

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence
To: All IPA Firms
Subject: OCS 1-2 Blanket and Super Blanket Certificates
Date: October 25, 2022

We wanted to provide clarification regarding “blanket” and “super-blanket” certificates to help ensure that these matters are being treated consistently around the state. Ohio Rev. Code § 5705.41(D)(3) outlines the requirements for “blanket” and “super-blanket” certificates. As part of these requirements the ORC indicates that “blanket” and “super-blanket” certificates cannot “extend beyond the end of the fiscal year.” Regarding the “extend beyond the end of the fiscal year” language:

The “extend beyond the fiscal year” language in the first two paragraphs of Ohio Rev. Code § 5705.41(D)(3) (first paragraph applicable to blanket certificates and second paragraph applicable to super blanket certificates) means that a blanket certificate and a super blanket certificate cannot be created to exist for more than one fiscal year. For example, you could not create one blanket certificate that is in effect for more than one fiscal year (e.g., FY22 through FY24). A blanket or super blanket certificate once issued can only exist in one single fiscal year. Nevertheless, once an expense or a non-continuing contract has been certified, there is no need to certify it again; the preservation of that money as available to meet that previously certified expense/contract remains in a subsequent fiscal year (i.e. represents a carryover encumbrance if a valid obligation does indeed exist). (In other words, the government should consider these unpaid year-end commitments similar to other outstanding commitments/encumbrances, and reduce next year's opening unencumbered balances for these amounts.)

This updated clarification will be included in the 2023 Ohio Compliance Supplement which will be issued later this year.

Please direct any questions to the Center for Audit Excellence.