



Dave Yost • Auditor of State

Bulletin 2013-002

Auditor of State Bulletin

Date Issued: June 7, 2013
TO: Ohio Townships and Independent Public Accountants
FROM: Dave Yost, Ohio Auditor of State
SUBJECT: Allocation of Township Trustee and Fiscal Officer Salaries

Auditor of State Audit Bulletin 2011-007 summarized legislative changes governing township fiscal officer and trustee compensation. The Bulletin outlined the authority to compensate township trustees and fiscal officers from funds other than the general fund. These allocations are based on certification by each official of the percentage of time spent working on matters that are to be paid from funds other than the general fund (Ohio Revised Code 505.24(C) and 507.09(C) and 2004 Op. Atty. Gen. No. 2004-036).

In practice, some townships officials have been certifying 100 percent of their time to activities paid from restricted funds. However, township officials are required to attend board meetings in order to conduct the regular business of the township. Attendance at board meetings and other activities supporting the general business of the township must be allocated to the general fund; therefore, the allocation of 100 percent of an official's compensation to funds other than the general fund is not permitted under Ohio law.

Townships allocating 100 percent of officials' salaries to restricted funds will be subject to audit findings. For audits of 2011-2012 periods, noncompliance will be addressed in a management letter comment. However, for 2012-2013 and subsequent audit periods, townships will need to make adjustments to properly allocate the officials' salaries for the entire period. Failure to make necessary allocation revisions could result in findings for adjustment that may serve to disqualify the township from lower-cost agreed upon procedure audits, result in qualified opinions, or otherwise increase audit costs.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Ohio Auditor of State