House Government Accountability and Oversight Committee
Substitute HB 312 Interested Party Testimony
Janice Allen, Treasurer/CFO, Trotwood-Madison City School District
October 25, 2017

Good afternoon Chairman Blessing, Vice Chair Reineke, Ranking Minority Member Clyde and members of the Committee. My name is Janice Allen, Treasurer/Chief Financial Officer for Trotwood-Madison City School District. Thank you for this awesome opportunity to speak to you today to share my views on Substitute House Bill (Sub. HB) 312. I also want to give a shout out to State Auditor Dave Yost and his staff for giving the Ohio Association of School Business Officials (OASBO) members through the Auditor of State (AOS) Advisory committee which I sit on, the opportunity to voice our concerns and suggestions. This is my first time speaking in front of any legislative body but I felt that you needed to hear from an individual who represents one of the 608 school districts across the State.

The Trotwood-Madison School District is located in the City of Trotwood, in Montgomery County, west of Dayton. We have a general fund budget of almost $40M with 2700 students who receive free and reduced meals. We only have three credit cards issued in our district along with relationships with Lowe's and GFS where employees can purchase items if they bring in an approved card and Purchase Order or if their name is on an approved list. There are two PNC bank issued cards for the Superintendent and myself with $20,000 limits, and an American express card with a $475,000 limit.

Last year we spent $250,444 on the Amex card; $150,211 for the CY17 premium for worker's compensation and hotels for the state football team, $26,433 for curriculum department educational supports, $14,668 for true up charges for CY16 Workers' Comp and travel. The remaining balance was spent on miscellaneous items such as Comprehensive Annual Finance Report (CAFR) submission, a fundraiser up-front fee and food.

The District has a credit card Policy (#6423) that authorizes the use of District credit cards (see attached). There are strong fiscal controls that surround the use of these cards. Sub. HB 312 should require a board policy on credit cards, but allow local flexibility in the policy provisions to account for each district's unique circumstances. Further, the bill should not require districts to change their current policies. If districts do not have strong enough policies, perhaps the Auditor of State could request districts to update their policies.

The AmEX card is locked up in the Treasurer's office and no one has access to it except the Accounts Payable Clerk and Treasurer. If a department needs to use the card to purchase something online in order for better pricing, the Accounts Payable Clerk will go to their office and enter the credit card information into the portal. However, any purchase that is made

MUST have an approved purchase order before anything can be bought. The District gets a substantial discount when we buy online i.e. Amazon or Harbor Freight.

I do realize that each district operates slightly different so I think a bill that wants to put a one size fits all restriction on the use of credit cards throughout the state will severely strap our hands. This bill appears to accuse districts of not having guidelines and policies in place to help deter theft which is so far from the truth. I do realize that occasionally events such as the misspending of public funds will happen but that is the exception and not the rule. There is no guarantee the mandates contained in Sub. HB 312 will prevent the willful misuse of district funds.

Over the last 4 years, we have received $15,000 in rewards from the AmEx card. The district has chosen to use the funds to support a staff wellness program that would not be possible without the rewards. The reporting requirements as outlined in the bill only adds another administrative burden and mandate, taking away local fiscal control.

The day to day workload of a school Treasurer continues to increase due to the amount of reports and compliance mandates that we are faced with. The appointment of a separate Compliance Officer seems to be a duplicate of what I and my colleagues are doing already. I ask monthly for the credit card statements and review the bill looking for anything that is out of the ordinary.

The receipt requirement in Sub. HB312 is not necessary and should not be spelled out in the Ohio Revised Code. We will only pay a charge if appropriate itemized receipts are matched with the credit card charge. The bill does not allow for local autonomy for these procedures.

I urge the committee to review my comments listed above to improve the language in Sub. HB 312. Please keep in mind, that this bill appears to have increased mandates for accountability measures that are already in place. The existing language will only add unnecessary work to the already burdened Treasurer/CFO in school districts throughout the State. I advocate for myself and all my colleagues that this bill needs to have a more streamlined approach and not a punitive overtone for all the districts that are following the rules and regulations of their district.

Thank you for your consideration. I will be happy to address any of your questions.