THOMAS E. FERGUSON
Auditor of State

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Auditor of State

BUREAU OF INSPECTION AND SUPERVISION
OF PUBLIC OFFICES CIRCULAR

FURTHERANCE OF JUSTICE FUND

Section 325.12, R.C.
Section 325.071, R.C.

TO: ALL COUNTY PROSECUTORS
ALL COUNTY SHERIFFS
ALL COUNTY/TOWNSHIP STATE EXAMINERS
ALL COUNTY AUDITORS
ALL PRESIDENTS OF COUNTY COMMISSIONERS

THIS CIRCULAR SUPERSEDES CIRCULAR NO. 81-1 DATED MARCH 19, 1980, AND WILL BECOME EFFECTIVE JANUARY 1, 1982.

It has been brought to our attention that there is a need to clarify the position of the Bureau of Inspection and Supervision of Public Offices pertaining to the use of the Furtherance of Justice Funds and additionally to prescribe the necessary accounting procedures to be maintained. Accordingly, the following guidelines are hereby established:

1. The funds may not be used for personal expenses of the prosecutor, sheriff or employees of the prosecutor or sheriff. This is, of course, basic, but emphasis must still be placed on this point.

2. Monies in an F.O.J. fund may be used for any expenses incurred in the performance of official duties and in the furtherance of justice unless authority exists for the use of appropriated monies for such purpose and money is in fact available to the credit of a proper line--item account, appropriated and unencumbered.

The prosecuting attorney or sheriff is not required to request funds in his regular budget or at any, other time as a condition precedent to the use of F.O.J. funds and disapproval by the county commissioners is likewise not a condition precedent to the use of F.O.J. funds.

Circumstances may require that the expenditure be made from the F.O.J. fund prior to completion of the procedures necessary for the expenditure of appropriated and unencumbered monies. Under such circumstances the expenditure may be made from the F.O.J. fund and reimbursed from the normal appropriation account at a later date if monies are still available and unencumbered. The reimbursement expenditure from the appropriation account is subject to the requirements of Section 5705.41, Revised Code.
BUREAU OF INSPECTION AND SUPERVISION

OF PUBLIC OFFICES CIRCULAR

3. The use of the funds must be documented and each expenditure itemized. Documentation of each expenditure would include but not be limited to a receipt, invoice, etc.

4. Expenses pertaining to authorized travel, whether lodging, mileage, meals and/or other incidental expenses shall be on the reimbursement basis.
   A. If mileage is to be reimbursed it shall require a travel expense report showing the mileage from and to destination for each trip taken. "Side trips" are not reimbursable when it is for personal use and not on official business.
   B. Documentation must be submitted for airline tickets, hotel or motel bills and other expenses connected to each trip.
   C. Documentation will not be required for individual items of expense of less than $1.00, or for items for which receipts are not practically available (tolls, parking, etc.).

THE OFFICER, MAY, IN HIS DISCRETION, ADVANCE TRAVEL EXPENSE FUNDS TO EMPLOYEES FROM THE F.O.J. FUND. ALL SUCH ADVANCEMENTS MUST BE ACCOUNTED FOR IN THE MANNER SET FORTH ABOVE, AND ANY UNUSED PORTIONS MUST BE PROMPTLY RETURNED TO THE F.O.J. ACCOUNT.

5. Equipment and Personal Property.
   A. Such equipment or personal property purchased with F.O.J, funds becomes and remains the property of the county.
   B. An inventory of such property shall be maintained and filed according to the provisions of Section 305.18, Revised Code.

6. Confidential Expenditures. (2)

It is recognized by the Bureau of Inspection and Supervision of Public Offices that prosecuting attorneys and the sheriffs will use F.O.J. funds for confidential expenditures. An expenditure is "confidential" if disclosure of the event or the identity of the recipient or of the nature of the expenditure would tend to frustrate the purpose for which it is made or would tend to expose any person to intimidation or danger of physical harm, to himself or his property.

The following methods (in addition to the Cash Book, Section 9) should be used for documentation of such expenditures:
A. Purchases

Where practicable, each expenditure of F.O.J. funds for confidential purchases should be documented in accordance with the following (unless the procedures as set forth in Subsection D of this Section 6 are utilized):

1. When the case or investigation is finally concluded, an officer, employee or agent with firsthand knowledge of the necessary information shall furnish a report indicating, the item or items purchased, the date of the report, the date of the purchase, the amount expended, the check number, if applicable, the quantity and type of materials purchased, and the disposition thereof.

2. Where practicable, a separate check should be drawn for each transaction payable to the officer, employee or agent who will be making the actual purchase. If, for reasons of confidentiality, the check cannot be payable to the officer, employee or agent making the actual purchase, it should be made payable to a supervisory officer, who may cash the check and deliver the cash to the officer, employee or agent making the purchase. A signed receipt should be obtained at this time.

3. The report referred to in Subsection A(1) of this Section 6 must be signed by an officer, employee or agent with firsthand knowledge of the necessary information for the transaction and co-signed by the prosecuting attorney or sheriff.

B. Payments to Informants

Where practicable, and unless procedures as set forth in Subsection D of this Section 6 are utilized, a separate check should be drawn for each transaction payable to the officer, employee or agent making the actual payment. If, for reasons of confidentiality, the check cannot be made payable to the officer, employee or agent who will be making the actual payment, it should be made payable to a supervisory officer, who may cash the check and deliver the cash to the officer, employee or agent making the actual payment. A signed receipt should be obtained by the supervisory officer from the officer, employee or agent to whom cash is advanced.

C. Security

The extremely sensitive nature of the identity of informants and drug agents, the personal risk to such individuals, and the need for the
expenditures is clear. Accordingly, to maintain the confidentiality of such expenditures, it is the policy of the Bureau of Inspection and Supervision of Public Offices that:

1. The identity of drug purchasers or informants shall never be included in any written notes, work papers or reports prepared by representatives of the Bureau of Inspection.

2. Documentation required in these Subsections B, C and D of Section 6 of expenditures will be reviewed only in the office of the prosecuting attorney or sheriff and will not be removed by the representatives of the Bureau of Inspection, unless there is probable cause to believe that illegal expenditures have taken place, in which case the Bureau of Inspection and Supervision of Public Offices may apply to the Common Pleas Court of the county in which the prosecuting attorney or sheriff serves for an order directing the prosecuting attorney or sheriff to deposit such documentation with the court for further review.

3. Any representative of the Bureau of Inspection who discloses the identity of drug agents or informants, other than under compulsion of legal process, shall be dismissed.

D. Affidavit

Sections 6A and 6B shall not apply where a prosecuting attorney or sheriff in the reasonable exercise of his discretion determines that maintenance of the prescribed documentation would increase the risk of exposure of any person to intimidation or danger of physical harm to himself or his property, or would frustrate the purpose for which a confidential expenditure is made. Where the prosecuting attorney or sheriff makes such a determination, he shall prepare an affidavit setting forth the amount of the expenditure and the check number, if any, related to the expenditure and the general nature of the expenditure (e.g., purchase, informant payment, maintenance expense or travel for undercover agent). If such an expenditure is, made from the imprest cash fund (Section 7), the receipt number should be substituted for the check number. When such an affidavit is furnished, the state examiner shall not require that the check or, the receipt or other details shall be produced and will make no further inquiry concerning that expenditure unless there is probable cause to believe the affidavit is false, In which case the Bureau of Inspection and Supervision of Public Offices may apply to the Common Pleas Court of the county in which the prosecuting attorney or sheriff serves for an order to compel disclosure of information supporting the expenditure. A sample affidavit is supplied as Exhibit A.
7. Imprest Cash Fund

Many of the expenditures properly made from the F.O.J. fund are of such a nature that payments must be made in cash and it is impossible to process a check quickly enough to complete the transaction. Accordingly, the establishment of an Imprest Cash Fund may be authorized and administered in the following manner:

A. The amount of the imprest cash fund must be formally established in the amount to be determined by the sheriff or prosecuting attorney.

B. The monies in the imprest cash fund must be under the custody and control of a specific supervisory officer at all times. This officer must account for all cash placed in his custody or have properly completed receipts to account for the balance.

C. Monies in the imprest cash fund may be expended only for confidential expenditures where the bank is not open to cash checks issued in the prescribed manner.

D. When an officer or agent requests a cash advance from the imprest cash fund, he must give a dated signed receipt to the supervisory officer in charge of the Imprest cash fund. If any portion of the advance is subsequently returned to the fund, the amount returned should be noted on the original receipt and the notation should be signed and dated by the supervisory officer. A new receipt should be issued to the officer returning the funds.

E. Where an expenditure is made from the imprest cash fund for a confidential purpose, it shall be documented in the manner provided in either Section 6A or 6D. An expenditure from the imprest cash fund for a payment to an informant shall be documented in the manner provided in Section 6D.

8. Receipts

All receipts should be prenumbered, duplicate receipts.

9. Accounting System

A short form ledger shall be maintained for the recording of all receipts and expenditures pertaining to F.O.J. funds. Such account shall be reconciled to the bank upon receipt of the bank statement and a copy of such
shall be on file and submitted to the examiners upon request. The following is the recommended form to be used in recording the transactions pertaining to the F.O.J. fund:

(SEE ATTACHED EXHIBIT B)

Charles E. Mauger, Deputy State Auditor

ADDITIONAL, ADDED GUIDANCE:

(1) City Council/Legislative Authority must authorize establishment of the F.O.J. fund by Ordinance, and set forth policies and procedures for use and accounting purposes. Those used herein may be utilized. City Council/Legislative Authority must appropriate the Local Governmental Entity money for the F.O.J. Fund from the General Fund. Do not use any Law Enforcement Trust Fund or Mandatory Drug Fine Money for the F.O.J. Fund unless specifically authorized by the Ohio Revised Code. Get a Legal Opinion in writing.

(1) Use of a Purchase Order, or Requisition for undercover "drug buys" and etc. will suffice so long as adequate detail of the date and purpose of the use of the money is documented to a degree which will not disclose the identity of the law enforcement officer.

* * CAUTION * *

* * REMEMBER * *

* * * The OHIO Revised Code Section(s), and, or Attorney General Opinion(s), included with, or referenced by this MAS BULLETIN May Have Been CHANGED, and Thus May Be OUTDATED.

* * * PRIOR to taking any action, CONSULT AN UP-TO-DATE CURRENT LEGISLATIVE SERVICE To Ensure Compliance With The OHIO REVISED CODE. * * *

*CONSULT YOUR LEGAL COUNSEL.* * *
STATE OF OHIO )
COUNTY OF COOLIDGE )

A. Clovis Bencher, being first duly sworn, states that:

1. He is the duly elected and qualified Prosecuting Attorney of Coolidge County, Ohio;

2. In the performance of the official duties of his office and in the furtherance of justice, he has made expenditures of money received pursuant to Section 325.12, Revised Code, which expenditures are "confidential", within the meaning of that term as it is defined in Bureau Circular 81-007, Furtherance of Justice Funds, Section 6 (hereinafter "Circular")

3. He has determined, in the reasonable exercise of discretion, that maintenance of the prescribed documentation required by Sections 6A and 6B of the Circular would increase the risk of exposure of a person to intimidation or danger of physical harm to himself or his property, or would frustrate the purpose for which a confidential expenditure is made.

4. The amount, the check or receipt number, and the general purpose of such expenditures are set forth below:

<table>
<thead>
<tr>
<th>Check or Receipt No.</th>
<th>Amount</th>
<th>General Nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>713</td>
<td>$362.00</td>
<td>Payment of travel expense for confidential investigation.</td>
</tr>
<tr>
<td>278</td>
<td>$22.43</td>
<td>Miscellaneous meal expense of informant in the course of confidential investigation.</td>
</tr>
</tbody>
</table>

A. Clovis Bencher,
Prosecuting Attorney
Coolidge County, Ohio

Sworn to and subscribed before me this 23 day, of December, 19xx.

__________________________
Betty Jones
Notary Public
FURTHERANCE OF JUSTICE FUND
CASH BOOK

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>CHECK NUMBER</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/01/7</td>
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<td></td>
<td></td>
<td>9,500.00</td>
</tr>
<tr>
<td>06/06/7</td>
<td>Misc Meal Expense of Informant in</td>
<td>278</td>
<td>22.43</td>
<td></td>
<td>9,477.57</td>
</tr>
<tr>
<td></td>
<td>Confidential Investigation</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>06/10/7</td>
<td>Travel Expense for Confidential</td>
<td>279</td>
<td>362.00</td>
<td></td>
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<td></td>
<td>Investigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TO: ALL CLERKS OF COURTS
ALL COUNTY AUDITORS
ALL COUNTY SHERIFFS
ALL CITY AUDITORS
ALL TOWNSHIP CLERKS
ALL VILLAGE CLERKS

SUBJECT: Amended Senate Bill No. 67, Revised Code Section 2925.03,
Effective August 29, 1986 (Drug Law Enforcement Fund)

The purpose of this advisory bulletin is to inform you that any fines collected under this section of the Revised Code "shall be paid to the law enforcement agencies in this state that were primarily responsible for or involved in making the arrest of, and in prosecuting, the offender. The mandatory fines shall be used to subsidize each agency's law enforcement efforts that pertain to drug offenses. Any additional fine imposed pursuant to division (I) of this section shall be disbursed as otherwise provided by law. (K) If a person is charged with any violation of this section and posts bail pursuant to sections 2937.22 to 2937.46 of the Revised Code or criminal rule 46, and if the person forfeits the bail, the forfeited bail shall be paid pursuant to division (J) of this section."

The presiding court should make the determination as to which law enforcement agencies shall participate in the distribution and how much each agency should receive.

The court collecting the bail and/or fine should collect and the fines under this section of the Revised Code in a manner that of other fines.

Upon distribution (from the court), the law enforcement agency (except any state agency) should deposit the distribution received in the manner provided by law. The distribution should be deposited to the credit of a special revenue fund to be established as follows:
Amended Senate Bill No. 67 (Drug Law Enforcement Fund)

For all Ohio local governmental entities, the fund shall be known as the "Drug Law Enforcement Fund"; and,

- for counties, shall be coded as "B-01"; and,
- for townships, shall be coded as "22" in the fund structure; and,
- for villages, shall be coded as "B-8"; and,
- any other local governmental entity participating in a distribution under this section should contact the Auditor of State's Management Advisory Services Division for fund code assignments.

This fund does require permission of the Auditor of State for establishment.

The Drug Law Enforcement Fund shall be appropriated in the manner provided by law.

Lastly, the fund shall be established by resolution or ordinance or the legislative body of the local governmental entity.

If you have any questions, you may contact the Auditor of State's Management Advisory Services at 1-800-282-0370 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy Auditor
TO: All County Auditors
    All Sheriffs

SUBJECT: Drug Law Enforcement Fund Uses

The purpose of this advisory bulletin is to clarify how money collected under section 2925.03 of the Revised Code can be used.

Division (J) of section 2925.03 of the Revised Code states in part, "Any mandatory fine imposed pursuant to this section shall be paid to the law enforcement agencies in this state that were primarily responsible for or involved in making the arrest of, and in prosecuting the offender. The mandatory fines shall be used to subsidize each agency's law enforcement efforts that pertain to drug offenses."

One often asked question received by the Auditor of State's staff is whether or not, money in the Drug Law Enforcement Fund can be used to make drug purchases in an undercover investigation.

Money received under section 2925.03 of the Revised Code should be subject to the appropriation, budget, purchase order, certification, voucher, warrant or check writing and any other accounting controls which all other public money is subject to, as long as the money is used for or in, drug law enforcement related activities.

An acceptable use of money received under section 2925.03 of the Revised Code would be in undercover drug law enforcement efforts.

In order to reconcile the previously mentioned concepts, it is recommended that the local governmental entity could appropriate an amount of money in the Drug Law Enforcement Fund to be used in accordance with the guidelines established for Furtherance of Justice money.

Money in the Drug Law Enforcement Fund can be made available to responsible officials on a voucher or purchase order, with a warrant or check, payable to the responsible officials, which they in turn could convert to cash to be used in drug related law enforcement efforts under the Furtherance of Justice guidelines.
It is recommended that wherever possible an imprest amount be established so that the amount of money available for use under Furtherance of Justice guidelines at any given time does not exceed a limit established by the management of the local governmental entity without their approval.

If you have any questions, you should contact the Management Advisory Services Staff of the Auditor of State's Office at 1-800-345-2519.

MANAGEMENT ADVISORY SERVICES DIVISION
STATE OF OHIO ---- AUDITOR OF STATE

Russell L. Rouch, Deputy State Auditor

2925.03(F)(1) (1) Notwithstanding any contrary provision of section 3719.21 of the Revised Code and except as provided in division (H) of this section, the clerk of the court shall pay any mandatory fine imposed pursuant to division (D)(1) of this section and any fine other than a mandatory fine that is imposed for a violation of this section pursuant to division (A) or (B)(5) of section 2929.18 of the Revised Code to the county, township, municipal corporation, park district, as created pursuant to section 511.18 or 1545.04 of the Revised Code, or state law enforcement agencies in this state that primarily were responsible for or involved in making the arrest of, and in prosecuting, the offender. However, the clerk shall not pay a mandatory fine so imposed to a law enforcement agency unless the agency has adopted a written internal control policy under division (F)(2) of this section that addresses the use of the fine moneys that it receives. Each agency shall use the mandatory fines so paid to subsidize the agency's law enforcement efforts that pertain to drug offenses, in accordance with the written internal control policy adopted by the recipient agency under division (F)(2) of this section.
TO: All County Auditors  
School District Treasurers  
City Auditors  
Village Clerks  
Township Clerks  

SUBJECT: Attorney General's Opinion No. 87-069  

Section 5705.44, Revised Code states in part: "When contracts or leases run beyond the termination of the fiscal year in which they are made, the fiscal officer of the taxing authority shall make a certification for the amount required to meet the obligation of such contract or lease maturing in such fiscal year."

Often times, it becomes necessary for entities to enter into obligations (contracts) during one fiscal year for merchandise/services to be received and paid for in a subsequent fiscal year. This procedure normally becomes necessary due to delivery times.

In the past, exception has not been taken if the fiscal officer did not certify the availability of funds required under Section 5705.41, Revised Code if receipt of the merchandise/services and payment for same would both occur during a subsequent fiscal year. Exception was not taken based on the language of Section 5705.44 Revised Code.

Attorney General's Opinion No. 87-069 defines "contracts or leases" as used in Section 5705.44, Revised Code as contracts that are continuing contracts under Section 5705.41, Revised Code. Continuing contracts are further defined in the opinion as "divisible contracts and contracts that are designed by statute as continuing contracts."
Based upon these definitions, the opinion states that continuing contracts, where delivery of goods/services will not take place until a subsequent year and payment will not be due until the subsequent year, does not require the certification of the fiscal officer under Section 5705.41, Revised Code. However, contracts that are not considered to be continuing contracts as defined in the opinion, do require prior certification of the officer.

A copy of the syllabus of the opinion is attached for your convenience.

__________________________
Russell L. Rouch, Deputy State Auditor
September 25, 1987

The Honorable Thomas E. Ferguson
Auditor of State
88 East Broad Street
Columbus, Ohio 43216

SYLLABUS:


2. A contract is entered into on a "per unit" basis for purposes of R.C. 5705.41(D) if it sets forth a price for each unit of a particular item and provides that payment will be made on that basis for such number of units as may be provided. (1940 Op. Att'y Gen. No. 1695, p. 9, questioned.)

3. A contract entered into on a per unit basis may be a continuing contract.

4. Pursuant to R.C. 5705.41(D), a continuing contract to be performed in whole or in part in an ensuing fiscal year may not be entered into unless the fiscal officer has certified that the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances.

5. Pursuant to R.C. 5705.41(D), a contract may not be entered into on a per unit basis unless the fiscal officer has certified the availability of

6. The words "contracts or leases [that] run beyond the termination of the fiscal year in which they are made," as used in R.C. 5705.44, refer to contracts that are continuing contracts under R.C. 5705.41(D) and that by their terms extend beyond the fiscal year in which they are made. (1957 Op. Att'y Gen. No. 898, p. 372 and 1928 Op. Att'y Gen. No. 1678, vol. I, p. 316, overruled in part.)

7. Continuing contracts, including continuing contracts entered into on a per unit basis, come within R.C. 5705.44 if they run beyond the termination of the fiscal year in which they are made.

8. If a political subdivision or taxing district subject to R.C. 5705.41(D) enters into a continuing contract under which delivery of the goods or services will not take place until the ensuing fiscal year and payment will not be due until delivery, the fiscal officer need not, under R.C. 5705.41(D), certify any amount as being available during the fiscal year in which the contract is made. Pursuant to R.C. 5705.44, the amount of the obligation remaining unfulfilled at the end of a fiscal year and becoming payable during the following fiscal year shall be included in the annual appropriation measure for such following year as a fixed charge.

9. If a political subdivision or taxing district subject to R.C. 5705.41(D) enters into a continuing contract under which it cannot, in good faith, be determined whether delivery of the goods or services and the corresponding obligation to make payment will take place in the current fiscal year or in an ensuing fiscal year, the fiscal officer must, under R.C. 5705.41(D),
The Honorable Thomas E. Ferguson

10. If a political subdivision or taxing district subject to R.C. 5705.41(D) enters into a continuing contract under which certain goods or services are to be delivered in the current fiscal year but payment is not to be made until an ensuing fiscal year, the fiscal officer must, under R.C. 5705.41(D), certify as available during the year in which the contract is made the amount required to meet the obligation for goods or services delivered during that fiscal year.

11. If a political subdivision or taxing district subject to R.C. 5705.41(D) enters into a contract that is not a continuing contract, the fiscal officer must, under R.C. 5705.41(D), certify the entire amount due under the contract as available when the contract is made, regardless of whether delivery of the goods or services and payment for such goods or services will take place during the fiscal year in which the contract is made or during a subsequent fiscal year. No certification of availability need be made in subsequent fiscal years.

12. Unless a contract is necessary for compliance with R.C. 3317.13(B) or comes within the exception set forth in R.C. 5705.412 for certain contracts requiring certificates under R.C. 5705.41, no school district shall make the contract unless there is a certificate signed by the treasurer and president of the board of education and the superintendent that the school district has in effect for the remainder of the fiscal year and the succeeding fiscal year the authorization to levy taxes which, when combined with the estimated revenue from all other sources available to the district at the time of certification, are sufficient to enable the district to operate an adequate educational program for the current fiscal year and the succeeding fiscal year, regardless of when goods or services are to be provided under the contract and regardless of when payment is to be made.
TO: All County Commissioners
    All County Auditors

SUBJECT: Guidelines for County Spending Plan

On October 30, 1987, MAS Bulletin No. 87-20 was issued to notify county officials of their ability to adopt a spending plan. At that time, the counties were notified that an additional advisory bulletin would be issued to provide sample forms and guidelines for implementation.

This advisory bulletin addresses the key issues that have arisen to date. It also includes the following forms:

- FORM "A" - INITIAL REQUEST
- FORM "B" - APPROVED COUNTY SPENDING PLAN
- FORM "C" - AMENDMENT REQUEST
- FORM "D" - QUARTERLY SPENDING PLAN REPORT

If you have any questions concerning this issue, do not hesitate to contact us at 1-800-345-2519.
GUIDELINES FOR COUNTY SPENDING PLAN

The Authority for counties to adopt a spending plan was established in H.B. 231 with the creation of Section 5705.392, Revised Code. H.B. 231 was effective October 5, 1987. While this statute does not require counties to adopt a spending plan, it provides the authority if desired. This bulletin will attempt to set forth guidelines for counties to follow if they plan to incorporate the use of a spending plan.

1. The spending plan is to be adopted by the county commissioners along with the annual appropriation measure. The statute does not permit the spending plan to be initiated at a later date in the fiscal year.

2. The spending plan is to be prepared on a quarterly basis for expenses and expenditures associated with the general fund. All offices, departments, and divisions receiving general fund monies are to be included in the plan. No department that receives general fund monies are exempt from participating in this process if the county decides to adopt a spending plan.

3. The amounts determined in the four quarterly periods will equal the amount of the appropriations for those offices, departments and divisions included in the spending plan.

4. In developing the spending plan, the level of detail should correspond to the level of detail reflected in the county appropriation measure.

5. Each office, department and division should develop their own plan indicating in which quarter they expect to incur expenses and expenditures. In this manner, the county commissioners who will have the final approval along with the annual appropriation measure. If the amount of appropriations to be adopted exceed the amounts reflected in the proposed spending plan of a particular office, the spending plan of a particular office, the spending plan will need to be revised prior to adoption. The revision should be based upon input from the office involved.

6. Counties should also consider their cash flow situation when setting up the spending plan. In some cases, counties may be able to prevent the need for short term borrowing and incurring interest costs by matching quarterly allocations to the cash that would be available.

7. If the county passes a temporary appropriation measure specifying the anticipated expenditures and expenses to be incurred during the first quarter, the amounts allocated in that measure would be used for the first quarter spending plan allocations. Once the final appropriation measure has been developed, the last three quarters of the plan can be developed and adopted. Any changes in the first quarter of the plan due to differences in allocations should be made and adopted along with the final appropriations measure and the spending plan. If the county adopts a temporary appropriations measure that represents more or less than a three month period, the county will have to take this into consideration when developing the first quarter of the spending plan.
8. Once the plan is adopted by the commissioners, the amounts allocated for each quarter for expenses and expenditures are limited for the purposes of Section 5705.41(D) of the Revised Code. Offices, departments and divisions cannot obligate more than the quarterly allocation during any quarter.

9. When the commissioners review the office, department and division plans there may be some account items that are not appropriated to those offices, departments or divisions. (Example - employers share of PERS). The commissioners will have to allocate these types of items to the office, department of division that has control over these items. Usually the commissioners office will have control over these types of account items.

10. As noted in item #8 above, expenses and expenditures cannot exceed the quarterly allocations. This may present a problem when posting to the appropriations ledger, because the amounts are usually posted to the ledger as an annual figure. Counties can develop a program that will allow them to enter both the annual and quarterly amounts and not allow spending over those quarterly figures. As an alternative, counties could enter the allocation each quarter. This method would be the same as posting and reconciling the temporary appropriations. A reconciliation would be performed at the end of each quarter to determine the unencumbered allocation amounts. This method would require the spending plan to be posted four times, but would alleviate the necessity of developing a new program.

11. Any balance in a quarterly period that has not been expended or encumbered can be allocated to the remaining quarters, in the same appropriation account. In addition, if an office, department or division determines that revisions are necessary to specific quarterly allocations, amendments may be made through action of the commissioners.

12. When the appropriation measure is amended up or down the spending plan should be amended in the same manner. This procedure is also needed when affecting only line item appropriation accounts even though the department, office or division's total appropriations are not affected.

*Note from #2 above:
In addition to expenditures associated with the general fund, the board may adopt a new spending plan or amended plan from "any county fund" for the second half of the year and subsequent fiscal years for any county office, department, or division if 60% of amount allocated for payroll or personal services has been spent during the first half of any fiscal year. AND The board may adopt a spending plan or amended spending plan setting forth expenses and expenditures of appropriations from "any county fund" if a county office, department or division during the previous year spent 110% or more of the total amount appropriated for personal services and payrolls.
NOTICE REQUIREMENT
30 days before adopting one of these new spending plans the board shall provide written notice to each county office, department, or division for which it intends to adopt a spending plan or amended spending plan.
DURATION LIMIT
The spending plan or amended plan should remain in effect for no more than 2 fiscal years. But if the administrative officer of the office for which the plan was adopted is an elected official, the spending plan shall not be in effect during a FY in which the elected official is no longer an administrative officer of that office, department or division.
INITIAL REQUEST

______________________________ SIGNATURE OF PREPARER

QUARTERLY SPENDING PLAN (SECTION 5705.392, R.C.)
FOR THE YEAR ENDING _______________, 19__
______________________________ COUNTY
______________________________ (DEPARTMENT, OFFICE, DIVISION)

<table>
<thead>
<tr>
<th>APPROPRIATION ACCT. DESCRIPTION</th>
<th>FIRST QUARTER ALLOCATION</th>
<th>SECOND QUARTER ALLOCATION</th>
<th>THIRD QUARTER ALLOCATION</th>
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NOTE: - TO BE COMPLETED BY EACH DEPARTMENT, DIVISION OR OFFICE INCLUDED IN THE COUNTY SPENDING PLAN.

- THE LEVEL OF DETAIL SHOWN IN COLUMN ONE SHOULD CORRESPOND TO THE LEVEL OF DETAIL THAT WILL BE CONTAINED IN THE COUNTY ANNUAL APPROPRIATION RESOLUTION.
FORM "B"
APPROVED COUNTY SPENDING PLAN

QUARTERLY SPENDING PLAN (SECTION 5705.392, R.C.)
FOR THE YEAR ENDING ____________, 19__
______________ COUNTY
_________________________ (DEPARTMENT, OFFICE, DIVISION)

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<th>APPROPRIATION ACCT. DESCRIPTION</th>
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NOTE: - TO BE COMPLETED BY THE COUNTY TO IDENTIFY THE FINAL SPENDING PLAN AND APPROPRIATIONS.
- ONE "FORM B" WILL BE COMPLETED FOR EACH APPROPRIATE DEPARTMENT, OFFICE AND DIVISION.
- THE LEVEL OF DETAIL SHOWN IN COLUMN ONE SHOULD CORRESPOND TO THE LEVEL OF DETAIL THAT WILL BE CONTAINED IN THE COUNTY ANNUAL APPROPRIATION RESOLUTION.
FORM "C"
AMENDMENT REQUEST
INITIATED BY:
COUNTY COMMISSIONERS
DEPT., OFFICE, DIVISION

QUARTERLY SPENDING PLAN (SECTION 5705.392, R.C.)
FOR THE YEAR ENDING ____________, 19__
COUNTY
(DEPARTMENT, OFFICE, DIVISION)
(1ST, 2ND, 3RD, 4TH)

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NOTE:
- TO BE PREPARED BY DEPARTMENT, OFFICE OR DIVISION WHEN REQUESTING CHANGE OR BY COMMISSIONERS TO NOTIFY APPROPRIATE PARTY OF CHANGES MADE.
- TO BE USED TO INCREASE ALLOCATIONS BY PRIOR PERIOD UNENCUMBERED ALLOCATION BALANCES.
- DETAIL SHOULD CORRESPOND TO THE LEVEL OF DETAIL SHOWN IN THE ACTUAL SPENDING PLAN.
FORM "D"

QUARTERLY SPENDING PLAN REPORT

QUARTERLY SPENDING PLAN (SECTION 5705.392, R.C.)
FOR THE YEAR ENDING _____________, 19__
____________________ COUNTY
____________________ (DEPARTMENT, OFFICE, DIVISION)

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NOTE:  
- AT THE CLOSE OF EACH QUARTER, THIS FORM CAN BE USED TO REPORT THE CURRENT RESULTS TO EACH APPROPRIATE PARTY.
- SOME COUNTIES MAY HAVE OTHER REPORTS AVAILABLE WHICH WOULD MAKE THIS REPORT UNNECESSARY.
TO: CITY AUDITORS
   COUNTY AUDITORS
   TOWNSHIP CLERKS
   VILLAGE CLERKS

The purpose of this advisory bulletin is to inform you of the correct fund to use for those proceeds which are received from Federal law enforcement agencies and which belong to the local government because of its participation (with the Federal agencies) in an arrest and seizure.

These proceeds are restricted and should be used only for law enforcement purposes.

City, county and village fiscal officers should receipt these proceeds into the Law Enforcement Trust Fund created by section 2933.43 of the Revised Code.

Townships clerks whose law enforcement agency has received such proceeds should establish a "Federal Law Enforcement Fund", fund code 25, for these proceeds. This fund is to be classified as a special revenue fund. This fund does not require any further Auditor of State approval for establishment.

These proceeds are to be used only for the purposes as stated in section 2933.43 of the Revised Code for the Law Enforcement Trust Fund.

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

Fund 25 is from the township alpha-numeric fund codes (Twp. manual IV-25). The twp. numeric coding equivalent is fund 2251.
TO: School District Treasurers  
Assistant Auditors of State  

SUBJECT: Federal Impact Aid/Disaster Aid  

Certain Ohio school districts receive Federal Impact Aid/Disaster Aid under Catalog of Federal Domestic Assistance number 84.041 (Public Law 81-874).  

This Federal assistance may be receipted into the General Fund of the school district. The receipt code that must be used for this money is number 4110, Unrestricted Grants-in-Aid, Grant directly from Federal Government.  

If you have any questions, you may contact Management Advisory Services at 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy State Auditor
GASB 84 eliminated agency funds. Most often existing agency funds will become custodial fund, however, GASB 84 criteria should be evaluated for proper fund classification. Unlike agency funds, GASB 84 requires financial statements be presented to report custodial fund activity. See AOS Bulletin 2020-003.

TO: County Auditors
County Treasurers

SUBJECT: New Fund Establishment: Prepayment Fund; CC-90
Prepayment Interest Fund; D-11

H.B. 20, effective 6-14-88, permits "county treasurers to accept pre-payments toward the payment of real property taxes on the due date if the prepayments equal the full amount of the total taxes due". Also, "investment earnings on prepayments invested by the treasurer shall be paid to the credit of a special interest account to be used by the treasurer only for the payment of the expenses incurred in establishing and administering the prepayment system.

To account for the county's prepayments, each county should establish an agency fund, the Prepayment Fund, CC-90. To account for the county's investment earnings, each county should establish a special revenue fund, the Treasurers Prepayment Interest Fund, D-11. These funds do not require Auditor of State permission to be established.

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519.

Local Government Services, at (614)466-4717
TO: Township Clerks  
Village Clerks  

SUBJECT: Insurance Coverage Payments from Various Funds

The purpose of this advisory bulletin is to clarify which fund or funds may be charged with insurance premium payments.

If a fund or funds may be charged for the purchase of whatever is being insured; then the fund or funds can be charged with the insurance of the item. For example, if the "Fire Levy Fund" buys a truck, then the "Fire Levy Fund" can pay for the truck's being insured.

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy State Auditor
TO: All County Auditors


The purpose of this advisory bulletin is to inform you of the need for your county to establish a "Special Emergency Planning Fund" should your county participate in programs mandated by Substitute Senate Bill Number 367, which deals with the federal Emergency Planning and Community Right-To-Know Act of 1986 for hazardous and toxic substances.

The Fund should be classified as an agency fund, proprietary fiduciary fund type (originally proprietary which is incorrect; corrected by MAS Bulletin 89-08), at the county level.

The actual fund code to be used, is to be determined by the county auditor.

No further permission of the Auditor of State is necessary for fund establishment. However, the legislative authority must approve creation of the fund via resolution or ordinance.

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.
TO: All County Auditors

SUBJECT: Correction to MAS Advisory Bulletin 89-04

The Special Emergency Planning Fund classification should read "fiduciary" rather than "proprietary".

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy State Auditor
TO: County Auditors
   City Auditors
   Township Clerks
   Village Clerks

SUBJECT: Receipts from the County Undivided Local Government
          Revenue Assistance Fund

The purpose of this advisory bulletin is to inform you that all money by a
subdivision from the county Undivided Local Government Revenue Assistance
Fund shall be paid into the subdivision's general fund and used for
current operating expenses. Money received from the Fund should be coded
as being revenue from the State of Ohio.

If you have any questions you may contact the Auditor of State's
Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.
To: All School District Treasurers  
    Assistant Auditors of State

Subject: Recommended Accounting Treatment of Federal and State Reimbursements

The purpose of this advisory bulletin is to inform you of a change in the accounting treatment for Federal and/or state reimbursements.

Effective July 1, 1989, all school districts receiving reimbursements of Federal and/or state money for expenditures which have been made from any fund, should receipt the reimbursement into the fund from which the expenditure was originally made.

All such receipts of Federal reimbursements must be coded using the appropriate 4000 series, Federal receipt code, regardless of the fund used. All state reimbursements must be coded using the appropriate 3000 series, state receipt code.

It is the responsibility of the school district to correctly identify the Federal and/or state money receipted into all funds.

Please note that this accounting treatment is to be used only for reimbursements and not for grants, loans or any other type of receipts requiring deposit and use of separate funds.

Examples of reimbursements are:

1. Reimbursement for vocational equipment.
2. Reimbursement for adult classes.
3. Reimbursement for staff travel.
4. Reimbursement for food subsidy.

If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy Auditor of State
TO: Boards of Health, City Auditors, County Auditors, Regional Solid Waste Management Authorities, Township Clerks and Village Clerks.

FROM: Russell L. Rouch, Deputy Auditor, Management Advisory Services

SUBJECT: Funds to be established per amended substitute House Bill No. 592 (H.B. 592), for solid waste, hazardous waste, and infectious waste management fees.

DATE: January 8, 1990

The purpose of this advisory bulletin is to inform you of the funds which may need to be established to comply with the provisions of Amended Substitute House Bill No. 592 (H.B. 592).

ALL GOVERNMENTAL ENTITIES

Any governmental entity which issues debt under H.B. 592, should establish any necessary capital project fund, or special revenue fund for the receipt of the proceeds of the debt issuance.

Any debt which is issued under H.B. 592, should be repaid (principal and interest) from a bond retirement fund, which is to be established per Section 5705.09 of the Revised Code.

Any local government receiving a litter grant from the Ohio Department of Natural Resources should establish an appropriate fund for the grant (normally a special revenue fund).
BOARDS OF HEALTH

Boards of Health receiving money under H.B. 592 (Sections 3734.05 and 3734.06, Revised Code) should establish one or more of the following funds, as necessary:

A "Solid Waste Fund," which is a special revenue fund, for fees and annual license revenues to be used to administer the solid waste provisions of Chapter 3734 of the Revised Code.

An "Infectious Waste Fund," which is a special revenue fund, for fees and annual license revenues to administer the infectious waste provisions of Chapter 3734 of the Revised Code.

CITIES AND VILLAGES
(MUNICIPAL CORPORATIONS)

Cities and villages receiving "additional fees" under Section 3734.18 of the Revised Code (treatment and disposal of hazardous waste), should establish a "Hazardous Waste Fund", which is a special revenue fund.

City and villages receiving solid waste fees should receipt them into the General Fund pursuant to Section 3734.57 of the Revised Code.

TOWNSHIPS

Townships receiving solid waste fees pursuant to Section 3734.57 of the Revised Code should receipt them into the General Fund.

JOINT SOLID WASTE MANAGEMENT DISTRICTS

The board of directors shall designate the county auditor of a county participating in the joint district as the fiscal officer of the district. The fiscal officer shall establish a general fund and any other necessary funds for the district, per Section 343.01 of the Revised Code.
The district may levy fees upon the disposal at a solid waste disposal facility located in the district of solid wastes generated within the district and the disposal at a solid waste disposal facility within the district of solid wastes generated outside the boundaries of the district, but inside this state. Fees levied on these types of solid wastes are to be accounted for in a "solid waste fund." (Sections 3734.57 (B) (1) and (B) (2) of the Revised Code.)

For disposal at a solid waste disposal facility within the district, of solid wastes generated outside the boundaries of Ohio an additional amount equal to the amount established pursuant to Section 3734.57 (B) (1) of the Revised Code, is to be charged per Section 3734.57 (B) (3) of the Revised Code. This amount, (Section 3734.57 (B) (3) of the Revised Code), is to be deposited into the "Solid Waste Inspection Program Fund."

REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

If a regional solid waste management authority is established under Section 343.011 of the Revised Code, it should establish a "solid waste fund" to receipt solid waste fees (Section 3734.57 of the Revised Code).

COUNTRIES

A county which does not participate in a joint solid waste management district needs to establish a county solid waste management district and maintain one or more of the following funds for the following purposes:

Hazardous Waste Fund - to comply with Section 3734.18 of the Revised Code.

Solid Waste Fund - to comply with Section 3734.57 of the Revised Code.

Solid Waste Inspection Program Fund - to comply with Section 3734.57 (E) (6) of the Revised Code.
If you have any questions, you may contact the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

Russell L. Rouch, Deputy Auditor
Management Advisory Services

RLR/jr
TO: All Ohio Local Governments
   Assistant Auditors of State


DATE: February 20, 1990

The purpose of this advisory bulletin is to inform you of the above mentioned advisory opinion as it relates to your dealings with vendors.

The two points of the Ethics Commission's syllabus are:

1. Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses incurred in inspecting and observing the vendor's product to the officials and employees of the office, department, or agency, even though the expenses are limited to those which are essential to the conduct of official business and are incurred in connection with the official's or employee's duty to inspect and observe the vendor's products in operation at existing facilities;

2. Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses to the officials and employees of the office, department, or agency, even if the vendor's products and services are sold to the political subdivision pursuant to competitive bidding and the vendor has submitted the lowest and best bid.

If you have any questions, you should contact either your local legal counsel or the Ohio Ethics Commission at (614) 466-7090.

Russell L. Rouch,
Deputy Auditor of State
Management Advisory Services

RLR/jr
Syllabus by the Commission:

(1) Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses incurred in inspecting and observing the vendor's product to the officials and employees of the office, department, or agency, even though the expenses are limited to those which are essential to the conduct of official business and are incurred in connection with the official's or employee's duty to inspect and observe the vendor's products in operation at existing facilities;

(2) Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses to the officials and employees of the office, department, or agency, even if the vendor's products and services are sold to the political subdivision pursuant to competitive bidding and the vendor has submitted the lowest and best bid.

You have asked whether Division (F) of Section 102.03 of the Revised Code prohibits the company which you serve as an officer from providing travel, meal, and lodging expenses to public officials and employees of a political subdivision with which your company desires to do business. You have asked whether it would make a difference if the goods and services are sold to the political subdivision pursuant to competitive bidding and your company has provided the lowest and best bid.

You have stated that your company conducts business within the state of Ohio primarily with the private sector, but will upon occasion, sell or seek to sell goods and services to political subdivisions. You have stated that in the instant situation, officials and employees of a political subdivision have expressed an interest in your company's products and services. You state that the political subdivision does not currently do business with your company and your company's representatives have supplied the officials and employees with information concerning your company's products and services and have referred them to current and past customers, but that the products and services can best be demonstrated by viewing their operation at an actual working site.
You argue that it would be mutually advantageous to the political subdivision and your company if your company paid the travel, meal, and lodging expenses of the political subdivision's officials and employees to observe your company's products in operation at existing facilities located both within and outside the state. You state that the political subdivision would have the advantage of determining by on-site observation whether your company's products and services would best fit their needs and your company would have the opportunity to demonstrate its products and services at a working site. You state that if your company were to pay the travel, meal, and lodging expenses of the public officials and employees who would visit the existing facilities then the political subdivision would be relieved of the burden of paying for such expenses. You also state that giving travel, meal, and lodging expenses to clients and potential customers is a widely accepted practice in the industry and a common occurrence in your company's transaction of business with the private sector. You further state that no recreational or personal purposes will be served by the trips and only expenses which are essential to the conduct of official business will be paid by your company. All expenses would be documented and this information supplied to the political subdivisions.

Division (F) of Section 102.03 of the Revised Code provides:

(F) No person shall promise or give to a public official or employee anything of value that is of such character as to manifest a substantial and improper influence upon him with respect to his duties.

The term "person" is defined to include any individual, corporation, partnership, association, or other similar entity. See R.C. 1.59. A "public official or employee" is defined for purposes of R.C. 102.03 as any person who is elected or appointed to an office or is an employee of any public agency. R.C. 102.01(C) defines "public agency" to include any department, division, board, commission, authority, bureau, or other instrumentality of a county, city, village, township, or other governmental entity. See R.C. 102.01(B) and (C). The term "anything of value" is defined for purposes of R.C. 102.03 to include money, goods, chattels, any interest in realty, a promise of future employment, and every other thing of value. See R.C. 102.03(G) and R.C. 1.03. The Ohio Ethics Commission has previously determined that the payment of travel, meal, and lodging expenses of a public official or employee is considered to be a thing of value for purposes of R.C. 102.03(F). See Ohio Ethics Commission Advisory Opinions No. 87-005, 87-007, 89-013, and 89-014.

Division (F) of Section 102.03 of the Revised Code was enacted as part of Am. Sub. H.B. 300, 116th Gen. A. (1986) (eff. September 17, 1986). Prior to enactment of Am. Sub. H.B. 300, Division (D) of Section 102.03 prohibited a public official or employee from using the authority or influence of his office to secure anything of value for himself that would not ordinarily accrue to him in the performance of his duties if the thing of value was of such character as to manifest a substantial and improper influence upon him with respect to his duties. The Ethics Commission held that R.C. 102.03(D) prohibited a public official or employee from using his public position to solicit or receive consulting fees, honoraria, conference registration fees, travel, meal, and lodging expenses, or other similar payments or reimbursement from a party that was interested in matters before, regulated by, or doing or seeking to do business with the governmental entity with which the public official or employee served. See Advisory Opinions No. 79-002, 79-006, 80-004, 84-009, and 84-010. The Commission explained in Advisory Opinion No. 84-010:
The receipt of something of value from a party that is interested in matters before, regulated by, or doing or seeking to do business with the agency with which the public official or employee serves is of such character as to manifest a substantial or improper influence upon the public official or employee with respect to his duties, because it could impair his independence of judgment in the performance of his duties and affect subsequent decisions in matters involving the donor of the thing of value.

Am. Sub. H.B. 300 amended Division (D) to omit the requirement that the thing of value be for the public official himself, and that it not ordinarily accrue to him in the performance of his official duties. See Advisory Opinions No. 87-004 and 88-004.

Am. Sub. H.B. 300 also enacted Division (E) of Section 102.03 which prohibits a public official or employee from soliciting or accepting anything of value that is of such character as to manifest a substantial and improper influence upon him with respect to his duties. R.C. 102.03(E) does not require that the public official or employee use the authority or influence of his office or employment to secure the thing of value and prohibits a public official or employee from merely accepting or soliciting anything of value from a party that is interested in matters before, regulated by, or doing or seeking to do business with, his public agency. See Advisory Opinions No. 86-011 and 89-006. Divisions (D) and (E) of Section 102.03 of the Revised Code place the prohibitions and criminal penalties for violation of the prohibitions upon the public official or employee. The addition of Division (F) of Section 102.03 to the Ohio Ethics Law in 1986 by Am. Sub. H.B. 300 imposes a prohibition and criminal penalty upon the person or entity who improperly promises or gives a thing of value to a public official or employee. See R.C. 102.99.

The Ethics Commission has held that Division (F) of Section 102.03 of the Revised Code prohibits a company that is interested in matters before, regulated by, or doing or seeking to do business with a public agency from promising or giving, either directly to a public official or employee or indirectly to his public agency, travel, meal, or lodging expenses. See Advisory Opinions No. 87-005, 87-007, 89-002, 89-013, and 89-014. This prohibition applies even in instances where the travel, meal, and lodging expenses are directly related to the required performance of the public official's or employee's duties, and benefits his political subdivision by relieving the political subdivision of the necessity of paying for such expenses. See Advisory Opinion No. 86-011 (citing the example of a public official or employee receiving from a regulated party the expenses incurred in the inspection of a site or a facility required as part of a permit application, enforcement action, or compliance review). The Commission has explained that although budgetary considerations are of great concern to any political subdivision, the prohibitions of R.C. 102.03 override the political subdivision's desire to maximize its budget by having parties that are interested in matters before, regulated by, or doing or seeking to do business with the political subdivision pay the travel, meal, and lodging expenses of its officials and employees. See Advisory Opinion No. 89-014.

The fact that you propose that all expenses be documented to establish that your company paid only expenses essential to the conduct of official business and that no recreational or personal purpose was served by the trip does not alter the prohibition of 102.03(F). R.C. 102.03(F) simply prohibits such parties from promising or giving anything of value to a public official or employee as the best means of serving the
public's interest in effective, objective, and impartial government by preventing the creation of situations which could impair the objectivity and impartiality, and therefore the effectiveness, of a public official or employee, or his public agency, in matters affecting an interested or regulated party or a party doing or seeking to do business with the public agency. See generally Advisory Opinion No. 89-014. Your company's documentation and disclosure that the expenses the company provided to public officials and employees were limited to expenses essential to the conduct of official business may serve to establish that your company desires to conduct business openly; however, such documentation and disclosure would not negate the potential impairment of objectivity and impartiality of the political subdivision's public officials or employees in matters affecting your company.

You have asked whether it would make a difference if the goods and services are sold to the political subdivision pursuant to competitive bidding and your company has submitted the lowest and best bid after providing the political subdivision's employees and officials with the travel, meal, and lodging expenses necessary to inspect and observe your company's products. A bidding process must be open and fair with every reasonable effort made by a political subdivision to ensure that the selection process is open to all interested and qualified parties and that a contract is awarded to the party that will provide the necessary goods and services at the lowest cost. See generally Advisory Opinions No. 83-004, 88-001, and 89-004. Plans and specifications in a bidding invitation may not be drawn to favor any manufacturer or bidder unless specifically required by the public interest See State v. Board 11 Ohio App. 2d 132, 140 (Montgomery County 1967). A public official or employee who is entrusted with the duty of formulating bid specifications, determining what is to be provided, advertising the bids, evaluating the goods and services offered by vendors, and deciding what is the lowest and best bid, must act with complete objectivity and independence of judgment. Therefore, the fact that your company would sell goods and services to political subdivisions pursuant to competitive bidding would not negate the potential impairment of the objectivity and impartiality of judgment of the political subdivision's public officials or employees in matters concerning your company.

The payment of a public official's or employee's expenses by a source other than the employing public agency also implicates the prohibitions of R.C. 2921.43(A), which reads:

(A) No public servant shall knowingly solicit and no person shall knowingly promise or give to a public servant either of the following-.

(1) Any compensation, other than allowed by divisions (G), (H), and (I) of section 102.03 of the Revised Code or other provisions of law, to perform his official duties, to perform any other act or service in the public servant's public capacity, for the general performance of the duties of the public servant's public office or public employment, or as a supplement to the public servant's public compensation;

(2) Additional or greater fees or costs than are allowed by law to perform his official duties.

R.C. 2921.43(A)(1) prohibits a person, including an individual, corporation, partnership, association or other similar entity, see R.C. 1.59, from promising or giving to a public
servant any compensation, other than allowed by R.C. 102.03(G)-(I) or other provision of law, to perform any act in his public capacity or generally perform the duties of his public position. See Advisory Opinion No. 89-013. R.C. 2921.43(A)(1) also prohibits a public servant from soliciting any such outside compensation. Id. The Commission has held that the term "compensation" as used in R.C. 2921.43 includes travel, meal, and lodging expenses incurred by a public official in visiting a site to view and evaluate a vendor's product since such an act is clearly within the performance of the official's or employee's public duties. See Advisory Opinions No. 89-013 and 89-014. Therefore, R.C. 2921.43(A) prohibits a vendor seeking to do business with a political subdivision from promising or giving travel, meal, and lodging expenses to public officials and employees of that political subdivision in order to view and evaluate the vendor's product. See Advisory Opinion No. 89-014.

The Ethics Commission has previously held that R.C. 102.03(F) does not prohibit a party that is interested in matters before, regulated by, or doing or seeking to do business with a public agency from promising or giving travel, meal, and lodging expenses to the political subdivision or its personnel in two limited situations. The Commission has held that R.C. 102.03(F) does not prohibit such a party from promising or giving directly to the public agency itself the cost of inspecting or examining such a party where the public agency is statutorily authorized to charge for the cost of inspecting that party. See Advisory Opinion No. 87-005.

Also, the Commission has held that R.C. 102.03(F) does not prohibit such a party from promising or giving travel, meal, and lodging expenses to public officials and employees where the requirement that the party provide trips for business purposes to the public agency's officials and employees is included in the agency's bid specifications and ultimately in the contract between the party and the public agency. See Advisory Opinion No. 87-007. The political subdivision, by including the cost of trips in bid specifications and in the final contract, pays consideration for such trips, and ultimately bears the cost of such trips. Id. Such an arrangement will avoid the prohibitions of R.C. 102.03 and R.C. 2921.43. See Advisory Opinion No. 89-013.

This opinion addresses facts which involve officials and employees of political subdivisions of the state, however, the prohibitions of R.C. 102.03 and R.C. 2921.43 include all public officials and employees whether on the state or the local level See R.C. 102.03 and R.C. 2921.01(B); Advisory Opinion No. 89-014. Therefore, R.C. 102.03(F) and R.C. 2921.43 would prohibit a vendor who is doing or seeking to do business with an office, department, or agency of the state from promising or giving travel, meal, and lodging expenses to officials and employees of that state office, department, or agency. Furthermore, as explained above, the Commission has previously determined that parties who are regulated by or interested in matters before a public agency, as well as parties which do business or seek to do business with, a public agency are improper sources of things of value for the officials and employees of that agency. Therefore, R.C. 102.03(F) and R.C. 2921.43 prohibit any party that is regulated by, interested in matters before, or doing or seeking to do business with, a public office, department, or agency is prohibited from giving travel, meal, and lodging expenses to an official or employee of that office, department, or agency.

This advisory opinion is based on the facts presented, and is rendered only with regard to questions arising under Chapter 102. and Sections 2921.42 and 2921.43 of the Revised Code.
Therefore, it is the opinion of the Ethics Commission, and you are so advised, that: (1) Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses incurred in inspecting and observing the vendor's product to the officials and employees of the office, department, or agency, even though the expenses are limited to those which are essential to the conduct of official business and are incurred in connection with the official's or employee's duty to inspect and observe the vendor's products in operation at existing facilities; and (2) Division (F) of Section 102.03 of the Revised Code and Division (A) of Section 2921.43 of the Revised Code prohibit a vendor who is doing or seeking to do business with an office, department, or agency of a political subdivision from promising or giving travel, meal, and lodging expenses to the officials and employees of the office, department, or agency, even if the vendor's products and services are sold to the political subdivision pursuant to competitive bidding and the vendor has submitted the lowest and best bid.

David L. Warren, Chairman
Ohio Ethics Commission
TO:   All Common Pleas Courts
       All Probate Courts
       All Municipal Courts
       All County Courts
       All County Auditors
       All County Treasurers
       All Sheriffs
       All County Recorders
       All Prosecuting Attorneys
       All County Engineers
       All Boards of County Commissioners
       All County Coroners
       All Boards of Elections
       All Assistant Auditors of State

SUBJECT: Change in the Effective Date of the Census for Pay Purposes.

DATE:    July 10, 1990

The purpose of this advisory bulletin is to inform you of one of the provisions of Attorney General Opinion No. 82-047, dated July 2, 1982.

Syllabus number 2 states:

[f] or the purpose of those sections of R.C. Chapter 325 that provide for the compensation of county officers based upon population, the population figures as shown by the 1980 federal decennial census were effective as of the date on which the Governor received the completed basic population tabulations transmitted by the Secretary of Commerce. (1941 Op. Att'y Gen. No. 3982, p. 551, overruled.) (Emphasis added.)

Attorney General Opinion No. 82-047, also overruled Auditor of State Circular No. 80-7, dated October 20, 1980, all copies of which should be destroyed or marked "VOID".

County officials whose pay is based on the Census and who merit pay raises based on population increases will receive the raises effective as of (or retroactive to) the date the Governor receives the completed basic population tabulations from the Secretary of Commerce.
All, etc.

Page 2

July 10, 1990

County officials of counties whose population declines enough to cause a compensation decrease will be governed by Section 325.22, Revised Code, which prohibits a compensation decrease during the remainder of the term of office due to a decline in the population of the county.

Any questions should be directed to the Auditor of State's Management Advisory Services staff at 1-800-345-2519 or (614) 466-4717.

_________________________________________________________________
Russell L. Rouch, Deputy Auditor

RLR/jr
TO: All Ohio Governments
All Assistant Auditors of State

SUBJECT: Preferred Accounting Treatment of Real Estate Tax and Tangible Personal Property Tax Distributions

The purpose of this advisory bulletin is to inform you of the preferred accounting treatment for real estate and tangible personal property tax distributions.

Two variations of the "Statement of Semi-Annual Apportionment of Taxes" are being used by counties for tax settlements to local governments. One of the forms is causing confusion as to how the information is to be recorded. This is due to rollback and homestead being listed as "deductions" (SEE FORM A). This has resulted in some local governments posting rollback and homestead as expenditures and property tax revenues being inflated. In the examples shown below, both actual settlements are identical, and should be posted the same:

Information from "Statement of Semi-Annual Apportionment of Taxes"

<table>
<thead>
<tr>
<th>FORM A</th>
<th>FORM B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of Receipts</strong></td>
<td><strong>General Fund</strong></td>
</tr>
<tr>
<td>General Property Tax</td>
<td>$4,073.21</td>
</tr>
<tr>
<td>Tangible Personal Property Tax</td>
<td>.00</td>
</tr>
<tr>
<td>TOTAL DISTRIBUTION</td>
<td>$4,073.21</td>
</tr>
<tr>
<td><strong>DEDUCTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>10% Rollback</td>
<td>207.54 *</td>
</tr>
<tr>
<td>Homestead</td>
<td>46.49 *</td>
</tr>
<tr>
<td>2 1/2%</td>
<td>17.30 *</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>271.33</td>
</tr>
<tr>
<td><strong>BALANCES</strong></td>
<td>1,400.13</td>
</tr>
<tr>
<td>LESS ADVANCES</td>
<td>.00</td>
</tr>
<tr>
<td>NET DISTRIBUTION</td>
<td>$1,400.13</td>
</tr>
</tbody>
</table>

TO BE RECEIVED FROM STATE

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10% Rollback</td>
<td>207.54</td>
</tr>
<tr>
<td>Homestead</td>
<td>46.49</td>
</tr>
<tr>
<td>2 1/2%</td>
<td>17.30</td>
</tr>
<tr>
<td><strong>TOTAL DISTRIBUTION STATE</strong></td>
<td>$271.33</td>
</tr>
</tbody>
</table>

Information Line Toll Free 1-800-345-2519
In each of the above examples, $3,801.88 in property tax revenue should be recorded and only the Auditor and Treasurer fees ($134.21), DRETAC ($3.37), and Worker's Compensation deductions ($2,264.17) should be posted as expenditures. Form A shows a higher amount of property taxes, but this amount must be reduced by the items identified by an * prior to recording the revenue ($4,073.21 - 207.54 - 46.49 - 17.30 = $3,801.88).

The amounts shown that will be received from the state (rollback, homestead or personal property tax exemption revenue) are reported for informational purposes only.

IMPORTANT NOTE

In the case of a township, improper posting of rollback and homestead as expenditures could result in improper calculations for the clerk's compensation since it is currently based on a percentage of expenditures. All township clerks should review the procedure they followed to insure that the compensation calculation was accurate.

If you have any questions, you may contact the Management Advisory Services staff at 1-800-345-2519.

Russell L. Rouch, Deputy Auditor
Management Advisory Services

RLR/jr
TO: All Local Governments  

SUBJECT: Liability for Public Money; Unclaimed Moneys.  

DATE: April 25, 1991

Section 9.39 of the Revised Code provides that unclaimed money shall be deposited to the credit of a trust fund and shall be retained there until claimed by its lawful owner. If not claimed within a period of five years, the money shall revert to the General Fund of the Public Office. 

This bulletin addresses the accounting procedures to follow regarding outstanding, stale-dated warrants/checks issued by the governmental entity. 

Example: A warrant/check issued to Sams Garage was posted in the cash journal and appropriation ledger in the amount of $100.00 from the Gasoline Tax Fund and has been outstanding for 90 days. 

Step 1. When the warrant/check becomes stale-dated (90 days from issue date) a memorandum pay-in should be made to the expendable trust fund (later called agency) unclaimed moneys, post the warrant/check number, name of the payee and identify the money as unclaimed, to the cash journal and receipt ledger. Do not reverse the original entry. You can now remove the warrant/check from the list of outstanding warrants/checks. 

Step 2. If the rightful owner, claims the unpaid money, a warrant/check in the amount of $100.00 will be paid from the Trust Fund. If the liability remains unclaimed for a period of five years from the date the money was placed in the Trust Fund, the money shall then be paid to the General Fund. 

If, after the five year period the rightful owner claims the unpaid money, a warrant/check in the amount of $100.00 will be paid from the General Fund. 

It is recommended that your warrants/checks be printed with the statement "Void After 90 Days". 

For those townships presently participating in the Uniform Accounting Network, unclaimed money should be deposited to the credit of Fund 27G, "Agency Fund". 

Note: GAAP governments should record unclaimed (i.e. "escheat" money) in fiduciary funds per GASB 84. They should account for escheat money per GASB 21 (Cod. E 70)
For those townships not participating in the Uniform Accounting Network, unclaimed money should be deposited to the credit of Fund 27, "Agency Fund".

Villages should deposit unclaimed money in Fund G5, "Other Trust and Agency Fund".

If you have any questions, you may contact the Auditor of State's Management Advisory Service staff at 1-800-345-2519.

Russell L. Rouch, Deputy Auditor Management Advisory Services

VILLAGES:

TOWNSHIPS
Per the Township Manual, pg. II-60, "On the financial statements, unclaimed monies should be reflected in the fund that would ultimately receive the money (General Fund). In order to do this, UAN Townships should map the fund with the General Fund on UAN. Manual users would simply combine the Unclaimed Monies Agency Fund with the General Fund, and reflect the “Nonspendable - Unclaimed Monies” on the face of their financial statements."

Also, per the Township Manual, pg. II-77, "For unclaimed monies, the difference between the amount of cash in the fund and the estimated liability for payments to claimants would be classified as nonspendable fund balance until the end of the five year holding period. Unclaimed funds are legally required (ORC Section 9.39) to be maintained for five years. For a cash basis entity, the entire cash balance would be reported as nonspendable."
TO: School District Treasurers  
Assistant Auditors of State

Subject: Three Different Topics  
#1 Anticipated Operating Deficits  
#2 Generic School Plan  
#3 Inventory of Supplies

Date: May 20, 1991

TOPIC #1: Anticipated Operating Deficits

We would like to advise all school districts of potential time constraints if they anticipate an operating deficit at June 30, 1992.

School Districts that anticipate having insufficient revenues to operate through the year without borrowing, excluding borrowing against their spending reserve, need to take action by July 31, 1991, to start the procedure outlined in Section 3313.483, Revised Code, (commonly referred to as the "State Loan Program").

The process requires involvement of the school districts, State Auditor's Office, State Department of Education and the State Controlling Board as well as local lending institutions. A significant amount of time is needed to coordinate all aspects of the process.

Due to the requirements placed on school districts under Section 5705.412, Revised Code, certain deadlines are automatically imposed on districts that anticipate operating deficits.

Section 5705.412, Revised Code, requires districts to attach a "certificate of adequate revenues" to temporary appropriation measures when they exceed 25% of the prior years total amount from all sources available for expenditure. In most districts, this would impose a deadline around October 1st in obtaining authorization to borrow over year end.

School Districts faced with a projected operating deficit need to notify this office and the Ohio Department of Education by July 31, 1991, to initiate the process. Our office will make these projects a priority during the months of August and September to assist you in meeting your deadlines.

It is the policy of the State Auditor's Office not to release a school district financial forecast within thirty days of an election at which residents will vote on any matter affecting the school district. If any matter including the election of board members, will be on the November ballot, it is imperative that your request for a forecast be received early.
Mail the resolutions to:
   State Auditor's Office
   Atten: Financial Forecast Information
   88 E. Broad Street - 5th floor - MAS
   Columbus, Ohio 43266-0040

TOPIC #2: Generic School Plan

We have recently developed a generic school plan for the conversion of cash statements to Generally Accepted Accounting Principles (GAAP). Any district that is planning to convert for fiscal year 1992 can request a copy of this plan. Districts that are required to convert for fiscal year 1993 and later may request a copy at this time, however, priority will be given to the fiscal year 1992 conversions. Please specify the year of your planned conversion as part of your request.

TOPIC #3: Inventory of Supplies

School Districts that are planning on preparing a GAAP basis statement for fiscal year 1992 may need to do an inventory of supplies on or about June 30, 1991, as explained below. It is important to note that the district only needs to count large quantities of supplies such as storage rooms, warehouses and large supply cupboards. Each district may want to count all supplies and materials on hand at 6/30/91, then determine which areas are material. The district may want to consult with their audit staff to observe inventory and assist in determining departments/locations which hold material amounts of supplies.

The following is the explanation of doing the inventory of supplies:

Fixed assets and inventory are two types of assets in any entity. Fixed assets are items that are not consumed. They retain their original shape and appearance with use such as buildings, land, furniture, equipment, and vehicles. They have a useful life of at least a year and a significant initial cost. Inventory loses its original shape or appearance with use. Examples include office supplies, classroom workbooks and purchased and donated food for lunchroom.

Reporting Methods:

Inventory items may be considered expenditures either when purchased or when used.

Purchase Method. The purchase method charges supplies at the time of acquisition as an expenditure. Inventories on hand at year end are recorded as an asset with a corresponding reserve for inventory in fund equity indicating that the asset does not represent spendable financial resources. This method is appropriate for governmental funds only.
**Consumption Method.** The consumption method records inventory in the inventory accounts at acquisition and as expenditures when used. Fund equity reserve need not be established unless a minimum amount of inventory must be maintained and is therefore not available for expenditure. This method is appropriate for either governmental or proprietary funds.

**Physical Inventory:**

A physical inventory is a valuation process performed by counting all items and identifying their associated costs. When taking an inventory, the District should define what type of items will be counted, implement proper controls, count the items, and then cost the inventory at proper prices.

**Defining Inventory.** When determining what must be counted, the planning process should be done jointly between the department supervisors (principals) and the fiscal officer. Each department supervisor should make a diagram of their buildings and land. Then the supervisor should take an extensive tour of each building and all the land and determine where the supplies are located. This information should be recorded on the diagram. At this point, the department supervisors should meet with the fiscal officer to determine what must be counted.

It is helpful to set a dollar limit. For example, the District may decide not to count any items whose total value is less than $50. Nor is it necessary to count many small individual items such as pens and pencils, sheets of paper, nuts and bolts, etc. However, if a very large number of items such as these are on hand at the time the inventory is taken, numbers may be reasonably estimated with the approval of the audit staff. Also, it may be possible to exclude an entire area or department from the inventory process if the cost of the inventory in that area is small compared to the total inventory of the fund or fund type.

This concept is called materiality. As an example, if an administration building maintains a two or three hundred dollar inventory of office supplies, this would be immaterial when compared to a total inventory of gasoline, motor vehicle repair parts, etc., of many thousands of dollars.

**Proper Controls and Counting the Items.** There should be someone in charge of each department's inventory. The most effective and efficient person would be the department supervisor, since he is familiar with the department's supplies and personnel. Then the supervisors would determine which personnel will count inventory at each location. In addition, each department supervisor should assign a "checker" to randomly check all counts. Finally, each department supervisor should assign a "coster" to determine current costs for each item on the inventory.

The form that is used to record the inventory count should be as clear as possible. The form should have a column for product code number, description of product, quantity counted, price per unit, and extensions. In addition, there should be lines at the top to provide information about who took the inventory, who checked the inventory, the location of the inventory, and numbering of inventory sheets.
The fiscal officer should assemble all inventory forms and number them consecutively. A record should be kept as to which department was given which series of numbers. There should be no unnumbered forms. Within each department, the supervisors should assign each location with specific pages and record that on the diagram. The department supervisors should be able to account for all pages issued to them.

On inventory day, each department supervisor will give the personnel in each area the specific series of inventory sheets per the diagram. For example, storage area one received pages 145-195. The assigned personnel will then count and record each inventory item in their location. The "checker" will go to each location and randomly test counts on each page and place his initials on the pages. The supervisor will go to each location and pick up the specific sheets issued to that location, both those which were completed and which remain blank. For outside supply areas, special consideration will need to be given to the inventory sheets to prevent loss.

During the inventory, there are a few controls that should be in place to provide an accurate count. First, there should be a control on the use of inventory. If the department cannot completely close down for the taking of inventory, then a record of what inventory was used that day should be kept. The department supervisor should receive this list along with the inventory sheets. Second, there should be a control on the receiving of supplies on the day of inventory. These items should be kept in one particular area during inventory counting and not put in any storage location. These controls will help insure that all inventory is counted once and only once.

After the inventory has been taken and the supervisor has accounted for all inventory sheets, the sheets should be turned over to the "coster".

Costing the Inventory. The "coster" must assign a cost to each item in the inventory. Assuming that the oldest items are used first, the items in inventory are the ones most recently purchased. Thus, the FIFO, first-in-first-out, costing method is appropriate to use. If the physical flow does not always follow the FIFO process, another costing method may have to be chosen. A costing method simply provides for a uniform costing of the inventory.

The "coster" should take each item and look up the most current invoice for the item to get the cost per unit and record it on the inventory sheets. After doing this for all items, extend each line by multiplying quantity by price per unit. Then, add each page and total all pages to arrive at the total value of the inventory.

The final step for each department is to duplicate the inventory sheets and send them to the Treasurer. The Treasurer should verify the receipt of all inventory sheets issued to specific departments. In addition, they should also randomly check for mathematical accuracy on extensions and footings.
Prior Planning:

There are a few things that can be done in advance to make the inventory taking process go smoothly. Make sure all storage areas are neat and organized. This will make counting easier and faster. In addition, determine what supplies are obsolete. Before discarding obsolete items, approval of the department supervisor should be required. The department supervisors should get an early start on setting up their diagrams of storage areas. Finally, the "coster" can start researching costs for items that will definitely be on hand when inventory is taken.

The cost of the total inventory will appear on the balance sheet. It will indicate that this figure represents the cost of all inventory on hand as of June 30. Sometimes it is not possible to perform the count on June 30, or the count may require more than one day to perform. This will not cause a problem as long as the change that takes place in the amount of inventory between the count date and June 30 is not significant. If there is a large change, the count should be appropriately restated.

Verification:

To insure that the inventory amount reported on the balance sheet is reasonably accurate, the inventory count will usually be observed by the District's independent auditor. They will not participate in the process, merely verify that proper procedures are being followed. When the inventory is completed, written acknowledgment should be requested from the auditors. If a problem exists, it should be corrected at the time the inventory is taken. It may not be possible to correct it at a later date.

Donated Commodities:

Federal donated commodities on hand at year end should be reported as inventory on the balance sheet with an offsetting deferred revenue. Title to school district federally donated commodities does not pass to the District until the commodities are used; therefore, the donated commodities revenue should be deferred until the inventory is used. The fair market value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

Donated commodities used during the year will be reflected as an adjustment to operating income on the statement of cash flows because the expense does not reflect cash outflows.

If you have any questions, you may contact the Management Advisory Services staff at 1-800-345-2519.

Russell L. Rouch, Deputy Auditor
Management Advisory Services

-5-
TO:    All School District Treasurers
       All Assistant Auditors of State
       County Auditors

SUBJECT:    Post-Secondary Enrollment Options Program Accounting Treatment

DATE:   October 15, 1991

The purpose of this advisory bulletin is to inform you of the preferred accounting treatment for the post-secondary enrollment options program payment made through the school foundation distribution.

Senate Bill No. 140 established the program, which, under Section 3365.07 of the Revised Code mandates that the Department of Education pay the college attended by a student of a school district under certain circumstances.

Section 3365.07 of the Revised Code also states that the amount paid to a college is to be subtracted from the school district's school foundation payment.

The school district should receipt this amount as though it were actually received, using receipt code 3190, Other Unrestricted Grants.

Next, the school district should post the post-secondary program expenditure. Object code 479, Other Tuition and function code 1131, Preparatory, High School should be used.

The money should be receipted into the general fund.

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Russell L. Rouch, Deputy Auditor of State

RLR/jcr
TO:     Boards of County Mental Retardation and Developmental Disabilities
       Boards of County Commissioners
       County Auditors
       Assistant Auditors

SUBJECT:   Amended Substitute Senate Bill No. 156
           Effective January 10, 1992

DATE:      March 10, 1992

This legislation amended several sections of the Revised Code pertaining to the Ohio Department of Mental Retardation and Developmental Disabilities and county boards of mental retardation and developmental disabilities.

From an accounting standpoint, most significant was the enactment of Section 5705.091, Revised Code. This section of the Revised Code requires the board of commissioners of each county to establish a county mental retardation and developmental disabilities general fund. Notwithstanding Sections 5705.09 and 5705.10, Revised Code, proceeds from levies under Section 5705.222, Revised Code, and division (L) of Section 5705.19, Revised Code, shall be deposited to the credit of the county mental retardation and developmental disabilities general fund. Unless otherwise provided by law, an unexpended balance at the end of a fiscal year in any account in the county mental retardation and developmental disabilities general fund shall be appropriated the next fiscal year to the same fund.

Also, under Section 5705.091, Revised Code, a county board of mental retardation and developmental disabilities may request, by resolution, that the board of county commissioners establish a county mental retardation and developmental disabilities capital fund. The board is required to transmit a certified copy of the resolution to the board of county commissioners and upon receipt of this resolution, the board of county commissioners shall establish the capital fund.
Section 5705.14(H)(1) of this legislation allows transfer of funds by the board of county commissioners from a county mental retardation and developmental disabilities general fund to a capital fund. Such transfer request shall be by resolution of the county board of mental retardation and developmental disabilities to the board of county commissioners. This section also provides for the transfer back to the county mental retardation and developmental disabilities general fund of any unexpended balance of the capital fund.

Code of Funds:

**BB-01** County Mental Retardation and Developmental Disabilities General Fund (same account as BB-03, and add receipt code 7, local revenue).

**BB-05** County Mental Retardation and Developmental Disabilities Capital Fund (same account as BB-03, and add receipt code 7, local revenue).

No additional permission of the Auditor of State is necessary to establish these Funds; only a resolution of the Board of County Commissioners is needed.

If you have any questions, feel free to contact the Management Advisory Service staff at 1-800-345-2519 or 1-614-466-4717.

Russell L. Rouch, Deputy Auditor
Management Advisory Services

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These codes are no longer prescribed, but the remainder of the Bulletin applies.

RLR:jf
TO: ALL CLERKS OF COMMON PLEAS COURTS
   ALL CLERKS OF JUVENILE COURTS
   ALL CLERKS OF PROBATE COURTS
   ALL CLERKS OF MUNICIPAL COURTS
   ALL CLERKS OF COUNTY COURTS
   ALL CITY AUDITORS AND FISCAL OFFICERS
   ALL COUNTY AUDITORS

SUBJECT: RECENT LEGISLATION REGARDING CERTAIN INCREASES IN COURT FEES

DATE: JANUARY 20, 1993

The purpose of this advisory bulletin is to inform you of the provisions of two recently enacted bills: Amended Substitute House Bill Number 405, which became effective January 1, 1993; and Substitute Senate Bill Number 246, which becomes effective March 24, 1993. Both deal with funding the computerization of certain courts and with funding the acquisition and maintenance of computerized legal research services for certain courts. Both bills are attached for your information.

Amended Substitute House Bill Number 405 also modifies the debt limit computation for municipalities and counties when debt is issued for the purpose of the computerization to the extent provided in Chapter 133, Revised Code. In addition, the term "court costs" is changed to "court fees," as it applies to legal aid society support. The fee can be waived if the court waives the advanced payment of all filing fees. The bill also removes the cap for court costs and fees in municipal courts.

The preferred accounting treatment is that each fee established by each court be accounted for in a separate fund. The fund(s) should be special revenue funds of the city or county. The funds should be treated as regular funds of the city or county.
They should be budgeted, appropriated and encumbered. However, if the court so chooses, there can be one appropriation line item to cover the entire fund. These funds can be spent only upon order of the court.

In order to clarify questions on how or where the money can be spent, the following areas are considered appropriate expenditures for computerization and for the acquisition and maintenance of legal research services. They include, but are not limited to: computer space; computer electrical; computer air-conditioning; computer furniture, computer printer; computer software; subscription to computer service(s); staff to operate the computer system, including fringes; supplies, i.e., computer paper, etc.; training expenses; maintenance of equipment; and computer needs studies.

Any questions should be directed to your local legal counsel.

No additional Auditor of State approval is necessary for fund establishment—only a resolution of the legislative authority is needed.

All interest earned by the fund(s) should be deposited to the general fund (Section 5705.10, Revised Code).

Please remember that the provisions of Substitute Senate Bill Number 246 become effective on March 24, 1993.

If you have any questions, please contact the Management Advisory Services staff at 1-800-345-2519 or at (614) 466-4717.

Paul W. Rennick, CPA
Deputy Auditor of State

PWR/jcr
Attachments:
Amended Substitute HB No. 405 made the following sections effective January 1, 1993:

133.05, 133.07, 147.05, 733.16, 1901.26, 1901.261, 1907.24, 1907.261, 2101.162, 2151.541, 2153.081, 2301.21, 2301.031, 2303.20, 2303.201, 2323.261, 4735.16, and 5301.40.

Substitute SB No. 246 made the following sections effective March 24, 1993, thereby amending some of the above sections:

1901.261, 1907.261, 2101.162, 2151.541, 2153.081, 2301.031, and 2303.201.

The CURRENT, EFFECTIVE AS OF December 31, 1993, Ohio Revised Code Sections are attached in RC Section number sequence.
TO: CITY AUDITORS/FINANCE DIRECTORS  
COUNTY AUDITORS  
TOWNSHIP CLERKS  
VILLAGE CLERKS  
ASSISTANT AUDITORS OF STATE

SUBJECT: PROCEEDS FROM THE SALE OF VEHICLES ORDERED CRIMINALLY FORFEITED TO THE STATE.  
(SUBSTITUTE SENATE BILL NO. 275, EFFECTIVE MARCH 18, 1993.)

DATE: DECEMBER 1, 1993

The purpose of this advisory bulletin is to inform you of the preferred accounting treatment/disposition of the proceeds from the sale of a vehicle ordered criminally forfeited to the state.

When a vehicle is ordered criminally forfeited to the state under the sections mentioned in section 4503.234 of the Revised Code (a copy of which is attached), it may be given to the law enforcement agency responsible for the seizure of the vehicle. Or, the vehicle ordered forfeited may be sold at public auction.

If a vehicle is ordered criminally forfeited and is sold at public auction, each vehicle must be accounted for separately.

The proceeds of the sale are to be distributed as follows:

First, for "... the costs incurred in connection with the seizure, storage, and maintenance of, and provision of security for, the vehicle, any proceeding arising out of the forfeiture, and, if any, the sale."

Second, for "... the payment of the value of any legal right, title, or interest in the vehicle" as provided by law.

Third, up to $1,000 is to go to the law enforcement agency responsible for the seizure of the vehicle. This amount must be spent in accordance with division (D)(1)(c) and (2) and division (D)(2)(a)(ii) of section 2933.43 of the Revised Code, a copy of which is attached.

Replace with "(B) and (C) of section 2981.13"
Fourth, any money remaining shall be distributed as follows:

(a) Fifty per cent is to be paid into the Reparation Fund of the state.

(b) Twenty-five per cent is to be paid into the Drug Abuse Resistance Education Programs Fund of the state.

Checks to the state are to be made payable to the Treasurer of State and sent to 30 East 6th Street, 9th Floor, Columbus, Ohio 43266-0421. Also, you should include the distribution for the Treasurer of State’s staff to use.

(c) The remaining twenty-five per cent is to be deposited into the fund(s) described in section 2933.43 of the Revised Code, and used only for the purposes authorized by divisions (1)(c), (2) and (3)(a)(i) of that section of the Revised Code.

Legal questions should be referred to your local legal counsel, and any accounting questions should be directed to Management Advisory Services at 1-800-345-2519 or (614) 466-4717.

Paul W. Rennick, CPA
Deputy Auditor

Attachments:

Substitute SB No. 62 made the following sections effective March 18, 1993:

2933.43 and 4503.234.

The CURRENT, EFFECTIVE AS OF December 31, 1993, Ohio Revised Code Sections are attached in B C Section number sequence.

The attached 2933.43 and 4503.234 have been removed. You should refer to the latest 2981.13 and 4503.234.
TO: ALL COUNTY AUDITORS
    ALL CITY AUDITORS/FINANCE DIRECTORS
    ALL TOWNSHIP CLERKS
    ALL VILLAGE CLERKS
    ALL ASSISTANT AUDITORS OF STATE

DATE: DECEMBER 8, 1993

SUBJECT: IMMOBILIZATION OF VEHICLE FEE

This advisory bulletin applies only to those Ohio local governments having law enforcement agencies which are responsible for impounding vehicles under the OMVI statutes.

Section 4503.233 of the Revised Code (Substitute Senate Bill No. 275, effective March 18, 1993) states in part:

The Registrar shall pay the immobilization fee to the law enforcement agency that employs the law enforcement officer who immobilizes the vehicle to reimburse the agency for the costs it incurs in obtaining immobilization equipment and, if required, in sending its officer to search for and locate the vehicle specified in the immobilization and impoundment order and to immobilize the vehicle. (Emphasis added.)

The immobilization fee is to be deposited to the fund or funds which initially paid for the immobilization. Typically, the general fund or a police levy fund are used, although other funds could have paid all or part of the immobilization costs.

Should you have any questions concerning this advisory bulletin, please contact the Management Advisory Services Department staff at 1-800-345-2519 or 614-466-4717.

Paul W. Rennick, CPA
Deputy Auditor
MAS BULLETIN
MAS9408.BUL

TO: COUNTY AUDITORS
SUBJECT: RECENT ATTORNEY GENERAL OPINION
DATE: AUGUST 12, 1994

The purpose of this advisory bulletin is to inform you of a recent Attorney General opinion that may pertain to your county.

The syllabus of the opinion is as follows:

SYLLABUS: 94-047

An individual who serves as part-time health commissioner of two different counties may not serve in both such capacities on a joint district solid waste management policy committee. Instead, to avoid a conflict of interests, the individual must name a designee to serve as a member of the policy committee in one of those capacities.

If you have any questions, you should contact your legal counsel or the Auditor of State’s Management Advisory Services staff at 1-800-345-2519.

O. F. Knippenburg
Acting Deputy Auditor

* * * CAUTION * * * * REMEMBER * * *

* * * The OHIO Revised Code Section(s) included with, or referenced by this MAS BULLETIN May Have Been CHANGED, and Thus May Be OUTDATED.

* * * PRIOR to taking any action, CONSULT AN UP-TO-DATE CURRENT LEGISLATIVE SERVICE To Ensure Compliance With The OHIO REVISED CODE. * * * CONSULT YOUR LEGAL COUNSEL.* * *
MAS BULLETIN

TO: CITY AUDITORS/FINANCE DIRECTORS
COUNTY AUDITORS
TOWNSHIP CLERKS
VILLAGE CLERKS

SUBJECT: RECENT ATTORNEY GENERAL OPINION

DATE: AUGUST 12, 1994

The purpose of this advisory bulletin is to inform you of a recent Attorney General opinion which may pertain to your local government.

The syllabus of the opinion follows:

1994 Attorney General Opinion 94-046

SYLLABUS:

[1993-1994 Monthly Record] Ohio Admin. Code 4501:2-10-06(B) at 1467 restricts all information contained in or processed through the Law Enforcement Automated Data System (LEADS) to the use of law enforcement agencies and criminal justice agencies for the administration of criminal justice. Accordingly, records of information contained in or processed through LEADS, including data entered directly into a LEADS data base, computer tape logs created by LEADS of transactions on LEADS, and hard copies of data on a LEADS data base or from other data bases accessed through LEADS, are not public records subject to disclosure pursuant to R.C. 149.43(B).

If you have any questions, you should contact your legal counsel or the Auditor of State's Management Advisory Services staff at 1-800-345-2519.

O. F. Knippenburg
Acting Deputy Auditor

* * * CAUTION * * *

* * * The OHIO Revised Code Section(s) included with, or referenced by this MAS BULLETIN May Have Been CHANGED, and Thus May Be OUTDATED.

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