

BUDGET, RECEIPTING AND PURCHASING POLICY

ARTICLE I

Purposes of the Policy

Section 1. Policy. The purpose of this policy is to establish the approval processes and procedures for the annual budget, for financial reporting, for the receipts of funds and for the purchase of services, equipment, or products for the City of Dublin Community Improvement Corporation. The City of Dublin Community Improvement Corporation (the “CIC”), is established as defined in the City of Dublin Community Improvement Corporation Code of Regulations. When approving and following the budget or purchasing service, equipment, or products, the CIC, including its staff, committees, and Board of Directors (the “Board”) shall adhere to these guidelines.

Section 2. Statement of Proper Public Purpose. The Board recognizes that public funds must be spent only for public purposes pursuant to Ohio law. Ohio Attorney General Opinion 82-006 provides guidance as to what may be construed as a public purpose as: First, the expenditure is required for the general good of all inhabitants; Secondly, the primary objective of the expenditure is to further a public purpose. As an organization that receives revenue from both public and private sector sources, this Section 2 establishes that CIC expenditures utilizing public funds shall meet the following requirements:

- A. Directly relates to the CIC’s core functions and strategic goals and objectives;
- B. Required for the general good of taxpayers and citizens of Dublin;
- C. Supports the CIC’s Mission: Create a supportive environment that champions economic development, community improvement, and business viability to advance Dublin’s economy and overall quality of life; and
- D. Promotes the efficient and effective administration of its operations, programs and staff members.

ARTICLE II

Budget Considerations

Section 1. Annual Budget. The approved annual budget for the CIC shall serve as the guideline for purchasing throughout the budget year. The approved annual budget establishes a system of accountability for revenues and expenditures that will allow the organization to carry out its established goals and objectives. It is the desire of the CIC to only purchase products or services outlined in the annual budget. However, if determined that an emergency expenditure or other non-budgeted expenditure is necessary for the CIC to efficiently and sufficiently complete its daily operations and goals and objectives and enough funds are available to cover the expenditure, said products or services may be purchased in accordance with the specific procedures outlined in this policy.

A. Annual Budget Approval Process.

- (1) Treasurer/Officers – The CIC Treasurer (the “Treasurer”) shall prepare an annual budget for the CIC for the upcoming year and submit it to the CIC Officers (the “Officers”) by October 1 of the calendar year preceding the year for which the budget is being drafted. The Officers shall then review and recommend the proposed budget to the Board.
- (2) Board Approval – The Board shall approve the budget by a majority vote by December 20 of the calendar year preceding the year for which the budget is being drafted. If a budget is not approved for the calendar year, the Board shall approve a temporary budget until such time a permanent budget can be approved.
- (3) Budget Endorsement – The President and Treasurer shall officially endorse the budget following its approval by the Board.

Section 2. Budget Line Items. The budget line items in the CIC budget are assigned dollar amounts for anticipated revenues and expenditures.

- A. Revenues – Revenues received for the operation of the organization may or may not exceed the amount budgeted. The Officers shall review revenues received monthly and report to the Board.
- B. Expenditures – Cumulative expenditures in a given budget year shall not exceed the amount assigned in the approved budget line item. Expenditures that exceed the approved budgeted line item require approval of the Board. The Board shall determine how to cover these additional expenses.
- C. Line-Item Separation – The President or designee shall maintain the separate line items in order to monitor expenditures.

Section 3. Purchase Orders Required and Receiving Funds.

A. Purchase Orders

- (1) Purchase Orders greater than or equal to \$500.00 – Prior to a staff member expending \$500.00 or more to a single vendor or cumulatively for a certain event or service, the staff member shall complete a Purchase Order Request form and submit it to the CIC Treasurer or designee. The staff member shall, at a minimum, provide the line item for which the expenditures are to be withdrawn and the reason why the expenditure is required. The CIC Treasurer or designee shall review the Purchase Order form for correctness and then submit it to the President for approval.
- (2) Purchase Orders less than \$500.00 – Prior to a staff member expending less than \$500.00 for a product or service, the staff member shall verify that there are enough funds in the line item to cover the expense of the product or service. If a staff member requests a check for payment to a vendor, he/she must submit an invoice from the vendor to the CIC Treasurer or designee for payment. If a staff member makes expenditures for CIC business using his/her personal funds, the staff member may be

- reimbursed for the expenditure as long as the expenditure is for CIC business and a receipt is submitted and approved by the Treasurer or designee.
- B. Purchasing Agent – The Treasurer or designee shall be the sole purchasing agent for the CIC and shall have the sole discretion in approving a purchase order.
 - C. Expenditure Approved – Once approved by the Treasurer, a copy of the approved Purchase Order form will be provided to the staff member for the expenditure to be made.
 - D. Invoice Payment – Once the CIC Treasurer or designee receive an invoice or bid from a vendor related to a previously approved expenditure, the staff member that requested the expenditure shall initial the invoice or bid “Okay for Payment.” The CIC Treasurer or designee shall then review the invoice or bid for correctness and mark the line item number on the invoice for payment. A check shall then be prepared by the CIC Treasurer or designee and forwarded to the vendor.
 - E. Budget Reporting – The amount expended from the line item shall be shown as an expenditure on the monthly budget report that is prepared by the CIC Treasurer or designee. Such report shall be completed by the 15th of each month to provide to the Board.
 - F. Receiving Funds by Staff members – The guidelines for cash and check receipts received by Staff members:
 - (1) Filing of Received Funds – Checks and/or cash received by a staff member shall be immediately forwarded to the CIC Treasurer or designee
 - (2) Receiving of Funds – The CIC Treasurer or designee shall (a) date stamp; (b) enter payment amount into the financial database; (c) copy and input deposits into QuickBooks; and, (d) if the requested e-mail, mail, or forward a receipt to the payee once the funds are deposited.
 - (3) Deposit Slip – The CIC Treasurer or designee shall accept the cash and/or check then print a deposit slip from QuickBooks and stamp the checks for deposit only.
 - (4) Deposit of Funds – The CIC Treasurer or designee shall deposit received cash and/or check to the CIC’s financial institution. The checks are deposited at least once a week by the CIC Treasurer or designee.
 - (5) Reconciliation – The CIC Treasurer or designee takes the stamped deposit slip from the bank and verifies and attaches the copy of the checks and files in the appropriate file folder until bank statements are provided for reconciliation. Once reconciliation is completed the copies are filed in appropriate files.
 - (6) Voided Checks – Voided Checks will be retained by the CIC Treasurer or designee and will be marked for the reasons for voiding.

Section 4. Procedures.

- A. Monthly Financial Reports – The CIC Treasurer or designee shall prepare a summary monthly budget report by the 15th of each month that shall be submitted to the Officers prior to the next Board meeting. This report shall, at a minimum, include the revenues

and expenditures for the CIC. The summary monthly budget report shall then be presented to the Board at its regular meeting for acceptance.

- B. Creation of Banking Accounts – Upon recommendation of the President, the Board shall have the authority to create banking and financial accounts. In no case shall the President, CIC Committee, or staff member create a banking or other financial account without the prior approval of the Board.
- C. Endorsement of Payments – On expenditures which are \$1,500.00 or less, the President can approve and sign payments. On expenditures which are \$1,500.01 or more, the Officers can approve and sign payments.
- D. Purchasing Approvals Required – If the CIC determines that expenditures are required which are not approved as part of the annual budget by the Board, the following requirements shall apply:
 - (1) Officer Purchasing \$1,500.00 or Under – The Treasurer or designee shall be authorized to purchase or enter into a contract to purchase services, equipment or products for a cost not to exceed \$1,500.00 at his/her sole discretion.
 - (2) Officers Purchasing between \$1,500.01 and \$3,000.00 – The Treasurer or designee shall be authorized to purchase or enter into a contract to purchase services, equipment, or products costing between \$1,500.01 and \$3,000.00 only after receiving approval by a majority vote of the Board. This vote may occur during a regularly scheduled meeting or special meeting.
 - (3) CIC Board Purchasing \$3,000.01 and above – The President shall be authorized to purchase or enter into a contract to purchase services, equipment, or products that cost more than \$3,000.01 only after receiving approval by a majority vote of the Board. This vote may occur during a regularly scheduled meeting or special meeting.
 - (4) Purchases Approved as Part of Annual Budget – Expenditures approved as part of the annual budget are not required to satisfy the purchasing approvals listed in this section. Any planned expenditure which exceeds the amount designated in the annual budget shall satisfy the purchasing approvals listed in this section.
- E. Capital and Non-Capital Items – All equipment and/or furniture purchased by the CIC that exceeds one thousand dollars (\$1,000.00) shall be considered capital expenditures. If the CIC purchases multiple identical pieces of the equipment and/or furniture and said purchase of the identical equipment and/or furniture, exceeds \$1,000.00, the items shall be considered capital items. For the purpose of financial reporting, capital item expenditures shall be deemed outside the cash flow budget line item and part of the depreciation budget line item of the monthly and annual financial statements.
- F. Financial Procedures for Events – When the CIC or a CIC committee holds an event or activity which involves the collection of cash for a budget or an account in which the CIC is ultimately responsible (does not include branches/divisions which have their own bank accounts), said cash shall be collected by at least two persons, one of which shall be an staff member. Said collected cash from the event or activity shall be counted by at least

two persons, one of which shall be a staff member, labeled with the amount and initialed by both and then provided to the CIC Treasurer or designee the day of said event or activity. If the CIC Treasurer or designee is not available to receive the collected cash the day of which the event/activity occurs, said cash shall be locked in the CIC Offices until such time the CIC Treasurer or designee can receive the collected cash and deposit said collected cash in the appropriate account.

- G. Credit Card Policy – Credit cards will be issued to appropriate personnel as determined by the President. Such credit cards shall only be utilized for CIC-related business, such as work-related travel, food, and lodging expenses; gasoline, oil and motor vehicle repair expenses; transportation expenses; business meeting expenses; and other purposes. In no case shall credit cards be utilized for personal use or unauthorized purchases.
 - (1) Any person who has been authorized to use a credit card who suspects that the card has been lost, stolen, or suspects unauthorized use must notify either the President or CIC Accountant of the loss, theft or unauthorized use.
 - (2) Credit card purchases shall follow the same procedures as stated in Article II, Section 4.
- H. CIC Audit – The CIC shall cause its financial system to be audited or reviewed by agreed upon procedures to ensure that its financial system is being managed appropriately and effectively. This audit or agreed upon procedures shall be determined by the guidelines as prescribed in the Ohio Revised Code or by the State of Ohio Auditor. This shall not prevent the CIC to conduct any audit, agreed upon procedures, or any other review to be conducted at any time.
- I. CIC Contractual Agreements and Use of Tax Identification
 - (1) Contractual Agreements – All contractual obligations for the CIC and its committees shall be written in the name of the CIC and shall require the necessary budgetary and purchasing approvals.
 - (2) Federal Tax Identification – The CIC and its committees shall utilize the CIC's federal tax identification number. In no case shall the CIC or a committee acquire a separate federal tax identification number unless approved by a majority vote of the Board.
- J. Designee Assignment – The President shall have the sole authority of naming designees as permitted in this document.
- K. Employee Acknowledgement and Acceptance – Each staff member shall receive a copy of this policy and shall sign as being received as outlined at the end of this document – Employee Acknowledgement and Acceptance Receipt and Verification. Additionally, each staff member is required to meet the guidelines and regulations as established in this policy.