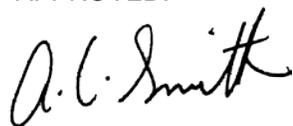




SUBJECT: Employee Activity Funds	PAGE <u> 1 </u> OF <u> 8 </u>
	NUMBER: 22-BUS-03
RULE/CODE REFERENCE: 5120-5-11	SUPERSEDES: 22-BUS-03 dated 03/26/18
RELATED ACA STANDARDS:	EFFECTIVE DATE: September 3, 2019
	APPROVED: 

I. AUTHORITY

Ohio Revised Code 5120.01 authorizes the Director of the Department of Rehabilitation and Correction, as the executive head of the department, to direct the total operations and management of the department by establishing procedures as set forth in this policy.

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 (ODRC) 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 (ODRC).

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 Ohio Administrative Code 5120-5-11, Employee Activity Funds.

Recognized Committee, Group or Program - A team of employees that have been appointed by the Director/designee to help enhance employee awareness and morale on various topics such as Women in Corrections, 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 (ODRC) 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 ODRC 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 (EAC) to oversee the Statewide EAF shall be comprised of joint labor/management representatives from the North, South, Specialty Regions and the Operation Support Center (OSC).
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 deputy director for the Statewide EAC 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 shall be approved by the Director, deputy director, managing officer, 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 expenditures 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. Prior to the beginning of each fiscal year, the Employee Activity Fund Budget Plan (DRC1155) shall be sent to the responsible deputy warden, managing officer, appropriate regional director, or APA superintendent/designee for review and approval and then forwarded to the Division of Business Administration (DBA) chief/designee. The DBA chief/designee shall review and provide final approval of the plan. The original signed version of the plan shall be retained on file in DBA and a copy shall be returned to the joint labor/management committee. The institution, APA or OSC staff shall not obligate any such funds without a plan approved by the DBA chief/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 available for disbursement in accordance with the provisions of this policy. All funds shall be handled in accordance with ODRC policy 24-CAS-03, Control and Security of Cash, Checks and Other Funds.
2. All fundraising activity shall comply with the charitable and fundraising activities policy issued by the Governor's Office. Fundraisers or activities involving food prepared or served shall reference the ODRC Cashiers' Manual for complete details.
3. With the approval of the Director, deputy director, regional director, or APA regional administrator/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, deputy director, managing officer, APA regional administrator or 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 or OSC Revenue Section by the close of business on the day the funds were collected. For the APA Offices, the funds shall be delivered and deposited by the APA Office designated revenue contact person at least once per month. Funds designated for the Statewide EAF shall be submitted to the OSC Revenue Section within five 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 (CCC) and Operation Feed shall be shown in a subsidiary account of EAF for such specific purpose and shall be reflected in the total balance of EAF.
6. Based upon the current Open/Filled Position Filled Report, each EAF established for the institution, APA Regional Office and OSC shall submit the amount established by the Statewide EAF Committee and deputy director annually by February 1st for deposit to the Statewide EAF. The committee and deputy director may determine if additional funds are necessary. The Request for Certification of Approval (DRC1229) is not required when funds are submitted annually or when additional funds are requested to be submitted to the Statewide EAF.
7. Please reference the ODRC Business Operations Manual and the ODRC 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. 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).
2. The committee and managing officer, deputy 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 signatures of the committee's labor members and two signatures of the committee's management members. All disbursements shall be in the approved Employee Activity Fund Budget Plan (DRC1155).
3. All disbursements shall follow the Office of Procurement Services guidelines as detailed in the ODRC Business Operations Manual, ODRC Cashiers' Manual or any ODRC directive. Written approval by the EAF committee shall be obtained prior to making the purchase. The following spending limits for purchasing through the EAF fund apply:
 - a. First, mandatory use of Requisite Procurement Programs and Department of Administrative Services (DAS) contracts are required. Please reference Requisite Procurement Programs and Purchasing Contract under section II. Procurement:

Purchasing, Resources, Contracts and Methods of the ODRC Business Operations Manual for complete details.

- b. Purchasing through MBE/EDGE suppliers and utilizing the Office of Budget and Management (OBM) Written Contract Policy Waiver Request and the requirement to obtain three quotes when awarded to a supplier listed on a DAS State Term Schedule does not apply to non-appropriated, external or local funds.
 - c. Purchases made through EAF are not tax exempt. Sales taxes shall be included on invoices.
 - d. Purchases \$500.00 or under – If the purchase cannot be made from a Requisite Procurement Program, competitive bidding is no longer required for direct purchases of goods or services totaling \$500.00 or less. Efforts shall be made to ensure the lowest possible cost of the items to be purchased.
 - e. Purchases that exceed \$500.00 – If the purchase cannot be made from a Requisite Procurement Program, competitive bidding is required for direct purchases of goods or services exceeding \$500.00. ODRC is required to obtain two written quotes from suppliers. The two written quotes, as applicable, and the Request for Certification of Approval (DRC1229) shall be submitted to the DBA chief/designee for approval. Submit the Request for Certification of Approval (DRC1229) to the DBA chief at least ten business days in advance of the anticipated purchases.
 - f. Quotes for purchases shall not be divided by the supplier, service provider, or ODRC employee to circumvent the approval requirement for purchases exceeding established spending limits for purchasing through EAF funds.
 - g. Reference the Spending Limits for Non-Appropriated, External or Local Funds Purchasing in the ODRC Business Operations Manual and ODRC Cashiers' Manual for the complete details regarding procurement requirements for goods and services.
4. The purchase of alcoholic beverages, bartender services or any fee related to serving alcoholic beverages is prohibited.
 5. Multiple purchases for the same general purpose such as Employee Recognition Week that collectively exceed \$500.00 shall not be made without the prior approval of the DBA chief/designee through the Request for Certification of Approval (DRC1229). Quotes are no longer required for purchases that are \$500.00 or less and are included with multiple purchases. The purchases shall be itemized on the Request for Certification of Approval (DRC1229).
 6. 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. Both employees shall sign and date the itemized receiver to confirm the receipt of goods.

7. Cash Advances

Writing a check payable to “Cash” or to an employee to obtain cash, or to a supplier for a “not to exceed amount”, cash advancement and purchasing prepaid debit cards such as Visa or MasterCard to use for purchasing items from one and or several suppliers are prohibited. Writing a check payable to the supplier for the exact amount of the purchase is allowed, provided other procurement requirements have been met.

8. Bank Debit Cards

The bank debit card program is recommended for the EAF. The bank debit card program is an option for purchasing. The bank debit cards shall be issued in the name of the institution, OSC Revenue Section, DPCS, APA Office or the name as listed on the bank statement. If the financial institution or bank requires an employee’s name be included on the card, the bank debit card shall be obtained along with the employee’s name. The financial institution or bank shall not conduct a credit check or report information to the credit bureaus on any employee assigned a bank debit card. When making purchases, the “CREDIT” option shall be selected. The bank debit card Personal Identification Number (PIN) shall be secured and not shared. Use of the PIN for cash transactions is prohibited. Any employee assigned to the Business/Cashiers’ Office and or OSC Revenue Section shall not be assigned as a bank debit cardholder. Please reference the ODRC Cashiers’ Manual Section I. General Fiscal Activity, and section J. Bank Debit Cards for complete details.

9. 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 ODRC. Employees are also prohibited from using rewards discounts earned from reward programs that are in the name of ODRC for their personal purchases.

10. Employee Gifts

The purchase of door prizes for events such as holiday parties shall provide eligibility to win for all employees without an attendance requirement. The cost of door prizes and other gifts for employees shall not exceed \$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 (i.e., gift certificates, gift cards), regardless of the amount, are included in taxable income. These cash-equivalent gifts shall be reported to the DBA chief/designee within the taxable calendar year that the gift was received.

11. Employee Awards

- a. All disbursements for employee awards shall follow Office of Budget and Management (OBM) account code definitions on taxable awards and the Ohio Revised Code 124.17 Employee Awards System. The cost of awards may exceed \$20.00.
- b. The DBA chief shall report the total dollars received by the employee who was awarded the Officer of the Year directly to DAS.
- c. The business administrator assigned to each institution shall report employee awards, excluding the Officer of the Year award, directly to the DAS each quarter.
- d. Each quarter, the chairperson for the APA Office, OPI and OSC (including all recognized committee, group or program subsidiary accounts) shall report employee awards to the DBA chief. The DBA chief shall report the awards to DAS.

12. Raffles

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.

13. Resales

Materials and items purchased for resale, individually or accumulatively for the fiscal year, in excess of \$500.00 require a Request for Certification of Approval (DRC1229) signed by the DBA chief/designee. However, the two written supplier quote requirements for purchasing through funds from the EAF does not apply.

14. Donations

Deposited funds collected from fundraiser(s) to be released to the sponsoring party for its intended use, the donation does not require the Request for Certification of Approval (DRC1229) (i.e., CCC, Disaster Relief or Fallen Officer).

15. Rentals

Regardless of the cost, before payment can be made to a supplier for any type of rental for space through a lease, contract or agreement, to include but not limited to rental space for a conference, employee recognition or parties, etc. shall first be approved by ODRC Legal Services. Submit the lease, contract or agreement along with two written quotes and the Request for Certification of Approval (DRC1229), as applicable to the DBA chief/designee at least 45 business days in advance of the anticipated event. The DBA chief/designee shall submit the lease, contract or agreement to the Office of Acquisition and Contract Compliance (OACC) and or ODRC Legal. Once ODRC Legal has legally accepted the lease, contract or agreement in conjunction with OACC, the Request for Certification of Approval (DRC1229) shall be approved by the DBA chief/designee.

16. Please reference the ODRC Business Operations Manual and the ODRC Cashiers' Manual General Fiscal Activity and Fund Processing sections 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 EAF with approval from the DBA chief/designee for the purpose of recording and maintaining financial transactions for recognized committees, groups or programs that do not generate enough funds to sustain a separate bank account.
2. All financial transactions in subsidiary accounts shall 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 Ohio Administrative Code 5120-5-11, EAF 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 comply 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
Request to Purchase	DRC1918