



ONEOHIO RECOVERY FOUNDATION FISCAL POLICY

I. Purpose

The Foundation, board members and staff are responsible for ensuring funds are used appropriately and aligned with the organization's mission. The OneOhio MOU states, "All board members shall serve as fiduciaries of the Foundation as required by Ohio Revised Code 1702.30(B) governing directors of nonprofit corporations.

- a. The policy sets forth the roles and responsibilities of the Board of Directors, Audit and Finance Committee, and Foundation staff in overseeing and managing fiscal activity.
- b. The policy establishes guidelines and controls for the accountable operations of fiscal activities in the areas of internal controls, budgeting, accounting, expenditures, procurement, and asset management.

II. Roles and Responsibilities

- a. Board members are responsible for,
 1. approving fiscal policies, financial statements, and audit reports,
 2. approving and overseeing annual budgets and allocation,
 3. actively engaging in Foundation finances, asking questions, requesting information,
 4. maintaining Ohio Attorney General nonprofit certification.,
- b. Audit and Finance Committee are responsible for,
 1. recommending fiscal policies, reviewing financial statements, and engaging in annual audits.
 2. approving fiscal standards, rules, processes, and procedures in compiling with a Board approved policy.
 3. reviewing and approving budget for submission to the full board.
 4. Reviewing and approving large purchase RFPs that are within the Board approved budget,
- c. Foundation staff are responsible for,
 1. the effective and efficient management of Foundation resources,
 2. creating and implementing approved fiscal policies, standards, rules, processes, and procedures,
 3. developing and managing the Foundation's annual budget,
 4. implementing and operating grants and accounting systems.

III. Internal Controls

- a. The Foundation will maintain a system of controls which are fundamental to accountability and paramount to the confidence of foundation stakeholders.
- b. The Foundation will implement the key controls in the Foundation's grants and accounting software systems. The Audit and Finance Committee may approve the application of a compensating control to replace a key control if the key control causes difficulty in operating the system in meeting Foundation requirements.
- c. The system of controls will include the following,
 1. Authority – Annually, the Board will review and approve a Fiscal Authorization List for signature and/or approval of financial documents and transactions.
 2. Risk Assessment - Annually, the Foundation will conduct a risk assessment and prepare a report for Board review.
 3. Process and Procedures – The Foundation will maintain and annually review processes and procedures under the direction of the Audit and Finance Committee.
 4. Checks and Balances – Process and procedures will ensure there is a separation of duties and checks and balances to ensure no one individual has excessive control or oversight of Foundation funds.
 5. Monitoring and Reporting - Foundation staff will regularly monitor, review, and reconcile financial transactions. Transparent financial records and reports contribute to reducing the fiscal risk of the organization. The Foundation will prepare monthly reports for Board review and approval.
 6. Audits – The Foundation will engage in an annual independent audit, and the results will be reported to the Board.

IV. Budgets

- a. Annually the Board will approve a budget. The budget will consist of two parts, an operating, and a grant budget. The operating budget will be approved at the December Board meeting. Approval of the grant budget will vary based on the receipt of MOU funds.
- b. Foundation staff may not exceed an approved operating budget item without the approval of the Audit and Finance Committee or the Executive Committee. Expenses exceeding the budget by more than 10% require full Board approval.
- c. The Board will allocate MOU settlement funds when received. Funds may be allocated to regional grants, statewide grants/activities, or for administrative expenses.
- d. Each Region will have its own fund and budget. Board approved allocations will be

placed into regional funds based on the MOU Regional Share. Moneys will flow into the fund from allocations and flow out for grantee expenses. Regional budgets are limited to the unobligated cash balance in their fund.

- e. Operating obligations may carry over to a future budget period. Each December the CFO will present a list of obligations, not including accounts payable (invoice received not paid by Dec. 31), requesting the budget carryover to the next budget period for Audit and Finance Committee review and approval. Approved obligations must be expended by June 30 of the following fiscal year.

V. Accounting

- a. The Foundation will use fund accounting practices and incorporate a Chart of Accounts (COA) to budget, manage, track and report on financial resources.
- b. The fiscal year will end December 31 of each calendar year.
- c. An accounting software system will be used to budget, track, and manage Foundation fiscal resources, utilizing the controls of the system to protect against fraud and misuse.
- d. Bank statements and ledgers are reconciled monthly.

VI. Revenue

- a. The Foundation will receive funds from the National Opioid Settlement Administrator per the OneOhio MOU. The CFO will prepare proper documents and the Board Chair will approve before submitting the Foundation's claim.
- b. MOU funds will be deposited into an approved bank account. The CFO and Investment Committee Chair, with the advice of the Investment Advisor, move funds into accounts necessary to carry-out the financial goals of the Foundation.
- c. The Foundation may also receive proceeds from non-MOU settlements or investment income. These funds may be retained in separate bank accounts and their use will be allocated similarly to MOU funds.
- d. There shall be segregation of duties in processes related to the receipt and management of Foundation funds.

VII. Procurement & Expenditures

- a. Expenditures must be for an approved purpose identified in the budget, reasonable and necessary for a business purpose, and authorized by the appropriate representative per the Authorization List.
- b. A payment card, debit or credit, may be used for point-of-sale or low dollar purchases by authorized users. The Audit and Finance Committee will approve payment card rules and processes.
- c. Goods and services should be procured through a competitive process. The process will vary depending on the purchase amount. Purchases greater than \$5,000 require written proposals or quotes. Request for Proposals (RFP) should be used when cost is not the most important factor in the procurement

decision. Procurement actions exceeding the Board approved budget requires Board approval.

- d. A contract is required for the purchase of personal services. The Foundation's legal counsel must review and approve all contracts.
- e. Foundation staff, Board members and volunteers may be reimbursed for pre-approved business-related travel expenses. The Audit and Finance Committee will approve travel rules that include rates and procedures for reimbursement. The Travel Rule comply with [IRS Publication 463](#) and contain the components of an [accountability plan](#). Reimbursement is authorized retroactive to the first board meeting in May 2022.

VIII. Grant Disbursements

- a. Grantees must submit budgets with their grant applications. Grant budgets approved by the Region and submitted to the Foundation must not exceed the Region's unobligated fund balance.
- b. Grantee expenses should be for new, expanded, or improved services to meet the criteria for Approved Purposes. No MOU funds shall be used to supplant or replace funds currently expended for like services. Grantees may use up to 10% of their grant to cover new or expanded administrative costs associated with implementing their proposal. Administrative costs include both direct and indirect support.
- c. Expenditures should ensure both the efficient and effective abatement of the opioid epidemic and the prevention of future addiction and substance misuse. In recognition of these core principles, the Board and the Regions shall endeavor to assure there are funds disbursed each year to support evidence-based substance abuse/misuse prevention efforts.
- d. Payment schedules will balance the operational efficiency of grantees and mitigating the Foundation's financial risk.
- e. Grantee may be required to submit results of a financial audit or finding for questioned cost. Grantees receiving more than \$750,000 in a single fiscal year must submit the results of a single audit. The Foundation may monitor grantee financial records and may request recoveries for illegal or fraudulent financial activities.

IX. Capitalization of Assets

- a. The Foundation will maintain a list of fixed assets, assign IDs, and physically tag assets with a value greater than \$500.
- b. Each November, a physical inventory will be conducted and reconciled.
- c. Assets with an individual cost of \$2,500 or less are expensed in the fiscal year received, costs exceeding \$2,500 are depreciated over the assets useful life.