

**AUDITOR OF STATE BULLETIN 96-020
SEPTEMBER 9, 1996**

TO: ALL BOARDS OF EDUCATION
ALL SCHOOL TREASURERS
ALL COUNTY AUDITORS
ALL MUNICIPAL MAYORS
INDEPENDENT PUBLIC ACCOUNTANTS

SUBJECT: SCHOOL FISCAL EMERGENCY LEGISLATION
S. B. NO. 310, EFFECTIVE SEPTEMBER 19, 1996

Senate Bill No. 310 is enacted with the intent that, in general, declares it to be a public policy and public purpose of the state to enact procedures, provide powers, and impose restrictions to assure the fiscal integrity of school districts. This legislation provides for the declaration of a "fiscal watch" and requires a "fiscal watch" school district to prepare a financial plan to resolve its fiscal problems. It also provides for the declaration of a "fiscal emergency" for any school district that fails to prepare the required financial plan, and for any school district that meets all of the four emergency conditions set out in this legislation. Additionally, the legislation requires the establishment of a financial planning and supervision commission for a "fiscal emergency" school district; requires such a commission to adopt a financial recovery plan and provides the financial planning and supervision commission with broad authority over a school district's finances and operations in order to eliminate the conditions prompting the declaration of a fiscal emergency.

This bulletin contains a synopsis of Senate Bill 310 for School Fiscal Emergency. The following synopsis is the interpretation of the Auditor of State and is summary in nature. The entity's legal counsel and the full text of the bill should be consulted before taking any action.

Sections 3313.483, 3313.487, 3313.488, 3313.489, 3313.4811, and 3317.62 as amended

Under this legislation, applicable parts of the financial plan developed by a school district under a fiscal watch, and applicable parts of the financial recovery plan required of a school district under a fiscal emergency, could be used to satisfy existing law requirements under which potentially insolvent school districts must submit budget reduction plans to the Superintendent as part of the procedure for obtaining Controlling Board approval for the use of state money to assist the district in obtaining a commercial loan.

Provisions of existing law whereby potentially insolvent school districts become subject to direct supervision by the Superintendent of Public Instruction will continue to apply to school districts declared to be in a state of fiscal watch under the bill, but will not apply to school districts declared to be in a state of fiscal emergency.

Section 3316.01 of the Revised Code

Section 3316.01 of the Revised Code as enacted sets out the definitions of a Fiscal Watch, Fiscal Emergency and Fiscal Emergency Period. Fiscal Emergency Period means the period of time commencing on the day when the Auditor of State declares that a school district is in a state of fiscal emergency under Division (B) of Section 3316.03 of the Revised Code and ending on the day on which the school district financial planning and supervision commission ceases to exist under Section 3316.16 of the Revised Code.

Statement of Legislative Intent (Section 3316.02 R.C.)

The bill contains a statement of legislative intent that, in general, declares it to be a public policy and public purpose of the state to enact procedures, provide powers, and impose restrictions to assure the fiscal integrity of school districts so that they can educate children, meet their financial obligations, and provide for proper accounting, budgeting, and taxing practices, thereby protecting the health, safety, and welfare not only of the people within a particular school district but also of other people in the state.

Declaration of a “fiscal watch” (Section 3316.03(A) R.C.)

The bill requires the Auditor of State to declare a school district to be in a state of “fiscal watch” if he determines that all of the following conditions are satisfied:

- (1) An operating deficit has been certified for the current fiscal year by the Auditor of State under Section 3313.483 of the Revised Code, and the certified operating deficit exceeds 8% of the school district’s general fund revenue for the preceding fiscal year;
- (2) The uncumbered cash balance in the school district’s general fund at the close of the preceding fiscal year, less any advances of property taxes, was less than 8% of the district’s general fund expenditures for the preceding fiscal year.
- (3) The district voters have not passed a tax levy that the Auditor of State expects will raise enough additional money in the next fiscal year so that the preceding conditions (1) and (2) will not exist in the next fiscal year.

Financial plan required (Section 3316.04 R.C.)

Within 60 days of the Auditor’s declaration of a fiscal watch, the board of education of the school district must prepare and submit to the Superintendent of Public Instruction a financial plan outlining the steps the board will take to eliminate the district’s current operating deficit and avoid such deficits in the future, including the implementation of spending reductions. The Superintendent shall evaluate the financial plan, and either approve or disapprove it within 30 calendar days from the date of submission. If the Superintendent disapproves the plan, he shall recommend modifications that will make it acceptable.

Upon request of the board of education of a school district under a fiscal watch, the Auditor of State and Superintendent of Public Instruction shall provide technical assistance to the board in resolving

the fiscal problems that gave rise to the declaration, and in drafting the required financial plan. Failure by a school district in a state of fiscal watch to submit a financial plan acceptable to the Superintendent of Public Instruction within 120 days of the Auditor's declaration, will result in the district being declared in a state of "fiscal emergency."

Declaration of a "fiscal emergency" (Section 3316.03(B) R. C.)

The bill requires the Auditor of State to declare a school district to be in a state of "fiscal emergency" if the district was previously in a state of fiscal watch, and it failed to submit an acceptable financial plan within the prescribed time; or, if after consulting with the Superintendent of Public Instruction, the Auditor determines all of the following:

- (1) The board of education of the school district cannot demonstrate to the Auditor's satisfaction that it can repay its existing emergency school loans, or the tax anticipation notes issued against its approved spending reserve balance, without having to engage in additional such borrowing that would exceed 50% of the amounts previously borrowed pursuant to such prior year loans and notes;
- (2) An operating deficit has been certified for the current fiscal year by the Auditor of State under Section 3313.483 of the Revised Code, and the certified operating deficit exceeds 15% of the school district's general fund revenue for the preceding fiscal year. In determining the amount of an operating deficit, the Auditor of State shall credit toward the amount of that deficit only the amount that may be borrowed from the spending reserve balance;
- (3) The school district is one that, at the time of the Auditor of State's determination, had an average daily membership of more than 10,000 students as most recently reported to the Department of Education.
- (4) The district voters have not passed a tax levy that the Auditor of State expects will raise enough additional money in the next fiscal year so that the preceding conditions (1) and (2) will not exist in the next fiscal year.

In making the determination of a fiscal emergency, the legislation authorizes the Auditor to use the various financial reports, tax budget, and other information or documents prepared pursuant to law, and any other documents, records, or information indicating conditions of fiscal emergency.

The Auditor's determination of either a fiscal watch or fiscal emergency, must be certified to the board of education of the school district, the Director of Budget and Management, the Superintendent of Public Instruction, and the mayor of the municipal corporation with the largest number of residents living in the school district (or if there is no such municipal corporation, the county auditor of the county with the largest number of such residents).

Establishment of a financial planning and supervision commission (Section 3316.05 R.C.)

Upon the declaration of a fiscal emergency in a school district, a financial planning and supervision commission is to be established. Such a commission would be a body both corporate and politic constituting an agency and instrumentality of the state, and performing essential governmental functions of the state.

A financial planning and supervision commission consists of seven voting members, which should include women and at least one Hispanic or African American if Hispanic and African Americans together constitute at least 20% of the student population of the district. Commission membership is as follows:

- (1) The Director of Budget and Management;
- (2) The Superintendent of Public Instruction;
- (3) The superintendent of the school district;
- (4) The mayor of the municipal corporation with the largest number of residents living within the school district, except that if more than 50% of the residents of the district reside outside the municipal corporation containing the greatest number of district residents or if there is no municipal corporation located in the school district, the county auditor of the county with the largest number of residents living within the school district shall be a member of the commission in lieu of a mayor;
- (5) One person appointed by the Governor;
- (6) One person appointed by the Superintendent of Public Instruction; and
- (7) One person appointed by the mayor or county auditor who is a member of the commission.

The Director of Budget and Management, the Superintendent of Public Instruction, the superintendent of the school district, and the mayor of the municipal corporation may name an individual from their respective offices to be their designee (the mayor could designate a person from either the mayor's office or the fiscal officer of the municipal corporation).

The three appointed members must be appointed within 15 days after the declaration of the fiscal emergency. The member appointed by the Governor and mayor or county auditor shall serve at the pleasure of the authority that appointed them. These appointees must be persons with knowledge and experience in financial matters, financial management, or business organization or operations, including at least five years of experience in the management of business or financial enterprise, or in management consulting, public accounting, or similar professional activity, and whose residency, office, or principal place of professional or business activity is within the school district. Vacancies will be filled in the same manner as the original appointment.

The member appointed by the Superintendent of Public Instruction shall be a parent of a child currently enrolled in a public school within the district.

The Superintendent of Public Instruction shall serve as the commission's chairperson and immediately after the appointment of the initial appointed members of the commission, the

chairperson shall call the first commission meeting and provide at least 48 hours advance notice to all members of the time, date, and place of such meeting. The commission shall elect one of its members to be vice-chairperson, and may appoint a secretary and other officers, who do need to be members of the commission. Four members of the commission constitute a quorum.

The commission is authorized to adopt bylaws and rules for the conduct of its affairs and of the manner in which its powers and functions will be exercised and embodied. Commission members serve without compensation, but will be paid for their actual and necessary expenses. Commission expenses or obligations will be paid solely from appropriations made by the General Assembly.

The Attorney General serves as legal counsel for the commission.

At the request of the commission, the Auditor of State shall designate employees of the Auditor's office to assist the commission and to coordinate the work of the Auditor's office. Upon the declaration of a fiscal emergency in any school district, the district is required to provide the commission with such reasonable office space in the principal building housing the administrative offices of the district, where feasible, as the commission determines necessary to carry out its duties.

At the request of the commission, the administrative head of any state agency shall temporarily assign personnel skilled in accounting and budgeting procedures to assist the commission in its duties.

Commission meetings are subject to the Open Meetings Law, except that members do not have to be physically present to be part of a quorum. They may vote in meetings held by teleconference, if provision is made for public attendance at any location involved in such teleconference.

Disclosure statements of commission members (Section 3316.05 (J) R.C.)

The appointed members of the commission are not subject to the financial disclosure requirements under the Ohio Ethics Law. Instead, they have to file with the commission a signed written statement setting forth the general nature of any sales or loans to the school district, in which they have a pecuniary interest, or in which any member of their immediate family, or any corporation, partnership, or enterprise of which they, or their family member, owns more than a 5% interest.

Financial recovery plan required (Section 3316.06 R.C.)

Within 60 days after the first meeting of a school district financial planning and supervision commission, the commission must adopt a financial recovery plan for the school district for which it was created. During the formulation of the plan, the commission must seek input from the school district board and from the community. The plan, which could be amended subsequent to its adoption, must contain provisions concerning:

- (1) Actions to be taken to:
 - (a) eliminate the emergency fiscal conditions that prompted the Auditor's declaration of a fiscal emergency;
 - (b) satisfy judgments and past due and payable payroll and fringe benefits;
 - (c) eliminate deficits in deficit funds;
 - (d) restore to special funds any amounts missing or unaccounted for, borrowed, or improperly used;
 - (e) balance the budget;
 - (f) avoid future deficits;
 - (g) stay current in all accounts;
 - (h) avoid future fiscal emergency conditions; and
 - (i) restore the school district's ability to market long-term obligations;
- (2) A management structure enabling the district to take the actions listed above. The plan would have to specify the level of fiscal and management control the commission would exercise during the period of fiscal emergency, and enumerate the respective powers and duties of the commission and the school board. The commission could elect to assume any powers and duties of the board it considers necessary, including those related to personnel, curriculum, and legal issues.
- (3) The target dates and timetable for implementation, commencement, progress upon, and completion of the actions listed above; and
- (4) The amount and purpose of any issuance of debt obligations, together with assurances that the amount of such debt will not exceed the amounts supported by appropriate certifications by the school district fiscal officer and the county auditor. If the commission considers it necessary in order to maintain or improve educational opportunities of pupils in the school district, the plan could include a proposal to restructure or refinance outstanding debt obligations incurred by the board contingent upon the approval, during the period of the fiscal emergency, by district voters of a tax levy. Notwithstanding restrictions that might otherwise apply under the Uniform Public Securities Law or the law governing state backed loans to financially distressed school districts, the restructuring or refinancing could extend the original period for repayment, and could alter the frequency and amount of repayments, interest or other financing charges, and other terms of agreements under which the debt originally was contracted, at the discretion of the commission, provided that any loans received under the state loan program would have to be paid from the district's allocation of state foundation payments.

General powers and duties of a school district financial planning and supervision commission
(Section 3316.07 R.C.)

A school district financial planning and supervision commission has the following powers, duties, and functions:

- (1) To review or assume responsibility for the development of all tax budgets, tax levy and bond and note resolutions, appropriation measures, and certificates of estimated resources, to ensure that they are consistent with the financial recovery plan and a balanced budget for the current fiscal year; to request and review information on which the plan and a balanced budget may be developed and based; and to determine whether revenue and expenditure estimates will result in a balanced budget;
- (2) To inspect and secure copies of any document pertaining to the financial accounting and reporting system, debt obligations, debt limits, financial recovery plan, balanced budget, audit, invoice, or other worksheet or record of the school district, including documents, records, and worksheets of the county budget commission, county auditor, or other official or employee of the school district, or of any political subdivision or agency of government of the state;
- (3) To review, revise, and approve determinations and certifications affecting the school district made by the county budget commission or county auditor, and to ensure that such determinations are consistent with state law;
- (4) To bring civil actions, including mandamus, to enforce the bill's provisions;
- (5) After consulting with school district officials and the Auditor of State, to implement or require implementation of the steps necessary to bring the accounting, financial, and reporting procedures and systems of the district into compliance with the Auditor's rules, and to assume responsibility for achieving such compliance;
- (6) To assist the school district, or to assume responsibility for structuring the terms and placement for sale of the district's obligations;
- (7) To make and enter into all contracts necessary or incidental to the performance of its duties and the exercise of its powers;
- (8) To consult with officials of the district and make recommendations or assume responsibility for implementing cost reductions and revenue increases to achieve balanced budgets and carry out the financial recovery plan.

With respect to the school district's appropriation measure for the next fiscal year (and also the measure currently in effect, if there are more than three months remaining in the current fiscal year), the commission is authorized to:

- (1) Review and determine the adequacy of all revenues to meet expenditures;
- (2) Review and determine the extent of any deficiency of revenues to meet such expenditures;
- (3) Require the school district board or superintendent to provide justification documents to substantiate any item of revenue or appropriation;
- (4) Not later than 60 days after taking office or after receiving the appropriation measure for the next fiscal year, issue a public report on the adequacy of revenues to meet the expenditures contained in such measure.

The commission is authorized to require the school district board to establish, by resolution, monthly levels of expenditures and encumbrances consistent with the financial recovery plan and the commission's review of the district's appropriation measures, or could establish such levels itself. If the commission permits the district to make expenditures, it must monitor monthly spending levels and require justification documents to substantiate any approved level of spending. No district board is permitted to make any expenditure apart from the approved level without the written approval of the commission.

The bill requires county, state, and school district officers and employees to assist the commission diligently and promptly in the performance of its duties. It also requires school board officers, members, and employees to cooperate with the commission by providing, on a continuing basis, all fiscal information requested, ordered, or needed by the commission to formulate judgments regarding revenue and expenditure estimates, the financial recovery plan or any modification of it, the monitoring of the implementation of the plan, and considerations of any amendments of the plan. All information and reports by the school board members or employees must be in such form and detail as requested by the commission.

Annually, on or before April 1, during the fiscal emergency period, the commission is required to make reports and recommendations to the Speaker of the House of Representatives and the President of the Senate concerning: (1) the school district's progress toward elimination of the fiscal emergency conditions, (2) failures of the district to comply with the terms of the bill, and (3) recommendations for further actions, including legislative actions, needed to make the law more effective, or to enhance revenue raising or financing capabilities of school districts. The commission is authorized to make such interim reports it considers appropriate, and is required to make such additional reports as requested by either house of the General Assembly.

Tax levy to avoid operating deficit (Section 3316.08 R. C.)

During a school district's fiscal emergency period, the bill requires the Auditor of State to determine annually, or at any other time upon the request of the financial planning and supervision commission, whether the school district will incur an operating deficit. If the Auditor of State determines that a school district will incur an operating deficit, the Auditor of State shall certify that determination to the Superintendent of Public Instruction, the financial planning and supervision commission, and the board of education of the district. Upon receipt of the Auditor's certification, the board of education or the commission is required to adopt a resolution to submit a ballot question proposing the levy of a property tax or school district income tax for the purpose of paying the current operating expenses of the school district. The tax will be proposed at the rate required to produce annual revenue sufficient to eliminate the operating deficit certified by the Auditor, and repay any outstanding loans or other obligations incurred by the district for the purpose of reducing or eliminating its operating deficit. The rate of the proposed school district income tax will be determined by the Tax Commissioner, upon the request of the commission. The commission will determine the election at which the tax question will appear on the ballot, and the board of education or commission shall submit a copy of its resolution to the board of elections not later than 75 days prior to the election. The board of elections conducting the election is required to certify the election results to the board of education and the commission.

School district financial accounting and reporting (Section 3316.10 R. C.)

Within 90 days after the declaration of a fiscal emergency, the Auditor of State is required to issue a preliminary report, which is certified to the financial planning and supervision commission and the district's board of education, concerning the methods, accuracy, and legality of the accounts, records, files, and reports of the school district.

The bill requires a school district board to comply with the orders of their financial planning and supervision commission relating to the development of an effective financial accounting and reporting system, by promptly bringing its existing system of financial accounting and reporting into compliance with the Auditor of State and the county budget commission requirements in the performance of their functions.

Appropriation measures (Section 3316.12(A) R. C.)

The bill prohibits the adoption of any appropriation measure or expenditure that is contrary to the financial recovery plan adopted by a school district financial planning and supervision commission, and requires the amendment of any existing measure (by either the commission or the district board), to the extent that such measure authorizes spending in excess of the revenues available pursuant to the financial recovery plan. Under the bill, appropriation measures must be submitted to the commission prior to its adoption by the school board, to enable the commission to review the measure and determine if it is consistent with financial recovery plan. The school district, through representatives on the board and the district's fiscal officer, is required to cooperate with the commission in performing this review. The commission will report any modification it considers necessary to conform the appropriation measure to the financial recovery plan.

Certificate of estimated resources (Section 3316.12(B) and (C) R. C.)

The bill requires the county budget commission to consult with the financial planning and supervision commission prior to giving a certificate of estimated resources to the school district. The budget commission is required to revise or amend the certificate in any respect in which the financial planning and supervision commission judges the certificate to be inconsistent with the financial recovery plan. Similarly, the school district's tax budget must be reviewed by the financial planning and supervision commission, and modified to conform with the financial recovery plan, prior to its submission to the county auditor.

Revenue estimates (Section 3316.12(D) R.C.)

The bill provides that revenue estimates made for purposes of the financial recovery plan, tax budgets, and certificates of estimated resources will not include revenues conditioned on the future favorable action by the electorate of the school district, or by the Ohio General Assembly or Federal Congress, other than appropriations of money for existing and continuing programs at current levels. The revenue estimate for any month must separately state and designate as conditional, the amounts dependent upon the issuance or sale of debt, transfers of funds, advances of funds, sales of capital assets, increases in or implementation of fees or other charges, or imposition of or increases in taxes, and be accompanied by documentation showing that the officials with the authority to act to achieve such conditional revenues have acted in a timely manner. However, any amounts the commission judges to be uncertain of realization cannot be included in such estimates.

Commission orders enforceable by mandamus (Section 3316.13 R.C.)

The bill authorizes the commission to direct its certifications, orders, requests, and notifications to such state, county, school district, board of education, and budget commission officers as it considers appropriate, and establishes such officials' compliance with such directions, to the extent they have the responsibility and ability to comply as duties resulting from an office, trust, or station, enforceable by a writ of mandamus' which could be petitioned for by the commission on behalf of the state.

Further issuance of debt obligations (Section 3316.14 R.C.)

The bill prohibits a school district for which a state of fiscal emergency has been declared, from issuing or incurring any debt obligation, except with the prior approval of its financial planning and supervision commission.

A district's commission must disapprove the issuance of debt if it determines that such action would impede or be inconsistent with the district's financial recovery plan and the purposes of the bill. The commission is prohibited from approving the issuance of any obligations unless: (1) it approves the resolution authorizing their issuance, the resolution providing for their award, and every document forming part of the contract with the purchasers of the obligations, (2) the resolution authorizing the obligations contains a covenant that the district will comply with all of the bill's provisions, with the related orders, directions, and requests of the commission and Auditor of State,

and with the financial recovery plan, and (3) the school district is in compliance with the provisions of the bill.

The commission is prohibited from approving the issuance of obligations that would cause the school district to exceed existing debt limits.

Termination of a school district financial planning and supervision commission
(Section 3316.16 R.C.)

Once established, a school district financial planning and supervision commission will continue in existence until the Auditor of State, or the commission itself, determines that: (1) an effective financial accounting and reporting system is in the process of being implemented, and is expected to be completed within two years, (2) all of the fiscal emergency conditions have been corrected or eliminated, and no new emergency conditions have occurred, (3) the objectives of the financial recovery plan are being met, and (4) the school district board has prepared a financial forecast for a five-year period in accordance with standards issued by the Auditor of State, and such forecast is, in the Auditor's opinion, "nonadverse."

The determinations that these conditions have been met must be certified to the commission, the Auditor of State, the Governor, the Director of Budget and Management, and the county budget commission, whereupon the commission and its functions would terminate. The Auditor has the authority to make these determinations on his own initiative, but he must make them if so requested, in writing, by the commission, the Governor, or the school district board.

Prior to its termination, the commission is required to prepare and submit a final report of its activities for the purpose of providing a record of its activities and assisting other commissions in the conduct of their functions. All of the commission's records are to be delivered to the Auditor of State for retention and safekeeping. The Director of Budget and Management has the responsibility for winding up the commission's affairs, in accordance with the same general procedures it follows upon the termination of any state agency.

If, at the time of the commission's termination, an effective financial accounting and reporting system has not been fully implemented for the school district, the Auditor of State must monitor the progress of such implementation, and shall exercise any of the authority he possesses under existing law to secure full implementation at the earliest time feasible, but within two years after the commission's termination.

Removal of school district superintendent or treasurer (Section 3316.17 R.C.)

The bill authorizes the financial planning and supervision commission to remove the superintendent or the treasurer of a school district for failing to comply with the commission's orders concerning the preparation or implementation of the district's financial recovery plan.

Rules of statutory construction (Section 3316.02 and 3316.18 R.C.)

Current law provides that if any provision of a section of the Revised Code or the application thereof is held invalid, such invalidity does not affect other provisions or applications of such section, or related sections, that can still be given effect. The bill generally reiterates this principal, but specifies that, with respect to any act that the bill authorizes a school board to take only with the consent or approval of the school district financial planning and supervision commission, if the commission's consent or approval is held invalid, then the school district's authority to take the particular action would likewise be illegal or invalid. The bill states a similar restriction with respect to acts a school board is presently authorized to take, but that would be made subject to some condition the bill would impose. If the new conditions the bill imposes are invalidated, the bill states that the school district's exercise of its current powers are nevertheless restricted unless the Auditor of State, upon the request of such school district, determines in writing that no fiscal emergency conditions continue to exist.

The bill also states that its provisions are to be liberally construed; that any acts of the commission relating to debt obligations issued or incurred by a school district are to be presumed to be, and are valid, unless an appropriate court is shown by clear and convincing evidence that no basis existed upon which the act could have been sustained and that such act was grossly arbitrary, provided that not even such court action would affect the reliability and conclusiveness of the commission's certifications with respect to the issuance of school district obligations; and that court actions concerning the validity, legality, or interpretation of the bill's provision, or any act taken thereunder, must be advanced on the docket of the court and expedited to final determination. The bill also states that its provisions are supplemental to existing provisions of law, and that to the extent of any conflict or inconsistency between the bill's provisions and existing law, the bill's provisions prevail.

Prohibitions (Section 3316.19 R.C.)

The bill prohibits any school board member, former school board member, or any officer or employee of a school board, from doing any of the following during the period of a fiscal emergency:

- (1) Knowingly enter into any contract, financial obligation, or other liability of the school district involving an expenditure, or make any expenditure, in excess of that permitted by the commission; or knowingly execute or deliver debt obligations, or transfer, advance, or borrow money from any fund of the district, unless such actions have been approved by the commission;
- (2) Knowingly fail or refuse to take any actions the bill requires for the preparation or amendment of the financial recovery plan, or knowingly prepare, present, or certify any information or report for the commission or its employees, advisory committees, task forces, or agents, that is false or misleading or that is recklessly prepared or presented; or upon learning that false or misleading information was recklessly prepared or presented, fail promptly to advise the appropriate persons of that fact;

- (3) Knowingly use or cause to be used money of a fund for purposes other than the lawful purposes of the fund (such as using money set aside in a bond retirement fund for purposes other than payment of principal and interest or other authorized purposes), or knowingly fail to perform their duty promptly to deposit money into any fund.

Persons convicted of violating any of these prohibitions would be guilty of a second degree misdemeanor, and would have to forfeit their office or employment.

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If you have any questions regarding this bulletin, please contact the Local Government Services Division of the Auditor of State's Office at 1-800-345-2519.