

Finance

The Finance Department is responsible for — among other duties — budgeting, contracts, leases, controlling board submissions, procurement, purchasing-card administration, asset management, billing and revenue, collection of delinquent accounts, and annual external financial reporting. The department ensures compliance with the Ohio Revised Code (ORC) and Ohio Administrative Code (OAC), and the Ohio Budget and Management (OBM) and Ohio Department of Administrative Services (DAS) regulations and policies and procedures.

Budget Preparation and Monitoring

The Finance Department prepares a biennial budget, coordinating with Human Resources, IT, and Facilities and Operations for required information, which is submitted through OBM's budget portal. The General Assembly authorizes expenditures through Appropriation Line Items (ALI) in biennial and supplemental appropriation acts.

Budgets are set by major account categories, Personal Services, 500, (salaries and benefits), Maintenance, 520 (operating costs), and Equipment, 530, across 11 active ALIs. These include five General Revenue Funds (GRF) and six Dedicated Purpose Funds.

Budgetary Reporting

Finance, through an established internal budget process, allocates the authorized appropriations among 22 AOS departments and regions. The monthly internal budget-to-actual report along with expenditure and encumbrance reports are distributed. A budget-to-actual report for the Audit regions is distributed to the Deputy Chief Auditor.

The Finance team meets quarterly with the Chief Financial Officer to review Payroll, Non-Payroll expenditures, and collected revenue. Expenditure and Revenue are tracked and reviewed quarterly for comparison throughout the fiscal year. Additional budgetary information is collected internally or through OAKS and made available for comparison and analysis.

Annual Audit and Financial Statement Preparation

As required by [ORC §117.14](#), the Office undergoes an annual audit. The Legislative Audit Committee, including members from the Governor's Office and the Chairs of the House and Senate Finance Committee, selects an Independent Public Accounting (IPA) firm through a competitive bidding process. OBM administers and pays the audit contract. Fieldwork generally begins in August or after the Entrance Conference is held.

The completed audit documents are due to OBM by their specified date, no later than Oct. 15, as specified in the Code. **Currently, Rea and Associates** is the IPA firm

selected to audit the AOS. OBM's audit contact is Kelley Salomone, Chief Audit Executive, Internal Audit (Kelly.salomone@obm.ohio.gov).

As part of the audit, the Finance Department prepares the financial statements and the Annual Comprehensive Financial Report (ACFR) of the Office. The completed report is submitted electronically through OBM's GAAP portal and is included as part of the State of Ohio's annual ACFR.

The Office's ACFR is submitted to the Government Finance Officers Association (GFOA) for Certificate of Achievement consideration. **The report for June 30, 2025, will be submitted by December 2025.** Notifications regarding award status are typically received after April.

Cost Allocation Plan

Following completion of the annual financial audit, the Finance Department prepares the Statewide Cost Allocation Plan (SWCAP). This plan is used to calculate the billing rate for audit services provided by audit departments and divisions, Local Government Services (LGS), and the Ohio Performance Team (OPT), provided to Local Governments, Schools, State Agencies and Colleges and Universities. To complete this work, the AOS contracts annually with Maximus Consulting Services Inc. The report is submitted electronically to OBM by the specified date in December.

The SWCAP is a critical component of the AOS billing model. The hourly rate established through this plan is used to recover the cost of audit services provided to state-level clients and supports the office's broader cost recovery strategy. In addition to being used for indirect cost allocation for specified departments of the Office.

Accounts Payable and Procurement

The Accounts Payable section of the Finance Department ensures timely payment of all invoices. This includes payments made to suppliers, other state agencies (via Intra-State Transfer Vouchers (ISTV), and employee reimbursements.

Additional responsibilities include:

- Handling payment-card transactions
- Travel (in-state and out-of-state)
- Miscellaneous reimbursements
- Professional certification and membership fees
- Tuition reimbursement
- Payments for conferences and training

All transactions are processed through the Ohio Administrative Knowledge System (OAKS), which is maintained by OBM.

Procurement follows state procurement policies administered by DAS. Purchase Orders are created for purchases exceeding the \$5,000 threshold or requested by the supplier.

Accounts Receivable

The Accounts Receivable section is responsible for billing, collecting, and posting client payments. Billing is completed at the end of each month for all audit engagements, except for the Uniform Accounting Network (UAN), which is billed quarterly. The Finance Department uses Great Plains (GP) (D365) as the Office's timekeeping and billing system. A new timekeeping and billing system is currently being developed for future implementation.

On average, the department generates 1,300 invoices each month. Monthly statements are posted electronically to client accounts through the Office's eServices Portal.

The eServices Portal gives clients 24/7 access to their account information. The portal provides clients with detailed billing and payment history along with other pertinent account information at their convenience.

Clients may submit payments either through a secure lockbox or by using an electronic check feature available in the eServices portal.

These payment processes are managed through KeyBank, under contract with the Treasurer of State's Office and the State Board of Deposit.

Finance also processes and posts payments for employee reimbursements, training seminar and conference fees, and other miscellaneous receipts that are deposited into OAKS revenue codes. The Finance Department reconciles the daily batches comparing GP (D365) to OAKS, and there is a monthly reconciliation all cash deposits.

Contracting

Any AOS department planning to engage a supplier for professional services must identify the service needed and coordinate with the Finance Department. This requirement does not apply to Independent Public Accountant (IPA) contracts.

The initiating department is responsible for ensuring that the contract's terms, including the pricing structure, are followed throughout the engagement. All contracts must undergo legal review in coordination with Finance.

For contracts requiring Controlling Board approval, the Finance Director or Assistant Finance Director submits the request through the Controlling Board portal with the required documentation. The CFO, along with a representative of the requesting department, attends the Controlling Board meeting and makes the necessary presentation. Controlling Board approval is required when cumulative payments to a non-state term supplier exceed \$50,000 in a fiscal year.

Historically, Controlling Board approval has been obtained for several recurring contracts, including:

- Local Government Officials Conference
- The office's electronic workpaper
- TeamMate
- License and maintenance agreement
- Wolters Kluwer
- Special Investigations Unit intake and support system
- Column Technologies
- The Uniform Accounting Network rewrite project
- Star Seven Six
- The Office's ACL software license

The Finance Department plays a central role in ensuring compliance with procurement requirements, proper contract execution, and coordination across all stakeholders to support operational efficiency and transparency.