

Ohio Auditor of State

Spring A&A 2019 2019 OCS Update

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Agenda



- Chapter 1 Updates
- Chapter 2 Updates
- Chapter 3 Updates
 - NEW: Dropout Prevention and Recovery (DOPR) School Eligibility Requirements (3-6)
 - NEW: Submission of information for National Instant Criminal Background Check System (NICS) (3-19)
- Implementation Guide Updates
- Optional Procedures Manual Updates
 - HB 312

Chapter 1

1-1 Annual appropriation measures – classification

Updates for GASB 84

- Requires a Statement of Changes in Fiduciary Net Position which must present GASB 54 fund balance classifications.
- Eliminates “agency funds” and adds “custodial funds”
- Most agency funds are consistent with the new custodial funds and are not subject to budgetary requirements.
- However; there are others which fall under another fund type to which budgetary requirements apply.

1-11 Traditional and Community schools participating in classroom facilities assistance programs

CFAP Written Agreements – updated the requirements

AFAP – added guidance

Added links for list of schools approved for grants in round 1 and round 2.

Added testing for Community School Grants

1-15 Additional borrowing authority for boards of library trustees

Maximum annual debt service increased from 30% to **40%** of the average LLGSF funding the library received for the two years preceding the year the notes were issued.

Maximum maturity for refunding notes increased from 25 to **40** years.

1-19 Health Care Self Insurance

Programs are required to report reserves and the aggregate disbursements made to pay self-insured claims, legal and consultant costs during the preceding fiscal year.

This requirement is satisfied through submission to the Hinkle system.

Not required to submit a separate report to the AOS.

1-23 Collection of Income Tax at Source on Wages

Added reference to court case which ruled public employees cannot be forced to pay “fair share” fees to labor unions.

1-26 School District Funding

New Name (previously School District Average Daily Membership)

Added the Innovative Education Program.

- Pilot program for some public, ESC, and chartered nonpublic schools.
- Authorizes the state superintendent to waive certain state statutes and rules and in turn implement an alternative innovative program.
- If you select students for testing that are part of this innovative program, request program policies and consult with CFAE, as needed.

1-27 Community School Funding – All Three Types

Minimum consecutive hours for withdrawing a student changed from 105 to 72 (Effective 11/2/18)

- Testing added to verify that less than 1 FTE was claimed for these students.

If “modified” ODE FTE review was performed follow guidance provided by CFAE.

Governing Board required to adopt:

- an enrollment and attendance policy requiring the student’s parent to notify the community school of changes in primary residence.
- a student residence and address verification policy.

1-27 Community School Funding – E-Schools ONLY

Must adjust the % of time in EMIS for their student based on the documented learning opportunities.

- Recommended quarterly
- This includes part-time students participating in courses at joint vocational school districts or taking College Credit Plus courses.

1-27 Community School Funding – Blended ONLY

ODE's opening assurances are required to be completed by the sponsor each year and include whether the school will operate a blended learning model.

Attendance requirements, including a majority of time required in the school facility, should be detailed in each community school's education plan and student handbook.

Appropriate documentation of student learning activities should include a combination of attendance in the school facility and documentation of online learning activities.

1-27 Community School Funding – Blended ONLY

Blended learning models must require students spend the majority of their school year onsite at their school facility.

Schools should include all classroom-based learning opportunities that the students were expected to attend.

Provided the school requires the students to attend a majority of time on-site, the school may get credit for all classroom-based learning opportunities.

For funding, these days and hours are treated just like learning opportunities at a brick and mortar school.

Chapter 2

2-5 Accounting for Management Company Expenses

Added definition of “operator” which is synonymous with “management company”

- An ESC or School District who may or may not be a CS’s sponsor, may also be ‘operating’ the CS pursuant to an agreement; and therefore must comply with the footnote requirement.

GAAP opinion may be impacted if OPEB testing assurances are not obtained.

If the Management Company was audited by the AOS or an IPA, staff should review the audit results and determine whether the management company had sufficient internal controls over compliance.

2-6 Eligible Investments for Interim Monies/Inactive Deposits and Maturities

- Bonds or other obligations mature within 10 years from the date of settlement.

2-8 Other allowable investments for subdivisions other than counties

- Added clarity to the definition of Interim monies.
- Added testing for documentation that the aggregate value of the notes does not exceed 10% of the aggregate value of the outstanding commercial paper of the issuing corporation.

2-9 Security for repaying public deposits

Obligations of or fully guaranteed by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, or Student Loan Marketing Association may be used as a form of collateral, but are not permitted to be pooled, rather should have specific pledges.

OPCS is the only legal method for pooled collateral arrangements in Ohio. Any pool outside of OPCS should be considered non-compliance.

2-9 Security for repaying public deposits (con't)

Participation in OPCS is subject to operating policies maintained at the discretion of the TOS.

- Operating policies require public units (PU) to review OPCS reports related to their deposits of public funds and for verifying the accuracy of the daily reports of their itemized deposits.
- Any discrepancies must be reported to the PU's financial institution.
- PU's are also required to notify their financial institutions of a significant change in the amount or activity of its deposits before the change occurs.

2-9 Security for repaying public deposits (con't)

Specific Pledged Collateral Requirements

- The public depository and depositor should establish an agreement to meet federal requirements and authorize the depositor to obtain control of the collateral
- The public depository is to designate a qualified trustee to place securities for safekeeping.
 - The trustee is responsible for
 - holding the eligible securities in an account indicating the public depositor's security interest in the securities
 - Reporting to the public depositor information relating to the securities pledged to secure the public deposits in the manner and frequency required by the public depositor.

2-9 Security for repaying public deposits (con't)

FDIC Insurance Coverage for 2 Government Accounts:

- Demand Deposit Accounts – a deposit that is payable on demand and for which the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.
 - Applicable to interest and non-interest bearing checking accounts
- Time and Savings Accounts
 - NOW Account – deposits on which the depository institution has reserved the right to require at least 7 days written notice prior to withdrawal or transfer
 - Savings
 - Certificate of Deposit (CD)
 - Money Market Deposit Account (MMDA)

2-9 Security for repaying public deposits (con't)

FDIC Insurance Coverage for 2 Government Accounts:

- Insured at each insured depository as follows:
 - In State
 - Up to \$250,000 for the combined amount of all time and savings accounts
 - Up to \$250,000 for all demand deposit accounts
 - Out of State
 - Up to \$250,000 for the combined total of all deposit accounts.

2-9 Security for repaying public deposits (con't)

Testing procedures

- Modified for access to OPCS
- Defined collateral sufficiency and what to do if it's insufficient
- Test added for an agreement for specific pledge agreements if FI not enrolled in OPCS

2-10 Eligible Investments for Inactive County Money

Maturity date extended to 10 years for investments in bonds or obligations of political subdivisions.

Municipal debt with > 10 years maturity periods may be purchased if specifically approved by the investment advisory committee.

Notes can now be rated in one of the 3 highest categories by at least two nationally recognized rating services

Notes maturity extended to 3 years after purchase.

Allowance for debt in foreign nations increased to 2%

2-13 Sponsor monitoring of community schools

Schools have no authority to pay unused funds to their sponsor

Opening assurances

- required annually in writing from the sponsor of each community school w/i 10 days of school starting
- attest to:
 - compliance with ORC
 - criminal records checks for gov authority members

AOS defers ODE's position that although "school district" includes ESCs, this does not apply if:

- to the sponsor of a community school is also the school district in which that community school is located, the sponsor may sell goods or services to that community school at no profit to the sponsor.

2-13 Sponsor monitoring of community schools (cont'd)

Sponsors are required to monitor the community school's compliance with ORC and their contract

Closing assurances -

- A plan of action is required to be undertaken if the community school experiences financial difficulties prior to the end of the year.
- Sponsors must submit a Suspension and Closing Assurance Template for each school that closed.
 - Submitted quarterly until all closing assurances are submitted.
- Attest that all necessary notifications are complete.

Community school sponsors are required to report expenditures made to provide oversight, monitoring and technical assistance

2-14 Operator oversight of community schools

Operator = Management
Company

- An ESC or school district sponsor may also be an operator based on the agreement.

2-16,17,18 Force Accounts

- Updated force account limits for FY 2018-2019

2-19 Security controls over counties' electronic transactions

- Uniform Electronic Transactions Act definitions for Electronic record and signature added.

2-21 Education Requirements

- Incorporated the Fiscal Integrity Act
- Investment training required for treasurers need only be completed once. Not required annually.

2-22 Fraud and Abuse, Conflict of Interest, Ethics

- Required to provide information about the Ohio fraud reporting system and the means of reporting fraud to ANY public official or employee

2-23 Availability of public records

- An official may satisfy their public records training requirements prior to taking office
 - Not permitted to send a designee

2-24 Anti- Bullying provisions

- Updated testing requirements

Chapter 3

3-3 Appointments, compensation, contracts etc.

Virtual participation
(i.e. telephone or web
conference) does not
constitute attendance
for compensation.

3-6 Dropout Prevention and Recovery School Eligibility Requirements **(NEW)**

DOPR Community Schools are eligible:

- To receive an alternative report card
- For the alternative NWEA MAP assessment testing of students
- To have flexibility with regards to certain ORC requirements (such as start date)

3-6 Dropout Prevention and Recovery School Eligibility Requirements (NEW)

DOPR schools meet any of the following:

- Any community school that operates a drug recovery program in cooperation with court
- Any community school in which more than 50% of students are enrolled in a DOPR program (requirements on next slide); or
- Any conversion community school whose sponsoring district received a waiver from having the school's academic data rolled up into the district's local report card.

3-6 Dropout Prevention and Recovery School Eligibility Requirements (NEW)

The DOPR program meets the following criteria:

- Serves only students between 16 and 21 years old.
- Enrolls students who are a grade level behind or experience crises that significantly interfere with academic progress.
- Requires students to attain at least the applicable assessment scores or prescribed rule of the state BOE.
- Develops an individual career plan that specifies enrolling in a two-year degree program, acquiring a business and industry credential, OR entering an apprenticeship.
- Provides counseling and support for the student related to the plan developed under ORC 3301.0710(A)(4).
- The program's instructional plan demonstrates how the academic content standards adopted by the State BOE will be taught and assessed.

3-6 Dropout Prevention and Recovery School Eligibility Requirements (NEW)

Eligible individuals 22 years of age may enroll for up to two consecutive schools years in a dropout prevention and recovery program.

- A “majority” requirement is not applicable, so a program can consist of only a few individuals.
- Cannot enroll in a DOPR school, but can enroll in a DOPR community schools sponsored DOPR program.

Growth in student achievement in reading, mathematics or both is measured by separate national norm-referenced assessments

Schools ratings of attainment of performance levels and benchmarks are:

- Exceeds standards
- Meets standards
- Does not meet standards

3-6 Dropout Prevention and Recovery School Eligibility Requirements **(NEW)**

Timeline for Form Submission/DOPR Report Card Designation

- July 1: Sponsor and school complete and submit application **OR** notify ODE in writing they no longer seek the DOPR report card designation.
- August 15: Sponsor and school will receive decision from ODE
- 10 days prior to 1st day of Instruction: Sponsor must submit opening assurances.

3-7 Establishment and accounting treatment for Commissaries

A commissary fund must be established for commissaries.

Municipalities: profits must be used to either

- purchase supplies and equipment to benefit incarcerated persons in the workhouse, and
- pay salary and benefits for employees of the workhouse or those employed for the sole purpose of providing service to the commissary.

3-18 Law Enforcement Trust (LET) and Drug Law Enforcement Funds

Electronic payments for any mandatory drug fine imposed are made to the Ohio Treasurer of State through the Reparations Rotary.

- Report available on AOS Intranet.

Mandatory drug fines paid to the clerk of a court should be recorded in the LET fund.

For the sale of forfeited property, a report must be filed with the County Auditor/Municipal Corp/ Board of Township Trustees/Park Commissioner/Attorney General

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Executive Order 2018-03K signed on 4/23/18 requesting AOS's involvement in an effort to help ensure the NICS has accurate, timely and complete information.

A Working Group surveyed almost 1,000 public officials or offices to request a reporting history over the last four years.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

AOS Responsibilities:

In annual/biennial audits of any local public office that has a responsibility to report or upload NICS data, include a procedure to test that office's compliance with its obligation to accurately and timely report that data.

Annually publish the results of the review of each such office on the Auditor's public web site.

Immediately initiate the NICS data reporting procedure for any public official or public office that fails to respond to any OCJS request for information in the survey described in previous slide.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Federal law prohibits certain persons from possessing any firearm.


The state of Ohio has entered into a compact to remit some information to the NICS.

NICS Examiners match potential transferees/licensees to records by comparing name, date of birth, SSN (optional), address, height, weight, sex, race, and state of residence.

NICS uses three databases to make the potential matches:

- National Crime Information Center (NCIC)
- Interstate Identification Index (III)
- NICS Indices

3-19 Submission of information for National Instant Criminal Background Check System (NICS) **(NEW)**



Agencies are responsible for the accuracy, timeliness and completeness of data in these databases.

The Law Enforcement Agencies Data System (LEADS) assumes a large degree of the administrative responsibility for the maintenance of records entered into NCIC.

Agencies in Ohio are required to undergo a triennial audit.

Public entities are required by ORC to report specific information to BCI for certain offenses.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

ORC identifies four types of entities required to report to BCI:

- Courts – Clerk of Courts shall send a weekly report of certain offenses.
- Law Enforcement – Immediately upon arrest take and forward fingerprints.
- Probate Judge/Chief Clinical Officer/Mental Health Service Provider – Of mentally ill person subject to court order or becomes and involuntary patient within 7 days.
- Correctional facilities* – photographs, pictures, descriptions, fingerprints, measurements and other info. (*These requirements are not subject to audit at this time.)

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Courts (Common Pleas: General Division & Juvenile, Probate, Municipal, County)

- Court dispositions are required to include certain elements (incident tracking number, date of arrest, etc) and for certain offenses.
- Dispositions may be reported either:
 - Electronically via FTP. A summary confirmation report is generated and emailed back to the sender.
 - Electronically via the Ohio Court Network (OCN). Membership is not enough, submission requires an add-on program which must be requested. A summary report can be run showing a detailed listing of submissions to BCI. The same summary confirmation report are also available.
 - Manually via Form 2-71. No confirmation or receipt of information is provided.
- Responsible for ensuring fingerprints have been submitted at the time of arraignment or first appearance before court.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Courts (Common Pleas: Probate)

- An individual found by a court to be mentally ill or becomes an involuntary patient
- Report within 7 days of adjudication or commitment.
- Filing options include:
 - Electronic via Mental Illness Adjudication Reporting (MIAR) through OCN.
 - Manually via Notification Form for Records Checks mailed to BCI.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Law Enforcement

- Filing options include:
 - Electronic via LiveScan, an electronic fingerprint submission system.
 - Manually via fingerprint card. Several are in use for different purposes.
- Immediate filing is required to BCI as well as the Clerk of Court with jurisdiction.

3-19 Submission of information for National Instant Criminal Background Check System (NICS)(NEW)

Suggested Audit Procedures

- To be performed EVERY year
- Imperative to gain an understanding of the entity's process first.
- Procedures are general in nature to be applicable to as many entities as possible.
- Created a NICS Process form to help steer you in gaining the information needed to know how to test.
 - Used for testing all three entity types.
- Courts (All): from a list of cases within the audit period, select a sample of 10 to ensure they reported correctly to BCI.
- Law Enforcement: determine if there is an established method of fingerprint submission to BCI.

Implementation Guide

Referrals

Added SERS, OP&F Retirement System and ODE to the list of those which have requested notification when local government audits have comment or findings pertaining to their respective agencies.

AOS is required to provide written notice to sponsors of community schools regarding any action taken against the community schools as part of an audit.

- Therefore, our office will provide copies of community school audit reports to sponsors.

Appendix E-2 - GASB No. 40

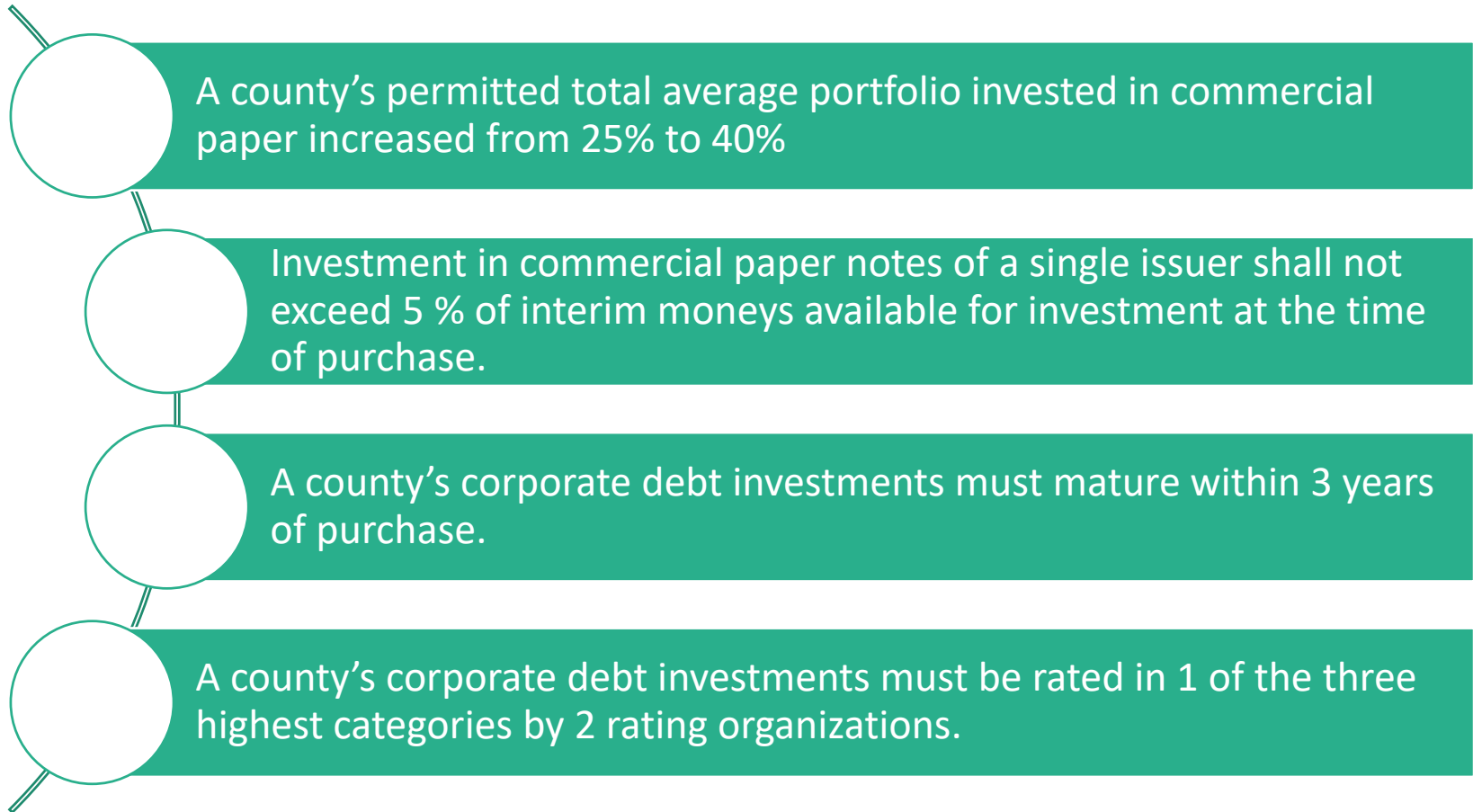
- 
- A county's permitted total average portfolio invested in commercial paper increased from 25% to 40%
 - Investment in commercial paper notes of a single issuer shall not exceed 5 % of interim moneys available for investment at the time of purchase.
 - A county's corporate debt investments must mature within 3 years of purchase.
 - A county's corporate debt investments must be rated in 1 of the three highest categories by 2 rating organizations.

Exhibit 2 – Public Officers' Bond

- Insurance is authorized to be used in lieu of surety bonds. Effective 3/20/19. More changes for this in the 2020 OCS.

Exhibit 4 – Elected Official's Compensation

- Updated compensation charts

Exhibit 5 – Legal Matrices/Exhibit 6 – Entities not Included

- Updated by Legal

Optional Procedures Manual

O-5 School districts and community schools required to prepare five-year projections

ODE and AOS cannot require a BOE to submit it's five-year projection of operational revenues and expenditures prior to 11/30.

- Testing for projections to be updated since the prior forecast.

O-13 Township's expenditures and competitive bidding

Added a link to the Attorney General's "Partnership for Competitive Purchasing" brochure. It includes tips for identifying bidding schemes.

O-17 Bidding required on improvement contracts

If a bidder is found not to be responsive and responsible and the state agency or political subdivision has an email address, notification should be given in writing by ordinary mail AND by email.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

House Bill 312

- Effective Date: November 2, 2018
 - Not later than three months after the effective date of this section the legislative authority of a political subdivision that holds a credit card account on the effective date of this section shall adopt a written policy for the use of credit card accounts.
- Enacts baseline controls and procedures regarding credit cards for all government entities
- Eliminates the use of debit cards by most government entities
- Promotes enforcement of credit card policies and procedures

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Definitions

- Political Subdivision – a body corporate and politic that is responsible for government activities in a geographic area small than that of the state. **Counties are excluded from HB 312 except the portion that applies to debit cards**
- Credit card account – any bank issued credit card account, stored issued credit card account, financial institution – issued credit card account, financial depository issued credit card account, or any other card account or credit account allowing the holder to purchase foods or services on credit or to transact with the account and any debit or gift card account related to the receipt of grant money.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Definitions

- Presentation Instruments – any card, check or account number which can be used to purchase goods or services including purchasing accounts
- Debit card account – a card account issued by a financial institution which allows the holder to transfer money electronically to another bank account when making a transaction. For the purposes of this legislation debit card accounts include the following:
 - Single-use cash gift cards
 - Prepaid gift card

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Credit
Card
Account
does
NOT
include:

- Procurement card accounts
- Gasoline Card
- Telephone credit card accounts
- Any other card account similar to a gas or phone card where a merchant category code limiting the type of good that may be purchased is in place as a system of control for use of the card account

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Written Policy Requirements

- Not later than February 2, 2019 the legislative authority of a political subdivision that holds a credit card account must adopt a written policy for the use of credit card accounts. Otherwise, a legislative authority must adopt a written policy before the use of a card account.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

The written policy must include:

- Appointment of a compliance officer, where applicable
- Officers or positions authorized to use a credit card account
- Types of expenses for which a credit card account may be used
- Procedures for acquisition, use, and management of credit card accounts and presentation instruments related to the account including cards and checks.
- Procedures for submitting itemized receipts to the fiscal officer or the fiscal officer's designee

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

The written policy must include (cont'd):

- The procedure for credit card issuance, credit card reissuance, credit card cancellation and the process for reporting lost or stolen credit cards
- Political subdivision's credit card account's maximum credit limit or limits
- The actions or omissions by an officer or employee that qualify as misuse of a credit card account

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

The treasurer or fiscal officer or designee shall annually file a report with the board or authority detailing all rewards received based on the use of the credit card account.

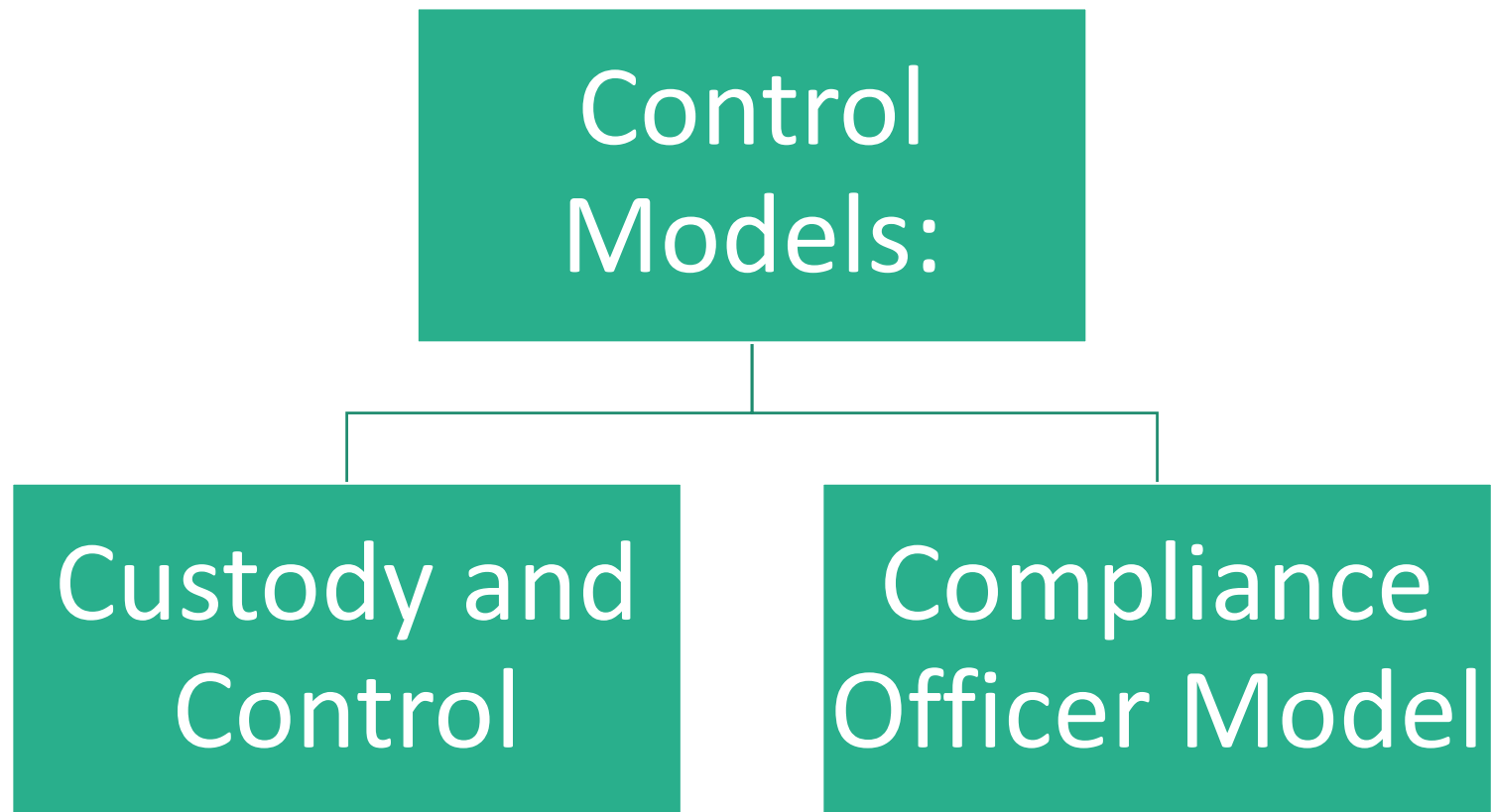
A public employee found knowingly misusing a credit card account violates section 2913.21, a misdemeanor of the first degree

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

No political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision, except law enforcement, is a violation of section 2913.21 of the Revised Code.

- The requirements set forth in HB 312 do not apply to debit card accounts related to the receipt of grant moneys.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards



O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Custody and Control Model

- System in which the treasurer or fiscal officer maintains physical control over all credit cards of the entity and may use a system requiring the cards to be “signed out” by authorized, designated users.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Custody and Control Model

- Entities using the custody model should specify the following items in their written policy:
 - Who the authorized designated users are
 - Reasonable length of time the card is allowed to be out of the control of the treasurer or fiscal officer
 - Procedures that should be followed to submit itemized receipts
 - An officer or employee is liable in person and upon any official bond the officer or employee has given to the political subdivision to reimburse the treasurer for the amount for which the officer or employee does not provide itemized receipts

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Compliance Officer Model

- System in which the treasurer or fiscal officer does not maintain physical control of credit cards
- Must appoint a compliance officer
 - CANNOT be the treasurer or fiscal officer
 - Should not be an authorized user of the credit card
 - Cannot authorize an officer or employee to use a credit card account.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Compliance Officer Model

- The compliance officer, if applicable shall review the number of cards and accounts issued, the number of active cards and accounts issued, the cards' and accounts expiration dates and the cards' and accounts' credit limits.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements – Townships:

- Home Rule Township – If the township fiscal officer does not retain general possession and control of the credit card the board must appoint a compliance officer to perform the duties previously outlined. The compliance officer may not use a credit card account and may not authorize an officer, employee, or appointee to use a credit card account, with the exception of a board of township trustees serving in the role of compliance officer, then they may use a credit card if so authorized under the policy adopted by the township and may authorize an officer, employee, or appointee to use a credit card account as provided in the policy requirements. The fiscal Officer is not eligible for appointment as compliance officer.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - Townships (continued)

- Not Home Rule – the fiscal officer must present credit card account transaction detail from the previous month to the board. The board must review the credit card transaction detail and the chairperson of the board must sign an attestation stating the board reviewed the credit card account transaction detail.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - Municipal Corporations

- In a municipal corporation that has the authority to operate a mayors court pursuant to Chapter 1905 of the Revised Code, the chief executive officer of the municipal corporation must appoint a compliance officer to perform the duties enumerated under the policy established. The compliance officer may not use a credit card account and may not authorize an officer or employee to use a credit card account. The Village clerk or City auditor is not eligible for appointment as compliance officer.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - Municipal Corporation (continued)

- In a municipal corporation that does not have the authority to operate a mayor's court pursuant to Ch 1905 of the Revised Code, the village clerk or city auditor must present monthly to the legislative authority credit card account transactions detail from the previous month. The legislative authority must review the credit card account transaction detail and the presiding officer of the legislative authority must sign an attestation stating the legislative authority reviewed the credit card transaction detail.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - School District, ESC, or ITC

- If a treasurer does not retain general possession and control of the credit card the governing authority must appoint a compliance officer.
- Unless the compliance officer is the superintendent or chief administrator of an ITC, the compliance officer may not use the credit card account. The compliance officer may not authorize an officer or employee to use a credit card account.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - School District, ESC, or ITC (continued)

- If a school district superintendent acting as compliance officer has authority to use a credit card account, the treasurer or the treasurer's designee, who must not be the superintendent, must review monthly the credit card account transaction detail and must sign an attestation stating the treasurer or designee reviewed the credit card detail.
- If the chief administrator of an ITC acting as compliance officer has authority to use a credit card account, the governing authority must review monthly the credit card account transaction detail and must sign an attestation documenting their review.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - School District, ESC, or ITC (continued)

- The treasurer of the board of education, treasurer of the ESC, and chief fiscal officer of the ITC are not eligible for appointment as compliance officer.
- The superintendent or chief administrator is eligible for appointment as compliance officer.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - Community and STEM schools:

If the entity is required to appoint a compliance officer:

- Except for a chief administrator of a community or STEM school serving as compliance officer, the compliance officer may not use a credit card account. The compliance officer may not authorize an officer or employee to use a credit card account.
- If a chief administrator acting as a compliance officer has authority to use a credit card account the governing authority must review the credit card account transaction detail monthly and sign an attestation documenting that review.
- Treasurer is not eligible for compliance officer.

O-22 Establishment of policies, restrictions on use, prohibitions for government credit cards and purchasing cards

Entity Specific Requirements - Library

If a library must appoint a compliance officer:

- The compliance officer may use a credit card account only upon authority from the fiscal officer except the director of a library serving in the role of compliance officer may use a credit card if so authorized under the policy.
- If the compliance officer has authority to use a credit card, the fiscal officer or fiscal officer's designee, who must not be the compliance officer, monthly must review the credit card account transaction detail and must sign an attestation documenting this review.
- The fiscal officer is not eligible for compliance officer, the director is.

O-23 Issuing municipal securities

For EMMA and SID the following event notices were added:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, event of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

Questions?



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