

OHIO AUDITOR OF STATE
KEITH FABER

How do I record...

Presented by:
Local Government Services

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Discussion will include...

- New Funds
- FEMA monies
- OPWC/OWDA payments
- Debt Issuances
- Transfers and Advances
- Fund Balance Classifications
- Budgetary
- and much more...

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New Funds

Question: What do I need to do to create a new fund?

Answer: Technical Bulletin 1999-006

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May I . . . 

New Funds

Question: Do I need AOS approval?

Answer: If it is not established by law, either specifically, or in general, permission to establish a new fund comes from the Auditor of State's Office

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AOS PERMISSION

- Required under the following circumstances:
 - REQUIRED** When management wants to capture additional financial information about a specific revenue source or activity
 - REQUIRED** When the fund will be used to account for restricted gifts or bequests that will not be held in trust; or
 - REQUIRED** When management wants to impose internal restrictions not otherwise required by law

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AOS APPROVAL

- When it is necessary to demonstrate compliance with legal or contractual restrictions
- Use of fund must be consistent with GASB fund definitions
(See AOS Bulletin 2011-004)

APPROVED

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FEMA Grants



Question: I received FEMA monies, what do I need to do?

Answer: FEMA monies need to run through the FEMA fund (even if reimbursing another fund)

AOS Bulletin 1998-013
AOS Bulletin 1999-005

FEMA Hazard Mitigation

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OPWC/OWDA Payments

Question: OPWC is paying the contractor directly, do I have to record the payments?

Answer: Yes, you need to record both the revenue and the expenditure.



AOS Bulletin 2002-004

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Loans



Question: Village received a loan from the bank to purchase a backhoe. The bank paid LGOC Equipment Company directly. Do I have to record the payments?

Answer: Yes, you need to record both the revenue and the expenditure.

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Debt Proceeds

Question: I issued \$100,000 in notes to pay for a project. They took the costs of the note out of the proceeds and I only received \$99,000. What do I book?

Answer: Debt Proceeds - \$100,000
Issuance Costs - \$1,000

Everything is Booked at Gross

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Transfers/Advances

Question: What is the difference between a transfer and an advance?

Answer: Advances are a loan of money. The general fund expects to be repaid. Transfers are a permanent movement of money, no repayment is expected.



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Transfers

Question: How do I transfer monies?

Answer: Two pieces of legislation:
1. Appropriation resolution
2. Legislation directing the transfer



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Transfers

Question: Do I have to transfer the money all at once?

Answer: No

October 30



Account #
~~123456~~

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Transfers

Question: Am I allowed to transfer money out of a capital projects fund?

Answer: Generally, no. There are certain cases in which this is allowable. You will need to consult with legal counsel.




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Old Funds

Question: There is a fund with \$300 left. There has been no activity in the fund for years. Can I close the fund?

Answer: Work with legal counsel. Closing the fund is dependent upon how the fund was created



ORC 5705.14 – 5705.16

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Reserve Funds

Question: The County Auditor is telling me the carryover in the general fund is large. What can I do?

Answer: Consider setting up a reserve fund ORC 5705.13. Work with legal counsel.



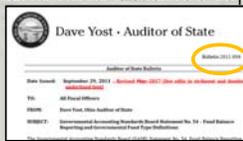
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GASB Statement No. 54

Question: I don't file GAAP look-a-like statements, only cash. Do I have to do this?

Answer: Yes. GASB Statement No. 54 defines governmental fund types and fund balance reporting



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Fund Balance Classification

Question: What is the difference between **RESTRICTED** and **COMMITTED**?

Answer: Who is controlling what the monies can be used for?

State/Grantor/Voters – Restricted

Council/Trustees – Committed

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Assigned Fund Balance

Question: I closed all my purchase orders at year end but audit said I should have assigned fund balance at December 31, 2019?



Answer: Review 2020 amended certificate and appropriations

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Handout Examples



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Unclaimed Monies

Question: How can I eliminate old outstanding checks on my reconciliation?

Answer: Create an unclaimed monies fund under ORC Section 9.39



MAS Bulletin 91-11



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DLCT

Audit Costs

Question: Am I allowed to charge audit costs to other funds?

Ohio Auditor of State
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INVOICE
May 1, 2020

Audit Charges
Village of You FYE 2019

Services rendered:
\$ 5,000.00

Due: 5/31/2020

Answer: AOS Bulletin 2020-002

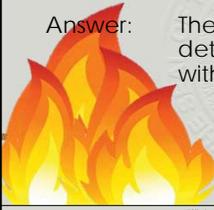
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Special Levy Monies

Question: Am I allowed to use the fire levy to pay for the fire truck loan?

Answer: The ballot language would determine this answer. Work with legal counsel.



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Credit Card Policy

Question: Do I need a credit card policy?

Answer: AOS Bulletin 2018-003




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Slide 22

DLC1 Denise L. Carr, 2/6/2020

Budgetary

Question: Doesn't the permanent appropriations have to match the total available resources on the amended certificate?

Answer: No. Appropriations cannot exceed the total available resources.



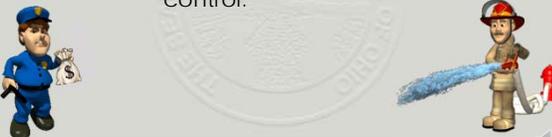
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Budgetary

Question: Can I move appropriations from the police department to the fire department?

Answer: Depends upon the legal level of control.



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Budgetary

Question: What is the legal level of control?

Answer: The level at which the Trustees / Council sets appropriations.

LEGAL



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Budgetary

General

- Police Department
 - Personal Services \$xxx,xxx
 - Other \$xxx,xxx
- Fire Department
 - Personal Services \$xxx,xxx
 - Other \$xxx,xxx

This is the minimum level implied by statute



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Budgetary

- General Fund
 - Police Department
 - Salaries and Wages xxx,xxx
 - Employees Benefits xxx,xxx
 - Contractual Services xxx,xxx
 - Materials & Supplies xxx,xxx
 - Other xxx,xxx
 - Capital Outlay xxx,xxx
 - Total Police Department xxx,xxx
- Example - fund department/activity and major object level

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Income Taxes

Question: What do I withhold income taxes on?



Answer: The laws change all the time. I recommend calling the IRS directly.

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Property Taxes



Question: Can I book property taxes net?

Answer: No. Property tax settlements are booked at gross *(UAN users – memo receipt)*



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Traffic Camera Revenue



Question: LGOC Traffic Company operates the program. The Township receives 60% and LGOC Traffic Company keeps 40% as their fee. Can I book this net?

Answer: No. Revenues and expenditures need to be booked at gross.

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Township Salaries

Question: How do I calculate how to charge the salaries to the various funds?

Answer: You are looking for a reasonable method of calculation.



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Township Salaries

Question: If the Township budget increases into the next bracket, what is the affect on the annual salary?

Answer: The annual salary would be increased on the effective date of the budget increase to the salary for the higher compensation bracket. This increase must, however, be pro rated for the portion of the year remaining after the effective date of the increase and would not result in a retroactive payment for the portion of the year already served.

OAG 99-015

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Deficit Funds

Question: UAN won't allow me to have deficit balances. I need to make payroll. What do I do?

Answer: Contact . . .

Local Government Services

800-345-2519

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Declining Balances



Question: Council/Trustees want to give raises. I don't think the Village/Township can afford this. What can I do?

Answer: Prepare a forecast (3-5 years) showing the long-term affect of the raises.

EXTENDED FORECAST

FRI	SAT	SUN	MON	TUE	WED	THU
☀️	☀️	☀️	☁️	☁️	☁️	☁️
44	40	50	52	37	21	28
22	32	47	37	16	12	12

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Forecast Tips



- Forecast conservatively for revenues
- Forecast as accurately as possible for expenditures
- Salaries and benefits should include all relevant pieces of personnel expenditures
- Purchased services and materials and supplies should have small increases if necessary.
- Helps prevent going into fiscal distress.

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Forecasts *Capital Plan*



Capital Plan

- Allows for project participation with limited resources
- Communication tool to your community
- Allows your township/village to look into the future to determine additional needs

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Forecasts *Operating Plan*



Operating Plan

- Assists the trustees/council and public to understand the financial impact of operational decisions
- Can assist in resource allocation
- Transparency and Communication

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Fiscal Caution, Watch, Emergency



Question: Am I in Fiscal..?

Answer: Only the Auditor of State can declare an entity into fiscal caution, watch or emergency.



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Bank Reconciliations

Question: Do I have to reconcile every month?

Answer: Yes, Reconciliations should be completed in a timely manner every month.



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Filing Financial Statements

Question: When do I have to file?

Answer: For cash basis reports – 60 days after year end



AOS Bulletin 2015-007

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Filing Financial Statements



Answer: Financial Statements and Notes

- Hinkle System – Entity specific link emailed every year
- One PDF is uploaded

Notes on website updated every year

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Audit Adjustments

What are they and how do I record them?



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I got a 90 day letter...



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Accounting Questions

- Manuals
 - Ohio Township Handbook
 - Village Officer's Handbook
- Technical Bulletins
- Ohio Compliance Supplement
- Past Conference Materials
- Local Government Services

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Auditor of State's Website

Resources

- Publications & Manuals
 - Ohio Township Handbook
 - Village Officer's Handbook
 - Technical Bulletins
 - Desk Calendar
- Local Government Services
- Reference Materials
 - Financial Statement Shells & Footnotes
 - Current Notes
 - Specialized Notes
- Training & Past Conferences
 - Past-Conference Materials

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