



## Ohio Administrative Code

### Rule 5139-36-05 Fiscal management and budgetary requirements.

Effective: December 23, 2022

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- (A) The CCF will have a fiscal system that accounts for all income and expenditures on an ongoing basis.
- (B) The CCF administrator will prepare a written, annual budget of anticipated expenditures for approval by the governing jurisdiction.
- (C) The CCF will have written policies and procedures adopted by the governing authority including at a minimum: internal controls, petty cash, bonding, signature control on checks, juvenile funds and employee expense reimbursement.
- (D) The CCF will implement a procedure that provides for the requisition and purchase of supplies, equipment, inventory and control.
- (E) The CCF will provide insurance coverage that includes, at a minimum, property and comprehensive, general liability insurance.
- (F) When a CCF has a canteen available for use by residents, its fiscal operations are strictly controlled by standard accounting procedures
- (G) The CCF will have a written policy, procedure, and practice that prohibits financial transactions between juveniles, juveniles and staff, or juveniles and volunteers.
- (H) The CCF will make reasonable efforts to maintain at least a ninety percent occupancy rate on monthly basis. All referrals to the CCF that were denied will be documented and provided to the bureau of community facilities. Upon receipt of the quarterly request from the CCF, the department of youth services will review population with the CCF director. If the grantee falls below the allowable rate of occupancy for failing to accept referrals who meet the CCF admission criteria then the department may immediately take appropriate action, including but not limited to, the placement



of youth under DYS custody and or budget modifications to adjust for unfilled beds.

(I) The following are all budgetary requirements of which the county(s) must be aware to correctly complete required budgetary reports:

(1) Financial reports. The financial reports required by this chapter are designed to enable the department to monitor the various schedules of the approved grant.

(2) Grant budgets. The grant budgets will be annual, based on the state fiscal year. The grant budgets will include budget schedules and narratives. The facility will follow the chart of accounts provided by the department in establishing a budget for projected expenditures of funds. All obligations must be incurred within the grant period and liquidated by September thirtieth of the following fiscal year. Only exceptions are unemployment and workers compensation, which will be recognized as an expense in the year that they are paid.

(3) Non supplanting rule. Funds provided to a county facility will not be used to supplant county expenditures.

(4) Transfer of funds. Expenditures may not exceed an approved grant schedule by more than ten percent. If expenditures exceed or are projected to exceed the approved budget amount by ten per cent, a budget revision will be submitted prior to the transfer with attached schedules and narrative explaining the need for the transfer between schedules. Such transfer may be made only with a prior approved budget revision.

(5) Equipment purchases. Equipment purchases are limited to the items approved in the budget plan and can be used for the grant. A budget revision will be submitted and approved by the department prior to any additional equipment purchase or charge in original approved equipment request. Equipment purchased will remain the property of the department for a period of five years from the date of acquisition. After the five-year period, the equipment items purchased will become the property of the county and facility. Use of grant equipment by other programs must be approved in advance by the department. Minor equipment, as defined by the grant agreement, will be listed in the 2100 line under supplies and materials.



(6) Total expenditures submitted to the department will not exceed the grant for the fiscal year.

Emergency and supplemental requests will be evaluated based on the nature of the emergency and availability of state funds.

(7) Commingling of funds. Grant funds from the department will be maintained separately and able to be audited independently.

(8) Other funding sources. All other funds (i.e., donation, grants, NSLA, etc.) received from any other sources will be reported on the grant budget and quarterly requests and recognized in the fiscal year received. Other funding receipts will be identified by line item to reduce expenditures or expanded program services. The facility will work with the department to develop any possible other funding sources which would expand the funding base of the facility. Funds from other funding sources which are not used to expand existing services (i.e., reimbursement from food sold to staff and visitors, reimbursements, refunds, rebates, etc.) will be reported as a reduction in expenditures. Revenue from sources other than grant funds (i.e., donations, grants, NSLA, etc.) will not be deposited or commingled with grant funds.

(9) Medical. Expenses incurred for the examination and appropriate regular medical care and treatment of youth residing in the facility will be considered routine. Expenses incurred in the event of hospitalization, or other extraordinary type of medical treatment, will be considered major medical. If expenses for major medical exceed the approved medical amount the facility may request supplemental funds pursuant to paragraph (I)(6) of this rule.

(10) Accrued vacation, sick, personal and compensatory time. All leave will be accrued in accordance with the county/district policy. The department will recognize this expense when paid. This expense category is classified as an accrued liability. Transfer of surplus funds from this line item will be restricted to the excess of the established liability. The department will only allow this liability for leave time earned by the employee while employed at the facility.

(11) The facility will have an approved system to track meal reimbursements.

(12) The financial report and request for funds system is based on a quarterly cash advance, with a quarterly and year-to-date report of expenditures, by schedule, with a report of cash balance on hand



at the end of the reporting period. The required financial report shall be submitted according to the annual schedule prepared by the department. If the facility fails to submit the required reports, the department shall withhold any future payments until such reports are submitted.

(13) Closing report. The facility will submit a final report of grant budget expenditures to the department by October fifteenth each year closing the grant for the fiscal year. All funds reported on the closing report will be encumbered by June thirtieth of the grant year. All expenditures will be closed by September thirtieth of the grant year.

(14) Carryover funds. Unspent funds are to be kept in the county's grant account. These funds will be deducted from the facility's grant request in the third quarter of the next fiscal year. The department and facility will adjust the current year's allocation by the amount of carryover from the previous year.

(15) CCF will request funds quarterly.

(J) Records retention.

(1) With reasonable advance notice, the department may require the facility to produce records, including any or all documents related to the grant.

(2) The facility will maintain accurate accounting records which indicate all income and expenditures for the grant.

(3) The records will be kept current and legible. The records should be retained for the amount of time deemed appropriate according to the state of Ohio general retention schedules, most recent version.

(4) All income and expenditures will be supported with documentation to provide a clear audit trail for every financial transaction.

(K) Cash balances. Cash balances will be reconciled with the county auditor records monthly.



(L) Inventory

(1) Proper inventory schedules will be maintained separately for all equipment items purchased with grant funds. Inventories will be submitted to the department each September with the annual report. Inventories will include the following information for all facility equipment: quantity, description, serial number, identification number, purchase price (including refunds, rebates, discounts), date of acquisition, vendor, condition, and location.

(2) After five years of service, equipment can be salvaged in accordance with county-established guidelines for the salvage of unusable, damaged, and/or unrepairable equipment. Documentation will be maintained on the disposition of all equipment removed from the facility. The department will be provided the opportunity to review all equipment to be salvaged. Proceeds generated through the salvaging of equipment prior to five years of service date, will benefit the program or be returned to the department.