

IDEA CINCINNATI Greater Cincinnati, Inc.

# AUTHORITY OVER FISCAL MATTERS POLICY



**IDEA CINCINNATI Greater Cincinnati, Inc.**  
**AUTHORITY OVER FISCAL MATTERS**  
**KEYSTONE POLICY**

**Sec. 1. PURPOSE OF POLICY.**

Through this policy, the Board of Directors (hereafter, the “Board”) of IDEA Greater Cincinnati, Inc. (hereafter, “IDEA Cincinnati”) shall address applicable legal requirements, including:

- (a) Ohio Nonprofit Corporation Law Chapter 1702, 22.221 and 22.235;
- (b) Ohio Community Schools Act Chapter 3314; and
- (c) Ohio Administrative Code 1.

**Sec. 2. APPLICABILITY.**

This policy shall act as a keystone fiscal policy and shall apply to all other Board policies or administrative procedures. In the event of any conflict with other Board policy or administrative procedure, **the requirements set forth in this policy shall prevail and govern.** Accordingly, Board policies should include an appropriate reference to this policy.

**Sec. 3. FINAL AUTHORITY.**

- (a) Absent a specific delegation of a power or duty (as allowable by the Ohio law, where applicable), the Board may not delegate, and thus retains, functioning as a body corporate, final authority to exercise the following powers and duties:
  - (1) Adopt and amend policy;
  - (2) Adopt and amend the budget;
  - (3) Approve amendments to IDEA Cincinnati’s charter with its sponsor;
  - (4) Approve the obligation and expenditure of funds;
  - (5) Approve the use of property;
  - (6) Approve the purchase, lease or sale of real property.
  - (7) Direct the disposition and safekeeping of records, including access to, control over and possession of such records;
  - (8) Approve the annual financial and compliance report;
  - (9) Set compensation for the CEO/Superintendent and for officers listed in Sec. 5(a) through 5(h) of this policy;
  - (10) To amend its governing documents (certificate of incorporation, bylaws and any other document or record establishing the protocols and practices of the Board and IDEA Cincinnati) subject to approval of a charter amendment by the sponsor, where applicable;
  - (11) To authorize and approve the organization, governance structure, and management of any subsidiary, disregarded entity, or any other entity where IDEA Cincinnati is a corporate member or has a controlling interest;
  - (12) To establish and staff committees to support the Board with its fiscal oversight of IDEA Cincinnati’s business affairs and operations.
- (b) This final authority notwithstanding, the Board hereby authorizes the Chief Financial

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Officer and Senior Vice President of Finance/Controller (the “Delegates”) to initially exercise the authority set forth in subsection (a)(1), (2), (4), (5), (6) & (8) and to the CEO and Superintendent for those matters set forth in (a)(3) & (7) in a manner consistent with this and other Board policy. Notwithstanding the above initial delegation, the Delegates, CEO and Superintendent shall bring recommendations through the Board’s committee process and to the Board for final review and consideration of approval.

- (c) In accordance with applicable Board policy, the Delegates shall not engage in any business arrangement or transaction with an individual that is an Board member or officer, as defined in Sec. 5 of this policy, and any conflicted, interested, or related party, as defined in other Board policy or applicable law expressly including certain family members or business associates. IDEA Cincinnati may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.
- (d) At the Board’s discretion, the Board may, at any time, review any business arrangement or transaction subject to this policy and approve or disapprove the Delegates’ initial action on the Board’s behalf.
- (e) Any delegation of authority notwithstanding, the Board remains responsible for any business arrangement or transaction undertaken by the Delegates.

**Sec. 4. DESIGNEE.**

- (a) In Board policy, where the Delegates are authorized to confer authority to a designee (as denoted by the phrase “or designee”), the Delegates may confer such authority to a single designee. If the Delegates confer authority to a designee, the Delegates shall do so in writing through an administrative procedure, job description, or internal memorandum. The Delegates’ conferred authority to a designee must be specific and must cite the policy section from which it is derived. Any delegation of authority to a designee not documented as set forth in this section shall be null and void.
- (b) Any delegation of authority notwithstanding, the Delegates remain responsible for the business arrangement or transaction undertaken or that should have been undertaken pursuant to this policy, including the reporting and accounting of business expenses by IDEA CINCINNATI officers and employees.

**Sec. 5. OFFICER.**

For the purposes set forth in this and other Board policy, *Officer* means a person charged with the duties of, or acting as, a chief executive officer, a central administration officer, a campus administration officer, designated fiscal officer, or a business manager including individuals employed in the following senior, regional, and campus leadership positions:

- (a) Chief Executive Officer/Superintendent,
- (b) Chief Advancement Officer,

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- (c) Chief College Officer,
- (d) Chief Financial Officer,
- (e) Chief Human Assets Officer,
- (f) Chief Operating Officer,
- (g) Chief Program Officer,
- (h) Chief Schools Officer,
- (i) Area Superintendent,
- (j) Regional Superintendent,
- (k) Executive Director,
- (l) Vice-President,
- (m) Director,
- (n) Campus Principal,
- (o) Campus Assistant Principal, and
- (p) Any other person that may be characterized as an officer under applicable law.

For purposes of this and other Board policy, when determining whether a business arrangement or transaction may occur, an officer means those individuals described above, as well as any family member or business associate of said individual.

**Sec. 6. BOARD AUTHORIZATION REQUIRED.**

Consistent with Sec. 3 of this policy and the Board's fiduciary duties and standard of care established under applicable law, the Delegates shall present to the Board for approval any business arrangement or transaction with a cost or value of \$250,000. Notwithstanding, purchases of goods or services that are within the Board's approved budget (or a board approved amendment) that are made through a local government or interlocal cooperatives under § 6.2.1(b) of the Board Purchasing Policy, do not require Board approval but are subject to

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approval by the Delegates. Additionally, Sec. 3(a)(9) notwithstanding, compensation for the officers listed in Sec. 5(i) through 5(p) of this policy, do not require Board approval but must be approved by the CEO/Superintendent. These exceptions notwithstanding, the Board may, at its discretion, review and exercise its final authority to approve or disapprove any purchase through a local government or interlocal cooperative.

The Board shall review and approve all financial records on a monthly basis.

**Sec. 7. PRUDENT PERSON RULE.**

In their use of the funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors, officers and employees shall limit their use of funds and property to purposes pertaining to IDEA Cincinnati's mission and to those activities, functions, programs, and services that are ordinary and necessary for the conduct of IDEA Cincinnati's mission. Importantly, in their use of funds, officers and employees shall only incur costs that, by their nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time that the decision was made to incur the cost.

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**Sec. 8. ABUSE AND WASTE PROHIBITED.**

- (a) Officers and employees shall not abuse or waste funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors, or spend funds in a manner that does not qualify as a proper public purpose.
- (b) For purposes of this policy, abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.
- (c) For purposes of this policy, waste is defined as the act of using or expending resources carelessly, extravagantly, or to no purpose. In this context, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.

**Sec. 9. TRAINING AND UPDATES.**

The Delegates or designee shall properly train or ensure training is provided to IDEA Cincinnati officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the Delegates or designee shall keep IDEA Cincinnati officers and employees informed of any changes to this policy and related requirements.

**Sec. 10. ADMINISTRATIVE PROCEDURES.**

The Delegates shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable legal requirements. In doing so, the Delegates shall not adopt, and are prohibited from adopting, an administrative procedure that is not authorized by and that conflicts with applicable law or this policy. Accordingly, the Delegates shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegates shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

**Sec. 11. DATE ADOPTED AND EFFECTIVE.**

As set forth in the pertinent minutes to the meeting of the Board, the Board amended this policy

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**Sec. 12. RETENTION.**

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter.

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**Sec. 13. CERTIFICATION.**

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to the Authority Over Fiscal Matters.