

Licking County Board of Developmental Disabilities

Administrative Policy Manual

Policy: Policy on Resource Management

**Board Approved: 4/96
Revised: 9/02, 10/04, 11/06,
9/10, 2/11, 9/11, 9/14
Reviewed: 2/13, 2/19**

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The Licking County Board of Developmental Disabilities, hereinafter referred to as the Board, is committed to the careful utilization of its financial resources in a manner consistent with the Board's mission, vision, and purposes. The Board is further committed to responsible and ethical business practices that promote good stewardship of taxpayer dollars, long-term fiscal stability, and conformance with applicable legal requirements.

Board Operating Budget

An annual operating budget is adopted by the Board. The budget is developed by the Superintendent and designated staff, reviewed by the Board Finance Committee, and adopted by the full Board prior to the beginning of each calendar year. The budget preparation process includes an analysis of service delivery trends; current and potential income sources; feedback from staff, individuals served and the community; review of the Board's Annual Action Plan; performance and outcome measurement data; and analysis of ongoing operating needs.

The Board is conservative in its approach to budgeting and financial planning. This means that revenue projections are conservative and take into consideration at least the following:

1. History of actual revenue received against budget projections;
2. Changes in Ohio Revised Code and/or Ohio Administrative Code that affect revenues generated;
3. Economic trends;
4. Billing trends;
5. Levy cycles.

One time or special revenues will be used to finance capital projects or for expenditures required by the revenue sources. One time revenue will not be utilized to pay for recurring personnel, operating or program related costs.

Projected expenditures include all expected or potential financial liabilities considered probable or likely during the budget cycle, including but not limited to:

1. Specific identified and documented needs for services and supports;
2. Historical consumption and trends;
3. Inflation and other factors expected to increase costs for personnel and services.
4. Strategic planning priorities.

Income and expense reports are generated on a monthly basis and utilized by the Superintendent and Component Directors to monitor and analyze actual income and expenses against budget projections. Financial reports are provided to the full Board at each regularly scheduled meeting of the Board. Recordkeeping practices reflect the requirements of the Licking County Auditor's Office, and various funding sources. They are consistent with generally accepted accounting principles.

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The Board’s financial records are audited annually in conjunction with the State Auditor’s audit of the political subdivision of Licking County. The results of this audit are part of the State Auditor’s report for Licking County.

Any modification made to the budget that results in an increase in the total appropriation as adopted, must be approved by the Board.

Formal action by the Board is required to restrict any funds for specific purposes.

A five-year forecast is developed and updated annually. The purpose of the forecast is to:

1. Monitor expenditures in relation to levy collection cycles;
2. Identify financial trends so that corrective measures can be taken, if needed;
3. Establish strategic priorities and plan for the funding of these priorities;
4. Communicate the Board’s long range financial plan to families receiving services and other stakeholders.

Spending Authority and Authorization to Purchase

1. The Superintendent is authorized to expend funds necessary for the operation of the Board up to but not to exceed the total for the operating budget approved by the Board each calendar year.
2. The Superintendent, or designee, must authorize the expenditure of all Board funds. All material, supply and equipment purchases require staff to complete a purchase requisition, and when appropriate, to attach descriptive information regarding the proposed purchase. Purchase requisitions must be approved by the Component Director or prior to submission to the Business Office. Purchases for capital items are forwarded to the Superintendent or her designee for approval.
3. No financial obligation, purchases or payment of invoices can be made without a properly approved purchase order from the Licking County Auditor’s office.
4. The Superintendent is authorized to make any single purchase of goods or services of less than \$25,000. Any single purchase of \$25,000 or more shall be authorized by the Board.

Bidding and Contract Award

1. The Board shall advertise for bids and award contracts for any single purchase of goods or services in excess of \$50,000 pursuant to Section 307.86 and 5126.071 of the Ohio Revised Code. The Board may purchase goods and services in excess of \$50,000 through state term contracts and cooperative purchasing programs per Ohio Revised Code 5126.05, (E). Pursuant to Section 125.04 of the Ohio Revised Code, such purchases shall be exempt from competitive selection procedures otherwise required by state law.
2. The business office shall obtain at least two informal or “letterhead” quotations for any single purchase of goods or services between \$2,500 and \$50,000. The only exception to this is if the vendor is deemed to be the sole provider of the service.
3. The Superintendent may authorize any single purchase between \$2,500 and \$25,000 from the vendor submitting the lowest and best quotation as recommended by the business office.

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4. Consistent with requirements established by the Board of County Commissioners, advertisements for bids and informal quotations shall be based on specifications developed by the user of the needed goods and services, and by the business office.
 5. The Board will choose the lowest and best offer. For the purpose of this policy, "lowest and best" shall be deemed to be that quotation or bid which gives the best combination of quality, service, and price that assures the greatest economy to the Board.

Major Projects

1. In the case of major projects such as those requiring architectural or engineering specifications, the Board shall approve the specifications and cost estimates before bids are solicited.
2. Any and all competitive bids for major projects shall be presented for Board consideration at a properly convened meeting of the Board. The Board will approve the award of the contract to the lowest and best bidder, as previously defined.

Contracts

1. The Superintendent is authorized to execute all documents necessary for contract awards made by the Board.
2. Any individual, agency or service provider entering into a contract with the Board shall act in a nondiscriminatory manner both as an employer and as a service provider and shall act without regard to race, color, national origin, religion, age, sex or handicap of the employee or program beneficiary. Every contractor shall assure that all physical facilities used, as part of the contracted services shall be accessible and usable by persons with developmental disabilities served under the terms of the contract. Failure to do so may result in the termination of the contract.
3. Any individual, agency or service provider entering into a contract with the Board to provide direct services to individuals served by the Board shall be in compliance and maintain compliance during the course of the contract with all relevant state and federal regulations that govern licensure, certification, provision of service or funding as appropriate.
4. The Board may enter into service contracts with an agency or with an individual to provide eligible individuals the facilities, programs, services and supports authorized or required upon such terms as may be agreeable and in accordance with Chapter 5126 of the Ohio Revised Code. Contracts shall be managed and monitored to assure that services and supports contracted for are provided in accordance with the terms of the contract, and comply with applicable rules of the Ohio Department of Developmental Disabilities.

Gifts and Donations

1. All donations will be handled in a manner that promotes donor trust. In all cases, appropriate appreciation and acknowledgement shall be made.
2. All monetary gifts and donations to the Board shall be deposited in the Licking County Board of Developmental Disabilities Endowment Fund unless otherwise directed by the donor. Donations of real property, equipment, supplies or other property shall become the property of the Board and shall be placed on the inventory records of the Board.

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Internal Controls

The Board will maintain a system of internal controls to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and monitor adherence to prescribed managerial policies.

The system of internal controls provides reasonable assurance that the following occur:

1. All transactions are properly authorized by management;
2. Transactions are recorded as necessary so that financial statements are in conformance with statutory requirements and accounting principles generally accepted in the United States of America;
3. Records of assets are checked by someone other than the person(s) responsible for recording these assets so there is accountability for Board assets. Examples of independent verification are monthly reconciliations and periodic counts of inventory;
4. The table of organization includes separate functional responsibilities. The work of one employee is checked by another, and when the responsibility for custody of assets is separate from the responsibility for maintaining the records relating to those assets, then there is appropriate segregations of duties;
5. Written cash management procedures are maintained by the Finance Director for all functions involving the handling of cash. These procedures implement the Board's intentions with respect to internal controls.

Asset Management

1. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, and all other assets that are used in operations and that have initial useful lives extending beyond one year.
 - a. Assets with a recorded initial individual cost of more than \$5,000 will be depreciated as a capital asset.
 - b. The Board properly insures capital assets based on practices established by its insurance carriers which may differ from the depreciated amount captured for financial reporting purposes.
 - c. All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their estimated fair market value at the time received.
2. The Board's capital assets will be reasonably safeguarded. Responsibility for the safeguarding of the Board's capital assets lies with the component director to whose department the capital asset is assigned.
3. All capital assets shall be tagged with an identifying number. Annually, the Board shall conduct an inventory of capital assets using the guidelines established by the Business Office and the Licking County Auditor's Office.

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Disposal of Assets

1. Items of equipment that are no longer utilized must follow the procedures established by the Licking County Commissioners' Office for disposal. Disposal methods include auction, scrap, trade-in, transfer, sale, lease, or donation to another government agency.

Required Reports

1. On an annual basis a cost report in the format prescribed by the Department of Developmental Disabilities (DoDD) is prepared and submitted as required by to DoDD. The cost report is subject to audit by the DoDD or any entity it designates to perform the audit.
2. On an annual basis, the Licking County Auditor's office requests submission of two inventory reports. The first is an inventory report of tangible/capital assets. The second is an inventory report of disposable inventory and supplies. These are defined as those having a value that exceeds \$200.