

The Erie County Board of Developmental Disabilities (Board) shall comply with the Ohio Revised Code (ORC) 5126.05 which requires the Board to establish policy/procedures for the administration and operation of its facilities and programs. Additionally, ORC requires Boards to adopt a budget, authorize expenditures, authorize all positions of employment and submit financial reports.

In implementing this policy, the Board shall establish basic principles of financial management and business practices that will enable the Board to accurately understand its current and projected financial condition. This knowledge will provide the basis for making important decisions about annual operating budgets, capital improvements, and long range projections of financial resources and expenses.

Board Approval: 9/22/06
Revised: 2/21/08, 9/18/08, 9/17/09, 2/10/11
Cite: ORC 5126.05
CROSS REFERENCE
Procedure: Fiscal procedures

FISCAL PROCEDURE

A. Budget

1. No later than December 31 of each year, the Board shall adopt a final budget which outlines the Board's sources of revenue, programs and anticipated expenditures for the following year and will submit that budget to the Board of County Commissioners for the following year's appropriation according to deadlines established by the Commissioners. The plan shall include supplemental schedules for the total number of employee positions to be authorized, any major equipment and/or capital projects and contracts being requested. The budget will reflect the direction of the Board's strategic plan to meet consumers' needs identified through needs assessments/surveys and/or annual public forums.
2. With the development and submission of each annual budget, the Board shall prepare a five year forecast of income and expenditures.
3. The Superintendent/designee shall submit to the Board at each of its regularly scheduled meetings a report of the financial status of its revenue and expenditures compared to its approved budget and the status of each fund to date.
4. Fund to fund transfers shall be authorized by the Board. All other transfers within funds may be made with the approval of the Superintendent/designee.
5. All expenditures must be justified and based on need on an annual basis and cannot be based on historical increases.
6. Annual budgets for operating expenses must be based upon realistic estimates of sustainable revenue and should not be balanced by using one time revenue receipts.

B. General Operating Fund

1. The Board shall establish a General Fund with the county Auditor pursuant to Section 5705.09 of the Ohio Revised Code for money received from its operating levies and other money received for the purposes of Chapters 5126 and 3323 of the Ohio Revised Code
2. The Board shall establish within its General Fund an account structure with sufficient detail to identify all revenue and expenditures by type, source, and program for which they are intended.
3. The Board's General Fund may include a capital contingency account pursuant to ORC 5705.222© for acquisition, replacement, renovation or construction of facilities and equipment in the current year or a separate capital contingency fund may be developed for these dollars.
4. The Board's General Fund may include a reserve balance account pursuant to ORC 5705.222© for money that is not needed to pay for operating expenses in the current year or for any special purpose for which the Board has established a special fund, but that will be needed to pay for operating expenses in future years. The Board, dependent upon budgetary demands, shall attempt to set the

FISCAL PROCEDURE

general fund reserve account at a level no less than an estimated three months' operating expenditures.

C. Waiver Services Fund:

1. The Board may establish a Waiver Services fund.
2. The Board may, from year to year, also decide to transfer some of the money received from its operating funds to the Waiver Services Fund.
3. The Board may authorize the Clearwater COG, a council of governments, to act as its fiscal agent for the administration of HCBS waivers, community residential services, and/or supported living funds.

D. Gift and Donations

1. The Board shall establish a Gift and Donations Fund with the County Auditor pursuant to Section 5126.05(G) of the Ohio Revised Code for money received by gift, grant, devise, or disposition of lands or property received by gift, grant, devise, or bequest to be used by the Board for purposes determined or stated by the donor or grantor, but may not be used for personal expenses of the Board members. Any interest earnings accruing from such gift, grant, devise, or bequest shall be deposited into the General Fund by the County Treasurer.

E. Capital Contingency and Reserve Fund

1. The Board may establish a Capital Contingency and Reserve Fund as identified in Section 5705.222c of the Ohio Revised Code.
2. The purpose of this fund is to identify and set aside monies to assure that funds will be available to meet long term liabilities when they become due. These long term liabilities may include emergency residential services, emergency capital repair and replacement, long range planned capital improvement projects, and staff severance liabilities such as unused sick and vacation leave upon termination and/or retirement.

F. Direct Service Contract

1. *Direct Service* contracts as defined in this section are Any legally enforceable agreement with an individual, agency, or other entity that may result in payment from the ECB to an eligible person or to a member of the immediate family of an eligible person for services rendered to the eligible person. This includes but is not limited to contracts for supported living, family support services, and transportation services.
2. The ECB shall not enter into a direct services contract unless the contract is limited either to the actual amount of the expenses or to a reasonable and allowable amount projected by the Board.
3. The Board shall establish an annual allocation for all individual support contracts. The Board's individual supports policy sets the spending limits for each individual receiving services from a provider selected by the individual.

FISCAL PROCEDURE

4. The ECB may not enter into a direct services contract that would result in payment to a board member, former board member, employee, former employee, or member of the immediate family of a board member, former board member, employee, or former employee if the person who would receive services under the contract stands to receive any preferential treatment or any unfair advantage over other eligible persons unless the contract is approved by the Ethics Committee.
5. The ECB may not enter into a direct services contract for services that result in the employment of an individual who is also an employee of that county board, unless all of the following conditions are met:
 - a. The employee is not in a capacity to influence the award of the contract.
 - b. The employee has not attempted in any manner to secure the contract on behalf of the individual, agency, or other entity.
 - c. The employee is not employed in a management level position and does not provide service and support administration.
 - d. The employee is not employed by the board during the period when the contract is developed as an administrator or supervisor responsible for approving or supervising services to be provided under the contract and agrees not to take such a position while the contract is in effect, regardless of whether the position is related to the services provided under the contract.
 - e. The employee has not taken any actions that create the need for the services to be provided under the contract.
 - f. The individual, agency, or other entity seeks the services of the employee because of the employee's expertise and familiarity with the care and condition of one or more eligible persons and other individuals with such expertise and familiarity are unavailable, or an eligible person has requested to have the services provided by that employee.
6. The Board's Ethics Council shall review any direct service contract that falls under 4 and/or 5 above and shall make a recommendation to the Board whether or not to enter into the contract. The Board executes direct service contracts on behalf of individuals who receive individual budgets in accordance with the Board's individual supports policy.
7. If a provider has been reviewed and approved by the Board's Ethics Council, the Board's Ethics Council will not review the provider when they are selected by new individuals unless there is a potential conflict of interest as identified in 4 and 5 of this section (i.e. services for a board member's child).
8. The ISP of each individual selecting a provider shall be considered as an attachment to the master contract
9. The superintendent shall have authorization to approve expenditures in an Individual Service Plan (ISP) up to the spending limits as outlined in the Board's individual supports policy for direct services once the master contract for a

FISCAL PROCEDURE

provider has been reviewed, regardless of the number of individuals who choose that provider.

G. Expenditure and Contract Authorization

1. The Superintendent is authorized to expend funds necessary for the operation of the Board's programs up to the limits for salaries, employee benefits, goods and services and the total for each fund as established by the Board's annual budget.
2. The Superintendent/designee is authorized to approve vouchers for payment of Board obligations by the County Auditor.
3. The Superintendent/designee shall submit for ratification by the Board at each of its regularly scheduled meetings, a list of all payments approved and made in the last calendar month. The Superintendent/designee shall submit for approval by the Board at each of its regularly scheduled meetings, a list of all payment requests for any purchase of \$25,000 or more according to the table below. The Superintendent/designee shall also submit for approval by the Board at each of its regularly scheduled meetings, any then and now payments that either cross fiscal years or exceed \$5,000.
4. The Superintendent and/or the Board may enter into contracts with outside vendors to accomplish programming and operations
5. The Superintendent's expenditure and contract approval authorization is governed by the following table:

Superintendent Approval	Prior Board Approval	Competitive Bidding
Program, professional and non-program contracts up to \$25,000	Program and professional Contracts (as noted in ORC 307.86) over \$25,000.	Non-program or non-professional contracts over \$25,000 (exceptions noted in ORC 307.86)
Single Item Purchases up to \$25,000	Single Item Purchases over \$25,000	Single Item purchases over \$25,000 unless using the State of Ohio cooperative purchasing program, or the other exceptions noted in ORC 307.86
Equipment leases up to \$25,000	Equipment leases over \$25,000	
	Building leases of any amount	

H. Purchasing

1. By statute, all purchases for goods and services shall be subject to the unencumbered appropriations available to the Board. Accordingly, the proper sequence in the purchasing process is, at a minimum:

FISCAL PROCEDURE

- i. A purchase requisition demonstrating need or want or a contract demonstrating agreement between contracting parties with supervisor signature indicating approval or Superintendent signature indicating approval if a purchase from a single vendor is at or exceeds \$1,000 (see purchase requisition attachment A);
 - ii. A purchase order demonstrating the availability of funds necessary to satisfy the purchase and the encumbrance thereof;
 - iii. The rendering of the goods or services;
 - iv. An invoice for payment;
 - v. Payment of the invoice.
 2. All purchases shall be made on purchase orders issued by the Erie County Auditor. By statute, the Auditor is the chief fiscal officer of the Board. Therefore, the Board shall adhere to the written and/or oral procedure of the Auditor. Requests for purchase orders are processed by the Erie DD Business office and approved by the Superintendent/designee.
 3. All purchases shall comply with the applicable federal state and local laws, rules and regulations. All purchases shall comply with the policies of the Board. Only goods and services that will be used directly or indirectly in fulfilling the mission of the Board shall be purchased. Purchase of goods and services for personal use and benefit is illegal and strictly prohibited. Pursuant to Section 5705.45 of the Ohio Revised Code, any Board employee or member who improperly expends public funds may be held personally liable.
- I. Cash Management
1. All funds collected by or on behalf of the Board shall be deposited with the Erie County Treasurer by the next business day.
 2. The Board encourages all entities to make payment by check, warrant, or electronic funds transfer if technology permits. The preferred payee is the Erie County Board of DD.
 3. For internal control purposes, no one person may perform any two of the following functions: receipting, depositing, recording.

Superintendent: _____



Date: _____

