be capitalized if it meets the criteria of FASB Statement No. 13 for Capital Leases, which states, in part:

Equipment shall be capitalized if the lease agreement meets any one of the following criteria:

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair market value of the leased property.

Leases that do not meet any of the above requirements shall be recorded as an operating lease and reported in the Notes to Financial Statements, if material.

Transfers between Funds and/or Functions

The transfer of fixed assets from one fund and/or function to another is merely a change in location, responsible department, etc.

A transfer of property within the General Capital Assets or Fund Capital Assets that changes the function of the asset must be updated on the District's fixed asset system.

A transfer of property between General Capital Assets to the Fund Capital Assets, with no monetary consideration, is treated as a capital contribution in the Fund Capital Assets, at the fair market value of the transferred asset on the date of transfer.

A transfer of property from the Fund Capital Assets to the General Capital Assets, with no monetary consideration, is treated as a donated asset at the fair market value of the asset on the date of transfer.

School Constructed Property

Any fixed asset manufactured, constructed, fabricated or otherwise produced by the District for use within the District, will be recorded as a fixed asset and valued based on the cost of labor and materials.

Federal Program Fixed Assets

The following guidance will be followed in recording, reporting and maintaining fixed asset acquisitions secured through Federal Grants:

- OMB Circular A-87
- OMB Circular A-102
- OMB Circular A-110
- OMB Circular A-21
- Department of Health and Human Services (HHS)
- Title 45 Code of Federal Regulations (CFR), Part 74, Subpart 0
- Any other applicable federal guidelines.

Function Classification of Fixed Assets

In conforming to GASB 34, the District records fixed assets by type and function code. Function codes are assigned based on the use of the fixed asset in accordance with USAS function classification. If an asset is used by different function classifications, it will be recorded as a percentage in each classification according to the time used in each.

Useful Lives

The useful life of a fixed asset relates to the relative life expectancy of the asset as used by the specific governmental unit. Useful lives are assigned to each type of asset based on average for that type, based on actual experience, engineering evidence, expected technological relevance and management estimates. Useful lives are expressed in terms of the probable total years of service that the fixed asset will be gainfully used. The District has established the following general guidelines for each category of fixed asset for useful lives:

<u>Category</u>	<u>Useful Life (in Years)</u>
Buildings	100
Building Improvements	25
Land Improvements	25
Furniture, Fixtures and Equipment	3-20
Vehicles	5-15
Infrastructure	40-50

Each asset will be given a useful life based on its individual life expectancy, the ranges given above are general in nature and, therefore, not all inclusive, and are subject to final management estimates.

Salvage Value

Salvage Value is the expected worth of a fixed asset at the end of its useful life to the District. From the effective date of these procedures, the District will not record any salvage value on fixed assets added due to District experience that almost all fixed assets are of de-minimus value at the time of disposal. If a salvage value was previously assigned, it will not be altered.

Depreciation

The District, in conforming to GASB 34, will depreciate all capital assets and infrastructure, other than land and construction-in-progress, by type and function. Assets that are in the fixed asset system for control purposes may be depreciated as a cost finding function.

The District utilizes the straight-line method of calculating depreciation. Under this method, the cost (basis) of the asset, less any salvage value, is divided by the estimated useful life of the asset to determine the annual depreciation.

Surplus Property

The District manages all property up to the point of final disposition and maintains records of Surplus Property which is property that has been transferred from its site/purpose to a status of “unused”, “unneeded” or “unusable”. Transfer of a fixed asset to surplus property is accomplished by completion and approval of the prescribed form. Any item in Surplus Property and not able to be utilized by the District is subject to disposal, with approval of the Board, in a means prescribed by the Board and in accordance with any applicable laws and regulations.

Dispositions

District property is retired through:

- Public Auction
- Public Sale
- Private Sale
- Trade-In
- Scrap
- Discards
- Donation
- Other means approved by the Board and allowable under the ORC

- Public Auction:** Unless otherwise specified in ORC Section 3313.41, the Board will initially offer for sale any unneeded, unused, obsolete and/or unfit property with a value over ten-thousand dollars (\$10,000) at public auction, in accordance with ORC Section 3313.41. The dollar limitation will not exclude the District from offering items with a lower value at public auction, at its discretion. At public auction, the property will be sold to the highest bidder but the Board retains the right to reject any and/or all bids.
- Public Sale:** The Board may offer any unneeded, unused, obsolete and/or unfit property with a value under ten-thousand dollars (\$10,000) at a public sale. Under public sale, offers from interested buyers will be accepted and the highest offer will be presented to the Board for approval. The Board reserves the right to reject any and/or all offers received.
- Private Sale:** The Board may offer any unsold item offered at Public Auction or Public Sale for sale at a private sale, in accordance with ORC Section 3313.41. The Board reserves the right to reject any and/or all offers received.
- Trade-In:** The Board, at its discretion, may trade in any property that is being replaced with a like property under terms agreed to by the parties to the trade, in accordance with ORC Section 3313.41.
- Scrap:** Any property judged to be unneeded, unusable, obsolete and/or unfit for District use may be sold as scrap when determined that that method of disposal will generate the highest sales price for the item, with allowance for District costs in accomplishing the scrapping of the item.
- Discards:** Any property judged to be unneeded, unusable, obsolete and/or unfit for District use and estimated to have no market value, or a market value less than or equal to the cost of readying the property for sale, may be disposed of by means of discard, including refuse collection.
- Donation:** In accordance with ORC Section 3313.41, any property that the District finds, by resolution, to be not needed for District use, is obsolete, or is unfit for the use for which it was acquired the Board may donate that property in accordance with this division if the fair market value of the property is, in the opinion of the Board, two thousand five hundred dollars (\$2,500) or less. The property may be donated to an eligible nonprofit organization that is located in this state and is exempt from federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3). Before donating any property under this division, the Board shall adopt a resolution expressing its intent to make unneeded, obsolete, or unfit-for-use District property available to these organizations. The resolution shall include guidelines and procedures

the Board considers to be necessary to implement the donation program and shall indicate whether the District will conduct the donation program or the Board will contract with a representative to conduct it. If a representative is known when the resolution is adopted, the resolution shall provide contact information such as the representative's name, address, and telephone number. The resolution shall include within its procedures a requirement that any nonprofit organization desiring to obtain donated property under this division shall submit a written notice to the Board or its representative. The written notice shall include evidence that the organization is a nonprofit organization that is located in this state and is exempt from federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3); a description of the organization's primary purpose; a description of the type or types of property the organization needs; and the name, address, and telephone number of a person designated by the organization's governing board to receive donated property and to serve as its agent. After adoption of the resolution, the Board shall publish, in a newspaper of general circulation in the District, notice of its intent to donate unneeded, obsolete, or unfit-for-use District property to eligible nonprofit organizations. The notice shall include a summary of the information provided in the resolution and shall be published at least twice. The second and any subsequent notice shall be published not less than ten nor more than twenty days after the previous notice. A similar notice also shall be posted continually in the Board's office, and, if the District maintains a web site on the internet, the notice shall be posted continually at that web site. The Board or its representatives shall maintain a list of all nonprofit organizations that notify the Board or its representative of their desire to obtain donated property under this division and that the Board or its representative determines to be eligible, in accordance with the requirements set forth in this section and in the donation program's guidelines and procedures, to receive donated property. The Board or its representative also shall maintain a list of all District property the Board finds to be unneeded, obsolete, or unfit for use and to be available for donation under this division. The list shall be posted continually in a conspicuous location in the Board's office, and, if the District maintains a web site on the internet, the list shall be posted continually at that web site. An item of property on the list shall be donated to the eligible nonprofit organization that first declares to the Board or its representative its desire to obtain the item unless the Board previously has established, by resolution, a list of eligible nonprofit organizations that shall be given priority with respect to the item's donation. Priority may be given on the basis that the purposes of a nonprofit organization have a direct relationship to specific District purposes of programs provided or administered by the Board. A resolution giving priority to certain nonprofit organizations with respect to the

donation of an item of property shall specify the reasons why the organizations are given that priority. Members of the Board shall consult with the Ohio ethics commission, and comply with Chapters 102. and 2921. of the Revised Code, with respect to any donation under this division to a nonprofit organization of which a Board member, any member of a Board member's family, or any business associate of a Board member is a trustee, officer, Board member, or employee.

Gains and Losses: Gain or loss on the disposition of all capital assets should be recorded for purposes of financial statements prepared in accordance with Generally Accepted Accounting Principals.

(Approval date: April 26, 2010)

(Re-approval date: February 8, 2016)

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: November 19, 2001]

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

PURCHASING

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

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

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

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

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

[Adoption date: November 19, 2001]

[Re-adoption date: May 16, 2005]

[Re-adoption date: January 12, 2016]

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

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

PURCHASING

Philosophy

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, which functions under the supervision of the Business Manager, through whose office all purchasing transactions are conducted.

General Guidelines

1. The Board annually designates the purchasing agent. He/She shall be responsible for developing and administering the purchasing program of the school district.
2. The purchasing agent is authorized to issue purchase orders without prior approval of the Board where formal bidding procedures are not required by law, and when budget appropriations are adequate to cover such obligations.
3. When the Board determines to build, repair, enlarge, improve, or demolish any school building, the cost of which will exceed \$25,000, the Board shall follow the competitive bid procedure set forth in O.R.C. §3313.46, unless otherwise permitted by law. The Treasurer is authorized to open bids and record the same pursuant to law.
4. All contracts which require public advertising and competitive bidding shall be awarded by resolution of the Board. Recommendations for the award of all such contracts shall be submitted to the Board by the Superintendent.
5. Residence or place of business of local bidders may be considered only in cases where identical bids have been submitted.
6. Items commonly used in the various schools or units thereof shall be standardized whenever consistent with educational goals and in the interest of efficiency or economy.
7. The purchasing procedures employed shall comply with all applicable laws of the State of Ohio and regulations approved by the Board.

8. A statement of “General Conditions,” as approved by the Board, shall be included with all specifications submitted to suppliers for their bids. These general conditions shall be incorporated in all contracts awarded for the purchase of materials, equipment and supplies.
9. Opportunity shall be provided to all responsible suppliers to do business with the District. To this end the purchasing agent shall develop and maintain lists of potential bidders for the various types of materials, equipment and supplies. Such bidders lists shall be used in the development of a mailing list for distribution of specifications and invitations to bid. Any supplier may be included in the list upon request.
10. No Board member, officer or employee of the school district or their families shall assume a financial interest in any contract entered into by the Board. This shall also preclude acceptance of any gratuities, financial or otherwise, by the above persons, from any supplier of materials or services to the District.

(Approval date: November 19, 2001)

(Re-approval date: May 9, 2007)

PETTY CASH ACCOUNTS

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

The debit card and check access is limited to only those individuals who have a job-related need to use these payment methods. Any person using the debit card or check must keep a written log which is to be turned in each day.

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

Any administrator who ignores procedure and allows anyone else to use the card, or who does not take prudent measures to ensure that proper security is maintained, may be held personally liable for losses.

[Adoption date: November 19, 2001]

LEGAL REF.: ORC 9.38

CROSS REF.: DM, Cash in School Buildings

BIDDING REQUIREMENTS

When the Board determines to build, repair, enlarge, improve, or demolish any school building, the cost of which will exceed \$25,000, the Board shall follow the bid procedure set forth in O.R.C. §3313.46, except in cases of urgent necessity, or for the security and protection of school property, or as otherwise provided by law. Furthermore, contracts for the purchase of all school buses and other equipment used in transporting children to and from school must be by competitive bid, pursuant to O.R.C. §3327.08.

The Treasurer assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Treasurer receives the bids and price quotations and records them. The Treasurer makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding. Notwithstanding the foregoing, the Board reserves the right to reject any or all bids and if it desires to subsequently re-bid the contract.

The bid procedures set forth in this Policy do not apply to the following situations:

1. The acquisition of educational materials used in teaching;
2. If the Board determines and declares by resolution adopted by two-thirds of all its members that an item is available and can be acquired only from a single source.
3. If the Board declares by resolution adopted by two-thirds of all its members that these procedures do not apply to any installation, modification, or remodeling involved in any energy conservation measure undertaken through an installment payment contract pursuant to O.R.C §3313.372 or §133.06.
4. The acquisition of computer software for instructional purposes and computer hardware for instructional purposes pursuant to O.R.C. §3313.37.
5. Other situations allowed by the Ohio Revised Code.

[Adoption date: November 19, 2001]

[Re-adoption date: May 16, 2005]

[Re-adoption date: May 9, 2007]

LEGAL REFS.: ORC 153.01; 153.12 through 153.14; 153.50 through 153.56
9.314
3313.372; 33313.373; 3313.46
3319.04

CROSS REFS.: DJ, Purchasing
DJF, Purchasing Procedures
ECF, Energy Conservation
FA, Facilities Development Goals
FC, Facilities Capitalization Program

Sandusky City School District, Sandusky, Ohio

FEF, Construction Contracts Bidding and Awards

COOPERATIVE PURCHASING

The District may join with other participating schools and/or agencies in a unified purchasing program when this is advantageous to the District.

[Adoption date: November 19, 2001]

PURCHASING PROCEDURES

Monies under the jurisdiction of the Board may not be expended except upon a warrant drawn against a specific appropriation and against a specific fund. Therefore, no contract or purchase order for the expenditure of money will be made unless there is attached to it a certificate of the Treasurer certifying that the amount required to meet the contract or purchase order has been appropriated and is in the treasury, or is in the process of collection, and is free from previous encumbrance.

Any contract or purchase order issued without such a certificate attached is void, except as the law allows later issuance within 30 days of the certificate and except that, if the amount involved is less than \$3,000, the Treasurer may authorize it to be paid without the ratification or affirmation of the Board. Under certain conditions, the law also allows the Treasurer to issue blanket certification, subject to limitations of time and amount as set by law.

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

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

[Adoption date: November 19, 2001]

[Re-adoption date: February 11, 2013]

LEGAL REFS.: ORC 3313.46
3327.08
5705.41(D)(1); 5705.412; 5705.44

CROSS REFS.: DJ, Purchasing
DJC, Bidding Requirements

PURCHASING PROCEDURES

General

1. Only persons designated by the Superintendent may commit the system for a purchase.
2. The materials, equipment, supplies, and/or services to be purchased shall be of the quality required to serve the function in a satisfactory manner, as determined by the requisitioner and the supervising administrator.
3. It is the responsibility of the requisitioner to provide an adequate description as required by the Superintendent or designee, so that the latter may be able to prepare the specifications and to procure most expeditiously and economically the desired commodity and/or service. A source of supply should be included on requisitions for specialty or unusual items.
4. It is the responsibility of the supervising administrator to make alternate suggestions to the requisitioner if, in the judgment of the Superintendent or designee, the specification would restrict competition or otherwise preclude the most economical purchase of the required items. In the case of disagreement, either party may refer the matter in accordance with established procedure.
5. When a low bidder proposes an alternate as "equal" to that specified, it is the responsibility of the supervising administrator to determine whether the proposed substitution is, in fact, an equal. Such decision will be based on his/her evaluation and that of the requisitioner.

Requisitions

1. The following are designated as "requisitioner," that is, they are authorized to issue requisitions against stipulated segments of budgetary appropriations: the Superintendent, assistants, directors, supervisors and building principals. Each requisitioner will be responsible for limiting his/her requisitions to the amounts appropriate for his/her unit.
2. Only forms provided by the Treasurer will be used for requisitioning.
3. Standard supply lists of commonly used items will be jointly developed for all categories or groups of supplies by the purchasing agent and the appropriate requisitioners. These standard lists shall be used as a basis of requisitioning.
4. Items not specifically included on standard lists will be requisitioned on the regular requisition forms.

5. The number of requisitions will be kept to a minimum. They will be submitted to conform with the purchasing schedule established by the Treasurer.
6. Requisitions will be prepared in triplicate, with the yellow copy to be retained by the requisitioner.
7. A requisition to be considered appropriate for processing will meet the following requirements:
 - A. be issued by and bear the signature of an authorized requisitioner;
 - B. contain adequate information;
 - C. be verified for adequacy of budgetary appropriation and
 - D. have the approval of the Superintendent (or the administrator designated with this responsibility).
8. All approved requisitions will be submitted to the purchasing agent.
9. After a purchase order has been issued, the number of the purchase order will be recorded on the requisition.
10. After processing, the original copy of the requisition will be filed in the purchasing office in sequence by source of requisition.

Purchase Orders

1. Purchase orders will include the following essentials:
 - A. a specification which adequately describes to the supplier the characteristics and the quality standards of the item required;
 - B. a firm, quoted, net delivered price, whenever possible. Prices will be shown per unit and extended;
 - C. clear delivery instructions, including place and time;
 - D. signature of purchasing agent and
 - E. budget account code number.
2. Purchase orders will be numbered and prepared in sets of four copies each to be used as follows:
 - A. original to vendor;
 - B. copy 2—filed numerically by purchase order number;
 - C. copy 3—to the accounting office for encumbrance, and later filed alphabetically by vendor and
 - D. copy 4—to requisitioner, to be returned after certification as to receipt in proper quantity and satisfactory condition. This copy is filed with the claim form, by claim number.

3. Confirmation orders—a verbal order—subject to subsequent confirmation by a written purchase order, may be issued only in cases where a bona fide emergency situation exists which can be handled only by this procedure:
 - A. Whenever possible, a purchase order number should be given to the supplier.
 - B. A confirming requisition will be issued immediately thereafter. This will be marked "Confirmation," indicating the purchase order number, if one was given.

(Approval date: November 19, 2001)

SALES CALLS AND DEMONSTRATIONS

Salespersons are not permitted to call on teachers or other school staff members in individual schools without authorization from the Superintendent/designee.

The Superintendent/designee may give permission to sales representatives of educational products to see members of the school staff at times that will not interfere with the educational program.

[Adoption date: November 19, 2001]

CREDIT CARDS

The Board recognizes the efficiency and convenience afforded the day-to-day operation of the District through the use of credit cards under the supervision of the Treasurer. However, credit cards are not to be used to circumvent the general purchasing procedures required by State law and Board policies.

The Board authorizes the use of credit cards in the following manner.

Credit Cards

1. All credit cards issued to and in the name of the District shall be held and supervised by the Treasurer and used only for approved District-related activities.
2. Credit cards may be used for District-related transportation, reservations and expenses, conference registrations and hotel reservation guarantees for the Board and staff.
3. If monies are budgeted and deposited with the Treasurer in advance, credit cards may be used by school employees for student trips and competitions for safety and security reasons.
4. With prior approval of the Treasurer, credit cards may be used by school employees for school-related purchases from a vendor who does not accept purchase orders or vouchers.
5. Usually tips are not permitted to be paid with credit cards.
6. The Treasurer keeps a record of all credit card use.
7. Receipts and appropriate form(s) are to be turned in with the credit card to the Treasurer within five business days upon completion of approved use. Failure to turn in receipts and appropriate form(s) to the Treasurer within five business days may result in the charges being deemed unrelated or unsubstantiated. The user is responsible for any unsubstantiated or unrelated purchases.

[Adoption date: May 16, 2005]

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

Sandusky City School District, Sandusky, Ohio

CREDIT CARDS

Credit cards may be used for the following purposes.

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

Upon returning from an approved business trip, an employee shall submit all original itemized invoices and original credit card charge receipts to the Treasurer's office. Credit card statements will not suffice as invoices. Credit card statements will be mailed directly to the Treasurer's office. Any late fees assessed to the District due to an employee failing to submit invoices and credit card receipts on a timely basis are the responsibility of the employee. Receipts for meals must include the names of all individuals for whom meals were provided and the purpose of the meeting.

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

1. purchase of personal goods or services for an administrator, an administrator's spouse, children or anyone employed or not employed by the Board and attending a District business function;
2. payment of any fines, penalties or personal liabilities incurred by the administrator or anyone else;
3. alcoholic beverages or tobacco;

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

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

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

(Approval date: May 16, 2005)

PAYMENT PROCEDURES

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

As an operating procedure, the Board has adopted an annual resolution authorizing payment by the Treasurer for debts or claims.

The 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: November 19, 2001]

LEGAL REFS.: ORC 3313.18
3315.08
5705.41; 5705.412

CROSS REF.: DJ, Purchasing

SALARY DEDUCTIONS

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

The following deductions are required:

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

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

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

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

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

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

[Adoption date: November 19, 2001]

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

CROSS REF.: GCBD, Certificated Staff Leaves and Absences

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

EXPENSE REIMBURSEMENTS

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

District administrative personnel are not reimbursed for intradistrict travel associated with professional development or administrative meetings.

When official travel by a personally owned vehicle is authorized, mileage payment is made at the current mileage rate allowed by the U.S. Internal Revenue Service, to be effective on the first of the month after the announcement date or the effective date of the change, whichever is later.

The Board prohibits employees and Board members from accepting, soliciting or using the authority or influence of his/her position to secure, for personal travel, a discounted or "frequent flyer" airline ticket or other benefit from an airline if he/she has obtained or earned the ticket on official travel. Any miles earned become the property of the District and must be used for future official travel by District employees or the Board.

A traveler on official school business is expected to exercise the same care in incurring expenses as a prudent person exercises 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: November 19, 2001]

[Re-adoption date: March 6, 2006]

[Re-adoption date: August 15, 2011]

LEGAL REFS.: ORC 2921.42; 2921.43
3313.12; 3313.20
3315.15

CROSS REFS.: BHD, Board Member Compensation and Expenses
GCL, Certificated Staff Development Opportunities

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.

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

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

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

[Adoption date: November 19, 2001]

[Re-adoption date: May 16, 2005]

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 Booster Organizations

SCHOOL PROPERTIES DISPOSAL

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

The Board recognizes that most unused property of the District has value and that it may be practical to retain such property for a period of time. Once property is no longer needed for school purposes currently or in the future, it should be slated for disposal at the Superintendent's discretion. State law governs the retention and method of disposal of the Board's property. Therefore, the Board follows the procedures required by the various statutes governing the disposal of real or personal property.

The Board follows the procedures set forth in State law for the disposal of real or personal property at the minimum dollar value set forth in the statute on the date the Board decides to dispose of the property. The Board is first required to sell its real property to high-performing community schools as defined by State law and any newly established community schools implementing a community school model that has a track record of high quality academic performance as determined by the Ohio Department of Education (ODE). If a high-performing or newly established ODE-defined community school is not interested in buying the property, the Board is then required to sell its real property to start-up community schools operating in the District and college-preparatory boarding schools located within the territory of the District. If the community school or college-preparatory boarding school is not interested in buying the property, the Board can sell its real or personal property at a public auction and follow specific statutory requirements if the property exceeds \$10,000 in value. If this amount is changed by the legislature, the Board and administration's responsibility changes automatically to reflect the new minimum statutory dollar value.

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

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

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

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

1. The Superintendent determines that the value of the property is less than the value set forth in State law. The property is valued pursuant to a reasonable method as determined by the Superintendent.

2. The Board is notified when real or personal property is no longer needed for school purposes and directs that the property be sold.
3. The Superintendent sells the property to a start-up community school or by bids, general sale, negotiated sale or by trade as determined by the Superintendent or the Board on an individual basis.

[Adoption date: November 19, 2001]

[Re-adoption date: October 15, 2007]

[Re-adoption date: November 7, 2011]

[Re-adoption date: February 11, 2013]

[Re-adoption date: October 12, 2015]

LEGAL REFS.: ORC 131.09
3313.17; 3313.37; 3313.40; 3313.41; 3313.411; 3313.413
3314.051
5705.10

CROSS REF.: FL, Retirement of Facilities

SCHOOL PROPERTIES DISPOSAL

Surplus items shall be classified and disposed of as follows:

1. Items having no resale value may be offered without cost to charitable and civic organizations, or disposed of by the most efficient method, without Board approval.
2. Items having resale value:
 - A. Those having a fair market value of less than \$10,000 may be disposed of by the Superintendent or his/her designee at the most advantageous price by private sale, without advertising and without Board approval.
 - B. Items having a fair market value of \$10,000 or more shall be advertised for sale, upon Board approval, in a newspaper of general circulation in the District and sold to the highest bidder. The Board shall reserve the right to reject all bids.

All money received from the sale of equipment, materials or supplies shall be deposited in the general fund of the District.

Records of the disposal shall be kept and maintained for five years.

(Approval date: November 19, 2001)