

FISCAL POLICY

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

The Superintendent shall establish, revise, and keep current the procedure to be utilized in the implementation of this policy. The Superintendent/ designee shall ensure compliance with these procedures. All revisions and changes will be shared with the Board when made.

Superintendent Signature: Carrie Beier Date: 8/17/17

Implemented: 9/22/06

Board Approval: 9/22/06, 8/17/17

Revised: 2/21/08, 9/18/08, 9/17/09, 02/17/11, 11/17/11, 8/2015, 6/7/16, 6/6/17

Reviewed: 6/7/16, 6/6/17

Cross Reference: ORC 5126.05

**ERIE COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
FISCAL PROCEDURE**

I. BUDGET

- A. 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, and 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 public input and consumer feedback.
- B. With the development and submission of each annual budget, the Board shall prepare a three to ten-year forecast of income and expenditures.
- C. 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.
- D. 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. Budget modifications between departments may be made with the approval of the Department Director AND the Superintendent/ designee.
- E. All expenditures must be justified and based on need on an annual basis and cannot be based on historical increases.
- F. Annual budgets for operating expenses must be based upon realistic estimates of sustainable revenue and should not be balanced using one time revenues.

II. OPERATING FUND

- A. The Board shall establish an Operating Fund with the County Auditor pursuant to Section 5705.09 of the Ohio Revised Code (ORC) for money received from its operating levies and other money received for the purposes of Chapters 5126 and 3323 of the Ohio Revised Code.
- B. The Board shall establish within its Operating Fund an account structure with sufficient detail to identify all revenue and expenditures by type, source, and program for which they are intended.
- C. The Board's Operating 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.
- D. The Board's Operating Fund may include a reserve balance pursuant to ORC 5705.222 for money that is not needed to pay for operating expenses in the current year but will be needed to pay for operating expenses in future years or for any special purpose for which the Board has established a special fund. The Board, dependent upon budgetary demands, shall attempt to maintain an operating fund reserve at a level no less than an estimated three months' operating expenditures.

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III. WAIVER SERVICES FUND

- A. The Board may establish a Waiver Services fund.
- B. The Board may, from year to year, also decide to transfer some of the money received from its operating fund to the Waiver Services Fund.
- C. The Board may authorize the Clearwater Council of Governments (COG) to act as its fiscal agent for the administration of Home and Community Based Services (HCBS) waivers, community residential services, and/or supported living funds.

IV. GIFT AND DONATIONS

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 Operating Fund by the County Treasurer.

V. CAPITAL CONTINGENCY FUND

The Board may establish a Capital Contingency Fund as identified in Section 5705.222 of the Ohio Revised Code not to exceed twenty-five percent of the replacement value of all capital facilities and equipment currently used by the County Board of Developmental Disabilities (CBDD) for programs and services. This fund shall be a contingency fund for the necessary acquisition, replacement, renovation, or construction of facilities and movable and fixed equipment.

VI. RESERVE FUND

- A. The Board may establish a Reserve Fund as identified in Section 5705.222 of the Ohio Revised Code. The purpose of this fund is to identify and set aside monies to assure that money 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, waiver match obligations, and staff severance liabilities such as unused sick and vacation leave upon termination and/or retirement.
- B. This fund shall be separated from the Capital Contingency Fund as of 1/1/2012.

VII. COUNCIL OF GOVERNMENTS (COG) FUND

The Board may enter into an agreement with one or more other County Boards of Developmental Disabilities to establish a regional council in accordance with Chapter 167 of the Ohio Revised Code. As identified in section 5126.13 of the Ohio Revised Code, a member County Board may authorize, by resolution, distribution of money from the Ohio Department of Developmental Disabilities directly to the COG that are otherwise required to be made to the County Board. Since no statute or other provision of law controls the disposition of interest earned and paid on moneys invested or deposited into a COG by a member County Board, the interest earned and paid on such moneys shall be deposited in the fund which earns it.

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VIII. DIRECT SERVICE CONTRACTS

- A. Direct Service contracts as defined in this section are any legally enforceable agreement with an agency, or other entity that may result in payment for the ECBDD 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.
- B. The ECBDD 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.
- C. 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.

IX. EXPENDITURE AND CONTRACT AUTHORIZATION

- A. The Superintendent/ designee 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.
- B. The Superintendent/ designee is authorized to approve vouchers for payment of Board obligations by the County Auditor.
- C. 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 exceed \$5,000.
- D. The Superintendent and/or the Board may enter into contracts with outside vendors to accomplish programming and operations
- E. 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 or single item purchases \geq \$25,000 for Medicaid or utility expenses	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	

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X. PURCHASING

- A. 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:
 - 1. 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);
 - 2. A purchase order demonstrating the availability of funds necessary to satisfy the purchase and the encumbrance thereof;
 - 3. The rendering of the goods or services;
 - 4. An invoice for payment;
 - 5. Payment of the invoice.
- B. 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 County Board of Developmental Disabilities Business Office and approved by the Superintendent/ designee.
- C. 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.

XI. CASH MANAGEMENT

- A. All funds collected by or on behalf of the Board shall be deposited with the Erie County Treasurer by the next business day.
- B. 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 Developmental Disabilities.
- C. For internal control purposes, no one person may perform any two of the following functions: receipting, depositing or recording.