Controlling Board Manual

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Section I—Introduction

Invoking the name of the Controlling Board often brings fear and uncertainty into the hearts of those who must appear before it. To others less familiar with what the Board is and the purpose it serves in state government, puzzlement may be the more likely reaction. Much of this reaction is, in large part, due to the relative obscurity of the Board's work, practices and procedures to the vast majority of state employees and the general public. Those who are most familiar with its operations (current and past members of the board, agency representatives who submit requests regularly to the Board, OBM and LBO staff members who regularly review Board agenda items, certain members of the media, etc.) are more likely to experience a successful interaction with the Board.

The purpose of this manual is to help de-mystify the nature of the Controlling Board, as well as to explain more fully the types of requests considered by the Board. In addition, it attempts to illustrate the proper and most successful ways to prepare requests for the Board's consideration. This manual is written primarily for state agencies and employees who must interact with the Board. It is useful, however, to anyone who has a desire to better understand the Board's work, practices and procedures.

The manual is divided into five primary sections. The sections present the following information:

I. **Introduction**—This section provides background information on the Board and, in many respects, serves as an executive summary on the Board and its authority.

II. **Do I Need to Come to the Controlling Board?**—This section reviews state purchasing procedures generally and the way in which the Controlling Board fits into these procedures.

III. **Preparing a Controlling Board Request**—This section describes in detail the types of requests presented to the Board for consideration. The various components of the most common requests (narrative, criteria, attachments, etc.) are discussed. Instructions for preparing requests, checklists, and samples of requests are included in this section.

IV. **Timelines**—This section discusses in general terms the Controlling Board "production,, cycle and the time involved in each step of the process.

V. **At the Meeting**—This section discusses the specifics of the Controlling Board meeting, including the agenda, the order of business, and protocol.

In addition to these five key sections, a variety of appendices and miscellaneous information are also provided.

Controlling Board Overview

This section provides a general overview of the Board, its history, composition, authority and powers. It cross references more detailed explanations contained in other parts of this manual. The following topics are discussed in this section:

- Why a Controlling Board?
- History of the Controlling Board
- Controlling Board Authority and its Context
- Who is the Controlling Board?
- Who is the President?
- Who is the Secretary?
- When does the Board Meet and What Happens?
- Who is Involved in the Work of the Board?

Why a Controlling Board?

Imagine bringing the entire legislature together each time some minor adjustment needed to be made to a budget plan. Given that the Constitution invests in the legislature the power to make appropriations, acts of the legislature are required before dollars can be spent. While appropriations acts can attempt to prescribe the activities of state government, there inevitably arise circumstances that merit budget modifications. The need for the executive branch to be able to propose and obtain adjustments to appropriations is legitimate and often necessary. Many of these modification are likely to be relatively minor—but if some change to the act is required, then the legislature must convene.

One can only speculate about the reasons for the creation of the Board, but a mechanism to handle certain limited day-to-day fine tunings to the state budget seems to be a logical answer to the practical problems that sometimes stand as obstacles to making government work. Additionally, recognizing that from time to time standard competitive bidding requirements cannot be followed, a mechanism to waive such requirements is desirable as well. Trying to accommodate such circumstances acknowledges the practical realities of running a government the size of Ohio and the need to allow for flexibility when such flexibility makes sense.

When originally created, the Board was not dominated by legislative members. Therefore, it appears that what was desired was consensus among the various elected stakeholders. When the composition of the Board was changed in 1969, it emerged as a venue for greater legislative oversight of executive action in addition to an arena for building consensus.

History of the Controlling Board

Membership

The Controlling Board was first created in the General Appropriations Act of 1917. Until 1969, the Board consisted of the governor, the attorney general, the auditor and the chairpersons of the Ohio House and Senate Finance Committees. Its original composition, involving three statewide elected officials from the executive branch as well as a representative of each legislative chamber, dispersed the authority and required consensus to make decisions on matters over which the Board had authority (primarily minor budget changes and waivers of competitive selection). In fact, four votes (a supermajority) were required to approve appropriations transfers.

In 1969, the composition of the Board was altered almost to its present form with seven members. The governor was referenced as the chairman, although the law allowed the Director of Finance or an employee of the Department of Finance appointed by the governor to preside over the Board. The Department of Finance was the predecessor to the current Office of Budget and Management. In addition, the two finance committee chairpersons as well as one majority and one minority member from each legislative chamber appointed by the leader of each chamber made up the membership of the Board. In 1975, the 111th General Assembly established the Board in statute. It was at this time that the Director of Finance or his or her designee was specified as President of the Board.

Authority/Duties

In 1917, the primary duties of the Board were similar to the current duties—transferring appropriation authority between line items within an agency and granting waivers of competitive selection. (In those days, appropriations were more detailed than they are today.) Appropriations transfers required a supermajority of five members to be approved. Waivers only required a simple majority of the Board.

Over its history, the Board has been viewed as a convenient way to exercise legislative oversight of executive actions. Thus the powers of the Board have been expanded into areas beyond those contained in the Board's original authorization. Recent history demonstrates that the Board's authority often is expanded as a reaction to the legislature's perceptions of inappropriate behavior on the part of the executive branch. The last significant expansion of Controlling Board authority was made to include all leases above a certain threshold dollar value made by state government. This change was made in reaction to the scandal at the time surrounding perceived political favoritism in the awarding of telecommunication equipment lease/purchases. More detail about the array of Controlling Board duties can be found in other sections of this manual.

Controlling Board Authority and its Context

Generally, the powers and duties of the Board are enumerated in Chapter 127. of the Revised Code. However, other references to the Board are made in various places in both codified and uncodified law. This section does not provide a complete listing of all the powers and authorities of the Controlling Board but rather focuses on the major responsibilities of the Board. Other sections of this manual provide more detail regarding the circumstances requiring Controlling Board review.

Section 127.12 of the Revised Code creates the Board and Section 127.17 requires that it take no action which does not carry out the legislative intent of the General Assembly regarding program goals and levels of support of state agencies as expressed in the prevailing appropriation acts of the General Assembly. However, within this broad principle, the Board considers from 2,000 to 2,500 requests each fiscal year. The Controlling Board operates in three key arenas of state government:

1) the fiscal and budgetary arena,
2) the purchasing arena and,
3) the legislative oversight arena.

In order to understand how the Controlling Board operates within these arenas, some general discussion of each is required.

Controlling Board Actions Related to State Finances and the Budget Arena

From an operational perspective, a budget is a plan for spending available state revenues. In addition to being a blueprint for spending, it is also a statement of policy priorities and intents. While the Governor makes recommendations regarding the budget, the Ohio Constitution gives the power of actually making appropriations to the General Assembly. A discussion of how the Controlling Board related to the two types of budgets—operating and capital—follows:

The Operating Budget

The operating budget is typically enacted at the end of June in odd-numbered years after an executive preparation and legislative approval process that lasts about a year. The Office of Budget and Management works with requests submitted by state agencies and direction from the Governor's office to develop the executive budget proposal which is submitted to the General Assembly for consideration. The Governor's proposal is put into a bill format and is introduced into the legislative process. The legislature reviews the Governor's recommendations and make changes to the budget. The House and the Senate each make changes according to their own priorities. Differences between the proposals of the two chambers are resolved in a conference committee. The final version of the budget that is passed by both houses is then submitted to the Governor for his signature. The Governor may veto items in the budget bill.

Ohio budgets biennially—that is to say, each budget covers a two-year period. A budget act contains two columns of numbers, one for the first year of the biennium and one for the second year. Appropriations (i.e., authorization to spend money) are made to agencies through appropriation line items (ALIs) and from a variety of funds (Ohio has over 900 funds in the state treasury).

In enacting the statutes that authorize the Board's powers, the General Assembly delegates to the Board the power to make relatively minor adjustments to the enacted operating budget. The Board's actions are restricted by the confines of the budget as approved by the General Assembly. Board actions that affect the operating budget include:

- Transfer of operating appropriations between line items within the same agency and fund
- Transfer of operating appropriations between fiscal years within the same line item
- For certain funds, increase appropriation authority based on available fund balances
- Provide additional resources to an agency in emergency situations through the Board's Emergency Purposes appropriation
- In certain instances provided in law, approve transfers of cash between funds
- Create new funds and establish appropriation authority in new line items

Ohio's Constitution prohibits the General Assembly from making appropriations that last more than two years. Also, state agencies are prohibited from obligating appropriations beyond the fiscal biennium. Accordingly, every appropriation expires at the end of the biennium. Controlling Board action is also confined by the two-year (biennial) limitation.

The Capital Budget

The capital budget is typically enacted in the spring of even-numbered years. While capital appropriations are also made for a two-year biennium, the appropriations are made by fund by line item and in one amount effective for the entire two-year period. Unobligated balances in previous capital appropriations acts are generally re-appropriated in a separate act of the General Assembly.

Controlling Board actions facilitate some of the same types of adjustments to capital budgets as are available for operating budget. Additionally, the Controlling Board must release funds for capital construction. Controlling Board actions for capital budgets include:

- Transfer capital appropriations (or reappropriations) between line items within the same fund.
- Release capital appropriations for construction-related projects (and in some cases for the acquisition of real estate).
- Waive competitive selection for architects' and engineers' contracts for amounts in excess of certain thresholds.

Unlike operating appropriations, the release of capital funds has no expiration. Once capital dollars are released, they remain released, even when reappropriated.

Controlling Board Actions in the Purchasing Arena—Waiver of Competitive Selection

Department of Administrative Services—State Purchasing Processes

The general principle at work in the state's purchasing arena is that, except for relatively small purchases of goods and services and other specific types of purchases that are statutorily exempted, purchases made by the agencies of state government should be procured using the competitive selection provisions of state law through the Department of Administrative Services (Revised Code Chapter 125.). However, it is acknowledged that this may not always be advantageous. The Controlling Board is authorized to waive these statutory competitive selection requirements.

The law allows agencies to procure goods and services without using the statutorily prescribed competitive selection process through DAS up to a certain cumulative dollar limit per vendor. Beyond that limit, the agency must seek the approval of the Controlling Board. The Board generally likes to see that agencies use other competitive processes and attempt to get the best price and best quality if competitive selection is not used.

Limiting fiscal and contractual activity to the biennium can create operational difficulties. Often contracts contain provisions that allow for renewals in subsequent biennia. Such renewals still require Controlling Board waivers of statutorily prescribed competitive selection through DAS.

Other Legislative Oversight

All the areas discussed above include elements of legislative oversight of actions of the executive branch. In addition to those areas, the Controlling Board exercises legislative oversight in a variety of areas. The following is a partial list of the major types of oversight exercised by the Board:

- Approvals of land purchases by institutions of higher education
- Transfers of appropriations to accommodate a reorganization of government or the abolition of a state agency
- Approval of certain grants and loans made by the Department of Development
- Approval of operating loans sought by school districts
- Approval of fee increases requested by certain regulatory boards and commissions
- Approval of certain subsidy distributions

Who is the Controlling Board?

Section 127.12 of the Revised Code establishes the Controlling Board as a body consisting of seven members: the Director of the Office of Budget and Management or an employee of the Office of Budget and Management designated by the Director, the Chairs of the Senate and House Finance Committees, a majority member appointed from both the Senate and the House, and a minority member appointed from both the Senate and the House. For a current roster and short biographies of the members, see Appendix, page 4 or on-line at the OBM front page at http://www.state.oh.us/obm/.

Who is the President?

Section 127.13 of the Revised Code provides that the Director of the Office of Budget and Management or a designee of the director shall serve as President of the Controlling Board. Traditionally, the designee has served as a deputy director of the Office of Budget and Management. The President chairs the Board meetings. Practically speaking, as a representative of the executive branch, the President acts in the interest of the administration by determining which requests are to be presented to the Board for consideration and by working with agencies to help ensure the approval of agency requests. The President is required to publish the agenda and provide all supporting documentation relative to matters before the Board to its members and the Legislative Budget Office at least seven days prior to the meeting. The Board may adopt rules to authorize the President to act on its behalf in exigent circumstances affecting the public health, safety or welfare.

Who is the Secretary?

Section 127.13 of the Revised Code also establishes an employee of the Office of Budget and Management as Secretary of the Board. This person has the duties of assisting the President, keeping records of each request and the Board's disposition of that request, and certifying to each Board member and the Director of OBM a copy of the record of the Board's actions. The Secretary works with the President and other Controlling Board staff to coordinate the review of all requests; this includes tracking and distributing requests, technical review, and maintaining record files. The Secretary also works closely with the Office of State Purchasing in DAS to ensure that agencies submitting requests have followed necessary procurement procedures and with the State Accounting section of OBM to facilitate the encumbering process related to items approved by the Board. Any questions or issues involving forms, Controlling Board procedures, scheduling a request, revising requests, or obtaining copies of requests or agendas should be first directed to the Secretary.

When Does the Board Meet, and What Happens?

The Board is required by Section 127.13 of the Revised Code to meet at least once a month, and generally, meetings are held every other Monday throughout the year. The schedule of meeting dates is published each October for the next calendar year and is available from the Controlling Board Office. The President may schedule emergency meetings to address issues needing immediate attention. Since the Controlling Board calendar may deviate from time to time due to state holidays, it is essential to consult the published Controlling Board schedule to determine the exact date of its meetings. Typically, regularly scheduled Controlling Board meetings are held in the North Hearing Room of the Statehouse Senate Office Building and begin at 1:30 P.M. The Board is authorized by statute to adopt procedural rules for the conduct of its meetings and may approve, disapprove, modify as to dollar amount, or defer any request that comes before it. In addition, the Board may require that certain matters, delineated in the statute, be added to its agenda. Approval by the Board requires at least four affirmative votes. More details regarding what happens at a meeting can be found in Section V-At the Meeting.

Who Else is Involved in the Work of the Controlling Board?

Agency Staff

Controlling Board requests are prepared by state agencies. Staff of state departments are responsible for responding to any requests for information made by OBM as well as explaining their requests at Board meetings and responding to Board members' questions. Agencies that bring large numbers of requests to the Board typically have individuals exclusively assigned to work on Board business. Controlling Board activity required by agencies less frequent requests are generally handled by the agency's fiscal office.

Analysts of the Office of Budget and Management (OBM)

With regard to Controlling Board requests, OBM budget analysts provide fiscal and policy analysis assistance to the President. In setting the agenda, the President relies on the knowledge and insights of the analysts to determine whether a request is appropriate from an executive branch perspective, meets the intent of the legislature, and whether revisions or refinements are required. Analysts review all Controlling Board requests for substantive issues and work with agencies to ensure that the intent and impact of the requests are understood. The OBM debt coordinator analyst reviews and approves requests involving capital appropriations. Analysts may consult the legal, accounting, and financial experts within OBM in order to facilitate the review of requests. Agencies typically maintain good communications with their budget analysts regarding all fiscal issues. Agency staff preparing requests should contact their budget analysts with questions or issues they might have, especially with regards to policy considerations and fiscal or financial implications.

The Role of the Legislative Budget Office (LBO) and Legislative Staff

Six of the seven Board members are legislators. They require assistance in analyzing and understanding items on the agenda. The staff of the Legislative Budget Office review agency requests to ensure that the agency is meeting the legislative intent of the General Assembly in regard to program goals and appropriation levels as included in the appropriation acts of the General Assembly. This review also includes ensuring that the agency is in compliance with Controlling Board regulations and procedures. Generally, House and Senate aides to the Controlling Board members review the requests concurrently with LBO. The LBO staff typically provides written comments, referred to as "green sheets,,, on certain requests. The comments can summarize complex or precedent-setting items, analyze substantive concerns about the request, or provide additional information to the Board members. Legislative Budget Office liaisons to each of the four caucuses provide additional assistance to the members.

Office of Budget and Management: State Accounting Section

Prior to Controlling Board approval, all vendor information relating to a forthcoming Controlling Board request should be entered into and accepted by the Central Accounting System. For assistance in providing a vendor's federal tax identification information, contact the Vendor Compliance section of OBM.

Upon Controlling Board approval, State Accounting personnel review financial information and enter it into the accounting system. Questions on encumbering funds for requests involving waivers of competitive selection should be directed to the Encumbrance Review section of OBM. Technical questions regarding requests involving appropriations (such as releases, transfers, and fund creations) should be directed to the Appropriations and Revenue Reconciliation section of OBM.

Divisions of the Department of Administrative Services

Insofar as various divisions of DAS play a part in the purchasing process and in capital improvements, their involvement is required in a variety of situations. The Division of Computer Services is involved in procurement decisions regarding computer equipment and software and those purchases made through a request for proposal process. The Division of State Purchasing is involved in most major purchasing processes and must grant a release and permit to an agency before an agency may request a waiver of competitive selection from the Board. The Bureau of Real Estate is involved in state agency land purchases and facility leases that require competitive selection waivers. The State Architect's Office is involved in architect selection processes and overseeing many capital construction projects for state agencies and institutions of higher education.

Director of Budget and Management

The Director is the statutory President of the Board, although in accordance with the statute, he or she traditionally designates this duty to a deputy director of OBM. However, the Board, as well as certain uncodified law provisions, delegate to the director certain duties that otherwise fall to the board. For instance, under Section 127.14 of the Revised Code, the Controlling Board has authorized the OBM Director to approve certain requests for small transfers of appropriations between line items within the same fund within a fiscal year. The OBM director may also approve the release of capital funds for certain projects designated by the director as specific projects.

Section II—Do I Need to Come to the Controlling Board?

This is probably the most frequently asked question regarding the role of Controlling Board in state agencies' daily operations. And the answer is not always simple. Section II of this manual is a guide to assist state agencies in determining what actions require Controlling Board approval. Although this section outlines many of the circumstances requiring Controlling Board approval, keep in mind that it is general in nature. Some agencies have very specific legal requirements which trigger Controlling Board review. Agencies with specific questions not addressed here should contact their OBM budget analyst or the Controlling Board staff.

As discussed in Section I, the Controlling Board operates in three primary arenas—***the operating budget, the capital budget, and purchasing***. In addition, Controlling Board and/or State Accounting's approval and notification may be required in a variety of ***circumstances affecting previously approved Controlling Board requests***. Controlling Board's role in each of these arenas is outlined in the four parts of this section as follows:

- **Operating Budget Issues**—This part discusses a variety of operating budget adjustments that can be made with the approval of the Controlling Board.

- **Capital Budget Issues**—This part discusses the Controlling Board's role in the use of capital appropriations. Controlling Board's review of *land acquisitions* is also discussed in this section.

- **Purchasing Issues**—This part discusses the complex issues that determine whether a waiver of competitive selection must be approved by the Controlling Board for the purchase of noncapital-funded supplies, services and real estate. Differences between new contracts, contract renewals and contract addendums are addressed.

- **Changes to Previously Approved Controlling Board Requests—** Refer to this part for a discussion of the Controlling Board and State Accounting's roles in approving changes (substantive, non-substantive, and accounting) to previously approved requests.

Operating Budget Issues

The Controlling Board has certain limited authority to make adjustments to an agency's operating budget to facilitate normal fiscal activity. The following discussions may help an agency better understand this authority and when approval by the Controlling Board is required.

1) In the current fiscal year, my agency has excess appropriation authority in one line item of our budget and not enough in another line item. Is there a way to move appropriations to where they are needed? (Transfers of appropriation authority within a fiscal year under Section 127.14 of the Revised Code.)

The Controlling Board may grant approval to move (transfer) appropriation from one appropriation line to another in the same fiscal year. It should be understood, however, that their authority to approve such transfers should not be viewed as an opportunity to begin new discretionary programs or expand initiatives beyond what was contemplated when the budget was developed.

The Director of OBM can also approve small transfers of appropriation authority between line items within the same fiscal year. The director's approval authority is currently limited to a cumulative of the agency's Controlling Board threshold for the line item. However, the OBM director cannot approve transfers of appropriation between fiscal years.

Whether the request for a transfer of operating appropriations is being prepared for approval by the Director of OBM or by the Controlling Board, the request should be submitted on the "Operating Transfer Request,, form.

2) Some unexpected events have put pressure on my agency's budget this year. We didn't spend all our appropriations last year. Is there a way to move unused appropriation authority between fiscal years? (Transfer of appropriation authority between fiscal years within the same fiscal biennium under Section 127.14 of the Revised Code.)

The Controlling Board does have the authority to approve requests to move (transfer) appropriations between fiscal years ***within a biennium***, from the first year to the second year, or vice versa. The OBM director cannot approve these types of transfers.

Again, this authority should not be viewed as an opportunity to begin new discretionary programs or expand initiatives beyond what was contemplated when the budget was developed. Requests for transfers of appropriation authority that build the base of a program and that may require higher levels of funding in the future are discouraged and will be subject to strict scrutiny. Agencies should be prepared to discuss the impact and implications of any proposed transfers on future bienniums.

Requests for transfers of operating appropriations between fiscal years, within the same biennium, should be prepared on the "Operating Transfer Request,, form.

3) Our agency wants to transfer appropriation within our agency or to another state agency during the current biennium because of an administrative reorganization. Do we need to come to the Controlling Board? (Transfer of A ppropriation, within or between State Agencies under Section 127.14 of the Revised Code.)

Yes, if a statutory provision exists authorizing the administrative reorganization. An appropriation is authorization granted by the Ohio General Assembly to make budgetary expenditures and to incur obligations for specific purposes. The General Assembly is the only state entity authorized to grant appropriations. The Controlling Board has certain limited authority to make adjustments to an agency's operating budget to facilitate fiscal activity. Section 127.14(C) of the Revised Code limits the Controlling Board's authority to transfer appropriation within or between state agencies to those made necessary by the administrative reorganization or by the abolition of an agency or part of an agency. *In most situations, specific statutory authorization providing for the reorganization or abolition is needed to transfer appropriation within an agency or from one agency to another during the current biennium budget period under division (C).* If statutory authority for the reorganization or agency abolition does not exist and it is necessary for the transfer to occur during the current budget biennium period, agencies should contact their OBM budget analyst.

Requests for transfers of operating appropriations and or cash between agencies, within the same biennium, should be prepared on the "Operating Transfer Request,, form.

4) I've just learned that my agency is going to receive a new grant for something we have never been involved in before. I'm not sure where to deposit the money or what I need to have in place to spend the money. What do I do? (Creation of Funds and Appropriation Authority under Section 131.35 of the Revised Code.)

Your OBM analyst can help you determine if you already have a fund into which the money can be deposited. If a fund does not exist, then the Controlling Board may be asked to create a new fund and the appropriation authority necessary to spend the dollars expected to be received.

These types of requests should be prepared on the "Fund/Appropriation Request,, form.

5) Our agency received more money than we expected from a grant award. Do we need additional appropriation authority to spend the extra dollars? (Increase in Appropriation Authority under Section 131.35 of the Revised Code.)

If current available appropriations are insufficient to allow for the expenditure of the amount the agency needs to spend, Controlling Board approval to increase appropriation authority is required. Appropriation authority is required to spend any dollars received into the state treasury.

The Controlling Board can approve requests to increase appropriation authority in many funds. However, for some funds, (see Revised Code Section 131.35), including the General Revenue Fund, the Board is prohibited from increasing appropriation authority. Increases in these funds can occur only through legislative action.

Besides the receipt of a grant, an increase in appropriation authority may also be desired if an agency happens to have more cash in a particular fund than it has appropriation authority. Requests to spend such amounts will be closely scrutinized for their long term impact. Proposals that have an ongoing operating impact should be sustainable by on-going revenues.

These types of requests should be prepared on the "Fund/Appropriation Request,, form.

Capital Budget Issues

The Controlling Board has very specific authority regarding expenditures of capital appropriations. In order to understand its authority, it is helpful to recognize the appropriate uses of capital appropriations.

Generally, capital appropriation acts prescribe the appropriate uses of capital funds. Capital funds cannot be used for operating expenses. Unless specifically authorized in an appropriations act, capital funds cannot be used for motor vehicles, computers and computer peripherals, typewriters, calculators, dictating machines, and other such office equipment.

Typically, the acts allow capital funds to be used for the following purposes.

- Acquisition of real property
- Buildings and structures (including construction, demolition, heating, lighting, utility infrastructure, ventilation, plumbing, sprinkler, and sewer systems)
- Directly related architectural, engineering and professional services
- Machinery that is part of a structure when originally constructed or acquired
- Equipment meeting all the following criteria:
    - ⇒ Essential to bringing a facility up to its intended use, and the functioning of the facility;

⇒ Unit cost is about $100 or more;
⇒ Useful life of five years or more; and
⇒ Used primarily in the rooms or areas covered by the project.

NOTE: This information is taken from the requirements of Section 59 of Am. H.B. 748 of the 121st General Assembly. Refer to the applicable capital appropriations act, or check with the Controlling Board office for further clarification.

The following discussions may help an agency better understand when Controlling Board approval is required to address capital budget-related issues.

1) My agency is ready to start on a capital improvement project, but I'm not sure how we access the appropriations approved by the General Assembly for the project. Where do I start? (Uses of Capital Funds/Release of Capital Funds, Section 127.14 of the Revised Code.)

In order to expend capital dollars to pay legitimate project costs, an agency must submit a request to the Controlling Board or the Director of OBM to "release,, the appropriations. However, there are specific legal requirements that must be met prior to requesting a release of funds. The capital funds will not be released until the agency is ready to spend (encumber) money for planning/design services, initiate competitively bid construction contracts, purchase equipment or incur other capital-related costs.

Getting Started with Capital Projects

Initiating a capital improvement project involves a number of critical determinations and activities. The following are some of the important issues that must be considered prior to undertaking a capital project.

Administration

Generally, the administration of a capital improvement project is performed by the Department of Administrative Services/General Services Division-Office of the State Architect. However, as authorized by legislation, some agencies may receive approval from DAS to ***administer*** their own capital projects while state-assisted institutions of Higher Education may administer projects of less than $4 million without the approval of DAS.

Selection of Service Providers

Most capital projects require two or more Controlling Board actions. Typically, when a project requires a contract for design or other professional services a request for the release of funds to enter into the contract is presented to the Board for approval. A subsequent release of funds (or multiple releases) should be requested for the contracts for the construction phase(s) of the project.

Architects/Engineers or other Professional Services

Typically, before requesting the release of funds, an agency must determine who will be providing the design or other professional services. For most projects, obtaining the planning and design services of an architect or engineer pursuant to the requirements of Revised Code Section 153.69 is the first step. Once the agency is ready to enter into a contract, Controlling Board approval is required for the release of funds. In addition, Controlling Board approval may be required if the proposed amount of the contract equals or exceeds the Controlling Board threshold.

Construction-Related Contracts

At later stages, construction services must be procured through the competitive bidding process as prescribed by law. Again, only when the agency is ready to enter into the contracts should Controlling Board approval be sought for the release of funds.

Note about Change Orders—Change orders may be recommended by the associate architect/engineer, authorized by the owner, and issued after execution of the construction contract in order to authorize a change in the work or an adjustment in the contract price or contract time for the project.

Note about Contingency Moneys—Project contingency moneys shall be reserved to pay costs resulting from unanticipated job conditions, to comply with rulings regarding building and other codes, to pay costs related to errors and omissions in contract documents, and to pay the cost of settlements and judgments related to the project.

Approval to Expend the Funds

General/Specific Designation

The capital appropriations and reappropriations acts typically contain provisions that allow the Director of OBM to approve releases of capital appropriations for line item-specific projects or specified projects with the “Basic Renovations,, line items of higher education institutions. Understanding whether a capital project has been designated as “General,, or “Specific,, will determine the way the Controlling Board request is prepared and determine how the release will actually be approved. The release of any funds to be used for real estate acquisition as well as the request for the release of funds from “General,, line items require the approval of the Controlling Board.

The General/Specific list is compiled by OBM indicating whether a line item, or project within a “Basic Renovations,, line item, has been designated as “General,, or “Specific,, based on recommendations from the agencies/institutions of higher education. The Controlling Board is provided with this list within sixty (60) days of the effective date of the particular capital appropriations act. Copies of the most current lists are available from OBM.

Controlling Board Review

For those capital projects that have been designated as "General,,, Controlling Board approval to expend the funds to execute competitively bid construction contacts or to purchase competitively selected equipment is required. In addition, all requests for a waiver of competitive selection require Controlling Board approval, regardless of the General/Specific designation.

All requests for the release of capital funds should be prepared on the "Capital Request,, form, except for the acquisition of real estate regardless of whether it will be approved by the Director of OBM or by the Controlling Board.

2) Part of a construction-related project my agency is involved with includes the design or planning services of an architect or engineer. These services were selected by DAS (or the agency) using the architect/engineer selection process. Do such contracts require Controlling Board approval? (Release of Capital Appropriation *and/or* a Waiver of Competitive Selection, Revised Code Section(s) 127.14 and/or 127.16.)

Yes, they do. Because these types of professional services are qualitative in nature, they are not subject to statutorily defined competitive bidding processes by which contracts are awarded to the lowest responsive and responsible bidder. Rather, pursuant to Revised Code Section 153.69, DAS (or the agency, in cases of agency-administered projects) is required to select and rank at least three firms considered to be the most qualified to provide the professional design services. Starting with the firm ranked most qualified, the professional design contract is negotiated and compensation is determined based on those qualifications and the scope of the project. In addition, such contracts are **not** considered competitively bid and require a waiver of competitive selection by the Controlling Board if the amount of the contract equals or exceeds the Controlling Board threshold with the vendor.

Generally, in the same request, a release of funds accompanies the request for approval to waive competitive selection to initiate the contract for the professional services. The Director of OBM cannot approve a request to waive competitive selection, even if the project has been designated "Specific.,, Requests for a release of capital appropriations and/or a waiver of competitive selection for professional design or construction management services should be prepared on the "Capital Request,, form.

3) My agency has experienced cost overruns on one capital project, but we have excess appropriation in another capital project. Can I use the excess appropriation in one project for another capital project? (Transfer of Appropriation Authority between Capital Line Items, Section 127.15.)

The Controlling Board is authorized to transfer appropriations between capital line items or create new capital line items and authorize transfers to those new line items, within the same fund. Prior to submitting a request for the transfer of capital appropriations from a project that has not been completed, the agency should consult their OBM budget analyst and discuss the rationale for the proposed transfer of appropriations.

Prior to such transfers, the agency shall notify by mail the elected representatives of the General Assembly from the counties affected by such transfers of appropriation stating the time and place of the hearing on the proposed transfer.

Requests to transfer capital appropriations should be prepared on the "Capital Request,,. Typically, requests to transfer appropriation authority between capital line items are accompanied, in the same request, by a request to release the transferred funds.

4) When our agency received approval for the release of funds for a "General" capital project, we submitted a project budget based on our best estimates for the various components of the project. The construction phase went better than we had anticipated and we have a remaining balance in our contingency account. We now want to shift some of the dollars from the contingency component of the budget to purchase equipment. Does this require Controlling Board approval? (Change of Intent.)

Yes. This is known as a "change of intent.,, Such a change occurs within the project budget and does not require a transfer of appropriation authority between capital line items. A request for a change of intent involving previously released capital appropriations approved by the Controlling Board allows the agency or institution to reallocate a portion of the funds already released for a specific purpose, such as a contingency account, to an existing component included in the project budget, such as equipment. However, all of the following criteria must be met.

NOTE: The *Director of OBM* may approve a change of intent for the components of a "Specific,, project for which approval has already been granted, providing that a waiver of competitive selection is not required.

In order for the Controlling Board or the Director of OBM to review a request for a **change of intent**, all of the following criteria must be met:

1. The appropriation has been previously released;
2. This reallocation involves one project, one appropriation line item;
3. This reallocation involves unencumbered appropriations within the capital biennium in which the original release occurred, ***or*** this reallocation involves encumbered appropriations from a different capital biennium in which the original release occurred; and,
4. The request for the change of intent does not modify the original scope of the project.

This type of request may be accompanied by an additional release of capital appropriations and/or a waiver of competitive selection. If the change of intent affects a contract for which the Controlling Board has already waived competitive selection or if the contract modification will result in exceeding the Controlling Board threshold, a waiver of competitive selection by the Controlling Board is required.

This type of request should also be prepared using the "Capital Request,, form.

5) Do we need Controlling Board approval for the purchase of real estate? (Real Estate Acquisition, Sections 127.14 and/or 3333.071 of the Revised Code.)

Pursuant to provisions in the capital appropriation acts, all acquisitions of real estate ***made with capital appropriations*** require approval of the release of funds by the Controlling Board. The Director of OBM cannot approve the release of funds for real estate acquisition.

In addition, under Section 3333.071 of the Revised Code, all expenditures for acquisitions of real estate ***made by state-assisted institutions of higher education or agents of such institutions*** require Controlling Board approval, ***regardless of the source of funds***.

A request for the acquisition of real estate should be submitted using the "Real Estate Acquisition,, form.

Purchasing Issues

Perhaps the most difficult determinations to make regarding whether Controlling Board approval is required are those that involve the purchase of supplies and services. Agency purchases of supplies (non-services) and services are governed by statutory law and related rules and policies. The Controlling Board may grant a waiver of competitive selection when it determines that an emergency or sufficient economic reason exists, pursuant to Revised Code Section 127.16.

The following definitions are helpful in understanding the Controlling Board's role in approving the the purchase of supplies and services.

Purchase: To buy, rent, lease, lease-purchase, or otherwise acquire supplies or personal services.

Services: The furnishing of labor, time or effort by a person(s) which may be technical, non-technical, consulting, advisory, professional or non-professional in nature.

Supplies: All property, including, but not limited to, equipment, insurance, and other tangible assets, with the exception of land.

A flow chart outlining the factors determining Controlling Board's role in approving the purchase of supplies and services concludes this section on Purchasing Issues.

All requests for waivers of competitive selection (except those involving the use of capital funds) should be prepared on the "Operating Request,, form.

When preparing to purchase supplies and services, an agency should consider the following factors to determine whether the purchase requires a waiver of competitive selection by Controlling Board:

- Exempt types and sources of supplies or services
- Exempt process by which the purchase is made
- Amount of the proposed purchase and all other fiscal activity with a particular vendor

Exempt Types and Sources of Services and Supplies

Certain ***types*** of supplies and services and certain ***sources*** (suppliers) from which supplies and services may be purchased are exempt from Controlling Board review, regardless of the total dollar amount.

Types of Purchases Exempt from Controlling Board Review

By virtue of statutory exemptions, the following is a partial list of the most common types of specific purchases that are exempt from Controlling Board review:

- Examinations purchased from a sole supplier by a state licensing board under Revised Code Title 47
- Membership dues in an association or organization
- Purchases of utility services pursuant to Section 9.30 of the Revised Code
- Purchases made pursuant to DAS rules of motor vehicle, aviation or atercraft fuel, or emergency repairs of such vehicles
- Passenger airline tickets
- Legally required public notices or notifications of job openings
- Motor Courier and Freight Services purchased pursuant to DAS rules
- Postage
- Books, periodicals, newspapers, maintenance subscriptions, and published materials
- Purchases made from other state agencies, including state-assisted institutions of higher education.

A more complete list, with several agency-specific items, is found in Revised Code Section 127.16 (D).

If you have a question as to whether a particular type of purchase qualifies as one of the exemptions described above, contact the Controlling Board Office.

Sources for Purchases Exempt from Controlling Board Review

State agencies are *required* to use the following sources (suppliers) for supplies and services in order (also known as the "order of ranking,,) as outlined in the Office of State Purchasing's Guidelines:

- DAS State Term Contracts
- State Printing-Forms Distribution
- Ohio Penal Industries (OPI)
- Ohio Industries for the Handicapped (OIH)
- Ohio Department of Mental Health/Support Services
- Purchases made from any other state agency or state-assisted institutions of higher education.

Optional Sources for Purchases Exempt from Controlling Board Review

In addition, state agencies have the *option* of purchasing from **state term schedules (STS)** and **multiple award term contracts (MAC).** Purchases from MACs and STSs do not require Controlling Board review, regardless of the amount because DAS traditionally receives approval by Controlling Board covering all agency purchases made under the STS and MAC.

If the proposed purchase is not included in this list of exempted types or sources, you may need approval from the Controlling Board depending on the process by which the purchase is being made, the purchase amount, or the amount of fiscal activity with the same vendor. (See the following discussions.)

Exempt Process by Which the Purchase is Made

If a service or supply is not one of the types exempt from Controlling Board review and is unavailable from an exempt source in the order of ranking then procurement without Controlling Board approval may be accomplished through DAS using competitive selection.

DAS Purchases Through Competitive Selection

In most cases, state agencies are required to coordinate their purchasing activity through DAS. The divisions of DAS outlined below follow statutorily authorized procedures for the competitive selection of vendors to provide the desired supplies and services.

- The **Computer Services Division** coordinates the purchases of computers, telecommunications equipment and related supplies and services and all Request for Proposals using the competitive sealed proposal process.
- The **Office of State Printing** coordinates the purchases of printed materials.
- The **Office of State Purchasing** coordinates the purchases of all other supplies and personal services (except Request for Proposals).

Purchases made by DAS for an agency using competitive selection pursuant to state law do not require a waiver of competitive selection by the Controlling Board.

Independent Contractor Guidelines

When an agency enters into a contract for personal services, the agency must assure that it is contracting with an independent contractor and not a contract employee and that the contract complies with DAS Directive 97-10, effective July 1, 1997, "Independent Contractor Guidelines,,, as applicable to the agency, is included in the Appendix.

Amount of the Purchase and Fiscal Activity

If the proposed purchase of a supply or service is not one of the exempt types and is not being procured from an exempt source or through the divisions of DAS listed above, then the final factor for determining the requirement for Controlling Board approval is whether the agency's fiscal activity with the vendor equals or exceeds the Controlling Board threshold.
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Understanding the Controlling Board Threshold

The Controlling Board threshold is an agency's limitation on the amount of noncompetitively selected purchasing activity with a vendor which an agency may enter into without receiving prior approval by the Controlling Board. The following highlight the statutory references governing the Controlling Board's authority to grant a waiver of competitive selection.

Purchase of Supplies or Services

> ***Pursuant to Revised Code Section 127.6(B)(1), the Controlling Board threshold is the limit at which a purchase from a particular supplier would amount to $50,000 or more when combined with the amount of all disbursements to the supplier during the fiscal year for purchases made by the agency from the supplier and the amount of all outstanding encumbrances for purchases made by the agency from the supplier unless the purchase is made by competitive selection or with the approval of the Controlling Board.***

Real Estate Leases

> ***Pursuant to Revised Code Section 127.16(B)(2), the Controlling Board threshold for real estate leases is the limit at which a real estate lease from a particular supplier would amount to $75,000 or more when combined with both the amount of all disbursements to the supplier during the fiscal year for real estate leases made by the agency from the supplier and the amount of all outstanding encumbrances for real estate leases made by the agency from the supplier, unless the lease was made by competitive selection or with approval by the Controlling Board.***

Institutional Agency Purchases

Notwithstanding Revised Code Section 127.16(B)(1), pursuant to Revised Code Section 127.16(E), the Controlling Board threshold for the Departments of Mental Retardation and Developmental Disabilities, Mental Health, Rehabilitation and Correction, and Youth Services shall be $75,000.

Elements of the Controlling Board Threshold

The following elements of the Controlling Board threshold deserve additional discussion.

- *Purchase Amount/Contract Amount*—***The full amount to be paid to the vendor over the term of the contract is applied to the Controlling Board threshold, regardless of whether the term of the contract covers more than one fiscal year within the biennium.***

- *Cumulative*—The sum of all purchasing activity not competitively selected pursuant to Revised Code Chapter 125. nor approved by the Controlling Board in the fiscal year of the proposed purchase is applied toward the Controlling Board threshold.

- *Per Vendor*—The Controlling Board threshold applies to a single vendor.

- *Per Agency*—The Controlling Board threshold reflects only the purchases made by an agency and does not reflect purchases made by other state agencies.

- *Encumbrances & Disbursements*—The Controlling Board threshold is calculated counting disbursements to the vendor in the current fiscal year and all outstanding encumberances with the vendor. However, the full amount of the proposed contract is considered regardless of the fiscal year in which payment may be made.

- *Prior Controlling Board Approvals*—Purchases previously approved by the Controlling Board, regardless of the amount of the purchase, are not applied toward the Controlling Board threshold.

Direct Purchase Authority Adjustments

Recently, the Department of Administrative Services adjusted the direct purchase limits, pursuant to Division (D) of Section 125.05 of the Ohio Revised Code. Please keep in mind that this adjustment **does not** affect the requirements of Section 127.16 of the Ohio Revised Code, the section that defines the Controlling Board threshold.

For more information regarding purchases of supplies and services made by state agencies, please contact the Department of Administrative Services or refer to ***Chapter 125.*** *of the Revised Code.*

Will This Purchase Equal or Exceed the Controlling Board Threshold?
New Contracts & Real Estate Lease Agreements

Amount of Purchase Above the Controlling Board Threshold

Any individual, noncompetitively selected purchase or contract not otherwise exempted that equals or exceeds $50,000 (or $75,000 for certain institutional agencies) by agencies, requires Controlling Board approval. Any real estate lease agreement that equals or exceeds $75,000 requires Controlling Board approval.

The following table illustrates the various types of noncompetitively selected purchasing activity by state agencies that require a Controlling Board waiver of competitive selection:

Amount of Individual Purchase from One Vendor		
	Non-Institutional Agencies	**Institutional Agencies DMR, DRC, DYS, DMH**
Supplies and/or Services	= or > $50,000	= or > $75,000
Leases of Real Estate, including all Real Estate Lease-Related Expenses	= or > $75,000	= or > $75,000

Amount of Purchase Below the Controlling Board Threshold

For an individual, non-competitively selected purchase or contract that is less than the aforementioned Controlling Board thresholds, this purchase or contract requires a Controlling Board approval waiver of competitive selection if the sum of A + B + C below is greater than or equal to the Controlling Board threshold.

The following example illustrates the calculation of the Controlling Board threshold for non-institutional agencies.

A	+	B	+	C	=	D
Total amount of proposed purchase (not competitively selected) from a particular vendor This is the amount to be spent over the entire period of the contract.		Amount of all disbursements to the vendor during the fiscal year for purchases from the vendor which were **NOT** competitively selected nor approved by the Controlling Board.		Amount of all outstanding encumbrances for purchases from the vendor which were **NOT** competitively selected nor approved by the Controlling Board		$50,000 or more in total
Examples						
(1) $7,000		$15,000		$28,000	=	$50,000*
(2) $30,000		$ 3,000		$23,000	=	$56,000*

*Purchases which have been made by competitive selection (defined in Section 125.01 (I) of the Revised Code) or which have been approved by Controlling Board are **NOT** included in the calculation.

Both example purchases under "A" are subject to the approval of Controlling Board because the $50,000 cumulative amount has been reached or exceeded under "D."

Amounts previously approved by the Controlling Board as well as disbursements and encumbrances based on competitively selected purchases through the Department of Administrative Services are not applied to the threshold.

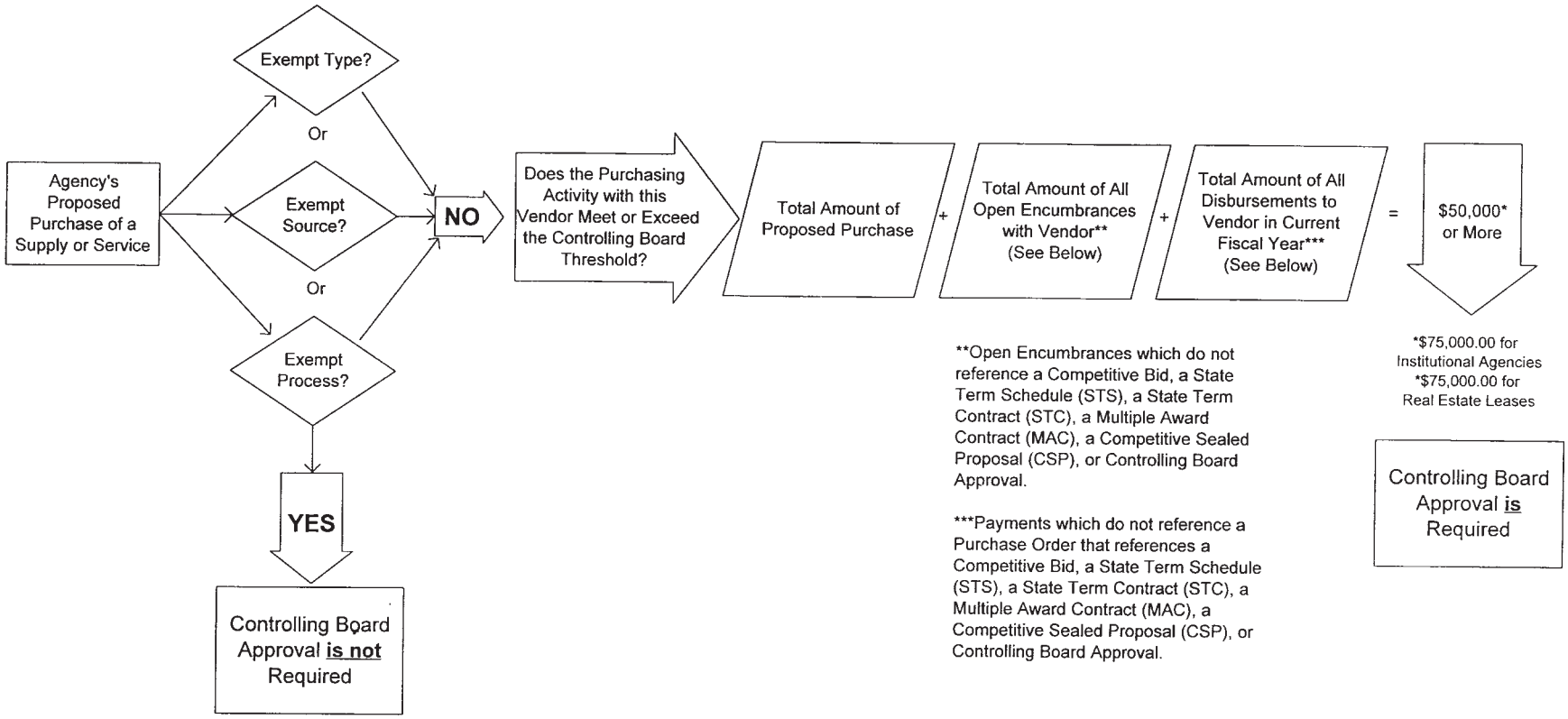
NOTE: When making the calculation for real estate leases, only real estate lease-related expenses need to be considered.

Do I Need to Come to the Controlling Board?—A Flow Chart Model

The following model summarizes the various steps involved in determining whether a particular purchase must be presented to the Controlling Board for approval for a waiver of competitive selection:

Do I Need to Come to the Controlling Board?

(Ohio Revised Code Section 127.16)



**Open Encumbrances which do not reference a Competitive Bid, a State Term Schedule (STS), a State Term Contract (STC), a Multiple Award Contract (MAC), a Competitive Sealed Proposal (CSP), or Controlling Board Approval.

***Payments which do not reference a Purchase Order that references a Competitive Bid, a State Term Schedule (STS), a State Term Contract (STC), a Multiple Award Contract (MAC), a Competitive Sealed Proposal (CSP), or Controlling Board Approval.

NOTE: This chart addresses Controlling Board requirements under ORC Section 127.16 only. Other Controlling Board requirements may apply to an agency's activities.

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Will This Purchase Equal or Exceed the Controlling Board Threshold?
Contract Amendments and Contract Renewals

- An *amendment* to a contract not previously approved by the Controlling Board with a particular vendor requires Controlling Board approval if the amount of the amendment, the original contract, and applicable encumbrances with and disbursements to a particular vendor exceed the Controlling Board threshold.

  An *amendment* to a contract previously approved by the Board that increases the dollar amount of the contract, changes the vendor or modifies the scope of the work must be approved by the Controlling Board.

- A *renewal* of a noncompetitively selected contract with a particular vendor requires Controlling Board approval if the amount of the renewal and applicable encumbrances with and disbursements to equals or exceeds the Controlling Board threshold.

Will This Purchase Equal or Exceed the Controlling Board Threshold?
Examples

The following examples, using the non-institutional agency threshold of $50,000, illustrate some of the most common situations when the dollar amount of the purchase and the applicable Controlling Board threshold determine whether Controlling Board approval for a waiver of competitive selection, pursuant to Revised Code Section 127.16, is required.

1) Our agency has received a Release and Permit from DAS-Computer Information Systems for a $45,000 purchase of telephone equipment. We have not previously disbursed any amounts to the vendor, nor do we have any outstanding encumbrances based on non-competitive purchases with this vendor. Is Controlling Board approval required? (Amount of the Purchase)

Controlling Board approval for a waiver of competitive selection is not required. This purchase applied to the agency's Controlling Board threshold for this vendor is below the agency's threshold for the fiscal year.

2) Our agency has already made $45,000 in non-competitively selected purchases of telephone equipment from a particular vendor this fiscal year. Now we want to make an additional $10,000 purchase of equipment. I know

I don't need to go through DAS-Computer Information Services for a Release and Permit, and can use my direct purchase authority, but do I need Controlling Board approval? (Cumulative Purchases)

Assuming the agency is not one of the four institutional agencies, Controlling Board approval for a waiver of competitive selection **is** required. The two purchases from this vendor result in a total of $55,000 in non-competitively selected purchases, which would exceed the agency's Controlling Board threshold.

3) Our agency purchased $45,000 in telephone equipment from a vendor and encumbered the money in June of last fiscal year. This was a non-competitively selected purchase that did not require Controlling Board approval. However, payment to the vendor was not made until July of the new fiscal year. Now I want to make a $10,000 purchase of equipment under my direct purchase authority. Does this require approval by the Controlling Board or DAS? (Disbursements to the Vendor)

Since this individual purchase of $10,000 is below the threshold for your direct purchase authority, a Release and Permit from DAS is not required. Assuming you are a non-institutional agency, Controlling Board approval for a waiver of competitive selection **is** required. The agency's Controlling Board threshold for this vendor includes the disbursement activity in favor of a vendor for that fiscal year, as well as outstanding encumbrances for purchases not competitively selected through DAS or approved by Controlling Board. The calculation would yield $55,000 which would exceed the agency's Controlling Board threshold thus requiring Controlling Board review.

4) Our agency has a service contract with a vendor in the amount of $100,000, and this vendor was awarded the contract by DAS through their competitive sealed proposal (CSP) process. We have no other fiscal activity with this vendor. Now we want to make a $10,000 non-competitively selected purchase that is unrelated to the other contract. Do I need Controlling Board approval? (Exempt Process and Purchase Amount)

Controlling Board approval is not required. While the agency has made another purchase with the vendor, this purchase has been competitively selected through the CSP process, and therefore is not applied to the agency's the Controlling Board threshold.

5) Our agency has a service contract with a vendor for $100,000 and it was approved by the Controlling Board. Now I want to make an additional $10,000 non-competitively selected purchase from the vendor that is unrelated to the other contract. Do I need Controlling Board approval? (Prior Controlling Board Approval)

Controlling Board approval is not required. The previous non-competitively selected activity was approved by the Controlling Board and therefore does not apply toward the Controlling Board threshold.

6) Our agency has a service contract with a vendor for $100,000 and it was approved by the Controlling Board. Now I want to amend this contract for an additional $10,000 in services. Do I need Controlling Board approval? (Contract Amendment)

Yes. This $10,000 represents an increase and/or change in the scope of a contract previously approved by the Controlling Board, and therefore, Controlling Board approval is required prior to entering into the contract amendment.

7) Our agency is ready to enter into a two-year contract in the total amount of $55,000 for the biennium. We expect to spend $25,000 in the first fiscal year of the biennium and $30,000 in the second fiscal year. We have no previous fiscal activity with this vendor (and therefore no disbursements to the vendor this fiscal year or open encumbrances with this vendor). Is Controlling Board action required? (Purchase Amount)

Yes. The full amount to be paid to the vendor over the term of the contract in exchange for supplies or services is to be counted against the Controlling Board threshold, regardless of the amount to be spent in a fiscal year. Since the proposed $55,000 purchase exceeds the threshold, the item requires approval by the Board.

8) Our agency is ready to enter into a service contract in the amount of $150,000 that has not been competitively selected through DAS. The contract will extend for a period that crosses both years of the fiscal operating biennium. Do I need to seek approval by the Controlling Board twice? (Purchase Amount and Multi-Year Contracts)

Controlling Board approval is required, and the request can be approved for a waiver of competitive selection that covers both fiscal years within the biennium. However, Controlling Board requires that both the request and the contract specifically designate the amount of the proposed contract to be spent per fiscal year.

Contracts may include renewal provisions, but prior to the expiration of the contract and the beginning of a new fiscal biennium, agencies must seek approval

by Controlling Board to renew the contract.

9) Our agency is ready to enter into a service contract with a vendor in the amount of $100,000 that will require services to be performed in more than one fiscal operating biennium. Can we seek Controlling Board approval for more than one biennium? (Contracts Extending Beyond the Biennium)

Agencies are prohibited by law from entering into contracts that go beyond the fiscal operating biennium, thus obligating future General Assemblies to appropriate funds to pay for contractual arrangements. The contract may be written for the portion of the work to be performed during the current biennium and allow for a renewal of the contract once the new biennium begins and sufficient appropriations are in place. The agency will need to come to the Controlling Board for both the original contract and the renewal provision.

10) Our agency is ready to exercise the second of three renewal clauses in a service contract that was previously approved by Controlling Board. The amount for the renewal period is $100,000. Does this renewal require approval by Controlling Board? (Contract Renewal)

A contract renewal is considered a separate purchase and is subject to Controlling Board approval if the amount of the renewal and applicable encumbrances and disbursements equals or exceeds the Controlling Board threshold.

11) Our agency needs more office space than we currently have, and I've found a place we'd like to move into. What is Controlling Board's role in leases of real estate of non-state owned facilities? (Real Estate Leases)

Most state agency leases for real estate, including warehouses, are coordinated by DAS-General Services Division's Bureau of Real Estate. Real estate leases may have to be approved by the Controlling Board for a waiver of competitive selection if the amount of the proposed lease, all real estate lease-related expenses, all disbursements to the lessor in the given fiscal year, and all outstanding encumbrances with the lessor (for purchases not approved by Controlling Board) exceed the Controlling Board threshold for real estate leases. DAS-General Service Division's Bureau of Real Estate is responsible for preparing the request for Controlling Board review.

12) The lease for our current facility is ready to expire and we will be exercising an option to renew the lease. Since Controlling Board approval was granted for the initial lease agreement, is Controlling Board approval required to renew the lease agreement? (Real Estate Lease Renewal)

Real estate lease agreements typically contain renewal clauses establishing the rental and service rates and the duration of the lease agreement, which usually correspond with the beginning of each fiscal operating biennium. Renewals of real estate lease agreements, like other contract renewals, must also be approved by the Controlling Board if the amount causes the agency to exceed the Controlling Board threshold for real estate leases. Again, DAS-General Service Division's Bureau of Real Estate is responsible for preparing the request for Controlling Board review prior to the beginning of the new biennium.

13) Our agency needs more office space than we currently have, and our landlord has offered additional space to us. Our existing lease agreement has been approved by the Controlling Board. Do we need Controlling Board approval to amend our existing lease? (Real Estate Lease Addendum)

Any amendment that results in an increased cost for a real estate lease agreement (either because of an increase in square footage, an increase in the rental rate, additional costs for services, or any other significant modifications to the agreement) requires Controlling Board approval. DAS-General Service Division's Bureau of Real Estate is responsible for preparing the request for Controlling Board review of the addendum.

Changes to Previously Approved Controlling Board Requests

Changes to previously approved Controlling Board requests are classified as substantive, nonsubstantive, or accounting changes. Substantive changes to requests previously approved by the Board must be submitted to the Board for approval. Nonsubstantive changes must be submitted to the Controlling Board President for approval. Notices of accounting changes must be submitted to the State Accounting Section of the Office of Budget and Management as outlined in the following discussions.

Substantive Change

A substantive change to a previously approved Controlling Board request requires the preparation and submission of a new request to the Controlling Board for approval. Substantive changes include the following:

- A different prime contractor or provider of services.
- A increase in the amount to be paid to a contractor or the rate(s) of payment to the contractor.
- A change in the scope of work, type of work, work product, purpose or context of a contract.
- A increase in the amount of a real estate lease resulting from increased rent, square footage or other terms of the lease.
- A change in the amount of a loan, rate of interest, guarantors, security, repayment period or terms, or project which is the subject of the loan
- Any other change which the President or Controlling Board determines to be a substantive change.

Nonsubstantive Change

A nonsubstantive change to a previously approved Controlling Board request requires the approval of the President of the Controlling Board. A letter, addressed to the President, that includes the Controlling Board number, tax identification number, if applicable, approval date and an explanation of the request for a nonsubstantive change should be sent to the President at the Controlling Board office. It is not necessary to notify the Controlling Board members.

Nonsubstantive changes include the following:

- The term or fiscal year for which the contract is approved. The term or fiscal year change must be within the current biennium.
- The contract amount allocated to each fiscal year of the biennium.
- The appropriation line item number or name or fund identified in the request.
- The subcontractor(s) identified in the contract.
- Any other change which the President identifies as a nonsubstantive change.

Accounting Changes

Accounting changes affect the vendor's information used to process the payment approved by the Controlling Board (or Director of OBM). Please follow the guidelines below for changing the information with State Accounting. It is not necessary to provide documentation to the Controlling Board office or to the Controlling Board members.

(1) The **Vendor Compliance Section** of the State Accounting Section of the Office of Budget and Management shall be notified, pursuant to the CAS Manual Procedures, of any change which affects payment to the contractor including a change in:

- Contractor's tax identification number
- Contractor's name or address
- Ownership, e.g., contractor is bought by or merges with a third party.
- Status, e.g., contractor incorporates or joins partnership.
- Any other change which the President identifies as an accounting change requiring notification to State Accounting.

(2) The **Encumbrance Review Section** of the State Accounting Section of the Office of Budget and Management shall be notified, in writing when any of the changes affecting payment to a contractor identified in (1) above requires modifications to CAS in order to complete the encumbering process. This written notification must include the Controlling Board number, Controlling Board approval date, and an explanation, including all tax identification information, justifying the requested CAS modifications.

For addtional questions regarding the changes to a previously approved Controlling Board request, contact your OBM Budget Analyst or the Controlling Board staff.

Section III—Preparing a Controlling Board Request

At this point, hopefully, you have determined that you need to bring a request to the Controlling Board or otherwise would like more specific information on the actual preparation of a particular type of Controlling Board request. This section is structured to give detailed instructions for the preparation of Controlling Board requests. Although it covers the most common types of requests, there will occasionally arise a circumstance not covered by these instructions. In such cases, contact the Controlling Board secretary or your agency's OBM budget analyst for more information and guidance.

This section is divided into eight parts as follows:

Overview of Various Types of Controlling Board Requests
Capital Request
Operating Request
Operating Transfer Request
Fund/Appropriation Request
Land Acquisition Request
Continuation Form
Vendor Continuation

Generally, the parts providing detailed instructions for the various requests specify three components of the request:

(1) The Request Form,
(2) Required Information, and
(3) Attachments.

Overview of Various Types of Controlling Board Requests

The type of request that an agency submits for consideration by the Controlling Board or the Director of OBM is determined by the specific action the Board or Director is being requested to approve. There are five basic request types and the actions for which they are used are as follows:

Capital Request
Operating Request
Operating Transfer Request
Fund/Appropriation Request
Land Acquisition Request

Capital Request

This request involves the use of capital appropriations, that is, appropriations made in a capital appropriations act and designated CAP-###. The most common circumstances in which this request is submitted include:

Transfer of Capital Appropriations
Release of Capital Appropriations
Waiver of Competitive Selection involving Capital Appropriations
Change of Intent for Previously Released Capital Appropriations

Operating Request

This request is primarily submitted in those cases that involve a waiver of competitive selection using operating appropriations, although it can also be used to accommodate other circumstances. The uses of this form include:

Waivers of Competitive Selection, including waivers for
- New Contracts
- Contract Amendments
- Contract Renewals
- Purchases of Supplies
- Non-Real Estate Leases
- New Real Estate Leases
- Real Estate Lease Amendments
- Real Estate Lease Renewals or Real Estate Lease Holdovers
- Miscellaneous Controlling Board approvals required by statute.

Operating Transfer Request

This request is primarily submitted to accommodate fiscal and accounting types of actions related to operating appropriation. The uses of this form include:

Transfer of Operating Appropriations
Transfer of Cash
Transfer of Cash and Operating Appropriations

Fund/Appropriation Request

This request is primarily submitted for the creation of a fund or the increase in appropriation authority related to operating appropriations. The uses of this form include:

Increase Appropriation Authority
Establish Appropriation Authority
Create a New Fund

Real Estate Acquisition Request

This request is almost exclusively submitted for real estate acquisitions that must be presented to the Board. These requests include all purchases of real estate made with capital appropriations by any agency and all land purchases, regardless of the source of funds, made by higher education institutions. The uses of this form include the following:

Release of Capital Appropriations for Real Estate Acquisition
Transfer of Capital Appropriations Involving Real Estate Acquisition
All Real Estate Acquisitions by Institutions of Higher Education

Other Forms

In addition to the five basic requests (each with its own designated form), two multi-purpose forms are also available.

Continuation Form

This form accompanies **any** of the basic requests discussed above when the explanation of request exceeds the amount of space on the request form.

Vendor Continuation Form

This form accompanies the Operating Request form and the Capital Request form when a Waiver of Competitive Selection is being requested for more than one vendor.

Capital Request—Detailed Instructions

The Capital Request may e submitted to seek Controlling Board's approval of any combination of the various actions listed below:

R—Release of Capital Appropriations (may or may not include a release for Percent for Arts)
T—Transfer of Capital Appropriations
W—Waiver of Competitive Selection using Capital Appropriations
CI—Change of a Intent for Previously Released Capital Appropriations

Instructions—Checklist Format

The following detailed instructions are presented in a checklist format. Rows of circles are provided. The preparer should complete those sections for which there is an empty circle (☐) for the type of request they are preparing. An "N,, below the request type indicates that the information described is not required for the particular type of request.

The detailed instructions are divided into three sections:

- ***Form Instructions*** describe the parts of the form itself and the information required on the form.
- ***Required Explanation of Request*** describes the information required for the explanation of the request to be included on the form and Continuation forms.
- ***Attachments*** describe other material that must be submitted with the form.

Capital Request Combinations

For the Capital Request form an agency is likely to request more than one of the actions for which the form can be used. **An agency should know all aspects of the request and complete all checklist items for all actions requested.** For instance:

Most requests for a *transfer of funds* also involve the *release of funds* for a particular component of the capital project. Complete all items for types T and R.

Most requests for *waivers* of non-competitively selected contracts (usually planning/design/engineering contracts) which equal or exceed the Controlling Board threshold involve a release of funds as well. Complete all items for types R and W.

Requests for a *change of intent* involve previously released, but unencumbered, capital funds, and may also involve a request for a *waiver of competitive selection*. (Complete all items for type CI, and, if

applicable, W.) Requests for *changes of intent* may also be combined with a request to *release* and/or *transfer capital funds*, in which case, also complete items T and/or R.

Requests for the *release of funds* for Planning/Design/Engineer contracts for amounts that will not exceed the Controlling Board threshold, or for competitively bid construction contracts, or for the purchase of equipment though competitive selection only involve the *release of funds*. Complete type R only.

Form Instructions-Capital Request

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

CAPITAL REQUEST

Page 1 of 4

Controlling Board No.

GENERAL INFORMATION

Agency Name

Controlling Board Authorization Requested (Check all that apply)

- O Transfer/Release of Capital Funds (R.C.Sec 127.14G and/or Sec.127.15)
- O Waiver of Competitive Selection (R.C.Sec. 127.16B)
- O Release Percent for Arts (R.C.Sec. 3379.10)
- O Other Statutory Authority/Bill Section: _____
- O Other: _____

Fiscal Year(s)

Eligible for Local Administration? ◉ Yes O No

Eligible for OBM Director Approval? ◉ Yes O No

Bill No.

WAIVER OF COMPETITIIVE SELECTION INFORMATION

Complete this section ONLY if a WAIVER OF COMPETITIVE SELECTION is being requested. If requesting a Waiver for more than one vendors, use VENDOR CONTINUATION FORM and leave this section blank.

Vendor Name

Vendor Address of Principal Place of Business

Vendor ID Number

Waiver Amount

City

State

County (Ohio Only)

IF REQUESTING A TRANSFER, COMPLETE THIS INFORMATION

From	To	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Transferred Amount	Previously Released Amount
O	O			–			
O	O			–			
O	O			–			
O	O			–			

FOR A RELEASE OF CAPITAL FUNDS, COMPLETE THIS INFORMATION

Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Total Amount Requested for Release/Approval
		–		
		–		
		–		

SIGNATURES

_____ Agency Director or Authorized Agent

On The Date Of _____

_____ Date

_____ Controlling Board President/OBM Director

AGENCY CONTACT

Name _____ Title _____

Phone (____) _____ Fax (____) _____ E-Mail _____

REQUIRED EXPLANATION OF REQUEST

OBM 4010(R9.97) *Requesting Agency Retain a Copy for Records* 11/6/97

R T W CI
☐ ☐ ☐ ☐ **GENERAL INFORMATION**

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

CAPITAL REQUEST

Page 1 of 4

Controlling Board No. (1)

GENERAL INFORMATION

Agency Name (2)

Eligible for Local Administration? ◉ Yes ○ No (7)

Controlling Board Authorization Requested (Check all that apply)
- ○ Transfer/Release of Capital Funds (R.C.Sec 127.14G and/or Sec.127.15)
- ○ Waiver of Competitive Selection (R.C.Sec. 127.16B) (3)
- ○ Release Percent for Arts (R.C.Sec. 3379.10)
- ○ Other Statutory Authority/Bill Section: _____
- ○ Other: _____

Eligible for OBM Director Approval? (4) ◉ Yes ○ No

Fiscal Year(s) (5)

Bill No. (6)

1. Controlling Board Number: Enter a six-character code that identifies the request. The first three characters are to be the agency's CAS code and the last three are to be numeric and unique to that agency for the fiscal biennium (e.g. OBM007).

2. Agency Name: Enter name of the agency completing request.

3. Authorization Requested: Click all of the following that apply:
•Transfer/Release of Capital Funds (R.C. Section 127.14G and/or Section 127.15)
•Waiver of competitive selection involving capital appropriations (R.C. Section 127.16B)
•Release Percent for Arts (R.C. Section 3379.10)
•Other Statutory Authority/Bill Section: Cite statutory reference requiring Controlling Board approval.
•Other

4. Click if Eligible for OBM Director Approval: Click on the "Yes,, or "No,, field to identify whether this request is eligible for approval by the Director of OBM according to the "General/ Specific,, List as published by OBM for each capital biennium.

   (More information on this list can be found in Section II.

5. Fiscal Year(s): Enter the fiscal year(s) for which the request applies.

6. Bill No. Enter the Bill Number(s) referencing the source of the appropriation applying to this request.

7. Click if Eligible for Local Administration: Click on the "Yes,, or "No,, field to identify whether this construction-related project is being administered by the agency. (See Section II for a discussion about agency administration of capital expense.)

R T W CI
N N ☐ N WAIVER OF COMPETITIVE SELECTION

If a Waiver of Competitive Selection is requested, complete fields 8-14.

NOTE: If a waiver of competitive selection is requested for more than one vendor, write "SEE ATTACHED VENDOR CONTINUATION FORM,, in field #8 and complete all of the requested vendor information on the Vendor Continuation form.

WAIVER OF COMPETITIIVE SELECTION INFORMATION	Complete this section ONLY if a WAIVER OF COMPETITIVE SELECTION is being requested. If requesting a Waiver for more than one vendors, use VENDOR CONTINUATION FORM and leave this section blank.			
Vendor Name (8)		Vendor Address of Principal Place of Business (9)		
Vendor ID Number (13)	Waiver Amount (14)	City (10)	State (11)	County (Ohio Only) (12)

8. Vendor Name: Enter the name of the vendor for which the waiver of competitive selection is being requested.

9. Vendor Address of Principal Place of Business: Enter the address of vendor's principal place of business.

10. City: Enter the vendor's city of their principal place of business.

11. State: Enter the vendor's state of their principal place of business.

12. County: If the vendor's location of their principal place of business is in Ohio, enter the name of the county in which it is located.

13. Vendor ID Number: Enter the vendor's identification number as it appears on the QVNDR01 CAS Inquiry Screen.

14. Waiver Amount: Enter the actual dollar amount that requires the waiver of competitive selection. This amount should include any allowances and change order fees or contingency amounts included in the contract.

R T W CI
N ☐ N N TRANSFER of CAPITAL APPROPRIATIONS

If a Transfer of Capital Appropriations is requested, complete fields 15-28.

IF REQUESTING A TRANSFER, COMPLETE THIS INFORMATION							
From	To	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Transferred Amount	Previously Released Amount
(15)	O	(16)	(17)	(18) -	(19)	(20)	(21)
O	(22)	(23)	(24)	(25) -	(26)	(27)	(28)
O	O			-			
O	O			-			

15. Transfer From: Click this field associated with the appropriation line item from which the transfer is being requested.

16. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

17. Fund Code: Enter the three-character code designating the fund from which the transfer is being requested.

18. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the transfer is being requested. Assigned by State Accounting. (Example: CAP-001)

19. Appropriation Line Item Name: Enter the exact appropriation line item name from which the transfer is being requested.

20. Transferred Amount: Enter the appropriation amount requested to be transferred. (NOTE: This is the amount that has not been previously approved for release by the Controlling Board or by the Director of OBM.)

21. Previously Released Amount: If an appropriation previously released by the Controlling Board is involved in the transfer, enter the appropriation amount requested to be transferred. (NOTE: This is the amount that has been previously approved for release by the Controlling Board or by the Director of OBM but has not been encumbered.) Do not list the entire amount previously released for the project, just the released dollar amount included in the transfer request.

22. Transfer To: Click this field associated with the appropriation line item to which the transfer is being requested.

23. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

24. Fund Code: Enter the three-character code designating the fund to which the transfer is being requested.

25. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item to which the transfer is being requested. Assigned by State Accounting. (Example: CAP-001)

26. Appropriation Line Item Name: Enter the exact appropriation line item name to which the transfer is being requested.

27. Transferred Amount: Enter the appropriation amount requested to be transferred. (NOTE: This is the amount that has not been previously approved for release by the Controlling Board or by the Director of OBM.)

28. Previously Released Amount: Leave this field blank.

R T W CI
☐ N N N RELEASE of CAPITAL APPROPRIATION

If a Release of Capital Appropriation is requested, complete fields 29-33

FOR A RELEASE OF CAPITAL FUNDS, COMPLETE THIS INFORMATION				
Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Total Amount Requested for Release/Approval
29	30	31 –	32	33
		–		
		–		

29. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

30. Fund Code: Enter the three-character code designating the fund from which the release is being requested.

31. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the release is being requested. Assigned by State Accounting. (Example: CAP-001)

32. Appropriation Line Item Name: Enter the exact appropriation line item name from which the release is being requested.

33. Total Amount Requested for Release/Approval: Enter the exact appropriation amount being requested for release or appoval.

NOTE to Colleges and Universities: When requesting a release from Basic Renovations, insert only the previously released amount that relates to this project. Do not include the total amount of Basic Renovation appropriations that have been released to date.

R T W CI
☐ ☐ ☐ ☐ **SIGNATURES**

SIGNATURES

34 Agency Director or Authorized Agent — On The Date Of

35 Date — Controlling Board President/OBM Director

34. Agency Director or Authorized Agent: A signature of the agency director or his or her designee is required by the agency prior to submitting the request.

35. Date: The date that the agency director or authorized agent signs the request.

R T W CI
☐ ☐ ☐ ☐ **AGENCY CONTACT**

AGENCY CONTACT

Name 36 — Title

Phone ( ) — Fax ( ) — E-Mail

36. Agency/Institution Contact: Enter the information requested in these fields for the primary agency/institution contact regarding questions about the request.

REQUIRED EXPLANATION OF REQUEST

REQUIRED EXPLANATION OF REQUEST

37

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37. The following components are to be included with each Capital Request:
    - Summary Paragraph
    - Subsequent Paragraphs
    - Project Budget
    - Responses to Required Information Questions (Waivers of Competitive Selection, only)
    - Attachments, where applicable

Required Explanation Checklist

This checklist format will guide you through the required information sections for the type of request being prepared. For each type of request, an example of a summary paragraph and suggestions for subsequent paragraphs are provided to assist in preparing your explanation.

Summary Paragraph

R	T	W	CI
☐	☐	☐	☐

The first paragraph should be a brief summary in the format specified below based on the particular type of request. Choose one of the following examples or a combination of the following examples based on the nature of the request.

R—Release of Funds
"The {agency or institution name} respectfully requests Controlling Board approval to release $_____ for the {project name} project in {name of city, name of county}. {DAS/GSD/SAO project number for DAS-administered projects},,

T—Transfer of Appropriation
"The {agency or institution name} _____ respectfully requests Controlling Board approval to transfer $_____ from {line item name} to {line item name} for the {project name} project in {name of city, name of county}. {DAS/GSD/SAO project number for DAS-administered projects}.,,

W—Waiver of Competitive Selection &Release of Funds-Service Contracts*
"The {agency or institution name} _____ respectfully requests Controlling Board approval to release $_____ and to waive competitive selection to contract with {contractor name}, {contractor city, state, county (Ohio vendors only) of their principal place of business}, to provide {type of service} for the {project name} project in {name of city, name of county}. {DAS/GSD/SAO project number for DAS-administered projects},,

(NOTE: For *Contract Amendments*, please replace "to contract,, with the phrase "to modify the contract,,.

W—Waiver of Competitive Selection & Release of Funds-Purchase of Supplies or Equipment*
"The {agency or institution name} _____ respectfully requests Controlling Board approval to release $_____ and to waive competitive selection to purchase {item(s)} from {vendor name}, {vendor city, state, county (Ohio vendors only) of their principal place of business}, for the {project name} project in {name of city, name of county}. {DAS/GSD/SAO project number for DAS-administered projects},,

***Most requests for a waiver of competitive selection will also require the release of funds.**

CI—Change of Intent
"The {agency or institution name} _____ respectfully requests Controlling Board approval of a change of intent for previously released funds in the amount of $_____ for the {project name} project in {name of city, name of county}. {DAS/GSD/SAO project number for DAS-administered projects, if applicable}„

Other Common Request Combinations, Summary Paragraphs, and Examples
T, R, W—Transfer Funds, Release Different Amount, and Waiver of Competitive Selection
"The {agency or institution name} respectfully requests Controlling Board approval to transfer $_____ from {line item name} to {line item name}; to release $_____ for the {project name} project in {name of city, name of county}; and, to waive competitive selection to {contract/purchase} with {contractor name}, {contractor city, state, county (Ohio vendors only) of their principal place of business}, for {service type, purchase type}. {DAS/GSD/SAO project number for DAS-administered projects}„

R, W—Release Funds and Waiver of Competitive Selection, Different Amount as Release
"The {agency or institution name} respectfully requests Controlling Board approval to release $_____ for the {project name} project in {name of city, name of county}, which includes a waiver of competitive selection in the amount of $_____ to contract with {contractor name}, {contractor city, state, county (Ohio vendors only) of their principal place of business}, for {type of service}. {DAS/GSD/SAO project number for DAS-administered projects}„

Subsequent Paragraphs

R	T	W	CI
☐	☐	☐	☐

These paragraphs should provide a written explanation providing as much detail as necessary for a complete understanding of the request. Include any of the following information, as appropriate, to the type of request being prepared.

T—Transfer of Funds

Explain why amounts are being transferred, including a reason why amounts are no longer needed in the appropriation line item and the project from which appropriations are being transferred. Provide a brief history of the capital projects involved in the transfer.

R—Release of Funds
(Purchase of Equipment)

Explain the intended use of the equipment for which funds are being released. Provide a brief explanation of the scope of this capital project, including prior and future phases of the project.

Low bidder not selected—If for some reason the lowest bidder is not awarded the contract involved in the release of funds presented in the request, explain why.

Equipment List: A request for a release of capital appropriations for the purchase of equipment must include a list of each item being purchased with the actual quoted price. Estimates are not acceptable. Please itemize the list of equipment on the request form as follows:

- Vendor(s) Name and Complete Address
- Item Name
- Quantity
- Per Unit Pricing
- Total Cost
- Vendor's Identification Number
- Method of Selection (within local bid threshold, competitively bid, Inter-University Council contract/state term contract/state term schedule, or sole source)

(For a complete discussion about the eligibility of using capital appropriations for the purchase of equipment, see Section II.)

R—Release of Funds (Construction or Professional Services Contracts)

Describe the services or work to be performed by the contractor(s) included in this request for a release of capital funds. Describe the selection process used in the selection of the contractor(s). Provide a brief explanation of the scope of this capital project, including prior and future phases of the project.

Low bidder not selected—If for some reason the low bidder is not awarded the contract for which the release of funds is requested, explain why.

CI—Change of Intent

Explain the nature of the change and why funds are no longer needed for the original purpose. Explain the proposed new use of funds. Provide a brief explanation of the scope of this capital project, including prior and future phases of the project.

W—Waiver of Competitive Selection (New Professional Service Contracts)

Provide a detailed written explanation describing as necessary the nature of the request. Describe the service for which competitive selection is being waived. Provide background information relative to the history of project for which the waiver of competitive selection is being sought. Suggestions for these paragraphs based on the type of request, include the following:

- Prior phases of the project
- If the contract is a portion of a multi-phase project, indicate the phases of the contract with this vendor, including future phases of the project.
- Specify the deliverables or describe the scope of work of the contract.
- Low bidder not selected—If for some reason the low bidder is not awarded the contract involved in this release of funds presented in the request, explain why.

W—Waiver of Competitive Selection (Contract Amendment)

Provide a detailed written explanation of the nature of the request. Describe the circumstances requiring an amendment to services for which competitive selection is being waived. Provide background information relative to the history of the project for which the waiver of competitive selection is being sought. Suggestions for these paragraphs based on the type of requests, include the following:

- Prior phases of the project
- If the contract is a portion of a multi-phase project, indicate the phases of the contract with this vendor, including future phases of the project.
- Specify the deliverables or describe the scope of work to be performed under the contract.
- Low bidder not selected—If for some reason the low bidder is not awarded the contract for which the release of funds is requested, explain why.

W—Waiver of Competitive Selection (Purchase of Equipment)

Provide a detailed written explanation of the nature of the request. Describe the circumstances requiring a waiver of competitive selection for the purchase of equipment. Provide background information relative to the history of the project. Equipment List: A request for a release of capital appropriations for the purchase of equipment must include a list of each item being purchased with the actual quoted price. Estimates are not acceptable. Please itemize the list of equipment on the request form as follows:

- Vendor(s) Name and Complete Address
- Item Name
- Quantity
- Per Unit Pricing
- Total Cost
- Vendor's Identification Number

Project Budget

R	T	W	CI
☐	☐	☐	☐

All requests utilizing capital appropriations must include a project budget.

Provide a project budget outlining the various components involved, including the estimated project budget, the actual and/or revised budget, the previously approved releases of funds, and the amount of the current request. This information provides the history of the project. A suggested format follows:

The "XYZ" Project Budget (GSD Project Number, if Applicable)

	ESTIMATED AMOUNT	* ACTUAL AMOUNT	PREVIOUSLY RELEASED	** AMOUNT THIS REQUEST
Construction (Name of each contractor with Vendor ID Number)	$	$	$	$
Professional Services—Associate Architect/ Engineer, Construction Manager, etc. (Name of each contractor, type of service to be provided, and Vendor ID Number)	$	$	$	$
Allowances and Change Order Fees	$	$	$	$
Local Administration/ SAO Fees	$	$	$	$
Percent for Art	$	$	$	$
Equipment	$	$	$	$
Contingency & Pre-Bid Expenses	$	$	$	$
TOTALS	**$**	**$**	**$**	$

*Insert a column for a "Revised,, project estimate, if applicable. **Universities: If Local funds are being utilized for this project, insert a column outlining how local funds are to be used.

***For a discussion of what is considered to be "contingency and pre-bid expenses,, and "allowances and change order fees,, see Section II.

Required Information Questions—Waiver of Competitive Selection

Depending upon the nature of the Capital Request, a waiver of competitive selection may be required.

R	T	W	CI
☐	☐	☐	☐

For requests which include a waiver of competitive selection, provide responses to the following required information based on whether the waiver is for architect, engineering, or other professional services contracts, amendments to professional services contracts, or purchases of equipment.

Architect, engineering, or other professional services contracts

NOTE: If this construction-related project is *administered by DAS/GSD/SAO* and requires a waiver of competitive selection for the Architect/Engineer or Construction Manager, contact your project administrator in DAS/GSD/SAO for completion of the responses to the required information questions. If this construction-related project is *locally administered*, and requires a waiver of competitive selection for the Architect/Engineer or Construction Manager, the agency/institution of higher education is responsible for completion of the responses to the required information questions.

Please type all questions or requests for information and provide a response. The request package will be returned to the agency if the questions or requests for information are not provided with the response. "NOTES,, and "Examples,, do not need to be re-typed.

1. Type of service to be provided:

2. Selection Process.
   a. How was the Request For Proposal (RFP) publicized or advertised? Explain.

   b. Number of proposals distributed.

   c. Number of days in which interested parties had to respond to the RFP.

   d. Number of proposals received.

   e. For each proposal received provide (or attach a list):
      Name
      Complete Address of the principal place of business
      Amount of each proposal

   f. Identify who rated the responses and was involved in the selection of the contractor.

3. Identify the selected contractor and explain why this contractor was selected.

4. Contractor's location of their principal place of business:

5. Contractor's location from which all or most or contract work will be performed, if different from the location of their principal place of business:

6. Identify all state contracts which the selected contractor has had since the beginning of the last fiscal year through this fiscal year to date. Include contracts for this agency or institution of higher education.
   a. Total number of contracts:_____
   b. For each, list the state agency_____ and the contract amount $_____

   NOTE: This information may be accessed through the CAS Inquiry, QVTOT05. For "USER ID,,, type CBRD, and for the "PASSWORD,,, type VIEW.

7. Provide the following employee information:

	Nationwide	Ohio
Total No. of Employees		
% Women		
% Minorities		

8. What percent of the work will be done by subcontractors?_____
   If more than 50%, provide the same employee information for each subcontractor as requested in #7 above for the contractor.

9. Fee Analysis: For architect and engineer contracts, other professional design services contracts, and construction management services, also provide a fee analysis which includes the following:

   a. Total estimated construction cost $_____

   b. Provide the following information regarding the contractor's fees for the services to be performed.

FEE ANALYSIS	CONTRACT AMOUNT	PERCENT OF TOTAL CONSTRUCTION COST
Professional Design Services and/or Construction Management Services	$	%
Change Order Fee Allowance	$	%
Soil Test & Surveys	$	%
Other (Explain)	$	%

Refer to the requirements of Revised Code Sections 153.65-153.70.

Amendments to architect, engineering, or other professional services contracts

Please type all questions or requests for information and provide a response. NOTES and Examples do not need to be re-typed.

1. Type of service to be provided.

2. Identify the vendor and location of vendor's principal place of business.

3. Explain why the contract is being amended.
   Change in scope of work?
   Change in the amount of hours of service required?
   Change in deliverables?
   Change in rate or amount?
   Miscellaneous substantive error.

4. What is the effect of the contract amendment on the project?

5. Using the following example, provide the dates of previous Controlling Board approvals for this contract. Indicate whether the approvals were for the initial contract or previous amendments to this contract. In addition, provide the information regarding the contract amount(s) depending upon the type of contract previously approved by the Controlling Board.

   EXAMPLE
   Initial Contract—Total amount of the initial contract or number of hours and the rate per hour.

   Amendment—Total amount of the amended contract (initial + amendment) or total number of hours (initial + amendment) and the total rate per hour (inital contract + contract amendment).

   Example

CB Approval Date	Type of Contract	Total Amount or # of Hours and Rate/Hour
7/1/93	Initial	$100,000.00
9/30/94	Amendment	$125,000.00

6. In addition to the revised project budget, provide a revised fee analysis which includes the following:

FEE ALAYSIS	ORIGINAL CONTRACT AMOUNT	ORIG. % OF TOTAL CONSTRUCTION COST	REVISED CONTRACT AMOUNT	REVISED % OF TOTAL CONSTRUC-TION COST
Professional Design Services and/or Construction Management Services	$	%	$	%
Change Order Fee Allowance	$	%	$	%
Soil Test & Surveys	$	%	$	%
Other (Explain)	$	%	$	%

Refer to the requirements of Revised Code Sections 153.65-153.70.

Purchases of equipment

Type all questions or requests for information and provide a response. NOTES and Examples do not need to be retyped.

1. Identify the equipment and provide the amount of each item.

   Example: Name of the Item: Price Per Unit of Each Item x Number of Units = Amount.

2. Selection Process:
   a. How was the Request for Proposal (RFP)/Request for Quote (RFQ) publicized or advertised? Explain.
   b. Number of proposals/quotes distributed.
   c. Number of days in which interested parties had to respond to the RFP/RFQ.
   d. Number of proposals received.
   e. For each proposal received provide (or attach a list):
      Name
      Complete address of principal place of business
      Amount of proposal
   f. Identify who rated the responses and was involved in the selection of the vendor.

3. Indicate the selected vendor and explain <u>why</u> this vendor was selected.

4. Provide the complete address of the vendor's principal place of business._____

Attachments

Attachments, in addition to the responses to the Required Information Questions, provide helpful information for understanding the nature of the request. The following table outlines the required attachments in *italics* for requests involving capital appropriations by project administration designation and project component. A description of each attachment is also provided.

	Project Administration	
Project Component	**AGENCY/INSITUTION OF HIGHER EDUCATION**	**DAS/GSD/SAO**
Professional planning/ design/engineering or construction management services	*Preapproval for agency administration:* State agency: Attach a copy of the preapproval letter from DAS. Higher education institutions: Not required.	*DAS planning/design/ engineering or construction management recom-mendation letter*
Construction contracts	*Preapproval for agency administration:* State agency: Attach a copy of the preapproval letter from DAS. Higher education institutions: Not required. *Bid tabulations/price quotations*	*DAS construction contract award letter.* *Bid tabulations/price quotations*
Purchase of equipment	*Bid tabulations/price quotations* *Sole source vendor letter, if applicable.*	*DAS equipment purchase award letter.* *Bid tabulations/price quotations.* *Sole source vendor letter, if applicable.*

Preapproval for agency administration: Attach a copy of the notification from DAS/GSD/SAO authorizing the agency to administer the capital project.

DAS Planning/Design/Engineering or Construction Management Services Recommendation Letter: Attach a copy of the notification from DAS/GSD/SAO of their recommendation which states the name of the contractor and the amount to be released for the planning/design/engineering or construction management services contract.

DAS Construction Contract Award Letter: Attach a copy of the notification from DAS/GSD/SAO of their recommendation which states the name(s) of the contractor(s) and the amount to be released for the contract(s).

Bid Tabulations/Price Quotations: Attach a copy of the bid tabulations or applicable price quotation with the lowest and most responsible bid circled for requests to release funds for construction contracts or equipment purchases, which have awarded by the competitive selection required for the particular type

of contract.

DAS Equipment Purchase Award Letter: Attach a copy of the notification from DAS/GSD/SAO of their recommendation which states the name(s) of the vendor(s), the itemized list of equipment, and the amount to be released for the vendor(s) for the purchase of equipment.

Sole Source Vendor Letter: If a waiver of competitive selection is requested and the agency has proposed to purchase equipment or services from a sole source, provide a letter from the vendor explaining the justification for the sole source designation. For institutions of higher education, provide a letter from the institution's purchasing department justifying that the proposed purchase is from a sole source supplier.

Operating Request—Detailed Instructions

The Operating Request is submitted primarily for requesting approval from the Controlling Board to waive competitive selection for the procurement of non-capital funded supplies or services which exceed the Controlling Board threshold for a particular vendor pursuant to Revised Code Section 127.16 (B)(1). (For a detailed discussion of the threshold, see Section II.) "Services,, include the furnishing of labor, time or effort by a person(s) which may be technical, non-technical, consulting, advisory, professional or non-professional in nature. "Supplies,, include all property, including, but not limited to, equipment, insurance, materials, with the exception of land. In addition, pursuant to Revised Code Section 127.16 (B)(2), the Operating Request is submitted for approval to enter into real estate lease agreements.

The Operating request may also be submitted for various types of actions requiring Controlling Board approval as defined throughout the statutes. This request should not be used for any action involving capital appropriations, those line items numbered "CAP-###.,,

The Operating Request for a waiver of competitive selection for various procurement activities can be divided into eight categories. Each of these categories has specific and different required information. Provide the required information based on the type of request. The eight types are as follows:

1. New Contracts
2. Contract Amendments
3. Contract Renewals
4. Purchases of Supplies
5. Non-Real Estate Leases
6. New Real Estate Leases
7. Real Estate Lease Addendums
8. Real Estate Lease Renewals/Holdovers

Detailed instructions for each type of request are divided into three sections:
Form Instructions outline the parts of the form itself and the information required on the form.

Required Explanation of Request describes the information required for the explanation of the request to be included on the form and Continuation forms.

Summary Paragraph
Subsequent Paragraph(s)
Responses to Required Information Questions

Attachments describe other material that must be submitted with the form as part of the request.

Form Instructions-Operating Request

NOTE: The ***Form Instructions*** describe the parts of the form and the information required on the form. These instructions are to be followed for all types of requests for a waiver of selection of competitive selection.

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

OPERATING REQUEST

Page 1 of 1

Controlling Board No.

GENERAL INFORMATION

Agency Name	Controlling Board Authorization Requested	Bill No.
	○ Waiver of Competitive Selection (Revised CodeSection 127.16B) ○ Other Statutory Authority/Bill Section: _____	

WAIVER INFORMATION Complete this section ONLY if a WAIVER OF COMPETITIVE SELECTION is being requested. If requesting a waiver for more than one vendors, use VENDOR CONTINUATION FORM and leave this section blank.

Vendor Name	Vendor Address of Principal Place of Business		
	City	State	County (Ohio Only)

Vendor ID Number	Waiver Amount
	FY ( )
	FY ( )

FUNDING INFORMATION

Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Amount Requested for Approval/Waiver	
		–		FY ( )	FY ( )
		–		FY ( )	FY ( )
		–		FY ( )	FY ( )

SIGNATURES

On The Date Of _____

_____
Agency Director or Authorized Agent

_____
Date

_____
Controlling Board President

AGENCY CONTACT

Name _____ Title _____

Phone ( ) _____ Fax ( ) _____ E-Mail _____

REQUIRED EXPLANATION OF REQUEST

OBM 4004(R9.97) *Requesting Agency Retain a Copy for Records* 11/4/97

GENERAL INFORMATION

Complete Fields 1-4.

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

OPERATING REQUEST

Page 1 of 1

Controlling Board No. (1)

GENERAL INFORMATION		
Agency Name	Controlling Board Authorization Requested (3)	Bill No.
(2)	○ Waiver of Competitive Selection (Revised CodeSection 127.16B) ○ Other Statutory Authority/Bill Section: _____	(4)

1. Controlling Board Number: Enter a six-character code that identifies the request. The first three characters are to be the agency's CAS code, and the last three are to be numeric and unique to that agency for the fiscal biennium. (e.g. OBM001)

2. Agency Name: Enter name of the agency completing request.

3. Authorization Requested: Click the applicable Controlling Board authorization for this request.
   - Waiver of Competitive Selection involving operating appropriations (Section 127.16B)
   - Other Statutory Authority/Bill Section: Cite Revised Code or Temporary Law Section specifying the requirement for Controlling Board approval.

4. Bill No: Enter the Bill Number(s) referencing the source of the appropriation applying to this request.

WAIVER OF COMPETITIVE SELECTION

If a Waiver of Competitive Selection is Requested, Complete Fields 5-14.

WAIVER INFORMATION	Complete this section ONLY if a WAIVER OF COMPETITIVE SELECTION is being requested. If requesting a waiver for more than one vendors, use VENDOR CONTINUATION FORM and leave this section blank.			
Vendor Name (5)		Vendor Address of Principal Place of Business (6)		
Vendor ID Number	Waiver Amount	City	State	County (Ohio Only)
(10)	FY ((11)) (12) FY ((13)) (14)	(7)	(8)	(9)

5. Vendor Name: Enter the vendor's name for which the waiver of competitive selection is being sought.

   NOTE: If a waiver of competitive selection is requested for more than one vendor, write "SEE ATTACHED VENDOR CONTINUATION FORM" in field #5 and complete all of the vendor information on the Vendor Continuation Form. ***If a waiver of competitive selection is being requested for only one vendor, do not use the Vendor Continuation form.***

6. Vendor Address of Principal Place of Business: Enter the address of the vendor's principal place of business.

7. City: Enter the city of the vendor's principal place of business.

8. State: Enter the state of the vendor's principal place of business.

9. County: If the vendor's principal place of business is located in Ohio, enter the county in which it is located.

10. Vendor ID Number: Enter the vendor's identification number. Please ensure that the vendor ID number is presently valid in CAS by checking the QVNDR01 inquiry screen.

    NOTE: If the request for a waiver of competitive selection covers more than one fiscal year in a biennium, the amount of the contract must be divided between the first fiscal year of the biennium and the second year of the biennium.

11. Waiver Amount FY ( ): Enter the current fiscal year for which a waiver of competitive selection is being sought.

12. Waiver Amount: Enter the actual dollar amount that requires the waiver of competitive selection for the current year of the fiscal biennium.

13. Waiver Amount FY ( ): Enter the second fiscal year, within the fiscal biennium, for which a waiver of competitive selection is being sought.

14. Waiver Amount: If a waiver of competitive selection is being sought for both fiscal years in a fiscal biennium, enter the actual dollar amount that requires the waiver of competitive selection for the second year of the fiscal biennium.

FUNDING INFORMATION
Complete Fields 15-22 for the Funding Information relative to this request for a waiver of competitive selection.

NOTE: If there is more than one fund code, appropriation line item, or appropriation line item name being utilized for this request, the amount of the contract/purchase from each source must be shown in the appropriate fields.

FUNDING INFORMATION					
Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Amount Requested for Approval/Waiver	
15	16	17 –	18	FY (19) 20	FY (21) 22
		–		FY ( )	FY ( )
		–		FY ( )	FY ( )

15. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

16. Fund Code: Enter the three-character CAS code designating the fund from which the waiver of competitive selection is being requested.

17. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the waiver of competitive selection is being requested. (Example: 400-001)

18. Appropriation Line Item Name: Enter the exact appropriation line item name from which the waiver of competitive selection is being requested.

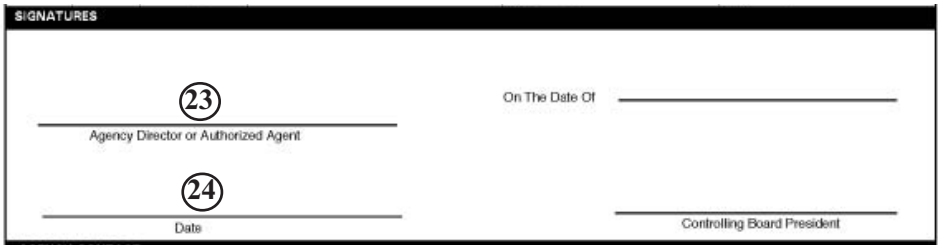
19. Amount Requested for Approval/Waiver FY ( ): Enter the current fiscal year associated with the line item from which a waiver of competitive selection is being requested.

20. Amount Requested for Approval/Waiver: Enter the total amount being requested for approval for a waiver of competitive selection in the current fiscal year.

21. Amount Requested for Approval/Waiver FY ( ): Enter the second fiscal year, within the current biennium, associated with the line item from which a waiver of competitive selection is being requested.

22. Amount Requested for Approval/Waiver: Enter the total amount being requested for approval for a waiver of competitive selection in the second fiscal year, within the current biennium.

SIGNATURES



23. Agency Director or Authorized Agent: A signature of the agency director or his or her designee is required by the agency prior to submitting the request.

24. Date: The date that the agency director or authorized agent signs the request.

AGENCY CONTACT

AGENCY CONTACT

Name (25) Title

Phone ( ) Fax ( ) E-Mail

25. Agency/Institution Contact: Enter the information requested in these fields for the primary agency/institution contact regarding questions about the request.

REQUIRED EXPLANATION OF REQUEST

REQUIRED EXPLANATION OF REQUEST

(26)

26. See Required Information sections below. Complete the appropriate Required Information sections for the purchase for which compeititve selection is being requested to waive.

For each type of request for a waiver of competitive selection, an example of a Summary Paragraph and suggestions for Subsequent Paragraphs are provided to assist you in preparing your explanation. In addition, certain Responses to Required Information Questions are to be included as part of the explanation of the request.

Please type all questions or requests for information and provide a response. The request package will be returned to the agency if the questions or requests for information are not provided with the response. "NOTES,, and "Examples,, do not need to be re-typed.

New Contracts

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

> "The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per Fiscal Year} to contract with {vendor name}, {vendor city, state, county (Ohio vendors only) of their principal place of business} to provide {service/deliverables} for the {describe the program/project}.,,

Subsequent Paragraphs

Provide a written explanation describing in detail the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection is being sought. Suggestions for these paragraphs, based on the type of request, should include the following:

- Objectives of the project or program requiring a contract
- Prior phases of the project or program requiring a contract
- If the contract is a portion of a multi-phase project or program, indicate the phases of the contract, including future phases of the project or program.

Required Information Questions

1. Selection Process: Was this contract subject to selection by a Request for Proposal (RFP) process? Provide the responses to the requested information for either A or B.

   A. If no, explain why this contract was not subject to an RFP process.

   B. If yes, type and answer the following requests for information.

      1) If a Request for Proposal (RFP) for this service was issued, how was the RFP publicized or advertised? Explain.

      2) Number of proposals distributed.

      3) Number of days in which interested parties had to respond to the RFP.

      4) Number of proposals received.

5) For each proposal received provide (or attach a list):
   Name
   Complete address of the principal place of business
   Amount of proposal

6) Explain why this contractor was selected.

7) Indicate who rated the responses and was involved in the selection of the contractor.

2. Identify the selected contractor and provide the contractor's address (city, state, and county, Ohio vendors only) of their principal place of business.

3. Contractor's location from which all or most or contract work will be performed, if different from the location of principal place of business. (For institutional agencies, cite the location of the institution, including the city and county, where services are to be performed.)

4. Insitutional agencies only: Is the contractor currently performing services at the institution listed above? If yes, provide the date that the contractor first began performing services at this state institution.

5. Specify the deliverables of this contract or describe the scope of service(s) to be performed by this contractor.

6. Cite the object code of expense being used for this purchase of service(s).

7. Duration of this contract (beginning and ending dates) within the fiscal biennium.

8. Is the contractor already performing work under this contract?
   If yes, answer a, b, and c.
   a. On what date did the contractor begin work?
   b. Are you requesting retroactive approval of the contract?
   c. If yes, give the requested retroactive effective date.

9. Identify all state contracts which the selected contractor has had approved by the Controlling Board since the beginning of the last fiscal year through this fiscal year to date. Also include contracts approved for this agency or institutions of higher education.

   a. Total number of contracts:_____
   b. For each contract list the state agency_____
      and the contract amount $_____

NOTE: This information may be accessed through CAS Inquiry, QVTOT05.
For "USER ID,,, type CBRD, and for the "PASSWORD,,, type VIEW.

10. Is this contractor in compliance with Buy America and Buy Ohio? Explain.

11. Provide the following Employee Information:

	Nationwide	Ohio
Total Number of Employees		
Percentage of Women		
Percentage of Minorities		

12. What percent of the work will be done by subcontractors?_____ If more than 50%, provide the same information for each subcontractor as requested in number 11 above for the contractor.

13. Provide <u>all</u> subsequent renewal schedules (beginning and ending dates) and amounts associated with this contract. A contract renewal is the exercise of an option to enter into a subsequent contract with a vendor in accordance with renewal provsions specified in a preceding contract.

    NOTE: All Amounts must be shown in amounts per fiscal year.

Contract Amendments

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per Fiscal Year} to amend/modify the contract with {vendor name}, {vendor city, state, county of their principal place of business} to provide {service/ deliverables} for the {describe program/project}.„

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection to amend a contract is being sought. Suggestions for these paragraphs include:

- Objectives of the project or program requiring a contract amendment
- Prior phases of the project or program
- If the contract is a portion of a multi-phase project or program, indicate the phases of this contract, including future phases of the project or program.

Required Information Questions

Please type all questions or requests for information and provide a response. Examples do not need to be re-typed.

1. Identify the contractor and provide the contractor's address of their principal place of business.

2. Explain why this contract is being amended and the effect of the amendment on the project or program. For example, any of the following, or combination of the following, would require a contract amendment.
   - Change in vendor?
   - Change in scope of work?
   - Change in the amount of hours of personal service required?
   - Change in deliverables?
   - Change in rate or amount?
   - Miscellaneous substantive error in the original contract.

3. Specify the deliverables of this contract or describe the scope of service(s) to be performed by this contractor.

4. Cite the object code of expense being used for this purchase of service(s).

5. Using the following example, provide the dates of previous Controlling Board approvals for this contract. Indicate whether the approvals were for the initial contract, amendments to this contract, or previous renewals for this contract.

   In addition to the date(s) of Controlling Board approval, provide the following information depending upon the type of contract previously approved by the Controlling Board.

   Initial Contract—Total amount of the initial contract or # of hours and the rate/hour. NOTE: All amounts must be shown in amounts per fiscal year.

   Amendment—Total amount of the amended contract (initial + amendment) or total # of hours (initial + amendment) and the total rate/hour (initial contract + contract amendment + contract renewals within the biennium) NOTE: All Amounts must be shown in amounts per fiscal year.

   Renewal—Total amount of the renewed contract or the total # of hours and the total rate/hour. NOTE: All amounts must be shown in amounts per fiscal year.

EXAMPLE

CB Approval Date	Type of Contract	Amount per FY or # of Hours & Rate per Hour per FY
7/1/93	Initial	$100,000.00—FY94 $ 75,000.00—FY95
9/30/94	Amendment	$125,000.00—FY95
7/1/95	Renewal	$125,000.00—FY96 $ 25,000.00—FY97

6. If this contract amendment affects the total amount of the contract or the total # of hours and total rate per hour, provide the new rate information. NOTE: All amounts must be shown in amounts per fiscal year.

7. Duration of this contract (beginning and ending dates) within the fiscal biennium, including amendment.

8. Provide all subsequent renewal schedules (beginning and ending dates) and amounts associated with this contract.

   NOTE: All amounts must be shown in amounts per fiscal year.

Contract Renewals

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per fiscal year} to renew the contract with {vendor name}, {vendor city, state, county of their principal place of business} to provide {service/deliverables} for the {describe program/project}.„

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection for the renewal of this contract is being sought. Suggestions for these paragraphs include the following:

- Objectives of the project or program requiring the renewal of a contract
- Prior phases of the project or program
- If the contract is a portion of a multi-phase project or program, indicate the phases of the contract, including future phases of the project or program.

Required Information Questions

Please type all questions or requests for information and provide a response. Examples do not need to be re-typed.

1. Identify the contractor and contractor's address of their principal place of business.

2. Provide a brief history of the project or program being affected by the work of this contractor.

3. Specify the deliverables of this contract or describe the scope of the services to be performed by renewing this contract.

4. Cite the object code of expense being used for this purchase of service(s).

5. Using the following example, provide dates of previous Controlling Board approvals for this contract. Indicate whether the approvals were for the initial contract, amendments to this contract, or previous renewals for this contract.

   Initial Contract—Total amount of the initial contract or total number of hours and the total rate per hour. NOTE: All amounts must be shown in amounts per fiscal year.

   Amendment—Total amount of the amended contract (initial + addendum) or total number of hours (initial + addendum) and the total rate per hour (initial contract + contract addenda + contract renewals within the biennium) NOTE: All amounts must be shown in amounts per fiscal year.

   Renewal—Total amount of the renewed contract or the total number of hours and the total rate per hour. NOTE: All Amounts must be shown in amounts per fiscal year.

EXAMPLE

CB Approval Date	Type of Contract	Amount per FY or # of Hours & Rate per Hour per FY
7/1/93	Initial	$100,000.00—FY94 $ 75,000.00—FY95
9/30/94	Amendment	$125,000.00—FY95
7/1/95	Renewal	$125,000.00—FY96 $ 25,000.00—FY97

6. Provide the total amount of the contract renewal or total number of hours and total rate per hour.

7. Is this contract rate an increase in the total amount of the contract or the rate per hour over the previous contract rate? If yes, explain why.

8. Duration (beginning and ending dates) of this contract renewal within the fiscal biennium.

9. Provide <u>all</u> subsequent renewal schedules (beginning and ending dates) and amounts associated with this contract. NOTE: All amounts must be shown in amounts per fiscal year.

Purchases of Supplies or Equipment

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per fiscal year} to purchase {supply/equipment} from {vendor name}, {vendor city, state, county (Ohio vendors only) of their principal place of business} for the {describe the program/project.},,

<u>Subsequent Paragraphs</u>

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection for the purchase of supplies/equipment is being sought. These paragraphs should include an explanation of the objectives of the project or program requiring the supplies or equipment.

Required Information Questions

Please type the question or request for information and provide a response. Examples do not need to be re-typed.

1. Identify the supply or supplies/equipment and provide the amount of each item.
   Example
   Name of the Item: Price Per Unit x Number of Units = Amount of Each Item

   NOTE: If purchasing the supply or supplies/equipment from more than one vendor, identify each vendor, and provide the above information.

2. Cite object code of expense being used for this purchase.

3. Selection Process: Was this purchase subject to selection by a Request for Proposal (RFP) process? Provide the responses to the requested information for either A or B.

   A. If no, explain why this purchase was not subject to an RFP process.

   B. If yes, type and answer the following requests for information.

      1) If a Request for Proposal (RFP) for this purchase was issued, how was the RFP publicized or advertised? Explain.

      2) Number of proposals distributed.

      3) Number of days in which interested parties had to respond to the RFP.

      4) Number of proposals received.

      5) For each proposal received provide (or attach a list):
         Name
         Complete address of the principal place of business
         Amount of proposal

      6) Explain why this vendor was selected.

      7) Indicate who rated the responses and was involved in the selection of the vendor.

4. Is this vendor in compliance with with Buy America and Buy Ohio? Explain.

Non Real-Estate Leases

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ to lease {description of leased item} with {vendor name}, {vendor city, state, county of their principal place of business} for the {describe project/program}.„

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request, including background information relative to the project or program for which the waiver of competitive selection for the leased item is being sought. These paragraphs should include an explanation of the cost benefit to the agency be leasing the item(s) as compared to purchasing the item(s).

Required Information Questions

Please type each question or request for information and provide a response.

1. Describe item(s) being leased.

2. Cite the object code of expense for this lease of equipment.

3. Selection Process: Was this purchase subject to selection by a Request for Proposal (RFP) process? Provide the responses to the requested information for either A or B.

   A. If no, explain why this purchase was not subject to an RFP process.

   B. If yes, type and answer the following requests for information.

      1) If a Request for Proposal (RFP) for this purchase was issued, how was the RFP publicized or advertised? Explain.

      2) Number of proposals distributed.

      3) Number of days in which interested parties had to respond to the RFP.

      4) Number of proposals received.

5) For each proposal received provide (or attach a list):
Name
Complete address of the principal place of business
Amount of proposal

6) Explain why this vendor was selected.

7) Indicate who rated the responses and was involved in the selection of the vendor.

4. Identify all state contracts/agreements which the selected vendor has had approved by the Controlling Board for this vendor since the beginning of the last fiscal year through this fiscal year to date. Also include contracts/agreements approved for this agency.

   a. Total number of contract/agreements:_____

   b. For each, contract/agreement list the state agency_____ and the contract/agreement amount $_____

   NOTE: This information may be accessed through the CAS Inquiry, QVTOT05. For "USER ID,,, type CBRD, and for the "PASSWORD,,, type VIEW.

5. Is this vendor in compliance with Buy America and Buy Ohio? Explain

6. Provide the following Employee Information: Nationwide Ohio

   Total Number of Employees
   Percentage of Women
   Percentage of Minorities

7. Cost to lease the item over the term of the lease:
   a. Net unit cost: $_____

   b. Number of items _____

   c. Total item cost (net unit cost x number of items): $_____

   d. Any trade-in allowance: $_____

   e. Adjusted total item cost (c - d): $_____

   f. Stated or implied interest rate: _____

   g. Periodic payment amount (principal + interest): $_____

   h. Number of payments: _____

i. Amount of total payments (g x h): $_____

j. Installation or other costs payable to the lessor $_____

k. Total lease cost (i + j): $_____

l. Sum of one-time costs related to putting the leased item into service and payable to parties other than the lessor: _____

m. Total cost (k + l) $_____

8. Duration of lease agreement (beginning and ending dates) within the fiscal biennium.

9. Is the agency already leasing the item covered by the lease agreement? If yes, answer a, b, and c.
   a. On what date did the agency begin to lease the item?
   b. Are you requesting retroactive approval of the lease?
   c. If yes, give the requested retroactive effective date.

10. If applicable, provide <u>all</u> subsequent renewal schedules (beginning and ending dates) and amounts associated with this lease agreement. NOTE: All amounts must be shown in amounts per fiscal year.

11. If applicable, provide the renewal cost associated with this lease agreement: (Renewal Cost = Renewal Rate x Number of Payments).

    a. If renewal option, state renewal rate: $_____

    b. Total renewal cost: $_____

12. If purchase option, state purchase price: $_____

13. Disclosures: If applicable, complete:
    a. Penalty for failure to renew: $_____
    b. Contingent penalties or obligations, escalator clauses providing for rate or cost increases, etc.: $_____

New Real Estate Leases

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per fiscal year} to lease commercial {type of real estate} space from {lessor name}, {lessor city, state, county (Ohio vendors only) of their principal place of business} for the {agency, institution and/or division}.,,

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection to effect a new real estate lease is being sought.

Required Information Questions

Please type the question or request for information and provide a response.

1. Tenant agency and division: _____

2. Identify the type of real estate. (Office, Warehouse, Storage, Laboratory, Parking, or Other) _____

3. Location of property (street address, city, county, state, zip code).

4. Identify the owner/lessor of the property and provide the complete address of their principal place of business.

5. Explain why the agency is relocating. Or, if the agency is not relocating, explain why a new lease has been negotiated.

6 Identify the number of other sites considered for this agency's real estate lease. Include the completed address of each of the sites.

7. Is the agency already occupying the space which is covered by the lease agreement? If yes, answer a, b, and c.
   a. On what date did the agency begin occupancy?
   b. Are you requesting retroactive approval of the lease agreement?
   c. If yes, give the requested retroactive effective date.

8. Duration of the lease (beginning and ending dates of this lease agreement) within the fiscal biennium.

9. Identify all state lease agreements or contracts in which the selected lessor has had approved by the Controlling Board anytime since the beginning of the last fiscal year through this fiscal year to date. Also include all lease agreements or contracts approved for this agency.

   a. Total number of lease agreements or contracts:_____
   b. For each list the state agency_____ and the lease/ contract amount $_____ per fiscal year.

   NOTE: This information may be accessed through the CAS Inquiry, QVTOT05. For "USER ID,,, type CBRD, and for the "PASSWORD,,, type VIEW.

10. Lease Cost: Identify the cost to lease the property over the term of the lease:
    a. Rate per square foot: $_____

    b. Number of square feet: $_____

    c. Tenant improvements (lump sum or total cost per square foot): $_____

    d. Contingency Amount $_____

    e. Other amounts payable to lessor (either lump-sum or over the course of the lease), such as parking, utilities, maintenance and repairs, janitorial, trash removal, security, insurance, taxes, etc. (Total of other amounts): $_____

11. Total lease cost (sum of [a x b] + [c+d+e]) payable to lessor over the lease term: $_____

12. Sum of *one-time costs* related to putting the property into service and payable to parties <u>other than the lessor</u> (amounts payable to lessor should be included in [e] above): total of costs for moving, new furniture and equipment, telephone and computer installation, etc. $_____

13. Total Cost (sum of 11+ 12) above: $_____

14. If a renewal option is applicable, provide all renewal schedules for this lease agreement (starting and ending dates), the number of square feet, the rate per square foot and total amount of the lease per fiscal year.

Example:

Renewal Period	Rate Per Square Foot per FY	Number of Square Feet	Total Lease Cost per FY
7/1/95-6/30/96	$15.00-FY96	4,000	$60,000.00-FY96
7/1/96-6/30/97	$15.00-FY97	4,000	$60,000.00-FY97

15. If purchase option, state purchase price: $_____

16. Disclosures: Complete, if applicable.
    a. Penalty for failure to renew: $_____
    b. Contingent penalties or obligations, escalator clauses providing for rate or cost increases, etc.: $_____
    c. Explain nature of the costs identified in b.

Real Estate Lease Addenda

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per fiscal year} to effect an addendum to a commercial real estate lease for {type of real estate} space with {lessor name}, {lessor city, state, county (Ohio only) of their principal place of business} for the {agency, division}.,,

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection for a real estate lease addendum is being sought.

Required Information Questions

Please type the question or request for information and provide a response. Examples do not need to be re-typed.

1. Tenant Agency and Division:

2. Identify the type of real estate. (Office, Warehouse, Storage, Laboratory, Parking, Other) _____

3. Identify the location of property (street address, city, county (Ohio only), state and zip code).

4. Identify the owner/lessor and provide the complete address of their principal place of business.

5. Why the lease is being addended? Any of the following, or combination of the following would require a lease addendum. Explain.
   - Increase in square footage?
   - New or additional tenant improvements?
   - Change in rate or amount?
   - Substantive change in terms of the lease (i.e., additional services to be provided by lessor)?
   - Miscellaneous substantive error in current lease agreement?

6. What is the the effect of the proposed lease addendum on the agency?

7. Using the following example, provide the dates of previous Controlling Board approvals for this lease within the current biennium. Indicate whether the approvals were for the original lease, addenda to this lease, or previous renewals for this lease.

CB Approval Date	Type of Lease Agreement	Total # of Sq Ft.	Amount per Sq. Ft. & Amount per FY
7/1/93	Original	10,000	$10.00 Sq. Ft. $100,000.00-FY94 $10.00 Sq. Ft. $100,000.00-FY95
9/30/94	Addendum	11,000	$10.00 Sq. Ft. $110,000.00-FY95
7/1/95	Addendum	11,000	$11.00 Sq. Ft. $121,000.00-FY96 $121,000.00-FY97

8. Provide the following information regarding this lease agreement.

	Current Lease		Addended Lease	
Rate per square foot	$	FY	$	FY
	$	FY	$	FY
Number of square feet				
Tenant Improvements—Lump Sum or Per Sq. Ft.? Specify.				
	$	FY	$	FY
	$	FY	$	FY
Other Amounts. Specify.	$	FY	$	FY
	$	FY	$	FY

Total Lease Cost (Sum)	$	FY	$	FY
	$	FY	$	FY

9. Duration of lease (beginning and ending dates) within the fiscal biennium, including addendum.

10. Provide all renewal schedules, starting and ending dates, and the total lease cost per each fiscal year.

Example:

Renewal Period	Rate Per Square Foot per FY	Number of Square Feet	Total Lease Cost per FY
7/1/97-6/30/98	$12.00-FY98	11,000	$132,000.00-FY98
7/1/98-6/30/99	$12.00-FY99	11,000	$132,000.00-FY99

Real Estate Lease Renewal or Real Estate Lease Holdover

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency or institution name} respectfully requests Controlling Board approval to waive competitive selection in the amount of $_____ {per fiscal year} to renew/holdover a commercial real estate lease for {type of real estate} space with {lessor name}, {lessor city, state, county (Ohio only) of their principal place of business} for the {agency, division}.,,

Subsequent Paragraphs

Provide a detailed written explanation of the nature of the request. Provide background information relative to the project or program for which the waiver of competitive selection for the renewal/holdover of the commercial real estate lease is being sought.

Required Information Questions

Please type the question or request for information and provide a response. Examples do not need to be re-typed.

1. Tenant agency and division.

2. Identify the type of real estate. (Office, Warehouse, Storage, Laboratory, Parking, Other) _____

3. Identify the type of lease agreement—Real Estate Lease Renewal or Real Estate Lease Holdover.

4. Identify the owner/lessor and provide the complete address of their principal place of business.

5. Identify location of property (street address, city, county, state, and zip code).

6. Using the following example, provide dates of previous Controlling Board approvals for this lease agreement within the current biennium. Indicate whether the approvals were for the original lease agreement, addenda to this lease agreement, previous renewals or previous holdovers for this lease agreement.

CB Approval Date	Type of Lease Agreement	Total # of Sq Ft.	Amount per Sq. Ft. & Amount per FY
7/1/93	Original	10,000	$10.00 Sq. Ft. $100,000.00—FY94 $10.00 Sq. Ft. $100,000.00—FY95
9/30/94	Addendum	11,000	$10.00 Sq. Ft. $110,000.00—FY95
7/1/95	Renewal	11,000	$11.00 Sq. Ft. $121,000.00—FY 96 $121,000.00—FY97

7. Provide the following information regarding this lease agreement.

	Current Lease		Lease Renewal or Holdover	
Rate per square foot	$	FY	$	FY
	$	FY	$	FY
Number of square feet				
Tenant Improvements—Lump Sum or Per Sq. Ft.? Specify.				
	$	FY	$	FY
	$	FY	$	FY
Other Amounts. Specify.	$	FY	$	FY
	$	FY	$	FY
Total Lease Cost (Sum)	$	FY	$	FY
	$	FY	$	FY

8. Duration of lease (beginning and ending dates) including expiration date of renewal (holdover).

9. Provide all renewal schedules, starting and ending dates, and the total lease cost per each fiscal year.

Example:

Renewal Period	Rate Per Square Foot per FY	Number of Square Feet	Total Lease Cost per FY
7/1/97-6/30/98	$12.00-FY98	11,000	$132,000.00-FY98
7/1/98-6/30/99	$12.00-FY99	11,000	$132,000.00-FY99

10. For **holdover agreements only**, provide the anticipated date of approved new lease agreement.

Attachments-Operating Request

In addition to the Operating Request form, all Continuation forms, and Vendor Continuation forms, where applicable, the following Attachments for each type of request for a waiver of competitive selection are to be provided. Review Section IV for instructions on assembling a complete Controlling Board request package.

New Contract—Assemble in this order following the responses to the Required Information Questions.

- Copy of approved Release and Permit from DAS-State Purchasing or DAS-Computer Services. If purchasing from a blanket Release & Permit issued by DAS, provide a copy of the Release and Permit that exempts this purchase.
- Sole source justification letter, if applicable
- Request for Proposal (RFP)—A copy of the actual RFP as it was distributed to prospective bidders.
- Response to RFP from selected vendor.
- Contract, specifying the amount and the duration of the contract, signed by the vendor only. NOTE: Review the State Accounting Personal Service Contracts Check List in the CAS Info-Action Manual prior to submitting the request package.

Contract Amendment—Assemble in this order following the responses to the Required Information Questions.

- Copy of the contract amendment, specifying the amount and the duration of the contract, signed by the vendor only. NOTE: Review the State Accounting Personal Service Contracts Check List in the CAS Info-Action Manual prior to submitting the request package.
- When applicable, a copy of approved Release and Permit from DAS-State Purchasing or DAS-Computer Services. If purchasing from a blanket Release and Permit issued by DAS, provide a copy of the Release and Permit that exempts this purchase.

Contract Renewal—Assemble in this order following the responses to the Required Information Questions.

- Copy of approved Release and Permit from DAS-State Purchasing or DAS-Computer Services. If purchasing from a blanket Release and Permit issued by DAS, provide a copy of the Release and Permit that exempts this purchase.
- Recent sole source justification letter, if applicable
- A copy of the contract renewal or a copy of a letter from the agency to the vendor informing the vendor that the agency is exercising its option to renew the contract *pursuant to the terms of the original contract*. This contract or letter must specify the duration of the renewal and the amount of the contract per fiscal year. NOTE: Review the State Accounting Personal Service Contracts Check List in the CAS Info-Action Manual prior to submitting the request package.

Purchase of Supplies or Equipment—Assemble in this order following the responses to the Required Information Questions.

- Copy of approved Release and Permit from DAS-State Purchasing or DAS-Computer Services. If purchasing from a blanket Release and Permit, provide a copy of the Release and Permit that exempts this purchase.
- Sole source justification letter, if applicable.
- Request for Proposal (RFP)/Request for Quote (RFQ)
- Response to RFQ from selected vendor on vendor's stationery

Non Real-Estate Leases—Assemble in this order following the responses to the Required Information Questions.

- Copy of approved Release and Permit from DAS-State Purchasing or DAS-Computer Services. If purchasing from a blanket Release and Permit, provide a copy of the Release and Permit that exempts this purchase.
- Sole source justification letter, if applicable.
- Request for Proposal (RFP)/Request for Quote (RFQ)
- Response to RFP/RFQ from selected vendor on vendor's stationery. The duration of the lease and the amount per fiscal year must be specified in the response from the selected vendor.

New Real-Estate Lease—Assemble in this order following the responses to the Required Information Questions.

- New real estate lease signed by the lessor (only).

Real-Estate Lease Addendum—Assemble in this order following the responses to the Required Information Questions.

- Real estate lease amendment signed by the lessor (only).

Real-Estate Lease Renewal or Real-Estate Lease Holdover—Assemble in this order following the responses to the Required Information Questions.

- Copy of DAS letter to the lessors notifying them of the agency's intent to renew (holdover), with renewal (holdover) terms, pending approval by Controlling Board.

Transfer of Operating Request—Detailed Instructions

The Transfer of Operating Request form may be submitted to seek Controlling Board approval for the various actions to adjust an agency's operating budget as listed below:

- Transfer of operating appropriation.
- Transfer of cash.
- Transfer of operating appropriation and cash.
- Transfer from the Emergency Purposes appropriation line item (Revised Code Section 127.14), including earmarked portions of the line item, or other specific Controlling Board appropriation line items as provided in the temporary law of the appropriations act.

NOTE: Review the scenarios in Section II, "Do I Need to Come to the Controlling Board?,, before preparing a Transfer of Operating Request.

The detailed instructions are divided into two sections:

- ***Form Instructions*** describe the parts of the form itself and the information required on the form. A blank form with numbered fields accompanies the instructions.
- ***Required Explanation of Request*** describes the information required for the explanation of the request to be included on the form and Continuation Forms.
  - Summary Paragraph
  - Subsequent Paragraph(s)

Form Instructions-Tranfser of Operating Appropriations Request

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614) 644-6441 FAX: (614) 466-3813

OPERATING TRANSFER REQUEST

Page 1 of

Controlling Board No.

GENERAL INFORMATION

Agency Name

Pursuant to Revised Code Section 127.14, the following transfer is requested:

- O Appropriation
- O Appropriation & Cash
- O Cash
- O Other Statutory Authority Bill Section _____

Eligible for OBM Director Approval? O Yes O No

Bill No.

TRANSFER INFORMATION

From	To	Fiscal Year	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Amount to be Transferred
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		
O	O				–		

SIGNATURES

_____
Agency Director or Authorized Agent

On The Date Of _____

_____
Date

_____
Controlling Board President/OBM Director

AGENCY CONTACT

Name _____ Title _____

Phone ( ) _____ Fax ( ) _____ E-Mail _____

REQUIRED EXPLANATION OF REQUEST

OBM 4003(R9.97) *Requesting Agency Retain a Copy for Records* 11/4/97

GENERAL INFORMATION

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614) 644-6441 FAX: (614) 466-3813

OPERATING TRANSFER REQUEST

Page 1 of

Controlling Board No. 1

GENERAL INFORMATION

Agency Name	Pursuant to Revised Code Section 127.14, the following transfer is requested:	Eligible for OBM Director Approval?
2	○ Appropriation ○ Appropriation & Cash ○ Cash ○ Other Statutory Authority Bill Section 3	4 ○ Yes ○ No Bill No. 5

1. Controlling Board Number: Enter a six-character code that identifies the request. The first three characters are to be the agency's CAS code and the last three are to be numeric and unique to that agency for the fiscal biennium.

2. Agency Name: Enter name of the agency completing request.

3. Authorization Requested: Click the transfer action being requested.
   Transfer of Appropriation
   Transfer of Appropriation and Cash
   Transfer of Cash
   Other Statutory Authority/Bill Section (Specify)

4. Eligible for OBM Director Approval?: Click Yes or No to identify whether this request is eligible for approval by the Director of OBM as specified in the Guidelines for Transfer of Operating Appropriation. (Refer to Section II for a discussion of eligibility for approval by the Director of OBM.)

5. Bill No.: Enter the Bill Number(s) referencing the source of the appropriation applying to this request.

TRANSFER INFORMATION

TRANSFER INFORMATION

From	To	Fiscal Year	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Amount to be Transferred
6 ○	○	7	8	9	10 –	11	12
○	13 ○	14	15	16	17 –	18	19
○	○				–		
○	○				–		
○	○				–		

6. Transfer From: Click this field associated with the appropriation line item and/or fund from which the transfer is being requested.

7. Fiscal Year: Enter the fiscal year for the appropriation line item and/or fund for which the transfer "From,, applies.

8. Fund Group: Enter the three-character budget fund group that identifies the source of the revenue.

9. Fund Code: Enter the three-character code designating the fund from which the transfer is being requested.

10. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the transfer of appropriation is being requested. Assigned by State Accounting. (Example: 772-723)

11. Fund or Appropriation Line Item Name: Enter the exact appropriation line item or fund name from which the transfer of appropriation and/or cash is being requested.

12. Transferred Amount: Enter the appropriation and/or cash amount requested to be transferred.

13. Transfer To: Click this field associated with the appropriation line item or fund to which the transfer is being requested.

14. Fiscal Year: Enter the fiscal year for the appropriation line item or fund for which the transfer "To,, applies.

15. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

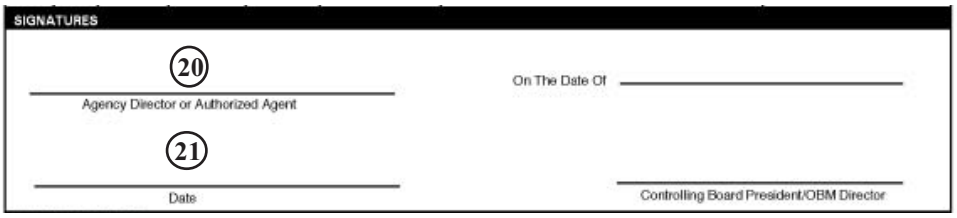
16. Fund Code: Enter the three-character code designating the fund to which the transfer is being requested.

17. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item to which the transfer of appropriation is being requested. Assigned by State Accounting. (Example: 772-721)

18. Fund or Appropriation Line Item Name: Enter the exact appropriation line item or fund name to which the transfer is being requested.

19. Transferred Amount: Enter the appropriation and/or cash amount requested to be transferred.

SIGNATURES


SIGNATURES

20

Agency Director or Authorized Agent

On The Date Of

21

Date

Controlling Board President/OBM Director

20. Agency Director or Authorized Agent: A signature of the agency director or his or her designee is required by the agency prior to submitting the request.

21. Date: The date that the agency director or authorized agent signs the request.

AGENCY CONTACT

AGENCY CONTACT

Name _____ Title _____

22

Phone ( ) _____ Fax ( ) _____ E-Mail _____

22. Agency/Institution Contact: Enter the information requested in these fields for the primary agency/institution contact regarding questions about the request.

REQUIRED EXPLANATION OF REQUEST

REQUIRED EXPLANATION OF REQUEST

23

OBM 4003(R9.97) *Requesting Agency Retain a Copy for Records* 11/4/97

23. Explanation of Request: Provide a detailed written explanation describing why the request for transfer is being submitted. The first paragraph should include the names and the amount of appropriations and/or cash involved with the request. Generally, this paragraph reflects the summary that appears on the Controlling Board meeting agenda.

    Use the Continuation form if additional space is necessary.

    For each type of request for a transfer of appropriation and/or cash, an example of a Summary Paragraph and suggestions for Subsequent Paragraphs are provided to assist you in preparing your explanation. In addition, certain Responses to Required Information Questions are to be included as part of the explanation of the request.

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency} respectfully requests Controlling Board approval to transfer $<u>{specify amount}</u> of {cash, appropriation, or cash and appropriation} from {appropriation line item/fund name} to {appropriaiton line item/fund name} for the {specify project or program}.

> NOTE: For a transfer of general Emergency Purposes appropriation the OBM analyst will assist in providing information that should be included in the explanation of request.

Subsequent Paragraphs

Provide a written explanation describing, using as much detail as necessary, the nature of the request for the transfer of appropriation and/or cash. Provide background information relative to the project or program for which the transfer is being sought.

> NOTE: For a transfer of earmarked Emergency Purposes appropriation, or other specific Controlling Board appropriations the agency should explain how it has met the terms and conditions specified in the temporary law of the appropriations act for requesting the transfer.

Required Information Questions

On the Transfer of Operating Appropriation Request form type the following questions or requests for information and provide a response.

1. How will the additional appropriation and/or cash be used? Provide the following information below relative to this transfer:

Object Class	Object Class Description	Current Appropriation Authority	Requested Increase in Appropriation	Total Appropriation Authority
10	**Personal Services**			
13	**Purchased Personal Services**			
20	**Maintenance**			
30	**Equipment**			

50 **Subsidy**

70 **Capital**

90 **Transfer**

2. Provide a short description of each item affected by this transfer in the table above. For example, if transferring appropriation to a subsidy line item, provide details on the added recipients or the new allocation formula for distribution of moneys. For Object Class 10, respond to specific questions in number 5 below.

3. Will this transfer be used to mainain current service levels, expand an existing program or activity, or begin a new program? Explain.

4. Based upon the response to number 3, explain how these services or programs would have been funded if this additional of funding were not available.

5. Object Class 10-Personal Services:
   a. Explain why changes are being requested in the personal services object class 10.
   b. How many existing staff are being affected by this transfer and from what appropriation line item are they currently being paid?
   c. How would these existing staff have been affected if these additional funds were not available?
   d. Will new staff be hired as a result of the additional funds? If so, how many?
   e. How will these additional staff members and their associated operating expenses be paid for in subsequent fiscal years?

6. List any other transfers involving these appropriation line items and/or cash approved by the Controlling Board in the current biennium, including the date and requested amount of the adjustment(s).

Fund/Appropriation Request—Detailed Instructions

The Fund/Appropriation Request may be submitted for requesting the following adjustments to an agency's operating budget during a fiscal biennium, pursuant to Revised Code Section 131.35.

- Increase in Appropriation Authority
- Creation of a New Fund
- Establish Appropriation Authority

The detailed instructions for preparing requests of this nature are divided into hree sections:

- ***Form Instructions*** describe the parts of the form and the information required on the form.

- ***Required Explanation of Request*** describes the information required for the explanation of the request to be included on the form and Continuation Forms.
  - Summary Paragraph
  - Subsequent Paragraph(s)
  - Responses to Required Information Questions

- ***Attachments*** list additional information that should be submitted with the Request, when applicable.

Form Instructions-Fund/Appropriation Request

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

FUND/APPROPRIATION REQUEST

Page 1 of 4

Controlling Board No.

GENERAL INFORMATION

Agency Name	Authorization Requested Pursuant to Revised Code Section 131.35	Fund Group	Fund Code
	☐ Increase Appropriation Authority ☐ Create a New Fund ☐ Establish Appropriation Authority	Appropriation Line Item —	Bill No.

FUNDING INFORMATION

Fund/Appropriation Line Item Name	Current Appropriation	+	= Total Appropriation Amount
	FY ( )		
	FY ( )		

SIGNATURES

Agency Director or Authorized Agent

On The Date Of _____

Date

Controlling Board President

AGENCY CONTACT

Name _____ Title _____

Phone ( ) _____ Fax ( ) _____ E-Mail _____

REQUIRED EXPLANATION OF REQUEST

OBM 4002 (R9/97) *Requesting Agency Retain a Copy for Records* 11/4/97

GENERAL INFORMATION & FUNDING INFORMATION

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

FUND/APPROPRIATION REQUEST

Page 1 of 4

Controlling Board No. (1)

GENERAL INFORMATION

Agency Name	Authorization Requested Pursuant to Revised Code Section 131.35	Fund Group	Fund Code
(2)	☐ Increase Appropriation Authority ☐ Create a New Fund ☐ Establish Appropriation Authority (3)	(4) Appropriation Line Item (5) —	(6) Bill No. (7)

FUNDING INFORMATION

Fund/Appropriation Line Item Name	Current Appropriation	+	= Total Appropriation Amount
(8)	FY ( ) (9) (10)	(11)	
	FY ( ) (12) (13)	(14)	

1. Controlling Board Number: Enter a six-character code that identifies the request. The first three characters are to be the agency's CAS code and the ast three are to be numeric and unique to that agency for the fiscal biennium.

2. Agency Name: Enter name of the agency completing request.

3. Authorization Requested: Click the Fund/Appropriation action being requested. (Check all that apply.)
   Increase in Appropriation Authority
   Create a New Fund
   Establish Appropriation Authority

4. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

5. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item for which the adjustment is being requested. Assigned by State Accounting. (Example: 772-723)

6. Fund Code: Enter the three character CAS code designating the fund for which the adjustment is being requested.

7. Bill No.: Enter the bill number(s) referencing the source of the appropriation.

8. Appropriation Line Item Name: Enter the exact appropriation line item or fund name for which the adjustment is being requested.

9. Current Appropriation FY ( ): Enter the current fiscal year associated with the requested authorization.

10. Current Appropriation: Enter the current appropriation amount for the current year of the fiscal biennium.

    NOTE: Current appropriation is reflected as "Adjusted Appropriation,, on the CAS (QAPPR02) inquiry screen. Adjusted Appropriation reflects any increases, decreases, transfers to, and transfers from the appropriation line item or fund.

11. Increase: Enter the amount of appropriation authority requested for an increase or creation for the current year of the fiscal biennium.

    Total Appropriation Amount: The sum of current appropriation + increase for the current year of the fiscal biennium will be calculated by the form.

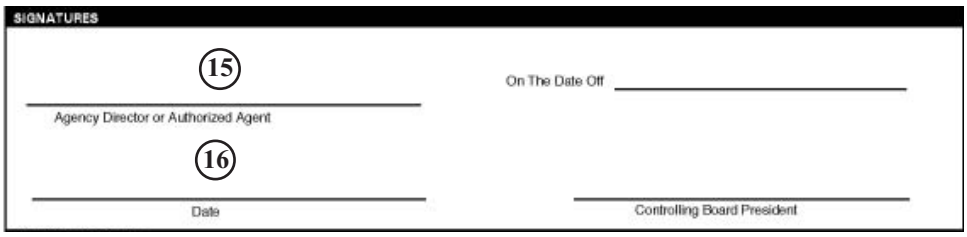
12. Current Appropriation FY ( ): If this request for a budgetary adjustment involves both fiscal years within a fiscal biennium, enter the second fiscal year of the fiscal biennium associated with the authorization requested.

13. Current Appropriation: Enter the current appropriation amount for the second year of the fiscal biennium.

14. Increase: If this request for a budgetary adjustment involves both fiscal years within a fiscal biennium, enter the requested increase or establishment appropriation amount for the second year of the fiscal biennium.

    Total Appropriation Amount: The sum of current appropriation + increase for the second year of the fiscal biennium will be calculated by the form.

SIGNATURES



15. Agency Director or Authorized Agent: A signature of the agency director or his or her designee is required by the agency prior to submitting the request.

16. Date: The date that the agency director or authorized agent signs the request.

AGENCY CONTACT

AGENCY CONTACT

Name _____ (17) Title _____

Phone ( ) _____ Fax ( ) _____ E-Mail _____

17. Agency Contact: Enter the information requested in these fields for the primary agency contact regarding questions about the request.

REQUIRED EXPLANATION OF REQUEST

REQUIRED EXPLANATION OF REQUEST

(18)

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18. Explanation of Request: Provide a written explanation describing the nature of the request being submitted for an adjustment to an agency's operating budget (Increase in Appropriation, Creation of a Fund, or the Establishment of Appropriation Authority).

Summary Paragraph

The first paragraph of the request should be a summary paragraph in the following format:

"The {agency} respectfully requests Controlling Board approval to {create/increase} {appropriation authority/fund} in the amount of $_____ in {appropriation line item/fund} {specify appropriation line item name/fund name}.,,

Subsequent Paragraphs

Provide a detailed written explanation describing why the request for an adjustment to the agency's operating budget (Increase in Appropriation, Creation of a Fund, or the Establishment of Appropriation Authority) is being submitted. Provide additional background information regarding the projects or programs benefiting from the appropriation adjustment. Use the Continuation form if additional space is necessary.

Required Information Questions

On the Fund/Appropriation Request form type the following questions or request for information and provide a response.

1. Identify the source of additional revenue (e.g., increase in fee, increase in state or federal grants, etc.).

2. If applicable, explain why creating and/or increasing a new fund and/or line item is more appropriate than depositing the revenue into an existing fund and increasing the appropriation authority of an existing line item.

3. Time line: Has the revenue been received?
   a. If so, provide the receipt date of the revenue.
   b. If not, when is the revenue expected to become available?

4. For federal funds only, provide the following information:
   a. Grant identification number from the Catologue of Federal Domestic Assistance:
   b. Amount of state matching funds required:
   c. Source (appropriation line item) of that match:
   d. Statutory or executive authority for participation in the program. Include a brief summary of the text or a copy of the reference.

5. How will the additional appropriation and/or cash be used?

   Provide the following information below relative to this budgetary adjustment:

   NOTE: If a new fund and new appropriation authority are being requested, the "Current,, and "Requested,, columns are not required.

Object Class	Object Class Description	Current Appropriation Authority	Requested Increase in Appropriation	Total Appropriation Authority
10	**Personal Services**			

13	**Purchased Personal Services**
20	**Maintenance**
30	**Equipment**
50	**Subsidy**
70	**Capital**
90	**Transfer**

6. For each additional amount shown in the table, provide a short description of what the dollars will be used to accomplish**.** For example, if increasing a subsidy object category, provide detail on the added recipients or the allocation formula for distribution of moneys. For Object Class 10, respond to specific questions in number 9 below.

7. Will this transfer be used to mainain current service levels, expand an existing program or activity, or begin a new program? Explain.

8. Based upon the response to number 7, explain how these services or programs would have been funded if this additional of funding were not available.

9. Object Class 10-Personal Services:
   a. Explain why changes are being requested in the personal services object class 10.
   b. How many existing staff are being affected by this transfer and from what appropriation line item are they currently being paid?
   c. How would these existing staff have been affected if these additional funds were not available?
   d. Will new staff be hired as a result of the additional funds? If so, how many?
   e. How will these additional staff members and their associated operating expenses be paid for in subsequent fiscal years?

10. List any other transfers involving these appropriation line items and/or cash approved by the Controlling Board in the current biennium, including the date and requested amount of the adjustment(s).

Attachments and Supplemental Information

Authorization—For federal funds, you may attach a Catalogue of Federal Domestic Assistance (CFDA) excerpt, legislation, or Revised Code section.

Subsidy Distribution Information—If applicable, you may attach a spreadsheet outlining the distribution of subsidy moneys.

Real Estate Acquisition Request—Detailed Instructions

The Real Estate Acquisition Request form may be submitted to seek approval by the Controlling Board of any combination of the various actions listed below:

- Acquisitions of real estate with capital appropriations (Release of Capital Appropriations).
- Transfer of capital appropriations for the acquisition of real estate.
- Acquisition of real estate by a higher education institution regardless of the source of funds (Revised Code Section 3333.071).
- Other Statutory Requirements for Controlling Board approval involving the acquisition of real estate.

The detailed instructions are divided into three sections:

Form Instructions describe the parts of the form and the information required on the form.

Required Information describes the information required for the explanation of the request to be included on the form and Continuation Forms.

Summary Paragraph

Subsequent Paragraph(s)

Attachments describe other material that must be submitted with the request.

FORM INSTRUCTIONS-Real Estate Acquisition

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614) 644-6441 FAX: (614) 466-3813

REAL ESTATE ACQUISITION REQUEST

Page 1 of 1

Controlling Board No.

GENERAL INFORMATION

Agency Name

Controlling Board Authorization Requested

- ☐ Transfer/Release of Capital Funds (Sec. 127.14G or Sec.127.15)
- ☐ Higher Education Authorization Request (Sec. 3333.071)
- ☐ Other Statutory Authority/Bill Section:

Fiscal Year

Bill No.

REAL ESTATE DESCRIPTION

Owner	No. of Acres	Acres Previously Purchased in Area	Balance of Acres to be Purchased	Purchase is Addition to Real Estate Area of

Total Option Price	Per Acre	Name of 1st Appraiser	Name of 2nd Appraiser

Taxation Value (100%) Total	Taxation Value (100%) Per Acre	Value of 1st Appraiser Total	Value of 1st Appraiser Per Acre	Value of 2nd Appraiser Total	Value of 2nd Appraiser Per Acre

County	Township/Municipality	If Local Funds are to be used, state the source of the funds

Date	Most Recent Sale of Real Estate Price	Date	Second Most Recent Sale of Real Estate Price

IF REQUESTING A TRANSFER, COMPLETE THIS INFORMATION.

From	To	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Transferred Amount	Previously Released Amount
○	○			–			
○	○			–			

FOR A RELEASE OF CAPITAL FUNDS or APPROVAL TO USE LOCAL FUNDS, COMPLETE THIS INFORMATION

Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Total Amount Requested for Release/Approval
		–		
		–		
		–		

SIGNATURES

Agency Director or Authorized Agent

On The Date Of

Date

Controlling Board President

AGENCY CONTACT

Name

Title

Phone ( )

Fax ( )

E-Mail

REQUIRED EXPLANATION OF REQUEST

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GENERAL INFORMATION

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614) 644-6441 FAX: (614) 466-3813

REAL ESTATE ACQUISITION REQUEST

Page 1 of 1

Controlling Board No. (1)

GENERAL INFORMATION

Agency Name (2)

Controlling Board Authorization Requested

- ☐ Transfer/Release of Capital Funds (Sec. 127.14G or Sec.127.15)
- ☐ Higher Education Authorization Request (Sec. 3333.071) (3)
- ☐ Other Statutory Authority/Bill Section:

Fiscal Year (4)

Bill No. (5)

1. Controlling Board Number: Enter a six-character code that identifies the request. The first three characters are to be the agency's CAS code and the last three are to be numeric and unique to that agency for the fiscal biennium.

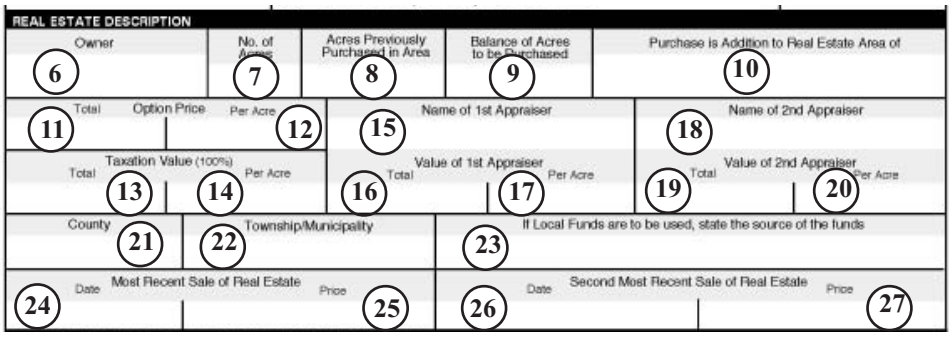
2. Agency Name: Enter name of the agency completing request.

3. Authorization Requested: Click all of the following that apply:
   •Transfer/Release of Capital Funds (Revised Code Section 127.14(G))
   •Higher Education Authorization Requested (Section 3333.071)
   •Other Statutory Authority/Bill Section: Cite reference requiring Controlling Board approval.

4. Fiscal Year: Enter the fiscal year for which the request applies.

5. Bill No.: Enter the bill number(s) referencing the source of the appropriation.

REAL ESTATE DESCRIPTION-Fields 6-27 describe the real estate being acquired.



6. Owner: Enter the full name of the current owner of the property.

7. No. of Acres: Enter the number of acres being acquired.

8. Acres Previously Purchased In Area: Enter the number of acres previously acquired in area.

9. Balanced of Acres to be Purchased: If this acquisition is part of a master plan (universities, state parks or forests, etc.) or other stategy involving additional contemplated land acquisitions, enter the remaining number of acres anticipated to be acquired in this area.

10. Purchase is Addition to Land Area of: Enter the proper name of the area (project or program site) being affected by this real estate acquisition.

11. Option Price—Total: Enter the total amount of the price of the real estate.

12. Option Price—Per Acre: Enter the option price—Total for the real estate divided by number of acres.

13. Taxation Value (100%)—Total: Enter the taxable valuation of the property as determined on the records of the county auditor. If applicable, this amount should be split between land and buildings.

14. Taxation Value (100%)—Per Acre: Enter the the amount calculated by dividing the total taxable value by the number of acres.

Appraised Value-Fields 15-20:

NOTE about appraisals: One independent appraisal is required for all real estate acquisitions whose total option price is *below* $100,000.00. For real estate acquisitions whose total option price is *greater than or equal to* $100,000.00, two independent appraisals are required.

15. Appraiser(s) #1: Enter the full name of appraiser #1.

16. Appraised Value—Total #1: Enter the total amount of the appraised value as documented by appraiser #1.

17. Appraised Value—Per Acre #1: Enter the total amount of the appraised value as documented by appraiser #1 divided by the total number of acres.

For requests for real estate acquisitions whose total option price is greater than or equal to $100,000.00, a second appraisal is required. Complete Fields 18-20.

18. Appraiser(s) #2 (acquisitions greater than $100,000 only): Enter the full name of appraiser #2.

19. Appraised Value—Total #2 (acquisitions greater than $100,000 only): Enter the total amount of the appraised value as documented by appraiser #2.

20. Appraised Value—Per Acre #2 (acquisitions greater than $100,000 only): Enter the total amount of the appraised value as documented by appraiser #2 divided by the total number of acres.

21. County: Enter the county where the property is located.

22. Township/Municipality: Enter the township/municipality where the property is located.

    NOTE: For Institutions of Higher Education only, please complete field 23.

23. If Local Funds are to Be Used, State the Source of the Funds: If local funds are to be used for the acquisition of the property, enter the source of those funds. If local funds are not to be used for the acquisition of the property, enter "N/A.,,

24. Most Recent Sale of Property—Date: Enter the date of the most recent sale of this property.

25. Most Recent Sale of Property—Price: Enter the total price of the most recent sale of this property.

    NOTE: Complete fields 26-27 only if the second-most-recent sale this property was less than twenty years ago.

26. Second-Most-Recent-Sale of Property—Date: Enter the date of the second- most-recent sale of this property.

27. Second-Most-Recent-Sale of Property—Price: Enter the total price of the second most recent sale of this property.

TRANSFER of CAPITAL APPROPRIATIONS for the ACQUISITION OF REAL ESTATE
If a Transfer of Capital Appropriations for the acquisition of this property is being requested, Complete Fields 28-39.

IF REQUESTING A TRANSFER, COMPLETE THIS INFORMATION.

From	To	Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	Transferred Amount	Previously Released Amount
28	○	29	30	31 –	32	33	34
○	35	36	37	38 –	39	40	41

28. Transfer From: Click this field associated with the appropriation line item from which the transfer is being requested for the acquisition of this property.

29. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

30. Fund Code: Enter the three-character CAS code designating the fund from which the transfer is being requested for the acquisition of this property.

31. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the transfer is being requested for the acquisition of this property. Assigned by State Accounting. (Example: CAP-001)

32. Appropriation Line Item Name: Enter the exact appropriation line item name from which the transfer is being requested for the acquisition of this property.

33. Transferred Amount: Enter the appropriation amount requested to be transferred for the acquisition of this property. (NOTE: This is the amount that has not been previously released by the Controlling Board.)

34. Previously Released Amount: If appropriation previously released by the Controlling Board is involved in the transfer, enter the appropriation amount requested to be transferred for the acquisition of this property. (NOTE: This is the amount that has been previously released by the Controlling Board but has not been encumbered.) Do not list the entire amount previously released from this appropriation line item, just the dollar amount requested to be transferred for the acquisition of this property.

35. Transfer To: Click this field associated with the appropriation line item to which the transfer is being requested for the acquisition of this property.

36. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

37. Fund Code: Enter the three-character code designating the fund to which the transfer is being requested for the acquisition of this property.

38. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item to which the transfer is being requested for the acquisition of this property. Assigned by State Accounting. (Example: CAP-001)

39. Appropriation Line Item Name: Enter the exact appropriation line item name to which the transfer is being requested for the acquisition of this property.

40. Transferred Amount: Enter the appropriation amount requested to be transferred for the acquisition of this property. (NOTE: This is the amount that has not been previously released by the Controlling Board.)

41. Previously Released Amount: Leave this field blank.

RELEASE of CAPITAL APPROPRIATION for the ACQUISITION OF REAL ESTATE
Complete fields 42-46 to provide for the release of capital appropriations or approval to use local funds for the acquisition of land.

FOR A RELEASE OF CAPITAL FUNDS or APPROVAL TO USE LOCAL FUNDS, COMPLETE THIS INFORMATION				
Fund Group 42	Fund Code 43	Appropriation Line Item 44 –	Appropriation Line Item Name 45	Total Amount Requested for Release/Approval 46
		–		
		–		

42. Fund Group: Enter the three-character budget fund group code that identifies the source of the revenue.

43. Fund Code: Enter the three-character code designating the fund from which the release of capital funds is being requested for the acquisition of this property.

44. Appropriation Line Item: Enter the first three characters of the line item then tab to the next field and enter the last three characters of the line item from which the release of capital funds is being requested for the acquisition of this property. Assigned by State Accounting. (Example: CAP-001)

45. Appropriation Line Item Name: Enter the exact appropriation line item name from which the release of capital appropriations is being requested for the acquisition of this property.

    NOTE: For Institutions of Higher Education only, if local funds are to be used for the acquisition of this property, enter LOCAL FUNDS in field #45.

46. Total Amount Requested for Release/Approval: Enter the exact appropriation amount of capital appropriations being requested for release (or local funds for institutions of higher education) for the acquisition of this property.

    NOTE: For Institutions of Higher Education, if local funds are being used for the acquisition of this property, enter the exact amount in field #46.

SIGNATURES

SIGNATURES

47 _____ Agency Director or Authorized Agent

On The Date Of _____

48 _____ Date

_____ Controlling Board President

47. Agency Director or Authorized Agent: A signature of the agency director or his or her designee is required by the agency prior to submitting the request.

48. Date: The date that the agency director or authorized agent signs the request.

AGENCY/INSTITUTION CONTACT

AGENCY CONTACT

Name _____ 49 Title _____

Phone ( ) _____ Fax ( ) _____ E-Mail _____

49. Agency/Institution Contact: Enter the information requested in these fields for the primary agency/institution contact regarding questions about the request.

REQUIRED EXPLANATION OF REQUEST

REQUIRED EXPLANATION OF REQUEST

50

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50. Required Explanation of Request: Provide a detailed written explanation of the nature of the project requiring the acquisition of this property. The first paragraph should be a brief summary, including the amount involved with the request.

In subsequent paragraphs, provide additional background information regarding the history of the project and the intended use of the property.

Summary Paragraph

The first paragraph of the request should be a summary paragraph in either of the the following formats:

Approval to use non-capital funds for the Acquisition of Real Estate
"The {agency or institution name} respectfully requests Controlling Board approval to purchase {#} of acre(s) of real estate in {specify county} in the amount of $_____ from {name of owner(s)} for an addition to the {name of project or master plan requiring the acquisition of this real estate}.,,

Approval to Release and/or Transfer Capital Appropriations for the Acquisition of Real Estate
"The {agency or institution name} respectfully requests Controlling Board approval release $_____ for the purchase of { # } of acres of real estate in {specify county} from {name of owner(s)} for an addition to the {name of project or master plan requiring the acquisition of this real estate}.,,

Subsequent Paragraph(s)

Provide additional background information regarding the intended use of the property whether it is to serve as the site for a new building, continued use of existing structures on the piece of property, for parking, for future expansion of a campus or nature preserve. In addition, please explain if eminent domain or some other legal action is involved in the acquisition of the property.

Attachments

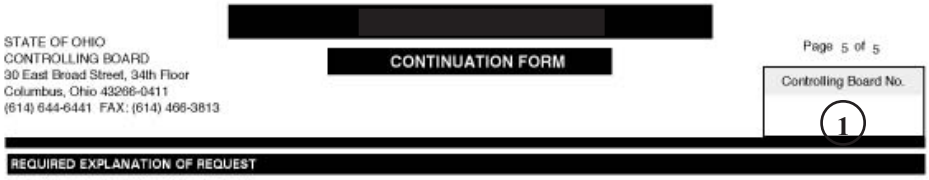
Appraisals—Controlling Board Procedures require one appraisal for any land acquisitions whose total option price is *less than* $100,000.00. For land acquisitions whose total option price is *greater than or equal to* $100,000.00, Controlling Board procedures require two appraisals.

See discussion regarding supplemental documents (e.g., appraisals) exceeding fifty pages.

Continuation Form—Detailed Instructions

The Continuation Form accompanies all Controlling Board Requests when the Required Explanation sections of the request exceed the space available on the request form. The software will assist you in selecting the correct form for the type of request being prepared.

The Continuation form instructions are as follows:



2

GENERAL INFORMATION & REQUIRED EXPLANATION OF REQUEST

1. Controlling Board Number: Enter the six-character code that identifies this request.

2. Explanation of Request: The explanation of the request is to be continued on additional Continuation forms. Use as many Continuation forms as necessary to completely explain the request being submitted for consideration.

Vendor Continuation Form—Detailed Instructions

The Vendor Continuation form accompanies the Operating Request form and the Capital Request form when a request for a waiver of competitive selection for more than one vendor is being submitted to the Controlling Board. When requesting a waiver of competitive selection for more than one vendor, the vendor information should not be entered onto the Operating Request form or the Capital Request form. Rather, enter "See Vendor Continuation Form,, on the Operating Request form or the Capital Request form and proceed to enter the vendors' information onto the Vendor Continuation form. The Vendor Continuation form should be attached behind the last page of the "Required Information,, as presented on the request form or the Continuation forms.

The Vendor Continuation form instructions are as follows:

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411
(614)644-6441 FAX: (614)466-3813

VENDOR CONTINUATION FORM

Page 1 of 1

Agency Name (2)	Controlling Board No. (1)

This form accompanies an Operating Request Form or a Capital Request Form when a Waiver of Competitive Selection is being sought for more than one Vendor.

Complete the Information Requested below for each Vendor.

Vendor ID Number	Waiver Amount	Vendor Name & Address (Principal Place of Business)
(3)	FY ( ) (4) (5) FY ( ) (7) (8)	(6)
	FY ( ) FY ( )	

1. Controlling Board Number: Enter the six-character code that identifies this request. The first three characters are to be the agency's CAS code and the last three are to be numeric and unique to that agency for the fiscal biennium.

2. Agency Name: Enter name of the agency completing this request.

3. Vendor ID Number: Enter the vendor's identification number as it appears on the QVNDR01 Inquiry Screen.

   NOTE: If the request for a Waiver of Competitive Selection is for more than one fiscal year in a biennium, the amount of the contract must be divided between the current fiscal year of the biennium and the second year of the biennium.

4. Waiver Amount FY ( ): Enter the current fiscal year for which the request for a wiaver of competitive selection is being requested.

5. Waiver Amount: Enter the actual dollar amount that requires the waiver of competitive selection for the current year of the fiscal biennium.

6. Waiver Amount FY ( ): If a waiver of competitive selection is being sought for both fiscal years in a fiscal biennium, enter the fiscal year for the second year of the fiscal biennium for which a waiver of competitive selection is being requested.

7. Waiver Amount: If a waiver of competitive selection is being sought for both fiscal years in a fiscal biennium, enter the actual dollar amount that requires the waiver of competitive selection for the second year of the fiscal biennium.

8. Vendor Name and Address: Enter the vendors' names and addresses of their principal place of business (City, State, County [Ohio vendors only]) for which the waiver of competitive selection are being sought.

   Follow the Instructions for Fields 3-8 for all remaining vendors for which a waiver of competitive selection is being requested.

Section IV—Controlling Board Request Processing Information and Timelines

This section provides general processing information regarding interaction with the Controlling Board. By following these procedures regarding submitting requests and taking prompt action after requests are approved by the Board, an agency can ensure a successful Controlling Board experience.

This section is divided into the following topic areas:

- Controlling Board On-Line
- The Controlling Board Request Package
- Preparing to Submit a Controlling Board Request Package
- Controlling Board Request Review
- Emergency Approvals
- Planning Ahead: Preparing Encumbering Documents
- After the Meeting

Controlling Board On-Line

The Controlling Board calendar and meeting agendas are available on-line at http://www.state.oh.us/obm/. The Controlling Board manual is available at http://www.state.oh.us/obm/cb.

The Controlling Board Request Package

Controlling Board Forms & Software

The Controlling Board forms have been revised and are available for preparation on software for IBM compatible and Macintosh personal computers. The forms are being distributed on-line or on diskette (for off-line agencies) from the Controlling Board Office.

NOTE: Controlling Board requests prepared on forms different from the forms distributed by the Controlling Board Office will not be accepted.

Assigning a Controlling Board Number

The Controlling Board Number is assigned by each agency and requires *six characters* for entry into the Central Accounting System (CAS). The first three characters are the agency CAS identification code and the last three characters are numerical and assigned by the agency. The six characters should be a complete string unbroken with spaces or hyphens. For example, the Office of Budget and Management's fifth request of the biennium would be assigned the Controlling Board Number, OBM005. One numbering sequence should be used for all requests, whether being sumbitted for approval by the Controlling Board or by the Director of OBM. NOTE: The agency's *numerical* sequence should not be

duplicated within a fiscal biennium.

Number of Copies

When submitting a request for approval by the **Controlling Board**, include the following:

8 Copies of the Request Form and, if applicable, Continuation Sheets, Vendor Continuation Forms, and *all* supplemental attachments and documentation as outlined in this manual for each type of request.

(See Special Note Below.)

4 Copies of the Request Form and, if applicable, Continuation Sheets, Vendor Continuation Forms. *(Colleges and universities are required to submit 5 copies.)*

Special Note About Supplemental Documents Exceeding 50 Pages:

If the supplemental documenation (response to a Request for Proposal, a Contract, an Equipment List or Land Appraisals) accompanying a Controlling Board Request exceeds 50 pages in length, submit only two copies of the complete documenation with the request forms, and provide a summary of the supplemental documentation with the remaining six copies of the request forms. In addition, all eight copies of the request must contain the responses to the Controlling Board Required Information Questions as outlined in this manual for each type of request.

When submitting a request for approval by the **Director of the Office of Budget and Management *through the Controlling Board Office***, include the following:

1 Copy of the Request Form and, if applicable, Continuation Sheets and all supplemental attachments and documentation as outlined in this manual for these types of requests.

4 Copies of the Request Form and, if applicable, Continuation Sheets. *(Colleges and universities are required to submit 5 copies.)*

Preparing to Submit a Controlling Board Request

Package

Deadlines and Request Processing

This section discusses the various steps involved in the submission of a Controlling Board Request package and the deadlines associated with each step. The main steps in the process are as follows:

- Early Communication
- Request Submission
  Controlling Board
  Director of OBM
- Late Submission

Early Communication

For agencies who need assistance in preparing Controlling Board requests, or for requests that are particularly complex or sensitive, it is helpful to communicate with your OBM budget analyst and the Controlling Board President prior to submitting the request package. With prior approval by the President of the Controlling Board and your OBM budget analyst, a review of a request in draft form is acceptable.

Request Submission-Controlling Board

Agencies wishing for a request to be heard at a particular meeting must bring their complete request package to the Controlling Board office on the 34th floor of the Rhodes State Office Tower **by 9:00 a.m. eighteen days** prior to the meeting. Agencies are encouraged to submit requests earlier than this date if possible.

NOTE: If a request package package is being delivered to the Controlling Board office via interdepartmental mail or by courier, the request package **must be received by 9:00 a.m. eighteen days** prior to the meeting. Requests received after 9:00 a.m. will be postponed until the next, regularly scheduled Controlling Board meeting.

The schedule of meeting dates is available from the Controlling Board office and is generally set by the President in October for the following calendar year. Most meetings are two weeks apart, but at times they are three weeks apart.

NOTE: Meeting the request submission deadlines is no guarantee of being placed on the agenda. Setting the agenda is at the discretion of the Controlling Board President. Requests may be deferred, such as ones that require policy clarification, to a later agenda, even if the request was turned in before the 18-day deadline.

Request Submission-Director of OBM

Requests for approval by the Director of OBM may be submitted at any time through the Controlling Board Office. These requests should be sent directly to the Secretary of the Controlling Board.

Late Submissions

If you miss the deadline for submitting a request package, your request will be scheduled for the next meeting. However, the realities of operating state government create circumstances where flexibility is necessary. In situations where a request submission deadline will be missed, it is imperative that the agency contact the Controlling Board President and the agency's OBM budget analyst as soon as it is known that the submission deadline will be missed. The President or budget analyst may request that a draft request be submitted before the submision deadline to facilitate discussion and provide for proper scheduling.

In making a late submission, the agency must be prepared to explain the nature of the emergency and the consequences to the State if the request is delayed until the next regularly scheduled meeting. The agency must also explain why the request was not, or could not be, submitted in a timely manner. Poor planning on the part of the agency is not a legitimate reason for missing the deadline.

The Controlling Board Office will not accept late submissions without prior approval by the President. Agencies should not abuse the ability to make late submissions. Late submissions are considered for only the most exceptional circumstances.

Controlling Board Request Review

- OBM Review
- Request Revisions (if necessary)
- Agenda Publication & Public Inspection
- LBO and Legislative Staff Review
- Request Review Timeline

OBM Review

Once the request package is received, OBM review begins. The schedule allows for technical, substantive, and policy review of the request by OBM. OBM staff will notify the agency if any changes are needed to a submitted request, or if the request requires further explanation.

Request Revisions (if necessary)

During the review of an agency's request, the President, the Secretary or the OBM budget analyst may determine that a revision should be made to the request prior to publishing the agenda. The agency/institution contact, as listed in the box in the lower left-hand corner of each Controlling Board request form, will be notified by either the Secretary or budget analyst, who will describe the revision that needs to be made.

The agency is responsible for coordinating the revisions with the Controlling Board staff so that all previously submitted copies of the request are revised appropriately. This may involve an agency representative coming to the Controlling Board Office to make the necessary changes to all of the copies of the request, or submitting and entirely new set of requests.

If an agency determines on its own that a request must be revised, they will need to contact the Controlling Board office at (614) 644-6441 for instructions on how to proceed. Again, the agency will be responsible for making the necessary changes to its request in the Controlling Board office.

All requests need to be revised, if necessary, and approved by OBM by 12:00 PM ten days prior to the meeting in order to be included on the agenda.

Agenda Publication and Public Inspection

The Controlling Board President is required to distribute the proposed meeting agenda and copies of agenda items and supplemental documentation to the members of the Controlling Board and the Legislative Budget Office at least seven days prior to the Controlling Board meeting, pursuant to Section 127.13 of the Revised Code. At that time, the agenda items generally are open to public inspection during normal business hours and can be reserved by calling (614) 644-6441. Copies of meeting agendas may be obtained by visiting the Controlling Board Office on the 34th floor of the Rhodes State Office Tower no earlier than seven days prior to the meeting. In addition, copies of meeting agendas are now available on-line on the OBM front page at http://www.state.oh.us/obm/.

LBO and Legislative Staff Review

In the seven days before the meeting, the legislative members of the Controlling Board, their staff, and the Legislative Budget Office review the requests. They may contact the agency for questions or clarifications.

Request Review Timeline

The following chart summarizes the review process of a Controlling Board request from the time it is submitted to the Controlling Board to the date of the meeting.

CONTROLLING BOARD REQUEST REVIEW

DAYS PRIOR TO THE CB MEETING	DAY OF THE WEEK
18	THURSDAY
Requests due in Controlling Board Office at 9:00 AM. OBM review begins.	
17	FRIDAY
16	SATURDAY
15	SUNDAY
14	MONDAY
13	TUESDAY
12	WEDNESDAY
11	THURSDAY
10	FRIDAY
OBM review ends and the meeting agenda finalized at 12:00 PM.	
9	SATURDAY
8	SUNDAY
7	MONDAY
Meeting agenda is published and legislative and LBO review begins.	
6	TUESDAY
5	WEDNESDAY
4	THURSDAY
3	FRIDAY
2	SATURDAY
1	SUNDAY
0	MONDAY
Day of Controlling Board Meeting	

Emergency Approvals

The Controlling Board President has the authority to grant approval to requests that are necessary to react to situations affecting public health, safety, or welfare. In such a dire circumstance, the agency should contact the President immediately and submit a written Controlling Board request as soon as possible, preferably by the request submission deadline for the next regularly scheduled meeting. In the meantime, the President may grant conditional approval, and once the request is received, it will then be placed on the agenda for the next meeting for consideration by the full Controlling Board. The request should provide the date that Emergency Approval was granted by the President in the explanation of the request.

Planning Ahead: Preparing the Encumbering Documents

For most requests, both State Accounting and the agency will follow procedures after the meeting to modify the Central Accounting System (CAS) in order to accommodate the various types of approved requests. CAS will reflect the modifications between the Wednesday and the Friday after the meeting. Priority may be given to processing requests if the agency makes such a request prior to the meeting, and if the justification for special handling is substantiated.

Vendor Identification Information

For All Approved Requests Involving Specific Vendors—Correct federal tax identification information in CAS is critical to processing any encumbering documents in an efficient manner. This information can be verified by using the CAS Inquiries, QVNAM01 or QVNDR01. To correct any of the vendor's tax information, submit an amended W-9 form to the Vendor Compliance Section of the State Accounting division of OBM.

State of Ohio Purchase Order—Non-Capital Appropriations

Waiver of Competitive Selection using Non-Capital Appropriations

As soon as possible after approval, the agency must encumber funds with a State of Ohio Purchase Order (ORDE) for the purchase of supplies and services in the amount approved by the Controlling Board for the current fiscal year. Any amount approved for the second fiscal year of the biennium must be encumbered promptly in the second fiscal year. Failure to properly encumber the entire amount in this manner for the purchase within fiscal biennium for which the waiver of competitive selection was approved, will result in the waiver becoming void, and the agency will have to submit a new Controlling Board request in order to make the purchase.

State of Ohio Contract Encumbrance—Capital Appropriations

Waiver of Competitive Selection using Capital Appropriations, or a Release of Capital Appropriations

As soon as possible after Controlling Board approval, the agency must encumber funds with a State of Ohio Contract Encumbrance form (CNT). Amounts for vendors that have been granted a waiver of competitive bidding or competitive selection in one capital biennium must be encumbered in that biennium.

- In the cases where *capital projects are administered by DAS/General Services Division-Office of the State Architect,* complete the appropriate sections of the contract encumbrance and forward the document to DAS/ General Services Division-Office of the State Architect. DAS will forward the encumbrance document to OBM/State Accounting for review and acceptance in CAS. For further information, contact DAS/ General Services Division-Office of the State Architect.

- In cases where *capital projects are administered by the Agency*, prepare the contract encumbrance and forward the document directly OBM/State Accounting immediately after the meeting.

Spending Authority Document (SAD)

Adjustments to an Agency's Operating Budget

State Accounting will modify CAS to reflect the action approved by the Board. The agency should submit a Spending Authority Document (SAD) to its OBM budget analyst as soon as possible after the request is approved in order to allot the new appropriation.

For more information on the State Accounting forms discussed above, see the CAS Manual Procedures, or contact State Accounting.

Section V—At the Meeting

The Controlling Board meeting is the focal point of the Board's work. Although a great amount of effort is expended before a meeting to facilitate the work of the Board, it is the meeting itself in which the Board grants its approval (or denies approval) of those items presented to it. This section discusses:

- Meeting Overview
- The Agenda
- Order of Business
- Open Meeting Policy/Executive Session
- Protocol
- Meeting Minutes

Meeting Overview

Meetings typically last from two to four hours. In attendance are the Board members, members' staff, LBO liaisons for the four caucuses, agency representatives, and in some cases representatives of the media and members of the public. Meetings are typically held in the same hearing room in which the Senate Finance Committee meets. In most cases, the Controlling Board meets approximately every two weeks, with exceptions for holidays, elections, and other special events. Generally, the Controlling Board President publishes the meeting schedule in October for the upcoming calendar year. The current schedule can be found in the Appendices.

The Agenda

The agenda guides the actions of the Board at the meeting. The President has sole authority to set the agenda. After agencies submit requests, the President approves a list of requests to be considered at the next meeting. This agenda is published seven days prior to the meeting. The first items listed on the agenda are elected office holders followed by university items. Since many university representatives must travel long distances to attend meetings, the courtesy is extended to them to consider their items immediately after elected officials. Requests for releases from the Board's emergency purposes account follow university requests. All other items are then ordered alphabetically by agency. Each item is identified by a Controlling Board number (a unique designation consisting of the agency three-letter CAS code followed by a three-digit number).

Order of Business

The following represents the typical order of business at a meeting.

Call to order

The President typically calls the meeting to order when all members are present.

Roll call of attendance

The Secretary calls the roll of the members present.

Approval of minutes of previous meeting

The President calls for a motion and a second to the motion to approve the minutes of the previous meeting. Corrections to the previous meeting's minutes are addressed.

Agenda deferrals and withdrawals

The president announces any deferrals or withdrawals from the agenda, which are typically made at the request of the agency.

Agenda items held for questions

Most requests are typically approved with a "blanket,, approval (i.e. in a block). However, those items that members want to hold for further questioning and a separate vote are "held,, at the request of any member. The President asks each member for "holds.,, A "hold,, is a member's privilege to exclude an item from the blanket approval. It does not imply that the member will vote against the item.

Blanket approval of agenda items not held for questions

Once all holds are registered, a motion to approve all items not held is in order. Once moved and seconded, the motion is generally agreed to without objection. The Secretary then reads through the agenda indicating which items are approved and which have been withdrawn, deferred, or held. After this reading, there is usually a short break in the proceedings to allow those who no longer have business before the Board to leave the meeting.

Disposition of items held for questions

After the blanket approval, the meeting focuses on the held agenda items. These are typically taken in agenda order. The President, however, may choose to take certain items out of order. This is usually done with the general consent of the members. Reasons for taking items out of order may include the presence of a member of the General Assembly or a statewide elected official interested in speaking to a request, or the desire to accommodate those who may have traveled long distances to speak to a request. Each held item is read and the agency representative is asked to step forward to respond to questions. Board members are given the opportunity to ask questions. The item may be approved without objection, or the objections of members may be noted. The affirmative vote of four members is required for approval of an item. In certain circumstances, a roll-call vote on an item may be requested by one or more members.

Amendments to requests

Some items are held for the purpose of making amendments to the request. Additionally, from time to time, members desire to offer amendments to items based on information revealed during the course of questioning.

Signature sheets

For any item receiving at least one objection, a signature sheet is circulated. This sheet requires the affirmative signature of the members voting for the item and an indication of the objection by the member(s) making the objection.

Agenda item add-ons

After the disposition of items on the regular agenda, the Controlling Board may agree to consider additional items. Members may ask questions as to the nature of the request. The item(s) is then approved (or disapproved) as other regular items.

Adjournment

The President adjourns the meeting at the close of all regular business before the Board.

Open Meeting Policy/Closed Sessions/Executive Sessions

In accordance with Section 121.22 of the Ohio Revised Code, all meetings of the Controlling Board are open meetings. This means that they are open unless action described below is taken to close the meeting or to meet in executive session.

Closed Meetings

Revised Code 121.22 (E) provides very specific circumstances under which the Controlling Board may close a meeting. Such closing pursuant to this section relates only to requests that involve the provision of assistance pursuant to Chapter 122 or Chapter 166, which involve assistance provided by the Department of Development.

Executive Session

Revised Code Section 121.22 (G) speaks to the limited circumstances under which a public body may hold an executive session. An executive session may be held only after a proper motion and the affirmative role call vote of a majority of a quorum (3 members) for the sole purpose of considering and of the matters specified in Division (G).

The Controlling Board typically would only engage in matters that would apply under conditions 3 or 5.

Protocol

A Controlling Board meeting is conducted in the same manner as most legislative committee meetings. The President presides over the business of the Board. In respect of this responsibility, those speaking before the Board typically begin their address with, "Mr. (or Madam) President, members of the Board, I am (name, title/position) of the (name of department, institution or agency),,. Questions are answered in a similar fashion referencing first the President and then the member asking the question (e.g. "Mr. President, Senator Smith, the answer to your question is .....,,). It is imperative that the presenter speak clearly into the microphone on the podium.

Meeting Minutes

The official record of the proceedings of the meeting is contained in the meeting minutes. The minutes are prepared by the Secretary after the meeting. They are circulated to members when the agenda of the following meeting is distributed. Minutes are considered at the next meeting (see above).

Controlling Board Manual Glossary

This glossary is designed to assist you in understanding the terms referenced in this manual. In addition, the Central Accounting System (CAS) Inquiry screens are referenced in () when applicable.

Adjusted Appropriation	The amount of the original appropriation minus any executive order reductions plus net transfers. For prior Budget Fiscal Years, the adjusted appropriation always equals the sum of disbursements and outstanding encumbrances. (QAPPR02)
Appropriation	An authorization granted by the Ohio General Assembly to make budgetary expenditures and to incur obligations for specific purposes. An appropriation limits the amount that may be spent for a given purpose in a given period of time. No appropriation may be made for a period longer than two years.
Agency Administration of Capital Expense (Local Administration)	The administration and bidding authority given to state agencies for a construction-related project utilizing capital appropriations. This authority may only be granted by the Ohio Department of Administrative Services, Office of the State Architect, or as prescribed by law.
Appropriation Line Item (ALI)	The seven-character code that identifies the specific purpose of appropriations as authorized by law and accounted for within its fund. The ALI Name indicates the specific purpose of amounts appropriated or expended. ALI codes are used in the accounting system for budgetary reporting and control.

Available Balance	In reference to an ALI, this is the amount available for spending from the ALI. Calculated as original appropriation plus net transfers, minus reductions, spending, unallotted and unassigned amounts. (QAPPR02)
Biennium	A two-year period that begins July 1 and ends twenty-four months later on June 30.
Budget	A plan of financial operation embodying an estimate of proposed expenditures and obligations for a given period and the proposed means of financing them.
Capital Appropriation Act (Budget Bill)	A capital plan approved by the Ohio General Assembly for all state-financed capital improvements projects.
Cash	Cash is money on deposit in a financial institution under the Treasurer of State's administration. Cash balance is affected by disbursements (decreased) and revenue (increased). Cash is accounted for at the fund level in CAS.
CAS (Central Accounting System)	An acronym for the state Central Accounting System managed by OBM.
Contract (New)	An agency's initial contract with a vendor or an agency's subsequent contract with a vendor if the subsequent contract is not based upon the exercise of a renewal option in the prior contract.
Contract (Amendment)	An addition, deletion or revision of a current contract.
Contract (Renewal)	The exercise of an option to enter into a subsequent contract with a vendor in accordance with a renewal provision specified in a preceding contract.

Controlling Board	The Controlling Board is comprised of the Director of the Office of Budget and Management, or his or her designee, and six members of the Ohio General Assembly. The board provides legislative oversight over certain capital and operating expenditures by state agencies and has approval authority over various other state fiscal and purchasing activities.
Controlling Board Meeting Agenda	The agenda summarizes each request submitted by the Controlling Board President to the Controlling Board for action at a particular Controlling Board meeting.
Controlling Board Meeting	The Controlling Board meets at least once a month. The Board usually meets every other Monday afternoon.
Controlling Board Number	A six-character code assigned by the agency that identifies a particular equest. The first three characters are the agency's CAS Code and the last three are numeric and unique to that agency for the fiscal biennium. Once a request is approved, this number serves as the legal authority for the expenditure of appropriation consistent with the approval.
Controlling Board President	The Director of the Office of Budget and Management or his or her designee serves as the President of the Controlling Board.
Controlling Board Secretary	The Director of the Office of Budget and Management designates an employee of OBM to serve as secretary of the Controlling Board. The Secretary assists the President of the Controlling Board and makes and keeps a record of each request received by the Board and the Board's action on the request.

Cumulative Purchase (Controlling Board) Threshold	This threshold is the dollar amount per vendor that establishes when an agency must come to the Controlling Board for a waiver of competitive selection for the purchase of supplies or services. 1) The cumulative threshold for purchases is $50,000 for supplies and services ($75,000 for institutional agencies) and $75,000 and for real estate leases. 2) To determine if a state agency has reached the cumulatve threshold for purchases, the amount of the purchase proposed to be made by the state agency shall be combined with both the amount of all the disbursements by the agency to the particular vendor or contractor during the fiscal year and the amount of all outstanding encumbrances of the agency for the vendor or contractor. 3) Real estate leases, purchases specified in RC 127.16(E), and purchases for which Controlling Board has granted a waiver of competitive selection shall not be considered.
Disbursement	A payment made for any purpose.
Encumbrance	A CAS spending document that legally reserves appropriation from an agency's available appropriation balance which represents purchase orders and contracts entered into by state agencies and institutions of higher education. This document may either be a State of Ohio Purchase Order or State of Ohio Contract Encumbrance.
Equipment	Durable goods such as computers, desks, chairs or cars.

Expenditures	Payments against appropriations that reduce the cash balance after legal requirements have been met. A fiscal year's expenditures are payments actually made in that fiscal year, regardless of the state fiscal year in which the appropriations were reserved or encumbered for such payments.
Fiscal Year (FY)	A twelve-month period of time used for fiscal planning purposes. The state fiscal year (usually FY, but sometimes abbreviated as SFY) begins on the first day of July and ends at the close of the thirtieth day of June of the succeeding calendar year.
Fund	A separate fiscal and accounting entity with a self-balancing set of accounts. A fund created in the state treasury usually has one or more appropriation line items facilitating expenditures from the fund. If the fund has only one appropriation line item, the ALI name often is the same as the fund name.
(Budget) Fund Group	This category is used to group similar funds for Ohio's budgetary reporting purposes. Ohio's funds are categorized according to their revenue sources and purposes for which they are used. The Budget Fund Group can be located within the appropriation act or through the CAS Master Table-FUND.
Legal Authority	The authorization for the expenditure established by a House Bill, Senate Bill, Controlling Board action, or Governor's Executive Order. (QAPPR04)
Legislative Budget Office	A nonpartisan office of the Legislative Service Commission, that assists the Ohio General Assembly in budget, fiscal and economic areas.

Minority Business Enterprise (MBE)	Company that meets criteria established by Ohio Revised Code and certified by the Equal Opportunity Center within the Ohio Department of Administrative Services as a minority business enterprise.
Ohio Office of Budget & Management (OBM)	OBM provides fiscal accounting and budgeting services to state government which include coordination, development and monitoring of agency operating and capital budgets and the review, processing and reporting of financial transactions made by state agencies.
OBM Budget Analyst	OBM Budget Analysts assist the Governor in developing and implementing the state operating and capital budgets for submission to the Ohio General Assembly. In addition, the analysts provide economic and fiscal forecasting and monitor the state's financial resources and obligations.
Object	A three-character code which identifies an object of expense as defined by State Accounting.
Object Category	One-character code used to identify a group of object classes.
Ohio Revised Code (ORC)	All statutes of permanent and general nature of the state as revised and consolidated into general provisions, titles, chapters, and sections.
Operating Appropriation Act (Budget Bill)	An operating plan approved by the Ohio General Assembly for all state-financed operating activities or programs.
Original Appropriation	The amount appropriated in the original appropriations act. (QAPPR02)

Purchase	The act of buying, renting, leasing, lease-purchasing, or otherwise acquiring supplies or personal services.
DAS Release & Permit	For purchases above DAS' Direct Purchase Authority, an approved Release & Permit is issued by DAS when DAS has determined that procurement of a supply or service by DAS would not be advantageous to the state. The agency may proceed in making the purchase using procurement guidelines provided by DAS.
Release of Capital Appropriation	Authorization which an agency must obtain from the Controlling Board before the agency may expend a capital appropriation. Under certain provisions specified in law, the Director of OBM may authorize the release of capital appropriations.
Service	Includes the furnishing of labor, time or effort by a person(s) which may be technical, non-technical, consulting, advisory, professional or non-professional in nature.
Supply	Means all property, including, but not limited to, equipment, insurance, materials, with the exception of land.
Transfer of Appropriation	An adjustment of appropriation between two or more appropriation line items that involves the reduction of appropriation in one line item and the increase of appropriation in another line item(s).
Unassigned Amount	Dollar amounts that are appropriated but not allocated to a SAC with a Fiscal Year Allotment Plan. For capital purposes these are amounts not previously released for use. (QAPPR02)

Vendor Identification Number	The nine-character identification under which the vendor is identified in the CAS. This may be either an employer identification number (EIN) or a social security number (SSN). (QVNDR01)
Waiver of Competitive Selection	Under certain circumstances, the Controlling Board is authorized to waive an agency's obligation to follow competitive selection for the purchase of supplies or services.

APPENDICES

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ORC 127.12 Controlling Board; Members; Payment; Substitute Members

There is hereby created a controlling board consisting of the director of budget and management or an employee of the office of budget and management designated by the director, the chairman of the finance-appropriations committee of the house of representatives, the chairman of the finance committee of the senate, two members of the house of representatives appointed by the speaker, one from the majority party and one from the minority party, and two members of the senate appointed by the president, one from the majority party and one from the minority party.

Notwithstanding section 101.26 of the Revised Code, the legislative members, when engaged in their duties as members of the controlling board, shall be paid at the per diem rate of one hundred fifty dollars, and their necessary traveling expenses, which shall be paid from the funds appropriated for the payment of expenses of legislative committees.

In the event of the absence, illness, disability, death, or resignation of a legislative member, the following persons may serve in his absence: for the chairman of the finance-appropriations committee of the house of representatives, the speaker of the house or a member of the house designated by him; for the chairman of the senate finance committee, the president of the senate or a member of the senate designated by him; for a member of the board appointed by the speaker of the house of representatives, or the president of the senate, the speaker or the president, as the case may be, or a member of the house of representatives or of the senate of the same party as such controlling board member, designated by such speaker or president.

As used in any statute, “controlling board,” unless the context otherwise requires, means the controlling board created by this section.

ORC 127.13 Officers; Procedures

The director of budget and management or his designee shall be president of the controlling board. The president shall prepare the proposed agenda for the meetings of the board and shall provide, at least seven days prior to the meeting, copies of the proposed agenda and supporting documentation to the members of the board and to the legislative budget office of the legislative service commission.

The director shall designate an employee of the office of budget and management to serve as secretary of the controlling board. The secretary shall assist the president of the board and shall make and keep a record of each request received by the board and of its action thereon. The secretary shall certify a copy of the record of each action to each member of the board and to the director.

The controlling board may adopt procedural rules for the conduct of the business of the board, may approve, disapprove, modify as to specific dollar amounts, or defer requests, and may require that a request from the senate, the house of representatives, the supreme court, or an elected member of the executive department as defined in Section 1 of Article lil, Ohio Constitution, not currently before the controlling board be added to the agenda for a specified future meeting of the board, provided that such request has been previously submitted to the president for inclusion in the agenda for a board meeting. The controlling board also may adopt rules authorizing the president to act on its behalf in exigent circumstances affecting the public health, safety, or welfare.

The afffirmative vote of no fewer than four members of the controlling board shall be required for any action of the board. The board shall meet at least once a month.

ORC 127.14 Approval Of Transfers Of Funds; Limitations; Other Powers

The controlling board may, at the request of any state agency or the director of budget and management, authorize, with respect to the provisions of any appropriation act:

(A) Transfers of all or part of an appropriation within but not between state agencies, except such transfers as the director of budget and management is authorized by law to make, provided that no transfer shall be made by the director for the purpose of effecting new or changed levels of program service not authorized by the general assembly;

(B) Transfers of all or part of an appropriation from one fiscal year to another;

(C) Transfers of all or part of an appropriation within or between state agencies made necessary by administrative reorganization or by the abolition of an agency or part of an agency;

(D) Transfers of all or part of cash balances in excess of needs from any fund of the state to the general revenue fund or to such other fund of the state to which the money would have been credited in the absence of the fund from which the transfers are authorized to be made, except that the controlling board may not authorize such transfers from the accrued leave liability fund, auto registration distribution fund, budget stabilization fund, development bond retirement fund, facilities establishment fund, gasoline excise tax fund, general revenue fund, higher education improvement fund, highway improvement bond retirement fund, highway obligations bond retirement fund, highways obligations construction fund, highway operating fund, horse racing tax fund, improvements bond retirement fund, library and local government support fund, liquor control fund, local government fund, local transportation improvement program fund, mental health facilities improvement fund, Ohio fairs fund, parks and recreation improvement fund, public improvements bond retirement fund, public school building fund, school district income tax fund, state agency facilities improvement fund, state and local government highway distribution fund, state highway safety fund, state lottery fund, undivided liquor permit fund, Vietnam conflict compensation bond retirement fund, volunteer fire fighters' dependents fund, waterways safety fund, wildlife fund, workers' compensation fund, or any fund not specified in this division that the director of budget and management determines to be a bond fund or bond retirement fund;

(E) Transfers of all or part of those appropriations included in the emergency purposes account of the controlling board;

(F) Temporary transfers of all or part of an appropriation or other moneys into and between existing funds, or new funds, as may be established by law when needed for capital outlays for which notes or bonds will be issued;

(G) Transfer or release of all or part of an appropriation to a state agency requiring controlling board approval of such transfer or release as provided by law;

(H) Temporary transfer of funds included in the emergency purposes appropriation of the controlling board. Such temporary transfers may be made subject to conditions specified by the controlling board at the time temporary transfers are authorized. No transfers shall be made under this division for the purpose of effecting new or changed levels of program service not authorized by the general assembly.

As used in this section, "request" means an application by a state agency or the director of budget and management seeking some action by the controlling board.

Whenever there is a transfer of all or part of funds included in the emergency purposes appropriation by the controlling board, pursuant to division (E) of this section, the state agency or the director of budget and management receiving such transfer shall keep a detailed record of the use of the transferred funds. At the earliest scheduled meeting of the controlling board following the accomplishment of the purposes specified in the request originally seeking the transfer, or following the total expenditure of the transferred funds for the specified purposes, the state agency or the director of budget and management shall submit a report on the expenditure of such funds to the board. The portion of any appropriation so transferred which is not required to accomplish the purposes designated in the original request to the controlling board shall be returned to the proper appropriation of the controlling board at this time.

Notwithstanding any provisions of law providing for the deposit of revenues received by a state agency to the credit of a particular fund in the state treasury, whenever there is a temporary transfer of funds included in the emergency purposes appropriation of the controlling board pursuant to division (H) of this section, revenues received by any state agency receiving such a temporary transfer of funds shall, as directed by the controlling board, be transferred back to the emergency purposes appropriation.

The board may delegate to the director of budget and management authority to approve transfers among items of appropriation under division (A) of this section.

ORC 127.15 Transfer Of Capital Appropriation Items

The controlling board may authorize any state agency for which an appropriation is made, in any act making appropriations for capital improvements, to expend the moneys appropriated otherwise than in accordance with the items set forth, and for such purpose may authorize transfers among items or create new items and authorize transfers thereto, provided that prior to such transfers the agency seeking the same shall notify by mail the elected representatives to the general assembly from the counties affected by such transfers, stating the time and place of the hearing on the proposed transfers thereto. Such transfers among items shall not alter in total the appropriation to any state agency except as otherwise provided by the general assembly. The board may not authorize the transfer of a capital appropriation item of any state agency for use by such agency for operating expenses, except as otherwise provided by the general assembly.

ORC 127.16 Purchases And Leases; Waiver Of Competitive Selection

(A) Upon the request of either a state agency or the director of budget and management and after the controlling board determines that an emergency or a suffficient economic reason exists, the controlling board may approve the making of a purchase without competitive selection as provided in division (B) of this section.

(B) Except as otherwise provided in this section, no state agency, using money that has been appropriated to it directly, shall:

(1) Make any purchase from a particular supplier, that would amount to fifty thousand dollars or more when combined with both the amount of all disbursements to the supplier during the fiscal year for purchases made by the agency and the amount of all outstanding encumbrances for purchases made by the agency from the supplier, unless the purchase is made by competitive selection or with the approval of the controlling board;

(2) Lease real estate from a particular supplier, if the lease would amount to seventy-five thousand dollars or more when combined with both the amount of all disbursements to the supplier during the fiscal year for real estate leases made by the agency and the amount of all outstanding encumbrances for real estate leases made by the agency from the supplier, unless the lease is made by competitive selection or with the approval of the controlling board.

(C) Any person who authorizes a purchase in violation of division (B) of this section shall be liable to the state for any state funds spent on the purchase, and the attorney general shall collect the amount from the person.

(D) Nothing in division (B) of this section shall be construed as:

(1) A limitation upon the authority of the director of transportation as granted in sections 5501.17, 5517.02, and 5525.14 of the Revised Code;

(2) Applying to medicaid provider agreements under Chapter 5111. of the Revised Code, payments for services provided prior to July 17,1995, under general assistance medical assistance established under Chapter 5113. of the Revised Code, or payments or provider agreements under disability assistance medical assistance established under former Chapter 5115. of the Revised Code;

(3) Applying to the purchase of examinations from a sole supplier by a state licensing board under Title XLVII of the Revised Code;

(4) Applying to entertainment contracts for the Ohio state fair entered into by the Ohio expositions commission, provided that the controlling board has given its approval to the commission to enter into such contracts and has approved a total budget amount for such contracts as agreed upon by commission action, and that the commission causes to be kept itemized records of the amounts of money spent under each contract and annually files those records with the legislative clerk of the house of representatives and the clerk of the senate following the close of the fair;

(5) Limiting the authority of the chief of the division of mines and reclamation to contract for reclamation work with an operator mining adjacent land as provided in section 1513.27 of the Revised Code;

(6) Applying to investment transactions and procedures of any state agency, except that the agency shall file with the board the name of any person with whom the agency contracts to make, broker, service, or otherwise manage its investments, as well as the commission, rate, or schedule of charges of such person with respect to any investment transactions to be undertaken on behalf of the agency. The filing shall be in a form and at such times as the board considers appropriate.

(7) Applying to purchases made with money for the per cent for arts program established by section 3379.10 of the Revised Code;

(8) Applying to purchases made by the rehabilitation services commission of services, or supplies, that are provided to persons with disabilities, or to purchases made by the commission in connection with the eligibility determinations it makes for applicants of programs administered by the social security administration;

(9) Applying to payments by the department of human services under section 5111.13 of the Revised Code for group health plan premiums, deductibles, coinsurance, and other cost-sharing expenses;

(10) Applying to any agency of the legislative branch of the state government;

(11) Applying to agreements entered into under section 5101.11 of the Revised Code;

(12) Applying to purchases of services by the adult parole authority under section 2967.14 of the Revised Code or by the department of youth services under section 5139.08 of the Revised Code;

(13) Applying to dues or fees paid for membership in an organization or association;

(14) Applying to purchases of utility services pursuant to section 9.30 of the Revised Code;

(15) Applying to purchases made in accordance with rules adopted by the department of administrative services of motor vehicle, aviation, or watercraft fuel, or emergency repairs of such vehicles;

(16) Applying to purchases of tickets for passenger air transportation;

(17) Applying to purchases necessary to provide public not)fications required by law or to provide not)fications of job openings;

(18) Applying to the judicial branch of state government;

(19) Applying to purchases of liquor for resale by the department or, on and after July 1,1997, the division of liquor control;

(20) Applying to purchases of motor courier and freight services made in accordance with department of administrative services rules;

(21) Applying to purchases from the United States postal service and purchases of stamps and postal meter replenishment from vendors at rates established by the United States postal service;

(22) Applying to purchases of books, periodicals, pamphlets, newspapers, maintenance subscriptions, and other published materials;

(23) Applying to purchases from other state agencies, including state-assisted institutions of higher education;

(24) Limiting the authority of the director of environmental protection to enter into contracts under division (D) of section 3745.14 of the Revised Code to conduct compliance reviews, as defined in division (A) of that section;

(25) Applying to purchases from a qualified nonprofit agency pursuant to sections 4115.31 to 4115.35 of the Revised Code;

(26) Applying to payments by the department of human services to the United States department of health and human services for printing and mailing notices pertaining to the tax refund offset program of the intemal revenue service of the United States department of the treasury;

(27) Applying to contracts entered into by the department of mental retardation and developmental disabilities under sections 5123.18, 5123.182, and 5111.252 of the Revised Code.

(28) Applying to payments made by the department of mental health under a physician recruitment program authorized by section 5119.101 of the Revised Code.

(29) Applying to contracts entered into with persons by the director of commerce for unclaimed funds collection and remittance efforts as provided in division (F) of section 169.03 of the Revised Code. The director shall keep an itemized accounting of unclaimed funds collected by those persons and amounts paid to them for their services.

(E) Notwithstanding division (B)(1) of this section, the cumulative purchase threshold shall be seventy-five thousand dollars for the departments of mental retardation and developmental disabilities, mental health, rehabilitation and correction, and youth services.

(F) When determining whether a state agency has reached the cumulative purchase thresholds established in divisions (B)(1), (B)(2), and (E) of this section, all of the following purchases by such agency shall not be considered:

(1) Purchases made through competitive selection or with controlling board approval;

(2) Purchases listed in division (D) of this section;

(3) For the purposes of the thresholds of divisions (B)(1) and (E) of this section only, leases of real estate.

(G) As used in this section, “competitive selection,” “purchase,” “supplies,” and “services” have the same meanings as in section 125.01 of the Revised Code.

ORC 127.17 Board To Carry Out Legislative Intent

The controlling board shall take no action which does not carry out the legislative intent of the general assembly regarding program goals and levels of support of state agencies as expressed in the prevailing appropriation acts of the general assembly.

ORC 131.35 Expenditures Of Federal Funds; Nonfederal Funds; Transfer And Limits On Expenditure

(A) With respect to the federal funds received into any fund of the state from which transfers may be made under division (D) of section 127.14 of the Revised Code:

(1) No state agency may make expenditures of any federal funds, whether such funds are advanced prior to expenditure or as reimbursement, unless such expenditures are made pursuant to specific appropriations of the general assembly identifying the federal program that is the source of funds, are authorized pursuant to section 131.38 of the Revised Code, are authorized by the Controlling Board pursuant to division (A)(5) of this section, or are authorized by an executive order issued in accordance with section 107.17 of the Revised Code, and until an allotment has been approved by the director of budget and management. All federal funds received by a state agency shall be reported to the director within fifteen days of the receipt of such funds or the not)fication of award, whichever occurs first. The director shall prescribe the forms and procedures to be used when reporting the receipt of federal funds.

(2) If the federal funds received are greater than the amount of such funds appropriated by the general assembly for a specific purpose, the total appropriation of federal and state funds for such purpose shall remain at the amount designated by the general assembly, except that the expenditure of federal funds received in excess of such specific appropriation may be authorized by the controlling board.

(3) To the extent that the expenditure of excess federal funds is authorized, the controlling board may transfer a like amount of general revenue fund appropriation authority from the affected agency to the emergency purposes appropriation of the controlling board, if such action is permitted under federal regulations.

(4) Additional funds may be created by the controlling board to receive revenues not anticipated in an appropriations act for the biennium in which such new revenues are received. Expenditures from such additional funds may be authorized by the controlling board, but such authorization shall not extend beyond the end of the biennium in which such funds are created.

Controlling board authorization for a state agency to make an expenditure of federal funds under division (A)(1) of this section constitutes authority for the agency to participate in the federal program providing the funds, and the agency is not required to obtain an executive order under section 107.17 of the Revised Code to participate in the federal program.

(B) With respect to nonfederal funds received into the waterways safety fund, the wildlife fund, and any fund of the state from which transfers may be made under division (D) of section 127.14 of the Revised Code:

(1) No state agency may make expenditures of any such funds unless the expenditures are made pursuant to specific appropriations of the general assembly.

(2) If the receipts received into any fund are greater than the amount appropriated, the appropriation for that fund shall remain at the amount designated by the general assembly or as increased and approved by the controlling board.

(3) Additional funds may be created by the controlling board to receive revenues not anticipated in an appropriations act for the biennium in which such new revenues are received. Expenditures from such additional funds may be authorized by the controlling board, but such authorization shall not extend beyond the end of the biennium in which such funds are created.

(C) The controlling board shall not authorize more than ten per cent of additional spending from the occupational licensing and regulatory fund, created in section 4743.05 of the Revised Code, in excess of any appropriation made by the general assembly to a licensing agency except an appropriation for costs related to the examination or reexamination of applicants for a license. As used in this division, “licensing agency” and “license” have the same meanings as in section 4745.01 of the Revised Code.

Independent Contractor Guidelines

Directive No. 97-10
Effective Date: July 1 , 1997

TO: ALL APPOINTING AUTHORITIES AND PERSONNEL OFFICERS
FROM: SANDRA A. DRABIK
DIRECTOR OF ADMINISTRATIVE SERVICES
TITLE: INDEPENDENT CONTRACTOR GUIDELINES

PURPOSE

To establish uniform guidelines and policies for appointing authorities, personnel officers and payroll officers of all departments, institutions, agencies and commissions with job classifications established under section 124.14(A) of the Ohio Revised Code.

GENERAL

Pursuant to section 124.14(A) of the Revised Code, the director of Administrative Services is to establish a job classification plan for all employments, the salaries of which are paid in whole or in part by the state. Appointing authorities with service needs that cannot be fulfilled with an employee appointment may enter into a personal services agreement and contract for the performance of those services. Care should be taken to distinguish between a contract employee and an independent contractor.

An independent contractor is paid a fee or other payment by contractual arrangement for particular services. Personnel of the appointing authority do not control or supervise the manner of an independent contractor's work. Independent contractors are not eligible for employee fringe benefits such as vacation or sick leave, and do not appear on a public payroll. They are generally required to provide their own supplies and equipment and to provide and pay assistants if necessary. Independent contractors receive a Form 1099 for income tax reporting purposes and are not **eligible for workers** compensation.

Established Criteria of an Independent Contractor

Control is the common criteria established in common law and by the Internal Revenue Service, Department of Labor and Public Employee Retirement System in determining whether a particular individual is a contract employee or independent contractor of an employer.

The following guidelines combine various sources to establish the general characteristics possessed by an employee and contrast those characteristics with those generally possessed by an independent contractor.

Factors to weigh in determining control (and thus, whether the worker is an employee):

a. A worker who is required to comply with instructions about when, where and how the worker is to work is ordinarily an employee. The employer's right to instruct, not the actual exercise of the right is important. Instructions may be oral or written (i.e., procedures and manuals).

b. Training of a worker by an experienced employee who works with the worker is a factor indicating control because it indicates that the employer wants the services performed in a certain manner. Independent contractors ordinarily-use their own methods and receive training from the one who purchases the services.

c. If services must be rendered personally and the employer is interested in who does the job, as well as in getting the job done, it indicates that the employer is interested in the methods used, as well as the result of the services rendered and thus, favors employment rather than an independent contractor relationship.

d. The hiring, supervision and payment by an employer generally shows control over the persons on the job. However, if a worker hires, supervises and pays assistants under a written contract to provide materials and labor, the worker may be an independent contractor.

e. The existence of a continuing relationship between the worker and the employer tends to indicate an employer-employee relationship. A continuing relationship may exist when work is frequently performed, even though at irregular intervals or when the contract is long term or regularly renewed.

f. If the employer sets the hours of work, that is indicative of control.

g. An independent contractor is free to work for as many employers as he chooses. An employee works full time for the employer.

h. The location where the work is performed might indicate an element of control. If the work is performed on the employer's premises, an element of control is implied, especially if the work could be conducted elsewhere. Likewise, if the worker uses the employer's tools, materials, etc. that is indicative of control. In contrast, if the worker makes a significant investment in the facilities he or she uses (i.e., rents an office from an unrelated party), he or she would tend to be an independent contractor.

i. If the employer directs how the work must be performed (i.e., the sequence of tasks, regular reports, the manner in which something is to be accomplished, the worker is likely an employee).

j. Employees are typically compensated for work done by the hour, week or month. Independent contractors are paid by the job or on a commission basis.

k. If a worker makes his or her services available to the general public, he or she would tend to be an independent contractor.

l. An employer has the right to discharge an employee. The services of an independent contractor are terminated for breach of contract.
m. If there is an opportunity for profit and loss, the worker is likely to be an independent contractor.

Assessment of Agency Needs

A multi-step analysis is required to assess agency needs. Determine whether the worker's function is that of an independent contractor. Then use the guidelines set out below to determine whether the worker's function is inherently governmental. This determination involves an assessment as to whether the worker's function is so intimately related to the public interest that the work must be performed by a governmental employee. As a guide, ask the following questions:

1. Is the work to be performed policy making or managerial in nature?
2. Is the contract being used to bypass personnel ceilings, pay limitations or employment procedures?
3. Is the "contract,, to be given to a former agency employee?
4. Will the "contractor,, aid in influencing or enacting legislation?
5. Is the "contractor's,, expertise available within the agency or from another agency?

If the function is not inherently governmental, determine whether the service is personal in nature and, therefore, appropriate for a personal services contract. Is the service a regulated profession under Title 47 of the Revised Code? Many of these professions have state job classifications. Does it involve independent judgment, extended analysis and advance training?

Each appointing authority is to evaluate the functions of its workers to determine whether the individual is an independent contractor or a contract employee. If the individual functions as an employee, every effort should be made to place the individual into an appropriate employee job classification so that appropriate IRS, PERS and other employee withholdings may be made. Temporary employees hired through an employment agency or temporary service should have employee withholdings made through that service.

Selecting an Independent Contractor

Typically, the personal services of an independent contractor should not be long term, and contractors should not be hired to perfomm work that could be performed by state employees. Long-term personal services may be acquired

through seasonal, intermittent, part-time or permanent state employees. Contracts may not cross over the biennium, but may be renewed when necessary.

- Check contractor's references to ensure that the contractor can perform the work.

- In preparing the personal services contract, ensure that the statement of work or scope of services defines as precisely as possible the product of the contractor's work.

- Ensure that quality and value as received by the agency. Include a quality assurance plan or process to evaluate the contractors work.

- Eliminate conflicts of interest through competition where possible. Some contracts require a competitive selection process. Avoid allowing the contractor to steer the agency toward follow-on contracts. Avoid career contractors.

- Include a contract provision requiring the contractor to acknowledge the intent of the parties that the contractor is an independent contractor not a state employee for all purposes, including but not limited to the application of the Fair Labor Standards Act, Social Security Act, Federal Unemployment Tax Act, Federal Insurance Contribution Act, the provisions of the Internal Revenue Code, Ohio tax law, workers' compensation law and unemployment insurance law.

- Include a contract provision wherein the [contractor] agrees that it is a separate and independent enterprise from the state and from your agency and that it has a full opportunity to find other business and has made an investment in its business. Moreover, [the contractor] will retain sole and absolute discretion in the judgment of the manner and means of carrying out the [contractor's] activities and responsibilities under the contract. The contract is not to be construed as creating any joint employment relationship between [the contractor] and [the public agency or the state of Ohio.

- Take the time to develop a good Competitive Sealed Proposal or Request for Proposal. Much of its content can be incorporated into the

contract and it will establish the parameters, scope of services, contract scope and renewal options of your selected contractor.

This Directive supersedes any previously issued directive or policy and will remain effective until cancelled or superseded.

AUTHORITY & REFERENCES
ORC 124.14(A)
OAC 123:1-45-01
OAC 123:1-7

IRS list of 21 common law factors for determining independent contractors.
OAC 145:5-15

Office of Federal Procurement Policy Letter 92-01. Model Independent Contractor Agreement for Services (available from DAS)

Section 2-302 Model Procurement Code for State and Local Governments (ABAIALI)