



Dave Yost  
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From: Audit Administration  
To: All IPA Firms  
Subject: ORC 3314.50, Community School Guarantee  
Date: July 17, 2015

Section 3314.50 of the Ohio Revised Code requires that the governing authority of any community school which initiates operations after March 23, 2015, post with the Auditor of State a surety bond or cash in the amount of \$50,000.00. The bond or the cash guarantee are to be used, in the event the school ceases its operations, to cover the costs of any audits of the school conducted by the Auditor of State or a public accountant under Chapter 117 of the Ohio Revised Code which are then owed or which may later arise.

It has been determined, however, that no surety bond providers are issuing such bonds, and it is impossible, therefore, for a community school to comply with this requirement absent the tender of a cash deposit. Further, the bond or deposit amount is high and may serve as an unintended barrier to the creation and operation of new startup community schools. Suggestions as to modification of the statutory provision to meet these concerns have been advanced, but no changes have been made. AOS, therefore, will not require testing of Ohio Revised Code Section 3314.50 guarantee provisions during 2015, or for subsequent community school audit periods until further notice.

Please feel free to contact Marnie Carlisle, Assistant Chief Deputy Auditor, if you have any questions concerning this guidance.