There have been a few recent questions regarding compliance requirements related to Ohio. Rev. Code §5705.14(E). Specifically, it was questioned whether or not any board resolution was required for transfers from the General Fund. In our research for a response, we discovered the guidance in the Ohio Compliance Supplement (OCS) was less than clear with regard to this. We will clarify this matter in the 2021 OCS; however, to avoid further confusion we also wanted to provide some advance notice/clarification.

Current requirements/guidance
Ohio. Rev. Code §5705.14 says, in part, “(E) Money may be transferred from the general fund to any other fund of the subdivision”….”Except in the case of transfer pursuant to division (E) of this section, transfers authorized by this section shall only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members.”

Additionally, the OCS (Chapter 1-6) cites 1989 Op. Att’y. Gen. No. 89-075 (which further indicates governing board resolutions are required to be passed by a simple majority to transfer funds), with a footnote interpretation indicating the board may approve interfund transfers from the general fund within its annual appropriation measure.

Clarification moving forward
The governing board may pass a resolution, or they may approve interfund transfers in the annual appropriation measure; however, they are not required to do so for transfers from the General Fund under 5705.14 (they are required to for other transfers). If they do pass resolutions/appropriation measures that specify limits in transfers from the General fund, they are required to comply with their self-imposed restrictions. Additionally, even though there is no governing board action required under 5705.14, there may be other budgetary requirements that would still require board action (e.g. amending resources/appropriations) related to the moving of money out of the General Fund.