

STATE OF OHIO



DEPARTMENT OF REHABILITATION
AND CORRECTION

SUBJECT: Employee Activity Funds	PAGE <u>1</u> OF <u>7</u> NUMBER: 22-BUS-03
RULE/CODE REFERENCE: 5120-5-11	SUPERSEDES: 22-BUS-03 dated 05/13/15
RELATED ACA STANDARDS:	EFFECTIVE DATE: February 29, 2016
	APPROVED:

I. AUTHORITY

This policy is issued in compliance with Ohio Revised Code 5120.01 which delegates to the Director of the Department of Rehabilitation and Correction the authority to manage and direct the total operations of the Department and to establish such rules and regulations as the Director prescribes.

II. PURPOSE

The purpose of this policy is to establish an ordered approach for approving and scheduling employee fundraisers for charitable and other worthwhile causes. It also authorizes a process for the employees of the Ohio Department of Rehabilitation and Correction (DRC) to utilize the vending machine commissions and/or funds received from approved employee fundraising activities.

III. APPLICABILITY

This policy applies to all persons employed by the Ohio Department of Rehabilitation and Correction.

IV. DEFINITIONS

Bank Debit Card - A payment card that provides the cardholder electronic access to their bank account(s) at a financial institution. The card, where accepted, can be used instead of cash when making purchases.

Employee Activity Fund (EAF) – An account that applies to all approved financial transactions related to income from vending areas designated solely for use by employees and from employee fundraisers as defined in Administrative Rule 5120-5-11, Employee Activity Funds.

Recognized Committee, Group or Program - A team of employees that have been appointed by the Director or his designee to help enhance employee awareness and morale on various topics such as Women in Correction, Military, Wellness Committee and Victim Services. Each team shall have a chairperson, mission and established by-laws which govern its operations and manages funds to support its mission.

Reward Programs - Structured marketing efforts that reward, and therefore encourage, loyal buying behavior which is potentially beneficial to the purchaser. The reward programs are also known as loyalty card, rewards card, points card, advantage card, or club card. By presenting the card, the purchaser is typically entitled to either a discount on the current purchase, or an allotment of points that can be used for future purchases.

Statewide Employee Activity Committee – A team of regional joint labor/management personnel that coordinates statewide events to recognize employee outstanding performance and the maintenance of the Memorial Park at the Reginald A. Wilkinson Corrections Training Academy.

V. POLICY

It is the policy of the Ohio Department of Rehabilitation and Correction to allow each institution, Adult Parole Authority (APA) Regional Office, and the Operation Support Center (OSC) to maintain an Employee Activity Fund (EAF). Deposits to EAF may be from commissions received from the use of vending machines designated solely for use by employees and from approved employee fundraising activities. The EAF shall be utilized for the benefit, welfare, morale and productivity of employees. A joint labor/management committee shall be formed and charged with developing recommendations for the utilization of all non-designated funds. In conjunction with the Governor's Office policy and DRC Ethics Officer, the committee shall recommend guidelines for the type and frequency of employee fundraising activities for review and approval to the Director, Managing Officer, APA Regional Administrator or designee.

VI. PROCEDURES

A. Committee Composition, Authority and Responsibility

1. The local joint labor/management committee to oversee EAF shall be comprised of labor (inclusive of all represented unions at the local site) and management representatives.
2. The Statewide Employee Activity Committee to oversee the Statewide Employee Activity Fund shall be comprised of joint labor/management representatives from the Northwest, Northeast, Southeast and Southwest regions and the Operation Support Center.
3. If the number of labor and management representatives on these committees is not equal, the larger number of representatives shall always be labor. The Managing Officer for the EAF Committee and the Managing Director for the Statewide Employee Activity Committee shall appoint the management representatives including designation of a co-chair. The co-chair shall request that applicable unions appoint labor representation to the committee. The labor representatives shall select a co-chair.
4. Requests for authorization to conduct fundraisers in compliance with established guidelines must be approved by the Director, Managing Director, Managing Officer or APA Regional Administrator or designee and forwarded to the joint labor/management committee, which shall coordinate all employee fundraising activities.
5. Any employee may submit spending proposals for the committee's consideration. The committee shall develop an annual plan of expenditures based upon projected revenues

and disbursements by completing the Employee Activity Fund Budget Plan (DRC1155). Projected revenues are defined as anticipated income to be deposited into the fund. Projected disbursements are defined as anticipated payments to be made from the fund to purchase goods and or services, to include materials and or items purchased for resale to produce income.

6. At the beginning of each fiscal year, the Employee Activity Fund Budget Plan (DRC1155) shall be sent to the responsible Deputy Warden, Managing Officer, Managing Director, Director, appropriate Regional Director or APA Superintendent or their designee for review and approval and then forwarded to the Chief, Division of Business Administration (DBA) or designee. The DBA Chief or designee shall review and provide final approval of the plan. The original signed version of the plan shall be returned to the joint labor/management committee and a copy shall be on file in DBA. The institution, APA or Operation Support Center staff shall not obligate any such funds without a plan approved by the DBA Chief or designee.
7. Modifications to the approved plan shall follow the same procedure as the original plan.

B. Fund Income

1. All profits from employee vending commissions and proceeds from employee fundraising activities shall be deposited into the fund and be available for disbursement in accordance with the provisions of this policy. All funds shall be handled in accordance with Department policy 24-CAS-03, Control and Security of Cash, Checks and Other Funds.
2. All fundraising activity must be in compliance with the charitable and fundraising activities policy issued by the Governor's Office.
3. With the approval of the Director, Managing Director, Regional Director, APA Regional Administrator or their designee, the committee may designate a schedule of "dress down" days (e.g. Fridays) with a nominal cost to each employee who chooses to participate. Proceeds collected from "dress down" days shall be deposited in EAF for utilization according to the approved Employee Activity Fund Budget Plan (DRC1155) with the following exceptions:
 - a. The Director, Managing Director, Managing Officer, APA Regional Administrator or their designee may designate how the proceeds from certain "dress down" days will be utilized to support charitable campaigns.
 - b. The employees shall be notified in advance when the proceeds from any individual "dress down" day are designated for a specific purpose. All fundraising events shall clearly identify the intended beneficiary.
4. After each fundraising activity, all funds collected shall be accounted for by the employee(s) designated for collection purposes on the Fundraiser Activity (DRC1157). All funds collected shall be delivered to the institution's Cashiers' Office, Operation Support Center (OSC) Revenue Section or the designated revenue contact person in the APA Offices by the close of business on the day the funds were collected. Funds

designated for the Statewide Employee Activity Fund shall be submitted to the OSC Revenues Section within five (5) business days of receipt by the Cashiers' Office or the designated revenue contact person in the APA Offices.

5. All funds received for specific purposes such as, but not limited to, Combined Charitable Campaign and Operation Feed shall be shown in a subsidiary account of EAF for such specific purpose and must be reflected in the total balance of EAF.
6. Based upon the current Open/Filled Position Filled Report, each Employee Activity Fund established for the institution, Adult Parole Authority (APA) Regional Office and Operation Support Center shall submit the amount established by the Statewide Employee Activity Fund Committee and Managing Director annually by February 1st for deposit to the Statewide Employee Activity Fund. The committee and Managing Director may determine if additional funds are necessary.
7. Please reference the Department Business Operations Manual section General Policies and Procedures and the Department Cashiers' Manual sections General Fiscal Activity and Fund Processing for complete details regarding checking accounts, bank deposits and reconciliations, signature authority, security and control of assets.

C. Fund Disbursements

1. Where money collected for specific fundraising activities has been deposited in EAF, it shall be released to the sponsoring party for its intended use.
2. All disbursements from EAF shall be used for purchases that provide for the benefit, welfare, morale and productivity of employees and in accordance with the approved Employee Activity Fund Budget Plan (DRC1155).
3. The committee and Managing Officer, Managing Director or designee shall document approval as Appointing Authority of all disbursements by completing the Request to Purchase for Release of Funds (DRC1162). This form shall have at least two (2) signatures of the committee's labor members and two (2) signatures of the committee's management members. All disbursements shall be in the approved Employee Activity Fund Budget Plan (DRC1155).
4. All disbursements shall follow state purchasing guidelines. When a Request to Purchase (DRC1918) totals five hundred dollars (\$500.00) or less, two (2) verbal quotes shall be obtained utilizing the Telephone Price Quote Sheet (DRC1389). The Request to Purchase (DRC1918) shall be submitted along with Telephone Price Quote Sheet (DRC1389) for approval by the Managing Officer or designee. When a Request to Purchase (DRC1918) total exceeds five hundred dollars (\$500.00), three (3) written vendor quotes shall be obtained. The Request to Purchase (DRC1918) along with the three (3) written quotes and the Request for Certification of Approval (DRC1229) shall be submitted to the DBA Chief or designee for approval.

Telephone and written quotes for purchases shall not be divided by the vendor, service provider, or Department employee to circumvent the approval requirement for purchases exceeding five hundred dollars (\$500.00).

5. The purchase of alcoholic beverages, bartender services or any fee related to serving alcoholic beverages is prohibited.
6. Multiple purchases for the same general purpose such as Employee Recognition Week that collectively exceed five hundred dollars (\$500.00) shall not be made without the prior approval of the DBA Chief or designee through the Request for Certification of Approval (DRC1229). When a multiple purchase is \$500 or less, Telephone Price Quote Sheet (DRC1389) for the selected vendor shall be attached to the Request for Certification of Approval (DRC1229).

7. Goods purchased and received through the mail or picked up by an employee shall be verified by another employee who is not involved in the purchasing of those goods.

8. Cash Advances

Writing a check payable to "Cash" or to an employee to obtain cash, or to a vendor for a "not to exceed amount", cash advancement and purchasing prepaid debit cards to use for purchasing items are prohibited. Writing a check payable to the vendor for the exact amount of the purchase is allowed, provided other state purchasing guidelines have been met.

9. Bank Debit Cards

Bank debit cards shall be obtained in the name of the fund. Bank debit card purchases shall be made as a credit. The bank debit card Personal Identification Number (PIN) shall be secured and not shared. Use of the PIN for cash transactions is prohibited. If a local bank cannot meet this requirement, then notify the DBA Chief or designee.

10. Reward Programs

The name of the fund shall be utilized to enroll in reward programs and reward cards shall be utilized to make purchases for the fund. Employees are prohibited from using rewards discounts earned from their personal rewards cards to make purchases for DRC.

11. The purchase of door prizes for events such as holiday parties must provide eligibility to win for all employees without an attendance requirement. The cost of door prizes and other gifts for employees shall not exceed twenty dollars (\$20.00) per gift. The accountability of cash-equivalent gifts purchased, distributed and unused is required. If there are any remaining cash-equivalent gifts that were not distributed to employees, the cash-equivalent gifts shall be utilized for the next employee event as door prizes and other gifts for employees. All cash-equivalent gifts such as gift certificates and gift cards are included in taxable income (regardless of the amount). These cash-equivalent gifts shall be reported to the DBA Chief or designee within the taxable calendar year that the gift was received.

12. All disbursements for employee awards shall follow Office of Budget and Management account code definitions on taxable awards and the Ohio Revised Code 124.17 Employee Awards System. The cost of awards may exceed twenty dollars (\$20.00).
13. Raffles are defined as obtaining a monetary award or prize by luck or chance for the price of a donation. Raffles are considered gambling and therefore, are not permissible.
14. All expenditures including items to be purchased for resale in excess of five hundred dollars (\$500.00) require a Request for Certification of Approval (DRC1229) signed by the DBA Chief or designee. Exception: Funds deposited in EAF for specific fundraising activities to be released to the sponsoring party for its intended use, do not require the Request for Certification of Approval (DRC1229). Examples: Combined Charitable Campaign (CCC), Disaster Relief, Fallen Officer.
15. Purchases for the same or similar items for resale that accumulatively total five hundred dollars (\$500.00) or more in a single fiscal year shall require a Request for Certification of Approval (DRC1229) signed by the DBA Chief or designee, even if the individual purchases are less than five hundred dollars (\$500.00) each. Example: If snack items are purchased for resale to staff, and the total purchases for the fiscal year are projected to exceed five hundred dollars (\$500.00), the Request for Certification of Approval (DRC1229) is required. Please reference the Department Business Operations Manual section Purchasing for complete details for purchasing goods and services.
16. Please reference the Department Business Operations Manual section Voucher Procedures and the Department Cashiers' Manual sections General Fiscal Activity and Fund Processing for complete details regarding vouchers, bank debit cards and employee fund processing.

D. Recognized Committee, Group or Program Subsidiary Accounts

1. An institution or office may establish subsidiary accounts (also known as ledgers) to the Employee Activity Fund with approval from the DBA Chief or designee for the purpose of recording and maintaining financial transactions for recognized committees, groups or programs that do not generate sufficient funds to sustain a separate bank account.
2. All financial transactions in subsidiary accounts must be on behalf of the recognized committee, group or program as assigned.
3. If there are established by-laws for the recognized committee, group or program, the by-laws shall be compliant with Administrative Rule 5120-5-11 Employee Activity Funds and this policy. Contact the DBA Chief for guidance. If there are no established by-laws for the recognized committee, group or program, the following guidelines shall govern its operations:
 - a. A joint labor/management committee does not apply.
 - b. The Employee Activity Fund Budget Plan (DRC1155) does not apply.

- c. All fund income, fundraisers and disbursements shall be in compliance with this policy.
- d. The Request to Purchase for Release of Funds (DRC1162) shall be utilized for disbursements. The committee, group or program chairperson or designee shall document approval as Appointing Authority of all disbursements by completing the Request to Purchase for Release of Funds (DRC1162).

Related Department Forms:

Employee Activity Fund Budget Plan	DRC1155
Fundraiser Activity	DRC1157
Request to Purchase for Release of Funds	DRC1162
Request for Certification of Approval	DRC1229
Telephone Price Quote Sheet	DRC1389
Request to Purchase	DRC1918