

**AUDITOR OF STATE BULLETIN 99-020
DECEMBER 29, 1999**

TO: VILLAGE ADMINISTRATORS
VILLAGE CLERK-TREASURERS
VILLAGE FINANCE DIRECTORS
CITY AUDITORS
CITY FINANCE DIRECTORS
CITY TREASURERS
COUNTY AUDITORS
COUNTY CLERKS OF COURTS
COUNTY COMMISSIONERS
COUNTY TREASURERS
COUNTY ADMINISTRATORS
MAYORS COURT CLERKS
TOWNSHIP CLERKS
TOWNSHIP TRUSTEES
SCHOOL DISTRICT TREASURERS
J.V.S.D. TREASURERS
COMMUNITY SCHOOLS
EDUCATIONAL SERVICE CENTER TREASURERS
PORT AUTHORITY FISCAL OFFICERS
WATER & SEWER DISTRICT FISCAL OFFICERS
SOIL & WATER CONSERVATION DISTRICT FISCAL OFFICERS
FIRE AND AMBULANCE DISTRICT FISCAL OFFICERS
AIRPORT AUTHORITY FISCAL OFFICERS
COUNTY BOARDS OF HEALTH FISCAL OFFICERS
INDEPENDENT PUBLIC ACCOUNTANTS

SUBJECT: PROPER DEPOSIT OF PUBLIC FUNDS AND DESIGNATION OF
DEPOSITORIES FOR PUBLIC MONEY; HOUSE BILL 220,
EFF. 11-2-99

This bulletin addresses the effects of House Bill 220 (123rd G.A.) on the proper deposit of public funds and the designation of depositories for public money as provided by Ohio Rev. Code §§ 9.38 and 135.12.

Prior to the enactment of House Bill 220, Ohio Rev. Code § 9.38 required a public official (other than a state officer or employee or agent) to deposit all public money received by the official with the treasurer of the public office or with a properly designated depository once every 24 consecutive hours. House Bill 220 amends Ohio Rev. Code § 9.38 to require public officials (other than a state officer, employee or agent) to deposit all public moneys received with the treasurer of the public office or properly designated depository on the next business day following the day of receipt, if the total amount of such moneys received exceeds \$1,000. If the total amount does not exceed \$1,000, the public official has the option of either depositing the money

on the next business day following the day of receipt or adopting a policy permitting a different time period. The alternate time period, however, shall not exceed three business days following the day of receipt. Further, the policy must include procedures to safeguard the moneys until the time of deposit.

If, however, the public official is governed by a legislative authority, only that legislative authority may adopt such a policy. Further, in the case of a board of county commissioners, the board may adopt such policy relating to any public office under the board's direct supervision including the offices of the prosecuting attorney, sheriff, coroner, county engineer, county recorder, county auditor, county treasurer and the clerk of the court of common pleas. The amendments to Ohio Rev. Code § 9.38 as listed above became effective November 2, 1999.

House Bill 220 has additionally amended Ohio Rev. Code § 135.12. Under the newly enacted House Bill 220, each governing board besides the State Board of Deposit shall meet every five years for the purpose of designating the public depositories of the public moneys of the subdivision, and each public depository shall receive this designation for a period of five years. Prior to this amendment, the governing board met every two years and the public depository held this designation for two years. The final amendment to Ohio Rev. Code § 135.12 states that if a governing board other than the State Board of Deposit determines that a public depository is insolvent or operating in an unsound or unsafe manner, they may at any time during the designated period, appoint a different public depository for the remainder of the designated period.

If you have any questions regarding this bulletin, please contact the Auditor of State's Legal Division at 1-614-752-8683 or 1-800-282-0370.