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Funds Disbursement Policy

Purpose of Disbursement

To establish policy and procedure governing the initiation, authorization and review of all expenditures of the Hardin County Airport

Scope

These policies, guidelines and procedures are applicable with exception to all funds owned or administered by the Hardin County Airport. All expenditures of the Hardin County Airport are to be consistent with the applicable state and federal laws and regulations; any restrictions, rules or regulations placed on the use of the fund by donors and granting agencies; and prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of the Hardin County Airport and are to be documented in a way which clearly substantiates such reasonableness and necessity. This policy applies to all Authority Board members and individuals that initiate, authorize or process disbursements on behalf of the Hardin County Airport. The scope includes all activities at the Hardin County Airport and in all locations where Hardin County Airport activities and public funds are expended. It is expected that in all dealings, Hardin County Airport representatives will act in an ethical manner and state and federal procurement law.

Segregation of Duties

Wherever possible, duties such as custody of purchase cards and blank checks, initiating expenditures, approving expenditures, maintaining documentation, issuing checks and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing of the Hardin County Airport, compensating controls such as management supervision and/or review of cash disbursement records by independent parties should be implemented.

Definitions

“Public Funds” are defined as money, funds and accounts regardless of the source from which the funds are derived, that are owned, held or administered by the Hardin County Airport.

General Policies

All checks or check stock, credit/purchase cards access to bank accounts and statements, etc. shall be secured and controlled by the Board Secretary/Treasurer with limited access.

All disbursing of funds at the Hardin County Airport should be done through the Board Secretary/Treasurer.

Expenditure transactions must be approved by a majority vote of the Authority Board.

All expenditures made using cash, checks, credit/purchase cards, electronic fund transfers, etc. shall be recorded in the Hardin County Airport's accounting records

Checks should be made payable to specified payees and never to "cash" or "bearer"

All disbursement activity should be substantiated by supporting documents. Documents should be available and should demonstrate that proper disbursement controls are in place (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.)

- a) Quotes shall contain the following information
 - 1) Date received or dates that the quoted price is valid and delivery date
 - 2) Company name and address
 - 3) Each item, description or specifications, unit, total price and quantity listed

- b) Quotes may be obtained and documented by printing pages from a website; however, all the quote elements must be documented. Better prices are usually obtained by contacting vendors directly. Telephone quotes must be documented and include all quote elements. Written quoted should be requested on the vendor's letterhead.

Bank and credit card statements should be reviewed and accounts reconciled in a timely manner. Activity accounts should be reviewed monthly by the Authority Board.

Expenditures will follow the guidelines outlined in the state procurement code and federal purchasing laws or the Hardin County Airport will adopt stricter policies.

Purchases of goods or services with Hardin County Airport funds for personal use or personal gain are strictly prohibited.

Procurement Thresholds

The Hardin County Airport procurement policy shall be followed for all qualifying purchases of goods or services. The procurement policy should include the basic items:

- a) Small Purchases
 - 1) The "individual procurement threshold" for the Hardin County Airport is \$25,000.00. This is the maximum amount that the Authority Board can expend to obtain a single or aggregate item/service from one vendor at one time without requiring competitive purchasing.

- 2) Professional services, such as architectural, engineering, accounting, legal or consulting services less than \$101,000.00 shall be acquired using a competitive bidding or RFP process or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP.
- b) Recurring Purchase Over Annual Cumulative Threshold
 - 1) If purchases from the same vendor are ongoing, continuous and regularly scheduled and exceed the annual cumulative threshold of \$50,000.00 during the fiscal year, a contract shall be utilized if feasible.
- c) Capitalization of Hardware and Equipment
 - 1) Purchases that exceed \$25,000.00 for hardware or equipment will be capitalized accordingly.

Hospitality Gifts, Gratuities, Kickbacks or Position and influence

- a) “Contract administrator” means a person who administers a current contract, on behalf of Hardin County Airport, including making payments relating to the contract, ensuring compliance with the contract, auditing a contractor in relation to the contract or enforcing the contract.
- b) “Interested person” is a person interested in any way to the sale of a procurement item or insurance to the Hardin County Airport.
- c) “Procurement participant” means a person involved in:
 - 1) Administering, conducting or making decisions regarding a standard procurement process.
 - 2) Making a recommendation regarding award of a contract or regarding a decision to obtain a procurement item for a particular person.
 - 3) Evaluating a quote, bid or response.
 - 4) Awarding a contract or otherwise deciding to obtain a procurement item from a particular person.
- d) “Hospitality Gift” means a promotional or hospitality item, including a pen, pencil, stationery, toy, pin, trinket, snack, nonalcoholic beverage or appetizer. This does not include money, a meal, a ticket, admittance to an event, entertainment for which a charge is normally made, travel or lodging.
 - 1) Hospitality gifts given, offered, promised to or received or accepted by the “procurement participant” or “contract administrator” in relation to a particular procurement or contract must be less than \$10.00; the total value of all hospitality gifts given, offered, promised to or received or accepted by the “procurement participant” or “contract administrator” from any one person, vendor, bidder, responder or contractor in a fiscal year must be less than \$50.00.
 - 2) Any hospitality gift exceeding the \$10.00 and \$50.00 threshold is considered a gratuity and the provisions below apply.
- e) “Gratuity” means anything of value, including money, a loan at an interest rate below the market value or with terms that are more advantageous to the person receiving the loan than terms offered generally on the market, an award, employment, admission to and event, a meal, lodging, travel or entertainment for which a charge is normally made.

- 1) An “interest person” may NOT give, offer or promise to give a gratuity to a “procurement participant” or and individual the person knows is a family member to the “procurement participant”.
 - 2) A “procurement participant” may NOT ask, receive, offer to receive, accept or ask for a promise to receive a gratuity from an “interested person”.
 - 3) A contractor may NOT give a gratuity to a “contract administrator” of the contractor’s contract or an individual the contractor knows is a family member of a “contract administrator” of the contractor’s contract.
 - 4) A “contract administrator” of a contract may NOT ask, receive, offer to receive, accept or ask for a promise to receive for the “contract administrator” or a family member of a “contract administrator”, a gratuity from a contractor for that contract.
- f) “Kickback” means a gratuity given in exchange for favorable treatment in a pending procurement or the administration of a contract.
- 1) A person may NOT give, offer or promise to give a “kickback” to a “procurement participant” or to another person for the benefit of a “procurement participant”.
 - 2) A “procurement participant” may NOT ask, receive, offer to receive, accept or ask for a promise to receive a “kickback” for the “procurement participant” or for another person.
 - 3) A person may NOT give, offer or promise to give a “kickback” to a “contract administrator” or to another person for the benefit of a “contract administrator”.
 - 4) A “contract administrator” may NOT ask, receive, offer to receive, accept or ask for a promise to receive a “kickback” for the “contract administrator” or for another person.
- g) Position or Influence
- A “procurement participant” or “contract administrator” may NOT use their position or influence to obtain a personal benefit for the “procurement participant” or “contract administrator” or for a family member of either from an “interested person”.