



**EDUCATIONAL SERVICE CENTER OF CENTRAL OHIO
FRANKLIN COUNTY**

SPECIAL AUDIT

FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2014



Dave Yost • Auditor of State

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INDEPENDENT AUDITOR'S REPORT

Edward Bischoff, Board President
Tom Goodney, Superintendent
Educational Service Center of Central Ohio
2080 Citygate Drive
Columbus, Ohio 43219

We conducted a special audit of the Educational Service Center of Central Ohio, Franklin County ("ESC") by performing the procedures described in the attached Supplement to the Special Audit Report for the period July 1, 2006 through June 30, 2014 (the Period) solely to:

- Determine whether reimbursements paid to ESC Governing Board members and employees for travel conducted during the Period were supported and for purposes related to the operation of the ESC.
- Determine whether expenditures made for travel by ESC Governing Board members and employees using ESC credit cards during the Period were supported and for purposes related to the operation of the ESC.

This engagement was conducted in accordance with the Quality Standards for Inspection and Evaluation established by the Council of the Inspectors General on Integrity and Efficiency (January 2012). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined reimbursements for travel paid by the ESC.

Significant Results – During the Period, the ESC paid travel reimbursements totaling \$122,530 to ESC board members, superintendents and treasurers. We also examined \$151,547 in travel reimbursements paid to ESC employees. We did not identify any reimbursements paid by the ESC for spouse related travel.

Former superintendent Dr. Bart Anderson made purchases of alcohol totaling \$269 that were reimbursed to him by the ESC. Under Objective 2, we proposed a finding for recovery against Dr. Anderson for alcohol purchases. On December 21, 2015, Dr. Anderson repaid \$269 to the ESC. Accordingly, we considered the repayment a finding for recovery repaid under audit.

2. We examined expenditures made for travel by ESC board members and employees using ESC credit cards.

Significant Results – On August 27, 2014, we released a special audit report resulting from our examination of Dr. Anderson's credit card expenditures totaling \$485,097. During the Period, ESC credit cards were also used to make additional travel related purchases for others, including board members, superintendents, treasurers and ESC employees, totaling \$473,303. We identified 67 transactions totaling \$9,283 in which spouse related travel expenditures were paid using the ESC credit cards. Of this amount, \$3,830 was repaid prior to September 10, 2014 when we started our audit. The remaining amount of \$5,453 was repaid to the ESC during the audit. Accordingly, we considered the repayments totaling \$5,453 to be findings for recovery repaid under audit.

Former superintendent Dr. Bart Anderson made purchases of alcohol totaling \$123 on ESC credit cards not previously examined in the report released on August 27, 2014. We proposed a finding for recovery against Dr. Anderson for the purchase of alcohol. On December 21, 2015, Dr. Anderson repaid \$123 to the ESC. Accordingly, we considered the repayment a finding for recovery repaid under audit.

We also issued a management recommendation related to travel expenses.

On November 12, 2015, we held an exit conference with the following individuals representing the ESC:

Edward Bischoff, Board President
Joyce Galbraith, Board Member
Jeannie Henkel, Board Member
Robin Reid-Pleasnick, Board Member

Greg Spencer, Board Member
Tom Goodney, Superintendent
Alan Hutchinson, Treasurer
Melissa Carleton, Attorney for ESC

The attendees were informed that they had the opportunity to respond to this special audit report. A response was received on December 28, 2015. The response was evaluated and changes were made to this report as we deemed necessary.



Dave Yost
Auditor of State

September 10, 2015

Supplement to the Special Audit Report

Background

At a pre-audit conference held in July 2012 for the fiscal year ended June 30, 2012 financial audit, the ESC advised the Auditor of State Central Region audit staff ("Region") that former ESC superintendent Dr. Bart Anderson had redeemed for personal use points earned from an ESC credit card issued to Dr. Anderson. The ESC discovered the issue and Dr. Anderson repaid the approximate cash value of the points to the ESC.

In November 2012 while conducting the financial audit for fiscal year end June 30, 2012, the Region examined expenditures made using Dr. Anderson's credit card and noted extensive travel expenses incurred by Dr. Anderson. Due to various irregularities discovered, including the purchase of alcohol and additional unreimbursed use of credit card points for personal purchases, the Region determined it necessary to review all credit card transactions for Dr. Anderson from the inception of the credit card in 2007 through 2012.

During the audit, the Region noted inconsistencies in Dr. Anderson's explanations for certain travel expenses and altered receipts. On February 4, 2013, Dr. Anderson resigned from his position as superintendent of the ESC. In February 2013, the ESC made significant revisions to their policies and administrative guidelines related to travel expenditures and reimbursements. We have included the applicable ESC policies and administrative guidelines as Appendix A to this report.

On March 18, 2013, the Auditor of State initiated a special audit of the ESC related to travel by Dr. Anderson. The report for the special audit was released on August 27, 2014 and included findings for recovery totaling \$96,510 against Dr. Anderson¹.

In September 2014, allegations surfaced that the ESC paid travel expenses for spouses of ESC Governing Board members. The information was considered by the Auditor of State's Special Audit Task Force and on September 10, 2014, the Auditor of State initiated a special audit of the ESC to examine travel costs incurred by ESC Governing Board members and employees.

¹ On June 11, 2015, Dr. Anderson entered pleas of no contest to misdemeanor charges of dereliction of duty and obstructing official business related to the altered travel receipts. Dr. Anderson was found guilty on both charges and received a sentence of 90 days suspended jail time, fines totaling \$500 and one year probation.

Supplement to the Special Audit Report

Objective No. 1 – Examination of Travel Reimbursements

Procedures

We identified reimbursements for travel expenditures paid to Board members, current and former superintendents and treasurers, and employees during the period July 1, 2006 through June 30, 2014 (Period). We examined documentation to determine whether the expenditures were supported and for ESC operations.

Results

During the Period, reimbursements totaling \$122,530 were paid to ESC Board members, current and former superintendents and treasurers for travel related expenditures. The following is a breakdown of the reimbursements examined:

	Position	No. of Transactions²	Total Payments
Edward Bischoff	Board Member (Current)	35	\$1,471
Joyce Galbraith	Board Member (Current)	65	\$11,513
Richard Helsel	Board Member (Former)	14	\$2,423
Jeannie Henkel	Board Member (Current)	19	\$1,653
Betty Klamfoth	Board Member (Former)	17	\$2,729
Teresa Morgan	Board Member (Former)	11	\$1,729
Robin Reid-Pleasnick	Board Member (Current)	63	\$9,603
Greg Spencer	Board Member (Current)	85	\$11,243
Tom Goodney	Superintendent (Current)	161	\$12,272
Bart Anderson ³	Superintendent (Former)	225	\$62,843
Alan Hutchinson	Treasurer (Current)	60	\$2,966
Marjorie Fenton	Treasurer (Former)	86	\$2,085
	Total	841	\$122,530

We also scanned reimbursements paid to other ESC employees and selected for examination 180 transactions totaling \$151,547. In total, 1,021 reimbursement transactions for \$274,077 were examined.

We did not identify any reimbursements paid by the ESC for spouse related travel. We noted 26 transactions where the receipt or invoice indicated a guest was present, but the name, business relationship, and purpose for the guest being present was not documented.

We noted 83 transactions where the reason for the travel was not clearly indicated on the supporting documentation. We noted 16 transactions totaling \$1,888 that were supported by a receipt; however, the receipt was not itemized. We also noted 16 transactions totaling \$2,173 with no supporting documentation. We concluded these purchases were related to the operations of the ESC based on the description and nature of the information provided with the reimbursement vouchers.

² For purposes of this report, transactions are defined as individual purchases or expenditures, not separate trips.

³ The special audit report released on August 27, 2014, did not include an examination of reimbursements paid to Dr. Bart Anderson.

Supplement to the Special Audit Report

We identified three reimbursements paid to Dr. Anderson by the ESC for the purchase of alcohol totaling \$269. Please see Objective 2 for the finding for recovery issued against Dr. Anderson in favor of the ESC for the purchase of alcohol. On December 21, 2015, Dr. Anderson repaid \$269 to the ESC. Accordingly, we considered the repayment a finding for recovery repaid under audit. Also see Objective 2 for a management recommendation related to travel expenditures.

Supplement to the Special Audit Report

Objective No. 2 – Examination of Credit Card Expenditures for Travel

Procedures

We identified expenditures for travel made using ESC credit cards during the period July 1, 2006 through June 30, 2014 (Period). We examined documentation to determine whether the expenditures were supported and for ESC operations.

Results

During the Period, the ESC maintained credit and purchasing card accounts with the following institutions: American Express, Chase Bank, Fifth Third Bank and FIA Card Services. In a Special Audit released on August 27, 2014, we reported findings resulting from our examination of expenditures totaling \$485,097 made using the FIA credit card issued to former superintendent Dr. Bart Anderson.

The following is a breakdown of the credit card transactions examined during this audit:

	No. of Transactions ⁴	Total Expenditures
American Express	217	\$95,603
Chase Bank	339	\$78,334
FIA ⁵	23	\$10,601
Fifth Third Bank	2,406	\$288,765
Total	2,985	\$473,303

We noted 834 transactions where the reason for the travel was not clearly indicated on the supporting documentation. We noted 196 transactions totaling \$51,426 that were supported by a receipt; however, the receipt was not itemized. We noted 171 transactions where the receipt or invoice indicated a guest was present, but the name, business relationship, and purpose for the guest being present was not documented.

We identified 34 transactions for the purchase of alcohol totaling \$853. Of this amount, 27 transactions totaling \$730 were reimbursed to the ESC prior to our audit. We proposed findings for recovery against Dr. Anderson for the remaining \$123.

⁴ For purposes of this report, transactions are defined as individual purchases or expenditures, not separate trips.

⁵ During this audit, we reexamined certain transactions made using the FIA credit card to determine whether spouse related travel was paid by the ESC.

Supplement to the Special Audit Report

Findings for Recovery Repaid Under Audit

Travel by Spouses

Occasionally during the Period, certain ESC Governing Board members and the treasurer had their spouses accompany them during ESC related travel. We noted 67 transactions totaling \$9,283 when expenditures related to travel by spouses were paid using ESC credit cards. The following is a breakdown of the expenditures identified:

	Position	No. of Transactions	Total Expenditures	Repaid Prior to Audit	Repaid During Audit
Joyce Galbraith	Board Member	26	\$3,836	\$1,688	\$2,148
Richard Helsel	Board Member	3	\$873	\$873	\$0
Jeannie Henkel	Board Member	8	\$948	\$0	\$948
Teresa Morgan	Board Member	7	\$1,266	\$403	\$863
Robin Reid-Pleasnick	Board Member	12	\$1,362	\$384	\$978
Greg Spencer	Board Member	4	\$138	\$72	\$66
Alan Hutchinson	Treasurer	7	\$860	\$410	\$450
Total		67	\$9,283	\$3,830	\$5,453

Expenditures totaling \$3,830 were repaid to the ESC by the individuals listed above prior to the start of our audit on September 10, 2014.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$5,453 against the respective individuals listed above, in favor of the Educational Service Center of Central Ohio.

The individuals remitted the remaining \$5,453 to the ESC during the audit. Accordingly, we considered this a finding for recovery repaid under audit.

Alcohol Purchases

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states governmental entities may not make expenditures of public monies unless they are for a valid public purpose. There are two criteria which demonstrate whether an expenditure is for a public purpose. First, the expenditure is required for the general good of all inhabitants and second, the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. Additionally, the Bulletin states the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

We noted three expenditures by Dr. Anderson for alcohol totaling \$269 that were reimbursed to him by the ESC. Additionally, we noted seven expenditures for alcohol totaling \$123 paid for by Dr. Anderson using the ESC credit card. These transactions and amounts were not included in the special audit report issued on August 27, 2014. Purchases of alcohol have been determined not to be a “proper public purpose” as described in Auditor of State Bulletin 2003-005.

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In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$392 against Bart Anderson, in favor of the Educational Service Center of Central Ohio.

On December 21, 2015, Dr. Anderson repaid the full amount of \$392 to the ESC. Accordingly, we considered the repayment to be a finding for recovery repaid under audit.

Management Recommendation

Travel Expenses

ESC Policies 1440, 3440 and 4440 state that employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Additionally, unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed. For specific ESC Policies and Administrative Guidelines regarding travel, please refer to Appendix A of this report.

ESC Administrative Guidelines 1440, 3440 and 4440 state in part, "(e)mloyees shall request and accept, if available, the government rate on rooms." A resource for determining reasonable travel expenses is the U.S. General Services Administration (GSA) website.

We noted the following number of nightly lodging rates incurred that were \$50 to as much as \$614 more than the GSA rate recommended at the time of the stay for the city where the hotel was located:

- 21 transactions paid by reimbursements to Board members and employees;
- 191 transactions paid by ESC credit cards;
- 12 transactions paid by the ESC directly to hotels.

ESC Administrative Guidelines 1440A, 3440A and 4440A state in part, "(e)ach request for travel or conference funds should detail the reasons for the expenditures and should not be labeled in broad general terms."

Employees did not always provide clear, detailed descriptions for the purpose of all travel destinations and expenditures which made it difficult to determine the nature of certain trips and charges and whether each related to the operations of the ESC.

We noted the following number of transactions where the purpose of the travel was not clearly indicated on the supporting documentation:

- 83 transactions totaling \$10,912 paid by reimbursements to Board members and employees;
- 835 transactions totaling \$92,513 paid by ESC credit cards;
- 104 transactions totaling \$11,488 paid by the ESC directly to hotels.

ESC Policies and Guidelines 1440, 3440 and 4440 required travel expenditures to be approved by the Board for executive level travel, or by the superintendent or the superintendent's designee for travel by other employees. Additionally, the Board clearly documented its intentions to approve specific travel plans for certain executive level employees. We noted the following number of transactions where approval for the travel was not clearly documented:

- 128 transactions totaling \$33,238 paid by reimbursements to Board members and employees;
- 1,056 transactions totaling \$136,165 paid by ESC credit cards;
- 210 transactions totaling \$35,813 paid by the ESC directly to hotels.

Supplement to the Special Audit Report

Failure to follow the established travel policy and Board's intentions by not requiring and reviewing detailed itemized documentation supporting travel and credit card purchases can lead to lack of accountability for expenditures and the possibility of processing payments for transactions unrelated to the operations of the ESC. Additionally, not having established maximum travel rates resulted in the ESC paying charges that may have been excessive and/or for personal preference or convenience.

We recommend the ESC follow the Board's intentions and only process payment of travel related expenditures that have been expressly approved by the Board, superintendent or the superintendent's designee. All travel expenditures and purchases made by credit card should be supported by detailed receipts and as to the purpose. We recommend the ESC implement procedures that include a detailed examination of expenditures, including determining whether the expenditures were supported, for an ESC-related purpose and in accordance with ESC policies. We also recommend the ESC consider establishing maximum rates for in-state and out-of-state lodging based on the rates established by the GSA.

In February 2013, the ESC made significant revisions to their policies and administrative guidelines related to travel expenditures and reimbursements. We noted substantially fewer exceptions during the fiscal year July 1, 2013 through June 30, 2014, after the revisions were made. We recommend the ESC continue to pursue improvements to their travel policies and periodically evaluate the effectiveness of all changes to their process.

Supplement to the Special Audit Report

Appendix A – Applicable Authority

The following are Ohio Revised Code, ESC Bylaws and Policies and ESC Administrative Guidelines applicable to travel expenditures and reimbursements during the Period.

Ohio Revised Code 3313.12 – Compensation and mileage

Each member of the educational service center governing board may be paid such compensation as the governing board provides by resolution, provided that any such compensation shall not exceed one hundred twenty-five dollars a day plus mileage both ways, at the rate per mile provided by resolution of the governing board, for attendance at any meeting of the board. Such compensation and the expenses of the educational service center superintendent, itemized and verified, shall be paid from the educational service center governing board fund upon vouchers signed by the president of the governing board. The board of education of any city, local, or exempted village school district may provide by resolution for compensation of its members, provided that such compensation shall not exceed one hundred twenty-five dollars per member for meetings attended. The board may provide by resolution for the deduction of amounts payable for benefits under section 3313.202 of the Revised Code. Each member of a district board or educational service center governing board may be paid such compensation as the respective board provides by resolution for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars a day for attendance at a training program three hours or fewer in length and one hundred twenty-five dollars a day for attendance at a training program longer than three hours in length.

ESC Bylaws and Policies 0147 – Compensation (Revised 12/14/2009)

Members shall be compensated for meetings and mileage in an amount equal to the maximum allowable compensation permitted by law plus mileage. Each Board member shall be compensated in any one year for meetings as determined annually by the Board.

Additionally, members shall receive compensation for attendance at training programs in an amount determined by the Board, not to exceed the maximum per day rate permitted by law for programs that are three hours or less, and programs that are longer than three hours.

Expenses of a Board member incurred in the performance of his/her duties will be paid from the Board Service Fund, provided that each such member submits a written statement of his/her expenses for approval by the Board at its next regular meeting.

ESC Bylaws and Policies 1440 – Job-Related Expenses (Adopted 3/11/2010)⁶

The Governing Board will provide for the payment of the actual and necessary expenses, including traveling expenses, of any administrative staff member of the Center incurred in the course of performing services for the Center, whether within or outside the Center, under the direction of the Board and in accordance with the superintendent's administrative guidelines.

The validity of payments for job-related expenses shall be determined by the treasurer/designee. Pre-approval for estimated travel expenses by superintendent/designee is required.

⁶ Due to significant revisions made to ESC Policy 1440 in February 2013, we have included both versions applicable during the Period.

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The Governing Board shall pay the expenses of professional staff members when they attend professional meetings (as defined in Policy 1243) with prior approval in accordance with the policy of this Governing Board and in accordance with the administrative guidelines of the superintendent. Job-related expenses incurred by the superintendent shall be reimbursed in accordance with this policy, administrative guidelines, and the superintendent's contract when authorized by treasurer or Governing Board president.

Administrative staff members are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, supplemental insurance on rental cars, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

"Frequent Flyer" mileage earned on official Center travel may be accrued by its employees or officials as long as such miles earned are used for future official travel for that employee or official or another Center employee or official.

This policy does not address every issue, exception, or contingency that may arise in the course of travel.

ESC Bylaws and Policies 1440 – Job-Related Expenses (Revised 2/8/2013)

The Governing Board will provide for the payment of the actual and necessary expenses, including traveling expenses, of any administrative staff member of the Center incurred in the course of performing services for the Center, whether within or outside the Center, under the direction of the Board and in accordance with the superintendent's administrative guidelines.

Job-related expenses incurred by administrators in the day-to-day operational performance of the Center, such as mileage, food, and office supplies, shall require a purchase order and supervisor pre-approval. Expenses not submitted for pre-approval may be reimbursed only if accepted by the supervisor and approved by the treasurer in his or her discretion.

Reimbursement for job-related expenses for any administrative employee, including the superintendent and treasurer, requires the submission of written receipts documenting expenses and a written and signed form that, at minimum, includes an explanation of the business purpose of each expense incurred. The treasurer may revise expense reimbursement forms as necessary to ensure that all documentation is adequate to support reimbursement and demonstrate compliance with the applicable laws, policies, and guidelines.

Unauthorized expenses include but are not limited to alcohol, movies, supplemental insurance on rental cars, fines for traffic violations, and the entertainment/meals/lodging of spouses or non-business-related guests. Alcohol expenditures cannot be placed on Board credit cards or otherwise paid for with public funds, even if the employee reimburses the Board for such expenditures.

"Frequent Flyer" mileage earned on official Center travel may be accrued by its employees or officials as long as such miles earned are used for future official travel for that employee or official or another Center employee or official. Likewise, awards points, customer incentives, and other rewards earned from business conducted by the Center accrue to the benefit of the Center and are used for Center purposes.

Supplement to the Special Audit Report

This policy does not address every issue, exception, or contingency that may arise in the course of travel. In these instances, the treasurer (or, for purposes of the treasurer's expenses, the Board) determine the proper public purpose and necessary documentation required for accepting such expenses for reimbursement.

Expenses Related to Professional Meetings

The Governing Board shall pay the expenses of administrators when they attend professional meetings (as defined in Policy 1243) with prior approval in accordance with the policy of this Governing Board and in accordance with the administrative guidelines of the superintendent. Requests from administrators must be submitted for pre-approval to the superintendent or treasurer on the Center's Request for Professional Meeting Attendance form and must include an estimate of expenses to be incurred. Requests from the superintendent or treasurer must be submitted to the Board for pre-approval on the Center's Request for Professional Meeting Attendance form and must include an estimate of expenses to be incurred. The form shall include an explanation of the business purpose of the meeting and indicate the date of pre-approval by the appropriate authority. Upon return, written documentation of expenses must be submitted to the treasurer for reimbursement in the same manner as is provided for other job-related expenses. Any expenses in excess of the pre-approved estimated costs must be approved by (1) the superintendent or treasurer, in the case of an administrator; or (2) the Board, in the case of the superintendent or treasurer.

Administrative staff members, including the superintendent and treasurer, are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed. Travel by first class or business class or upgrades to hotels, rooms, vehicles, or other travel amenities where additional costs are incurred is unauthorized and, absent extraordinary documented circumstances, will not be reimbursed beyond the cost of coach fare. "Frequent Flyer" mileage accrued by employees and officials cannot be used to upgrade flyers to business class or first class unless acquiring such upgrade is reasonable in light of flight schedules and a lack of availability in coach class or its equivalent. These restrictions apply to both in-state and out-of-state travel.

Special Restrictions for Out-of-State Travel

Out-of-state travel for Center administrators is only authorized when such travel is in the best interest of the Center and where there is no reasonably practical equivalent alternative means available for serving the Center's interests in a given situation. Out-of-state travel by any administrator, along with the estimated costs for such travel, must be approved in advance by the Board. Any expenses in excess of the pre-approved estimated costs must be approved by the Board.

The Board shall set an annual budget for out-of-state travel for the various departments in the Center. Any request for increases to the individual department budgets will be submitted with adequate reason and purpose for such increase.

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ESC Administrative Guidelines 1440A – Job-Related Expenses (Approved 8/13/2009)⁷

Expenses which are incurred by administrative staff members as a result of authorized travel in and outside of the Educational Service Center territory will be reimbursed to the extent provided for in these guidelines. Reimbursement is intended to provide for transportation, lodging, and food of reasonable and adequate quality. When traveling on Center business, an administrative staff member is expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business. For out-of-state travel, consideration shall be given to relevant cost-of-living differences.

Of necessity, these guidelines must be general in nature because of the varying conditions under which travel is performed.

Authorization

Travel outside the Center to attend meetings or in connection with normal discharge of duties may be authorized by the superintendent.

Travel to conventions or conferences which involve overnight stay away from the Center will be authorized by the superintendent for approval by the Governing Board.⁸ All such requests must be received in the Central Office at least five (5) days prior to the date a decision is needed. The superintendent may waive the requirement upon the consideration of specified circumstances.

Procedure

Each request for travel or conference funds should detail the reasons for the expenditures and should not be labeled in broad general terms.

Travel should be by the most reasonable, direct and economical route.

All persons authorized to travel on official business should keep a memorandum and detailed receipts of expenditures properly chargeable to the Board.

For official travel other than by automobile, tickets may be purchased by the Center in advance, upon request of the individual involved.

In all instances of travel reimbursement, full itemization of expenditures is required.

Those doing such traveling should be expected to exercise the same care in incurring expenses that they would in travel on personal business of their own. Excessive and unnecessary travel will not be approved nor reimbursed.

Reimbursement

Reimbursement will be at the current rates approved by the Governing Board. Requests for reimbursement will be submitted on special forms provided for that purpose.

Travel outside the Center will be reimbursed at the regular fare rate charged the general public by common carrier, unless travel by private conveyance is more economical, in which case mileage will be reimbursed at the Internal Revenue (IRS) rate. Taxi fare from home and conference destination to terminal and return is allowable with receipt.

⁷ Due to significant revisions made to ESC Administrative Guidelines 1440 in February 2013, we have included both versions applicable during the Period.

⁸ Sentence removed by revision dated March 11, 2010.

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Employees shall request and accept, if available, the "government rate" on rooms.

Reimbursement for reasonable charges for tolls, gratuity on meals, lodging, parking, taxis, and official phone calls will be made upon presentation of supporting receipts.

Registration fees are reimbursable. If meals are included in registration fees, duplicate meals shall not be reimbursed.

Taxes

Sales tax on hotel bills and non-exempt restaurants, soda, and meals are reimbursable.

ESC Administrative Guidelines 1440 – Job-Related Expenses (Revised 2/8/2013)

All expense reimbursement is subject to Board policy and guidelines and applicable State and Federal laws. All expenses reimbursed by the Board must be reasonable and business-related.

Expenses which are incurred by administrative staff members as a result of authorized travel in and outside of the Educational Service Center territory will be reimbursed to the extent provided for in these guidelines. Reimbursement is intended to provide for transportation, lodging, and food of reasonable and adequate quality. When traveling on Center business, an administrative staff member is expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business. For out-of-state travel, consideration shall be given to relevant cost-of-living differences.

Of necessity, these guidelines must be general in nature because of the varying conditions under which travel is performed.

Authorization

Authorization for expenses is required pursuant to Board Policy.

Travel outside the Center to attend meetings or in connection with normal discharge of duties may be authorized by the superintendent.

All such requests must be received in the Central Office at least five (5) days prior to the date a decision is needed. The superintendent may waive the requirement upon the consideration of specified circumstances.

Procedure

Administrative staff members, including the superintendent and treasurer, are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed. Travel by first class or business class or upgrades to hotels, rooms, vehicles, or other travel amenities where additional costs are incurred is unauthorized and, absent extraordinary documented circumstances, will not be reimbursed beyond the cost of coach fare. "Frequent Flyer" mileage accrued by employees and officials cannot be used to upgrade flyers to business class or first class unless acquiring such upgrade is reasonable in light of flight schedules and a lack of availability in coach class or its equivalent. These restrictions apply to both in-state and out-of-state travel.

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Each request for travel or conference funds should detail the reasons for the expenditures and should not be labeled in broad general terms.

Travel should be by the most reasonable, direct and economical route. The use of air, train, bus, or private vehicle shall be selected on the basis of the most reasonable and appropriate method, taking into account distance, time, and total costs. Where practical, employees are encouraged to carpool to the same function.

All persons authorized to travel on official business should keep a memorandum and detailed receipts of expenditures properly chargeable to the Board.

For official travel other than by automobile, tickets may be purchased by the Center in advance, upon request of the individual involved.

In all instances of travel reimbursement, full itemization of expenditures is required.

Those doing such traveling should be expected to exercise the same care in incurring expenses that they would in travel on personal business of their own. Excessive and unnecessary travel will not be approved nor reimbursed.

Reimbursement

Reimbursement will be at the current rates approved by the Governing Board. Requests for reimbursement will be submitted on special forms provided for that purpose.

Travel outside the Center will be reimbursed at the regular fare rate charged the general public by common carrier, unless travel by private conveyance is more economical, in which case mileage will be reimbursed at the Internal Revenue (IRS) rate. Employees may use a private vehicle only if the owner is insured under a liability policy that complies with Ohio law and only if the employee maintains a valid driver's license. Gasoline, damages, needed service, or repairs to private vehicles are the responsibility of the employee, as these costs are included in the per mile cost reimbursement.

Taxi fare from home and conference destination to terminal and return is allowable with receipt. Rental car reimbursements shall be authorized only if their use is more economical than any other type of available transportation.

Employees shall request and accept, if available, the "government rate" on rooms.

Reimbursement for reasonable charges for tolls, gratuity on meals, lodging, parking, taxis, and official phone calls will be made upon presentation of supporting receipts. Reimbursement for lodging is only reimbursable when traveling at least two (2) hours from the employee's residence or location of employment.

Registration fees are reimbursable. If meals are included in registration fees, duplicate meals shall not be reimbursed.

The treasurer may deny any request for reimbursement, in whole or in part, on the basis of non-compliance with Board policy or guidelines or State or Federal law or regulations.

Taxes

Sales tax on hotel bills and non-exempt restaurants, soda, and meals are reimbursable.

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ESC Bylaws and Policies 3440 – Job-Related Expenses⁹

The Governing Board will provide for the payment of the actual and necessary expenses, including traveling expenses, of any professional staff member of the Center incurred in the course of performing services for the Center, whether within or outside the County, under the direction of the Governing Board and in accordance with the superintendent's administrative guidelines.

The validity of payments for job-related expenses shall be determined by the treasurer/designee. Pre-approval for estimated travel expenses by the superintendent/designee is required.

The Governing Board shall pay the expenses of professional staff members when they attend professional meetings (as defined in Policy 3243) with prior approval in accordance with the policy of this Governing Board and in accordance with administrative guidelines of the superintendent. Job-related expenses incurred by the superintendent shall be reimbursed in accordance with this policy, administrative guidelines, and the superintendent's contract when authorized by the treasurer or Governing Board president.

Professional staff members are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, supplemental insurance on rental cars, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

"Frequent Flyer" mileage earned on official Center travel may be accrued by its employees or officials as long as such miles earned are used for future official travel for that employee or official or another Center employee or official.

This policy does not address every issue, exception, or contingency that may arise in the course of travel.

ESC Administrative Guidelines 3440A – Job-Related Expenses (Revised 12/12/2005)

Expenses which are incurred by professional staff members as a result of authorized travel in and outside of the Educational Service Center will be reimbursed to the extent provided for in these guidelines. Reimbursement is intended to provide for transportation, lodging, and food of reasonable and adequate quality. When traveling on Center business, a professional staff member is expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business. For out-of-state travel, consideration shall be given to relevant cost-of-living differences.

Of necessity, these guidelines must be general in nature because of the varying conditions under which travel is performed.

Authorization

Travel outside the Center to attend meetings or in connection with normal discharge of duties may be authorized by the superintendent.

⁹ ESC Policy 3440 and Administrative Guideline 3440A are applicable to professional staff members. Both are identical in content to ESC Policy 4440 and Administrative Guideline 4440A applicable to non-teaching and non-administrative employees. For brevity, we have not included Policy 4440 or Guideline 4440A.

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Travel to conventions or conferences which involve overnight stay away from the Center will be authorized by the superintendent for approval by the Governing Board. All such requests must be received in the Central Office at least five (5) days prior to the date a decision is needed. Forms are available in the Central Office. The superintendent may waive the requirement upon the consideration of specified circumstances.

Procedure

Each request for travel or conference funds should detail the reasons for the expenditures and should not be labeled in broad general terms.

Travel should be by the most reasonable, direct and economical route.

All persons authorized to travel on official business should keep a memorandum and detailed receipts of expenditures properly chargeable to the Board.

For official travel other than by automobile, tickets may be purchased by the Center in advance, upon request of the individual involved.

In all instances of travel reimbursement, full itemization of expenditures is required.

Those doing such traveling should be expected to exercise the same care in incurring expenses that they would in travel on personal business of their own. Excessive and unnecessary travel will not be approved nor reimbursed.

Reimbursement

Reimbursement will be at the current rates approved by the Governing Board. Requests for reimbursement will be submitted on special forms provided for that purpose.

Travel outside the Center will be reimbursed at the regular fare rate charged the general public by common carrier, unless travel by private conveyance is more economical, in which case mileage will be reimbursed at the Internal Revenue (IRS) rate. Taxi fare from home and conference destination to terminal and return is allowable with receipt.

Employees shall request and accept, if available, the "government rate" on rooms.

Reimbursement for reasonable charges for tolls, gratuity on meals, lodging, parking, taxis, and official phone calls will be made upon presentation of supporting receipts.

Registration fees are reimbursable. If meals are included in registration fees, duplicate meals shall not be reimbursed.

Taxes

Sales tax on hotel bills and non-exempt restaurants, soda, and meals are reimbursable.

ESC Bylaws and Policies 6423 – Use of Credit Cards (Revised 12/10/2012)

The Governing Board recognizes the value of an efficient method of payment and recordkeeping for certain expenses.

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The Board, therefore, authorizes the use of Educational Service Center credit cards. The authorization, handling and use of credit cards have been established to provide a convenient and efficient means to purchase goods and services from vendors. Credit cards, however, shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. The Board affirms that credit cards shall only be used in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the Center and serve a valid and proper public purpose shall be paid for by credit card.

The Board shall specify those employees authorized to use credit cards, the types of expenses which can be paid by credit card, and their proper supervision and use. Inappropriate or illegal use of the credit card and/or failure to strictly comply with the limitations and requirements set forth in the administrative guidelines may result in a loss of credit card privileges, disciplinary action, up to and including termination, personal responsibility for any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase, and/or possible referral to law enforcement authorities for prosecution.

The credit card may never be used for personal items or services, nor is the personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward permitted under any circumstances.

The Board directs the treasurer to determine and specify those employees authorized to use Center credit cards. The treasurer shall be responsible for giving direction to and supervising such employees' use of Center credit cards.

ESC Bylaws and Policies 6424 – Purchasing Cards

The Governing Board recognizes that bank purchasing cards offer an alternative to existing procurement processes and provide a convenient, efficient method of purchasing minor goods and services. Board employees authorized by the treasurer may use purchasing cards only for Center-related purposes in accordance with this policy and administrative guidelines to be developed by the treasurer. Purchasing cards shall not be used to circumvent the general purchasing procedures required by Ohio law and Board policy.

All approved cardholders must agree to abide by purchasing card procedures and regulations set forth in this policy and relevant administrative guidelines. All transactions must be made by the individual to whom the card is issued.

Purchasing card banks shall be provided no individual cardholder information (e.g., credit records or social security numbers) other than the individual cardholder's work address.

The treasurer or designee shall conduct independent regular reviews of each cardholder's activity to verify that the purchasing card is being used in accordance with this policy and administrative guidelines. Prices for commonly priced items should be periodically verified to prevent schemes of purposeful price inflation.

Cardholders must use common sense and good judgment when using school resources. This policy and related administrative guidelines cannot cover every issue, exception, or contingency that may arise during the cardholder's use of the purchasing card.

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Cardholders will immediately surrender their cards upon request of the treasurer for administrative reasons, and shall surrender their cards upon separation from employment.

The purchasing card may never be used for personal items or services, nor is the personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward permitted under any circumstances.

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Dave Yost • Auditor of State

EDUCATIONAL SERVICE CENTER OF CENTRAL OHIO

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 11, 2016