OHIO
VILLAGE OFFICER'S
HANDBOOK

Dave Yost · Auditor of State

March 2014

Dave Yost • Auditor of State

Dear Village Official:

Public service is both an honor and challenge. In the current environment, service at the local level may be more challenging than ever before. This handbook is one small way my office seeks to assist you in meeting that challenge.

To that end, this handbook is designed to be updated easily to ensure you have the latest information at your fingertips. Please feel free to forward questions, concerns or suggestions to my office so that the information we provide is accurate, timely and relevant.

Of course, a manual of this nature is not to be confused with legal advice. Should you have concerns or questions of a legal nature, please consult your statutory legal counsel, the county prosecutor's office or your private legal counsel, as appropriate.

I understand the importance of local government and want to make sure we are serving you in ways that meet your needs and further our shared goals. If my office can be of further assistance, please let us know.

I look forward to working with you as we face the unique challenges before us and deliver on our promises to the great citizens of Ohio.

Thank you for your service.

Sincerely,

Dave Yost
Auditor of State

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Village Officer's Handbook

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CHAPTER ONE: HOME RULE

I. Definition

Villages are municipal corporations, as are cities. They are defined and regulated in Article XVIII of the Ohio Constitution and in Title 7 of the Ohio Revised Code.

II. Classification

Municipal corporations with a population of less than 5,000 are villages. The village may be incorporated by the procedures set forth in Ohio Revised Code Chapter 707 requiring a petition to the county commissioners. (Ohio Revised Code Section 703.01 and Chapter 707)

III. Plans of Government

Article XVIII of the Ohio Constitution provides for the formation of municipal corporations. Section 3 confers upon the municipal corporations all powers of local self-government and Section 7 authorizes the municipal corporations to adopt charters setting up their own plans of government. Those villages which do not have charters may adopt one of the plans of government set forth by the legislature in Ohio Revised Code Chapter 705 or may operate under the general provisions of Ohio Revised Code Title 7.

IV. Home Rule

A. Definition and Purpose - "Home Rule" is a term used to described those powers granted to municipal corporations under Article XVIII, Section 3 of the Ohio Constitution, which provides, "municipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary, and other similar regulations as are not in conflict with general laws".

These powers were granted in an effort to provide more local control over certain governmental activities, but not to allow complete independence from State government. Because this grant of power is derived from the Ohio Constitution, it is superior to laws enacted by the legislature, except where a constitutional limitation is provided allowing the legislature to regulate municipalities. Several areas of limitation are discussed in Chapter Three: Administration and Finance.

B. Charter vs. Non-Charter Village - As municipalities, all villages have Home Rule powers, but the extent of these powers differ depending upon whether the village has adopted a charter. By adopting a charter, the village may set up a system of government which differs from the statutory plans. It may provide for the officers and procedures for all governmental functions. Non-charter villages must comply with all State laws concerning matters of procedural local self-government. Matters of substantive local self-government are not controlled by State laws, whether or not the village has adopted a charter.

C. Local Self-Government Powers vs. Police Regulations - Article XVIII, Section 3 of the Ohio Constitution distinguishes between powers of local self-government, which relate to the form of village government and control of village property, and the powers of police, sanitary, and other regulations, which relate to the health, safety, and general welfare of individuals within the village. As previously mentioned, charter villages are basically free from regulation by the legislature in matters of local self-government, but the exercise of village police powers cannot conflict with general laws enacted by the legislature.

V. Local Self-Government Powers

A. Procedural Local Self-Government Powers - These are powers which concern the organization of village government as well as the procedures under which the village must function. Villages may deviate from State laws regulating matters of procedural local self-government only by adopting a charter. Examples of these powers are as follows:

1. Structure of government - This pertains to the officers and their functions. Without a charter, villages must comply with State laws regulating them;

2. Competitive bidding requirements - State laws determine when competitive bidding is necessary and what procedures must be followed. Only charter villages may set up their own bidding requirements;

3. Initiative and referendum;

4. Appointment and duties of police officers;

5. Village election procedures; and

6. Annexation proceedings.

B. Substantive Local Self-Government Powers - These are powers which concern the decision-making authority of the village as well as regulating the conduct of individuals within the village. With a few constitutional exceptions, these powers cannot be superseded by State laws. Examples of these powers are as follows:

1. Power to contract - The State cannot, by law, restrict the village's general power to contract;

2. Taxation - There are explicit constitutional limitations provided in Article XVIII, Section 13 and Article XIII, Section 6 of the Ohio Constitution, as it is necessary to provide for coordination of State and local taxation. Otherwise, State laws cannot restrict the village's power to tax;

3. Assessments - This power is limited by Article XIII, Section 6 of the Ohio Constitution;

4. Incurring debt - Laws may be passed by the General Assembly limiting this power; (Article XVIII, Section 13 of the Ohio Constitution);

5. Power to purchase, appropriate, or dispose of property - The decision to purchase, appropriate, or dispose of property is a power of substantive local self-government. However, the procedures used to purchase, appropriate, or dispose of property are matters of procedural local self-government and are regulated by State laws, unless the village has adopted a charter;

6. Compensation of employees and officers - This area is purely a matter of substantive local self-government. Statutes regulating many matters of compensation can be overridden by local ordinance. Recent court cases have held that the sick leave provision of Ohio Revised Code Section 124.38 does not apply to villages, and that sick leave benefits are a form of compensation. Therefore, the village may or may not provide sick leave benefits to its employees and officers;

7. Power to establish, locate, and vacate streets; and

8. Power to restrict the weight of vehicles using the village's streets.

VI. Police Regulations

Police regulations are laws enacted to protect the health, safety, and welfare of persons and property. They are aimed at matters of private conduct rather than matters of government. Unlike matters of local self-government, police regulations can never conflict with general laws.

A. Conflict - This has been defined by the courts as permitting what State laws prohibit, or prohibiting what State laws permit. However, the mere absence of State law does not imply that a particular activity is permitted.

B. General Laws - These are laws intended to have general application throughout the State. They are not of a local nature, but have Statewide significance. General laws regulate the conduct of individuals. The courts have held that State laws which attempt to regulate the actions of local government are not general laws. General laws include those enacted by the State legislature, or by State regulatory agencies with legislative authorization.

VII. Public Utilities

The power to operate public utilities has a separate and distinct source from the general home rule powers of Article XVIII, Section 3. Article XVIII, Sections 4 and 5 of the Ohio Constitution state that villages may provide public utility service for village residents directly or by contracting with others within specified limits. Article XVIII, Section 12 provides for financing the construction of public utilities by revenue bonds. Public utilities of the village are operated and managed by the board of trustees of public affairs or the village administrator, which operate under the same regulations. (Ohio Revised Code Section 735.271 to Ohio Revised Code Section 735.273)

A. Powers under Article XVIII, Section 3; Regulations - The village's power to regulate private utilities is a police power under home rule. As such, it must not conflict with State regulation of private utilities.

B. Proprietary Function; Operation - The village's operation of a public utility is a "proprietary" function. This means that the defense of governmental immunity is not available to avoid liability for negligent village employees.

C. Rate Fixing - The power to fix rates for village utilities is exercised by the board of trustees of public affairs, or by the village council if the village administrator has been appointed. Sewer rates are always fixed by village council; however, the village is given wide discretion in establishing rates for its utilities, and it is not subject to control by the State Public Utilities Commission. The only restriction is that rates must be reasonable. The courts have even approved rates which were below what was necessary to meet expenses, and rates which produced a profit. When the deficit or profit is so large as to impose what amounts to an "indirect" tax on those persons put in the position of paying the difference, the courts will likely find that the rate is unreasonable. The village cannot use its utility rates to provide revenues for other village departments, as this would undermine the State's authority to control village taxation. (Ohio Revised Code Sections 735.273 and 735.29)

D. Utility Contracts - The village may contract for the supply of utility services to the village with other municipalities or public utilities. The village is given wide discretion in formulating the contract. The contract should contain a provision requiring a specific quality of service. It should also establish the rate and duration of the services provided. The courts have held that bidding procedures are not applicable to contracts for village utility services in other municipalities.

1. Termination - If a specific termination date is not provided, problems may arise as to when either party may terminate a contract for village utility services. The Supreme Court of Ohio has ruled that if no time is specified, utility contracts terminate after a reasonable time.

2. Abandonment - State statute requires that no public utility may abandon its facilities without applying to the Public Utilities Commission. However, the village may sell the village utility without this application.

3. Energy price risk management - Ohio Revised Code Section 9.835 authorizes villages to enter into energy price risk management contracts to mitigate the price volatility of energy sources, including natural gas, gasoline, oil, and diesel fuel. The statute states that "an energy price risk management contract is not an investment" for purposes of public depository law governing investment of political subdivision interim monies.

VIII. Questions and Answers

Village Government

1. *(Q) If the village population grows to exceed 5,000, can the village choose to continue to operate under the village government system?*

   (A) No, once the village population exceeds 5,000, it is no longer classified as the village and must adopt a city government system.

Matters of Procedural Local Self-Government

2. *(Q) Can the village council pass an ordinance defining the duties of village officers which are different from those established in the Ohio Revised Code?*

   (A) Only if the village has adopted a charter. Non-charter villages cannot pass ordinances which conflict with State laws.

3. *(Q) Can a non-charter village council pass an ordinance taking certain duties from one village officer and placing them under the authority of another village officer?*

   (A) No, a non-charter village cannot enact an ordinance in conflict with State laws establishing the duties of various village officers.

4. *(Q) Can the village council enact an ordinance establishing election procedures within the village which differ from those provided by State law?*

   (A) Only villages which have adopted a charter may establish election procedures for local elections which differ from those procedures set forth by State law. State election laws must always be followed in State and Federal elections within the village.

5. *(Q) Are ordinances relating to the appointment and duties of village police officers considered police regulations?*

   (A) No, such ordinances are matters of local self-government because they are concerned with how the village operates rather than the general conduct of individuals.

6. *(Q) Can the village "trade in" its aging motor vehicles toward the purchase of new motor vehicles?*

   (A) Ohio Revised Code Section 721.15 provides that a contract for the purchase of new vehicles must go to the lowest and best bidder, but the price offered for the purchase of used village vehicles may be subtracted from the price quoted for the sale of the new vehicles in determining which is the lowest and best bidder.

7. *(Q) How may an annexation of township property to the village be initiated?*

(A) Annexation may be initiated by the application of a citizen in the territory to be annexed, or the village itself may initiate the annexation. This is set forth in Ohio Revised Code Chapter 709.

8. *(Q) Once a petition for annexation has been approved by the county commissioners, is the village required to accept the annexation?*

(A) No, the village has one hundred twenty days to accept the annexation. If the village fails to act within one hundred twenty days, the annexation is deemed rejected.

9. *(Q) How is "annexation" different from a "merger"?*

(A) Annexation is usually prompted by one or more individual property owners whose property is located outside of the corporate limits of a municipality or township. A merger is the annexation, one to another of existing municipal corporations or of the unincorporated area of a township with one or more municipal corporations, or the merger of one or more municipal corporations with the unincorporated area of a township. (Ohio Revised Code Section 709.43)

10. *(Q) How does a merger occur?*

(A) A merger can occur when the respective legislative authorities of one or more municipalities agree to a merger and adopt, by two-thirds vote of each authority, an ordinance or resolution proposing a merger. They have up to one hundred twenty days to enter into an agreement based on the conditions of the proposed merger. Another way a merger can occur is when the question of merger is submitted to the electors of the municipal corporation(s) and township(s) proposed for the merger. The question is put on the ballot and voted upon, separately, in each municipal corporation and/or township proposed for merger. (Ohio Revised Code Sections 709.451 and 709.452)

Matters of Substantive Local Self-Government

11. *(Q) May the village enter into a contract with other villages, townships, or cities to provide for their mutual fire protection?*

(A) Yes, such authority is specifically granted to villages under Ohio Revised Code Section 9.60.

12. *(Q) Can the village enter into a contract with another village or city for the construction of a public improvement for their mutual benefit?*

(A) Yes, this ability is provided under Ohio Revised Code Section 715.02. It requires the contract to specify how the improvement shall be constructed, the role of each party, and how the costs shall be apportioned.

13. *(Q) Are there any limitations upon the village's power to sell village real estate?*

(A) Yes, Ohio Revised Code Section 721.03 provides that such sales must be approved by a two-thirds vote of village council and the board or officer having supervision of the property. Competitive bidding is required, with the sale going to the highest bidder.

14. *(Q) How may personal property belonging to the village be sold?*

(A) Personal property valued at less than $1,000 may be sold by the board or officer having supervision over it. Property valued at more than $1,000 may only be sold when approved by ordinance after competitive bidding, as set forth in Ohio Revised Code Section 721.15.

15. *(Q) May the village enact an ordinance requiring those having or acquiring handguns within the village to obtain an identification card issued by the village?*

(A) Yes, this has been held to be a reasonable exercise of municipal police power.

16. *(Q) May the village regulate the weights of vehicles using its streets?*

(A) Yes, these regulations may be in conflict with general laws. Municipalities are given wide discretion in regulating their own streets because of the liability for the condition of the streets.

17. *(Q) Who is responsible for keeping sidewalks repaired, the village or the property owner?*

(A) Ohio Revised Code Section 723.01 requires the village to keep the streets and sidewalks open, in repair, and free from nuisance. The village is therefore liable. Section 723.011 provides, however, that the village may, by ordinance, require that abutting property owners keep the sidewalks repaired.

18. *(Q) Is it permissible for the village to appropriate more private property than it needs for a public utility in order to resell the extra land at a profit?*

(A) Article XVIII, Section 10 of the Ohio Constitution states that municipalities may acquire excess property, and that sale of the property may be made. The Ohio Supreme Court, however, has held that the excess property appropriated must be necessary for a public use so as to prevent this type of land speculation.

Police Regulations

19. *(Q) Can the village require a license for operating a trailer park in addition to a State license?*

(A) No, since such licensing involves the village police power, it could not be used to further restrict that activity which is already allowed under the State license. Any further restriction would be in conflict with the general law.

20. *(Q) May the village enact an ordinance to prohibit peddlers and solicitors from operating within the village?*

(A) Such an ordinance would be a police regulation and would be valid unless it were in conflict with a general law. State statutes which specifically prohibit municipalities from prohibiting certain activities have been held to not be general laws since they do not attempt to regulate conduct of individuals. The State can prevent the prohibition of certain activities by creating a State license for those activities.

21. *(Q) May the village enact a retroactive zoning ordinance which requires the removal of signs in violation of the zoning code?*

(A) No, since zoning is a matter of police regulation, this would be in conflict with Ohio Revised Code Section 713.15, which is a general law.

Conflict with General Laws

22. *(Q) Can the village council pass an ordinance making certain acts felonies?*

(A) No, the State has exclusive jurisdiction in establishing felony offenses.

23. *(Q) Can the village provide a more severe penalty for the violation of the village ordinance than the State provides for the violation of a similar State law?*

(A) Yes, the village can impose a more severe penalty as long as it does not make the violation a felony.

24. *(Q) May the village enact an ordinance restricting or prohibiting the power of a State court to review administrative and legislative acts of village officers and agencies?*

(A) No, this is beyond the scope of local self-government powers. This is purely a matter of State control.

25. *(Q) May an ordinance be passed limiting the number of establishments selling liquor within the village?*

(A) Any such limitation cannot be in conflict with State liquor control law. This includes regulations which the State Board of Liquor Control is authorized to enact.

26. *(Q) May the village enact regulations for speeds of vehicles on its streets which are in conflict with State speed laws?*

(A) No, this is a police regulation which must not be in conflict with general law. This matter is different from the village regulation of vehicle weights using its streets.

CHAPTER TWO: OFFICERS AND EMPLOYEES

I. General Considerations

The village may operate under the general provisions of Title 7 of the Ohio Revised Code, or it may adopt a charter or one of several statutory plans of government provided by Ohio Revised Code Chapter 705. Most villages do not have charters, but operate under the general provisions set forth in Title 7 of the Ohio Revised Code. The officers and procedures under those general provisions will be discussed in this chapter. Under a charter, the village may select which officers shall perform certain functions and prescribe their procedures, without regard for most State laws. This is further discussed in Chapter One: Section IV, Home Rule. A brief outline of the other statutory plans follows:

A. Commission Plan - This plan calls for three elected commissioners. The commission performs both legislative and administrative duties in separate sessions. A clerk, treasurer, auditor, and solicitor are appointed by the commissioners. The positions of clerk and treasurer may be combined. (Ohio Revised Code Section 705.41)

B. Manager Plan - This plan calls for an elected council of five members. The council is the legislative body, and it appoints the manager, who is the chief administrative officer. It may appoint a civil service commission and all boards or commissions, and it must approve all appointments made by the manager. The council member elected chairman shall perform all judicial functions. A clerk, treasurer, auditor, and solicitor are appointed. The positions of clerk and treasurer, or clerk and auditor may be combined. (Ohio Revised Code Section 705.51)

C. Federal Plan - This plan calls for an elected mayor and council of three members. The mayor may veto council legislation. A two-thirds majority is needed to override such veto. The executive power is held by the mayor and the department heads appointed by the mayor. The directors of public service and public safety are appointed. (Ohio Revised Code Section 705.71)

II. Village Council

The legislative authority of the village rests in its council. Most powers and duties of the village council are set forth in Ohio Revised Code Chapters 705, 731, and 733.

A. Qualifications, Elections, Terms, and Compensation - The village council consists of six electors who must reside in the village for one year preceding their election. With few exceptions, they may not hold any other public employment or have any interest in any contract with the village. Council members shall be elected for terms of four years, at salaries fixed by the council itself. Deductions may be made for meetings not attended. (Ohio Revised Code Sections 705.12, 705.13, 731.09, 731.12, 731.13, and 733.68 to 733.71)

1. Bond and oath - A bond and oath may be required of village officers and employees as village council directs. (Ohio Revised Code Sections 705.27, 705.28, and 731.13)

2. Suspension and removal of village council members

   a. Ohio Revised Code Section 731.45 provides that village council may expel any council member for disorderly conduct, for violation of its rules, or for an unexcused absence of two months.

      i. Vote for suspension - Two-thirds vote of all council members.

      ii. Hearing - Council member (accused) must be notified of the charge and given a hearing.

      iii. Hearing date - The hearing shall be held at the next regularly scheduled council meeting, unless extended at the request of the accused.

      iv. Suspension pending hearing - A majority of the remaining council members may vote to suspend the accused pending the hearing. Such suspension shall be no longer than fifteen days, unless the hearing date is extended at the request of the accused. In such cases, the suspension can be extended up to thirty days.

   b. Under Ohio Revised Code Section 733.72, actions for removal of village council members (as well as village officers) may also be brought in probate court for:

      i. Receiving outside compensation for services as a council member;

      ii. Having an interest (directly or indirectly) in a contract with the village;

      iii. Malfeasance in office (the doing of an unlawful or improper act); or

      iv. Misfeasance in office (the doing of a lawful act in an unlawful manner).

3. Suspension and removal of village officers

   a. When the village mayor discovers misconduct on the part of the village official, the mayor shall file, with village council, specific written charges against such official and serve a copy of such charges to the accused, unless a different procedure is provided by ordinance.

      i. Types of charges - Bribery, misfeasance, malfeasance, misconduct in office, gross neglect of duty, gross immorality, or habitual drunkenness.

      ii. Hearing - The hearing shall be held before the village council.

      iii. Suspension pending hearing - Village council, by majority vote of all its members, may vote to suspend the accused pending a hearing, for a period of up to fifteen days.

iv. Removal - After the hearing, the accused is removed if at least two-thirds of all council members vote for removal.

v. Appeal - Any removal may be appealed to the common pleas court of the county, but the decision of village council is presumed valid, unless clear abuse can be shown.

b. Actions for removal of village officers can also be brought in probate court (see 2b above).

c. Removal of village officers may be otherwise provided if village council directs by ordinance.

4. Suspension and removal of village employees

a. Suspension or removal can take place at any regular meeting of village council.

b. A majority vote of village council is required for suspension or removal.

5. Village council vacancies in office

a. When a vacancy in the village council membership occurs, council has thirty days from the date the resignation was tendered to fill the vacancy.

b. If council fails to fill the appointment within this period, the mayor shall appoint someone to fill the vacancy.

B. Organization

1. President - The mayor serves as village council president, but only votes in the case of a tie. (Ohio Revised Code Section 733.24)

2. President Pro Tempore - A member of village council shall be elected to this office at the first January meeting each year, to serve as president in the mayor's absence. If the mayor becomes permanently absent from office, the president pro tempore fills that office until a successor can be elected to the unexpired term. The successor will be elected at the first general election that occurs more than forty days after the vacancy, unless the year after such election, a new mayor would normally be elected. In that case, the president pro tempore would serve the unexpired term. While acting as mayor, the president pro tempore votes at council meetings only in the case of a tie. (Ohio Revised Code Sections 731.10, 731.11, and 733.25)

3. Clerk - The clerk keeps permanent records of council proceedings and must attend all meetings of village council. The village council shall appoint one of its members to serve in the office when the clerk is absent. (Ohio Revised Code Sections 705.10 and 733.27)

C. Meetings (Ohio Revised Code Sections 731.46 and 121.22)

1. Village council shall meet as prescribed by ordinance, but not more than once a week. All meetings shall be open to the public.

2. Special meetings may be called by any three village council members or by the mayor, with at least twelve hours notice to each member.

3. Village council shall act only at authorized meetings and according to authorized rules.

4. Village council may adjourn during a public meeting to discuss the following subjects in executive session:

   a. To consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official, or to consider the investigation of charges or complaints against such a person, unless asked by such employee or official to be held in public;

   b. To consider the purchase or sale of property if premature disclosure would give an unfair advantage to a person whose personal private interest is adverse to public interests;

   c. Attorney conferences concerning pending or imminent court action;

   d. Prepare for conducting or reviewing employee negotiations and bargaining;

   e. Matters requiring confidentiality by law; and

   f. Security arrangements.

      NOTE: No actions upon these matters can be made (e.g. rules, resolution, ordinances) unless adopted in a public meeting. The minutes need only reflect the general subject matter of discussion in executive session.

D. Actions - Village council acts through ordinances and resolutions. The distinction between the two is not always clear. An ordinance is generally required for more permanent and formal matters, and usually requires publication.

1. Passage - Ordinances and resolutions shall be read by title only, on three days, unless a full reading is voted for by a majority, or reading is dispensed with by vote of three-fourths of village council. Voting on passage shall be taken by yeas and nays and journalized. Passage requires at least a majority vote. Action not requiring an ordinance or resolution may be taken by a majority of members present. (Ohio Revised Code Section 731.17)

2. Style of ordinance - This is set forth by State law. (Ohio Revised Code Section 731.18)

3. Subject - No ordinance, resolution, or bylaw shall have more than one subject, which shall be clearly stated in its title. (Ohio Revised Code Section 731.19)

4. Amendment - New ordinances, resolutions, or bylaws to amend or revise another in existence must contain the entire ordinance, resolution, or bylaw to be amended or revised and thereby repeal it. (Ohio Revised Code Section 731.19)

5. Authentication and recording - Legislation is authenticated by the signature of the presiding officer and clerk of council. Once passed and signed, legislation shall be recorded by the clerk. (Ohio Revised Code Section 731.20)

6. Publication - A succinct summary of general ordinances and those providing for improvements must be published in a newspaper of general circulation in the municipal corporation. Proof of publication, by affidavit of the proprietor, shall be filed with the clerk. Ordinances may be published in book form when there is a revision of codification. Summaries of ordinances or resolutions and proclamations of elections shall be published once a week for two consecutive weeks or as provided by Ohio Revised Code Section 7.16; notices, not less than two nor more than four consecutive weeks or as provided by Ohio Revised Code Section 7.16; all other matters shall be published once. When no local newspaper is available, the village council may select alternative methods of publication, as by posting in five significant places for fifteen days prior to the effective date thereof. (Ohio Revised Code Sections 731.21 to 731.25)

7. Emergency legislation - Ordinances necessary for the immediate preservation of the public peace, health, or safety go into immediate effect, without publication, but require a two-thirds majority of all council members. Reasons for the necessity must be set forth in the ordinance. (Ohio Revised Code Section 731.30)

III. Village Mayor

The mayor is the chief executive of the village. The mayor supervises the administration of the village and presides at council meetings. The mayor may appoint various village officials. (Ohio Revised Code Section 733.24)

A. Qualifications, Election, and Term - The mayor must be an elector of the village and is elected to a term of four years. Upon the mayor's permanent absence, the president pro tempore of the village council serves as a successor until a qualified successor can be elected. (Ohio Revised Code Sections 733.24 and 733.25)

B. Administration Powers and Duties - The mayor shall perform those duties established by village council in its bylaws and ordinances. It is the mayor's duty as chief executive to see that all village laws are enforced. The mayor must also sign various legal instruments as the village council or State law requires. (Ohio Revised Code Section 733.30)

1. Filling vacant office - All offices which become vacant, unless otherwise provided by law, shall be filled by mayoral appointment for the remaining term. (Ohio Revised Code Section 733.31)

   a. Clerk or Treasurer - The mayor may appoint an acting clerk or treasurer to fill that position until a permanent appointment can be found.

   b. Village Solicitor - The village solicitor is not considered an "officer" of the village and therefore, the vacancy would be filled by village council.

2. Reports to council and protests - As the mayor deems proper, or as the village council requires, the mayor shall report to village council the financial status and general condition of the village. The mayor shall protest expenditures of village council which exceed current revenues. The mayor shall make an annual report each January. (Ohio Revised Code Sections 733.32, 733.33, 733.40, and 733.41)

3. Supervision of village officers - The mayor supervises all village officers and examines complaints against them. When misconduct is found, the mayor shall file with the village council, specific written charges, and serve a copy upon the officer accused, unless another procedure is provided by law. After a hearing before the village council, the accused officer may be removed by a two-thirds majority of village council. The accused may be suspended for up to fifteen days prior to the hearing by approval of a majority of village council. Any removal may be appealed to the common pleas court of the county, but the decision of village council is presumed valid unless clear abuse can be shown. (Ohio Revised Code Sections 733.34 to 733.39, and 733.72)

C. Judicial Powers and Duties; Mayor's Court - The mayor has certain judicial powers, where there is no municipal court within the village. The mayor may hear and determine cases involving violations of village ordinances and all traffic violations occurring on State highways located within the boundaries of the municipal corporation, subject to the limitations of Ohio Revised Code Sections 1905.03, 1905.031, 2937.08, and 2938.04. Where a penalty for a violation includes imprisonment or a fine in excess of $100, the accused is entitled to a jury trial, and unless that right is waived, such violations cannot be heard in mayor's court. (Ohio Revised Code Chapter 1905 and Section 2945.17)

The United States Court of Appeals for the South Circuit held in the case of DePiero v. City of Macedonia 180 F.3d 770 (6th Circuit, 1999), that a mayor's broad executive authority and administrative responsibilities impaired the mayor's ability to serve as a neutral arbiter. Given the Macedonia case, villages should consult their legal counsel as to when a magistrate should preside over the court rather than the mayor.

1. Appeals - Within ten days from the mayor's judgment, a notice of appeal to the municipal or county court may be filed. All further proceedings in the mayor's court shall be stayed from the time of filing the notice of appeal with the mayor's court. (Ohio Revised Code Section 1905.23)

2. Fines and fees - The mayor shall not receive, for the mayor's own, any money collected through the court, but shall disperse such money to the village and the county as directed in Section 733.40. (Ohio Revised Code Sections 733.40)

3. Deposits - Court costs are always paid into the municipal treasury, as are fines and forfeitures for violations of village ordinances. Fines and forfeitures arising from State laws are paid into the county treasury, unless the arrest is made by the highway patrol, for which 45 percent is paid to the State and the balance is paid into the village treasury. All money collected by the mayor's court should be deposited with the village treasurer. (Ohio Revised Code Sections 5503.04)

4. Records - The mayor must keep a docket of the cases before the court, a cashbook, duplicate receipts, and other related documents showing the disposition of each case. In keeping the docket and other files, the mayor shall be governed by the laws pertaining to county courts. (Ohio Revised Code Sections 1905.21 and 1905.01)

IV. Village Clerk

A. The clerk is the chief fiscal officer of the village and the clerk for the village council. The village council may, by majority vote, combine the duties of the clerk and the treasurer into one office to be known as the clerk/treasurer. The clerk/treasurer must have the same qualifications as the clerk. (Ohio Revised Code Section 733.26 and 733.261)

B. Qualifications and Term

1. Elected Position - The clerk's or clerk/treasurer's position may be filled through a municipal election. The clerk or clerk/treasurer must be an elector of the village and is elected to a term of four years. (Ohio Revised Code Section 733.26)

2. Appointed Position - The village council may pass, by two-thirds vote, an ordinance or resolution to combine the duties of village clerk and village treasurer into one appointed office, known as the village fiscal officer. (Ohio Revised Code Section 733.262)

   So that no election for the office of village clerk or village treasurer is held after the passage of the ordinance or resolution, a certified copy of the ordinance or resolution must be filed with the board of elections according to established guidelines.

   If a vacancy exists in the office of village clerk or village clerk/treasurer, the village council may pass, by two-thirds vote, an ordinance or resolution appointing a village fiscal officer and the change will take effect on the effective date of the ordinance or resolution.

A village fiscal officer will be appointed by the mayor, with approval by majority vote of the village council. The village fiscal officer need not be an elector of the village or reside in the village at the time of appointment; however, must become a resident of the village within six months of the effective date of the appointment unless an ordinance is passed approving the fiscal officer's residence outside of the village. A village fiscal officer may be removed without cause either by the mayor, with approval by majority vote of the village council, or by a three-fourths vote of the village council, with or without the consent of the mayor.

3. Eliminating Appointed Fiscal Officer - The village council may abolish the appointed fiscal officer's position and return to an elected office of village clerk/treasurer by passing an ordinance or resolution by a two-thirds vote. If a vacancy exists in the office of village fiscal officer, the abolition shall take effect on the effective date of the ordinance or resolution, and the mayor will appoint a village clerk/treasurer to serve until the first day of April following the next regular municipal election. A certified copy of the ordinance or resolution must be filed with the board of elections according to established guidelines.

   If no vacancy exists when the abolishing ordinance or resolution is passed, the person elected at the next regular municipal election will become village clerk/treasurer and serve a four year term commencing on the first day of April following the election.

C. Clerk of the Board of Trustees of Public Affairs - The village council may "by majority vote" merge the duties of the village clerk with those of the clerk of the board of trustees of public affairs and allow additional compensation, but the village clerk may not serve in both positions without a merger. (Ohio Revised Code Section 733.28)

D. Powers and Duties

1. Clerk of Council - The clerk shall attend all council meetings and keep a record of all proceedings, rules, bylaws, and legislation. When new village laws require publication, the clerk shall certify that publication was made. (Ohio Revised Code Sections 733.27 and 731.24)

2. Records and accounts - The clerk must keep accurate statements of all money received and expended by the village. The clerk must keep records of all property owned by the village. The clerk must keep records of all taxes and assessments. (Ohio Revised Code Section 733.28)

3. Auditing of accounts; review of expenditures - At the end of each fiscal year or sooner if required by village council, the clerk shall audit the accounts of all village officers and departments. The clerk shall prescribe the accounting procedures for the village, subject to the approval of the Auditor of State. The clerk shall not allow the amount set aside for any appropriation to be overdrawn or drawn upon for other than the proper purpose. Village offices and departments shall make detailed monthly reports to the clerk of their receipts and expenditures. (Ohio Revised Code Sections 733.15, 733.16, and 733.17)

4. Certification of election of officers - The clerk shall certify to the court of common pleas, the election of each village officer with judicial powers. (Ohio Revised Code Section 733.15)

5. Official bonds - Any officer or employee required by village council to furnish bond shall file their bond with the clerk. (Ohio Revised Code Section 733.69)

6. Annual certification of funds - At the beginning of each fiscal year, the clerk shall certify to the county auditor all available sources for expenditure for each fund to allow the county budget commission to amend its certificate of estimated resources. (Ohio Revised Code Section 5705.36)

7. Contracts and certification - The clerk and the mayor must sign village contracts. Any contract or expenditure, unless exempt, must have attached the clerk's certification that the necessary funds are available. (Ohio Revised Code Sections 731.14 and 5705.41)

8. Other duties - The clerk is involved in most areas of village operation, such as bonds and assessments, and the duties are discussed under those areas.

V. Village Treasurer

A. The treasurer collects and disburses resources of the village. This office may be combined with that of the clerk as clerk/treasurer. (Ohio Revised Code Section 733.261)

B. Qualifications and Term

1. Elected Position - The treasurer's position may be filled through a municipal election. The treasurer must be an elector of the village and is elected to a term of four years. (Ohio Revised Code Section 733.42)

2. Appointed Position - The village council may pass, by two-thirds vote, an ordinance or resolution to combine the duties of village clerk and village treasurer into one appointed office, known as the village fiscal officer. (Ohio Revised Code Section 733.262)

C. Powers and Duties

1. Acquisition and disbursement of funds - The treasurer shall acquire from the county treasurer those village taxes and assessments placed on the county auditor's tax list for collection, money collected by the mayor's court, and amounts due to the village to be disbursed upon proper authorization. (Ohio Revised Code Sections 733.44 and 733.46)

2. Accounts and reports - The treasurer must keep accurate accounts of all money received or disbursed identifying the amount, date, payer and payee, and account. The books must provide separate accounts for each fund and appropriation. The treasurer and the clerk should maintain the same accounts, since they must be reconciled. The treasurer shall settle and account with the village council quarterly, and as village council directs. At the first January meeting of village council each year, the treasurer shall report on the village financial condition, including amounts of receipts, disbursements, and accounts. The balance of each fund shall be reported. The treasurer shall also keep a treasury investment account documenting the investment of treasury funds. (Ohio Revised Code Sections 733.43, 733.45, 733.47, and 733.14)

D. Deposit of Funds - Village funds must be deposited according to the Uniform Depository Act, Ohio Revised Code Chapter 135.

E. Tax Administrator - The legislative authority (council) of the village, that operates under a general statutory plan of municipal government, may appoint an individual known as the tax administrator to assist the village treasurer in matters relating to income taxes. The individual so appointed must be an employee of the treasurer's office and be responsible to, and under the control of, the village treasurer.

VI. Village Administrator

A. Appointment and Abolishment - The village council may establish the position of village administrator, to be appointed by the mayor subject to council's approval. An elected official may be appointed. Upon the lawful appointment of the village administrator, any board of trustees of public affairs must be abolished. Upon the abolishment of the position of village administrator, a board of trustees of public affairs automatically is formed, with three positions appointed by the mayor with council approval, to serve until their successors can be elected. (Ohio Revised Code Sections 735.271 and 735.272)

B. Powers and Duties - The village administrator manages any public utilities and collects any rents for them. The administrator may pass bylaws and regulations relating to these utilities, which must not be inconsistent with village or State laws. The administrator supervises the maintenance of public places, streets, and sidewalks. The administrator may appoint those employees authorized by village council, with the mayor's approval. The administrator has all powers of the board of public affairs and street commissioner, plus other powers and duties set by ordinance of village council. However, the administrator cannot establish utility rates. Utility rates are determined by village council. The administrator is under the general supervision and control of the mayor. (Ohio Revised Code Section 735.273)

VII. Board of Trustees of Public Affairs

A. Appointment and Election - The village council must establish a board of trustees of public affairs made up of three residents whenever the village is involved with a public utility. The first members are appointed by the mayor, subject to council's approval, until their successors can be elected. The members shall elect a president and a clerk, unless the clerk of the village is designated. The clerk is not a board member. If a board member moves from the village, the member can no longer continue the term of office and, therefore, must resign. (Ohio Revised Code Section 735.28)

B. Powers and Duties - The board of trustees of public affairs has the powers and duties relating to village utility services as does the village administrator, discussed above. In addition, it may set rates for village utilities, except the sewage system, for which rates are established by the village council. The board of trustees of public affairs otherwise manages the village's sewer system. As a general rule, the village council makes major policy decisions regarding village utilities, and must authorize large expenditures, while the board manages the operation of the utilities. (Ohio Revised Code Sections 735.29 and 729.49 to 729.52)

1. Appointment of officers and employees - The board has exclusive authority to appoint and remove its officers, employees, and agents, but village council creates their positions and determines their number and compensation. (Ohio Revised Code Section 735.29)

2. Meetings - Board meetings are public meetings and minutes must be prepared and maintained. Regular meetings should be scheduled, and rules adopted to provide for notice of special meetings. (Ohio Revised Code Section 121.22)

3. Bylaws and regulations - The board may enact rules for the management of village utilities, which have the force of ordinances when consistent with village and State law. (Ohio Revised Code Section 735.29)

4. Contracts - The board may enter into contracts necessary to perform its duties. Contracts involving more than $50,000 must be authorized by an ordinance of the village council and let by competitive bidding. (Ohio Revised Code Sections 735.29 and 735.05)

5. Emergency repairs - When a real and present emergency disrupts village utility services, the village council, by a two-thirds vote, may authorize the board to contract for necessary repairs without formal bidding or advertising. (Ohio Revised Code Section 735.051)

6. Expenditures; funds - The board must prepare a budget to be included in the appropriation ordinance of the village council. Money so appropriated may be spent by the board, from the proper fund, by directing the village clerk, by resolution, to prepare a warrant. The board clerk prepares a voucher for the village clerk. The treasurer then makes payment from the proper fund. The board may not keep its own depository and make direct expenditures of public funds. A separate fund must be set up for each utility, and expenditures must relate only to that utility. Transfers between funds must be made only under Ohio Revised Code Section 5705.16.

7. Delinquencies - The board has the duty to collect water rent or charge, or light, power, gas, or utility rents which have been assessed. When such rents, except water rents and charges, are not paid when due, the board may certify them to the county auditor, or may collect them by action of law. When water rents or charges are not paid when due, the board may certify them to the county auditor, or collect them by action of law, or the board may do both under Ohio Revised Code Sections 735.29(A) and (B).

8. Operating expenses - The village council may determine the expenses related to utility matters and require the board to reimburse the general fund for these expenses from each utility fund. This is to avoid general taxpayers having to finance expenses which should be paid through utility rents. On the other hand, village council may require that free utility service be provided to village properties. (Ohio Revised Code Section 743.27)

VIII. Other Officers and Employees

Certain village officers and employees are specifically authorized and regulated by State law, while other positions are generally authorized. Village council is responsible to provide for the management of all village properties and facilities, and it may provide for those employees which it finds necessary. The council may also remove employees, subject to possible civil service regulations, and provide for compensation of all officers and employees. (Ohio Revised Code Sections 735.27 and 731.10)

Ohio Revised Code Section 2909.34 prohibits a political subdivision from employing any person who has given material assistance to any organization on the terrorist exclusion list or that is likely to give such assistance in the future.

Village officials shall provide once a year up to two weeks leave for any employee who is the spouse, parent, or a person who has or had legal custody of a member of the uniformed services who is called to active duty or is injured, wounded, or hospitalized while service on active duty. The following conditions must be met: 1) the employee was employed by the village for at least twelve consecutive months and at least 1,250 hours prior to the request for leave, 2) the employee gives notice to his employer at least fourteen days prior to commencing leave if the leave is being taken because of a call to active duty or at least two days prior to taking the leave if the leave is being taken because of an injury, wound, or hospitalization. If the employee receives notice from a representative of the uniformed services that the injury, wound, or hospitalization is of a critical or life-threatening nature, the employee may take the leave without providing notice to the employer, 3) the dates on which the employee takes leave occur no more than two weeks prior to or one week after the deployment date of the employee's spouse, child, ward, or former ward, 4) the employee does not have any other leave available for the employee's use except sick leave or disability leave.

An employer shall continue to provide benefits to the employee during the period of time the employee is on leave. The employee shall be responsible for the same proportion of the cost of the benefits as the employee regularly pays during periods of time when the employee is not on leave. The employer is not required to pay salary or wages to the employee during the period of time the employee is on leave.

Upon the completion of the leave taken, the employer shall restore the employee to the position the employee held prior to taking that leave or a position with equivalent seniority, benefits, pay, and other terms and conditions of employment.

An employer may require an employee requesting to use the leave established to provide certification from the appropriate military authority to verify that the employee satisfies the criteria described above. (Ohio Revised Code Sections 5906.01 and 5906.02)

Permanent public employees who are members of the Ohio organized militia or members of other reserve components of the armed forces of the United States, including the Ohio National Guard, are entitled to a leave of absence from their respective positions without loss of pay for the time they are performing service in the uniformed services, for periods of up to one month, for each calendar year in which they are performing service in the uniformed services. In addition, publically employed firefighters and emergency medical technicians shall receive a minimum paid military leave of seventeen 24-hour days. (Ohio Revised Code Sections 5923.05(A)(2)(b)and(g))

A. Legal Counsel - The village legal counsel is not required, but the village council may provide such a position for a period up to two years. Under any of the statutory plans for villages under Ohio Revised Code Chapter 705, the village solicitor is provided, whose duties include approving the form of village contracts and serving as village prosecutor. (Ohio Revised Code Sections 733.48 and 705.11)

B. Street Commissioner - Where no village administrator has been provided for, a street commissioner must be appointed by the mayor, with council approval, for a one year term. The village marshal may be appointed as street commissioner. The street commissioner shall supervise the maintenance of public streets, lands, and other facilities. The street commissioner shall serve a probationary period of six months and shall be under the direction of the mayor. The mayor, therefore, shall have the power of removal or suspension of the street commissioner. (Ohio Revised Code Section 735.31)

C. Marshal

1. Appointment - Each village is required to have a marshal, designated "chief of police", appointed by the mayor with council approval, to serve until removal from office. The marshal must pass a physical examination, which must be reported to the Ohio police and fire pension fund prior to appointment. The village council may provide for deputies to be appointed by the mayor with council approval, also subject to a physical examination. An auxiliary police unit may be established, appointed and regulated by the mayor. The marshal and deputies must serve a six month probationary period before their appointments become final. (Ohio Revised Code Sections 737.15, 737.16, 737.161, and 737.17)

2. Removal and supervision - The marshal and deputies can be removed only for cause. When the mayor finds misconduct by the marshal, he must file written charges with the village council and serve the marshal, to be heard before village council. The marshal may be removed or suspended, for up to sixty days, by two-thirds vote of village council. The marshal may appeal to the common pleas court of the county. The marshal may suspend deputies and employees under the marshal's control for cause, by notice to the mayor and service upon the accused employee. The mayor shall provide a hearing and may suspend, demote, or remove the accused employee. Appeals may be taken to the village council and to the common pleas court. (Ohio Revised Code Sections 737.162 and 737.171)

3. Powers and duties - As head of the police force, the marshal shall enforce the laws and arrest violators. The marshal shall execute arrest warrants from other jurisdictions. The marshal has the same duties and is entitled to the same fees as constables. The marshal has exclusive authority to station and transfer deputies and employees under the marshal's control. All funds collected by the marshal must be immediately paid to the mayor, who shall make monthly reports to the village council. (Ohio Revised Code Sections 737.18, 737.19, and 737.20)

4. Residency - The marshal need not be a resident of the village at the time of his appointment, but must become a resident within six months of such appointment.

D. Fire Chief and Fire Prevention Officer - The village council may establish a fire department, which shall be headed by a fire chief, appointed by the mayor with council approval, to serve until removed. Where there is no fire department, a fire prevention officer shall be appointed. No person shall be appointed as a permanent full-time paid firefighter unless they have received a certificate issued under former Ohio Revised Code Section 3303.07 or Ohio Revised Code Section 4765.55(C)(1) or (2) evidencing satisfactory completion of a firefighter training program. Also, the person must pass the physical examination required by Ohio Revised Code Section 737.22(B)(3). The physical is filed with the Ohio Police and Fire Pension Fund Board prior to appointment. (Ohio Revised Code Sections 737.21 to 737.27)

E. Planning Commission - The village council may establish a commission of five members including the mayor, one council member, and three village citizens appointed by the mayor for six year terms without compensation. The commission may control the structure and location of buildings, and create zones of varying property taxes. (Ohio Revised Code Section 713)

F. Recreation Board and Board of Park Trustees - The village council may establish a board to control its recreation facilities. A board of park trustees shall be appointed to control property and funds donated to the village for park purposes. (Ohio Revised Code Sections 755.14 and 755.20)

G. Board of Cemetery Trustees - A board may be appointed by the mayor to maintain cemeteries owned by the village. (Ohio Revised Code Sections 759.20, 759.21, 759.22, and 759.23)

H. Municipal Records Commission - A commission to provide rules for retention and disposal of records of the municipal corporation and to review applications for one-time records disposal and schedules of records retention and disposition submitted by municipal offices. (Ohio Revised Code Section 149.39)

IX. Compatibility of Public Offices

A. A public officer or employee may be prohibited from holding another public position. 1979 Attorney General Opinion Number 79-111 sets forth the following seven question format for analyzing and determining whether particular public offices are compatible.

1. Is either of the positions a "classified" employee within the terms of Ohio Revised Code Section 124.57?

   a. Ohio Revised Code Section 124.57, prohibits a classified public employee from being an officer in any political organization or from taking part in politics.

   b. Village employees and officers are not considered "classified" public employees under Ohio Revised Code Section 124.57. However, State, county, city, and township employees (not officers) are considered classified public employees. Therefore, if the village resident wishes to run for village office and is employed by the State or by a city, county, or township, then a conflict with Section 124.57 may exist.

   c. General Rule - If a classified employee runs for the village office and the election is partisan (i.e. Democrat versus Republican), then a conflict with Ohio Revised Code Section 124.57 exists, and the employee must choose whether to quit running for office or resign his employment position.

2. Do the empowering statutes of either position limit the outside employment permissible?

   a. Ohio Revised Code Section 731.12 prohibits the village council member from holding any other public office, being interested in any contract with the village, or holding employment with the village, except for the position of volunteer firefighter receiving no compensation.

   b. Ohio Revised Code Section 735.271 prohibits the village administrator from being an elected official of the village during the term of employment.

   c. Ordinances passed by village council may prevent or limit other officer's outside employment.

3. Is one office subordinate to, or in any way a check upon, the other?

4. Is it physically possible for one person to discharge the duties of both positions?

5. Is there a conflict of interest?

    a. Considerations

    b. Degree or remoteness of potential conflict;

    c. Ability to remove oneself from potential conflict;

    d. Do both positions have decision-making authority;

    e. Whether conflict involves the primary function of each position; and

    f. See Ohio Revised Code Sections 102.03 and 2921.42 for possible ethics and criminal conflicts.

6. Are there any local charter provisions or ordinances which control?

7. Are there any Federal, State, or Local regulations or laws applicable?

The village should consult its legal counsel as there may be other Attorney General Opinions or cases dealing specifically with the public positions in question.

X. Public Records Law

A. Definition - Ohio Revised Code Section 149.43 (A)(1) defines "public records" as any records kept by any public office. Exceptions include, but are not limited to, the following:

1. Medical records other than births, deaths, and the fact of admission to and discharge from the hospital;

2. Adoption records;

3. Probation records;

4. Parole proceedings;

5. Trial preparation records;

6. Confidential law enforcement investigation records;

7. DNA records stored in the DNA database;

8. Intellectual property records;

9. Peace officer residential and familial information; and

10. Records the release of which is otherwise prohibited by State and Federal law.

B. Availability - Public records shall be promptly prepared and made available for inspection to any member of the general public during regular business hours. Upon request, copies shall be made at cost to any member of the general public within a reasonable time after such request. (Ohio Revised Code Section 149.43(B))

C. Penalties - Failure to make public records available to the general public or to make copies within a reasonable time is actionable in a court of law. Ohio Revised Code Section 149.43(C) allows any member of the general public to bring a mandamus action against the village to compel compliance. Such member, if successful, may recover reasonable attorney fees.

D. Disposal of Records - Ohio Revised Code Section 149.39

1. Municipal Records Commission - Each village shall set up a records commission comprised of the following individuals:

   a. Mayor or mayor's appointed representative - Serves as chairman;

   b. Village treasurer or clerk/treasurer;

   c. Village solicitor; and

   d. A resident appointed by the mayor.

2. Rules - The commission shall provide rules for retention of records. Elected officials, or their designees, are required to attend training sessions to ensure that they are properly educated on public records law.

3. Historical Society Notification - The commission shall give the historical society sixty days to select for its custody those records it considers to be of continuing historical value.

4. Auditor of State Notification - After the commission has approved disposal of obsolete records, the application for one-time disposal of obsolete records should be forwarded to the Auditor of State. The Auditor of State shall approve or disapprove the application within a period of not more than sixty days after its receipt. The Auditor of State does not need to be notified of destructions that are in accordance with an approved record retention schedule.

XI. <u>Ordinances and Resolutions</u>

A. Procedures (Ohio Revised Code Section 731.17)

1. Ordinances and resolutions shall be read on three different days, unless the three readings are dispensed with by a three-fourths vote of all members of village council.

2. Passage of ordinances and resolutions requires a majority vote of all village council members.

3. Any ordinance or resolution shall contain only one subject.

B. Publication (Ohio Revised Code Section 731.21)

1. A succinct summary of each municipal ordinance or resolution and all statements, orders, proclamations, notices, and reports required by law or ordinance to be published shall be published in a newspaper of general circulation in the municipal corporation.

2. Proof of the publication and required circulation of any newspaper used as a medium of publication provided by Ohio Revised Code Section 731.21 shall be made by affidavit of the proprietor of the newspaper and shall be filed with the clerk of the legislative authority.

3. If a summary is published, the publication notice must indicate that the complete text may be viewed at the village clerk's office and any other location designated by village council;

4. The summary must be reviewed by the village or other legal counsel hired by the village; and

5. The village clerk may charge a reasonable fee, set by the village council, for any copies of complete text requested by any member of the general public.

C. Effective Date of Ordinances and Resolutions (Ohio Revised Code Section 731.29)

1. Ordinances and resolutions shall go into effect thirty days from the date of passage.

2. Such ordinances and resolutions are subject to referendum petition within that time frame.

3. Exceptions:

   a. Ordinance for the appropriation of current expenses;

   b. Street improvements petitioned by certain residents; and

   c. Any emergency ordinance or other measure necessary for the immediate preservation of the public peace, health, or safety.

      i. This ordinance or other measure would require a two-thirds vote of all members of the village council.

      ii. The reasons for such necessity shall be set forth in one section of the ordinance or other measure.

XII. Questions and Answers

Chapter 705 of the Ohio Revised Code

1. *(Q) Do the general provisions applicable to the plans of government in Ohio Revised Code Chapter 705 apply to other chapters of the Ohio Revised Code pertaining to municipalities?*

   (A) No, the general provisions for village government set forth in Chapters 731 and 733, for example, are independent from the provisions of Chapter 705.

Meetings

2. *(Q) What constitutes a quorum for the village council?*

   (A) A majority of the elected council members constitutes a quorum. (Attorney General Opinion 78-047)

3. *(Q) How should the village clerk keep a record of village council meetings?*

   (A) The clerk should take minutes of each meeting, which should be approved by vote of the village council members at the next meeting after opportunity is given to correct any errors in the minutes. Once approval is voted by the village council, the minutes should be authenticated by the council president and village clerk.

4. *(Q) What should be contained in the minutes of village council meetings?*

   (A) The minutes need only reflect the general subject matter of discussions in executive session. The minutes of any other meeting of a public body must contain a more substantial treatment of the items discussed and certainly should not be limited to a mere recounting of village council's roll call votes.

   White v. Clinton County Board of Commissioners, 76 Ohio St. 3d 416 (1996) held that county commissioners' minutes must contain sufficient facts and information to permit the public to understand and appreciate the rationale behind the relevant public body's decision. It is not clear whether this applies to all public bodies as the language on which this case was based pertains specifically to counties, not general language contained in Ohio Revised Code Section 121.22(C).

   Alternatives available after the holding in this case: record minutes as have been done in the past; keep transcript-like minutes, which record all or virtually all of which occurs at public sessions of village council meetings; or record only village council actions in the written minutes, but have the minutes refer to an audio or video tape recording of the entire meeting to be maintained by village council.

Village Council

5. *(Q) Can a member of the village council withdraw his resignation?*

(A) Once a resignation is submitted to the mayor and the other village council members, it becomes effective and may not be withdrawn.

6. *(Q) Can more than one family member serve on village council simultaneously?*

(A) Public officials and employees cannot: (a) hire or use their positions to secure employment for their family members; (b) recommend or nominate their family members for public jobs with their own, or any other, public agencies; or (c) give to their family members, or use their positions to secure for their family members, raises, promotions, job advancements, overtime pay or assignments, favorable performance evaluations, or any other things of value related to their employment. Two family members can work for the same public agency, provided that both are able to comply with these restrictions. (Ohio Ethics Commission 2010-03)

Village Clerk

7. *(Q) What funds must the village clerk establish?*

(A) Those funds set forth in Ohio Revised Code Section 5705.09. (Chapter 3, Section II Appropriations, D)

8. *(Q) What village officer is responsible for keeping track of changes in the village boundaries?*

(A) Ohio Revised Code Section 709.011 directs the village clerk to notify the Board of Elections, in writing, of any changes in the village boundaries. This must be done within 30 days of such changes.

Police Officers

9. *(Q) May village police officers be removed from their positions without cause?*

(A) No, they can only be removed upon a showing of cause and after the opportunity for a hearing. (Ohio Revised Code Section 737.19)

Village Firemen

10. *(Q) Are volunteer firefighters required to have any training?*

(A) Yes, any volunteer firefighter appointed after July 1, 1979, must within one year of receiving a certificate issued by the State board of education, under former Ohio Revised Code Section 3303.07 or Ohio Revised Code Section 4765.55, indicating completion of the firefighter training program.

11. *(Q) Must volunteer firefighters pass any physical examination?*

(A) Yes, they must pass a physical examination within 60 days prior to their appointment. The results of this physical examination must be filed with the local volunteer firemen's dependence fund board.

Residency

12. *(Q) Are all village employees required to be electors of the village?*

(A) No, according to Ohio Revised Code Section 9.481, only "officers" are required to be electors of the village. "Officers" are also required to take an oath and to give bond before entering official duties. It is not always clear who is an "officer" as opposed to a regular employee, but generally, officers are those persons who are elected or appointed. (Ohio Revised Code Section 733.68)

13. *(Q) Can a statutory village require that any of its employees be residents of the village as a condition of employment?*

(A) No. Generally, a statutory village may not require any of its employees to reside in the village. There is, however, a limited exception for certain employees who must respond to emergencies or disasters. Specifically, Ohio Revised Code Section 9.481(B)(2)(b) provides that to ensure adequate response times by certain employees of political subdivisions to emergencies or disasters, while ensuring that those employees generally are free to reside throughout the State, the electors of any political subdivision may file an initiative petition to submit a local law to the electorate, or the legislative authority of the political subdivision may adopt an ordinance or resolution, that requires any individual employed by the political subdivision, as a condition of employment, to reside either in the county where the political subdivision is located or in any adjacent county in this State. This section does not apply to a volunteer, that is defined as person who is not paid for service or who is employed on less than a permanent full-time basis.

14. *(Q) Is the village legal counsel required to be an elector of the village?*

(A) This is not required by Ohio Revised Code Section 733.48, but it may be required by charter.

Utilities

15. *(Q) May the village council appoint an employee for an electric light plant?*

(A) No, this authority is vested in the board of trustees of public affairs or the village administrator with mayoral approval.

16. *(Q) May the village provide electricity for the village water department and public street lighting free?*

(A) Yes, as long as the rates charged to other electricity consumers are reasonable.

17. *(Q) May the receipts for each village utility be deposited in a single-utility fund?*

(A) No, a separate fund must be established for each utility.

18. *(Q) What can be done if the rates established for municipal utilities do not generate enough revenues to operate the utilities?*

(A) A special tax, not to exceed five-mills, may be levied under Ohio Revised Code Section 735.30. If this tax would result in exceeding the ten-mill limitation, it must be authorized by a vote of the people.

Compatibility of Public Offices

19. *(Q) Can a person serve as a board member for an exempted village school district and a village clerk-treasurer simultaneously?*

(A) Yes, as long as the following conditions are met: no charter provision, resolution, ordinance or regulation prohibits it; it is physically possible, given time constraints, travel, etc.; person is not seeking election to both in the same year; as a board member, person does not participate in deliberations/discussion/negotiations/votes regarding contracts, tax exemptions, tax levy issues, or bond issues of village; as village clerk-treasurer, the person does not prepare the village's tax budget to the county budget commission. (Attorney General Opinion 2004-025)

20. *(Q) Can an individual serve as both the village police chief and child abuse investigator for a county department of job and family services?*

(A) Yes, as long as the following conditions are met: no charter provision, resolution, ordinance, or regulation prohibits it; it is physically possible, given time constraints, travel, etc.; as a child abuse investigator, individual removes himself from investigations conducted by the agency within jurisdiction of the village. (Attorney General Opinion 2004-044)

21. *(Q) Can a person serve as both a municipal court magistrate and county public defender?*

(A) No. These two positions are incompatible. Ohio Revised Code Section 120.39 states that "no judge or court employee shall serve on…any county or joint county public defender commission". (Attorney General Opinion 2004-030)

22. *(Q) Can the mayor of a non-charter village that has not adopted a statutory plan of government also serve as the president of village chamber of commerce?*

(A) A person may serve simultaneously as the mayor of a non-charter village that has not adopted an optional statutory plan of government and president of the village's chamber of commerce provided the person, as mayor, does not participate in deliberations, discussions, and negotiations concerning contracts between the village and the chamber of commerce. (Attorney General Opinion 2009-042)

23. *(Q) Can a person serve simultaneously as the chief probation officer of a juvenile court and president pro tempore of a village legislative authority when the village is located within the territorial jurisdiction of the juvenile court?*

(A) A person may serve simultaneously as the chief probation officer of a juvenile court and president pro tempore of a village legislative authority provided the person, as president pro tempore, does not exercise the law enforcement powers conferred upon a village mayor or participate in deliberations, discussions, negotiations, or votes concerning conveyances or contributions of property or money to the county for use by the juvenile court or contracts with the juvenile court to provide services for children on probation. (Attorney General Opinion 2009-018)

24. *(Q) Are the positions of mayor of a village and township fiscal officer compatible?*

(A) Yes, but there are limitations and exceptions. The village must not be a charter village and must not have adopted an optional statutory plan of government. The township must not have adopted a limited home rule form of government in accordance with Ohio Revised Code Section 504. The mayor's court of the village cannot hear cases where the fine and forfeited bail money is paid to the township. The mayor may not participate in any deliberations, discussions, negotiations, or votes concerning annexation or detachment proceedings involving the township; a contact between the village and township; tax exemptions that affect township tax levies; village tax levies or bond issues or additional funding when the township has placed a tax levy or bond issue on the ballot; or litigation between the village and township. The township fiscal officer cannot participate in the preparation of the township budget, or explain to the county budget commission, the township's tax budget or the township's need for monies from the undivided local government fund. Conflicts of interest between the positions of mayor and township fiscal officer may render the two positions in compatible if village and township officials are required to devote an inordinate amount of time and effort determining whether the person can avoid sufficiently the conflicts of interest and effectively carry out the duties of both positions.

Public Records Law

25. *(Q) May village officers dispose of old village records which are no longer needed in the course of conducting village affairs?*

(A) Village records may only be disposed of or destroyed after submission of a list of such records to the records commission provided by Ohio Revised Code Section 149.381. When municipal records have been approved for disposal, a list of such records shall be sent to the Ohio Historical Society. The Society shall be given the opportunity for a period of fifteen business days to select for its custody those public records that it considers to be of continuing historical value.

Certified Public Record Training

26. *(Q) Who is required to receive certified public records training?*

(A) All officials elected to statewide or local office are required to receive three hours of certified public record training for each term of office. Exceptions include justices of the Supreme Court, court of appeals, common pleas court, municipal court, county court or a clerk of any of those courts. (Ohio Revised Code Sections 109.43(B) and 149.43(E))

27. *(Q) What is the purpose of this training?*

(A) The training is designed to enhance the elected officials' knowledge of the duty to provide access to public records. (Ohio Revised Code Section 109.43(B))

28. *(Q) Who is responsible for providing this training?*

(A) The training was developed by the office of the Attorney General. (Ohio Revised Code Section 109.43(B)) Currently, the Attorney General and Auditor of State's offices are the only two offices offering certified public record training. In the future, the Attorney General may contract with other State agencies or private entities to perform these trainings. (Ohio Revised Code Section 109.43(D))

29. *(Q) If I cannot attend certified public record training before the end of my term, can I designate someone to attend the training on my behalf?*

(A) If the elected official so chooses, the law allows a designee to be appointed to receive the training on the elected official's behalf. The designee must be an employee in the elected official's public office and there must be evidence of the designation. Often one of the group of elected officials will be chosen as the designee for all of the others (example: the Village Clerk attends the training for his/her own requirement and also is the designee for the members of the Village Council). (Ohio Revised Code Sections 109.43(A)(1), 149.43(A)(12), and 149.011(A))

30. *(Q) What type of evidence of the designation is acceptable?*

(A) Acceptable evidence includes a resolution dated prior to the training that stipulates who is attending the certified public record training and if that person is attending on his own behalf and/or on behalf of other elected officials in his office. Also, a certificate from the Attorney General or Auditor of State indicating that the person(s) registered for the training did, in fact, attend and receive the certification is necessary.

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CHAPTER THREE: ADMINISTRATION AND FINANCE

I. Village Budget

Procedures for preparing and enacting the village budget are provided by Ohio Revised Code Chapter 5705, Tax Levy Law.

A. Preparation - The annual tax budget is adopted by the village council. (Ohio Revised Code Section 5705.28)

1. Preparation of the tax budget - To assist in the preparation of the tax budget, the head of each department, board, commission, and district authority entitled to participate in any appropriation or revenue of the village shall file with the mayor, before the forty-fifth day prior to the date on which the tax budget must be adopted, an estimate of contemplated revenues and expenditures for the ensuing year, in such form as is prescribed by the village council or by the Auditor of State. (Ohio Revised Code Section 5705.28(C)(1))

2. Purpose of tax budget - The purpose of the tax budget is to furnish information to the county budget commission in order that it may adjust tax levies to conform to the limitations of law and to fix the limitations of appropriations and expenditures by the various political subdivisions and taxing units, including villages, during the ensuing year.

3. Contents of the tax budget - Ohio Revised Code Section 5705.29 requires that the tax budget present the following information, in such detail as is prescribed by the Auditor of State, unless an alternative form of budget is permitted under Ohio Revised Code Section 5705.281.

   a. A statement of the necessary current operating expenses for the ensuing year for each department and division of the village, classified as to personal services and other expenses, and the fund from which such expenditures are to be made.

   b. A statement of the expenditures for the ensuing fiscal year necessary for permanent improvements, exclusive of any expenses to be paid from bond issues, classified as to be improvements contemplated by the village, and the fund from which such expenditures are to be made.

   c. The amounts required for the payment of final judgments.

   d. A statement of the expenditures for the ensuing year necessary for any purpose for which a special levy is authorized, and the fund from which such expenditures are to be made.

   e. Comparative statements, so far as possible, in parallel columns of corresponding items of expenditures for the current fiscal year and the two preceding fiscal years.

   f. An estimate of receipts from sources other than general property tax during the ensuing fiscal year, which shall include an estimate of unencumbered balances at the end of the current fiscal year, and the funds to which such estimated receipts are credited.

g. The amount each fund requires from the general property tax, which shall be the difference between the contemplated expenditure from the fund and the estimated receipts. The section of the Ohio Revised Code under which the tax is authorized shall be set forth.

h. The amount required for debt charges.

i. The estimated receipts from sources other than the tax levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding year.

j. An estimate of amounts from taxes authorized to be levied within and in excess of the ten-mill limitation, the fund to which such amounts will be credited, and the sections of the Ohio Revised Code under which each such tax is exempted from all limitations of the tax rate.

k. The net amount for which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequent to such date, and as to what portion of the levy will be within and what is in excess of the ten-mill limitation.

4. Waiver of the tax budget - Not withstanding Ohio Revised Code Section 5705.28, the county budget commission, by an affirmative vote of a majority of the county budget commission, including an affirmative vote by the county auditor, may waive the requirement that the village adopt a tax budget, but shall require the village to provide such information as may be required by the county budget commission to perform its duties including dividing the rates of each of the subdivision's or taxing unit's tax levies as provided under Ohio Revised Code Section 5705.04. (Ohio Revised Code Section 5705.281)

   Annual operating budget - If the county budget commission waives the tax budget requirement, the village is still responsible for preparing an annual operating budget on or before July 15th of each year for the ensuing fiscal year. The operating budget shall include an estimate of receipts from all sources, a statement of all taxing unit expenses that are anticipated to occur, and the amount required for debt charges during the fiscal year. The operating budget is not required to be filed with the county auditor or the county budget commission. (Ohio Revised Code Section 5705.28(B)(2)(a))

B. Adoption and Review

1. Hearings and notice - Public hearings on the tax budget shall be given. Notice shall be given in at least one publication, in the official publication of the village or in a newspaper having general circulation in the village, not less than ten days prior to the date of hearing. At least two copies of the tax budget shall be filed, in the office of the village fiscal officer, for public inspection, not less than ten days prior to its adoption by village council. (Ohio Revised Code Sections 705.17 and 5705.30)

   Ohio Revised Code Section 5705.30 does not apply to the village for which the county budget commission has waived the requirement to adopt a tax budget under Ohio Revised Code Section 5705.281.

2. County budget commission and county auditor - Once adopted by village council, the tax budget must be submitted to the county auditor on or before July 20, unless otherwise directed by the tax commissioner. Failure to meet this deadline results in loss of an apportionment from the undivided local government fund distribution for the next calendar year. The county auditor presents the tax budget, along with information on any State levy, school levy, or other information requested, to the county budget commission, of which the county auditor is a member. The county budget commission ascertains the total amount proposed to be raised in the county for each subdivision and other taxing units, and must review and approve certain authorized tax levies before they can be enacted by the village council. (Ohio Revised Code Sections 5705.30, 5705.31, and 5705.34)

   The county budget commission shall adjust the estimated amounts required from general property tax for each fund, as shown by the various tax budgets, to bring the required tax levies within the limitations specified in Ohio Revised Code Chapter 5705. The commission may revise and adjust the estimate of balances and receipts from all sources for each fund. It shall determine the total appropriations that may be made from each village fund. (Ohio Revised Code Section 5705.32)

C. Enactment and Revision

1. Certification - On or before September 1, the county budget commission shall certify its final action to the village council, along with the county auditor's estimate of the rate of each tax necessary to be levied in the village and the affect on the ten-mill limitation. (Ohio Revised Code Section 5705.35)

2. Enactment - After the county budget commission has certified its action to the village, together with each tax necessary to be levied, the village council shall, by resolution, authorize the necessary tax levies and certify them to the county auditor before October 1, or at such later date as is approved by the tax commissioner. (Ohio Revised Code Sections 5705.34 and 5705.35)

3. Revision of tax budget by village council - Before the end of the calendar year, the village shall revise its budget so that contemplated expenditures from any fund during the ensuing year will not exceed the total appropriations that may be made from such fund, as determined by the county budget commission in its certification, and such revised budget shall be the basis of the annual appropriation measure. (Ohio Revised Code Section 5705.35)

4. Amended official certificate of estimated resources - On or about the first day of each year, the village fiscal officer shall certify to the county auditor the total amount from all sources available for expenditure for each fund, with any balances from the preceding year. The county budget commission, taking into consideration the balances and the revenues derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the village an amended official certificate of estimated resources. This amended official certificate of estimated resources shall serve as the basis of the annual appropriation ordinance. (Ohio Revised Code Section 5705.36)

    a. In certifying to the county auditor the balances that exist at the end of the year, the fiscal officer shall first deduct from such balances any funds which have been encumbered for the payment of obligations which are unliquidated and outstanding. In addition, the fiscal officer shall exclude the following;

        i. Outstanding advances;

        ii. Principal of non-expendable trust funds (for recording and reporting purposes these will be reflected as either permanent funds or private purpose trust funds, refer to Auditor of State Bulletin 2005-005) established under Ohio Revised Code Section 5705.131 and any additions to principal arising from sources other than the reinvestment of investment earnings arising from that fund; and

        iii. Reserve balance accounts in accounts established under Ohio Revised Code Section 5705.13. (Ohio Revised Code Section 5705.29)

    b. At such time, the fiscal officer should also notify the county auditor of any overdrafts which exist as well as any new sources of revenue.

D. Appeal to Board of Tax Appeals

1. Taxpayer's right of appeal - Any village taxpayer may appeal the action of the county budget commission related to fixing uniform rates of taxation and village tax levy rates. The appeal must be written and specific, and filed with the board of tax appeals. A true copy must be filed with the tax commissioner, county auditor, and village clerk within thirty days after the county budget commission certifies its action. A $500 filing fee is required. The board of tax appeals may modify the action of the county budget commission. (Ohio Revised Code Section 5705.341)

2. Village right of appeal - The village council, through its fiscal officer, may appeal any action of the county budget commission within thirty days of receipt of the official certificate of estimated resources. (Ohio Revised Code Section 5705.37)

    a. The board of tax appeals may modify any action of the county budget commission with reference to the tax budget, the estimate of revenues and balances, or the fixing of tax rates.

b. The board of tax appeals may not place, outside of the ten-mill limitation, any tax authorized by law within the ten-mill limitation, or reduce any levy below any minimum levied by law.

II. Appropriations

Procedures for village appropriations are closely related to those for the village tax budget and are provided in Ohio Revised Code Chapter 5705.

A. Preparation of Annual Appropriation Ordinance - The annual appropriation ordinance shall be enacted by the village council on or about January 1 each year. (Ohio Revised Code Section 5705.38(A))

1. Temporary appropriation - Until an amended official certificate of estimated resources is received, based on actual balances, village council may postpone the annual appropriation ordinance and pass a temporary appropriation ordinance to meet ordinary expenses until April 1. This shall be chargeable to the annual appropriation ordinance when it is enacted before April 1. (Ohio Revised Code Section 5705.38)

2. Limitations - The total appropriation ordinance shall not exceed the total estimated revenue available for expenditure therefrom, as certified by the county budget commission. The appropriation ordinance is not effective until the county auditor files, with village council, a certificate that the total appropriations from each fund taken together with all other outstanding appropriations do not exceed the provisions of the amended official certificate of estimated resources of the county budget commission. (Ohio Revised Code Section 5705.39)

3. Contingencies - An appropriation ordinance may provide an appropriation for contingencies not to exceed three percent of the total appropriation for current expenses. This may only be used for lawful purposes not reasonably foreseeable when the appropriation ordinance was enacted. (Ohio Revised Code Sections 5705.29 and 5705.40)

B. Amendment Supplement - The appropriation ordinance may be amended or supplemented in the manner required for the original appropriation. An existing appropriation may not be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations under that appropriation. (Ohio Revised Code Section 5705.40)

C. Reversion - At the end of each year, all unexpended balances of appropriations revert to their respective funds, subject to future appropriation, except those funds already appropriated for obligations unliquidated and outstanding. (Ohio Revised Code Section 5705.40)

D. Funds (Ohio Revised Code Section 5705.09)

1. Required - Each village is required to establish the following funds:

a. General fund;

b. Sinking fund whenever the village has outstanding bonds other than serial bonds;

c. Bond retirement fund for the retirement of serial bonds, notes, or certificates of indebtedness;

d. A special fund for each special levy;

e. A special bond fund for each bond issue;

f. A special fund for each class of revenue derived from a source, other than general property tax, which the law requires to be used for a particular purpose;

g. A special fund for each public utility operated by the village; and

h. A trust fund for any amount received by the village in trust. (for recording and reporting purposes these will be reflected as either permanent funds or private purpose trust funds, refer to Auditor of State Bulletin 2005-005)

2. Special - The village is permitted to establish other special funds, with the approval of the Auditor of State, and may provide that money from specified sources, other than general property tax, be paid directly into such funds. (Ohio Revised Code Section 5705.12)

3. Reserves and other authorized funds are as follows:

a. To stabilize subdivision budgets against cyclical changes in revenues and expenditures; (Ohio Revised Code Section 5705.13)

b. Except as otherwise provided, for the payment of claims under a self-insurance program, if the village is permitted by law to establish such a program; and (Ohio Revised Code Section 5705.13)

c. To provide for the payment of claims under a retrospective ratings plan for workers' compensation. (Ohio Revised Code Section 5705.13)

d. The village, by ordinance or resolution, may establish under Ohio Revised Code Section 5705.13(B), a special revenue fund for accumulating resources for the payment of accumulated sick leave and vacation leave to be paid upon the termination of employment or the retirement of officers and employees of the village, and for payments in lieu of using compensatory time off. The special revenue fund may also accumulate resources for payment of salaries during any year in which the number of pay periods exceeds the usual and customary number of pay periods. Notwithstanding Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16, the village, by ordinance or resolution, may transfer money to the special revenue fund from any other fund of the village from which such payments may lawfully be made.

The village, by ordinance or resolution, may rescind a special revenue fund established under Ohio Revised Code Section 5705.13. If a special revenue fund is rescinded, money that has accumulated in the fund shall be transferred to the fund or funds from which the money originally was transferred.

e. The village, by ordinance or resolution, may establish under Ohio Revised Code Section 5705.13(C), a capital projects fund for accumulating resources for the acquisition, construction, or improvement of fixed assets (including motor vehicles) of the village. More than one capital projects fund may be established and may exist at any one time. The ordinance or resolution shall identify the source of the money to be used to acquire, construct, or improve the fixed assets identified in the ordinance or resolution, the amount of money to be accumulated for that purpose, the period of time over which that amount is to be accumulated, and the fixed assets the village intends to acquire, construct, or improve with the money to be accumulated in the fund. Notwithstanding Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16, the village, by ordinance or resolution, may transfer money to the capital projects fund from any other fund of the subdivision that may lawfully be used for the purpose of acquiring, constructing, or improving the fixed assets identified in the ordinance or resolution.

The village shall not accumulate money in a capital projects fund for more than ten years after the ordinance or resolution establishing the fund is adopted. If the village has not entered into a contract for the acquisition, construction, or improvement of fixed assets for which money was accumulated in a fund before the end of the ten-year period, the fiscal officer of the village shall transfer all money in the fund to the fund or funds from which that money originally was transferred or the fund that originally was intended to receive the money.

The village, by ordinance or resolution, may rescind a capital projects fund. If a capital projects fund is rescinded, money that has accumulated in the fund shall be transferred to the fund or funds from which the money originally was transferred.

f. The village may establish under Ohio Revised Code Section 5705.131, a nonexpendable trust fund(s) (for recording and reporting purposes these will be reflected as either permanent funds or private purpose trust funds, refer to Auditor of State Bulletin 2005-005) for receiving donations or contributions that the donor or contributor requires to be maintained intact. The principal of such fund may be invested, and the investment earnings on the principal shall be credited to the fund. The principal of the fund, and any additions to the principal arising from sources other than the reinvestment of investment earnings arising from the fund, shall not be considered part of the unencumbered balance or revenue of the village under Ohio Revised Code Section 5705.35(A) or Ohio Revised Code Section 5705.36(A)(1). Only investment earnings arising from the investment of the principal or the investment of such additions to the principal may be considered an unencumbered balance or revenue of the village.

4. Distribution of revenue into funds - Ohio Revised Code Section 5705.10 provides that certain village revenues must be paid into specific funds. Revenues paid into any fund shall be used only for the purpose for which such fund is established. (Ohio Revised Code Section 5705.10)

a. General rule - Money derived from sources other than general property tax, unless its use is for a particular purpose prescribed by law including interest earned on the principal of any special fund, shall be paid into the general fund.

b. Proceeds from a special levy shall be credited to a special fund for the purpose for which the levy was made.

c. Proceeds from the sale of bonds, as well as any interest earned by the proceeds, shall be credited to a bond fund and used for the purpose of the bond sale. All accrued interest shall be paid into a bond retirement fund. The proceeds from the tax levied to retire the bonds shall also be paid into the bond retirement fund for the purpose of retiring the bonds and paying the interest as the bonds become due.

d. Proceeds from the sale of a permanent improvement shall be paid into the sinking fund, the bond retirement fund, or into a special fund for the acquisition of permanent improvements.

e. Proceeds from the sale of property, other than a permanent improvement shall be paid into the fund from which such property was acquired or is maintained, or if there is no such fund, into the general fund.

f. Money paid into any fund shall be used only for the purpose for which such fund is established. This prevents advancements of money from one fund to another if the receiving fund intends to use the money in a manner in which the lending fund could not.

g. Interest earned on money belonging to undivided tax funds, except as otherwise provided by law, shall be distributed pro rata to the various funds and taxing districts entitled to a distribution in the proportion which they are entitled.

h. Interest earned on money derived from a motor vehicle license tax or fuel tax must be paid into the fund to which the principal belongs.

i. Federal statutory or regulatory requirements may stipulate that interest earned on money received from the federal government be paid into the fund to which the principal belongs.

5. Transfer of funds

a. Proceeds of bonds - The unexpended balance in a bond fund that is no longer needed for the purpose for which such fund was created shall be transferred to the sinking fund or bond retirement fund from which the bonds are payable. This transfer requires a resolution approved by a two-thirds vote of village council. (Ohio Revised Code Section 5705.14(A))

b. Permanent improvement fund - The unexpended balance of a permanent improvement fund, other than a bond fund, after the payment of all obligations incurred in the acquisition of such improvement, shall be transferred to the sinking fund or bond retirement fund. If such money is not needed in the sinking fund or bond retirement fund, then it may be transferred to a special fund for the acquisition of permanent improvements or, with the approval of the court of common pleas, to the general fund. These transfers require a two-thirds vote of village council. (Ohio Revised Code Section 5705.14(B))

c. Bond retirement fund - The unexpended balance of a sinking fund or bond retirement fund may be transferred to any other fund by a two-thirds vote of village council and approval of the court of common pleas. (Ohio Revised Code Section 5705.14(C))

d. The unexpended balances of special funds, other than improvement funds, established under Ohio Revised Code Section 5705.12, or division (D), (F), or (G) of Ohio Revised Code Section 5705.09, after all obligations within the fund have been met, may be transferred to the general fund or sinking fund or bond retirement fund by a resolution affirmed by a two-thirds vote of council. (Ohio Revised Code Section 5705.14(D))

e. General fund - Money may be transferred from the general fund to any other fund, by resolution and a majority vote of village council. (Ohio Revised Code Section 5705.14(E))

f. Funds not allowed to be transferred: (Ohio Revised Code Section 5705.15)

i. Proceeds on the balances of loans;

ii. Proceeds on the balances of bond issues;

iii. Proceeds of special levies for the payment of loans or bond issues;

iv. Proceeds on the balances of funds derived from excise taxes levied by law for a particular purpose; and

v. Proceeds on the balances of license fees imposed by law for a particular purpose.

g. Pursuant to Ohio Revised Code Section 5705.15, all other possible fund transfers that are not otherwise prohibited by law are allowed if council approves a resolution declaring the necessity for transfer and approval is received from the county court of common pleas and the tax commissioner as provided in Ohio Revised Code Section 5705.16.

6. Allocation of interest among funds

a. General rule - Interest shall be paid into the general fund.

b. Exceptions:

i. Custodial funds;

ii. Funds not belonging to the village and of which the fiscal officer is acting as ex-officio treasurer;

iii. Accrued interest on the sale of bonds shall go to a bond retirement fund; and

iv. Interest earned on funds which the law prescribes for a particular purpose, such as monies derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuel used for propelling such vehicles.

III. Expenditures

A. Restrictions - Appropriations from each fund may be used only for the purposes for which such fund is established and shall not exceed the total of the estimated revenues available. (Ohio Revised Code Section 5705.39)

B. Procedural Requirements

1. Warrants - Expenditures may only be made by a proper warrant drawn against an appropriate fund. (Ohio Revised Code Section 5705.41(C))

2. Certification of Fiscal Officer - No orders or contracts involving the expenditure of money are to be made unless there is a signed certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. (Ohio Revised Code Section 5705.41(D)(1))

   The following exceptions to this basic requirement are provided by State law:

   a. Then and now certificate - This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made (then) and at the time that the fiscal officer is completing the certification (now), sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the village council can authorize the drawing of a warrant. The village council has thirty days from the receipt of such certificate to approve payment by ordinance or resolution.

      Amounts of less than $3,000 may be paid by the fiscal officer without such affirmation of village council upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by village council. (Ohio Revised Code Section 5705.41(D)(1))

   b. Continuing contracts to be performed in whole or in part in an ensuing year - Where a continuing contract is to be performed in whole or in part in an ensuing year, only the amount required to meet those amounts in the year in which the contract is made need be certified. (1987 Opinion Attorney General 87-069 and Ohio Revised Code Section 5705.41(D))

   c. Per unit contracts - Where contracts are entered into on a per unit basis, only the amount estimated to become due in the current year need be certified. (1987 Opinion Attorney General 87-069)

d. Contract or lease running beyond the termination of the year made - Pursuant to Ohio Revised Code Section 5705.44, if a contract or lease runs beyond the termination of the year in which it is made, only the amount of the obligation maturing in the current year need be certified. The remaining amount is a fixed charge required to be provided for in the subsequent year's appropriations.

e. Blanket - Fiscal officers may prepare "blanket" certificates not to exceed amounts determined by the legislative authority against any specific line item account not to exceed beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

f. Super blanket - The village may also make expenditures and contracts from a specific line-item appropriation account in a specified fund for any amount upon certification of the fiscal officer for most professional services, fuel, oil, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

C. Liability for Unlawful Expenditures - Any officer, employee, or other person who unlawfully expends or authorizes the expenditure of public funds shall be personally liable for the full amount paid from those funds. The chief legal officer is required to enforce this liability in the name of the village, and may be forced to do so by any taxpayer. (Ohio Revised Code Section 5705.45) The use of public funds to purchase alcohol will be considered arbitrary and incorrect and will be cited by the Auditor of States' Office. (refer to Auditor of State Bulletin 2003-005) (1982 Op. Atty. Gen. No. 82-006)

D. Special Provisions

1. Federal funds - Although federal grants or loans for public works projects are deemed appropriated for such projects, the funds should be formally appropriated through the village budget process before expenditures may be approved from such funds. (Ohio Revised Code Section 5705.42)

2. Payrolls - Expenditures may be made for current payrolls from an appropriation for that purpose, but only when the position and compensation of the employees have been determined prior. Total expenditures for payroll during the first half of the fiscal year shall not exceed six-tenths of the total yearly appropriation, unless village council waives that limitation by a three-fourths majority. A reason must be stated in the resolution waiving such limitation. (Ohio Revised Code Section 5705.46)

IV. Public Money

A. Deposits - Ohio Revised Code Chapter 135 is the Uniform Depository Act. It must be strictly complied with to avoid personal liability for the mismanagement of public funds. The clerk/treasurer is relieved from liability for the loss of public money deposited in a public depository which fails if the Uniform Depository Act is followed.

1. Types of deposits (Ohio Revised Code Section 135.01)

    a. Active deposits - Active deposits are public deposits necessary to meet the current demands of the village and are deposited in any of the following manners:

        i. Commercial accounts payable on demand;

        ii. Negotiable order of withdrawal accounts, 94 Stat. 146, 12 U.S.C. 1832(a)

    b. Inactive deposits - Inactive deposits are public deposits other than an active or interim deposit.

    c. Interim deposits - Interim deposits are those deposits in the village treasury, after the award of inactive deposits has been made under Ohio Revised Code Chapter 135, which are in excess of estimated inactive deposits, and which will not be needed for immediate use but will be needed before the end of the period designated for inactive deposits. (Ohio Revised Code Section 135.01(F))

2. Designation of depositories and procedure - The village council shall meet every five years on the third Monday of the month next preceding the date of the expiration of its designation of depositories to designate the public depositories for its money. The designation shall be awarded for a period of five years. One copy of the designation and award shall be kept by the village council and one certified to the clerk/treasurer. It may become necessary to amend the designation if State or federal laws change during the period of designation. (Ohio Revised Code Section 135.12)

    a. Estimate of inactive deposits and notice - At least three weeks before it is required by Ohio Revised Code Section 135.12 to designate its public depositories, the village council shall, by resolution, estimate the aggregate maximum amount of public money, subject to its control, to be deposited as inactive deposits. The resolution, notice of the meeting at which the depositories are to be designated and the period for which such inactive deposits will be awarded, shall be published once a week for two consecutive weeks in a newspaper of general circulation in the county or as provided in Ohio Revised Code Section 7.16. (Ohio Revised Code Section 135.05)

    b. Application for deposits - Each eligible institution desiring to be a public depository for active, interim, and/or inactive money shall, not more than thirty days prior to the date for designation of public depositories, make written application to the village council, specifying the maximum amount of inactive money it desires (if any), within specified limits, and the rate of interest it will pay on such deposits of interim and/or inactive money. (Ohio Revised Code Sections 135.06, 135.08, and 135.10.)

c. Eligible institutions, limits - Any national bank in this State, any bank as defined by Section 1101.01 of the Ohio Revised Code, or domestic building and loan association is eligible to become a public depository. No bank shall receive public deposits in excess of thirty percent of its non-public deposits. No building and loan association shall receive public deposits in excess of thirty percent of its total assets. (Ohio Revised Code Sections 135.03 and 135.04)

d. A village may use as a public depository any savings association or savings bank located in Ohio, which is doing business under the authority of another state, but it cannot use any bank doing business under authority granted by the regulatory authority of another country. (Ohio Revised Code Section 135.03)

e. Award of inactive deposits - After estimating the probable amount of inactive deposits, the village council shall award such deposits to those eligible institutions offering to pay the highest interest rate specified by application. If necessary, deposits will be awarded in proportion to the respective capital funds of those institutions. If the amounts specified in the applications of those institutions offering the highest interest rates are less than the total amount of inactive deposits, the institutions offering the next highest rate shall receive the excess deposits. When inactive deposits are withdrawn from a public depository prior to the five year award period, the sum withdrawn shall be deposited in another eligible institution offering to pay as high an interest rate in its application. The designation and award of inactive deposits (as well as interim and active money deposits) shall be made in duplicate. One copy shall be retained by the village council and one copy shall be certified by village council to the clerk/treasurer. (Ohio Revised Code Section 135.07)

f. Award of interim deposits - Interim deposits may be awarded by the clerk/treasurer or village council, as they become available, to the eligible institutions offering the highest rate of interest. New bids may be requested when existing bids no longer reflect prevailing interest rates. (Ohio Revised Code Section 135.09)

New bids - Village council may, on its own initiative, adopt a resolution requesting new bids, or the clerk/treasurer can request new bids from public depositories if the application for interim deposits no longer reflects the prevailing interest rates.

3. Evidence of deposits and maturities (Ohio Revised Code Section 135.13)

a. Inactive deposits shall be evidenced by time certificates of deposit maturing no later than the period of designation, and which may provide on its face that the deposit is payable upon written notice given a specified period before the date of repayment, or by savings or deposit accounts, including, but not limited to, passbook accounts.

b. Interim deposits shall be evidenced by time certificates of deposit or by savings or deposit accounts, including, but not limited to, passbook accounts.

4. Transfer of deposits and notice - When the village council finds that active deposits are insufficient for anticipated demands, it shall direct the clerk/treasurer to sell interim investments of deposits, or transfer from inactive deposits to the active deposits sufficient amounts to meet such demands. The clerk/treasurer shall give written notice to each public depository affected. Withdrawals shall first be made from those public depositories paying the lowest rates of interest. (Ohio Revised Code Section 135.15)

5. Security for repayment of public deposits - To protect deposits against insolvency of depositories, the clerk/treasurer, prior to making deposits, must obtain security for the repayment of all public deposits. Eligible collateral to be accepted for this purpose is provided in Ohio Revised Code Sections 135.18 and 135.181.

B. Investments

Village funds may be invested under the provisions of Ohio Revised Code Section 135.14.

1. Interim money may be deposited or invested in the following securities:

   a. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

   b. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

   c. Written repurchase agreements with any eligible institution mentioned in Section 135.03 of the Ohio Revised Code or any eligible dealer pursuant to Division (M) of Section 135.14 of the Ohio Revised Code provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

   d. Bonds and other obligations of the State of Ohio;

   e. No-load money market mutual funds consisting exclusively of obligations described in (a) or (b) and repurchase agreements secured by such obligations, provided that investments in securities are made only through eligible institutions;

   f. The State Treasurer's investment pool (STAR Ohio); (Ohio Revised Code Section 135.45)

   g. The Village may also invest any monies not required to be used for a period of six months or more in the following:

i. Bonds of the State of Ohio;

ii. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, coupons; and

iii. Obligations of the village.

2. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the village, and must be purchased with the reasonable expectation that it will be held to maturity.

3. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

4. Investment Policy:

   a. Ohio Revised Code Section 135.14 requires the clerk/treasurer have a written investment policy on file with the Auditor of State that is approved by the clerk/treasurer or village council, as defined in Ohio Revised Code Section 135.01. The policy requires that all entities conducting business with the clerk/treasurer or village council must sign the investment policy of the village. All brokers, dealers, and financial institutions initiating transactions with the clerk/treasurer, by giving advice or making investment recommendations, must sign the investment policy, thereby acknowledging their agreement to abide by the policy's contents. All brokers, dealers, and financial institutions executing transactions initiated by the clerk/treasurer or village council, having read the policy's contents, must sign the investment policy, thereby acknowledging their comprehension and receipt of the policy. A copy should also be maintained by the clerk/treasurer.

   b. If the village does not file a written investment policy with the Auditor of State, the clerk/treasurer or village council shall invest the interim money only in interim deposits, pursuant to Ohio Revised Code Section 135.14(B)(3), in STAR Ohio, or in a no-load money market mutual fund pursuant to Ohio Revised Code Section 135.14(B)(5).

   c. The investment policy requirement and the resulting restrictions for failure to file an investment policy do not apply to the village whose average annual portfolio is $100,000 or less, provided that the clerk/treasurer or village council certifies this fact on a form prescribed by the Auditor of State, and that it will comply and that it is in compliance with the provisions of Ohio Revised Code Sections 135.01 to 135.21.

5. Educational Requirements:

   There is mandatory training for village clerks and clerk/treasurers. All village clerks and clerk/treasurers are required to attend annual continuing education training developed and offered by the Auditor of State. The Auditor of State determines the manner, content, and length of the program after consultation with appropriate statewide organizations of local governmental officials. (Ohio Revised Code Sections 117.44, 135.14, and 733.27)

   Treasurers and Clerk/treasurers are also required to attend annual continuing education provided by the Treasurer of State in order to enhance their background and working knowledge of investments, cash management, and ethics. The Treasurer of State also determines the manner, content, and length of the program after consultation with appropriate statewide organizations of local governmental officials. The Treasurer of State issues a certificate indicating successful completion of the program and forwards such certificates to the Auditor of State. (Ohio Revised Code Section 135.22)

   Treasurers and Clerk/treasurers may be exempted from the Treasurer of State's training by the Treasurer of State if the Treasurer of State certifies that the village clerk/treasurer invests only in interim deposits, STAR Ohio, or no-load money market mutual funds. (Ohio Revised Code Section 135.22)

C. Check Clearing for the 21st Century Act

The purpose of the law, which became effective on October 28, 2004 (refer to Auditor of State Bulletin 2004-010), is to allow banks to process checks more efficiently by facilitating the exchange of checks via electronic images. Banks are no longer required to issue or return the original checks to customers. The Check 21 Act supersedes any federal or state law including Auditor of State Bulletin 96-006, Electronic Imaging of Checks.

Any bank in the check-cashing/payment system (e.g., bank of first deposit, intermediary depository bank, collecting bank, etc.) will be able to remove the original check and replace it with an electronic image of the front and back of the check. At any point in the process, however, a bank may use the electronic image to create a "substitute check" that has the same legal effect as the original paper check. A substitute check is a paper reproduction of the original check that:

1. Contains an image of the front and back of the original check;

2. Bears a magnetic ink character recognition (MICR) line containing all of the information appearing on the original;

3. Conforms, in paper stock, dimension, and otherwise, with generally applicable banking industry standards for substitute checks; and

4. Is as suitable for automated processing as the original check.

In accordance with the new law, no bank is required to provide governments with either the original cancelled check or the substitute check. Neither Check 21 nor its regulations indicate whether a bank may charge the customer for a copy of the original check or the substitute check. Customers might be charged to receive either of these.

V. Reporting Requirements

Ohio Revised Code Section 117.38 states that all local public offices must file an annual financial report for each fiscal year with the Auditor of State's Office, Local Government Services Section. The report shall be certified by the chief fiscal officer and filed within sixty days after the close of the fiscal year. At the time the report is filed with the Auditor of State, the chief fiscal officer shall publish a notice in a local newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state the financial report has been completed by the fiscal officer and is available for public inspection at the office of the chief fiscal officer.

Any public office that does not file its financial report at the time required by this section shall pay to the Auditor of State twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments do not exceed the sum of seven hundred fifty dollars.

On February 2, 2005 the American Institute of Certified Public Accountants (AICPA) issued an interpretation of one of its auditing standards (i.e., AU Section 623, *Special Reports*) that affects those governments that prepare their financial statements using the cash or modified cash basis of accounting. These entities report cash received and cash paid, rather than reporting their financial activity pursuant to generally accepted accounting principles (GAAP).

In Ohio, many entities prepare their financial statements on a cash basis. According to this AICPA interpretation, these governments must adjust their financial statements to substantially conform with the display and now applicable disclosure requirements of GAAP in order to avoid an adverse audit opinion regarding GAAP. According to the interpretation, the cash basis financial statement presentation must "look like" a GAAP presentation (i.e., GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, once it became effective); otherwise, the Auditor of State or contracted independent public account (IPA) firm is required to issue an adverse opinion.

In addition, the financial statements must also present the classifications of fund balance as outlined in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires fund balance to be reported as nonspendable, restricted, committed, assigned, and/or unassigned.

For additional information on "look like" statements, refer to Auditor of State Bulletin 2005-002 and to Auditor of State Bulletin 2011-004 for discussion on fund balance classifications. A sample of "look like" statements may be found on the Auditor of State website at www.ohioauditor.gov.

VI. Questions and Answers

Budget

1. *(Q) What will the listing of necessary expenditures for the village during the ensuing fiscal year include?*

   (A) In accordance with Ohio Revised Code Section 5705.29, the information should include, among other things, a statement of (1) necessary operating expenses classified as to personal services and other expenses, and the fund from which such expenditures are to be made (the estimate may include a contingent expense, not designated for any particular purpose, not to exceed three percent of the total amount of appropriations for current expenses); (2) expenditures necessary for permanent improvements, exclusive of any expenses to be paid from bond issues, classified as to be improvements contemplated by the village, and the fund from which such expenditures are to be made; (3) the amount for final judgments; (4) expenditures for any purpose for which a special levy is authorized, and the fund from which such expenditures are to be made; (5) the amount necessary for debt charges. (The village must show the estimated receipts from sources other than the levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding fiscal year, as well as the net amount on which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequently to such date, and as to what portion of the levy will be within and what portion is in excess of the ten-mill limitation.)

2. *(Q) What shall the village show as sources of revenue?*

   (A) Ohio Revised Code Section 5705.29, requires the furnishing of (B)(1) an estimate of receipts from sources other than general property tax during the ensuing year, which shall include an estimate of unencumbered balances at the end of the current year, and the funds to which such estimated receipts are credited; (B)(2) the amount each fund requires from general property tax, which shall be the difference between the contemplated expenditures from the fund and the estimated receipts; (D) an estimate of amounts from taxes authorized to be levied in excess of the ten-mill limitation on the tax rate, and the fund to which such amounts will be credited, together with the sections of the Ohio Revised Code under which each such tax is exempted from all limitations on the tax rate.

3. *(Q) What action does the county budget commission take on the village budget?*

(A) The county budget commission is required to examine the tax budget, together with the tax budgets of all subdivisions in the county, and ascertain the total amount proposed to be raised in the entire county. Ohio Revised Code Section 5705.31, in addition, provides that the county budget commission shall, among other things, ascertain that the levies enumerated in Ohio Revised Code Section 5705.31, including tax levies in excess of the ten-mill limitation and the minimum levy within the ten-mill limitation for current expenses and debt service, are properly authorized. If so, the county budget commission has a mandatory duty to approve the levies without modification. If any debt charge is omitted from the tax budget, the county budget commission shall include it. Finally, Ohio Revised Code Section 5705.32 requires the county budget commission to adjust the estimated amounts required from general property tax for each fund shown by the tax budget so as to bring the tax levies required there for within the limitation specified in Ohio Revised Code Sections 5705.01 to 5705.47. However, no levy may be reduced below a minimum fixed by law. The county budget commission may also revise and adjust the estimate of balances and receipts from all sources for each fund and determine the total appropriations that may be made from each fund.

4. *(Q) What shall the official certification of estimated resources of the county budget commission to the village contain?*

(A) Ohio Revised Code Section 5705.35 provides that the certifications of the county budget commission shall show the various funds of the village, other than funds to be created by transfer. On the credit side of each fund shall be set forth the estimated unencumbered balances and receipts, and if a tax is to be levied for such fund, the estimated revenue to be derived from the tax, the rate of the levy, and what portion of the levy is within, and what portion is in excess of the ten-mill limitation. On the debit side of the fund shall be set forth the total appropriations that may be made from the fund. A summary, known as the official certificate of estimated resources shall be attached, and shall state the total estimated resources of each fund of the village, other than funds to be created by transfer.

Tax Levies

5. *(Q) If at the general election, if the electorate approved the levy of a five-tenths-mill tax for fire protection, and the resolution which the village council adopted to submit the question of this levy to the electorate provided that the tax should be placed on the tax list of the current year, will it be necessary for the village council to adopt a resolution to levy the tax in order for the county auditor to place the tax on the current tax duplicate so that the proceeds may be distributed at the February and August settlements?*

   (A) Yes. Ohio Revised Code Section 5705.25 provides, "If the additional tax is to be placed upon the tax list of the current year, as specified in the resolution providing for its submission, the result of the election shall be certified immediately after the canvass by the board of elections to the taxing authority, who shall make the necessary levy and certify it to the county auditor, who shall extend it on the tax list for collection. After the first year, the tax levy shall be included in the annual tax budget that is certified to the county budget commission".

6. *(Q) If the village council, for any reason, fails to levy a tax as directed in Ohio Revised Code Section 5705.34 until it is too late for the county auditor to extend the levy on the tax duplicate, may the village levy the tax at a later date?*

   (A) No, even if the village is outside the ten-mill limitation and has been authorized by a vote of the people, the village is without authority to make it a later date. (1935 Opinion Attorney General 4559)

7. *(Q) If the village adopts a resolution to levy a tax, and certifies the resolution to the county auditor, but the county auditor inadvertently fails to extend the tax on the tax duplicate, may the county auditor lawfully extend the levy for collection at the time of collecting the second half year's collection of taxes?*

   (A) Yes.

Amended Official Certificate of Estimated Resources

8. *(Q) On January 24, the village entered into a contract with a township to furnish fire protection to the township starting February 1, at the rate of $2,000 per annum, to be paid semi-annually by the township to the village on August 1 and February 1, for a period of three years. The money that will be received by the village from the contract was not included by the county budget commission when they made up the amended official certificate of estimated resources for the village, as provided in Ohio Revised Code Section 5705.36. In order to perform the contract with the township, the village will need to purchase a new fire truck. The clerk/treasurer will not be able to certify funds for the down payment on a truck, to be paid for and delivered on August 1, unless the clerk/treasurer is able to persuade the county budget commission to certify an amended official certificate of estimated resources to include the $1,000 due on August 1. May the county budget commission furnish, to the village, an amended official certificate of estimated resources to include the $1,000?*

(A) Yes, the $1,000 is in process of collection as a result of an existing contractual obligation and would be considered a new source of revenue available during the fiscal year. The amended official certificate of estimated resources may be issued by the county budget commission authorizing the village to amend its appropriations before the time that the money is actually in the possession of the village.

9. *(Q) If the village sells the village hall February and wishes to use the proceeds for the construction of a new village hall, must the clerk/treasurer certify, to the county auditor, the amount of the proceeds so the county budget commission may prepare an amended official certificate of estimated resources so that the proceeds may be appropriated for the desired purpose?*

(A) Yes. (Ohio Revised Code Section 5705.36)

10. *(Q) The village receives an Issue II grant in which the State makes payments directly to the contractor for the project. Should anything be recorded on the village's books regarding this activity?*

(A) Yes, whenever the village is the beneficiary of a program in which the village does not receive cash or make disbursements as part of the program (on behalf of programs), the cash value benefit received under the agreement should be recorded as memorandum receipts and disbursements in the year the on behalf of disbursements are made. The clerk/treasurer must obtain an amended certificate of estimated resources for the amount of the expected cash disbursements to be made on the village's behalf in the current fiscal year. The village council must pass a resolution amending the appropriation measure prior to recording the appropriations.

Temporary Appropriation Resolution

11. *(Q) Why is it necessary to pass a temporary appropriation ordinance if the village does not immediately on or about January 1 pass an annual appropriation ordinance?*

(A) Ohio Revised Code Section 5705.40 provides that, "at the close of each year, the unencumbered balance of each appropriation shall revert to the respective fund from which it was appropriated and shall be subject to future appropriation; provided that funds unexpended at the end of the year previously appropriated for the payment of obligations unliquidated and outstanding need not be reappropriated...,". It is thus apparent under the provisions of Ohio Revised Code Section 5705.41 that the appropriation of village funds automatically terminates at the end of the fiscal year and automatically reverts to the fund out of which it was appropriated, except such appropriated funds as have been encumbered for the payment of obligations incurred but unpaid. Furthermore, Ohio Revised Code Section 5705.41 prohibits the village from making any expenditure of money unless it has been properly appropriated.

12. *(Q) The village does not wish to adopt its annual appropriation ordinance until it receives its amended official certificate of estimated resources from the county budget commission. Furthermore, it had not, as of January 31, gotten around to passing a temporary appropriation ordinance. However, the village would like to contract with the XYZ Company to purchase fire hose which it needs immediately for firefighting purposes since the old hose is completely worn out. The village has a special fire fund into which is paid receipts from a tax levied for fire protection. There is sufficient money in the special fire fund to pay for the fire hose. May the village contract to purchase the hose on January 31?*

(A) No, although there is sufficient money in the fire fund, the appropriations within the fire fund automatically reverted to the fire fund at the end of the year. Until the annual appropriation ordinance has been adopted, or a temporary appropriation ordinance has been passed, as provided in Ohio Revised Code Section 5705.38, it cannot be said that the money has been appropriated for the desired purpose. Any expenditure or contract for an expenditure from the unappropriated fund would be illegal since Ohio Revised Code Section 5705.41 provides that no village shall "make any expenditures of money unless it has been appropriated". Furthermore, Ohio Revised Code Section 5705.41 prohibits the village from entering into a contract unless the clerk/treasurer can furnish a certificate that the amount required to meet the contract has been appropriated".

13. *(Q) What is the effect if a temporary appropriation ordinance is passed by the village, as provided in Ohio Revised Code Section 5705.38, and the passage of the annual appropriation ordinance is delayed past April 1 of the current year?*

(A) No expenditures of any kind can be made and no lawful obligations incurred after the first day of April until the annual appropriation ordinance is passed.

Annual Appropriation Ordinance

14. *(Q) Shall the village base its annual appropriation ordinance on the tax budget forwarded to the county auditor on or before July 20, or the revised tax budget changed by the village before the end of the year to accord with the amended official certificate of estimated resources prepared by the county budget commission in accordance with Ohio Revised Code Section 5705.35?*

    (A) Although Ohio Revised Code Section 5705.35 provides that the revised budget shall be the basis of the annual appropriation ordinance, Ohio Revised Code Section 5705.36 contains the restriction that "the total appropriations made during the year from any fund shall not exceed the amount set forth as available for expenditure from such fund in the official certificate of estimated resources or any amendment thereof, certified prior to the making of the appropriation or supplemental appropriation". The latest "amended official certificate of estimated resources" would therefore control, assuming that the amended official certificate of estimated resources changed the official certificate of estimated resources.

15. *(Q) May the village council pass the annual appropriation ordinance at its last meeting in December for the ensuing year?*

    (A) Yes, the village council may pass the temporary or annual appropriation ordinance in December for the ensuing year; however, the appropriation for each fund is limited to the total estimated resources as presented in the current official certificate of estimated resources.

16. *(Q) If the village does not have enough money to appropriate for all the expenditures it would like to make, what rule should it use in deciding items it shall appropriate for?*

    (A) It is incumbent for the village council to provide, first of all, for those expenditures made imperative by the constitution and statutes, such as health, workers' compensation, and public employees retirement.

17. *(Q) Can village council, by ordinance, allocate interest to funds of their choice?*

    (A) No. Interest must be allocated according to the provisions of the Ohio Constitution and State statutes.

Certificate of Available Funds by the Fiscal Officer

18. *(Q) If the clerk/treasurer issues a certificate to the effect that the amount required to meet a certain obligation or expenditure has been lawfully appropriated and is in the village treasury or is in the process of collection, and there is either no appropriation for such an obligation, or there are no funds in such appropriation, or no funds in process of collection, is the village bound to pay the obligation?*

    (A) Yes, Ohio Revised Code Section 5705.41 provides that, "any certificate of the fiscal officer attached to a contract shall be binding upon the political subdivision as to the facts set forth therein".

19. *(Q) In the event there is an overdraft in a given fund arising as a result of the clerk/treasurer's giving a false certificate, is it necessary to reappropriate in the current fiscal year?*

    (A) No, the village is bound on the false certificate and the fund remains encumbered, though unexpended, and should not have been included by the county budget commission in estimating the balance available for such fund for the current year.

20. *(Q) What liability does a clerk/treasurer incur in issuing false certificates?*

    (A) Liability is fixed by Ohio Revised Code Section 5705.45 which provides that the clerk/treasurer "shall be liable to the 'village' for the full amount paid from the funds of the 'village' on any such order, contract or obligation".

21. *(Q) Does it make any difference, in a situation such as the one outlined above, that the clerk/treasurer was ignorant of the law and thus allowed the overdraft to occur?*

    (A) No, liability fixed under Ohio Revised Code Section 5705.45 is not predicated upon knowledge or lack of knowledge of duties. The clerk/treasurer is presumed to know their duties and the limitations thereof under the law.

22. *(Q) If the contract to which the clerk/treasurer's false certificate is attached is a contract which is otherwise illegal, i.e., one which the village has no authority by law to enter into, such as a contract for expenditures to promote the adoption of annexation, may the village pay the bill?*

    (A) No, since the village may not pay the bill, any money appropriated for its payment would, at the end of the year, revert to the fund out of which it was appropriated and be free for appropriation in the new year. The clerk/treasurer would include such amount as a part of the balance in the fund in certifying actual balances to the county budget commission.

23. *(Q) The village has one unpaid bill, in the amount of $500, at the end of the fiscal year, but the clerk/treasurer has never certified that there were funds available for its payment. Should the clerk/treasurer have deducted the amount of the bill from the balance existing at the end of the year, treating the bill as an unexpected unliquidated obligation for which no new appropriation is necessary? Or should the clerk/treasurer not have deducted the amount of this bill from the balance existing at the end of the year, placing a duty upon the village to appropriate money for payment of the bill on the current year's revenue?*

(A) This bill may not be paid pursuant to Ohio Revised Code Section 5705.41. Since no certificate was ever issued, the funds were never encumbered; therefore, the clerk/treasurer may not lawfully deduct the amount of the bill from the balance existing at the end of the year. Furthermore, there is no authority to appropriate the current year's revenue for the payment of the bill. However, since all unencumbered appropriations automatically revert to the fund out of which they are appropriated, it is not too late for the clerk/treasurer to prepare a certificate stating that at the time of the execution of such contract, a sufficient sum was appropriated for the purpose of the contract, and that at the time of the preparation of the certificate a sufficient sum had been appropriated for such purpose.

24. *(Q) What are the clerk/treasurer's duties with relation to certification of funds?*

(A) Ohio Revised Code Section 5705.41 provides that the village shall not make any contract or give any order involving the expenditure of money, unless there is attached thereto, the clerk/treasurer's certificate stating that the amount required to meet the contract has been lawfully appropriated for such purchase and is in the treasury or in process of collection to the credit of the appropriate fund free from any previous encumbrances. Ohio Revised Code Section 5705.41 provides further, "every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon".

25. *(Q) If the clerk/treasurer, at the time of the making of the contract, fails to certify that money for the purpose of the contract has been appropriated and is in the treasury or in process of collection to the credit of the appropriate fund free from any previous encumbrances, may the clerk/treasurer at the time of billing for payment certify to the availability of funds, or is there no way that the bill may be paid?*

(A) Ohio Revised Code Section 5705.41 provides that if no certificate was furnished at the time the contract was entered into, the clerk/treasurer may, nevertheless, prepare a certificate stating (1) that there was at the time of the making of the contract and (2) at the time of the execution of the certificate, a sufficient sum for the purpose of the contract in question in the treasury or in process of collection to the credit of the appropriate fund free from previous encumbrances. If such a certificate can be prepared by the clerk/treasurer, the village council may authorize the issuance of a warrant in payment of the amounts due upon the contract. However, the village council must adopt the resolution for payment within thirty days after the village council received the certificate from the clerk/treasurer.

26. *(Q) If the village enters into a contract, but the clerk/treasurer does not certify the funds at the time that the contract is entered into, may the clerk/treasurer, when the bill comes in, prepare the certificate if the money in the appropriation item for the purpose of the bill in question is depleted?*

(A) No. In order for the clerk/treasurer to prepare the certificate at time of payment, the clerk/treasurer must certify not only that (1) there was at the time of the making of the contract a sufficient sum appropriated for the purpose of the contract in question in the treasury or in process of collection to the credit of the appropriate fund free from previous encumbrances, but also (2) there is sufficient money at the time of the execution of the certificate.

27. *(Q) Since the person, firm, or corporation contracting with the village takes the risk of not receiving payment if the clerk/treasurer does not certify funds, may any person, firm, or corporation receiving an order or entering in to a contract with the village require that clerk/treasurer affix the certificate to the contract or order?*

(A) Yes, Ohio Revised Code Section 5705.41 makes it mandatory for the clerk/treasurer to affix the certificate to the order or contract if the person, firm, or corporation requests it.

28. *(Q) If a firm enters into a contract with the village without having the clerk/treasurer affix the certificate, may the firm at some later date by mandamus compel the clerk/treasurer to affix the certificate?*

(A) No.

29. *(Q) In the case of a continuing contract to be performed in whole or in part in an ensuing year, such as a contract for the village to receive fire protection for three years, must the clerk/treasurer, when the contract is entered into, certify funds for the entire three years?*

(A) No, Ohio Revised Code Section 5705.44 requires the clerk/treasurer to "make a certification for the amount required to meet the obligation of such contract or lease maturing in such fiscal year. The amount of the obligation under such a contract or lease remaining unfulfilled at the end of a year, and which will become payable the next fiscal year, shall be included in the annual appropriation measure for the next year as a fixed charge".

30. *(Q) Must the contract for extra work in connection with a road improvement project have the clerk/treasurer's certificate attached thereto?*

(A) Yes.

31. *(Q) If the clerk/treasurer certifies that funds are available for the purchase of a road grader, but then the time comes to pay the bill there is no money because the tax receipts were considerably lower than was estimated, is the village required to pay the bill?*

(A) Yes, Ohio Revised Code Section 5705.41 provides that, "any certificate of the fiscal officer attached to a contract shall be binding upon the political subdivision as to the facts set forth therein".

32. *(Q) If the clerk/treasurer certifies funds for the purchase of a fire engine, but funds were never appropriated for the purchase of the fire engine, or only half the amount was appropriated, or the money was appropriated but the fund was exhausted and no money was in process of collection to that fund, or funds appropriated for the fire engine had previously been encumbered for the purchase of a mechanical resuscitator, or the clerk/treasurer's certification otherwise violates Ohio Revised Code Section 5705.41, must the village nevertheless, pay the bill?*

(A) Yes, the village is bound by the clerk/treasurer's certificate, whether the certificate is true or false, provided the obligation is one which the village may validly incur if the correct procedures are followed.

33. *(Q) What liability does the village clerk/treasurer incur if they issue a false certificate?*

(A) Ohio Revised Code Section 5705.45 provides that, "any officer, employee, or other person who issues any order contrary to Ohio Revised Code Section 5705.41, or who expends or authorizes the expenditure of any public funds, or who authorizes or executes any contract contrary to Ohio Revised Code Sections 5705.01 to 5705.47, unless payments thereon are subsequently ordered as provided in Ohio Revised Code Section 5705.41, or expends or authorizes the expenditure of any public funds on any such void contract, obligation, or order, unless subsequently approved as provided in Ohio Revised Code Section 5705.41, or issues a certificate under the provisions thereof which contains any false statements, shall be liable to the political subdivision for the full amount paid from the funds of such subdivision on any such order, contact, or obligation". The clerk/treasurer would be jointly and severally liable, in person and upon any official bond given to the village and the prosecuting attorney has the duty to recover the money for the village, or a taxpayer may institute the action if the prosecuting attorney fails to act.

34. *(Q) If the clerk/treasurer's certificate is validly issued but low tax receipts cause an overdraft on the fund, is the clerk/treasurer liable personally or on their official bond?*

(A) No.

35. *(Q) Should an appropriation fail, in whole or in part, because of a shortage in estimated resources upon which the appropriation is based, and as a consequence thereof the contract cannot be met or the expenditure made for the current appropriation, if the clerk/treasurer's certificate is true, which of properly incurred overdrafts shall be paid first?*

(A) The obligations bearing the earlier date would take precedence over those bearing a later date.

36. *(Q) What is a blanket certificate?*

(A) The blanket certificate is authorized by the provisions of Ohio Revised Code Section 5705.41. Under a blanket certification, the village clerk certifies that a certain sum of money, determined by the legislative authority has been lawfully appropriated for a particular purpose (single expenditure account) and is in the treasury or in process of collection to the credit of that fund, free from previous and then outstanding obligations or certificates. Once this certificate has been prepared, various items may be charged against such blanket certificate up to the amount certified and not to extend beyond the end of the fiscal year. The person authorized to make expenditures against the blanket certificate shall render to the clerk, before another such blanket certificate may be issued, an itemized statement of the obligations incurred and the expenditures made under such certificate.

37. *(Q) May more than one such blanket certificate be outstanding at one time?*

(A) Only one blanket certificate may be outstanding at one particular time for any one particular line-item appropriation. However, any number of blanket purchase orders may be outstanding against various funds, so long as they are not for the same line-item appropriation.

38. *(Q) What is a Super Blanket Certificate?*

(A) The village may also make expenditures and contracts from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Funds

39. *(Q) How may transfers within a fund from one appropriation item to another appropriation item be made?*

(A) Ohio Revised Code Section 5705.40 provides that, "transfers may be made by resolution or ordinance from one appropriation item to another".

40. *(Q) Must the village's contribution to the Ohio public employees retirement system be charged to the general fund?*

(A) No, Ohio Revised Code Section 145.12 provides that, "the ... village council ...may reimburse the fund from which such appropriation is made by transferring to such fund from any other fund of such subdivision the proportionate amount of such appropriation that should be chargeable to such fund whether such fund is derived from taxation or otherwise". Such payment may be made directly out of any funds, whether derived from taxation or otherwise, from which the salaries or compensation of employees, on account of whom such payments are to be made, are payable.

41. *(Q) Must all audit costs be paid from the general fund?*

(A) No, the fiscal officer may distribute the cost to each fund audited in accordance with its percentage of the total cost. The fiscal officer should determine which funds should be charged a percentage of the audit costs. The Auditor of State is of the opinion that most operating funds of a local government, including utility funds (i.e., water, sewer, electric, refuse), special levy funds, funds that receive gas taxes, and motor vehicle registration fees can be charged a portion of the audit costs. (Auditor of State Bulletin 2009-011)

Ohio Police and Fire Pension Fund (PFPF)

42. *(Q) When is the village required to make its payments to the Ohio police and fire pension fund?*

(A) Each employer pays its contribution quarterly, on a date set by the trustees of the fund, and the amount of the contribution is: pursuant to Ohio Revised Code Section 742.33, policemen, nineteen and one-half percent of the salaries as defined in Ohio Revised Code Section 742.01; and pursuant to Ohio Revised Code Section 742.34, firemen, twenty-four percent of the salaries as defined in Ohio Revised Code Section 742.01.

Ohio Public Employees Retirement System (OPERS)

43. *(Q) Is membership in the Ohio public employees retirement system mandatory for village employees?*

(A) Ohio Revised Code Section 145.03 provides, "Except as provided in division (B) of this section, membership in the system is compulsory upon being employed and shall continue as long as public employment continues".

44. *(Q) Are village elected officials required to contribute to OPERS?*

(A) No, it is not compulsory for elected officials to contribute to OPERS, but Ohio Revised Code Section 145.20 provides that they may elect to join the system. If the elected official does not join the system, they will be required to contribute to Social Security.

45. *(Q) What amounts should the village pay as its contribution to the OPERS system?*

(A) The OPERS Board shall notify the village prior to July 15 each year of the rate necessary to pay its obligation to OPERS. The village council must appropriate sufficient funds to provide for its obligation to OPERS. (Ohio Revised Code Section 145.12)

Inactive Funds

46. *(Q) When is the village council authorized to invite applications from eligible institutions for inactive deposits?*

(A) Ohio Revised Code Section 135.07 provides that applications may be invited if the aggregate amount of inactive public deposits, as specified in applications for inactive funds, is less than the public money thereof (1) to be initially deposited or (2) the maximum amount required to be deposited during the period, as estimated by the village council. However, the bids may be invited by the village council only for the excess amount not covered by the bids received upon advertisement.

Interim Funds

47. *(Q) What obligations are eligible for investment or deposit of interim money?*

(A) Ohio Revised Code Section 135.14 governs what obligations shall be eligible for investment of deposit of interim money.

Active Funds

48. *(Q) What is the basis upon which the village council shall award active funds to depositories?*

(A) Ohio Revised Code Section 135.04 provides that the first $25,000 of active deposits shall be awarded to the institution qualifying on the basis of the operating needs of the village. Active deposits in excess of $25,000 shall be awarded to the eligible institution or institutions applying or qualifying therefore.

49. *(Q) May the village pay a service charge?*

(A) Ohio Revised Code Section 135.16 provides that, "no service charge shall be made against any active deposit or collected from or paid by any clerk/treasurer unless such service charge is the same as is customarily imposed by institutions receiving money on deposit subject to check, in the municipal corporation in which the public depository of such deposit is located, in which event the clerk/treasurer may pay such charge".

50. *(Q) If a bank requires the village to pay a service charge for the deposit of funds in the active depository, out of what village fund should the service charge be paid?*

(A) The charge should be paid from the general fund.

Bank Insolvency

51. *(Q) If a bank in which the village has deposited its funds becomes partially insolvent, does the village have a better right to receive back its funds out of the residue than the ordinary depositor of the bank has?*

(A) No.

52. *(Q) If the clerk/treasurer has complied in every respect with the terms of the uniform depository act, and the bank fails, is the clerk/treasurer liable?*

(A) No, Ohio Revised Code Section 135.19 provides that a deposit in a public depository in compliance with Ohio Revised Code Sections 135.01 to 135.21, if occasioned by failure of the public depository, the clerk/treasurer shall not be liable.

Eligible Institutions; Territorial Limitations

53. *(Q) Is the village council required to award the inactive or interim deposits to an institution located within the limits of the village?*

(A) No.

54. *(Q) Is the village council required to award the active deposits to an institution located within the limits of the village?*

(A) No.

Pledge of Securities

55. *(Q) Who has the responsibility of seeing that the proper securities are pledged or surety company bonds are deposited?*

(A) Ohio Revised Code Section 135.18 places this responsibility on the clerk/treasurer. This section provides that, "the clerk/treasurer, before making the initial deposit in a public depository pursuant to an award made under Ohio Revised Code Sections 135.01 to 135.21, shall require the institution designated as a public depository to pledge and deposit with the clerk/treasurer as security for the repayment of all public money to be deposited in the public depository during the period of designation pursuant to the award, eligible securities of aggregate market value equal to the excess of the amount of public money to be at the time so deposited, over and above such portion or amount of such money as is at such time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government, or the clerk/treasurer may require such institution to deposit surety company bonds which, when executed , shall be for an amount equal to such excess amount ....".

56. *(Q) If the clerk/treasurer fails to require either the posting of a surety company bond or the deposit of the proper or sufficient securities, is it a defense to the clerk/treasurer's liability in case of loss of funds, to establish the fact that when the deposit was made, the bank was financially sound?*

(A) No.

57. *(Q) Upon reviewing the amount of security on deposit and comparing the market price of the securities at the present time with the market value of the securities at the time that they were deposited, the clerk/treasurer finds that the securities have depreciated in value so that if the bank became insolvent and the clerk/treasurer was forced to sell the securities, the amount received from the sale would be $2,000 less than the village funds presently on deposit. What should the clerk/treasurer do?*

(A) Ohio Revised Code Section 135.18 provides that in such a situation the clerk/treasurer may demand that the depository bank pledge additional securities so that village funds will be protected in the full amount.

58. *(Q) May the bank designated as the depository of village funds at any time substitute or exchange eligible securities having a current market value equal or greater than the current market value of the securities then on deposit as a pledge to protect the village funds?*

(A) Ohio Revised Code Section 135.18 provides that the bank may substitute or exchange eligible pledged securities of the village council or the clerk/treasurer only if: (1) the clerk/treasurer has authorized the depository bank to make substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange; or (2) the depository bank notifies the clerk/treasurer of an intended substitution or exchange, and the clerk/treasurer fails to object to the trustee bank as to the eligibility or market value of the securities being substituted within ten days after the date appearing on the notice of proposed substitution; or (3) the clerk/treasurer gives written authorization for a substitution of exchange of specific securities.

Federal Deposit Insurance Corporation

59. *(Q) The village has entered into a depository contract with the XYZ bank by which the XYZ bank agrees to accept $65,000 in active funds. However, at the beginning of the period of designation, the clerk/treasurer deposits only $50,000 in the XYZ bank. The XYZ bank has only hypothecated securities, in the amount of $25,000. Should the clerk/treasurer demand that the bank deposit a total $65,000 in securities or will $25,000 be sufficient to protect the funds as provided in Ohio Revised Code Section 135.16?*

(A) The village funds are protected and the requirements of Ohio Revised Code Section 135.16 are satisfied by the $25,000 in securities presently hypothecated. Since $100,000 of the village's funds are insured by the federal deposit insurance corporation, securities need not be pledged to cover the portion of village funds protected by the federal deposit insurance corporation. Furthermore, the bank is required to furnish securities for village funds in excess of that covered by the federal deposit insurance corporation, and only to cover the total amount of village funds actually on deposit at any one time in the depository and not securities in the highest amount which the village has contracted to receive during the period of the depository contract. However, it is incumbent upon the clerk/treasurer to make sure that village funds on deposit at no time exceed the amount of securities pledged. If the village wishes to deposit in excess of the amount of securities pledged, the clerk/treasurer should, at that time, demand that the depository hypothecate additional securities.

60. *(Q) If a financial institution fails and the Federal Deposit Insurance Corporation (FDIC) is the receiver, how can a village obtain repayment for its investment securities if the deposits are protected by pooled collateral pursuant to Ohio Revised Code Section 135.181?*

(A) The village may present such a claim for securities in the pool when the FDIC, as receiver, is liquidating or winding up the affairs of the institution provided that the village's security interest in the securities meets the following two criteria: (1) it is legally enforceable and perfected; and (2) it is set forth in a written agreement that has been approved by and recorded in the minutes of the board of directors or loan committee of the institution and has been maintained continuously from the time of its execution as an official record of the institution. (Attorney General Opinion 2009-036)

Safekeeping of Securities

61. *(Q) What provision is made by State law for the safekeeping of securities which a public depository is required to pledge and deposit with the clerk/treasurer as security for the repayment of the village money deposited during the period of designation?*

(A) Ohio Revised Code Section 135.18 provides that, "an institution designated as a public depository may, by written notice to the clerk/treasurer, designate a qualified trustee, and deposit the eligible securities required with the trustee for safekeeping of the account for the treasurer and the institution as a public depository, as their respective rights to and interest in such securities may appear and be asserted by written notice to or demand upon the trustee. In such case, the clerk/treasurer shall accept the written receipt of the trustee describing the securities which have been deposited with the trustee by the public depository, a copy of which shall also be delivered to the public depository. Thereupon all such securities so deposited with the trustee are deemed to be pledged with the clerk/treasurer and to be deposited with the clerk/treasurer".

62. *(Q) What institutions are eligible to serve as trustee for the safekeeping of securities pledged to protect the village funds in accordance with Ohio Revised Code Section 135.18?*

(A) The three types are: (1) any federal reserve bank or branch thereof; (2) any institution mentioned in Ohio Revised Code Section 135.03 which holds a certificate of qualification issued by the superintendent of banks; or (3) any domestic or foreign trust company or corporation complying with Ohio Revised Code Sections 1111.04, 1111.05, and 1111.06 for safekeeping of securities, other than those belonging to itself.

63. *(Q) As to an institution other than a federal reserve bank or branch thereof, what evidence of qualification should a bank or trust company wishing to serve as trustee for the safekeeping of village securities be able to present?*

(A) Either the original or a certified copy of the certificate issued by the superintendent of banks, upon application to the superintendent in writing by any such institution, is conclusive evidence that the institution named in the certification is qualified to act as trustee with respect to securities other than those belonging to itself.

64. *(Q) May a bank or trustee having a certificate of qualification from the superintendent of banks serve as trustee for the safekeeping of securities belonging to itself?*

(A) No, see Ohio Revised Code Section 135.18.

65. *(Q) If the pledged securities are destroyed while they are in the custody of a trustee designated as above, would the clerk/treasurer be liable?*

(A) No, Ohio Revised Code Section 135.18 provides that, "the clerk/treasurer and the clerk/treasurer's bonders or surety shall be relieved from any liability to the State or the subdivision or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section".

66. *(Q) If the village depository designates the village council member for the safekeeping of the securities which have been pledged, issuing receipts to the village, should the village pay the service charge?*

(A) No, Ohio Revised Code Section 135.18 provides that, "any charges or compensation of a designated village council member for acting as such shall be paid by the public depository and in no event shall be chargeable to the ... subdivision or to the clerk/treasurer or to any officer of the subdivision".

Bulletin 96-07

On August 20, 1996, the Auditor of State issued Auditor of State Bulletin 96-017. The purpose of the bulletin was to assist local governments in meeting the requirements of Senate Bill No. 81 ("The Act"). Since the release of that bulletin, the Auditor of State's Office has received numerous questions regarding the Act and the bulletin. This section summarizes the most frequently asked questions and the answers provided.

In addition, on July, 24, 2000, the Auditor of State issued Bulletin 2000-011. This bulletin discussed several changes to depository laws for investing and depositing funds.

67. *(Q) Will the Auditor of State review and comment on my written investment policy when it is filed with the office?*

(A) Due to the quantity of investment policies the Auditor of State receives, it is not feasible to review and comment on each individual policy filed. However, each individual investment policy will be reviewed during the regular audit of the village. That review will include appropriate recommendations and comments to management.

68. *(Q) My village's investment portfolio is under $100,000. Do I have to file an investment policy?*

(A) No, Ohio Revised Code Section 135.14(O)(3) specifically states that the filing requirements do not apply to the village whose average annual portfolio is $100,000 or less, provided that the clerk/treasurer or village council certifies that the clerk/treasurer or village council will comply and is in compliance with Ohio Revised Code Sections 135.01 to 135.21. However, the Auditor of State strongly recommends that all entities file an investment policy.

69. *(Q) Is my village required to file an investment policy if we only have interim deposits in a bank (e.g., savings accounts or certificates of deposit) and/or investments in STAR Ohio?*

(A) No, while the Auditor of State strongly recommends that all entities file an investment policy, Ohio Revised Code Section 135.14(O)(2) provides that if the village does not file a policy with the Auditor of State, then that village may only invest in interim deposits, no load mutual funds, and/or STAR Ohio.

70. *(Q) Does Senate Bill 81 apply to charter municipalities?*

(A) Senate Bill 81 and Ohio Revised Code Chapter 135 apply to all municipalities, except those that have adopted a charter under Article XVIII of the Ohio Constitution and whose charter or ordinances set forth special provisions respecting the deposit or investment of its public money.

71. *(Q) Does the copy of the investment policy with broker/dealer, investment advisory, and financial institution signatures need to be the one filed with the Auditor of State?*

(A) No, the village need only file a copy of the adopted policy. The village should keep a copy on file with the required signatures. Auditors will examine this copy during the course of the regular audit.

72. *(Q) Is a sweep account considered an investment for the purposes of determining whether an investment policy must be filed?*

(A) Yes, sweep accounts are considered investments and, therefore, an investment policy must be filed, even if the village only has sweep accounts.

73. *(Q) Where do we file the investment policy?*

(A) Investment policies should be filed at the following address: Auditor of State, Attention: Clerk of the Bureau, P.O. Box 1140, Columbus, Ohio 43216-1140.

74. *(Q) Do we have to prepare and file an investment inventory, monthly portfolio, and quarterly investment reports?*

(A) No, these reporting requirements only apply to counties.

75. *(Q) Does the Treasurer of State have to sign the investment policy if my village invests in STAR Ohio?*

(A) No, neither the Treasurer of State nor any of the Treasurer of State employees operating STAR Ohio are required to sign the investment policies of entities investing in STAR Ohio.

76. *(Q) Has the Auditor of State prescribed a form for the investment policy?*

(A) Senate Bill 81 did not prescribe the form and content of investment policies.

77. *(Q) Is the legislative body required to approve the investment policy?*

(A) For subdivisions other than counties, Ohio Revised Code Section 135.14(N)(1) provides that the investment policy must be approved by the clerk/treasurer or governing board. However, to avoid problems, it is highly recommended that clerk/treasurers have the investment policies ratified by the governing board.

78. *(Q) I am a clerk/treasurer. What training am I required to take?*

(A) Village clerks and clerk/treasurers, who are elected or appointed for the first time, must receive training provided by the Auditor of State. Village clerks and clerk/treasurers must also receive annual continuing education provided by the Auditor of State. Additionally, pursuant to Ohio Revised Code Section 135.22 village treasurers and clerk/treasurers must complete continuing education provided by the Treasurer of State, unless they provide the Auditor of State a notice of exemption, certified by the Treasurer of State, that the village only invests in interim deposits, no load mutual funds, or STAR Ohio. Please note that for the purposes of Ohio Revised Code Section 135.22, treasurer has the same meaning as in Ohio Revised Code Section 135.01 and includes any person whose duties include making investment decisions with respect to the investment or deposit of interim money.

Report Requirements

79. *(Q) How do I determine if receipts are program receipts or general receipts?*

(A) The objective of the Statement of Activities is to report the financial burden of each of the government's programs on the taxpayers. The presentation of the Statement of Activities is such that it identifies the extent to which each program draws from general receipts (primarily taxpayers) or is self-financing through fees, grants, and other aid.

Programs are typically financed from four sources of receipts:

1. Those who purchase, use, or directly benefit from the goods or services of the program. [Always a program receipt] Examples would be contracts for police, fire, or EMS services, fees, fines, permits, rent, operating special assessments (street lighting, weed cutting, etc.).

2. Parties outside the government's citizenry (i.e. other governments, entities, or individuals). [A program receipt if the receipt is restricted to a specific program, or a general receipt if unrestricted] Examples would be grants (including homestead and rollback), contributions or donations, capital special assessments (sidewalks, road improvements, etc.), and possibly interest or taxes imposed by another government (i.e. shared taxes, motor vehicle license tax, cigarette and liquor taxes, and estate taxes).

3. The government's taxpayers (all tax regardless of whether they benefit a particular program as long as the tax is levied or imposed by the reporting government). [Always a general receipt]

4. The government itself (i.e. receipt from investing). [Usually a general receipt - but see later question]

After considering the guidelines above, the important question to ask is whether or not the receipt is restricted to a particular program. All receipts that do not meet the criteria to be reported as a program receipt should be reported as a general receipt.

80. *(Q) If it is a program receipt, how do I determine if it is charges for services, operating grants, or capital grants?*

(A) Charges for services result from exchange-like transactions. Examples of these types of transactions are: one entity pays or reimburses another entity in exchange for services provided such as for police, fire, EMS, or dispatching services; a citizen pays rent to the government in exchange for the use of the town hall; a citizen pays a license or permit fee in exchange for the ability to operate within the government's boundaries.

Grants and contributions are classified as operating when they are restricted to paying for current operations. Examples would include: donations specified to be used for the upkeep of parks, state levied shared receipts for the maintenance of roads and bridges, homestead and rollback associated with a tax levy for the upkeep of the cemetery, and federal law enforcement grants.

If a grant or receipt must be used for capital related purposes, it would be classified as capital grants and contributions. Examples would include: special assessment receipts for the installation of sidewalks or road improvements, and grants received for the purchase, construction, or renovation of capital assets.

If the grant can be used for both operating and capital purposes and cannot realistically be split between the two, then it should be classified as an operating grant.

81. *(Q) Clarify how homestead and rollback receipts could be either a program receipt or a general receipt.*

(A) Homestead and rollback is monies received from the State and may be either a program receipt or a general receipt, depending on whether the use of the monies is restricted. If an entity has both a property tax for general operations that goes to the general fund and a special levy (i.e. cemetery, police, permanent improvement, etc.) that goes to a special revenue or capital projects fund, the homestead and rollback that goes to the general fund would be unrestricted and, therefore, a general receipt and the homestead and rollback that goes to the special revenue or capital projects fund would be restricted and, therefore, a program receipt.

82. *(Q) Clarify how interest receipt could be either a program receipt or general receipt.*

(A) Interest is a program receipt if it is legally restricted by constitution, statute, or grant guidelines to be used for a particular program. Interest earned on unrestricted monies of the entity would be a general receipt. Interest earned on motor vehicle license tax is a program receipt presented as part of "Operating Grants, Contributions, and Interest" because the Ohio Constitution requires the interest be used for road maintenance and repairs.

83. *(Q) What are and where do I find Original Budget figures?*

(A) Original budget figures include original estimated receipts and original appropriations (estimated disbursements). These figures are presented as receipts and disbursements, respectively, on the statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis. The original budget is the first complete appropriated budget for the year.

The original appropriations are the first set of permanent appropriations for a fund that were adopted or approved by Council and that covered the entire year. Most entities adopt temporary appropriations on or about January 1 of each year and then adopt permanent appropriations sometime before April 1. Temporary appropriations are intended to cover the first three months of disbursements or until the entity can certify year end balances to the County Auditor and the County Auditor can certify estimated receipts. Therefore, it would not be appropriate to include temporary appropriations in the original budget column of the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis.

The original estimated receipts are the receipts as certified by the County Auditor in the certificate of estimated resources that was in place at the time the first permanent appropriations were adopted. This would typically be the first amended certificate of estimated resources received from the County Auditor since it would include the actual year end balances to carry forward into the new year. Keeping Ohio budgetary law in mind, remember that the certificate of estimated resources places the limit on appropriations and, therefore, the original estimated receipts should come from an amended certificate that was in place at the time of the adoption of the original (first permanent) appropriations.

84. *(Q) Explain and give an example of a Component Unit.*

(A) A component unit is a legally separate organization that the reporting entity must include in its financial statements because of the relationship that exists between the two entities.

The reporting entity should consider legally separate organizations as potential component units if the reporting entity appoints a majority of the board of the potential component unit and either has a significant level of control over the potential component unit or subsidizes the operation of the organization.

More specific guidance on determining component units can be found Governmental Accounting Standards Board (GASB) Statements 14 and 39. (refer to Auditor of State Bulletin 2004-001 for guidance)

Examples of organizations that might qualify as a component unit are: volunteer fire department, art foundations, booster clubs, and fund-raising organizations.

In addition, tax-exempt organizations that raise significant amounts of money to pay for programs of the reporting entity should also be considered potential component units.

85. *(Q) Explain and give examples of Special Items and Extraordinary Items (receipts).*

(A) Extraordinary items are transactions or events that are BOTH unusual in nature and infrequent in occurrence.

Unusual in nature is defined as possessing a high degree of abnormality and clearly unrelated to the ordinary and typical activities of the entity.

Infrequent in occurrence is defined as not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

The primary factor of both unusual in nature and infrequent in occurrence is the environment in which the entity operates. Keep in mind that what is infrequent in occurrence or unusual in nature for one entity may not be so for another. For example, an ice storm may not be an extraordinary item in Ohio but would be in Florida.

Examples of extraordinary items would be a loss due to damages related to a fire, flood, or other natural disaster, the deconsolidation of an entity into two or more entities, costs related to an environmental disaster such as a chemical spill, or a large bequest by a citizen.

Special items are significant transactions or events that are either unusual in nature OR infrequent in occurrence but are WITHIN THE CONTROL of management.

Examples of special items would be a sale of certain general governmental capital assets, special termination benefits resulting from a workforce reduction, early-retirement incentives offered to employees, or a significant forgiveness of debt.

86. *(Q) Why do the non-expendable and expendable portions have to be split for permanent funds? Also, what if I do not know what the original principal amount was? Where would I be able to find that information?*

(A) GASB requires that the fund balance of a permanent fund needs to distinguish between the principal portion that is not expendable and the earnings portion that is expendable. Doing so demonstrates compliance (or non-compliance) with the contribution.

Some places to look for or inquire about the original principal amounts would be: minutes, county prosecutor, or legal counsel.

87. *(Q) What is the proper use of an Agency fund?*

(A) An agency fund should be used to account for the receipt and expenditure of monies on behalf of individuals or other organizations or governments. Any portion of the resources that will revert back to the reporting entity or are held on behalf of the reporting entity or its employees should not be accounted for in an agency fund.

Remember that agency funds are purely custodial in nature (assets = liabilities), meaning that nothing is held over for the benefit of the reporting entity. What comes in will go out to another individual or other organization or government.

88. *(Q) Explain and give an example of an Internal Service fund.*

(A) A government may wish to centralize services and then allocate the cost of those services within the government (or back to the departments that use or benefit from the services). This can be accomplished by utilizing an internal service fund.

Examples of internal service funds are: self-insurance funds, warehouse and supply internal service funds, and funds used to service entity vehicles.

VII. Source of Power to Tax and Limitations

It is generally recognized by the courts that the power to tax is a function of local self-government provided to villages by Article XVIII, Sections 3 and 7 of the Ohio Constitution. Unlike most matters of local self-government, however, this village power may be limited by the general assembly, as provided in Article XVIII, Section 6 of the Ohio Constitution. The courts have held that the general assembly can limit village taxation by either expressly prohibiting a particular tax or by pre-empting a particular village tax by enacting a State tax. The general assembly may also specifically negate its pre-emption, as it has done in the area of municipal income tax in Ohio Revised Code Section 5747.02.

VIII. General Property Tax

Village power to impose property taxes is directly limited by the Ohio Constitution and indirectly limited by legislative action authorized by the Ohio Constitution. Article XII, Section 2 of the Ohio Constitution, requires that property not be taxed in excess of one percent of its true value. This includes all State and local taxes, but village electors may vote to allow additional taxes, or this restriction may be varied by charter. Land and improvements must be taxed by uniform rule according to value.

A. Uniformity and Exception - The "uniform rule according to value" established for real estate taxes requires that valuations of property statewide must be uniform. The only exception is the homestead exemption provided in Ohio Revised Code Sections 323.151 to 323.153.

B. Ten-Mill Limit - Both Article XII, Section 2 of the Ohio Constitution and Ohio Revised Code Section 5705.02 limit yearly aggregate State and local property taxes to ten-mills on each dollar of tax valuation, except as taxes in excess are specifically authorized. (Ohio Revised Code Sections 5705.02, 5705.07, and 5705.18)

C. Tax Levy Requirements - While the village may levy property taxes to pay for current operating expenses and permanent improvements, it is first required to levy taxes necessary to pay the interest and sinking fund on and retire at maturity its bonds, notes, and certificates of indebtedness, including anticipatory levies. (Ohio Revised Code Section 5705.03)

D. Division of Tax Levies - the following tax levies are required: (Ohio Revised Code Section 5705.04)

1. General levy for debt charges within the ten-mill limitation;

2. General levy for current expenses within the ten-mill limitation;

3. Special levies authorized by Ohio Revised Code Section 5705.01 to 5705.47 inclusive, within the ten-mill limitation;

4. General levy for debt charges authorized by law or vote in excess of the ten-mill limitation; and

5. Other special or general levies authorized by law or vote in excess of the ten-mill limitation

E. General Levy for Current Expenses - The purpose of this levy is to provide one general operating fund from taxation from which any expenditures for current expenses may be made. This levy may include amounts needed to affect the general or special powers of the village, including construction or acquisition of permanent improvements. Certain expenses under the general levy are specified in Ohio Revised Code Section 5705.05.

F. Special Unvoted Levies within the Ten-Mill Limitation - These are specifically authorized and subject to the control of the county budget commission. (Ohio Revised Code Section 5705.06)

1. Specific permanent improvements;

2. Library purposes;

3. Municipal university; and

4. Police and fire pension funds (mandatory).

G. Levies in Excess of the Ten-Mill Limitation - These are authorized only upon popular vote. (Ohio Revised Code Section 5705.07)

H. Resolution for Voted Levy - At any time the village council, by a two-thirds majority, may resolve that the amount of taxes within the ten-mill limitation is insufficient for necessary requirements of the village, and that it is necessary to levy a tax in excess of the ten-mill limitation for current expenses or other specified expenses. (Ohio Revised Code Sections 5705.19 and 5705.191)

1. This resolution shall be confined to a single purpose and specify the tax rate increase to be levied, the purpose, and the duration.

2. The resolution shall be certified to the board of elections not less than seventy-five days prior to the election in which it will be voted upon.

I. Election Procedure - Election procedures for tax levies authorized under Ohio Revised Code Section 5705.191 are set out in that section. Procedures for levies authorized under Ohio Revised Code Section 5705.19 are set out in Ohio Revised Code Section 5705.25.

J. Taxable Property - Property situated within the village that may be taxed.

1. General tax list and duplicate - This includes all real property not specifically exempted, all personal property used in business, and all domestic animals not used in agriculture. (Ohio Revised Code Section 5709.01)

2. Classified tax list and duplicate - This includes all money, credits, investments, deposits, and other intangible property of village residents. (Ohio Revised Code Section 5709.02)

K. Property Tax Collection Fees - Tax settlements (including real, personal, manufactured home, and homestead and rollback) should be recorded at gross. Both of the following fees should be recorded against the expenditure entitled "Property Tax Collection Fees" (previously known as county auditor and county treasurer fees) which will reduce the settlements to the net amount received from either the county auditor or the State.

1. At the time of distribution of tax settlements by the county auditor, a fee is deducted for expenses that have been incurred to cover costs established by the county auditor and county treasurer by fund receiving tax monies.

2. An administrative fee is also deducted from the semi-annual 10 percent rollback reimbursements effective with the second-half 2003 distribution following the August 2003 real estate settlement. This fee will be used to pay for the Department of Taxation's cost of overseeing the equalization of real property tax rates and administering all personal property and public utility taxes as well as expanding the audit capacity for personal property taxes. This fee should be distributed proportionately for each levy/fund.

L. $10,000 exemption reimbursement - Local taxing districts are being reimbursed by the State for personal property tax revenues that are not collected based on the exemption. Effective in 2004, all taxpayers having taxable personal property with a taxable value of less than $10,000 will no longer be required to file a personal property tax return. **Please note the State reimbursement will be phased out to the local taxing districts for the revenues lost due to the $10,000 exemption.**

IX. Electric Deregulation

A. Tax Assessment - Electric deregulation began on January 1, 2001. Under prior law, an electric company's taxable production equipment was assessed at 100 percent of true value. Under current law, the assessment rate for taxable transmission and distribution property of an electric company is 88 percent of true value in 2005 and 85 percent of true value in 2006; all other taxable property of the electric company is assessed at 25 percent of true value in 2005 and 24 percent of true value in 2006. (Ohio Revised Code Section 5727.111)

To help offset the loss of revenue, an excise tax was levied and imposed on electric distribution companies, including a municipal electric system, for all distributed electricity beginning with the measurement period that includes May 1, 2001, at prescribed rates per kilowatt hour of electricity distributed in a thirty-day period through a "meter of an end user in this State". (Ohio Revised Code Section 5727.81)

Municipal electric systems are required to pay the same new tiered kilowatt usage tax as other distribution utilities. The amount of tax associated with kilowatt hours distributed to end users within the boundaries of the municipal corporation must be allocated to the General Fund. These monies may then be retained by the General Fund or transferred to other funds. (Ohio Revised Code Section 5727.81)

The municipal electric utility must make payment to the State, by the 20th of the month following billing, on the kilowatt hours distributed to end users located outside the boundaries of the municipal corporation. (Ohio Revised Code Section 5727.82)

Complete and accurate records of all electric distributions must be kept, along with any other records required by the Tax Commissioner. These records must be preserved for four years after the return for the taxes is due or filed. The records must be available for inspection by the Tax Commissioner upon request of the Tax Commissioner. (Ohio Revised Code Section 5727.92)

B. Property Tax Replacement Payments - The kilowatt tax collected by the State will be distributed by the County Treasurer to each local taxing unit as if they had been levied and collected as taxes. The local taxing unit shall apportion the amounts received among its funds in the same proportions as if those amounts had been levied and collected as taxes. Amounts distributed in excess shall be credited to the General Fund. Monies received should be recorded as "Other State Shared Taxes and Permits". (Ohio Revised Code Section 5727.86(C))

C. Governmental Aggregation - The legislative authority of a municipal corporation may, through the adoption of an ordinance, aggregate the retail electric load centers (mainly electricity customers) located respectively within the municipal corporation. The legislative authority or board may exercise aggregation authority jointly with any other such legislative authority or board. (Ohio Revised Code Section 4928.20(A))

An ordinance or resolution for such governmental aggregation specifies whether the aggregation will occur only with the prior consent of each person owning, occupying, controlling, or using an electric load center proposed to be aggregated or will occur automatically for all such persons pursuant to the opt-out requirements described below. (Ohio Revised Code Section 4928.20 (A))

In the case of an ordinance or resolution authorizing governmental aggregation, the legislative authority or board must develop a plan of operation and governance for the aggregation program. Before adopting the plan, the legislative authority or board must hold at least two public hearings on the plan. Before the first hearing, it must publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the jurisdiction or as provided in Ohio Revised Code Section 7.16. The notice shall summarize the plan and state the date, time, and location of each hearing. (Ohio Revised Code Section 4928.20 (C))

In the case of an ordinance or resolution that specifies automatic aggregation, the ordinance or resolution must direct the board of elections to submit the question of the authority to aggregate to the electors of the respective municipal corporation. No ordinance or resolution will take effect unless approved by a majority of the electors. (Ohio Revised Code Section 4928.20 (B))

The municipal corporation must disclose to each person owning, occupying, controlling, or using an electric load center located within its jurisdiction that the person will be enrolled automatically in the aggregation program unless the person affirmatively elects by a stated procedure not to be so enrolled. (Ohio Revised Code Section 4928.20(D))

X. Income Tax

The general assembly has specifically stated in Ohio Revised Code Section 5747.02 that villages are not pre-empted from levying income taxes. Ohio Revised Code Chapter 718, Municipal Income Taxes, provides rules for any village income tax.

A. Rate and Limitations - Villages may tax income only at a uniform rate. No graduated tax is permitted. The maximum rate of taxation is one percent without voter approval of a higher rate. (Ohio Revised Code Section 718.01)

B. Income Subject to Village Tax - The fundamental rule is that the village can only tax income of persons who reside within the village and income of nonresident persons and organizations whose income is produced within the village. Where income from a business or profession is produced both within and outside the village, taxable income is determined by the statutory formula in Ohio Revised Code Section 718.02.

Compensation for personal services of persons over age eighteen or net profit from a business or profession may not be exempted from the income tax, except as provided in Ohio Revised Code Section 718.01 (F).

C. Occasional Entrants to a Municipal Corporation - A village may not tax compensation received by an individual for personal services performed within the village if: (1) the services are performed no more than 12 days in a calendar year, (2) the individual is not a resident, and (3) the principal place of business of the individual's employees is located outside the village. Further, the employer of the individual would not have to count that person's compensation in the payroll factor that is used to allocate the business income to the village.

This exemption does not apply to professional entertainers, professional athletes, or promoters of professional sports events and their employees. (Ohio Revised Code Section 718.011)

D. Treatment of Pass-Through Entities - As of January 1, 2003, villages imposing an income tax that applies to income from a pass-through entity must declare whether it taxes income in the hands of the entity or in the hands of the individual owners, and grant a credit to prevent multiple taxation of that income as described in Ohio Revised Code Section 718.14.

E. Reciprocity - There is no provision to prevent multiple taxation of the same income, but most municipal income tax laws provide for sharing with other municipalities.

F. Collection - The village treasurer has the duty to collect the income tax. There is a three year limitation on filing a lawsuit to collect taxes due and for filing criminal charges. When fraud, failure to file, or failing to report twenty-five percent of income is involved, prosecution may be instituted within six years. (Ohio Revised Code Section 718.12)

G. Appeals - A village that imposes an income tax must create a Board of Tax Appeals within one hundred eighty days of the effective date of a tax. Requests for appeals must be filed within thirty days after the tax administrator issues an opinion, and a hearing must be held within forty-five days after receiving a request. Each appeals board must adopt its own rules and the board is not subject to the State's public records law or open meetings law. (Ohio Revised Code Section 718.11)

H. Filing Form, Deadline, and Extension - Villages must accept "generic" income tax returns if the returns contain all the information the village may otherwise require. Villages cannot require a taxpayer to file tax returns prior to the filing date for the corresponding federal tax reporting period. Villages must grant tax return filing extensions, to taxpayers that have requested federal filing extensions, if a copy of the federal filing extension is filed with the village not later than the normal municipal return filing deadline. (Ohio Revised Code Section 718.05)

Beginning in 2003, villages must accept the consolidated returns from affiliated groups of corporations that file consolidated returns for federal income tax purposes. (Ohio Revised Code Section 718.06)

I. Estimated Payments - Beginning January 1, 2003, villages requiring individuals and non-individual taxpayers to make estimated tax payments may do so only on a quarterly basis and only as prescribed by Ohio Revised Code Section 718.08.

J. Refunds - Claims for refunds must be brought within three years after the date the tax was due. (Ohio Revised Code Section 718.12)

K. Interest on Late Refunds - Interest, at the rate prescribed by Ohio Revised Code Section 5703.47 shall be allowed if the refund is not given to the taxpayer within ninety days of the annual filing date or after the completed return is filed, whichever is later. (Ohio Revised Code Section 718.12)

L. Internet Forms and Publications - As of January 1, 2002, a village that imposes an income tax must make electronic versions of rules and ordinances governing the tax and provide blanks of income tax returns, forms, and instructions. (Ohio Revised Code Section 718.07)

The village may make the information available on a site created by the tax commissioner or the village's own internet site that is linked to the site created by the tax commissioner.

M. Income Tax Fund Classification - Income tax funds can be recorded in various fund types depending on the requirements and limitations.

1. If all income tax money received is to be recorded in the general fund then receipts can be coded either directly to the general fund or a subfund of the general fund can be established for tracking of income tax activity.

2. If the income tax has been established for the use of a specific purchase (such as a new fire truck) or a specific activity (such as repairs to the roads), then the income tax should be recorded in a special revenue fund titled appropriately.

3. If the income tax is being collected and distributed on behalf of another government only, then the monies should be recorded in an agency fund.

According to Attorney General Opinion 2005-011 dated March 31, 2005, if a village has levied an income tax for specified purposes at a rate in excess of one percent, the village may subsequently submit to the voters an amendment that would change the permissible uses of part of the proceeds of the income tax, and the county board of elections may properly place that issue on the ballot. If the voters reject a ballot issue amending a municipal income tax to change the permissible uses of part of the proceeds of that tax, then the municipal income tax remains in effect without amendment.

XI. "Tax" Distinguished from Other Revenue Sources

A. License - A license differs from a tax in that its purpose is to regulate, as opposed to raising revenue. The ability to regulate the licensed activity indicates that it is more than a tax. Further, the amount charged for the license must be limited to the expenses involved in regulating the area of activity.

B. Utility Service Charge - The village cannot raise general revenues indirectly through increased utility charges. The amount charged is limited to the actual expense of operating the utility.

C. Assessments - An assessment is limited to those persons who are benefited by a public improvement, while a tax is generally imposed upon all taxpayers.

D. Gas and Motor Vehicle Tax - Villages receive tax monies from the State treasury to be used to plan, construct, reconstruct, repave, widen, maintain, repair, clear, and clean public highways, roads, and streets; to maintain and repair bridges and viaducts; to purchase, erect, and maintain street and traffic signs and markers; to pay the costs apportioned to the municipal corporation; to purchase, erect, and maintain traffic lights and signals; to pay the principal, interest, and charges on bonds and other obligations issued for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the municipal corporation may issue bonds; and to supplement revenue already available for such purposes. This money should be receipted into the Street Construction, Maintenance, and Repair fund.

If a village is on the line of the state highway system as designated by the director of transportation as an extension or continuance of the state highway system, seven and one-half percent of the amount paid to any village shall be used by it only to construct, reconstruct, repave, widen, maintain, and repair such highways; to erect and maintain street and traffic signs and markers on such highways; and to pay the cost of the removal of snow, ice, and leaves from such highways. This money should be receipted into the State Highway fund. (Ohio Revised Code Section 5735.28)

XII. Questions and Answers

Real Property

1. *(Q) Can real estate within the village be classified according to its use and be taxed at different rates?*

   (A) No, Article XII, Section 2 of the Ohio Constitution requires that all real property be taxed at a uniform rate, which is based upon its market value.

Minimum Millage

2. *(Q) Is the village guaranteed any minimum millage under the general property tax?*

   (A) Yes, the general assembly established a minimum millage equal to two-thirds of the average levy for current expenses during the five year period from 1929 to 1933. (Ohio Revised Code Section 5705.31(D))

Levies in Excess of the Ten-Mill Limitation

3. *(Q) For what purposes can a tax be levied in excess of the ten-mill limitation?*

   (A) Those purposes are specified in Ohio Revised Code Section 5705.19.

4. *(Q) For what number of years may a tax in excess of the ten-mill limitation be levied?*

   (A) The number of years may not exceed five, except as provided in Ohio Revised Code Section 5705.19.

5. *(Q) May bridge funds levied pursuant to Ohio Revised Code Section 5705.19(G) be used for sanitary sewers and storm drainage?*

   (A) No, such voted levies in excess of the ten-mill limitation must be limited to a single purpose as defined under State law.

6. *(Q) May funds from a voted fire levy under Ohio Revised Code Section 5705.19(L) be used to purchase ambulance equipment for emergency medical service?*

   (A) No, funds for such purposes must be raised under a separate levy under Ohio Revised Code Section 5705.19(U).

7. *(Q) May two voted levies be submitted on the ballot as a single proposal?*

   (A) No, Ohio Revised Code Section 5705.25 does not authorize the combination of two levies with different purposes.

8. *(Q) When the village electors have voted to approve a levy in excess of the ten-mill limitation, is the village council required to levy a tax at the rate approved and for the duration approved?*

(A) No, it may, but it is not required to. It may levy a tax at a lower rate and for a lesser number of years if that is all that is required. (Ohio Revised Code Section 5705.26)

Village Tax Money Due from County

9. *(Q) How often should the village receive money from the county treasurer?*

(A) The county treasurer is required to pay to the village on the first Monday of February and August of each year those monies arising from taxes levied and assessments made which belong to the village. Money from other sources must be paid to the village on or before the tenth day of each month following receipt. (Ohio Revised Code Section 321.33)

10. *(Q) May the village obtain advance payment of tax money collected and in the county treasury belonging to the village?*

(A) Yes, the county auditor, upon request, may authorize the county treasurer to pay to the village the money held by the county treasurer in the account of the village, lawfully applicable to the current year when the request is made. (Ohio Revised Code Section 321.34)

Village Indebtedness

11. *(Q) May a levy be made for current operating expenses of the village when sufficient revenues have not been provided to pay the interest on the village's indebtedness?*

(A) No, Article XII, Section 11 of the Ohio Constitution imposes a mandatory duty upon the village to levy the necessary taxes to pay its indebtedness. Levies for current operating expenses are not mandatory.

XIII. Source of Power to Assess and Limitations

The power to levy special assessments for public improvements on property benefited is a recognized function of local self-government provided by Article XVIII, Section 3 of the Ohio Constitution. Article XVIII, Section 2 of the Ohio Constitution limits special assessments for appropriating property for public improvements to fifty percent of the cost of such appropriations, and it further provides that assessments levied on a particular property may not exceed the value of the special benefit conferred on that property. Article XIII, Section 6 of the Ohio Constitution authorizes the general assembly to restrict the power to levy special assessments, which has been done by State law.

XIV. Assessable Improvements and Method

Improvements which may be financed by special assessments are specified in Ohio Revised Code Section 727.01, and certain limitations are set forth. Typical improvements are streets, sidewalks, sewers, water lines, and street lights. Three methods of assessment are provided: percentage of tax value of the property assessed; in proportion of resulting benefits; by foot frontage abutting the improvement. (Ohio Revised Code Sections 727.01 to 727.02, and 729.11)

A. Expenses - The cost of an improvement may include certain expenses specified in Ohio Revised Code Section 727.08. These expenses are not exclusive.

B. Property Assessed - Any specially benefited property, including abutting, adjacent, and contiguous property, may be assessed for public improvements causing such benefit. (Ohio Revised Code Section 727.01)

1. Benefited - It is the limitation to property specially benefited that distinguishes an assessment from a tax. The assessment must be limited to the value of the special benefit, which may vary among the properties assessed. The village council has wide discretion in determining what property is benefited by a particular improvement.

2. Exemptions - Property which is exempt for taxation purposes is not exempt from special assessments, which are not taxes. Only State and federal property are exempt from special assessments.

C. Statutory Limitations - Special assessments are limited to benefits conferred, not to exceed during a five year period, one-third of the actual value of the property, including improvements, as enhanced by improvements financed by the special assessment. This limitation does not apply to owners of property assessed by their petition, or to sidewalk and sewer assessments. (Ohio Revised Code Sections 727.03 to 727.07, 729.01, and 729.06)

D. Village Contribution - The village council may have the village pay for as much of an improvement as it deems just, but at least two percent of the cost must be paid from village funds, and the cost of intersections must be paid in full, except when requested by petition. (Ohio Revised Code Section 727.05)

E. Improvement by Property Owner - The property owner may avoid assessment for sidewalk repairs and sewer and water connections by having the work done directly at the property owner's expense. Notice must be provided to allow the owner to do this. (Ohio Revised Code Section 729.01)

XV. Procedures

General procedures for levying and collecting special assessments are set forth in Ohio Revised Code Chapter 727. Ohio Revised Code Chapter 729 provides procedures for sidewalks and sewer assessments.

A. Plans - Plans, specifications, and profiles, plus a cost estimate of any proposed improvement must be prepared and filed with the village clerk/treasurer for public inspection. (Ohio Revised Code Sections 727.12, 729.02, and 729.10)

B. Resolution of Necessity - Once plans are filed, the village council may declare the necessity for the improvement. The contents of the resolution are specified by State law: (Ohio Revised Code Section 727.09 to 727.12)

1. Identify the improvement and properties to be assessed;

2. Approve the plan and cost estimate filed with the clerk/treasurer; (Ohio Revised Code Section 727.171)

3. State the portions to be paid by special assessment and by the village; (Ohio Revised Code Section 729.02 to 729.07)

4. State the method of levying the special assessment;

5. State the mode of payment and number of annual installments;

6. State whether anticipation bonds will be issued;

7. Provide for the preparation of estimated assessments for each property; and

8. The resolution may require collection of the assessment before the improvement is commenced.

C. Notice - Notice of the resolution of necessity and estimated assessments must be served upon owners of each property to be assessed by certified mail or as service of summons in a civil case. Those owners who cannot be served in that manner must be served by publication once in a newspaper. The notice must also describe where the estimated assessments can be inspected. (Ohio Revised Code Sections 727.13 and 729.08)

D. Objection - Any affected property owner may file a written objection to an assessment with the village clerk/treasurer within two weeks of receiving notice, including a mailing address for further notice. (Ohio Revised Code Sections 727.15 and 729.08)

E. Hearing - When an objection is filed, the village council shall appoint an assessment equalization board of three disinterested village freeholders. The clerk/treasurer shall notify, by certified mail, those persons objecting of the time and place of a hearing of the objection, at least five days in advance. The assessment equalization board may equalize estimated assessments as it determines proper. If the assessment equalization board determines to increase the assessment on any property, or to assess property not already included, notice of a hearing shall be served upon those owners who have not already objected. After all hearings are completed, the assessment equalization board shall report its recommendations to the village council, which may approve or disapprove them. If disapproved, a new assessment equalization board shall be appointed and new hearings set. (Ohio Revised Code Sections 727.16, 727.17, and 729.09)

F. Damage Claims - A property owner who claims that damages will be sustained as the result of the proposed improvement may file, with the clerk/treasurer, a written claim within two weeks of the notice of the proposed improvement under Ohio Revised Code Section 727.13. The claim shall specify the property affected and the amount of damages. A jury trial is provided to determine damages. Costs are paid by the village unless the jury finds no damages. (Ohio Revised Code Sections 727.18, 727.21, and 727.22)

1. Trial Prior to Commencement - When the village council determines, in its ordinance to proceed, that damages shall be assessed before commencing an improvement, written application for a jury shall be made, within ten days of the passage of the ordinance, to the court of common pleas or to the probate court. (Ohio Revised Code Sections 727.19 and 727.23)

2. Trial After Completion - When the village council determines that damages shall be assessed after the completion of the improvement, written application for a jury shall be made within ten days of completion of the improvement. (Ohio Revised Code Sections 727.20 and 727.23)

G. Ordinance to Proceed - After the time for filing damage claims has passed, and after all objections to assessments have been resolved, the village council must decide whether it will proceed with the proposed improvement. If so, it shall pass an ordinance stating the intent to proceed, adopting the estimated assessments, and stating when claims for damages will be heard. (Ohio Revised Code Section 727.23)

H. Construction - Construction may begin after passage of the ordinance to proceed under force account or contract. If the lowest and best bid exceeds the estimated costs by more than fifteen percent, then no contract shall be let until approved by a majority of the village council, after public hearing and notice to affected owners and by general publication. (Ohio Revised Code Section 727.24)

I. Ordinance of Assessments and Notice - After the actual cost of the improvement is ascertained, the village council shall, by ordinance, assess the properties as specified in the estimated assessment adopted under Ohio Revised Code Section 727.23. The assessment against each property is proportionately increased or decreased as the final cost relates to the estimated cost. Assessments are final upon passage of the ordinance, which shall be published once in a newspaper of general circulation to allow public inspection. The ordinance shall state the time and manner of payment. (Ohio Revised Code Sections 727.25 to 727.27, and 727.11)

XVI. Collection Procedures

A. Certification - After the special assessment is finalized by ordinance, under Ohio Revised Code Section 727.25, and bonds or anticipated notes are issued, the village clerk/treasurer, on or before the second Monday in September of each year, shall certify the assessment to the county auditor for collection by the county treasurer as other taxes are collected. (Ohio Revised Code Sections 727.30 and 727.33)

B. Delinquencies and Lawsuits - When certification has not been made to the county auditor, delinquent assessments plus interest and a ten percent penalty may be recovered by a lawsuit to enforce the lien against property charged. (Ohio Revised Code Sections 727.31, 727.32, 727.35, and 727.37)

C. Delinquencies and Certification - When certification has not been made to the county auditor, the village council may order the clerk/treasurer to certify delinquent assessments for collection. (Ohio Revised Code Section 727.33)

D. Lien of Assessment - A special assessment creates a lien against the affected property for two years from the passage of the ordinance of assessment, unless extended by lawsuit or certification within that time. (Ohio Revised Code Section 727.34)

XVII. Questions and Answers

Home Rule

1. *(Q) May the village enact ordinances for levying special assessments which are different from those provided by the Ohio Revised Code?*

   (A) No, the Ohio Constitution specifically provides that the State legislature may pass laws to regulate special assessments, and even charter villages cannot pass laws which are in conflict with State laws on this subject. (Ohio Constitution Article XVIII Section 2 and Section 6)

Benefited Lots

2. *(Q) May special assessments be levied upon land which is not abutting or contiguous to a proposed public improvement?*

   (A) Yes, the Ohio Constitution and Ohio Revised Code Section 727.01 provide that special assessments may be made upon specially benefited lots, even if they are not adjacent to a public improvement.

3. *(Q) May the village levy a special assessment for the purpose of removing overhead cables and wires?*

   (A) Yes, benefited lots may be assessed for placing overhead cables and wires underground. (Ohio Revised Code Section 727.013)

Valuation of Lots

4. *(Q) How shall lots be valued which are not assessed for taxation?*

   (A) The village council must fix the value of such lots for assessments, as described in Ohio Revised Code Section 727.02.

Special Assessment Costs and Limitations

5. *(Q) Is there any limitation placed upon special assessments for providing and maintaining shade trees or ditches along private property? (Ohio Revised Code Section 727.01)*

   (A) No.

6. *(Q) How frequently may a lot be assessed for the repaving of abutting streets?*

   (A) When the original paving of the village street has been financed by special assessment within the last twenty years, any special assessment to repave the street must be limited to fifty percent of the cost of repaving, under Ohio Revised Code Section 727.04.

Special Assessment Procedures

7. *(Q) If property owners do not petition the village for the construction or repair of sidewalks, may a special assessment be levied for the cost of such construction or repair?*

(A) Yes, Ohio Revised Code Section 729.01 provides that after giving property owners the opportunity to construct or repair their own sidewalks, the village may have the work performed and levy a special assessment for the entire cost of the work.

8. *(Q) Can the village council require property owners to install sewer and water connections at their property?*

(A) Yes, under Ohio Revised Code Section 729.06, sewer and water connections may be required, and after giving property owners the opportunity to have the work done at their own expense, the village may have the work done and levy a special assessment for the cost.

9. *(Q) Is there any limit placed upon the number of annual installments that can be allowed for the payment of a special assessment for street lighting purposes?*

(A) Yes, Ohio Revised Code Section 727.11 provides that the number of annual installments shall not exceed thirty. There are other provisions limiting annual installments for other types of public improvements.

Resolution Format and Procedures

10. *(Q) When a resolution of necessity for an improvement states that the assessment shall be in proportion to the resulting benefits to each lot, may the benefits be determined by dividing the cost of the improvement by the number of feet of land abutting the improvement?*

(A) If foot-frontage is to be the only method of determining the assessment, this should be indicated in the resolution of necessity, as at least one court has held that a foot-frontage formula is not sufficient where a resulting benefits method has been declared.

11. *(Q) Is a majority vote of the village council sufficient to pass a resolution to declare the necessity of a public improvement to be financed by special assessment?*

(A) A three-fourths majority of village council is required to adopt a resolution of necessity, unless the improvement has been petitioned by affected property owners. (Ohio Revised Code Section 727.12)

12. *(Q) At what point should a special assessment be levied?*

(A) Unless a resolution of necessity specifically provides that the assessment shall be levied and collected before construction of the improvement, assessments are not levied until construction is completed. (Ohio Revised Code Section 727.12)

13. *(Q) May a resolution of necessity for a particular public improvement include more than one street or other public place?*

(A) Yes, where it would be the most practical and economical manner to make improvements at more than one street or public place in the same project, this is allowed, as provided in Ohio Revised Code Section 727.09.

14. *(Q) In a resolution of necessity for a public improvement, is it necessary to describe each property to be assessed specifically?*

(A) No, Ohio Revised Code Section 727.10 provides that it is sufficient to describe lands to be assessed as those lands bounding and abutting upon the improvement.

Certification of Special Assessments

15. *(Q) Once a special assessment has been certified to the county auditor for collection, may the village still file a suit to collect the assessment?*

(A) No, once the assessment is certified to the county auditor, the county treasurer is the official authorized to bring suit to collect the assessment. However, the village legal counsel may act as attorney for the county treasurer for the collection of assessments of the village. (Ohio Revised Code Section 727.30)

Insufficiency of Special Assessments

16. *(Q) What may be done if a special assessment turns out to be insufficient to pay the cost of a public improvement?*

(A) In that case, the village council may levy an additional assessment to supply the deficiency. This assessment shall be levied against the same properties and in the same proportion as in the original assessment, and is subject to the same limitations. (Ohio Revised Code Section 727.38)

Excess Special Assessment Funds

17. *(Q) May the village keep any excess funds from a special assessment which are not necessary for the construction of a public improvement?*

(A) No, any additional funds must be returned to the owners of the properties assessed. (Ohio Revised Code Section 727.38)

Boundary Assessments

18. *(Q) How can the village make improvements on a public street which is on the boundary line with another municipality?*

(A) Ohio Revised Code Section 727.41 provides that municipalities may enter into an agreement for the improvement of such streets, specifying how the expenses will be assessed and who will be in charge of construction of the improvement.

XVIII. Source of Power to Contract and Limitations

The power to contract is a function of local self-government provided by Article XVIII, Section 3 of the Ohio Constitution. Non-charter villages must follow the general laws regulating contracts set forth in the Ohio Revised Code, while charter villages may follow their own procedures. The power to contract may be further regulated by limitations on village debt, which are enacted by the general assembly under the provision of Article VIII, Section 13 and Article XIII, Section 6 of the Ohio Constitution. These are superior to charter provisions. Village contracts which incur obligations dischargeable from general revenues constitute debt.

XIX. Authority to Contract

A. Village Council - Village contracts made by the village council shall be executed in the name of the village and be signed by the mayor and clerk/treasurer. (Ohio Revised Code Section 731.14)

B. Village Administrator - In villages where this position is established, the village administrator may contract to purchase supplies and materials and provide labor for work under the village administrator's supervision, up to $50,000. (Ohio Revised Code Section 731.141)

C. Board of Trustees of Public Affairs - The board of trustees of public affairs may contract as needed for its authorized functions, up to $50,000. (Ohio Revised Code Sections 735.29 and 731.14)

XX. Bids

A. When Required - Except where the contract is for equipment, services, materials, or supplies to be purchased under Ohio Revised Code Sections 713.12(D), 125.04, or 5513.01, or available from a qualified nonprofit agency pursuant to Ohio Revised Code Sections 4115.31 to 4115.35, when any expenditure, other than the compensation of persons employed therein, exceeds $50,000, such contracts shall be in writing and made with the lowest and best bidder. (Ohio Revised Code Section 731.14)

B. Advertising - Contracts in excess of $50,000 must be advertised from two to four consecutive weeks in a newspaper of general circulation in the village. The bids shall be publicly read at a time specified in the advertisement. (Ohio Revised Code Sections 731.14 and 731.141)

C. Contents of Bids - Bids must state the full name of every person or company interested in the bid and be accompanied by a bond or certified check sufficient to secure performance. Bids for labor and material must be separately stated and priced. (Ohio Revised Code Section 731.15)

D. Award - Any or all bids may be rejected. The contract must otherwise be awarded to the lowest and best bidder. All village contracts shall be between the village and the bidder. A duplicate of the contract shall be filed with the village clerk/treasurer. (Ohio Revised Code Section 731.15)

E. Alterations or Modifications of Contracts - Any alterations or modifications must be made in accordance with Ohio Revised Code Section 731.16.

F. Exceptions to the Bidding Requirements - The village need not seek competitive bidding for the following contracts:

1. Contracts for work to be done or for the purchase of supplies and materials in any department of the village if a real and present emergency exits. Such contracts must be approved, by ordinance, by a two-thirds vote of the village council; (Ohio Revised Code Section 735.051)

2. Contracts for the purpose of purchasing used equipment and supplies at a public auction or at a sale where bids are required by all parties wishing to purchase; (Ohio Revised Code Section 735.052)

3. Contracts for purchases from other political subdivisions and agencies; and (Ohio Revised Code Section 734.053)

4. Ohio Revised Code Section 9.312 allows the village to adopt a lowest responsive and responsible bidder standard for the award of bids. This standard is less restrictive than the lowest and best bidder standard.

5. A village may have the option of a force account road construction project, (which is conducted by the village using the village's labor, material, and equipment) instead of competitive bidding only if the estimated cost of the project determined by the village does not exceed certain statutory limits. (refer to Auditor of State Bulletins 2003-003 and 2008-004)

6. A purchase is required to be made from a qualified non-profit community agency which operates a community rehabilitation program. (Ohio Revised Code Sections 125.60 thru 126.6012)

7. A non-chartered village may award a multi-year professional service contract through direct negotiation or requests for proposals or qualifications in lieu of competitive bidding for the engineering, repair, sustainability, water quality management, and maintenance of a water storage tank and appurtenant facilities. (Ohio Revised Code Sections 9.29 and 735.054)

G. Villages shall not purchase supplies or services by reverse auction if the contract concerns the design, construction, alteration, repair, reconstruction, or demolition of a building, highway, road, street, alley, drainage system, water system, waterworks, ditch, sewer, sewage disposal plant, or any other structure or works of any kind. (Ohio Revised Code Section 9.314)

XXI. Certification

Every village contract or order for expenditure of village funds must have attached to it the village clerk/treasurer's certification that the necessary funds are available. (Ohio Revised Code Section 5705.41) (Chapter 3, III Expenditures, B)

XXII. Liability

Village contractual liability is limited by the laws controlling its power to contract. Contracts formed in violation of these statutory regulations are unenforceable.

Ratification - Even though a contract not properly executed is unenforceable, the village may still ratify the contract after performance.

XXIII. Findings for Recovery Database

House Bill 95 enacted a new provision of law, effective January 1, 2004, that prohibits a state agency or political subdivision from awarding a contract for goods, services or construction, paid for in part or whole with state funds, to a person against whom a finding for recovery has been issued, unless the finding has been resolved. Information on unresolved findings can be located on a database, accessible on the Auditor of State web site at www.ohioauditor.gov. A public office may search the data to determine if Ohio Revised Code Section 9.24 would prevent an award of a contract. (refer to Auditor of State Bulletin 2003-009)

XXV. Questions and Answers

Home Rule

1. *(Q) Must the village comply with State statutes regulating the village's power to enter into contracts?*

   (A) Villages which do not have charters must comply with all State statutes regulating the power of the village to contract. Charter villages may provide their own procedures for entering into contracts under the village power of local self-government. (Ohio Constitution Article XVIII Section 3)

2. *(Q) Must the village follow bidding procedures for entering into contracts which are set forth in the Revised Code?*

   (A) Villages without charters must comply with all State statutes regulating contracts. Charter villages may establish their own bidding procedures or choose not to have competitive bidding at all.

Lowest and Best Bidder Requirement

3. *(Q) When may the village council decide to award a contract to a bidder other than the lowest bidder?*

   (A) When the village has adopted the lowest responsive and responsible bidder standard permitted under Ohio Revised Code Section 9.312.

Circumvention of the Bidding Process

4. *(Q) What is the effect of a contract which is entered into in violation of the bidding requirements of the Ohio Revised Code?*

   (A) Such contracts are void, and any money paid under such contract could be recovered.

5. *(Q) Is there a monetary threshold for competitive bidding?*

   (A) As villages are required to comply with State statutes regarding competitive bidding thresholds, there are factors that may determine when the threshold would differ between villages. Ohio Revised Code Section 731.14 discusses that when contracts made by the legislative authority of the village exceed $50,000, with some exceptions, competitive bidding is required. Ohio Revised Code Section 731.141 discusses that when contracts made by a village administrator exceed $50,000, with some exceptions, competitive bidding is required.

6. *(Q) Does a contract for the construction of a public improvement, which calls for six quarterly payments of $6,000 to the contractor, require competitive bidding?*

   (A) No, this is a contract which creates an obligation of $36,000, which is less than the $50,000 limit for competitive bidding.

7. *(Q) Are any special procedures required if a contract is awarded in accordance with Ohio Revised Code Section 9.29 for the compliance and maintenance of a non-charter village water storage tank and its facilities?*

(A) Contracts that are negotiated in accordance with Ohio Revised Code Section 9.29 must contain specific language that identifies the following provisions:

(1) Provide that the contracting political subdivision is not required to make total payments in a single year that exceed the excess of (a) the political subdivision's water utility charges over (b) the operating expenses of the water system payable from such charges and the principal, interest, and other debt charges including reserves and coverage requirements for outstanding debt due in that year;

(2) Require that the work performed be done under the supervision of a professional engineer licensed under Ohio Revised Code Chapter 4733 who certifies that the work will be performed in compliance with all applicable codes and engineering standards;

(3) Provide that if, on the date of commencement of the contract, the water tank or appurtenant facilities require engineering, repair, sustainability, water quality management, or service in order to bring the tank or facilities into compliance with federal, state, or local requirements, the party contracting with the political subdivision must provide the engineering, repair, sustainability, water quality management, or service. The cost of the work necessary to ensure such compliance shall be itemized separately and may be charged to the political subdivision in payments spread over a period of not less than three years from the date of commencement of the contract. The charges shall be paid after provision is made to pay operating expenses and the principal, interest, and other debt service charges including reserves and coverage requirements for outstanding debt due in that year.

Conflicts of Interest Regarding Contracts

8. *(Q) May a company which has the village officer as a partner enter into a contract to supply services to the village?*

(A) The village should consult its legal counsel or the Ohio Ethics Commission regarding Ohio Revised Code Section 2921.42, which makes it unlawful for a public official to have an interest in a public contract, or to use the position to influence or secure a public contract. Not every remote interest in a public contract is prohibited, but any public official involved in a public contract personally should be very careful to determine if that interest is lawful.

Certification of Funds for Contracts

9. *(Q) May a contract for current payrolls be executed without a certification attached?*

(A) Yes, certification is not required for contracts for current payrolls. Current payroll contracts are limited to regular employees and officers. The Supreme Court of Ohio has held that a contract to employ legal counsel for the village is not exempted from the certification requirement since the legal counsel is not a regular employee. (Ohio Revised Code Section 5705.41(D))

10. *(Q) If the village enters into a contract which will be performed over a two-year period, what amount is required to be included in the certification of available funds necessary upon the execution of the contract?*

(A) Only the amount required under the contract in the year in which the contract is made must be certified. (Ohio Revised Code Section 5705.41)

11. *(Q) What can be done to remedy a situation where a contract is executed without the proper certification of the clerk/treasurer?*

(A) The clerk/treasurer may certify after the contract is executed that there was, both at the time of the execution of the contract, and at the time of the certificate, a sufficient sum is appropriated and in the treasury or in the process of collection and free from any previous encumbrances. If the contract is $3,000 or more, the village council must, within 30 days from the receipt of such certificate, authorize payment of the amount due upon the contract. (Ohio Revised Code Section 5705.41)

12. *(Q) What is a "blanket certification"?*

(A) Ohio Revised Code Section 5705.41 provides that the clerk/treasurer may certify that a sum determined by the legislative authority has been set aside for a particular purpose. Then appropriations may be made from that fund at a time for contracts and expenditures for the designated purpose not to extend beyond the current fiscal year. Only one blanket certification may be made from that fund at a time for contracts and expenditures for the designated purpose. Before a new blank certificate may begin, an itemized statement of expenditures under the prior certification must be rendered to the village clerk/treasurer.

13. *(Q) What is a "super blanket certification"?*

(A) The village may make expenditures and contracts from a specific line-item appropriation account in a specified fund for any amount upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

14. *(Q) How can certification be made for a contract which calls for the village to purchase an indefinite quantity of goods on a per-unit basis.*

(A) Ohio Revised Code Section 5705.41 provides that in such case, the head of the department involved in the contract shall provide a written estimate to the village clerk/treasurer of the total amount to become due on such a contract. The certification may be made based on this estimate.

Findings for Recovery Database

15. *(Q) What is the meaning of the term "contract" as used in Ohio Revised Code 9.24?*

(A) A "contract" is awarded when a written agreement is executed pursuant to a formal competitive contracting procedure that may include competitive bidding, requests for proposals, or invitations to bid. A purchase arrangement that does not involve competitive contracting procedures does not constitute the awarding of a contract and is not subject to Ohio Revised Code 9.24.

16. *(Q) What is referred to as "State funds" as used in Ohio Revised Code 9.24?*

(A) "State funds" means monies other than federal funds that are held in the State Treasury and appropriated by the General Assembly in accordance with Ohio Const. Article II, Section 22 for expenditure by a State agency or political subdivision. If State funds are commingled with local funds, a contract paid with those funds would be presumed to include both State and local funds. State funds do not include funds that the State receives from another source and passes through a political subdivision, such as federal funds.

17. *(Q) Does the reference to "person" in Ohio Revised Code 9.24 refer to individuals only?*

(A) No. The statutory definition of "person" found in Ohio Revised Code 1.59 includes individuals as well as corporations, business trusts, estates, trusts, partnerships, and associations. Senate Bill 189 clarifies that the term "person" applies only to the person actually named in the finding for recovery not necessarily individuals within a corporation.

18. *(Q) Are State agencies and political subdivisions that purchase off the State term schedule, but do not engage in their own contracting process, subject to the provisions or Ohio Revised Code 9.24?*

(A) No.

XXVI. Sources and Restrictions of Debt

The power of the village to incur debt for public purposes is a power of local self-government provided by Ohio Revised Code Chapter 133, the Uniform Public Securities Law. In addition, the village's charter, ordinances, and resolutions may place further restrictions (or, in the case of a charter, fewer restrictions) on the power of the village to incur debt.

In issuing debt, many villages will either have bond counsel or will be dealing with a local financial institution that will have an interest in ensuring compliance with laws concerning debt issuance. Villages should consult their legal counsel regarding issuing debt.

A. Ohio Constitution Article XII, Section 11 states, "no bonded indebtedness of the State, or any political subdivision thereof, shall be incurred or renewed unless, in the legislation under which such indebtedness is incurred or renewed, provision is made for levying and collecting annually by taxation an amount sufficient to pay the interest on said bonds, and to provide a sinking fund for their final redemption at maturity".

B. Ohio Revised Code Section 5705.03 provides that the taxing authority of each subdivision shall levy sufficient taxes annually as are necessary to pay the interest and sinking fund on and retire at maturity the bonds, notes, and certificates of indebtedness of such subdivision.

C. Ohio Revised Code Section 5705.09 requires each subdivision to establish a bond retirement fund into which it must pay sufficient revenues to retire serial bonds, notes, and certificates of indebtedness at maturity.

D. Ohio Revised Code Section 5705.10 provides that all revenue derived from levies for debt charges on bonds, notes, or certificates of indebtedness must be paid into a fund for that purpose.

E. Ohio Revised Code Section 133.10(E) provides that for all securities issued in anticipation of revenue under section 133.10, the revenue so anticipated shall be considered appropriated, upon collection, for the purpose of paying debt charges and financing costs of such securities.

F. Ohio Revised Code Section 133.10(E) further provides that the revenue so anticipated may be appropriated for purposes other than paying debt charges only after deducting an amount sufficient to pay such debt charges. The amounts of such anticipating revenues to be applied to debt charges must be set aside in an account for that purpose in the bond retirement fund. (Ohio Revise Code Sections 133.10, 133.13, 133.17, 133.24, and 133.32)

XXVII. Net Indebtedness

A. Definition - Village net indebtedness is the difference between the par value of outstanding and unpaid bonds and notes of the village and the amount held in the sinking fund and other indebtedness retirement funds for their redemption. Certain obligations excluded from this formula are specified in Ohio Revised Code Section 133.04.

B. Limits on Debt (Ohio Revised Code Section 133.05)

1. Non-voted debt - Net indebtedness incurred without a vote of the electors shall never exceed five and one-half percent of the total value of village property as listed as assessed for taxation.

2. Total debt - Total net indebtedness shall never exceed ten and one-half percent of the total value of all village property. This includes voter-approved debt in excess of the five and one-half percent.

3. Exclusions - Certain obligations excluded from these limitations are specified in Ohio Revised Code Section 133.05.

XXVIII. Procedures for Authorizing Bonds

A. When the village desires or is required by law to submit the question of a bond issue to the electors, it shall pass legislation that does all of the following: (Ohio Revised Code Section 133.18(B))

1. Declares the necessity and purpose of the bond issue;

2. States the date of the authorized election at which the question shall be submitted to the electors;

3. States the amount, approximate date, estimated rate of interest, and maximum number of years over which the principal of the bonds may be paid; and

4. Declares the necessity of levying a tax outside the ten-mill limitation to pay the debt charges on the bonds and any anticipatory securities.

   The estimated rate of interest, and any statutory or charter limit on interest rates that may then be in effect and that is subsequently amended, shall not be a limitation on the actual interest rate or rates on the securities when issued.

B. The village council shall certify a copy of the legislation passed to the county auditor. The county auditor shall promptly calculate and advise and, not later than seventy-five days before the election, confirm that advice by certification to the village council of the estimated average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, that the county auditor estimates to be required throughout the stated maturity of the bonds to pay the debt charges on the bonds. In calculating the estimated average annual property tax levy for this purpose, the county auditor shall assume that the bonds are issued in one series bearing interest and maturing in substantially equal principal amounts in each year over the maximum number of years over which the principal of the bonds may be paid as stated in that legislation, and that the amount of the tax valuation of the village for the current year remains the same throughout the maturity of the bonds. If the tax valuation for the current year is not determined, the county auditor shall base the calculation on the estimated amount of the tax valuation submitted by the county auditor to the county budget commission. If the village is located in more than one county, the county auditor shall obtain the assistance of the county auditors of the other counties, and those county auditors shall provide assistance in establishing the tax valuation of the village for purposes of certifying the estimated average annual property tax levy. (Ohio Revised Code Section 133.18(C))

C. After receiving the county auditor's advice, the village council, by legislation, may determine to proceed with submitting the question of the issue of securities, and shall not later than the seventy-five days before the day of the election, file the following with the board of elections:

1. Copies of the legislation; and

2. The amount of the estimated average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, as estimated and certified to the village council by the county auditor. (Ohio Revised Code Section 133.18(D))

XXIX. Procedures for Authorizing Notes

Whenever the village council, with or without voted authority, desires to issue bonds, it must determine by ordinance whether notes shall be issued in anticipation of the bond issuance and in what amount, rate of interest, issue date, maturity date (not to exceed twenty years), and whether to provide for redemption before maturity.

A. Bond Anticipation Notes - If anticipatory notes are not to be issued, or if such notes are about to mature, the village council shall enact a bond issuing ordinance providing the following: determining the amount of bonds to be presently issued and whether to issue in a single lot or installments; identifying their purpose; and establishing the issue date, maturity date, and interest rate as these may differ from the prior ordinance. (Ohio Revised Code Section 133.22)

B. Tax Anticipation Notes - Ohio Revised Code Section 133.22 requires that when the village issues notes, the clerk/treasurer of the village must notify the county auditor that such notes have been sold.

When a county auditor advances tax revenue to the village, Ohio Revised Code Section 321.34 requires the county auditor to:

1. Allocate separately sufficient tax revenue for the payment of the village's outstanding indebtedness; and

2. Issue warrants for use in retiring the debt at maturity.

Tax anticipation notes issued cannot exceed one half of the amount of the projected revenues to be received during the year, as estimated by the county budget commission.

C. Notes in Anticipation of Current Revenues - Ohio Revised Code Section 133.10 authorizes the village council to issue notes in anticipation of the collection of other current revenues.

The notes issued cannot exceed one-half of the amount of the projected revenues remaining to be received during the year, as estimated by the clerk/treasurer. The notes cannot be issued prior to the first day of the fiscal year. The notes must mature no later than six months after issue, and in no case may they mature after the end of the fiscal year.

XXX. <u>Repayment of Debt</u>

In order to facilitate the repayment of debt at the time the notes or bonds are issued, the village requests, from the county budget commission, an amended official certificate of estimated resources pursuant to Ohio Revised Code Section 5705.36. The new amended official certificate of estimated resources should contain an increase in the estimate of bond retirement fund receipts equal to the amount which will be allocated to this fund for the repayment of notes or bonds, including interest. In addition, the amount of the General fund (or other appropriate fund) estimate should be reduced by the amount of interest generated by the issuance of the notes or bonds. (Ohio Revised Code Section 5705.36)

Absent a specific requirement, debt may be paid from any unrestricted money held, segregated from restricted money, in a fund which was established for a purpose not inconsistent with the payment of such debt.

A. Ohio Revised Code Section 5705.10 provides that money paid into a fund shall be used only for the purpose for which such fund was established. Money in a fund may be used to pay debt charges provided the payment of such debt charges is consistent with the purpose for which the fund was established;

B. With regard to tax anticipation notes, Ohio Revised Code Section 133.24 provides that, except for capitalized interest, debt charges on tax anticipation notes are payable only from the revenue collected by the tax levy anticipated.

C. Ohio Revised Code Section 5705.05 provides that revenue derived from a general levy for current expenses may not be used to pay debt charges.

D. The 1981 Attorney General Opinion 81-035 indicates certain money paid into the General fund, which are not derived from a general levy for current expenses, are placed in the General fund precisely because their use is not restricted (Ohio Revised Code Section 5705.10). Such money may be used to pay debt charges provided that they have not been commingled with the General fund money which may not be used for debt payment. Where otherwise unrestricted money have been paid into the General fund and have been commingled with restricted money, to the extent that the particular source from which the money originated cannot be distinguished, such money may be used to pay debt charges only after they have been transferred to an appropriate fund pursuant to Ohio Revised Code Section 5705.14.

E. The legislation authorizing the debt issuance may contain restrictions on the source of payment for debt charges.

XXXI. Questions and Answers

Advances

1. *(Q) When is the village authorized to receive an advance from the county treasury?*

   (A) Since the village is a subdivision which, within the definition of Ohio Revised Code Section 321.34, has funds derived from taxes or other sources payable by law to the county treasury, the village council may, by resolution, request the county auditor to draw a draft on the county to the village treasurer for any money that may be in the county treasury to the account of the village "lawfully applicable to the purpose of the current year in which such request is made". The county auditor and county treasurer are, however, required to "retain any amounts needed to make such payments of obligations of local political subdivisions or taxing districts as are required by law to be paid directly by the county authorities".

2. *(Q) May an advance be received if the village has no money in its account in the county treasury?*

   (A) No. (Ohio Revised Code Section 321.34)

3. *(Q) May the village council after the August settlement, but before January 1, demand an advance on village funds for taxes collected to the credit of the village on the delinquent list?*

   (A) Taxes collected on the delinquent tax list are carried into the February settlement and advances are made from the February settlement. Therefore, there may not be advances before January 1. Ohio Revised Code Section 321.34 permits the advance to be made only if it is lawfully applicable to the purposes of the current year in which such request is made. (1927 Opinion Attorney General 2404)

4. *(Q) The county auditor hopes to have the real estate and public utility taxes collected by December, 2000. However, other than such proceeds, the village has no money to its credit in the county treasury. May the village, in December of 2000, receive an advance of the real estate and public utility taxes as collected?*

   (A) No, such real estate and public utility taxes as collected in December 2000, will not be applicable to the purpose of the current year. Therefore, no advance disbursement of such funds may be received until on or after January 1, 2001.

Anticipation Bonds and Notes

5. *(Q) May the village council borrow money and issue notes in anticipation of the collection of current revenues?*

   (A) Yes, Ohio Revised Code Section 133.10.

6. *(Q) How much money may the village council borrow in anticipation of proceeds of taxes levied by the village?*

(A) The notes shall not exceed one-half of the amount estimated to be received from the next ensuing settlement of taxes for such year as estimated by the county budget commission, other than taxes to be received for the payment of debt charges and all advances. (Ohio Revised Code Section 133.10)

7. *(Q) In determining the amount of money which the village may borrow, by reason of the provisions of Ohio Revised Code Section 133.10, what is the meaning of the phrase "not to exceed one-half of the amount estimated to be received from the next ensuing settlement of taxes"?*

(A) In 1932, Attorney General Opinion 4093, it is stated that originally there were only two semi-annual settlements of taxes. However, now there are two separate and distinct sets of semi-annual settlements, one set of half-yearly settlements on the fifteenth day of February and the tenth day of August and the other set on the tenth day of May and the tenth day of October. Since the county budget commission makes its estimate and prepares its official certificate of estimated resources on an annual basis and includes all of these taxes in its estimate, it is evident that the intent was to regard the yearly tax estimated by the county budget commission as the unit. The use of the language "one-half of the amount estimated to be received from the next ensuing semi-annual settlement of taxes of such fiscal year as estimated by the county budget commission" was meant as one-half of the half-yearly taxes received and accounted for by the county treasurer to the county auditor; whether a partial accounting was made on the fifteenth day of February and the tenth day of May, or on the tenth day of August and the tenth day of October in each year".

8. *(Q) Under what circumstances may more than one-half of the estimated proceeds of taxes be anticipated under Ohio Revised Code Section 133.10?*

(A) If a partial, semi-annual, or final tax settlement is delayed, money may be borrowed in anticipation of the receipt of taxes for debt charges to the extent necessary to meet such debt charges but not in excess of such estimated receipts, less all advances.

9. *(Q) What is the meaning of the phrase "year of such tax receipts"?*

(A) This phrase refers to the current year. (1955 Opinion Attorney General 4754)

10. *(Q) May the village, in October of 2000, borrow money in anticipation of the real estate and public utility taxes to be collected in December and distributed in February?*

(A) No, the real estate and public utility taxes to be collected in December are for the 2001 tax year. Therefore, money may not be borrowed from the bank in anticipation of such tax receipts before January of 2001.

11. *(Q) How much money may the village council borrow in anticipation of the collection of current revenues other than the proceeds of taxes levied on the village tax duplicate?*

(A) The aggregate of the notes shall not exceed one-half of the amount estimated to be received from such sources during such fiscal year, less any advances thereon. (Ohio Revised Code Section 133.10)

12. *(Q) May notes be issued under Ohio Revised Code Section 133.10 in anticipation of the receipt of motor vehicle license and gasoline tax funds?*

(A) Yes.

13. *(Q) If the General fund balance is low,may notes be issued in anticipation of the receipt of motor vehicle license and gasoline tax money, and the proceeds of the notes applied to the payment of General fund obligations?*

(A) No, the proceeds may be used only for the purposes for which the anticipated taxes were levied, collected, and appropriated.

14. *(Q) When must notes issued under Ohio Revised Code Section 133.10 be paid off?*

(A) The notes shall have a maturity of no more than six months.

15. *(Q) Must the notes be paid immediately upon receipt of the money from the tax collection if the notes are not yet due?*

(A) No, Ohio Revised Code Section 133.10 does not limit the due date of such instruments to the date of the semi-annual tax settlement, but, specifically limits the due date to not more than six months after the date of issuance. Authority is thereby granted the village to issue such notes for any specified length of time up to six months irrespective of the semi-annual settlement date.

16. *(Q) Must the notes be paid off within the fiscal year in which they were issued?*

(A) Yes, pursuant to Ohio Revised Code Section 133.10.

17. *(Q) When the village council has borrowed money in anticipation of a tax settlement, as provided in Ohio Revised Code Section 133.10, but before maturity date of the notes issued and before the date of the semi-annual settlement, the county treasurer makes an advance payment of taxes to the village clerk/treasurer which does not reduce the unpaid balance of such anticipated receipts from the next semi-annual settlement of the taxes below twice the aggregate amount of the anticipated notes, debt charges, and other advances, is there a mandatory duty on such village council to anticipate the maturity of such notes from such advance payment?*

(A) No.

18. *(Q) Where the village has issued notes in anticipation of tax collections and the tax collections are delinquent to the extent that it will require a large portion of the collection to retire the notes, must the notes be paid out of such collection, leaving the village without sufficient operating funds, or can the banks holding the notes legally continue to hold them and have the notes paid out of subsequent tax collections, other than the collection made during the year in which the notes were issued?*

(A) Ohio Revised Code Section 133.10 provides that, "the sums so anticipated shall be deemed appropriated for the payment of such notes at maturity". Therefore, in spite of the delinquencies in tax collections, the amount anticipated must nevertheless be applied to the payment of the notes, and there is no authority to delay payment to subsequent tax settlements.

19. *(Q) If such notes are permitted to run past the maturity date without collection, and the appropriated funds are expended, may the village council at a later date appropriate money with which to pay the notes?*

(A) No, funds for the payment of such anticipatory notes are appropriated as a matter of law. Where the funds appropriated as a matter of law are expended otherwise, and the time of payment of the notes has passed, there is no authority of law provided for their collections.

20. *(Q) If the village council has utilized the provisions of Ohio Revised Code Section 5705.191 in levying a tax for any of the purposes set forth in Ohio Revised Code Section 5705.19, how much money may village council borrow in anticipation of the tax receipts?*

(A) Ohio Revised Code Section 5705.191 provides that, after the approval of such levy by vote and prior to the time when the first tax collection from such levy can be made, the taxing authority of the village may anticipate a fraction of the proceeds of such levy and issue anticipation notes in an amount not more than fifty percent of the total estimated proceeds of the levy throughout its life.

21. *(Q) If, in submitting to the electorate the question of levying a tax, the village council has proceeded pursuant to Ohio Revised Code Section 5705.19 instead of 5705.191, may anticipation notes be issued as provided in Ohio Revised Code Section 5705.191.*

(A) No, Ohio Revised Code Section 5705.19 does not provide specifically for the issuance of anticipation notes, so proceeds of the tax could be anticipated only as provided in Ohio Revised Code Section 133.10 (i.e. for a period of six months and the amount borrowed would be limited to one-half of the amount estimated to be received from the next ensuing settlement of taxes rather than one-half of the total estimated proceeds of the levy throughout its life).

Limit on Indebtedness

22. *(Q) Is there any limit on the indebtedness which the village may incur either with or without a vote of the people?*

(A) Yes, Ohio Revised Code Section 133.05 provides that the net indebtedness created or incurred by the village without a vote of the electors, exclusive of county bonds issued in anticipation of village tax levies, cannot exceed five and one-half percent of the total value of all property in the village as listed and assessed for taxation. In no case, even if there is a vote of the electors, can the indebtedness of the village exceed ten and one-half percent of all property listed and assessed for taxation.

Bonds

23. *(Q) Are bonds for village roads subject to the five and one-half percent limitation, and must the question, if issuing such bonds, be submitted to the electorate even if the five and one-half percent limitation is not exceeded?*

(A) No, pursuant to Ohio Revised Code Section 133.05(B)(9).

24. *(Q) For what purposes may the village issue bonds?*

(A) Ohio Revised Code Section 133.18 provides that, the taxing authority of any subdivision may submit to the electors of such subdivision the question of issuing any bonds which said subdivision has power to issue. In addition, Ohio Revised Code Section 133.15 provides that, the taxing authority of any subdivision may issue the bonds of such subdivision for the purpose of acquiring or constructing any permanent improvement which such subdivision is authorized to acquire or construct.

25. *(Q) Can general obligation bonds be secured by the general faith, credit, and revenues of the subdivision?*

(A) Yes, the general taxing power is what is being pledged under a general obligation bond.

26. *(Q) May the resolution declaring the necessity of a bond issue relate to more than one purpose?*

(A) No, pursuant to Ohio Revised Code Section 133.18.

CHAPTER FOUR: FISCAL CAUTION, FISCAL WATCH, AND FISCAL EMERGENCY

I. Overview

The fiscal emergency law was enacted in 1979 and originally applied only to municipalities. In 1996, House Bill 462 expanded the fiscal emergency law to include counties and townships, and created a "fiscal watch" statute. Fiscal watch provides an early warning to faltering entities whose finances are approaching emergency status. In 2011, House Bill 153 further expanded the law to include a "fiscal caution" statute. Fiscal caution provides guidelines for identifying fiscal practices and budgetary conditions of municipal corporations, counties, and townships that, if uncorrected, could result in a future declaration of a fiscal watch or fiscal emergency.

The General Assembly has declared it to be a public policy and public purpose of the State to require fiscal integrity of municipal corporations, counties, and townships so that they may provide for the health, safety, and welfare of their citizens; pay when due principal and interest on their debt obligations; meet financial obligations to their employees, vendors, and suppliers; and provide for proper financial accounting procedures, budgeting, and taxing practices. Additionally, the intent of the General Assembly is to enact procedures, provide powers, and impose restrictions to assure fiscal integrity of municipal corporations, counties, and townships, while leaving principal responsibility for the conduct of the affairs of a municipal corporation, county, or township in the charge of its duly elected officials, and leaving to their discretion the choices for and manner of expenditure of available revenues, consistent with the requirements for satisfying the public policy.

II. Fiscal Caution

A. Fiscal Caution Conditions - Auditor of State Order 2011-01 sets forth that any one of the following conditions constitutes grounds for a "fiscal caution".

1. When the Auditor of State declares financial records unauditable, and has issued a letter indicating the timeframe under which those records must be restored to an auditable condition, and the village has failed to do so within the timeframe specified in the letter.

2. When the Auditor of State identifies significant deficiencies or material weaknesses over accounting and financial reporting functions, direct and material noncompliance with applicable laws and regulations, or management letter comments which the aggregate effect of reported issues have a significant effect on the financial condition.

3. When a deficit fund balance exists at year end in the general fund that is greater than 2 percent of that fund's revenue for that year, and/or when a deficit fund balance exists at year-end in any other fund that is greater than 2 percent of that fund's revenue for the year, and there are not sufficient resources in the general fund that may be transferred to eliminate the deficit or in any other fund that may lawfully transfer resources to eliminate the deficit.

4. When a low year-end carryover balance exists in the general fund equal to or less than one month of expenditures, and/or when a low year end carryover balance exists in any other fund equal to or less than one month of expenditures, and there are not sufficient resources in the General Fund that may be transferred or in any other fund that may lawfully transfer resources to subsidize the fund.

5. When accounting journals and ledgers are not reconciled with the treasury/bank for more than three months and are not able to be reconciled within one month of written notification by the Auditor of State.

B. Declaration of Fiscal Caution

1. Auditor of State sends written notice that fiscal caution is declared.

2. Entity must provide a written proposal to eliminate the fiscal caution condition(s).

3. The Auditor of State, or a designee, may visit to monitor the implementation of the proposal and/or provide technical assistance in implementing the proposal.

4. Failure to submit an acceptable proposal or take action to eliminate the fiscal caution condition(s) can result in the village being declared in fiscal watch or emergency.

All expenses incurred by the Auditor of State relating to a determination or termination of a fiscal caution under Ohio Revised Code Section 118.025 shall be reimbursed from an appropriation for that purpose by the General Assembly. (Ohio Revised Code Section 118.04(D))

C. Termination of Fiscal Caution

1. The Auditor of State has determined that the corrective actions have been/are being implemented and that the fiscal caution condition(s) no longer exist.

2. The Auditor of State sends a letter to notify the village of the release from fiscal caution.

III. <u>Fiscal Watch</u>

A. Fiscal Watch Review - A fiscal watch review may be initiated as follows:

1. A written request to the Auditor of State from the mayor of the municipal corporation;

2. A written request to the Auditor of State from the presiding officer of the legislative authority, when authorized by a majority of the members of the legislative authority; or

3. Initiated by the Auditor of State.

All expenses incurred by the Auditor of State relating to a determination or termination of a fiscal watch under Ohio Revised Code Section 118.021 shall be reimbursed from an appropriation for that purpose by the General Assembly. (Ohio Revised Code Section 118.04(D))

B. Fiscal Watch Conditions - Ohio Revised Code Section 118.022(A) sets forth that any one of the following conditions constitutes grounds for a "fiscal watch".

1. The existence of either of the following situations:

   a. All accounts that were due and payable from the general fund of a municipal corporation at the end of the preceding fiscal year that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund, exceeded 1/12th of the general fund budget for that year; or

   b. All accounts that were due and payable at the end of the preceding fiscal year from all funds of the municipal corporation that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds available to pay such accounts, exceeded 1/12th of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts are payable.

2. The aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred, as provided in Ohio Revised Code Section 5705.14 to meet such deficit, exceeded 1/12th of the total of the general fund budget for that year plus the receipts to those deficit funds during that year other than from transfers from the general fund.

3. At the end of the preceding fiscal year, money and marketable investments in or held for the unsegregated treasury of the municipal corporation, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds, the purposes of which the unsegregated treasury is held to meet, and such deficit exceeded 1/12th of the total amount received into the unsegregated treasury during the preceding fiscal year.

4. Based on an examination of the financial forecast approved by the legislative authority of a municipal corporation, the Auditor of State certifies that the general fund deficit at the end of the current fiscal year will exceed 1/12th of the general fund revenue from the preceding fiscal year.

C. Declaration of Fiscal Watch

1. Ohio Revised Code Section 118.023 requires upon determining that one or more of the conditions described in Ohio Revised Code Section 118.022 are present, the Auditor of State shall issue a written declaration of the existence of a "fiscal watch" to the municipal corporation and the county budget commission. The "fiscal watch" shall be in effect until the Auditor of State determines that none of the conditions are still present and cancels the fiscal watch, or until the Auditor of State determines that a state of fiscal emergency exists.

2. The Auditor of State shall provide such technical and support services to the municipal corporation, after a "fiscal watch" has been declared to exist, as the Auditor of State considers necessary.

D. Financial Plan

1. Within one hundred twenty days after the day a written declaration of the existence of a fiscal watch is issued, the mayor shall submit to the Auditor of State a financial recovery plan that shall identify actions to be taken to eliminate the fiscal watch condition(s). The plan must include a five-year forecast.

2. If no feasible plan is adopted within the required timeframe, the Auditor of State may declare the village into fiscal emergency.

E. Termination of Fiscal Watch

Since statutory conditions for fiscal watch are based on December 31 financial information, at least one year from the fiscal year end under which the village met the fiscal watch criteria must elapse for a termination analysis to occur. The village may submit a request for release from fiscal watch in the year following the year in which the Auditor of State designated the village in fiscal watch. The village may not request release from fiscal watch in the same year in which the Auditor of State made the designation.

Pursuant to Ohio Revised Code Section 118.27, the steps for the village seeking release from fiscal watch are as follows:

1. A written request for release from fiscal watch must be submitted to the Auditor of State by the mayor or the presiding officer of the village council, when authorized by the majority of village council.

2. After receiving the request, the Auditor of State will determine the following:

   a. The fiscal watch conditions have been eliminated as of the most recent fiscal year end; and

   b. That sound accounting, purchasing, and reporting policies are in existence or in the process of being implemented.

IV. <u>Fiscal Emergency</u>

A. Request for a Determination of Fiscal Emergency - The existence of fiscal emergency conditions shall be determined by the Auditor of State. A determination may be made only upon the filing, with the Auditor of State, of a written request for such a determination by the following:

1. The Governor;

2. The county budget commission;

3. The mayor of the municipal corporation or the presiding officer of the legislative authority, when authorized by a majority of the members of such legislative authority; or

4. The Auditor of State.

The fiscal emergency determination shall be set forth in written reports and supplemental reports, which shall be filed with the mayor, fiscal officer, presiding officer of the legislative authority of the municipal corporation, Treasurer of State, Secretary of State, Governor, Director of Budget and Management, and the county budget commission, within thirty days after the request. The Auditor of State shall file an initial report immediately upon determining the existence of any fiscal emergency condition. (Ohio Revised Code Section 118.04(A))

The Auditor of State has the authority to engage the services of independent certified or registered public accountants, including public accountants engaged or previously engaged by the municipal corporation, to conduct audits, make reports, or render such opinions as the Auditor of State considers desirable with respect to any aspect of the determinations to be made by the Auditor of State. (Ohio Revised Code Section 118.04(B))

Division (C) under Ohio Revised Code Section 118.04 states the determination by the Auditor of State that a fiscal emergency condition does not exist is final and conclusive and not appealable. A determination by the Auditor of State that a fiscal emergency exists is final, except that the mayor of any municipal corporation affected by a determination of the existence of a fiscal emergency condition, when authorized by a majority of the members of the legislative authority, may appeal the determination to the court of appeals. The appeal shall be heard expeditiously by the court of appeals, and for good cause shown, shall take precedence over all other civil matters, except earlier matters of the same character. The pendency of any such appeal shall not effect or impede the operations of actions under Ohio Revised Code Chapter 118.

All expenses incurred by the Auditor of State relating to a determination or termination of a fiscal emergency under Ohio Revised Code Section 118.04 shall be reimbursed from an appropriation for that purpose by the General Assembly. (Ohio Revised Code Section 118.04(D))

B. Fiscal Emergency Conditions - Ohio Revised Code Section 118.03(A) sets forth the fiscal emergency conditions. Any one of the following constitutes a fiscal emergency condition of a municipal corporation:

1. The existence, at the time of the determination by the Auditor of State under Ohio Revised Code Section 118.04, of a default on any debt obligation of more than thirty days.

2. The existence, at the time of the determination by the Auditor of State under Ohio Revised Code Section 118.04, of a failure, for lack of cash in the funds, to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by law. Ordinances, resolutions, or agreements which failure of payment has continued:

a. For more than thirty days after such time for payment; or

b. Beyond a period of extension or beyond the expiration of ninety days from the original time for payment, whichever occurs first, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

3. An increase, by action of the county budget commission pursuant to Ohio Revised Code Section 5705.31(D), in the minimum levy of the municipal corporation for the current or next fiscal year, which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

4. The existence of a condition in which all accounts that, at the end of the preceding fiscal year, were due and payable from the general fund and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties thereon, less the year end balance in the general fund, exceeded 1/6th of the general fund budget for that year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds lawfully available to pay such accounts, exceeded 1/6th of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable. Accounts due and payable shall not include any account or portion thereof, that is being contested in good faith.

5. The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred, as provided in Ohio Revised Code Section 5705.14 to meet such deficit, exceeded 1/6th of the total of the general fund budget for that year plus the receipts to those deficit funds during that year other than from transfers from the general fund.

6. The existence of a condition in which, at the end of the preceding fiscal year, money and marketable investments in or held for the unsegregated treasury of the municipal corporation, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet, exceeded 1/6th of the total amount received into the unsegregated treasury during the preceding fiscal year.

Ohio Revised Code Section 118.03(B), provides that any year end condition described in division (A)(4), (5), or (6) shall not constitute a fiscal emergency condition if the municipal corporation, county, or township clearly demonstrates, to the satisfaction of the Auditor of State prior to the time of the Auditor of State determination, that such condition no longer exists at the time of the determination pursuant to Ohio Revised Code Section 118.04. Unless the determination by the Auditor of State occurs more than four months following the end of such fiscal year, upon the request by and substantial showing of the municipal corporation that it has taken steps to remove such condition within four months, the Auditor of State shall postpone a determination as to a condition under division (A)(4), (5), or (6) as to which such substantial showing is made until the expiration of four months following the end of such fiscal year, but the Auditor of State shall not postpone the determination as to division (A)(1), (2), or (3).

C. Financial Planning and Supervision Commission

Upon the occurrence of a fiscal emergency in any municipal corporation there is established, under Ohio Revised Code Section 118.05 with respect to that municipal corporation, a "Financial Planning and Supervision Commission".

1. Members - Pursuant to the Ohio Revised Code Section 118.05(B), the commission consists of the following seven members:

   a. Four ex-officio members: the Treasurer of State, Director of Budget and Management, mayor of the municipal corporation, and the presiding officer of the legislative authority of the municipal corporation. Each ex-officio member, with exception of the mayor of the municipal corporation, may designate an individual, as defined in Ohio Revised Code Section 118.05(B)(1), to serve in their place. The designations shall be in writing executed by the ex-officio member making the designation.

   b. If a municipal corporation, county, or township has a population of at least one thousand, three members nominated and appointed as follows:

      The mayor and presiding officer of the legislative authority of the municipal corporation shall, within ten days after the determination of the fiscal emergency, submit in writing to the Governor, the nomination of five persons agreed to by them and meeting all of the qualifications set forth. The Governor shall appoint within thirty days of receipt of nominations, three members from the agreed-upon nominees so submitted or a lesser number that the Governor considers well qualified, and shall fill any remaining positions on the commission by appointment of any other persons meeting the qualifications set forth.

      Each of the appointed members shall be an individual:

      i. Who has knowledge and experience in financial matters, financial management, or business organization or operations;

      ii. Whose residency, office, or principal place of professional or business activity is situated within the municipal corporation; and

iii. Who shall not become a candidate for elected public office while serving as a member of the commission.

c. If a municipal corporation, county, or township has a population of less than one thousand, the Auditor of State shall serve as the financial supervisor and shall have all the powers and responsibilities of a commission.

Immediately after the appointment of the initial three appointed members of the commission, the Governor shall call the first meeting of the commission and shall cause written notice of the time, date, and place of the first meeting to be given to each member of the commission at least forty-eight hours in advance of the meeting. The Director of Budget and Management or the designee shall serve as the chairperson of the commission. The commission shall elect one of its members to serve as vice-chairperson and may appoint a secretary and any other officers, who need not be members of the commission, it considers necessary. (Ohio Revised Code Sections 118.05(C) and 118.05(D))

The Auditor of State shall serve as the "financial supervisor" to the commission unless the Auditor of State elects to contract for that service. (Ohio Revised Code Section 118.05(G))

At the request of the commission, the Auditor of State shall designate employees from the Auditor of State to assist the commission and the financial supervisor, and to coordinate the work of the Auditor of State and the financial supervisor. Upon determination of a fiscal emergency, the municipal corporation shall provide the commission with reasonable office space in the principal building housing the municipal corporation. (Ohio Revised Code Section 118.05 (H))

2. Powers and duties of commission and supervisor - Ohio Revised Code Section 118.07 sets forth the powers, duties, and functions of the financial planning and supervision commission, or when authorized by the commission, the financial supervisor.

   The financial planning and supervision commission has the following powers, which it may delegate to the financial supervisor:

   a. Review and inspection of fiscal matters - The commission has broad powers to review village tax budgets, ordinances, bonds, notes, and related documents, including all actions of the village and other government agencies relating to village fiscal matters to ensure that proper procedures are followed and a balanced budget will result. The commission is given, by State law, broad powers to allow it to control village fiscal matters.

   b. Approval of financial plan - The commission may approve or disapprove the proposed financial plan submitted by the village. If the financial plan is not submitted timely, the village is limited in its monthly expenditures to those in the same month of the proceeding fiscal year, unless otherwise authorized by the commission. Once a financial plan is approved, no expenditure may be made which is not consistent with the plan. Proposed and existing appropriation measures must also conform to the financial plan. (Ohio Revised Code Sections 118.12 and 118.13)

c. Approval of debt obligation - No village debt obligation may be issued without the prior approval of the commission, upon its determination that such debt obligation would not impede the purposes of the financial plan or be inconsistent with the provision of Chapter 118. (Ohio Revised Code Sections 118.15, 118.16, and 118.17)

d. Bring civil actions, including mandamus, to enforce Ohio Revised Code 118.

3. Compensation and expenses of financial planning and supervision commission - The members of the financial planning and supervision commission shall serve without compensation, but shall be paid by the commission their necessary and actual expenses incurred while engaged in the business of the commission. (Ohio Revised Code Section 118.08(A))

Ohio Revised Code Section 118.08(B) states that all expenses incurred for services rendered by the financial supervisor for a period to twenty-four months shall be paid by the commission pursuant to an appropriation made by the General Assembly for this purpose. Expenses incurred for services rendered by the financial supervisor beyond this period shall be borne by the municipal corporation, unless the Director of Budget and Management waives the costs and allows payment in accordance with the following schedule:

Continued Performance Required of Financial Supervisor	Number of Months	Percentage of Payment by Municipal Corporation, County, or Township
Yes	25 to 30	20
Yes	31 to 36	50
Yes	Over	100

D. Financial Plan - Ohio Revised Code Section 118.06(A) requires that within one hundred twenty days after the first meeting of the commission, the mayor shall submit, to the commission, a detailed financial plan. The financial plan must be approved or amended and approved by the commission and by ordinance or resolution of the legislative authority. The financial plan shall include all of the following:

1. A plan to eliminate all fiscal emergency conditions determined to exist pursuant to Ohio Revised Code Section 118.04;

a. Satisfy any judgments, past due accounts payable, and all past due and payable payroll and fringe benefits;

b. Eliminate the deficits in all deficit funds;

c. Restore to construction funds and other special funds money from such funds that were used for purposes not within the purposes of such funds, or borrowed from construction funds by the purchase of debt obligations of the municipal corporation, or missing from the construction funds or special funds and not accounted for;

d. Balance the budgets, avoid future deficits in any funds, and maintain current payments of payroll, fringe benefits, and all accounts;

e. Avoid any fiscal emergency condition in the future; and

f. Restore the ability of the municipal corporation to market long-term general obligation bonds, under provisions of law applicable to municipal corporations generally.

2. The legal authorities permitting the municipal corporation to take the actions enumerated pursuant to division (A)(1) of Ohio Revised Code Section 118.04.

3. The approximate dates of the commencement, progress upon, and completion of the actions enumerated pursuant to division (A)(1) of Ohio Revised Code Section 118.04, and a reasonable period of time expected to be required to implement the plan.

4. The amount and purpose of any debt obligations that will be issued, together with assurances that any such debt obligations that will be issued will not exceed debt limits supported by appropriate certifications by the fiscal officer of the municipal corporation and the county auditor.

5. Assurances that the municipal corporation will establish monthly levels of expenditures and encumbrances pursuant to Ohio Revised Code Section 118.07(B)(2).

6. Assurances that the municipal corporation will conform to State laws with respect to tax budgets and appropriation measures.

7. The detail, the form, and the supporting information that the commission may direct.

Ohio Revised Code Section 118.06(B) requires the financial plan developed pursuant to division (A) of Ohio Revised Code Section 118.04 to be filed with the financial supervisor and the financial planning and supervision commission. After consultation with the financial supervisor, the commission shall either approve or reject any initial or subsequent financial plan.

E. Failure to Submit Financial Plan

1. Ohio Revised Code Section 118.12(A) states that after the date by which the municipal corporation is required to submit a financial plan or segment of a financial plan to the financial planning and supervision commission, if the affected entity has failed to submit a financial plan or segment as required, expenditures from the general fund in any month may not exceed eighty-five percent of expenditures from the general fund for such month in the preceding fiscal year, except the commission may authorize a higher percent for any month upon justification of need by the municipal corporation. If considered prudent by the commission, expenditures from any other fund may be limited.

2. Ohio Revised Code Section 118.12(B) states that after submission of a proposed financial plan by the municipal corporation to the commission, until approval or disapproval, no expenditure may be made contrary to such proposed financial plan.

3. Ohio Revised Code Section 118.12(C) requires that after disapproval by the commission of a proposed financial plan, no expenditure may be made by the municipal corporation inconsistent with the reasons for disapproval given pursuant to Ohio Revised Code Section 118.06(B); and if the municipal corporation fails to submit a revised financial plan within the time required, the expenditure limits of division (A) of Ohio Revised Code Section 118.12 are applicable.

4. Ohio Revised Code Section 118.12(D) states that after approval of a financial plan, or any amendment thereof, no expenditure may be made contrary to the approved financial plan, or amendment thereof, without approval of the financial supervisor. However, the financial supervisor can be overruled by the commission.

5. Ohio Revised Code Section 118.06(E) states that failure to submit a financial plan or to follow the plan once approved by the Commission, all State funding other than benefit assistance to individuals shall be escrowed until a feasible plan is submitted and approved or compliance with the plan is achieved.

F. Development of an Effective Financial Accounting and Reporting System - Ohio Revised Code Section 118.10 requires the municipal corporation to develop an effective financial accounting and reporting system by:

1. Promptly bringing its existing system of financial accounting and reporting into compliance with Ohio Revised Code Chapter 117. Within ninety days of the determination of the existence of a fiscal emergency condition pursuant to Ohio Revised Code Section 118.04, the Auditor of State shall issue a preliminary report with respect to the methods, accuracy, and legality of the accounts, records, files, and reports of the municipal corporation; and

2. Modifying and supplementing the system of financial accounting and reporting to record and report its fiscal activities on an accurate, current, and continuous basis in order to facilitate the effective management of the affairs of the municipal corporation, and to assist in refining and improving the financial plan and amendments thereof, facilitate the monitoring of compliance and implementation of the financial plan, and otherwise assist the financial planning and supervision commission, the Auditor of State, and the county budget commission in the performance of their functions.

G. Debt Issuance, Approval, and Special Provision

No debt obligation may be issued or incurred by the municipal corporation, whether purchased by the municipal corporation or others, except with the prior approval of the financial planning and supervision commission. (Ohio Revised Code Section 118.15(A))

Upon approval by the commission, the village may utilize the special provisions of Ohio Revised Code Sections 717.15 and 717.16 and the special provisions set forth in Ohio Revised Code Sections 118.20 to 118.22. Such approval shall be granted when it is necessary or desirable to utilize the special provisions to enhance the sale of village debt obligations. (Ohio Revised Code Section 118.19)

Some of the special provisions include:

1. Special notes - Chapter 118 authorizes "current revenue notes" and "advance tax payment notes". These are new devices specifically provided for municipalities in fiscal emergencies to raise revenues. (Ohio Revised Code Sections 118.23 to 118.26)

2. Bond anticipation notes - Bond anticipation notes of a municipal corporation issued during a fiscal emergency period may mature at the later of the time otherwise permitted by law or any time approved by the commission and estimated by it to be not more than one year following termination of the fiscal emergency period. The notes may be sold by competitive bid or by negotiation. (Ohio Revised Code Section 118.16)

3. Local government fund notes - During a fiscal emergency period and with the approval of the financial planning and supervision commission, a municipal corporation may issue local government fund notes, in anticipation of amounts to be allocated to it pursuant to Ohio Revised Code Section 5747.50(B) or to be apportioned to it under Ohio Revised Code Sections 5747.51 or 5747.53 in a future year or years, for a period of no more than eight calendar years. (Ohio Revised Code Section 118.17(A))

V. Termination of a Fiscal Emergency

A. Ohio Revised Code Section 118.27(A) states that a financial planning and supervision commission, with respect to a municipal corporation, shall continue in existence until such time as a determination is made that the municipal corporation has done all of the following:

1. Planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Ohio Revised Code Section 118.10, and it is reasonably expected that such implementation will be completed within two years.

2. Corrected and eliminated, or has planned and is in the process of good faith implementation of correcting and eliminating, all of the fiscal emergency conditions determined pursuant to Ohio Revised Code Section 118.04, and no new fiscal emergency conditions have occurred. The Auditor of State shall monitor the progress of the municipal corporation in its plan of good faith implementation of correcting and eliminating all of the fiscal emergency conditions. If after a two-year period, the municipal corporation has failed to secure full implementation, the Auditor of State may redeclare the subdivision to be in a fiscal emergency.

3. Met the objectives of the financial plan described in Ohio Revised Code Section 118.06.

4. The municipal corporation prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State. An opinion must be rendered by the Auditor of State that the financial forecast is considered to be nonadverse.

B. Ohio Revised Code Section 118.27(B) requires a determination that all of the conditions for the termination of the commission and its functions may be made by either the Auditor of State or by the commission, and shall be certified to the commission, the Auditor of State, the Governor, and the budget commission, whereupon such commission and its functions shall terminate. Such determination shall be made by the Auditor of State, upon the filing with the Auditor of State of a written request by the municipal corporation, the Governor, or the commission, or may be made by the Auditor of State upon the Auditor of State's own initiative.

C. Ohio Revised Code Section 118.27(C) requires the commission to prepare and submit, with certification, the final report of its activities, in such form as is appropriate for providing a record of its activities and assisting other commissions in the conduct of their functions. All of the books and records of the commission shall be delivered to the Auditor of State for retention and safekeeping.

D. Ohio Revised Code Section 118.27(D) states that upon receipt of the certification, the Director of Budget and Management shall follow the procedures set forth in Ohio Revised Code Section 126.29.

E. Ohio Revised Code Section 118.27(E) requires that if, at the time of termination of the commission, an effective financial accounting and reporting system has not been fully implemented, the Auditor of State shall monitor the progress of implementation and shall exercise authority under Chapter 117 and Ohio Revised Code Section 118.10 to secure full implementation at the earliest time feasible, but within two years from such termination.

F. Ohio Revised Code Section 118.271 - Issue of Debt to Eliminate Fiscal Emergency Condition

A municipal corporation may issue general obligation, special obligation, and revenue bonds or notes in anticipation of the bonds for eliminating fiscal emergency conditions, as set forth in Ohio Revised Code Section 118.03, and for the cost of the issuance of the bonds and notes, and the capitalization of that interest for not more than 3 years. Bonds issued under Ohio Revised Code Section 118.271 shall have a maximum maturity of 20 years, and notes issued in anticipation of the issuance of bonds shall have a maximum maturity of 5 years. Provisions applicable to the issuance of bonds and notes by municipal corporations, counties, and townships, are applicable under Ohio Revised Code Section 118.271, except for special provisions identified in Ohio Revised Code Chapter 118.

G. Ohio Revised Code Section 118.31 - Court action to dissolve a municipal corporation or township

Upon petition of the financial supervisor and approval of the financial planning and supervision commission, the attorney general shall file a legal action in the court of common pleas on behalf of the State to dissolve a municipal corporation if all of the following conditions apply:

1. The population is less than five thousand.

2. Fiscal emergency status for at least four consecutive years.

3. Implementation of the financial plan is not reasonably expected to eliminate fiscal emergency within 5 year.

If the court finds that these conditions exist, it will appoint a receiver. The receiver, under court supervision, shall work with executive and legislative officers to wind up the affairs and dissolve the corporation.

VI. Questions and Answers

Fiscal Emergency

1. *(Q) How many times has the statue of fiscal emergency been invoked? What is the frequency of occurrence?*

   (A) A total of thirty-eight villages have entered fiscal emergency. The following schedule identifies the number of fiscal emergencies declared since the inception of the statue in 1979:

Number of Fiscal Emergencies	-	*Fiscal Year Declared*
2	-	1980
1	-	1983
3	-	1984
2	-	1985
2	-	1988
1	-	1992
1	-	1993
1	-	1996
1	-	1997
1	-	1998
1	-	2000
2	-	2001
2	-	2004
3	-	2005
2	-	2006
1	-	2007
2	-	2008
3	-	2009
5	-	2010
0	-	2011
2	-	2012
3	-	2013

2. *(Q) What has been the past experience as to the cause of fiscal emergency - dislocation of industry? Poor fiscal planning and/or management? Other?*

   (A) Fiscal emergency is usually caused by a combination of factors, including relocation of industry, declining local economic conditions, and failure to adequately monitor and control costs. Occasionally the failure to raise taxes, fees, rates, or other revenues has also contributed to fiscal emergencies.

3. *(Q) What size villages have been placed in fiscal emergency?*

(A) The table below reflects the number of fiscal emergencies according to population:

Village Population	-	*Number of Fiscal Emergencies*
1,000 - 5,000	-	15
Under 1,000	-	26

4. *(Q) On average, how long does it take a community to emerge from fiscal emergency?*

(A) There is no standard time frame for villages to emerge from fiscal emergency. The table below provides specific detail on the amount of time various villages were in fiscal emergency:

Years in Fiscal Emergency	-	*Entities*
1-2	-	1
2-3	-	5
3-4	-	4
4-5	-	6
5-6	-	2
6-7	-	5
7-8	-	2
8-9	-	1
9 +	-	1

CHAPTER FIVE: UNIFORM SYSTEM OF ACCOUNTING

I. Creating Accounts

A. Overview

The Ohio Village Uniform System of Accounting has been designed around a numeric chart of accounts. The discussion in this chapter focuses on the numeric chart of accounts which can be found in Appendix A-2. A numeric chart of accounts is used by the Uniform Accounting Network as well as other computerized accounting software systems.

The elements of the revenue and expenditure account codes for the chart of accounts uses only numbers. This chart of accounts employs a series of dimensions or codes, which serve to identify in detail each financial transaction of the village. When these dimensions (codes) are put together in a sequence, they form the account code.

B. Account Code Structure

The following illustrates the format of the numeric account code structure.

Revenue Account

1000	-	110
Fund Number		Receipt Code

For example: 1000-110 is the revenue account code for general property taxes in the general fund.

Expenditure Account

1000	-	710	-	410
Fund Number		Program/Department		Object Code

For example: 1000-710-410 is the expenditure account code for office supplies of the mayor's and administrative office in the general fund.

C. Dimensions

There are four dimensions that are applicable to the numeric account codes. This table illustrates where the dimensions are used.

Dimensions	Field Size	Revenue Account	Expenditure Account
Fund Type/Fund	4 characters (numeric)	Yes	Yes
Revenue Code	3 characters (numeric)	Yes	—
Expenditure Program/Department	3 characters (numeric)	—	Yes
Object Codes	3 characters (numeric)	—	Yes
Cost Centers (optional)	4 characters (numeric)	Yes	Yes

D. Fund Types/Funds

Each fund is identified by a unique four digit number. All revenue and expenditure account codes must include a fund number. Appendix A-2-1.1 lists the funds and their account codes.

The fund type coding consists of one prescribed number and the individual fund is identified by three additional numbers. The Auditor of State has assigned fund numbers to several of the funds typically used by villages.

Title 7 and Chapter 5705 of the Ohio Revised Code provide for the establishment and use of funds for all political subdivisions, which include municipal corporations in the State of Ohio.

E. Revenue Codes

In order to adequately classify all sources of the village's revenues, a three revenue code number system has been designed. The revenue codes are used independently of the fund codes described above. A given receipt code is the same in all funds. For instance, "general property tax - real estate" has the receipt code of 110 in all funds. Appendix A-2-2.1 lists the revenue codes, and Appendix A-2-3.1 lists the receipt code descriptions.

F. Expenditure Programs/Department

In order to properly classify the village's expenditure transactions by program/department, a three character expenditure program code number system has been designed. A program may also be referred to as the function of the expenditure. The number in the program/department code identifies for type of program such as security of persons and property, leisure time activities, transportation, etc. The last two numbers in the program/department code identifies a specific and distinguishable line of work performed. In many cases, the inherent nature of the fund will automatically define the program. For instance, fund 2081 - Drug Law Enforcement fund should only be established as a program 110 - "security of persons and property – police enforcement" program. In other funds (for example, the general fund), multiple program choices are possible or in the case of a water fund the program options include "water administration, water filtration, water distribution, etc" which are all activities performed in the discharge of the "basic utility services" program. The user must determine the proper program in those instances. Appendix A-2-4.1 lists the program codes.

The following are examples of expenditure programs/department codes.

1000-110	Police Enforcement
1000-120	Fire Fighting, Prevention, and Inspection
2011-610	Street Construction and Reconstruction
5101-532	Billing - Water

G. Object Codes

In order to properly classify all uses of the village's resources, a three character expenditure object code number system has been designed. An object may also be referred to as the purpose of the expenditure. The object codes are used independently of the expenditure program/department. A given object code is the same in all funds except for "salaries and wages" or also known as "personal services". These are distinguished by elected officials positions or appointed positions and other personnel. For example "salaries – clerk/treasurer's office has a code of 120 while "salaries – mayor's office" has a code of 160. All other personnel not elected or appointed have a code of 190. All other object codes are the same in all funds. For instance, "office supplies and materials" has the code of 410 and "electricity" has the code of 311 in all funds. Appendix A-2-5.1 lists the object codes and Appendix A-2-6.1 gives the description of each object code.

II. Accounting System

The system of accounting for revenues and expenditures can be divided into two groups: source documents and the journal and ledgers. Source documents are receipts, requisitions, purchase orders, vouchers, and checks. The journal and ledgers include the cash journal, receipts ledger, and appropriations ledger.

A. Revenues

The village receives money in the form of checks, cash, direct deposits, and credit cards. The money can be received through the mail or from citizens. A receipt is prepared for all revenue received. One receipt could include various sources of money, however all pertinent information should be included. It is suggested that the collections received for fines and fees be receipted in total on a separate receipt daily. All receipts received for the day are recorded on a deposit slip and the money is deposited into the bank. The receipt(s) are posted to the cash journal and the receipts ledger.

B. Expenditures

Note: A purchase requisition is not required; however, it is included here to reflect a complete system.

A department determines that a product or service is needed. They complete a purchase requisition and submit it to the supervisor or purchasing agent for approval. If it is not approved, the requisition is returned to the requesting department. Otherwise, a three-part purchase order is prepared by the supervisor or purchasing agent and forwarded to the clerk/treasurer for certification of available funds. One copy of the purchase order is returned to the requesting department to be used as a receiving report when the product or service is received, another is sent to the vendor, and the third is used as a posting mechanism for the clerk/treasurer. The clerk/treasurer posts the purchase order in the appropriations ledger. The purchase order is matched to the requisition and placed in the open purchase order file numerically and/or alphabetically, whichever is appropriate. When the merchandise is received, the receiving/requesting department returns the purchase order to the clerk/treasurer with the date the product or service was received. The clerk/treasurer matches the requisition, purchase order, receiving report, and the invoice and prepares a voucher. Once the voucher is approved by the appropriate person, a check is prepared, approved by council, and sent to the vendor. The check is posted to the cash journal and the appropriations ledger.

III. Cash Journal

The cash journal is the book of original entry for posting every receipt and every expenditure.

There are three columns under the heading "cash". These columns reflect all of the receipts and expenditures of the village and the amount the village has available. When money is received, an entry is made in the "debit-receipt" column and the "balance" column is increased, based on the amount of money received. When the village pays out money, an entry is made in the "credit-expenditure" column and the "balance" column is decreased by the amount of the expenditure. Every transaction of money in the village, receipt or expenditure, must be recorded in either the "debit-receipt" or "credit-expenditure" column.

Next to the "cash" columns, the date of the transaction is posted. The "detail" column refers to the entity or person who the check is to or the receipt is from. The "receipt number" column records the receipt number of each receipt recorded. The "purchase order number" column is used when items are ordered by the village. The "warrant/check number" column should note the number(s) of all checks issued by the village. Thus, both the "purchase order number" and "warrant/check number" columns are used to post expenditures made by the village.

The "account code" column records the code or account number appearing on the receipt or voucher.

The next section of the cash journal provides three columns for each fund used by the village. Each fund has a "debit-expenditure" column, a "credit-receipt" column, and a "balance" column. When money is received for a specific fund, it is recorded in that fund's "credit-receipt" column and the "balance" is increased. Conversely, when money is expended from a specific fund, it is recorded in that fund's "debit-expenditure" column and the "balance" is decreased.

When revenue is received, it is posted to the cash journal as a cash debit and a fund credit. The receipt number is posted in the "receipt number" column. The account code, identifying the revenue source, is recorded in the "account code" column. The cash balance and the fund balance are increased by the amount of the receipt.

When a check is approved and issued, it is posted to the cash journal as a cash credit and a fund debit. The check number is posted in the "warrant/check number" column. The account code, the number for the account that is affected in the appropriations ledger, is recorded in the "account code" column. The cash balance and the fund balance are reduced by the amount of the expenditure.

The total of all fund balances must reconcile with the cash balance, the total of all fund receipts must reconcile with the total cash receipts, and the total of all fund expenditures must reconcile with the cash expenditures.

An example of a cash journal appears on the following pages.

	CASH JOURNAL								
		Cash							
	Debit (+) Receipt	Credit (-) Expenditure	Balance	Date	Detail	Receipt Number	Purchase Order Number	Warrant/ Check Number	Account Code
1			$49,200.00						
2		$504.81		07/01	Bill Smith			123	2021-620-190
3		1,219.00		07/02	Stones Quarry		12	124	2011-610-420
4		539.94		07/02	Machine Equipment Co.		55	125	2021-620-420
5		42.42		07/02	The Power Co.		52	126	1000-730-311
6	$943.56			07/03	County Auditor	1426			2021-226
7	1,200.00			07/03	State Auditor	1427			2011-225
8	405.00			07/05	David Allen	1428			2031-531
9									2031-532
10		2,400.00		07/09	RST Construction Co.		4	127	4101-730-530
11		249.00		07/09	Tree Farms, Inc.		54	128	2031-240-420
12		175.00		07/09	Rural Electric Co-op		6	129	2401-130-311
13	15.96			07/11	National Bank	1429			2031-701
14	20,678.61	1,254.03		07/14	County Auditor	1430			1000-110
15				07/14	County Auditor	1430			2401-360
16				07/14	County Auditor	1430			3101-110
17				07/14	County Auditor	1430			4101-110
18				07/14	Property Tax Collection Fees	1430			1000-740-344
19				07/14	Election Expense	1430			1000-790-344
20				07/14	General Health Distribution	1430			1000-220-344
21		62.00		07/16	ABC Office Supply		53	130	1000-710-410
22	1,800.00			07/18	XYZ Township	1431			1000-511
23	25.00			07/22	Rotary Club	1432			1000-519
24		22.50		07/23	Other Office Supply		53	131	1000-710-410
25		10.50		07/23	National Bank		53	132	1000-710-410
26	134.26			07/26	County Auditor	1433			1000-211
27		16,960.00		07/29	National Bank		5	133	3101-850-710
28									3101-850-720
29	156.86			07/30	ABC Insurance	1434			1000-891
30	2,049.00			07/30	Board of Public Affairs	1435			5101-541
31		5,504.81		07/31	Water Payroll Account			134	5101-532-190
32									5101-536-190
33	27,408.25	28,944.01	47,664.24		July Totals				
34	$65,402.47	$63,488.23			Year to Date Totals				

	CASH JOURNAL								
	General Fund			Street Construction, Maintenance, and Repair			State Highway Improvement Fund		
	Debit (-) Expenditure	Credit (+) Receipt	Balance	Debit (-) Expenditure	Credit (+) Receipt	Balance	Debit (-) Expenditure	Credit (+) Receipt	Balance
1			$7,000.00			$5,000.00			$6,000.00
2							$504.81		
3				$1,219.00					
4							539.94		
5	$42.42								
6								$943.56	
7					$1,200.00				
8									
9									
10									
11									
12									
13									
14		$5,354.72							
15									
16									
17									
18	458.40								
19	520.84								
20	274.79								
21	62.00								
22		1,800.00							
23		25.00							
24	22.50								
25	10.50								
26		134.26							
27									
28									
29		156.86							
30									
31									
32									
33	1,391.45	7,470.84	13,079.39	1,219.00	1,200.00	4,981.00	1,044.75	943.56	5,898.81
34	$6,690.35	$8,469.74		$1,508.32	$1,989.32		$3,389.75	$8,143.56	

	CASH JOURNAL								
	General Obligation Bond Retirement Fund			Cemetery Fund			New Municipal Building Fund		
	Debit (-) Expenditure	Credit (+) Receipt	Balance	Debit (-) Expenditure	Credit (+) Receipt	Balance	Debit (-) Expenditure	Credit (+) Receipt	Balance
1			$12,000.00			$3,000.00			$11,000.00
2									
3									
4									
5									
6									
7									
8					$300.00				
9					105.00				
10							$2,400.00		
11				$249.00					
12									
13					15.96				
14									
15									
16		$11,900.40							
17								$2,869.70	
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	$16,000.00								
28	960.00								
29									
30									
31									
32									
33	16,960.00	11,900.40	6,940.40	249.00	420.96	3,171.96	2,400.00	2,869.70	11,469.70
34	$21,203.00	$19,143.40		$2,549.00	$2,165.96		$6,875.00	$6,144.70	

	CASH JOURNAL						
	Water Fund			Special Assessment Street Lighting Fund			
	Debit (-) Expenditure	Credit (+) Receipt	Balance	Debit (-) Expenditure	Credit (+) Receipt	Balance	
1			$6,200.00			($1,000.00)	(1)
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12				$175.00			
13							
14							
15					$553.79		
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30		$2,049.00					
31	$800.00						
32	4,704.81						
33	5,504.81	2,049.00	2,744.19	175.00	553.79	(621.21)	
34	$20,047.81	$18,792.00		$1,225.00	$553.79		

(1) A deficit fund cash balance is a violation of State law and should be avoided. An advance from the General Fund should be made and paid back when the funds are available.

IV. Receipts Ledger

A receipts ledger is set up for each receipt code used by the village. The ledger should be maintained in account code order so posting to the ledger is easier.

The top of each ledger page includes the following information:

Fund Name	This is the fund in which this particular receipt will be posted (e.g., General, Street Construction, Maintenance, and Repair).
Source	This is the source of revenue within this fund (e.g., local taxes, intergovernmental revenues).
Account	This is the type of revenue within the source (e.g., general property tax - real estate, inheritance).
Account Number	The receipt code according to the chart of accounts.
Sheet Number	The page number of the ledger.
Amount of Budget Estimate	The amount of revenue expected to be received in this account code (according to the official certificate of estimated resources).

The next portion of the ledger contains columns where each receipt is posted. The first line of every receipts ledger will be "estimated revenue" which will be the same amount as the "amount of budget estimate". This is posted on January 1 with the estimated amount recorded in the "balance" column. As revenue is received and recorded in the cash journal, the effected receipts ledger(s) are also posted. Each individual receipt is recorded on a separate line of the receipts ledger. The amount received is recorded in the "amount received (fund credit)" column and the "credit" column. The "balance" column is reduced by the same amount. Another acceptable method for recording receipts is to record the amount received in the "amount received (fund credit)" column and reduce the "balance" column.

If the second method is used, the "debit/credit" columns are only used to post increases or decreases in the amended official certificate of estimated resources. This will be discussed in the budgetary section of this handbook.

At the end of each month, the receipts for the month are totaled on each receipts ledger page. The month-to-date total is added to the previous year-to-date total to arrive at the new year-to-date total. These totals can be used to ensure that all receipts have been posted for each fund. Simply add the month-to-date totals for each ledger page in any fund. This total should be the same as the month-to-date receipts in the cash journal under that particular fund. The same comparison can be completed using the year-to-date total.

The receipts ledger facilitates the comparison of estimated to actual receipts within each account of each fund. This analysis permits corrective action to be taken throughout the year if revenue estimates, which are the basis for appropriations, appear to be materially out of line. These ledgers provide the village with information to be used in preparing the annual financial statement

RECEIPTS LEDGER

Fund: General Fund

Source: Local Taxes — Sheet No. 1

Account: General Property Tax - Real Estate (Gross) — Amount of Budget Estimate $10,000.00

Account No.: 1000-110 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$10,000.00
07/14	County Auditor	February Settlement		1430	5,354.72				4,645.28

RECEIPTS LEDGER

Fund: General Fund

Source: Intergovernmental — Sheet No. 1

Account: Local Government Distribution — Amount of Budget Estimate $1,600.00

Account No.: 1000-211 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$1,600
01/15	County Auditor	January Distribution		1134	133.15				1,466.85
02/15	County Auditor	February Distribution		1184	133.15				1,333.70
		Year to date total			266.30				
03/15	County Auditor	March Distribution		1234	133.15				1,200.55
		Year to date total			399.45				
04/15	County Auditor	April Distribution		1284	133.15				1,067.40
		Year to date total			532.60				
05/15	County Auditor	May Distribution		1334	133.15				934.25
		Year to date total			665.75				
06/15	County Auditor	June Distribution		1384	133.15				801.10
		Year to date total			798.90				
07/26	County Auditor	July Distribution		1433	134.26				666.84
		Year to date total			933.19				

RECEIPTS LEDGER

Fund: General Fund

Source: Charges for Services — Sheet No. 1

Account: Fire Protection Contracts — Amount of Budget Estimate $3,600.00

Account No.: 1000-511 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$3,600.00
07/18	XYZ Township	1st half contract		1431	1,800.00				1,800.00

RECEIPTS LEDGER

Fund: General Fund

Source: Miscellaneous

Sheet No. 1

Account: Adjustments and Refunds

Amount of Budget Estimate $0.00

Account No.: 1000-891

Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$0.00
07/30	Budget- - - Amended Certificate	New Source of Funds					156.86		156.86
07/30	ABC Insurance	Insurance Claim		1434	156.86				0.00

RECEIPTS LEDGER

Fund: General Fund

Source: Charges for Services — Sheet No. 1

Account: Other — Amount of Budget Estimate $50.00

Account No.: 1000-519 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$50.00
07/22	Rotary Club	Town Hall Rental		1432	25.00				25.00

RECEIPTS LEDGER

Fund: Street Construction, Maintenance, and Repair Fund

Source: State Shared Taxes — Sheet No. 1

Account: Gasoline Tax — Amount of Budget Estimate $14,400.00

Account No.: 2011-225 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$14,400.00
01/15	State Auditor	January distribution		1133	1,200.00				13,200.00
02/15	State Auditor	February distribution		1183	1,200.00				12,000.00
		Year to date total			2,400.00				
03/15	State Auditor	March distribution		1233	1,200.00				10,800.00
		Year to date total			3,600.00				
04/15	State Auditor	April distribution		1283	1,200.00				9,600.00
		Year to date total			4,800.00				
05/15	State Auditor	May distribution		1333	1,200.00				8,400.00
		Year to date total			6,000.00				
06/15	State Auditor	June distribution		1383	1,200.00				7,200.00
		Year to date total			7,200.00				
07/03	State Auditor	July distribution		1427	1,200.00				6,000.00
		Year to date total			8,400.00				

RECEIPTS LEDGER

Fund: State Highway Improvement Fund

Source: State Shared Taxes — Sheet No. 1

Account: Motor Vehicle License Fees — Amount of Budget Estimate $3,000.00

Account No.: 2021-226 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$3,000.00
03/18	County Auditor	1st Distribution		1240	789.32				2,210.68
07/03	County Auditor	2nd Distribution		1426	943.56				1,267.12
		Year to date total			1,732.88				

RECEIPTS LEDGER

Fund: General Obligation Bond Retirement Fund

Source: Local Taxes

Sheet No. 1

Account: General Property Taxes - Real Estate (Gross)

Amount of Budget Estimate $22,000.00

Account No.: 3101-110

Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$22,000.00
07/14	County Auditor	February Settlement		1430	11,900.40				10,099.60

RECEIPTS LEDGER

Fund: New Municipal Building Fund

Source: Local Taxes — Sheet No. 1

Account: General Property Taxes - Real Estate (Gross) — Amount of Budget Estimate $5,500.00

Account No.: 4101-110 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$5,500.00
07/14	County Auditor	February Settlement		1430	2,869.70				2,630.30

RECEIPTS LEDGER

Fund: Water Fund

Source: Charges for Services — Sheet No. 1

Account: Consumer Rent — Amount of Budget Estimate $20,000.00

Account No.: 5101-541 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$20,000.00
01/30	Board of Public Affairs	Water Rent		1140	3,426.00				16,574.00
02/28	Board of Public Affairs	Water Rent		1200	2,754.00				13,820.00
		Year to date total			6,180.00				
03/30	Board of Public Affairs	Water Rent		1250	2,687.00				11,133.00
		Year to date total			8,867.00				
04/30	Board of Public Affairs	Water Rent		1301	2,436.00				8,697.00
		Year to date total			11,303.00				
05/30	Board of Public Affairs	Water Rent		1360	2,889.00				5,808.00
		Year to date total			14,192.00				
06/30	Board of Public Affairs	Water Rent		1415	2,551.00				3,257.00
		Year to date total			16,743.00				
07/30	Board of Public Affairs	Water Rent		1435	2,049.00				1,208.00
		Year to date total			18,792.00				

RECEIPTS LEDGER

Fund: Cemetery Fund

Source: Charges for Services — Sheet No. 1

Account: Sale of Lots — Amount of Budget Estimate $1,000.00

Account No.: 2031-531 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$1,000.00
04/04	Al Jones	2 lots		1260	200.00				800.00
05/15	Julie Smith	1 lot		1332	100.00				700.00
		Year to date total			300.00				
06/11	Mike Adams	2 lots		1359	200.00				500.00
		Year to date total			500.00				
06/18	Jane Davis	1 lot		1392	50.00				450.00
		Year to date total			550.00				
07/05	David Allen	3 lots		1428	300.00				150.00
		Year to date total			850.00				

RECEIPTS LEDGER

Fund: Cemetery Fund

Source: Charges for Services — Sheet No. 1

Account: Grave Opening Fees — Amount of Budget Estimate $500.00

Account No.: 2031-532 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$500.00
04/04	Al Jones	2 grave openings		1260	70.00				430.00
05/15	Julie Smith	1 grave opening		1332	35.00				395.00
		Year to date total			105.00				
06/11	Mike Adams	2 grave openings		1359	70.00				325.00
		Year to date total			175.00				
06/18	Jane Davis	1 grave opening		1392	35.00				290.00
		Year to date total			210.00				
07/05	David Allen	3 grave openings		1428	105.00				185.00
		Year to date total			315.00				

RECEIPTS LEDGER

Fund: Cemetery Fund

Source: Miscellaneous

Sheet No. 1

Account: Interest

Amount of Budget Estimate $180.00

Account No.: 2031-701

Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$180.00
01/10	National Bank	December interest		1125	15.66				164.34
02/12	National Bank	January interest		1179	15.71				148.63
		Year to date total			31.37				
03/09	National Bank	February interest		1212	15.76				132.87
		Year to date total			47.13				
04/13	National Bank	March interest		1274	15.81				117.06
		Year to date total			62.94				
05/11	National Bank	April interest		1319	15.86				101.20
		Year to date total			78.80				
06/10	National Bank	May interest		1356	15.91				85.29
		Year to date total			94.71				
07/11	National Bank	June interest		1429	15.96				69.33
		Year to date total			110.67				

RECEIPTS LEDGER

Fund: Special Assessment Street Lighting Fund

Source: Special Assessments — Sheet No. 1

Account: Street Lighting — Amount of Budget Estimate $1,300.00

Account No.: 2401-360 — Memoranda - Accounts Receivable

Date	Name	Purpose	Bill Number	Receipt Number	Amount Received (Fund Credit)	/	Debit	Credit	Balance
01/05	Budget	Estimated Revenue							$1,300.00
07/14	County Auditor	February Settlement		1430	553.79				746.21

V. Receipts

When cash, checks, direct deposits, or credit cards are received, the clerk/treasurer must prepare a receipt. Receipts should be numbered consecutively and include the following information:

A. Receipt number

B. Total amount received

C. Date of receipt

D. Name of entity/person presenting the money

E. Reason for receipt

F. Account code

G. Signature of the clerk/treasurer or fiscal officer

The original copy should be given to the person(s) making the payment, if in person, while the duplicate should remain in the receipts book. Any source documents supporting the receipt should be attached to the duplicate in the receipts book, where possible. The receipt should be prepared carefully, as the duplicate is the source document for posting the entry in the cash journal and the receipts ledger.

Another option is to keep the receipt book in triplicate. The original should be given to the person(s) making the payment. The second copy can be attached to the support and kept in numerical order and the third copy can remain intact in the receipt book.

Each day money is received, a deposit should be made at the bank. When preparing a deposit slip for the bank, the receipt number(s) making up the deposit should be recorded on the deposit slip. It is also a recommended to record the deposit slip number and date on the duplicate in the receipts book. This assists in reconciling to the bank by providing information to discover any errors that may have occurred.

Examples of receipts are on the following pages.

ORIGINAL

Receipt No. 1426

$ 943.56 Date 7-3-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of County Auditor

Nine hundred forty-three and 56/100---------- Dollars

For State Highway Improvement Fund - Motor Vehicle License Fees

2021-226

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1427

$ 1,200.00 Date 7-3-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of State Auditor

One thousand two hundred and 00/100---------- Dollars

For Street Construction, Maintenance, and Repair Fund 2011-225 Gasoline Tax

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1428

$ 405.00 Date 7-5-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of David Allen

Four Hundred Five and 00/100 ---------- Dollars

For $300 sale of lots and 3 grave openings @ $35.00 = $105.00

2031-531 and 2031-532

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1429

$ 15.96 Date 7-11-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of National Bank

Fifteen and 96/100---------- Dollars

For Interest on $40,000.00 Cemetery Fund 2031-891 CD 00812842

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1430

$ 19,424.58 Date 7-14-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of County Auditor

Nineteen thousand four hundred twenty-four and 58/100---------- Dollars

For General fund property taxes $5,354.72 (1000-110), GO Bond property taxes $11,900.40 (3101-110) New Muni Bldg property taxes $2,869.70 (4101-110), Spec Assess Str Lghtg $553.79 (2401-360), LESS Co. Health Dept $274.79 (1000-220-344), Property Tax Collection Fee $458.40 (1000-740-344), Election Exp $520.84 (1000-790-344)

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1431

$ 1,800.00 Date 7-18-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of X Y Z Township

One thousand eight hundred and 00/100----------Dollars

For 1st half semi-annual fire contract payment 1000-511

C. Archer Clerk/Treasurer

AUDITOR'S OFFICE, Baldwin COUNTY, Hampton OHIO, 7/12/XX

STATEMENT OF SEMI-ANNUAL APPORTIONMENT OF TAXES

Made at the February Settlement 20XX, with the County Treasurer for Willow Glen Village

Source of Receipts	General Fund	General Obligation Debt Service Fund	Special Assessment Street Lighting	New Municipal Building Tax Levy Fund	TOTAL
General Property Tax - Real Estate (Gross)	5,354.72	11,900.40		2,869.70	20,124.82
Tangible Personal Property Tax (Gross)					
Intangible - Classified Pers. (Gross)					
Estate Tax					
Cigarette Tax					
Special Assessments - Street Lighting			553.79		553.79
House Trailer Tax					
Total Distribution	5,354.72	11,900.40	553.79	2,869.70	20,678.61
Deductions					
Property Tax Collection Fees	458.40				458.40
Workers' Compensation					
Election Expense	520.84				520.84
State Examiner's Compensation					
County Health Department	274.79				274.79
Advertising Delinquent Tax Lists					
Total Deductions	1,254.03				1,254.03
Balances	4,100.69	11,900.40	553.79	2,869.70	19,424.58
Less Advances (Rev. Code, Sec. 321.34)					
Net Distribution	4,100.69	11,900.40	553.79	2,869.70	19,424.58

ORIGINAL

Receipt No. 1432

$ 25.00 Date 7-22-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of Rotary Club

Twenty-five and 00/100---------- Dollars

For Township hall rental for 8-15-XX -- General fund 1000-519

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1433

$ 134.26 Date 7-26-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of County Auditor

One hundred thirty-four and 26/100---------- Dollars

For July monthly local government distribution -- General fund 1000-211

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1434

$ 156.86 Date 7-30-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of ABC Insurance

One hundred fifty-six and 86/100 ---------- Dollars

For Insurance claim -- broken window -- General fund 1000-891

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1435

$ 2,049.00 Date 7-30-XX

OFFICE OF THE VILLAGE CLERK

Willow Glen Village, Baldwin County, Ohio

Received of Board of Public Affairs

Two thousand forty-nine and 00/100---------- Dollars

For Water rent collections #1 5101-541

C. Archer Clerk/Treasurer

ORIGINAL

Receipt No. 1436

$_____ Date _____

OFFICE OF THE VILLAGE CLERK

_____ Village, _____ County, Ohio

Received of _____

_____ Dollars

For _____

_____ Clerk

ORIGINAL

Receipt No. 1437

$_____ Date _____

OFFICE OF THE VILLAGE CLERK

_____ Village, _____ County, Ohio

Received of _____

_____ Dollars

For _____

_____ Clerk

VI. Appropriations Ledger

An appropriations ledger is set up for each appropriation code used by the village. The ledger should be maintained in account code order so posting to the ledger is easier.

The top of each ledger page includes the following information:

Fund Name	This is the fund in which this particular expenditure will be posted (e.g., General, Street Construction, Maintenance, and Repair).
Program	The function of the expenditure and specific work performed.
Object	The purpose of the expenditure.
Sheet Number	The page number of the expenditure.
Account Number	The expenditure code according to the chart of accounts.

The next portion of the ledger contains columns where each expenditure transaction is posted. The first line of each appropriations ledger will be the "temporary appropriation" or the "permanent appropriation". In cases where a prior year encumbrance still exists, enter these purchase order amounts first, then post the temporary or permanent appropriation. To simplify this process, a separate appropriations ledger page for each account code with prior year encumbrances can be maintained with separate pages used for the current year appropriations. These entries will be made on or about January 1, with the total amount of the appropriation from the temporary appropriation ordinance or permanent appropriation ordinance recorded in the "unencumbered balance" column. If village council passes a temporary appropriation ordinance, when the permanent appropriation ordinance is passed, adjustments must be made to zero out any remaining temporary appropriations.

As purchase orders are approved and issued, they should be entered into the affected appropriation code(s). When a purchase order is posted, the date, vendor or payee, purpose, and purchase order number should be noted. If the purchase order is a blanket purchase order, this should be noted under the "purpose" column. The amount of the purchase order should be posted to the "debit-certification" column. The amount in the "unencumbered balance" column is reduced by the amount of the purchase order. The new balance represents the remaining amount that can be encumbered for that particular account code.

When the expenditure is made and recorded in the cash journal, it should then be posted to the affected appropriation code(s). The warrant number and amount expended is recorded in the "warrant number" and "amount of warrant" columns. If the purchase order was originally recorded at the amount of the actual check, no other entry is needed. However, if the purchase order was for more than the actual check, then an adjustment must be made in the "credit-adjustment" column which would increase the "unencumbered balance" column. If the expenditure is materially more than the original purchase order, then an additional purchase order should be prepared, approved, and posted before the expenditure is made. In the case of a blanket purchase order, the adjustments described above would only be recorded when the blanket purchase order expired, which is at year end, or when no money is left on the purchase order.

At the end of each month, the expenditures for the month are totaled for each appropriations ledger. The month-to-date total is added to the previous year-to-date total to arrive at the new year-to-date total. These totals can be used to ensure that all expenditures have been posted for each fund. Simply add the month-to-date totals for each ledger page in any fund. This total should be the same as the month-to-date expenditure in the cash journal under that particular fund. The same comparison can be completed using the year-to-date total.

It is allowable to carry over outstanding encumbrances into the next year. The procedure is to post prior year carryover appropriations (equal to carryover encumbrances) to the appropriations ledger pages. These can be included on the same page as the current year appropriations or a separate page can be created for the carryover. Once the expenditure is made against the prior year encumbrance, there is no authority to increase appropriations for the amount of the carryover not used. The village must wait until the next year and recertify the unencumbered year end balances.

APPROPRIATIONS LEDGER

Fund: General Fund

Program: Public Health Service

Activity: County Health District

Sheet No. 1

Object: Contractual Services

Account No. 1000-220-344

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
1	05	Appropriation	Temporary										$1,000	00
2	15	Appropriation	Permanent						1,000	00	1,000	00	1,000	00
7	14	February Settlement	Deduction		Settlement	274	79		274	79			725	21

APPROPRIATIONS LEDGER

Fund: General Fund

Program: General Government

Activity: Mayor and Administrative — Sheet No. 1

Object: Supplies and Materials — Account No. 1000-710-410

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$2,200	00
02	15	Appropriation	Permanent						2,200	00	2,500	00	2,500	00
03	01	ABC Office Supply	Blanket	1					400	00			2,100	00
03	03	Other Office Supply	Copy paper	1	34	149	99						2,100	00
03	15	ABC Office Supply	Vouchers	1	39	43	40						2,100	00
			Month to date total			193	39							
04	05	Other Office Supply	File folders, etc.	1	45	69	72						2,1000	00
04	10	ABC Office Supply	Chair mat	1	48	114	89							
			Month to date total			184	61							
			Year to date total			378	00				22	00	2,122	00
06	15	ABC Office Supply	Blanket	53					300	00			1,822	00
06	18	ABC Office Supply	Pencils	53	115	8	50						1,822	00
07	16	ABC Office Supply	Cashbook & Pages	53	130	62	00						1,822	00
07	23	Other Office Supply	Duplicate receipt books	53	131	22	50						1,822	00
07	23	National Bank	Pre-printed checks	53	132	10	50						1,822	00
			Month to date total			103	50							
			Year to date total			481	50							

APPROPRIATIONS LEDGER

Fund: General Fund

Program: General Government

Activity: Lands and Buildings — Sheet No. 1

Object: Utilities — Account No. 1000-730-311

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$2,600	00
01	29	The Power Co.	December Electricity		23	35	00		35	00			2,565	00
02	15	Appropriation	Permanent						2,600	00	2,600	00	2,565	00
03	15	The Power Co.	January Electricity		40	126	00		126	00			2,439	00
03	29	The Power Co.	February Electricity		60	77	00		77	00			2,362	00
			Month to date total			203	00							
			Year to date total			238	00							
04	12	The Power Co.	March Electricity		48	247	00		247	00			2,115	00
			Year to date total			485	00							
05	23	The Power Co.	April, May Electricity		78	110	00		110	00			2,005	00
			Year to date total			595	00							
06	04	The Power Co.	June Electricity	52					50	00			1,955	00
07	02	The Power Co.	June Electricity	52	126	42	42				7	58	1,962	58
			Year to date total			637	42							

APPROPRIATIONS LEDGER

Fund: General Fund

Program: General Government

Activity: Property Tax Collection Fees

Sheet No. 1

Object: Professional Services

Account No. 1000-740-344

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$1,800	00
02	15	Appropriation	Permanent						1,800	00	2,000	00	2,000	00
07	14	February Settlement	Deduction		Settlement	458	40		458	40			1,541	60

APPROPRIATIONS LEDGER

Fund: General Fund

Program: General Government

Activity: Other (Election Expense) Sheet No. 1

Object: Professional Services Account No. 1000-790-344

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$2,800	00
02	15	Appropriation	Permanent						2,800	00	1,500	00	1,500	00
07	14	February Settlement	Deduction		Settlement	520	84		520	84			979	16

APPROPRIATIONS LEDGER

Fund: Street Construction, Maintenance, and Repair Fund

Program: Transportation

Activity: Street Construction and Reconstruction — Sheet No. 1

Object: Supplies and Materials — Account No. 2011-610-420

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$19,000	00
01	18	Stones Quarry	4000 tons gravel per	12					16,000	00		0	3,000	00
01	22	Stones Quarry	304.75 tons travel	12	18	1,219	00						3,000	00
02	15	Appropriation	Permanent						19,000	00	38,000	00	22,000	00
02	15	Stones Quarry	304.75 tons travel	12	26	1,219	00						22,000	00
			Year to date total			2,438	00							
03	12	Stones Quarry	604.00 tons gravel	12	37	2,416	00						22,000	00
			Year to date total			4,854	00							
04	15	Stones Quarry	806.75 tons gravel	12	55	3,277	00						22,000	00
			Year to date total			8,131	00							
05	18	Stones Quarry	725.00 tons gravel	12	76	2,900	00						22,000	00
			Year to date total			11,031	00							
06	24	Stones Quarry	897.00 tons gravel	12	105	3,588	00						22,000	00
			Year to date total			14,619	00							
07	02	Stones Quarry	304.75 tons gravel	12	124	1,219	00				162	00	22,162	00
			Year to date total			15,838	00							
			(final purchase - terminate P.O. 12)											

APPROPRIATIONS LEDGER

Fund: State Highway Improvement Fund

Program: Transportation

Activity: Street Maintenance and Repair — Sheet No. 1

Object: Personal Service — Account No. 2021-620-190

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$7,200	00
01	05	Appropriation	Unpaid 20XX										600	00
													7,800	00
01	06	Bill Smith	Salary - December		7	420	00		420	00			7,380	00
02	05	Bill Smith	Salary - Jan 20XX		21	504	81		504	81			6,875	19
			Year to date total			924	81							
02	15	Appropriation	Permanent						7,200	00	8,700	00	8,375	19
03	04	Bill Smith	Salary - February		29	504	81		504	81			7,870	38
			Year to date total			1,429	62							
04	03	Bill Smith	Salary - March		43	504	81		504	81			7,365	57
			Year to date total			1,934	43							
05	03	Bill Smith	Salary - April		63	504	81		504	81			6,860	76
			Year to date total			2,439	24							
06	02	Bill Smith	Salary - May		86	504	81		504	81			6,355	95
			Year to date total			2,944	05							
07	01	Bill Smith	Salary - June		123	504	81		504	84			5,851	14
			Year to date total			3,448	86							

APPROPRIATIONS LEDGER

Fund: State Highway Improvement Fund

Program: Transportation

Activity: Street Maintenance and Repair — Sheet No. 1

Object: Supplies and Materials — Account No. 2021-620-420

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$2,200	00
02	15	Appropriation	Permanent						2,200	00	2,500	00	2,500	00
06	28	Machine Equipment	Emergency truck repair 6/26	55					600	00			1,900	00
07	02	Machine Equipment	Emergency truck repair bill	55	125	539	94				60	06	1,960	06

APPROPRIATIONS LEDGER

Fund: General Obligation Bond Retirement Fund

Program: Debt Service

Activity: Debt Service

Sheet No. 1

Object: Principal

Account No. 3101-850-710

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$16,000	00
01	05	National Bank	Annual Principal	5					16,000	00			0	00
02	15	Appropriation	Permanent						16,000	00	16,000	00	0	00
07	29	National Bank	Principal Payment	5	133	16,000	00						0	00

APPROPRIATIONS LEDGER

Fund: General Obligation Bond Retirement Fund

Program: Debt Service

Activity: Debt Service — Sheet No. 1

Object: Interest — Account No. 3101-850-720

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$960	00
01	05	National Bank	Annual Interest	5					960	00			0	00
02	15	Appropriation	Permanent						960	00	960	00	0	00
07	29	National Bank	Interest Payment	5	133	960	00						0	00

APPROPRIATIONS LEDGER

Fund: New Municipal Building Fund

Program: General Government

Activity: Land and Buildings — Sheet No. 1

Object: Capital Outlay — Account No. 4101-730-530

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$10,000	00
01	05	RST Construction Co.	Contract	4					9,600	00			400	00
02	15	Appropriation	Permanent						10,000	00	9,600	00	0	00
04	06	RST Construction Co.	1st quarter payment	4	45	2,400	00						0	00
07	09	RST Construction Co.	2nd quarter payment	4	127	2,400	00						0	00
			Year to date total			4,800	00						0	00

APPROPRIATIONS LEDGER

Fund: Water Fund

Program: Basic Utility Services

Activity: Billing — Sheet No. 1

Object: Personal Services — Account No. 5101-532-190

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$9,600	00
01	31	Payroll Account	Water Payroll		24	800	00		800	00			8,800	00
02	15	Appropriation	Permanent						9,600	00	9,600	00	8,800	00
02	28	Payroll Account	Water Payroll		42	800	00		800	00			8,000	00
			Year to date total			1,600	00							
03	31	Payroll Account	Water Payroll		63	800	00		800	00			7,200	00
			Year to date total			2,400	00							
04	30	Payroll Account	Water Payroll		74	800	00		800	00			6,400	00
			Year to date total			3,200	00							
05	31	Payroll Account	Water Payroll		97	800	00		800	00			5,600	00
			Year to date total			4,000	00							
06	30	Payroll Account	Water Payroll		118	800	00		800	00			4,800	00
			Year to date total			4,800	00							
07	31	Payroll Account	Water Payroll		134	800	00		800	00			4,000	00
			Year to date total			5,600	00							

APPROPRIATIONS LEDGER

Fund: Water Fund

Program: Basic Utility Services

Activity: Distribution — Sheet No. 1

Object: Personal Services — Account No. 5101-536-190

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$18,000	00
01	31	Payroll Account	Water Payroll		24	1,079	18		1,079	18			16,920	82
02	15	Appropriation	Permanent						18,000	00	18,000	00	16,920	00
02	28	Payroll Account	Water Payroll		42	880	00		880	00			16,040	82
			Year to date total			1,959	18							
03	31	Payroll Account	Water Payroll		63	976	00		976	00			15,064	82
			Year to date total			2,935	18							
04	30	Payroll Account	Water Payroll		74	1,184	82		1,184	82			13,880	00
			Year to date total			4,120	00							
05	31	Payroll Account	Water Payroll		97	1,584	00		1,584	00			12,296	00
			Year to date total			5,704	00							
06	30	Payroll Account	Water Payroll		118	2,107	80		2,107	80			10,188	20
			Year to date total			7,811	80							
07	31	Payroll Account	Water Payroll		134	4,704	81		4,704	81			5,483	39
			Year to date total			12,516	61							

APPROPRIATIONS LEDGER

Fund: Cemetery Fund

Program: Public Health Service

Activity: Cemetery — Sheet No. 1

Object: Supplies and Materials — Account No. 2031-210-420

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$7,500	00
02	15	Appropriation	Permanent						7,500	00	7,500	00	7,500	00
06	25	Tree Farms, Inc.	Shrubbery	54					249	00			7,251	00
07	09	Tree Farms, Inc.	Shrubbery	54	128	249	00						7,251	00

APPROPRIATIONS LEDGER

Fund: Special Assessment Street Lighting Fund

Program: Security of Persons and Property

Activity: Street Lighting — Sheet No. 1

Object: Contractual Services — Account No. 2401-140-311

Appropriation or Authorization

Date		Vendor or Payee	Purpose	Purchase Order No.	Warrant Number	Amount of Warrant (Fund Debit)		/	Debit-Adjustment		Credit-Adjustment		Unencumbered Balance	
01	05	Appropriation	Temporary										$2,100	00
01	05	Rural Electric Co-Op	Annual Contract	6					2,100	00			0	00
02	10	Rural Electric Co-Op	January Payment	6	23	175	00						0	00
02	15	Appropriation	Permanent						2,100	00	2,100	00	0	00
03	10	Rural Electric Co-Op	February Payment	6	35	175	00						0	00
			Year to date total			350	00							
04	10	Rural Electric Co-Op	March Payment	6	46	175	00						0	00
			Year to date total			525	00							
05	10	Rural Electric Co-Op	April Payment	6	67	175	00						0	00
			Year to date total			700	00							
06	10	Rural Electric Co-Op	May Payment	6	92	175	00						0	00
			Year to date total			875	00							
07	09	Rural Electric Co-Op	June Payment	6	129	175	00						0	00
			Year to date total			1050	00							

VII. Purchase Orders

Ohio Revised Code Section 5705.41, states that no contracts or orders involving the expenditure of money may be made unless the fiscal officer has certified that "the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of the appropriate fund free from any previous encumbrances". The vehicle to present this certification is the purchase order.

The process of using purchase orders not only facilitates the ordering of the merchandise/services, it is also a part of the budgetary process. The amount of each purchase order shall be posted to the proper appropriations ledger page(s). This is known as "encumbering" or "setting aside" a portion of the appropriation. The fiscal officer's certificate appears on the bottom of the purchase order. This states that the funds are available and/or in the process of collection. This means that the village has appropriations and the cash to pay for this purchase, or the money is estimated to be collected. The posting of the purchase order reduces the amount of the available appropriation. When an appropriation account reflects zero, then no more purchase orders should be authorized until village council increases that account's appropriation.

Any contract made without this certification shall be void and no warrant shall be issued in payment. However, there is a "then and now" certificate that may be issued. This provision allows for village council to approve a purchase order after goods or services have been purchased, if there were unencumbered appropriations at the time the contract or order was placed (then) and currently (now) there are unencumbered appropriations. If the order is for $3,000 or less, the fiscal officer may authorize the expenditure. Otherwise, village council may pass a resolution authorizing the payment for the goods or services.

There are four types of purchase orders - regular, blanket, then and now, and super blanket.

1. Regular - A regular purchase order is issued when the purchase of a specific item(s) is planned. It can be for any amount and is good until the contract is fulfilled or canceled. This certifies 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 the process of collection to the credit of the appropriate fund free from any previous encumbrances. This certificate only needs to be signed by the fiscal officer.

    a. One vendor

    b. Unlimited dollar amount

    c. Unlimited time period

2. Blanket - A blanket purchase order is best described as a certification for the expenditure of funds for which the vendor, price, or quantity is open-ended on the purchase order. It can be used to purchase a variety of items over a period of time. A blanket purchase order cannot extend beyond the current fiscal year. The maximum amount of the blanket purchase order per appropriation account is determined by the legislative authority. They can be issued to a variety of vendors or a specific vendor. If the purchase order is depleted before the time element has expired, a new blanket purchase order may be issued. A blanket purchase order should be labeled as such and state the maximum dollar amount. This certificate only needs to be signed by the fiscal officer.

    a. Multiple vendors

    b. Only one expenditure code for each blanket

    c. Only one blanket per expenditure code can be open at a time

    d. Cannot extend beyond the current fiscal year

    e. Can be used to purchase a variety of items over a period of time

    f. Should be labeled as a blanket, maximum dollar amount determined by the legislative authority

    g. Only needs to be signed by the fiscal officer

3. Then and Now - If prior certification of funds by the fiscal officer was not obtained before the contract or order involving the expenditure of money was made, a then and now purchase order can be used. The fiscal officer may instead certify that there was, at the time the contract or order was made and at the time of the execution of the certificate, a sufficient sum appropriated for the purpose of the contract and in the treasury or in the process of collection to the credit of the appropriate free from any previous encumbrances. Thus, the fiscal officer is certifying that there were appropriations available and resources in the treasury or in the process of collection at the time the contract or order was made (then), and there are still sufficient appropriations and resources in the treasury or in the process of collection at the time the certificate is being issued (now). When the fiscal officer is using a then and now certificate and the amount certified exceeds $3,000, the fiscal officer must obtain legislative authority's approval by ordinance or resolution. This approval must be obtained within thirty days of the legislative authority's receipt of the certificate.

4. Super Blanket - The super blanket purchase order permits the fiscal officer to certify any dollar amount. The certification is authorized to be outstanding for any period up to the end of the fiscal year, and more than one certificate is permitted to be outstanding at a time. It must identify a specific line item appropriation in a specific fund and may be limited to a specific vendor, if desired. A list of obligations incurred and expenditures made under each certificate must be maintained by the fiscal officer. Permitted purposes for a super blanket include the services of an accountant, architect, attorney at law, physician, professional engineer, construction project manager, consultant, surveyor or appraiser by or on behalf of the subdivision, fuel oil, gasoline, food items, roadway materials, utilities, any purchase exempt from competitive bidding under Ohio Revised Code Section 125.04, and any other specific expenditure that is a recurring and reasonably predictable operating expense.

    a. It is issued for permitted purposes such as services of an accountant, architect, attorney at law, physician, professional engineer, construction project manager, consultant, surveyor or appraiser, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific expenditure that is a recurring and reasonably predictable operating expense.

    b. One or multiple vendors (who may or may not be specifically identified)

    c. One expenditure code

    d. Multiple blankets per expenditure code can be open at a time

    e. Unlimited dollar amount

    f. Cannot extend beyond the current fiscal year

Purchase orders shall be numbered consecutively. Each purchase order is made out in triplicate by the purchasing authority. The clerk/treasurer completes the purchase order and forwards one copy to the vendor. The clerk/treasurer's copy is used as a source document for posting in the appropriations ledger. The third copy is returned to the individual initiating the purchase order or requisition, as the case may be.

Also, the third copy will serve as a receiving report and be returned to the clerk/treasurer once the items are received and verified. The third copy of the purchase order is then attached to the voucher along with the invoice.

Each purchase order should provide the following information:

1. Name of village
2. Date
3. Purchase requisition number reference (if applicable)
4. Purchase order number (consecutively numbered)
5. Name of vendor
6. Account number
7. Destination/method of shipment
8. Terms
9. Statement regarding exemption from Ohio sales tax and/or federal excise tax, if applicable
10. Quantity, unit, description, price per unit, and amount
11. Name and title of person authorizing purchase order
12. Clerk's certification

Examples of purchase orders appear on the following pages.

PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. ____4____	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio Jan. 5, 20XX		Code	Amount
To: RST Construction Co.		4101-730-530	$9,600 00
Hampton, Ohio 54321			
Deliver to: Willow Glen Village			
At: Willow Glen, Ohio 12345			
Terms: Payable quarterly @ $2,400.00 upon billing - check			

Quantity	Unit	Description	Price/Unit	Amount
		Contract to build Willow Glen Village building.		$9,600 00
		Beginning 1-10-XX		

CLERK'S CERTIFICATE

It is hereby certified that the amount of (_$9,600.00_____) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ New Municipal Building_____ Fund free from any obligation or certification now outstanding.

Dated ____1-5-XX_____ C. Archer_____
Clerk _____Willow Glen Village

APPROVED BY: _____

_____

_____

_____

_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No.	
Willow Glen Village		Purchase Order No. 5	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio Jan. 5, 20XX		Code	Amount
To: National Bank		3101-850-710	$16,000 00
Willow Glen, Ohio 12345		3101-850-720	960 00
Deliver To: Willow Glen Village			
At: Willow Glen, Ohio 12345			
Terms: Payable annually on 7-29 - check			

Quantity	Unit	Description	Price/Unit	Amount
		Principal payment		$16,000 00
		Interest payment		960 00

CLERK'S CERTIFICATE

It is hereby certified that the amount of ($16,960.00) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ General Obligation Bond Retirement _____ Fund free from any obligation or certification now outstanding.

Dated 1-5-XX C. Archer
Clerk _____ Willow Glen Village

APPROVED BY:

_____

_____

_____

_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. ____6____	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio Jan. 5, 20XX		Code	Amount
To: Rural Electric Co-op		2401-130-311	$2,100 00
R.D. #1, Hampton, Ohio 54321			
Deliver to: Willow Glen Village			
At: Willow Glen, Ohio 12345			
Terms: Check - payable monthly on annual contract			

Quantity	Unit	Description	Price/Unit	Amount
		Street Lighting Contract, 10 years, effective 1-10-XX		$2,100 00
		25 lights @ $7.00 per light per month		

CLERK'S CERTIFICATE

It is hereby certified that the amount of (___$2,100.00_____) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ _____Special Assessment - Street Lighting_____ Fund free from any obligation or certification now outstanding.

Dated ____1-5-XX_____C. Archer_____
Clerk _____ Willow Glen Village

APPROVED BY: ____
_____
_____
_____
_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

BLANKET PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No._____	
Willow Glen Village		Purchase Order No. 12	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio Jan. 18, 20XX		Code	Amount
To: Stones Quarry		2011-610-420	$16,000 00
R.D. #2, Hampton, Ohio 54321			
Deliver to: Pick-up			
At: Stones Quarry			
Terms: Check - payable 10 days after billing			

Quantity	Unit	Description	Price/Unit	Amount
		4,000 tons gravel more or less @ $4.00 per ton as per awarded bid on 1-15-XX		$16,000 00
	*	Tons Cum. Tons Ind. Amt. Cum.Amt.		
		1/22 304.75 1,219.00		
		2/15 304.75 609.50 1,219.00 2,438.00		
		3/12 604.00 1213.50 2,416.00 4,854.00		
		4/15 806.75 2020.25 3,277.00 8,131.00		
		5/18 725.00 2745.25 2,900.00 11,031.00		
		6/24 897.00 3642.25 3,588.00 14,619.00		
		7/2 304.75 3947.00 1,219.00 15,838.00		

CLERK'S CERTIFICATE

It is hereby certified that the amount of (__$16,000.00____) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ __Street Construction, Maintenance, and Repair_____ Fund free from any obligation or certification now outstanding.

Dated __1-18-XX_____ C. Archer_____
Clerk _____ Willow Glen Village

APPROVED BY:

_____

_____

_____

_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

* This is one method for tracking multiple payments on one purchase order.

BLANKET PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. 52	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio June 4, 20XX		Code	Amount
To: The Power Company		1000-730-311	$50 00
Willow Glen, Ohio 12345			
Deliver to: Willow Glen Village			
At: Willow Glen, Ohio 12345			
Terms: Check - 10 days after receipt of bill			

Quantity	Unit	Description	Price/Unit	Amount
		Electric bill for town hall for June		$50 00

CLERK'S CERTIFICATE

It is hereby certified that the amount of (\$50.00) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ General _____ Fund free from any obligation or certification now outstanding.

Dated 6-4-XX C. Archer
Clerk _____ Willow Glen Village

APPROVED BY:

_____

_____

_____

_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

BLANKET PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. 53	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio June 15, 20XX		Code	Amount
To: Various Vendors		1000-710-410	$300 00
Deliver to: Willow Glen Townhall or Clerk			
At: Willow Glen, Ohio 12345			
Terms:			

Quantity	Unit	Description	Price/Unit	Amount
		Office Supplies		$300 00
		6/18 ABC Office Supply - pencils 8.50		291 50
		7/16 ABC Office Supply - cash book with long pages 62.00		229 50
		7/23 Other Office Supply pre-numbered duplicate receipt book 22.50		207 00
		7/23 National Bank - preprinted checks 10.50		196 50

CLERK'S CERTIFICATE

It is hereby certified that the amount of (\$300.00) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ General _____ Fund free from any obligation or certification now outstanding.

Dated 6-15-XX C. Archer
Clerk _____ Willow Glen Village

APPROVED BY:
_____
_____
_____
_____
_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

BLANKET PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. 54	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio June 25, 20XX		Code	Amount
To: Tree Farms, Inc.		2031-210-420	$249 00
Middleburg, Ohio 12346			
Deliver to: Cemetery			
At: R.D. #4, Willow Glen, Ohio 12345			
Terms: Check - 10 days after billing			

Quantity	Unit	Description	Price/Unit	Amount
		Shrubbery for Cemetery		$249 00

CLERK'S CERTIFICATE

It is hereby certified that the amount of (__$249.00_____) required to meet the contract, agreement, obligation, payment or expenditure for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in process of collection to the credit of _____ Cemetery _____
Fund free from any obligation or certification now outstanding.

Dated 6-25-XX C. Archer
Clerk _____ Willow Glen Village

APPROVED BY:
_____
_____
_____
_____
_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

THEN & NOW PURCHASE ORDER

OFFICE OF THE Village Clerk		Requisition No. _____	
Willow Glen Village		Purchase Order No. 55	
Baldwin County, Ohio		APPROPRIATION	
Willow Glen, Ohio June 28, 20XX		Code	Amount
To: Machine Equipment Company		2021-620-420	$600 00
Hampton, Ohio 54321			
Deliver to: Pick-up by road supt., Bill Smith			
At:			
Terms: Check - 10 days after billing			

Quantity	Unit	Description	Price/Unit	Amount
		Emergency repair of town truck, broke down		$600 00
		on Saturday, 6-26-XX. Date of bill will also		
		be 6-26-XX.		

CLERK'S CERTIFICATE

It is hereby certified that both at the time of the making of this contract or order and at the date of the execution of this certificate, the amount of ($600.00) required to pay this contract or order has been appropriated for the purpose of this contract or order an is in the treasury or in the process of collection to the credit of the State Highway Improvement Fund free from any previous encumbrance.

Dated 6-28-XX C. Archer
Clerk _____ Willow Glen Village

APPROVED BY:

_____

_____

_____

_____

This order is not valid unless Clerk's Certificate is signed.

ORIGINAL
(To be sent to vendor)

VIII. Checks

As with any check, the date, payee, amount (numerical and written), and signature should be completed. The account code(s) and the amount(s) allotted to each account should be written on each check and/or check stub.

All checks should be pre-numbered. The supply of unused checks should be adequately safeguarded and under the custody of persons who do not sign checks manually or control the use of facsimile signature plates. In small villages this may not be possible, however, blank checks should be maintained in a safe, with controls in place to prevent theft or unauthorized used.

Whenever an invoice is received and payment is made, the payment should be made based on the original invoice, and it should be marked as paid so that duplicate payments will not be made. A careful study of invoices is necessary to eliminate the possibility of payments being made on fabricated invoices.

All checks must be signed by the clerk/treasurer.

Examples of checks appear on the following pages:

Check No. 123	Deposit		Village of Willow Glen — Check No. 123
Purchase Order No. _____			Willow Glen, Ohio — Date 7/1/XX
Date 7/1/XX			Pay to the order of:
To: Bill Smith			Bill Smith $504.81
Fund: 2021-620-190			Five Hundred Four and 81/100---------- ----------Dollars
For: June Salary			
			National Bank _____
Total	49,200	00	Willow Glen, Ohio _____
Amount This Check	504	81	
Balance	48,698	19	

Check No. 124	Deposit		Village of Willow Glen — Check No. 124
Purchase Order No. 12			Willow Glen, Ohio — Date 7/2/XX
Date 7/2/XX			Pay to the order of:
To: Stones Quarry			Stones Quarry $1,219.00
Fund: 2011-610-420			One thousand two hundred nineteen and 00/100----------Dollars
For: 304.75 tons gravel			
			National Bank _____
Total	48,695	19	Willow Glen, Ohio _____
Amount This Check	1,219	00	
Balance	47,476	19	

Check No. 125	Deposit	
Purchase Order No. 55		
Date 7/2/XX		
To: Machine Equipment Co.		
Fund: 2021-620-420		
For: Emergency truck repair bill		
Total	47,476	19
Amount This Check	539	94
Balance	46,936	25

Village of Willow Glen — Check No. 125

Willow Glen, Ohio — Date 7/2/XX

Pay to the order of:

Machine Equipment Co. $539.94

Five hundred thirty-nine and 94/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 126	Deposit	
Purchase Order No. 52		
Date 7/2/XX		
To: The Power Co.		
Fund: 1000-730-311		
For: June electric bill		
Total	46,936	25
Amount This Check	42	42
Balance	46,893	83

Village of Willow Glen — Check No. 126

Willow Glen, Ohio — Date 7/2/XX

Pay to the order of:

The Power Co. $42.42

Forty-two and 42/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 127	Deposit		Village of Willow Glen — Check No. 127
Purchase Order No. 4	7/3/XX		Willow Glen, Ohio — Date 7/9/XX
Date 7/9/XX	2,143	56	Pay to the order of:
To: RST Construction Co.			RST Construction Co. $2,400.00
Fund: 4101-730-530	7/5/XX		Two thousand four hundred and 00/100----------Dollars
For: 2nd quarter payment	405	00	
			National Bank _____
Total	49,442	39	Willow Glen, Ohio _____
Amount This Check	2,400	00	
Balance	47,042	39	

Check No. 128	Deposit		Village of Willow Glen — Check No. 128
Purchase Order No. 54			Willow Glen, Ohio — Date 7/9/XX
Date 7/9/XX			Pay to the order of:
To: Tree Farms, Inc.			Tree Farms, Inc. $249.00
Fund: 2031-210-420			Two hundred forty-nine and 00/100----------Dollars
For: Shrubbery			
			National Bank _____
Total	47,042	39	Willow Glen, Ohio _____
Amount This Check	249	00	
Balance	46,793	39	

Check No. 129	Deposit	
Purchase Order No. 6		
Date 7/9/XX		
To: Rural Electric Co-Op		
Fund: 2401-130-311		
For: June lights		
Total	46,793	39
Amount This Check	175	00
Balance	46,618	39

Village of Willow Glen — Check No. 129

Willow Glen, Ohio — Date 7/9/XX

Pay to the order of:

Rural Electric Co-Op $175.00

One hundred seventy-five and 00/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 130	Deposit	
Purchase Order No. 53	7/11/XX	
Date 7/16/XX	15	96
To: ABC Office Supply		
Fund: 1000-710-410	7/14/XX	
For: Cashbook and pages	19,424	58
Total	66,058	93
Amount This Check	62	00
Balance	65,996	93

Village of Willow Glen — Check No. 130

Willow Glen, Ohio — Date 7/16/XX

Pay to the order of:

Tree Farms, Inc. $62.00

Sixty-two and 00/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 131	Deposit	
Purchase Order No. 53	7/18/XX	
Date 7/23/XX	1,800	00
To: Other Office Supply		
Fund: 1000-710-410	7/22/XX	
For: Duplicate receipt books	25	00
Total	67,821	93
Amount This Check	22	50
Balance	67,799	43

Village of Willow Glen — Check No. 131

Willow Glen, Ohio — Date 7/23/XX

Pay to the order of:

Other Office Supply $22.50

Twenty-two and 50/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 132	Deposit	
Purchase Order No. 53		
Date 7/23/XX		
To: National Bank		
Fund: 1000-710-410		
For: Pre-printed checks		
Total	67,799	43
Amount This Check	10	50
Balance	67,788	93

Village of Willow Glen — Check No. 132

Willow Glen, Ohio — Date 7/23/XX

Pay to the order of:

National Bank $10.50

Ten and 50/100----------Dollars

National Bank _____

Willow Glen, Ohio _____

Check No. 133	Deposit		Village of Willow Glen — Check No. 133
Purchase Order No. 5	7/26/XX		Willow Glen, Ohio — Date 7/29/XX
Date 7/29/XX	134	26	Pay to the order of:
To: National Bank			National Bank — $16,960.00
Fund: 3101-850-710,			Sixteen thousand nine hundred sixty and 00/100----------Dollars
3101-850-720			
For: principal and interest payment			National Bank _____
Total	67,923	19	Willow Glen, Ohio _____
Amount This Check	16,960	00	
Balance	50,963	19	

Check No. 134	Deposit		Village of Willow Glen — Check No. 134
Purchase Order No. _____	7/30/XX		Willow Glen, Ohio — Date 7/31/XX
Date 7/31/XX	2,205	86	Pay to the order of:
To: Water Payroll Account			Water Payroll Account — $5,504.81
Fund: 5101-532-190,			Five thousand five hundred four and 81/100----------Dollars
5101-536-190			
For: Water payroll			National Bank _____
Total	53,169	05	Willow Glen, Ohio _____
Amount This Check	5,504	81	
Balance	47,664	24	

IX. Vouchers - Warrants

A voucher/warrant is a written order to draw a check in payment of a lawful obligation of the village. The completed voucher/warrant is the basis for the preparation of the check and should include the following information:

1. Voucher/warrant number (the check number)
2. Name and address of the village
3. Amount and date of check with name of payee
4. Account code(s)
5. Purchase order number
6. Quantity, description, unit price, and total amount of check
7. Attached invoice, purchase order, and requisition (if any)
8. Signature of three council members and clerk/treasurer

Upon the receipt of the seller's invoice or the payroll of the village, the voucher(s)/warrant(s) and check/warrant(s) should be prepared by the clerk/treasurer, with the requisition (if one was used), purchase order, and invoice attached to the voucher/warrant. The approval of the voucher/warrant can be completed in one of the following ways: (1) present to village council for their signature and approval, or (2) submit a list of bills paid at the village council meeting for approval. Vouchers/warrants are required by Administrative Rule.

Examples of vouchers/warrants appear on the following pages:

Warrant No. 123
Village Willow Glen
Amount of Warrant $ 504.81
Payable to
Bill Smith
Address Main St.
Willow Glen, Ohio 12345
Date 7/01/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
State Highway	2021-620-420			504	81		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio Payroll

To Bill Smith

Address Main St, Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Work Period 6-01-XX to 6-30-XX Gross = $725.00			
	Deductions:			
	PERS 73.10			
	Withholding 127.18			
	State tax 11.31			
	City tax 8.60			
	Net Pay		504	81

Warrant No. 124
Village Willow Glen
Amount of Warrant $ 1,219.00
Payable to
Stones Quarry
Address R.D. #2
Hampton, Ohio 54321
Date 7/02/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
Street Const., Maint. & Repair	2011-610-420	16,000	00	1,219	00	162	00

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 12

To Stones Quarry

Address R.D. #2, Hampton, Ohio 54321

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
304.75	Tons of gravel per bid awarded on 1-15-XX	4.00	1,219	00

Warrant No. 125
Village Willow Glen
Amount of Warrant $ 539.94
Payable to
Machine Equipment Company
Address Hampton, Ohio 54321
Date 7/02/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
State Highway	2021-620-420	600	00	539	94	60	06

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 55

To Machine Equipment Company

Address Hampton, Ohio 54321

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Emergency repair of town truck on Saturday 6-26-XX		539	94

Warrant No.___126___
Village ___Willow Glen___
Amount of Warrant $ 42.42___
Payable to
___The Power Company___
Address ___Willow Glen, Ohio 12345___
Date ___7/02/20XX___
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
General	1000-730-311	50	00	42	42	7	58

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 52

To The Power Company

Address Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Monthly electric bill for townhall for June		42	42

Warrant No. 127

Village Willow Glen

Amount of Warrant $ 2,400.00

Payable to

RST Construction Company

Address Hampton, Ohio 54321

Date 7/09/20XX

EXAMINED AND FOUND CORRECT

Councilman #1_____

Councilman #2_____

Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
New Municipal Building	4101-730-530	9,600	00	2,400	00		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 4

To RST Construction Company

Address Hampton, Ohio 54321

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Contract to build Willow Glen village building @ $9,600.00 2nd quarter billing		2,400	00

Warrant No. 128
Village Willow Glen
Amount of Warrant $ 249.00
Payable to
Tree Farms, Inc.
Address Middleburg, Ohio 12346
Date 7/09/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
Cemetery	2031-210-420	249	00	249	00		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 54

To Tree Farms, Inc.

Address Middleburg, Ohio 12346

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Shrubbery		249	00

Warrant No.___129___
Village ___Willow Glen___
Amount of Warrant $ 175.00____
Payable to
___Rural Electric Co-op___
Address ___Main St,_____
Hampton, Ohio 54321
Date ___7/09/20XX___
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
Special Assessment	2401-130-311	2,100	00	175	00		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 6

To Rural Electric Co-op.

Address Main St, Hampton, Ohio 54321

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Monthly street lighting billing for June		175	00
	25 lights @ $7.00 per light per month based on 10 year			
	contract of $2100.00 per year			

Warrant No.___130___
Village ___Willow Glen___
Amount of Warrant $ 62.00_____
Payable to
___ABC Office Supply___
Address ___Willow Glen, Ohio 12345___
_____
Date ___7/16/20XX___
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
General	1000-710-410	300	00	62	00		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 53

To ABC Office Supply

Address Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	New Cashbook with 250 long pages		62	00
	Purchased on blanket			

Warrant No. 131
Village Willow Glen
Amount of Warrant $ 22.50
Payable to
Other Office Supply
Address Willow Glen, Ohio 12345
_____
Date 7/23/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
General	1000-710-410	300	00	22	50		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 53

To Other Office Supply

Address Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
5	Pre-numbered duplicate receipt books	4.50	22	50
	Purchased on blanket			

Warrant No. 132
Village Willow Glen
Amount of Warrant $ 10.50
Payable to
National Bank
Address Willow Glen, Ohio 12345
_____
Date 7/23/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
General	1000-710-410	300	00	10	50		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 53

To National Bank

Address Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
1,500	Printed Checks	3.50	10	50
	Purchased on blanket			

Warrant No. 133
Village Willow Glen
Amount of Warrant $ 16,960.00
Payable to
National Bank
Address Willow Glen, Ohio 12345
Date 7/29/20XX
EXAMINED AND FOUND CORRECT
Councilman #1_____
Councilman #2_____
Councilman #3_____

DISTRIBUTION

Fund	Appr'n	Amt. Certified		Amt. of Warrant		Credit Appr'n	
General Obligation Bond Retirement	3101-850-710	16,000	00	16,000	00		
	3101-850-720	960	00	960	00		

VOUCHER/WARRANT

OFFICE OF THE VILLAGE CLERK

Purchase Order No.

Willow Glen Village, Baldwin County, Ohio 5

To National Bank

Address Willow Glen, Ohio 12345

Quantity	Description	Price/Unit	Amount	
	Attach Invoices, Purchase Orders, and Certificates, etc.			
	Due on New Municipal Building			
	Principal = $16,000.00			
	Interest = 960.00			
	Total		16,960	00

X. Bank Reconciliation

1. Record service charges and record any interest received.

2. Sort all checks returned in your statement by check number.

3. Compare all of these checks to your check register to determine those that have not cleared the bank.

4. Write down amounts of those checks that have not cleared the bank in the "outstanding checks" column below.

5. Compare all deposits to your check register to determine those that have not cleared the bank.

6. Add deposits to bank not appearing on this statement.

7. Fill in the appropriate blanks below. The "adjusted cash journal balance" should equal your "adjusted statement balance".

OUTSTANDING CHECKS		DESCRIPTION	AMOUNT
NO.	AMOUNT	Balance in cash journal	$47,664.24
108	$76.50	Less: Monthly service charge	0.00
121	325.00	Less: Any other charges not entered in checkbook	0.00
122	200.00		
130	62.00		
131	22.50	Total charges to subtract	0.00
		ADJUSTED CASH JOURNAL BALANCE	$47,664.24
		Bank Balance per statement	$6,144.38
		Add: Deposits to bank not appearing	
		on this statement	2,205.86
		Add: Investments (see investment ledger)	40,000.00
TOTAL	686.00 ≡	Less: Outstanding Checks	686.00
		ADJUSTED STATEMENT BALANCE	$47,667.24

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CHAPTER SIX: ACCOUNTING PROCEDURES

I. Overview

On a regular basis, the Auditor of State's office receives questions on the proper method of accounting and recording certain transactions. Several accounting procedures which arise regularly are discussed as follows:

Establishing a New Fund

Corrections and Adjustments

Repayment of Notes through the Debt Service Fund

Transfers

Advances

Refund of a Receipt

Reduction of an Expenditure

Amending Appropriations

Investments

II. Establishing a New Fund

In accordance with Ohio Revised Code Section 5705.12, the Auditor of State must approve all new funds established by a local government which are in addition to funds established under Ohio Revised Code Sections 5705.09, 5705.121, 5705.13, and 5705.131.

All fund numbers are assigned by the Auditor of State through the chart of accounts. The procedures for establishing a new fund are as follows:

1. Any local government requesting fund approval must complete a copy of the "Request for Fund Approval" form (Exhibit A) and forward the completed form, along with a copy of the resolution requesting approval, to the State Auditor's Office, Local Government Services Division.

2. The Auditor of State will review the request and determine if the fund creation is appropriate.

3. The request is deemed approved if you do not receive a letter disapproving the request from the Auditor of State's Local Government Services Division within thirty days from the date of submission.

4. The "Request for Fund Approval" should be maintained for auditing purposes.

EXHIBIT A

AUDITOR OF STATE
REQUEST FOR FUND APPROVAL

Entity: _____

Fiscal Officer: _____

Phone No.: _____

Request Date: _____

Fund Requested: _____

Purpose of Fund: _____

_____

_____

_____

Sources of Revenue: _____

_____

Anticipated Expenditures: _____
(Types)

_____

_____

NOTE: Please attach a copy of the resolution requesting approval to establish the fund.

MAIL TO: Auditor of State
C/O: Local Government Services
P.O. Box 1140
Columbus, OH 43216

III. Corrections and Adjustments

Although effective internal control procedures reduce the probability that errors will occur, it does not eliminate the possibility. Therefore, corrections and adjustments may have to be made and they should be clearly identified and explained. The following examples represent corrections of common errors that can be applied to most situations:

A. Voiding a Check After Posting

Example: A check issued to the Ace Lumber Company was posted in the cash journal and appropriation ledger, in the amount of $10.95.

Step 1 Reverse entry from cash journal expenditures (cash and the applicable fund). This is accomplished by posting a negative expenditure of $10.95 in the appropriate columns. This procedure will result in the cash balance and the fund's fund balance being increased by $10.95.

Step 2 Reverse payment from appropriation ledger "amount of warrant" column, and increase the unencumbered balance.

Step 3 The check should be defaced by tearing off the signature and filed numerically.

Note: Cross reference should be made to the original entry.

B. To Correct Expenditure Posting Error

Example: A general fund expenditure to ABC Plumbing, in the amount of $156.60, was recorded as $165.60 in the cash journal and the appropriations ledger.

Step 1 Reverse the incorrect entry in the cash journal to cash and the general fund.

Step 2 Post cash journal (cash and general fund) correctly and adjust the cash and general fund balance.

Step 3 Reverse the incorrect payment in the "amount of warrant" column in the appropriations ledger, and adjust the unencumbered balance.

Step 4 Post correct amount in the "amount of warrant" column.

Note: It may also be necessary to make an adjustment to the debit/credit columns in the appropriations ledger. Additionally, a cross reference should be made to the original entry.

C. To Correct Receipt Posting Error

Example: A receipt from General Telephone, in the amount of $27.50, was posted as $29.50 to cash and the general fund in the cash journal.

Step 1 Reverse incorrect receipt in cash journal to cash and the general fund.

Step 2 Post correct entry in cash journal (cash and general fund) and adjust the cash and general fund balances.

Step 3 Reverse incorrect receipt in the "amount received" and "memoranda-accounts receivable credit" columns in the receipts ledger.

Step 4 Post correct receipt on the "amount received" and "memoranda-accounts receivable credit" column in the receipts ledger. Adjust the receipts ledger balance.

Step 5 Annotate correction on the original receipt.

Note: The above procedure is to be used when the correction/adjustment is recorded within the same fiscal year that the original entry was recorded. If the correction is made in the following fiscal year and the amount is small, record a miscellaneous expenditure and explain in the description that the entry represents a correction of a prior year posting error. Cross reference should be made to the original entry. If the amount is large, the village should consider adjusting the beginning of year balance.

IV. Repayment of Notes through a Debt Service Fund

Whenever a governmental unit has tax or other revenue anticipation notes outstanding issued under Ohio Revised Code Section 133.10, the notes are to be repaid from a debt service fund, regardless of which fund received the proceeds from the sale of the notes. When the money is borrowed in anticipation of tax receipts, the county auditor should be notified so that money, payable to the debt service fund from the proceeds of property taxes collected, in an amount sufficient to insure the prompt repayment of the debt, is separately identified.

Absent a specific requirement, debt may be paid from any unrestricted money held from a fund which was established for a purpose that is not inconsistent with the payment of the debt.

A. Sale and Repayment of Tax Anticipation Notes - General Fund

Example: The village borrowed $100,000 at six percent, for sixty days, to be used for general fund operations. The debt is to be retired from the first half real estate property tax settlement; the village has no other outstanding debt; the general fund is the only fund that receives real estate tax revenue.

Step 1 The clerk/treasurer will notify the county auditor of the debt incurred, along with a copy of the resolution approving such debt. Terms of the agreement and a schedule of repayment should be clearly identified.

Step 2 The proceeds from the sale of notes (the amount borrowed) is recorded in the general fund.

Step 3 The county auditor will allocate the debt service requirements payable to the debt service fund for the principal and interest due. Separate amounts will be recorded in the appropriate receipt account within the respective funds.

Step 4 Repayment of the note will be made from the debt service fund for both the principal and interest.

Summary of Posting Procedures:

	General Fund	Debt Service	Total
Real Estate Revenue	$3,000,000	$101,000	$3,101,000
Sale of Notes	100,000	0	100,000
Sub-Total	3,100,000	101,000	3,201,000
Less Expenditures:			
Debt Service (Principal)	0	100,000	100,000
Debt Service (Interest)	0	1,000	1,000
Total	$3,100,000	$0	$3,100,000

B. Sale of Notes in Anticipation of Sale of Bonds for the New Municipal Building Fund

Sale and repayment of $1,000,000, six percent, five year notes sold in anticipation of proceeds from the sale of bonds issued for new construction (construction to be accounted for in the new municipal building fund).

Step 1 Record proceeds from the sale of the notes in the new municipal building fund. Use proceeds from sale of notes receipt code.

Step 2 Repay first year principal and interest on notes. Use the appropriate accounts within the debt service fund for principal and interest payments.

Step 3 Repay each succeeding-year principal and interest on notes from the debt service fund, using the same accounts as in step 2, until bonds are sold and the notes are fully paid.

Step 4 Once the bonds are sold, record proceeds from the sale of the bonds into the debt service fund. Use the proceeds from sale of bonds receipt code.

Step 5 Record tax receipts received for the repayment of the bonds in the debt service fund, and make all principal and interest payments for bonds from the debt service fund.

C. The Debt Service Fund Purchases the Village's Note as an Investment

Under the authority of Ohio Revised Code Section 133.10, the general fund issues a short-term note for $100,000, to be repaid in sixty days at six percent interest. The debt service fund purchases the note as an investment.

Step 1 Record the amount borrowed, $100,000, in the general fund. Use the proceeds from sale of notes receipt code.

Step 2 Record the amount received from the debt service fund, $100,000, as an investment on the investment record. Do not decrease the debt service fund's balance. When preparing the bank reconciliation, the $100,000 investment will need to be shown as a reconciling item.

Step 3 The county auditor, having been properly notified of the debt service requirements, should allocate the tax settlement among the proper funds. The amount payable to the debt service fund is $101,000 ($100,000 principal plus $1,000 interest) for repaying the outstanding note. The other amount, payable to the general fund, is for an amount equal to the normal general fund tax settlement less the $101,000 in the debt service fund. Record the tax receipts, using the receipt codes for the appropriate type of taxes, in the debt service fund and the general fund.

Step 4 Record the debt service payment in the debt service fund. Use the appropriate account codes for the principal ($100,000) and interest ($1,000) payments.

Step 5 Record the maturity of the debt service fund's investment ($100,000) on the investment record, and record the receipt of the interest ($1,000).

Note: The authority for the debt service fund to invest in the village's debt is found in Ohio Revised Code Section 133.29. This section does not provide the authority to issue debt. There must be separate, specific authority to issue the debt before the debt service fund may purchase it.

V. Transfers

Transfers are intended to permanently reallocate money from one fund to another as authorized in Ohio Revised Code Section 5705.14 to 5705.16. Since this transaction will permanently change the total appropriations of the funds, an amended official certificate of estimated resources should be obtained from the county budget commission if the transfers were not originally anticipated and certified. The transfers out should be appropriated for as well.

The following are the only allowable transfers:

1. Money may be transferred from the general fund to any other fund of the village by simple resolution and majority vote of village council.

2. The unexpended balance of special revenue funds established under Ohio Revised Code Section 5705.12, or division (D), (F), or (G) of Ohio Revised Code Section 5705.09, which are funds for levies and other special purposes, may be transferred to the general fund or bond retirement fund after all obligations within the special revenue fund have been met. This requires a resolution approved by a two-thirds vote of the village council.

3. The unexpended balance of a bond fund which is no longer needed for the purpose it was created, can be transferred to the bond retirement fund. This requires a resolution approved by a two-thirds vote of the village council.

4. The unexpended balance in any specific permanent improvement fund shall be transferred to the bond retirement fund. If such money is not needed in the bond retirement fund, then it may be transferred to a special fund for the acquisition of permanent improvements. This requires a resolution approved by a two-thirds vote of the village council. If village council does not wish to transfer the money to a permanent improvement fund, with approval of the court of common pleas, they can transfer the money to the general fund.

5. The unexpended balance of a bond retirement fund may be transferred to any other fund with the village council resolution and approval of the court of common pleas.

Funds not allowed to be transferred:

1. Proceeds on the balances of loans;

2. Proceeds on the balances of bond issues except as identified in item three and five above;

3. Proceeds on the balances of funds derived from excise taxes levied for a particular purpose; and

4. Proceeds on the balances of license fees levied for a particular purpose.

The following source documents may be required for interfund transactions:

Minute Record	In some instances, when performing interfund transactions, it is necessary to modify existing appropriations. The source document for modifying appropriations is the minute record. It is recommended that the specific minutes be described in the description column of the journal and ledgers.
Certification	When transferring money from fund to fund, it is necessary to certify that monies are available. The purchase order can be used as the vehicle for this certification.
Check/Warrant	The Auditor of State does not require the issuance of a check when accomplishing interfund transactions. If the accounting software allows for and the village wants to write a check, it is permissible, but not required.
Receipt	The receipt is used as the source document for incoming money to any fund. When monies are received by way of an interfund transaction, a receipt certifying the revenue and its source should be used. An amended official certificate of estimated resources should be obtained from the county auditor if the interfund transactions were not originally anticipated and certified.

These documents are used to provide adequate reconciliation tools and audit trails.

VI. Advances

Advances are temporary loans to other funds which are ultimately going to be repaid. Advances must be made from a less restricted fund to a more restricted fund. For example, the general fund can be used for any purpose, whereas, the state highway fund is restricted in its use. Thus, the general fund can advance money to the state highway fund; however, the state highway fund cannot advance money to the general fund. The village council must pass a resolution authorizing an advance. The resolution should include, at a minimum, the following information:

1. Amount of the advance;

2. Name of the fund loaning the money and the name of the fund receiving the money; and

3. An estimated date of repayment. The intent of a cash advance is to require repayment within the current year.

Interfund cash advances are subject to the following requirements:

1. Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Ohio Revised Code Sections 5705.14 to 5705.16. Advances on the other hand, are intended to temporarily reallocate cash from one fund to another and involve an expectation of repayment;

2. In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the"creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established; and

3. The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on the use of the money to be used to make the reimbursement.

A. Accounting Procedures

The following procedures are necessary to account for interfund advances:

1. Initial advance:

Cash Journal — On the effective date of the resolution authorizing an advance, an entry is made in the cash journal to reduce the cash balance of the creditor fund (the fund making the advance) by the amount of the advance, and to increase the cash balance of the debtor fund (the fund receiving the advance) by the same amount.

Ledgers — When the initial advance occurs, an appropriations ledger account for "advances out" must be established for the creditor fund. Similarly, a receipts ledger account for "advances in" must be established in the debtor fund. All pertinent information should be recorded in the ledgers when the transactions are posted.

2. Repayment of an advance:

Cash Journal — On repayment of the advance in whole, or in part, an entry is made in the cash journal to increase the cash balance of the creditor fund by the amount of repayment, and to reduce the cash balance of the debtor fund by the same amount.

Ledgers — When the advance is repaid, an appropriations ledger account for "advances out" will need to be established in the debtor fund to show the disbursement of the repayment. To record the receipt of the repayment in the creditor fund, a receipt ledgers account for "advances in" will need to be established.

B. Budgetary Effects

An interfund cash advance does not directly affect the budgetary accounts of either the creditor or debtor funds when the advance is made or repaid. It merely is recorded in the cash journal to adjust the fund cash balances and in the ledgers to provide accountability. The amended official certificate of estimated resources and the appropriations ordinance do not need to include advances since they are temporary loans of money. If, however, such an advance is not repaid at the end of the fiscal year, the altered cash balances must be taken into consideration in the preparation of the appropriation ordinance.

When a cash advance is outstanding at the beginning of a fiscal year in which repayment is expected, the total resources available for expenditure in the creditor and debtor fund are misstated, as no provision exists for the receipt of cash in the creditor fund or for the use of cash in the debtor fund. To adjust for this, the unencumbered cash balance of the creditor fund must be increased by the amount of repayment expected during the succeeding fiscal year to produce the "carryover balance available for appropriation". Similarly, the unencumbered cash balance in the debtor fund must be reduced by the amount of repayment expected during the succeeding fiscal year to produce the "carryover balance available for appropriation." This adjustment is made on the "certificate of the total amount from all sources available for expenditures, and balances" filed with the county budget commission pursuant to Ohio Revised Code Section 5705.36.

C. Conversion to a Transfer

If, after an advance is made, the village council determines that the transaction should, in fact, be treated as a transfer, the following procedures should be followed:

1. The necessary formal procedures for approval of the transfer should be completed including, if necessary, approval of the commissioner of tax equalization and of the court of common pleas;

2. The transfer should be formally recorded on the records of the village; and

3. The entries recording the cash advance should be reversed to, in effect, repay the advance with the proceeds of the transfer.

   Example: The general fund advances $500 to the state highway fund. The village council determines that the advance should be permanent. The general fund transfers $500 to the state highway fund and $500 is advanced back from the state highway fund to the general fund.

VII. Refund of a Receipt

Refunds are appropriate for items such as overpayments, the return of deposits, or the repayment of money when the service was not provided (i.e., prepayment for renting the village hall is returned when the individual decides not to use the facility).

Example: John Smith paid a fee of $20 to the village. At a later time, it was determined that John Smith was entitled to a refund of this amount.

Note: Reducing receipts is only permitted when both of the transactions occur during the same fiscal year. If the refund occurs in the subsequent year, post the payment as an expenditure.

Step 1 Prepare a receipt indicating the amount to be refunded. This amount should be shown as a negative amount.

Step 2 Prepare a check/warrant in the amount to be returned. The check/warrant number should be identified in both the receipts ledger and in the cash journal.

Step 3 The amount of the refund must be posted to the receipt code where the original amount was received. Post the refunded amount to the "amount received" column and to the "memoranda-accounts receivable credit" column. The amounts are posted in parentheses which indicates negative amounts.

Step 4 Post the reduction of the receipt in the cash journal in the receipt column for cash and the applicable fund. These amounts should be posted in parentheses also.

VIII. Reduction of an Expenditure

The village may find it necessary to reduce an expenditure during the course of the fiscal year. There are also instances where it would appear that the expenditure should be reduced but which should be handled as a receipt.

A reduction of an expenditure is appropriate when the village has overpaid and the overpayment is returned, the return of a deposit, or the return of a prepayment for services when the services are not provided.

A reduction of an expenditure is not appropriate when the village receives a reimbursement from other entities for services provided, a reimbursement of general fund expenses from the State or other governments, or a refund of a prior year's expenditure. Each of these situations is recorded as revenue. Payments for services provided by the general fund to other funds of the village should be recorded as revenue in the general fund and as an expenditure in the fund making the payment.

Example: The village paid for an invoice twice. Later in the same fiscal year, the village received a refund from XYZ Company. The refund is recognized as a reduction of an expenditure.

Note: The procedure of reducing expenditures is only permitted when both of the transactions occur in the same fiscal year. If the reduction (receipt) occurs in the subsequent year, post the receipt as revenue.

Step 1 A receipt should be prepared for the amount of the refund. The appropriation code originally charged should be identified on the receipt with the amount shown as a negative expenditure.

Step 2 The amount of the refund must be posted to the appropriate account from which the original payment was made. Post the amount of the refund to the "amount of warrant" column and to the "debit certification" column. The amounts are posted in parentheses which indicates negative amounts.

Step 3 Post the reduction of the expenditure in the cash journal in the expenditure column for cash and the applicable fund. This amount should be posted in parentheses also.

IX. Amending Appropriations

During the year, it may become necessary to reallocate the permanent appropriations. This can be accomplished with an appropriation amendment from one account to another within the fund.

An ordinance by the village council is necessary when the appropriation amendment will result in a reallocation of the line item amounts approved in the village's permanent appropriation ordinance. In the following example, formal action would be required:

Example: The original appropriation ordinance allocated $11,000 for utilities in a specific department or program. The village later determines that $15,000 is a more reasonable estimate. Formal action by the village council to increase the appropriation account is needed. In order for this appropriation account to be increased, it may be necessary to reduce one or more other appropriation accounts so as not to exceed the amount on the amended official certificate of estimated resources. If so, the same formal action is required. The appropriations also must be provided to the county auditor to certify that they do not exceed estimated resources.

In many villages, accounts in the appropriations ledger are established in more detail than shown in the formal appropriation ordinance. This practice results from the village's desire to have more detailed financial information and/or more budgetary control. These detailed appropriation accounts are commonly referred to as budgetary accounts. An example of these budgetary accounts is shown as follows:

Permanent Appropriation Ordinance		Budgetary Accounts Shown on Appropriations Ledger		
Transportation		Transportation		
Salaries	$24,000	Salaries		
			Regular	$20,000
			Overtime	4,000
Fringe Benefits	5,000	Fringe Benefits		
			Retirement	3,000
			Insurance	2,000
Utilities	100,000	Utilities		
			Fuel Oil	50,000
			Electric	20,000
			Gas	30,000

In this example, it is important to note that the detailed accounts (budgetary accounts) do not vary from the allocation prescribed by the village council in their permanent appropriations. They just provide more detailed information.

If the village later realizes that additional appropriations are needed in the salary accounts and less is needed in the utility accounts, the change will require formal action of the village council. However, if additional amounts are needed in the fuel oil budgetary account, and less in the electric budgetary account, this modification of budgetary accounts does not require any formal action by village council.

Regardless of whether an appropriation amendment or a modification of a budgetary account occurs, the fiscal officer is to post the necessary adjustment to the appropriations ledger.

X. Investments

A properly maintained investment ledger discloses how each investment was made, and the return of each investment to the active funds of the village.

The investment ledger should include the following information:

Date	The date on which the transaction occurred.
Description	The type of investment, maturity date, interest rate, amount, and the financial institution involved.
Number	The investment identification number. (If the investment is in the fund that is making the investment should be recorded here or under the description.
Receipt Number	The receipt number for interest received from the banking institution.
Check Number	The check number of the check written to the bank to make the investment. (If a check is issued.)
The "X" Column	This column is used to denote which investments have been redeemed. When an investment is redeemed, an "X" should be placed in the column where the original investment was purchased. This provides an easy method of identifying which investments remain outstanding.
Purchased	The principal amount invested.
Redeemed	The principal amount redeemed.
Balance	The total amount of investments.

At the time an investment is purchased, fund balances are not reduced. The transaction is recorded in the cash journal as a "memorandum entry" and all pertinent information is recorded in the investment ledger.

When an investment is redeemed, a "memorandum entry" is recorded in the cash journal for the return of the initial investment, a receipt is issued for the interest earned, the interest receipt is recorded in the cash journal and the receipts ledger, and the redemption of the investment is recorded in the investment ledger.

Some investments sell at a premium or discount, that is more or less than their face value, depending on current interest rates. The effect of purchasing an investment at a premium or discount is to decrease or increase the village's interest rate of return. If an investment is purchased at a premium, each time the village receives an interest payment on the investment, a portion should be treated by the village as a partial return of the premium rather than interest. The allocation should be large enough to reduce the premium to zero by the time the investment reaches maturity. For example, a 5 percent, $100,000 investment purchased at a premium of $1,200 will mature in two years. The investment is recorded as $101,200. Interest payments are made every six months of $2,500. Each interest payment is receipted as $2,200 interest and $300 as a return of the premium.

If the investment had been purchased at a discount of $1,200, the village will receive $1,200 more in interest over the life of the investment. This may be receipted as additional interest of $300 each time an interest payment is received, or the entire $1,200 may be recognized upon maturity. If recognized periodically, the extra interest will be a reconciling item on the monthly cash reconciliation since it will have been recorded as interest prior to receiving the cash.

An example of the following investment transactions is shown on the following pages.

Transaction 1 A certificate of deposit, number CD 80573, was purchased on September 1, 2000.

Transaction 2 Treasury notes were purchased on October 22, 2000.

Transaction 3 Certificate of deposit, number CD 80573, was redeemed on January 2, 2001. Interest received on the investment was $112.50.

It is recommended that investment information be shared with village council on a regular basis.

A written policy should be established as to the distribution of interest on investments in accordance with applicable statutory requirements.

Investment Ledger

Date	Description	Number	Receipt Number	Check Number	X	Purchased	Redeemed	Balance
09/01/00	National Bank Certificate of Deposit 6% Interest Maturity 1/1/01	General Fund 100% #80573		Memo 650		$7,500		$7,500
10/22/00	ABC Bank Treasury Notes 7.5% Interest Maturity 4/2/01	General Fund 100% #674		Memo 710		10,000		17,500
1/2/2001	National Bank Interest	CD #80573	60		X		7,500	10,000

Receipts Ledger

Fund: General Fund Sheet No. 10

Source: Miscellaneous

Account: Interest

Account No: 1000-701 Amount of Budget Estimate $1,600.00

Date	Name	Purpose	Bill No.	Receipt No.	Amount Received (Fund Credit)	X	Memoranda-Accounts Receivable		
							Debit	Credit	Balance
2001									
01/01/01	Budget	Estimated Revenue							$1,600.00
01/02/01	Transaction #3 National Bank	Interest on CD #80573		60	112.50				1,487.50

CHAPTER SEVEN: OHIO BUDGETARY LAW

I. Overview

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable (Appendix C). The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the cash basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified by the county budget commission. All funds, other than agency funds, are legally required to be budgeted and appropriated.

The budgeting process involves planning the goals of the village and the actions that need to be taken to achieve those goals. Planning is not only for the upcoming year, but for future years. The purchase of new furniture, expanding inventory, improvements to buildings, and increases in staff should be considered.

Except for the certification of estimated resources, State law does not specifically identify the person responsible for preparing the various budgetary documents. It could be the clerk/treasurer, mayor, village council, department supervisors, or any combination thereof. In practice, the clerk/treasurer monitors compliance with Ohio budgetary law and plays a key role in the completion of the various documents.

II. Tax Budget

The village must complete and adopt a tax budget that is prepared by the mayor by July 1 of each year for the ensuing year. The express purpose of the tax budget is to reflect the need for existing or increased tax rates, and to obtain an apportionment from the undivided local government fund. If a budget is not prepared, the village has no mechanism to demonstrate the need for an apportionment from the undivided local government fund for the ensuing year. In addition, the tax budget serves as a planning tool for village council and officials.

The tax budget (Appendix B-1; Exhibit 1) contains a section that consists of four columns for receipts and expenditures of the general fund. The first two columns contain the two previous years' actual receipts and expenditures. The third column is the financial information for the current year. This will consist of partial actual and partial estimated receipts and expenditures. The final column represents the budget for the ensuing year. The estimates in the final column should be based on historical and/or specific plans for the ensuing year. Previous years' information can be obtained from the annual financial reports prepared each year and/or the tax budget prepared the previous year. A similar schedule should be prepared for all other funds receiving property taxes. The information needed for all other funds is presented in a separate schedule at a summarized level.

The tax budget also contains two schedules that present information on the village's tax levies. The information needed to complete this section includes: authority and/or purpose of the levy, date of vote, tax years' affected, maximum rate authorized to be levied, and the county auditor's estimate of yield of levy. This information should be available from the resolution requesting such levy(s) and the county auditor.

There are public hearing requirements before the adoption of the tax budget by village council. The village must have at least one public hearing before they adopt the tax budget. Notice of this hearing must be given at least ten days prior to the hearing in the official publication of the village or a newspaper having a general circulation in the village. Also, two copies of the tax budget shall be filed in the office of the clerk/treasurer for public inspection at least ten days before its adoption by village council.

After the budget is adopted by village council on or before July 15, it is to be submitted to the county auditor on or before July 20.

The county budget commission reviews the budget to determine if revenue estimates are accurate for tax levies and the undivided local government fund. In addition, they review other revenue estimates to establish their reasonableness. On or before the first day of September, the county budget commission should return to the village an official certificate of estimated resources (Appendix B-1.12). This document presents the total estimated resources for each fund of the village for the ensuing year. In addition, the county auditor provides an estimate of the tax rates to be levied by the village.

The village, by resolution, shall authorize the necessary tax levies (inside and outside the ten-mill limitation) and certify them to the county auditor by October 1, each year. This resolution is referred to as "a resolution accepting the amounts and rates as determined by the county budget commission".

III. Certificate of Estimated Resources

The first certificate of estimated resources, referred to as the official certificate of estimated resources, is prepared by the county budget commission and is based on information in the tax budget completed in July. This certificate includes the estimated unencumbered fund balances and estimated revenues for each fund. These amounts added together represent the estimated resources for each fund and the maximum amount that may be appropriated for that fund for the ensuing year.

On or about the first day of each fiscal year, the clerk/treasurer of the village is to certify, to the county auditor, the actual unencumbered fund balance and estimated revenue for each fund. The form used to certify this information is the certificate of total amount from all sources available for expenditures, and balances (Appendix B-3.1). The form is completed by the clerk/treasurer and filed with the county auditor as soon after December 31 as possible. The first page of this form is a summary of all funds by fund type. The remaining pages identify the individual funds. The county budget commission, taking into consideration the fund balances and revenues to be derived from taxation and other sources, certifies and issues to the village an amended official certificate of estimated resources.

The certificate of total amount from all sources available for expenditures, and balances filed with the county budget commission shall not include, as an unencumbered balance, the principal of a non-expendable trust fund (refer to Auditor of State Bulletin 2005-005) created under Ohio Revised Code Section 5705.131 or any amount reserved under Ohio Revised Code Section 5705.13 for budget stabilization, a retrospective rating plan for workers' compensation, or for self-insurance.

Since the official certificate of estimated resources was prepared several months before year end, the estimated revenues presented in this certificate may need to be revised. The certificate may be further amended during the year if the clerk/treasurer determines, and the county budget commission agrees, that more or less revenue will be received than originally estimated. The county budget commission, upon review, will issue a new amended official certificate of estimated resources.

Three primary reasons exist under State law for a local government to request the issuance of an amended official certificate of estimated resources (Ohio Revised Code Section 5705.36). These reasons are as follows:

1. The clerk/treasurer determines the revenue to be collected will be greater than or less than the amount included in the official certificate of estimated resources;

2. The clerk/treasurer determines the revenue to be collected will be greater than the amount included in the official certificate or estimated resources and village council intends to appropriate and expend the excess revenue; or

3. The clerk/treasurer determines the revenue to be collected will be less than the amount included in an amended official certificate of estimated resources and the deficiency will reduce available resources below the level of current appropriations.

The Ohio Revised Code Section 5705.36 does not require the clerk/treasurer to obtain an amended official certificate of estimated resources which matches actual resources for the year (a "zero variance"). Citations for noncompliance with this provision will not be issued by the Auditor of State's Office on the basis of a variance between amounts in the most recent amended official certificate of estimated resources and the amount of actual resources, unless it appears that the clerk/treasurer knowingly disregarded a significant variance and that, had a "reduction" certificate been obtained, the effect would have been to prevent the making of expenditures or the incurrence of obligations in excess of actual resources.

IV. Appropriations

An annual appropriation ordinance (Appendix B-4) must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance identifies the amounts that village council expects to spend on each line item (account) for the year. The village must have appropriations adopted to legally spend money. However, the total amount appropriated for each fund must be less than or equal to the total estimated resources for that fund.

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year, for the period January 1 to March 31. The village may choose to adopt a temporary appropriation measure because the appropriated budget has not been completed and/or the estimates in the official certificate of estimated resources are not sufficient to support the anticipated appropriations and must be amended.

The temporary appropriation amounts can be an estimate of what will be spent for up to the first three months. However, the permanent appropriations must be an estimate of what will be spent for the entire year. For example:

1. The village expects to spend $100 each month for supplies-administration. The temporary appropriation would be $300, and the permanent appropriation would be $1,200.

2. Both the temporary and permanent appropriations should be recorded in the appropriations ledger.

The total appropriations for each fund cannot exceed the total on the amended official certificate of estimated resources. This is the "budget" mechanism that attempts to prevent overspending. However, there may be carryover appropriations for outstanding encumbrances. These are covered by "encumbered" cash which is not included in the amended official certificate of estimate resources.

The permanent appropriations may be amended throughout the year by an ordinance adopted by village council; however, the total appropriations should never exceed the amount for each fund as presented on the amended official certificate of estimated resources.

V. Budgeted Level of Expenditures

Budget information for the village is normally presented at various levels of detail. The tax budget, for example, presents expenditures at both the fund level, and the program and activity level. The appropriation ordinance may present expenditures at the fund, program, activity, and object (two characters) level for each fund. Management, in preparing a budget, will generally estimate the expenditures at the full object level (all three characters) for each program and activity.

The level of detail presented in an appropriation ordinance that is adopted by village council is referred to as the "legal level of control". The level of detail maintained by management, such as in the accounting system, is called the "management level of control." The significant difference between the two levels of control is how the amounts can be modified during the year. Any change in the amount appropriated by village council can only be changed by an ordinance approved by village council. In contrast, the level controlled by management can be changed with the approval of an appropriate official.

In the following example, it is assumed that appropriations are adopted by village council at the fund, program, activity, and two characters of object level. An increase or decrease in this object level within the program and activity must be approved by village council. An increase or decrease in an object code (three characters) that does not affect the total appropriated by village council can be approved by management.

The following is an example that requires the approval of village council.

Accounts to be Decreased	Amounts	Accounts to be Increased	Amounts
1000-110-349	$1,500	1000-110-420	$1,500
1000-110-190	1,000	1000-710-160	1,000

The following is an example that may be approved by management.

Accounts to be Decreased	Amounts	Accounts to be Increased	Amounts
1000-725-311	$750	1000-725-350	$750
1000-120-410	500	1000-120-420	500

The legal level of control is the level at which the appropriation measure is passed by village council. The village council, pursuant to charter or ordinance, has the ability to establish its legal level of control at the beginning of each year coinciding with the adoption of its annual appropriation ordinance. Once established, the legal level of control should remain the same throughout the year.

A statutory village must at least comply with statutory law. Section 5705.38(C) states, an appropriation measure shall be classified, so as to set forth separately, the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.

Auditors are required to determine the legal level of control and assure that the village's financial statements and schedules properly report budgetary accountability at that level. Auditors are required to test budgetary compliance throughout the year as well as at the end of the year. In determining the legal level of control, auditors will use the level of detail set forth in the village's appropriation ordinance.

VI. Delegation of Authority to Set Appropriations

The legislative body of a local government may not delegate its authority to establish appropriations. The appropriation process is a function of the legislative authority that must be performed by those specific individuals elected to fulfill that responsibility. However, other officials of the local government may be given the authority to allocate or re-allocate funds within a legally adopted appropriation.

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APPENDIX A-1

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APPENDIX A-2

OHIO AUDITOR OF STATE
UNIFORM ACCOUNTING NETWORK (UAN)
ACCOUNT CODES

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APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
Village Funds - Accounting Codes

Fund Number	Fund Name	Program Default
	GOVERNMENTAL FUNDS	
	GENERAL FUND	
1000	General	User assigned
1000-XXXX	Income Tax	User assigned
	SPECIAL REVENUE	
2011-2019	Street Construction, Maintenance, and Repair	6xx
2021-2029	State Highway	6xx
2031-2039	Cemetery	240
2041-2049	Parks and Recreation	3xx
2051-2059	Federal Grant	User assigned
2061-2069	State Grant	User assigned
2071-2079	Income Tax	User assigned
2081-2089	Drug Law Enforcement	110
2091-2099	Law Enforcement Trust	110
2101-2109	Permissive Motor Vehicle License Tax	6xx
2111-2119	Permissive Sales Tax (For hotel/motel excise tax for Convention and Visitors Bureau. Ohio Revised Code Section 5739.09(B))	User assigned
2121-2129	COPS Fast	110
2131-2139	Police Disability and Pension	110
2141-2149	Fire Disability and Pension	120
2271-2289	Enforcement and Education	110
2291-2299	Underground Storage Tank	190
2401-2499	Special Assessment	User assigned
2901-2999	Other Special Revenue	User assigned
	DEBT SERVICE	
3101-3199	General Obligation Bond Retirement	850
3201-3299	Sinking	850
3301-3399	Special Assessment Debt Service	850
3401-3499	Note Retirement	850
3901-3999	Other Debt Service	850

APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
Village Funds - Accounting Codes

Fund Number	Fund Name	Program Default
	CAPITAL PROJECTS	
4101-4199	Bond Construction	800
4201-4299	Grant Construction	800
4501-4599	Special Assessment Construction	800
4901-4949	Other Capital Projects	800
	PERMANENT	
4951-4999	Permanent	User assigned
	PROPRIETARY FUNDS	
	ENTERPRISE	
5101-5199	Water Operating	530 series
5201-5299	Sewer Operating	540 series
5301-5399	Electric Operating	510 series
5401-5499	Parking	150, 650
5501-5599	Swimming Pool	340
5601-5699	Other Enterprise Operating	User assigned
5701-5709	Enterprise Improvement	800
5721-5739	Enterprise Debt Service	850
5741-5759	Enterprise Debt Service Reserve	850
5761-5779	Enterprise Reserve	User assigned
5781-5799	Enterprise Deposit	User assigned
5901-5919	Other Enterprise	User assigned
	INTERNAL SERVICE	
6101-6199	Revolving	User assigned
6901-6999	Other Internal Service	User assigned

UNIFORM ACCOUNTING NETWORK
Village Funds - Accounting Codes

Fund Number	Fund Name	Program Default
	FIDUCIARY FUNDS	
	AGENCY (only if being held for another government)	
9101-9199	Unclaimed Monies	User assigned
9201-9209	Income Tax	User assigned
9901-9924	Other Agency	User assigned
	TRUST (only if being held for another government)	
9951-9974	Investment Trust	User assigned
9976-9999	Private Purpose Trust	User assigned

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APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes

Revenue Code	Revenue Account Title	Financial Report Caption Title
100	**Property and Other Local Taxes**	**Property and Other Local Taxes**
110	General Property Tax - Real Estate	
120	Tangible Personal Property Tax	
130	Municipal Income Tax	
140	Permissive Sales Tax	
150	License Tax - Local	
190	Other - Local Taxes	
200	**State Shared Taxes and Permits**	**Intergovernmental Revenues**
211	Local Government Distribution	
213	Library and Local Government Revenue Assistance	
221	Inheritance Tax	
222	Cigarette Tax	
224	Liquor and Beer Permit Fees	
225	Gasoline Tax (State)	
226	License Tax - State Levied	
231	Property Tax Allocation	
290	Other - State Shared Taxes and Permits	
300	**Special Assessments**	**Special Assessments**
310	Street Improvement and Maintenance	
320	Sidewalk Improvement	
330	Sewer Improvement	
340	Water Improvement	
350	Street Cleaning and Improvement	
360	Street Lighting	
390	Other - Special Assessments	

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes

Revenue Code	Revenue Account Title	Financial Report Caption Title
400	**Intergovernmental Revenues**	
410	***Federal Receipts***	
411	Federal - Restricted	
412	Federal - Unrestricted	
413	Federal - Pass Through Grants	
419	Other - Federal Receipts	**Intergovernmental Revenues**
420	***State Receipts***	
422	State - Restricted	
423	State - Unrestricted	
424	State - Pass Through Grants	
429	Other - State Receipts	
430	License Tax - County Levied	
440	Grants or Aid (Non-Federal and Non-State)	
490	Other - Intergovernmental Revenues	
500	**Charges for Services**	
510	***General Government Contracts***	
511	Contracts for Fire Services	
512	Contracts for Police Protection	
513	Parking Meters	
514	Garbage and Trash	
515	Contracts for Emergency Medical Services	**Charges for Services**
519	Other - General Government Contracts	
520	***Cultural and Recreational Programs***	
521	Swimming Pool	
522	Concession Stands	
523	Recreation Entry Fees	
529	Other - Cultural Recreational Programs	
530	***Cemetery***	
531	Sale of Lots	
532	Grave Opening Fees	
533	Foundations	
539	Other - Cemetery	

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes

Revenue Code	Revenue Account Title	Financial Report Caption Title
540	***Utilities***	
541	Consumer Rent	**Charges for Services (continued)**
542	Tap Fees	
543	Bulk Sales	
544	Deposits	
549	Other - Utilities	
590	Other - Charges for Services	
600	**Fines, Licenses and Permits**	
610	***Fines and Forfeitures***	
611	Court Costs	
612	Court Fines	
613	State Court Costs (Use only with Agency Funds)	
619	Other - Fines and Forfeitures	
620	***Licenses and Permits***	**Fines, Licenses, and Permits**
621	Building Permits	
622	Inspections	
623	Zoning	
624	Street Opening	
625	Cable Franchise Fees	
629	Other - Licenses and Permits	
690	Other - Fines, Licenses and Permits	
700	**Earnings on Investments**	
701	Interest	**Earnings on Investments**
790	Other - Earnings on Investments	
800	**Miscellaneous**	
820	Contributions and Donations	**Miscellaneous**
830	Payment in Lieu of Taxes	
841	Capital Contributions	
842	Capital Contributions - Tap Fees	
850	Contributions to a Permanent Fund (Use only with Permanent Funds)	

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes

Revenue Code	Revenue Account Title	Financial Report Caption Title
891	Other - Miscellaneous Operating	**Miscellaneous (continued)**
892	Other - Miscellaneous Non-Operating	
900	**Other Financing Sources**	**Other Financing Sources**
910	***Proceeds of Bonds***	
911	Proceeds of Bonds	
912	Premium and Accrued Interest - Bonds	
919	Other - Proceeds of Bonds	
920	***Proceeds of Notes***	
921	Proceeds of Notes	
922	Premium and Accrued Interest - Notes	
929	Other - Proceeds of Notes	
931	Transfers - In	
941	Advances - In	
961	Sale of Fixed Assets	
971	Other - Debt Proceeds	
981	Special Items	
982	Extraordinary Items	
999	Other - Other Financing Sources	

APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes Descriptions

Revenue Code	Revenue Name	Description
100	**Property and Other Local Taxes**	Summary revenue code for Property and Other Local Taxes. Comprises detail revenue codes 110-190.
110	General Property Tax - Real Estate	Semi-annual tax settlement from county auditor, including deductions.
120	Tangible Personal Property Tax	Semi-annual tax settlement from county auditor, including deductions.
130	Municipal Income Tax	Revenue received from the enactment of a local income tax.
140	Permissive Sales Tax	Sales tax levied by villages on hotel and motel lodging.
150	License Tax - Local Levied by Council	Distribution of motor vehicle license tax from State Auditor.
190	Other - Local Taxes	Receipt of any other taxes not described in revenue source codes 110-150 such as admission taxes, hotel taxes, amusement taxes, franchise taxes, etc.
200	**State Shared Taxes and Permits**	Summary revenue code for State Shared Taxes and Permits. Comprises detail revenue codes 211-290.
211	Local Government Distribution	State and county distribution of local government fund. Ohio Revised Code Section 5747.50
213	Library and Local Government Revenue Assistance	Allocations of library and local government assistance money made under Ohio Revised Code Sections 5705.32 or 5705.321.
221	Inheritance Tax	Revenue received from county auditor settlements, including deductions.
222	Cigarette Tax	Revenue received from county auditor settlements.
224	Liquor and Beer Permit Fees	Revenue received from liquor licenses.
225	Gasoline Tax (State)	Auditor of State distributions of municipal per gallon and gasoline excise tax.
226	License Tax - State	Auditor of State distributions for license tax.
231	Property Tax Allocation	Money provided by the State as a reimbursement for statutory tax credits and reductions granted to real and personal property taxpayers to include 10% and 2.5% rollbacks, homestead exemptions, $10,000 personal property tax exemption, utility deregulation (electric and natural gas), property tax replacement (kilowatt per hour and natural gas consumption taxes), excess distribution of utility deregulation taxes, tangible personal property tax loss, and other property tax allocations.
290	Other - State Shared Taxes and Permits	Other state shared taxes and permits not included in revenue codes 211-231.

APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes Descriptions

Revenue Code	Revenue Name	Description
300	**Special Assessments**	Summary revenue code for Special Assessments. Comprises detail revenue codes 310-390.
310	Street Improvement and Maintenance	Special assessments levied against property owners for the improvement of streets.
320	Sidewalk Improvement	Special assessments levied against property owners for construction or improvement of sidewalks.
330	Sewer Improvement	Special assessments levied against property owners for construction or improvement of sewers and sewage systems.
340	Water Improvement	Special assessments levied against property owners for construction or improvement of water lines or water systems.
350	Street Cleaning and Improvement	Special assessments levied against property owners for cleaning streets and removing snow.
360	Street Lighting	Special assessments levied against property owners for street lighting.
390	Other - Special Assessments	All other special assessments levied against property owners not included in 310-360.
400	**Intergovernmental Revenues**	Summary revenue code for Intergovernmental Revenues. Comprises detail revenue codes 410-499.
410	***Federal Receipts***	Sub-summary revenue code for Federal Receipts. Comprises detail revenue codes 411-419.
411	Federal - Restricted	Federal government grants or aid.
412	Federal - Unrestricted	Federal government grants or aid.
413	Federal - Pass Through Grants	Federal government grants or aid.
419	Other - Federal Receipts	Federal government grants or aid not listed under 411-413.
420	***State Receipts***	Sub-summary revenue code for State Receipts. Comprises detail revenue codes 422-429.
422	State - Restricted	State government grants or aid.
423	State - Unrestricted	State government grants or aid.
424	State - Pass Through Grants	State government grants or aid.
429	Other - State Receipts	State government grants or aid not listed under revenue codes 422-424.
430	License Tax - County	Revenue from county license tax.
440	Grants or Aid (Non-Federal and Non-State)	Other non-federal or non-state grants or aid.
490	Other - Intergovernmental Revenues	Other non-federal or non-state grants or aid not listed under revenue codes 410-440.

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes Descriptions

Revenue Code	Revenue Name	Description
500	**Charges for Services**	Summary revenue code for Charges for Services. Comprises detail revenue codes 510-590.
510	***General Government Contracts***	Sub-summary revenue code for General Government Contracts. Comprises detail revenue codes 511-519.
511	Contracts for Fire Services	Receipts from furnishing fire protection services to other political subdivisions.
512	Contracts for Police Protection	Receipts from furnishing police services to other political subdivisions.
513	Parking Meters	Receipts from parking meters.
514	Garbage and Trash	Receipts derived from furnishing garbage and trash services to other political subdivisions.
515	Contracts for Emergency Medical Services	Receipts derived from furnishing emergency medical services to other political subdivisions.
519	Other - General Government Contracts	Receipts derived from furnishing contracted other general governmental services to other political subdivisions not described in revenue codes 511-515.
520	***Cultural and Recreational Programs***	Sub-summary revenue code for Cultural and Recreational Programs. Comprises detail revenue codes 521-529.
521	Swimming Pool	Fees received from use of swimming pool.
522	Concession Stands	Proceeds received from the operation of a concession stand.
523	Recreation Entry Fees	Fees received from participating recreational fees.
529	Other - Cultural and Recreational Programs	Other cultural or recreational fees not described in revenue codes 521-523.
530	***Cemetery***	Sub-summary revenue code for Cemetery. Comprises detail revenue codes 531-539.
531	Sale of Lots	Receipts derived from the sale of cemetery lots.
532	Grave Opening Fees	Proceeds for the opening and closing of grave sites.
533	Foundations	Fees for construction of monument foundations.
539	Other - Cemetery	Other fees collected for cemetery operations.
540	***Utilities***	Sub-summary revenue code for Utilities. Comprises detail revenue codes 541-549.
541	Consumer Rent	Revenue received from the sale of water.
542	Tap Fees	Fees to recover the cost of connecting new customers to the system.
543	Bulk Sales	Proceeds received on flat fees from sale of bulk water.
544	Deposits	Utility deposits received.
549	Other - Utilities	Other utility revenues not described in revenue codes 541-544.
590	Other - Charges for Services	Other charges for services not described in revenue codes 510-549.

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes Descriptions

Revenue Code	Revenue Name	Description
600	**Fines, Licenses, and Permits**	Summary revenue code for Fines, Licenses and Permits. Comprises detail revenue codes 610-690.
610	***Fines and Forfeitures***	Sub-summary revenue code for Fines and Forfeitures. Comprises detail revenue codes 611-619.
611	Court Costs	Fees received from court costs.
612	Court Fines	Penalties imposed for violations of law.
613	State Court Costs	Additional court costs forwarded from the State to be used to fund awards in the Victims of Crime Program. Ohio Revised Code Sections 2743.191 and 2743.70.
619	Other - Fines and Forfeitures	Other fines and forfeitures not described in revenue codes 611-613.
620	***Licenses and Permits***	Sub-summary revenue code for Licenses and Permits. Comprises detail revenue codes 621-629.
621	Building Permits	Fees received from issuance of construction permits.
622	Inspections	Charges received from inspections performed.
623	Zoning	Fees received from issuance of zoning permits.
624	Street Opening	Fees received from issuance of street opening permits.
625	Cable Franchise Fees	Revenue derived from cable franchise fees.
629	Other - Licenses and Permits	All other licenses and permits not described in codes 621-625.
690	Other - Fines, Licenses, and Permits	All other fines, licenses and permits not listed under revenue codes 610-690.
700	**Earnings on Investments**	Summary revenue code for Earnings on Investments. Comprises detail revenue codes 701-799.
701	Interest	Interest received on deposits and investments.
790	Other - Earnings on Investments	Income received on other deposits and investments not included in 701.
800	**Miscellaneous**	
820	Contributions and Donations	Revenue received from contributions and donations.
830	Payment in Lieu of Taxes	Payment by a property owner not subject to a property tax to compensate the government for not being required to pay the tax.
841	Capital Contributions	Contributions of cash from individuals, other funds, or other governments whose use is restricted to capital acquisition or construction.
842	Capital Contributions - Tap Fees	Charge to new customers for their fair share of capital costs of the system.
850	Contributions to a Permanent Fund	A contribution to support a program of the reporting government through the use of the interest earned on the contribution. The original contribution must be maintained intact and may not be spent.
891	Other - Miscellaneous Operating	Receipt of any other operating revenue.
892	Other - Miscellaneous Non-Operating	Receipt of any other non-operating revenue.

UNIFORM ACCOUNTING NETWORK
Village Revenue Sources - Accounting Codes Descriptions

Revenue Code	Revenue Name	Description
900	**Other Financing Sources**	
910	***Proceeds of Bonds***	Sub-summary revenue code for Sale of Bonds. Comprises detail revenue codes 911-919.
911	Proceeds of Bonds	Proceeds from the sale of bonds.
912	Premium and Accrued Interest - Bonds	Premium and accrued interest from the sale of bonds.
919	Other Proceeds of Bonds	Receipts from any other sale of bonds not described in revenue codes 911-912.
920	***Proceeds of Notes***	Sub-summary revenue code for Sale of Notes. Comprises detail revenue codes 921-929.
921	Proceeds of Notes	Proceeds from the sale of notes.
922	Premium and Accrued Interest - Notes	Premium and accrued interest from the sale of notes.
929	Other Proceeds of Notes	Receipts from any other sale of notes not described in revenue codes 921-922.
931	Transfers - In	Permanent transfers in from another fund.
941	Advances - In	Temporary loans of cash from another fund made with the intent of repayment.
961	Sale of Fixed Assets	Revenue received from the sale of fixed assets.
971	Other Debt Proceeds	Receipt from the proceeds of any other debt.
981	Special Items	Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.
982	Extraordinary Items	Significant transactions or other events that are both unusual in nature and infrequent in occurrence.
999	Other - Other Financing Sources	Other financing sources not listed under 911-982.

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UNIFORM ACCOUNTING NETWORK
Village Programs (Expenditure Accounts) - Accounting Codes

Program Code	Program Name	Financial Report Caption Title
	Security of Persons and Property	
110	Police Enforcement	
120	Fire Fighting, Prevention, and Inspection	
130	Street Lighting	**Security of Persons and Property**
140	Civil Defense	
150	Traffic Signals, Signs, and Marking	
160	Emergency Medical Services	
190	Other Security of Persons and Property	
	Public Health Services	
210	Payment to County Health District	
220	Payment of County Human Services Program	**Public Health Service**
230	Other Assistance to Needy	
240	Cemetery	
290	Other Public Health Services	
	Leisure Time Activities	
310	Recreation	
320	Provide and Maintain Parks	
330	Cultural Facilities	**Leisure Time Activities**
340	Swimming Pool	
350	Concessions	
390	Other Leisure Time Activities	
	Community Environment	
410	Community Planning and Zoning	
420	Public Housing Projects	**Community Environment**
490	Other Community Environment	

UNIFORM ACCOUNTING NETWORK
Village Programs (Expenditure Accounts) - Accounting Codes

Program Code	Program Name	Financial Report Caption Title
	Basic Utility Services	
	Electric	
511	Administration - Electric	
512	Billing - Electric	**Basic Utility Services**
513	Generation/Purchase - Electric	
514	Distribution - Electric	
519	Other Electric	
	Gas	
521	Administration - Gas	
522	Billing - Gas	
523	Generation/Purchase - Gas	
524	Distribution - Gas	
529	Other Gas	
	Water	
531	Administration - Water	
532	Billing - Water	
533	Supply/Purchase - Water	
534	Filtration - Water	
535	Pumping - Water	
539	Other Water	
	Sanitary Sewers and Sewage	
541	Administration - Sanitary Sewers and Sewage	
542	Billing - Sanitary Sewers and Sewage	
543	Pumping - Sanitary Sewers and Sewage	
549	Other Sanitary Sewers and Sewage	
	Storm Sewers and Drains	
551	Administration - Storm Sewers and Drains	
552	Billing - Storm Sewers and Drains	
553	Waste Collection - Storm Sewers and Drains	
554	Waste Disposal - Storm Sewers and Drains	
559	Other Storm Sewers and Drains	

UNIFORM ACCOUNTING NETWORK

Village Programs (Expenditure Accounts) - Accounting Codes

Program Code	Program Name	Financial Report Caption Title
	Refuse Collection and Disposal	
561	Administration - Refuse Collection and Disposal	**Basic Utility Services**
562	Billing - Refuse Collection and Disposal	**(continued)**
563	Waste Collection - Refuse Collection and Disposal	
564	Waste Refuse Collection and Disposal	
569	Other Refuse Collection and Disposal	
	Other Basic Utility Service	
591	Administration - Other Basic Utility Service	
592	Billing - Other Basic Utility Service	
593	Generation/Purchase - Other Basic Utility Service	
594	Distribution - Other Basic Utility Service	
599	Other Basic Utility Service	
	Transportation	
610	Street Construction and Reconstruction	
620	Street Maintenance and Repair	
630	Street Cleaning, Snow, and Ice Removal	
640	Storm Sewers and Drains	**Transportation**
650	Traffic Signs and Signals	
660	Parking Facilities	
670	Sidewalks	
690	Other Transportation	

UNIFORM ACCOUNTING NETWORK

Village Programs (Expenditure Accounts) - Accounting Codes

Program Code	Program Name	Financial Report Caption Title
	General Government	
710	Mayor and Administrative Offices	
715	Legislative Activities	
720	Mayor's Court	
725	Clerk - Treasurer	**General Government**
730	Lands and Buildings	
735	Boards and Commissions	
740	Tax Collection Fees	
745	Auditor of State Fees	
750	Solicitor	
755	Income Tax Administration	
760	Tax Refunds	
765	Distribution of Income Tax - Other Government	
770	Other Income Tax	
780	Self-Insurance	
790	Other General Government	
800	Capital Outlay	**Capital Outlay**
850	Debt Service	**Debt Service**
	Other Financing Uses	
910	Transfers - Out	
920	Advances - Out	**Other Financing Uses**
930	Contingencies	
990	Other Financing Uses	

UNIFORM ACCOUNTING NETWORK
Village Object (Expenditure Accounts) - Accounting Codes

Object Code	Object Name	Program Default	Direct Charges Posted?
100	**Personal Services**		Yes
110	***Salaries - Council's Office***		Yes
111	Salaries - Council		Yes
112	Salaries - Council's Staff		Yes
119	Other - Salaries - Council's Office		Yes
120	***Salaries - Clerk/Treasurer's Office***		Yes
121	Salary - Clerk/Treasurer		Yes
122	Salaries - Clerk/Treasurer's Staff		Yes
129	Other - Salaries - Clerk/Treasurer's Office		Yes
130	***Salaries - Administrator's Office***		Yes
131	Salary - Administrator		Yes
132	Salaries - Administrator's Staff		Yes
139	Other - Salaries - Administrator's Office		Yes
140	***Salaries - Legal Counsel's Office***		Yes
141	Salary - Legal Counsel		Yes
142	Salaries - Legal Counsel's Staff		Yes
149	Other - Salaries - Legal Counsel's Office		Yes
150	Compensation of Board and Commission Members		Yes
160	***Salaries -Mayor's Office***		Yes
161	Salary- Mayor		Yes
162	Salaries - Mayor's Staff		Yes
169	Other - Salaries - Mayor's Office		Yes
190	Other - Personal Services		Yes
200	**Employee Fringe Benefits**		
210	***Employer's Retirement Contributions***		
211	Public Employees Retirement System		Yes
212	Social Security		Yes
213	Medicare		Yes
214	Volunteer Firemen's Dependents Fund		Yes
215	Ohio Police and Fire Pension Fund		Yes
219	Other - Employer's Retirement Contributions		Yes

UNIFORM ACCOUNTING NETWORK
Village Object (Expenditure Accounts) - Accounting Codes

Object Code	Object Name	Program Default	Direct Charges Posted?
220	***Insurance Benefits***		No
221	Medical/Hospitalization		No
222	Life Insurance		No
223	Dental Insurance		No
224	Vision Insurance		No
225	Workers' Compensation		Yes
229	Other - Insurance Benefits		No
240	Unemployment Compensation		Yes
250	***Employee Reimbursements***		No
251	Uniform, Tool, and Equipment Reimbursements		No
252	Travel and Transportation		No
259	Other - Employee Reimbursements		No
260	Housing and Meals		No
270	Uniforms and Clothing		No
290	Other - Employee Fringe Benefits		No
300	**Contractual Services**		No
310	***Utilities***		No
311	Electricity		No
312	Water and Sewage		No
313	Natural Gas		No
314	Heating Oil		No
315	Coal		No
319	Other - Utilities		No
320	***Communications, Printing, and Advertising***		No
321	Telephone		No
322	Postage		No
323	Postage Machine Rental		No
324	Printing and Reproduction		No
325	Advertising		No
329	Other - Communications, Printing, and Advertising		No
330	Rents and Leases		No

UNIFORM ACCOUNTING NETWORK
Village Object (Expenditure Accounts) - Accounting Codes

Object Code	Object Name	Program Default	Direct Charges Posted?
340	***Professional and Technical Services***		No
341	Accounting and Legal Fees		No
342	Auditing Services		No
343	Uniform Accounting Network Fees		No
344	Tax Collection Fees		Yes
345	Election Expenses		Yes
346	Engineering Services		No
347	Planning Consultants		No
348	Training Services		No
349	Other - Professional and Technical Services		No
350	***Insurance and Bonding Services***		No
351	Insurance and Bonding		No
352	Property Insurance Premiums		No
353	Liability Insurance Premiums		No
354	Fidelity Bond Premiums		No
359	Other - Insurance and Bonding Services		No
390	***Other Contractual Services***		No
391	Dues and Fees		No
392	Building and Other Structures		No
393	Motor Vehicles		No
394	Machinery, Equipment, and Furniture		No
395	Land and Improvements		No
396	Streets, Highways, Curbs, and Sidewalks		No
397	Utility - Systems		No
398	Garbage and Trash Removal		No
399	Other - Other Contractual Services		No
400	**Supplies and Materials**		No
410	Office Supplies and Materials		No
420	Operating Supplies and Materials		No

UNIFORM ACCOUNTING NETWORK
Village Object (Expenditure Accounts) - Accounting Codes

Object Code	Object Name	Program Default	Direct Charges Posted?
430	***Repairs and Maintenance***		No
431	Repairs and Maintenance of Buildings and Land		No
432	Repairs and Maintenance of Machinery and Equipment		No
433	Repairs and Maintenance of Motor Vehicles		No
439	Other - Repairs and Maintenance		No
440	Small Tools and Minor Equipment		No
490	Other - Supplies and Materials		No
500	**Capital Outlay**		No
510	Land and Land Improvements		No
520	Equipment		No
530	Buildings and Other Structures		No
540	Machinery, Equipment and Furniture		No
545	Runways, Taxiways, Ramps, Docks, and Waterways		No
550	Motor Vehicles		No
555	Streets, Highways, Sidewalks, and Curbs		No
560	Utility Distribution Systems		No
590	Other - Capital Outlay		No
600	**Miscellaneous**		No
610	Deposits Refunded		Yes
620	Deposits Applied		Yes
630	Compensation and Damages		No
640	Payment to Another Political Subdivision		No
650	Contributions to Other Organizations		No
660	***Claims***		No
661	Liability Insurance		No
662	Health Insurance		No
663	Dental Insurance		No
664	Vision Insurance		No
665	Prescription Insurance		No
666	Worker's Compensation		No
669	Other Claims		No

UNIFORM ACCOUNTING NETWORK
Village Object (Expenditure Accounts) - Accounting Codes

Object Code	Object Name	Program Default	Direct Charges Posted?
690	Other - Miscellaneous		No
700	**Debt Service**		No
710	Principal	850	No
720	Interest	850	No
730	Discount on Debt	850	No
790	Other - Debt Service	850	No
900	**Other Financing Uses**		
910	Transfers - Out	910	Yes
920	Advances - Out	920	Yes
930	Contingencies	930	No
990	Other - Other Financing Uses	990	No

Direct Charges Posted?

Yes indicates that an expenditure may be charged directly to this account. The user is not required to establish a purchase order or a blanket certificate before charging expenditures to this account.

No indicates that a direct charge is not permitted to this account. A purchase order or a blanket certificate must be first established before expenditures can be charged to this account.

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UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
100	**Personal Services**	Summary object code for Personal Services. Comprises detail object codes 110-190.
110	***Salaries - Council's Office***	Sub-summary object code for Salaries - Council's Office. Comprises object codes 111-119.
111	Salaries - Council	Salaries or wages paid to village council.
112	Salaries - Council's Staff	Salaries or wages paid to village council staff.
119	Other - Salaries - Council's Office	All other salaries or wages paid in Council's office not included in object codes 111-112.
120	***Salaries - Clerk/Treasurer's Office***	Sub-summary object code for Salaries - Clerk/Treasurer's Office. Comprises detail object codes 121-129.
121	Salary - Clerk/Treasurer	Salaries or wages paid to village clerk/treasurer.
122	Salaries - Clerk/Treasurer's Staff	Salaries or wages paid to village clerk/treasurer's staff.
129	Other - Salaries - Clerk/Treasurer's Office	All other salaries or wages paid in clerk/treasurer's office not included in objects 121-122.
130	***Salaries - Administrator's Office***	Sub-summary object code for Salaries - Administrator's Office. Comprises detail object codes 131-139.
131	Salary - Administrator	Compensation paid to the village administrator.
132	Salaries - Administrator's Staff	Compensation paid to administrator's staff.
139	Other - Salaries - Administrator's Office	All other salaries or wages paid in administrator's office not included in object codes 131-132.
140	***Salaries - Legal Counsel's Office***	Sub-summary object code for Salaries - Legal Counsel's Office. Comprises detail object codes 141-149.
141	Salary - Legal Counsel	Salary or wages paid to the village legal counsel. Ohio Revised Code Section 733.48.
142	Salaries - Legal Counsel's Staff	Compensation paid to legal counsel's staff.
149	Other - Salaries - Legal Counsel's Office	All other salaries or wages paid in legal counsel's office not included in object codes 141-142.
150	Compensation of Board and Commission Members	Compensation paid to members of township boards and commissions.
160	***Salaries -Mayor's Office***	Sub-summary object code for Salaries - Mayor's Office. Comprises detail object codes 161-169.
161	Salary- Mayor	Salaries or wages paid to the village mayor.
162	Salaries - Mayor's Staff	Salaries or wages paid to the village mayor's staff.
169	Other - Salaries - Mayor's Office	All other salaries or wages paid in mayor's office not included in object codes 161-162.
190	Other - Personal Services	Salaries or wages paid to all other village staff not included in object codes 110-169.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
200	**Employee Fringe Benefits**	
210	***Employer's Retirement Contributions***	
211	Public Employees Retirement System	Village's share of retirement contributions payable to the Ohio Public Employees' Retirement System.
212	Social Security	Village's share of retirement contributions payable to the Social Security Administration for Social Security.
213	Medicare	Village's share of retirement contributions payable to the Social Security Administration for Medicare.
214	Volunteer Firemen's Dependents Fund	Village's share of retirement contributions payable to the Volunteer Firemen's Dependents Fund.
215	Ohio Police and Fire Pension Fund	Village's share of retirement contributions payable to the Ohio Police and Fire Pension Fund.
219	Other - Employer's Retirement Contributions	Village's share of other retirement contributions not included in object codes 211-215.
220	***Insurance Benefits***	Village's payments for employee insurance benefits. Sub-summary object code for Insurance Benefits. Comprises detail object codes 221-229.
221	Medical/Hospitalization	Employer's share of employee hospitalization premiums.
222	Life Insurance	Employer's share of employee life insurance premiums.
223	Dental Insurance	Employer's share of employee dental insurance premiums.
224	Vision Insurance	Employer's share of employee vision insurance premiums.
225	Workers' Compensation	Payments to the Ohio Bureau of Worker's Compensation.
229	Other - Insurance Benefits	Employer's share of other employee insurance benefits not included in object codes 221-225.
240	Unemployment Compensation	Payments to the State for unemployment compensation.
250	***Employee Reimbursements***	Payments to village employees for reimbursement of uniform, tool, equipment, and other expenditures. Sub-summary object code for Employee Reimbursements. Comprises detail object codes 251-259.
251	Uniform, Tool and Equipment Reimbursements	Payments to village employees for reimbursement of uniform, tool, and equipment expenditures.
252	Travel and Transportation	Payments to employees in the form of a reimbursement, for expenses incurred due to work related travel and transportation.
259	Other - Employee Reimbursements	Payments to village employees for other reimbursements not included in object codes 251-252.
260	Housing and Meals	Cost of housing and meals furnished to personnel as a condition of employment. Includes allowances paid to members of boards and commissions.
270	Uniforms and Clothing	Monetary allowances paid for maintenance of uniforms or clothing.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
290	Other - Employee Fringe Benefits	Payment of other employee fringe benefits not included in objects 211-270.
300	**Contractual Services**	Summary object code for Contractual Services. Comprises detail object codes 310-369.
310	***Utilities***	Costs of heat, light, power, water, gas, or electricity purchased from either privately owned or publicly operated utilities. Sub-summary object code for Utilities. Comprises detail object codes 310-319.
311	Electricity	Costs for electricity.
312	Water and Sewage	Costs for water and sewage.
313	Natural Gas	Costs for natural gas.
314	Heating Oil	Costs for heating oil.
315	Coal	Costs for coal.
319	Other - Utilities	Cost of utilities not included in object codes 311-319.
320	***Communications, Printing and Advertising***	Expenses for telephone and fax communications, printing, and advertising. Sub-summary object code for Communications, Printing, and Advertising. Comprises detail object codes 321-326.
321	Telephone	Cost of telephone and fax communications.
322	Postage	Cost of postage and shipping charges.
323	Postage Machine Rental	Cost of postage machine rental.
324	Printing and Reproduction	Cost of contractual printing and reproduction such as work done on printing presses, lithographing, and other duplication, photostating, blueprinting, photographing, and microfilming.
325	Advertising	Expenses for publication of official notes, ads, legal advertising in newspapers and periodicals.
329	Other - Communications, Printing, and Advertising	Other communications, printing, and advertising expenses not included in objects 321-325.
330	Rents and Leases	Cost of rents and leases of land, buildings, equipment, and machinery.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
340	***Professional and Technical Services***	Cost of professional services obtained from external sources. Sub-summary object code for Professional and Technical Services. Comprises object codes 341-349.
341	Accounting and Legal Fees	Accounting services provided by either the Auditor of State Local Governmental Services Division or by an independent professional accounting firm. Legal services provided by an external law firm.
342	Auditing Services	Auditing services provided by either the Auditor of State Audit Division or by an independent professional accounting firm.
343	Uniform Accounting Network Fees	Participation fees paid to the Auditor of State for participation in the Uniform Accounting Network program.
344	Tax Collection Fees	Expenses and fees as deducted by the county auditor, county treasurer, and the State Department of Taxation for the collection and administration of taxes. Also the cost of publication of delinquent tax lists as deducted by county auditor.
345	Election Expenses	Election expenses deducted by the county auditor.
346	Engineering Services	Architectural and engineering services.
347	Planning Consultants	Expenses and fees paid for planning services.
348	Training Services	Expenses and fees paid for training village officials and staff.
349	Other - Professional and Technical Services	Payment for other professional and technical services not included in objects 341-348, including fees and charges paid to financial institutions for such services as fiscal agent, trustee, and safety deposit box rental.
350	***Insurance and Bonding Services***	Costs of all insurance other than costs related to personal services (objects 220-229). Sub-summary object code for Insurance and Bonding. Comprises detail object codes 351-359.
351	Insurance and Bonding	Cost of all insurance other than costs related to personal services. Including fidelity and security bonds on officials and employees.
352	Property Insurance Premiums	Cost of property insurance.
353	Liability Insurance Premiums	Cost of liability insurance.
354	Fidelity Bond Premiums	Cost of fidelity and security bonds on officials and employees.
359	Other - Insurance and Bonding Services	Other insurance costs not included in object codes 351-354.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
390	***Other Contracted Services***	Sub-summary object code for Other Contracted Services. Comprises detail object codes 391-399.
391	Dues and Fees	Cost of membership fees and periodic dues in societies, associations of officials, trade associations, and other organizations.
392	Buildings and Other Structures	Cost of service, routine maintenance or repair required to keep buildings and other structures up to a standard of serviceability and the prevention of deterioration by the accomplishment of such work as painting, re-roofing, and emergency repairs of damage.
393	Motor Vehicles	Cost of service, maintenance or repair of owned motor vehicles. Includes service, maintenance, or repair on leased or rented motor vehicles if such work is obtained by contracts separately from lease or rental contracts.
394	Machinery, Equipment, and Furniture	Cost of service, maintenance, repair of owned machinery, equipment, and furniture. Includes service, maintenance, or repair on leased or rented machinery, equipment, and furniture if such work is obtained by contracts separately from lease or rental contracts.
395	Land and Improvements	Cost of service, routine maintenance or repair of land, or land improvements.
396	Streets, Highways, Curbs, and Sidewalks	Cost of service, maintenance, or repair of streets, highways, curbs, and sidewalks.
397	Utility - Systems	Cost of heat, electricity, water, and gas services purchased from either privately owned or publicly operated utilities.
398	Garbage and Trash Removal	Cost of waste disposal services purchased from either privately owned or publicly operated utilities.
399	Other - Other Contractual Services	Other contracted services not included in object codes 391-398.
400	**Supplies and Materials**	Summary object code for Supplies and Materials. Comprises detail object codes 410-490.
410	Office Supplies and Materials	Cost of office supplies and materials such as office stationary, forms, reproduction supplies, small items of equipment, maps, and other supplies consumed in the office environment.
420	Operating Supplies and Materials	Cost of operating supplies and materials such as diesel fuel, oil and lubricants, gasoline, chains, parts, materials used in the maintenance and repair of roads, cleaning and sanitation supplies, and household and institutional supplies.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Descriptions

Object Code	Object Name	Description
430	***Repairs and Maintenance***	Sub-summary object code for Repairs and Maintenance. Comprises detail object codes 431-439.
431	Repairs and Maintenance of Buildings and Land	Cost of supplies or materials for repairs and maintenance on buildings and land. Includes painting, re-roofing, street, curb, sidewalk repair, and custodial services paid by contract.
432	Repairs and Maintenance of Machinery and Equipment	Cost of supplies or materials to service, maintain, repair, overhaul, or rework of owned equipment or machinery.
433	Repairs and Maintenance of Motor Vehicles	Cost of supplies or materials for repairs and maintenance on motor vehicles.
439	Other - Repairs and Maintenance	Cost of supplies or materials for all other repairs and maintenance materials not included in object codes 431-433.
440	Small Tools and Minor Equipment	Hammers, saws, wrenches, garden tools, small power tools, and other tools and equipment having a life expectancy of less than five years.
490	Other - Supplies and Materials	Costs of all other supplies and materials not included in object codes 410-440.
500	**Capital Outlay**	Summary object code for Capital Outlay. Comprises detail object codes 510-590.
510	Land and Land Improvements	Purchase of land and improvements of land such as landscaping, grading, fences, or improvement/construction of parking lots.
520	Equipment	Cost of fixtures and equipment which form part of buildings, such as elevators, plumbing, lighting or heating systems, furniture, furnishings and fixtures.
530	Buildings and Other Structures	The acquisition or construction of buildings and structures and additions thereto; includes increases in value of buildings and structures resulting from major alterations, restoration, or modifications.
540	Machinery, Equipment, and Furniture	Cost of acquisition of tangible property of a more or less durable nature, other than land, buildings, or improvements other than buildings, which are useful in carrying on operations and which may be expected to have a period of service of a year or more without material impairment of its physical condition. Includes furniture, furnishings and fixtures, books for permanent collections, power tools, and instruments. Excludes commodities which are converted in the process of construction or manufacture, or which are used to form a minor part of equipment or fixed property.
545	Runways, Taxiways, Ramps, Docks, and Waterways	Cost of acquisition, construction, or improvements of these facilities.
550	Motor Vehicles	Cost of acquisition of automobiles, trucks, and other motorized vehicles.
555	Streets, Highways, Sidewalks, and Curbs	Cost of new construction and replacement of streets, highways, sidewalks, and curbs.
560	Utility Distribution Systems	Cost of new construction and replacement of systems for distribution of sewage, water, gas, and electricity.

UNIFORM ACCOUNTING NETWORK

Village Object (Expenditure Accounts) - Accounting Codes Desciptions

Object Code	Object Name	Description
590	Other - Capital Outlay	Other expenses not included in detail object codes 510-560.
600	**Miscellaneous**	Summary object code for Miscellaneous expenditures. Comprises detail object codes 610-690.
610	Deposits Refunded	Deposits refunded.
620	Deposits Applied	Deposits applied.
630	Compensation and Damages	Payments made for legal judgments against the village.
640	Payment to Another Political Subdivision	Payments made to another political subdivision for contracted services such as fire protection, county health fees, EMS, garbage, and refuse.
650	Contributions to Other Organizations	Contributions made to other non-profit organizations for patriotic, educational, and other purposes.
660	**Claims**	Summary object code for Claims. Comprises detail object codes 661-669.
661	Liability Insurance	Self-Insurance claims for Liability Insurance.
662	Health Insurance	Self-Insurance claims for Health Insurance.
663	Dental Insurance	Self-Insurance claims for Dental Insurance.
664	Vision Insurance	Self-Insurance claims for Vision Insurance.
665	Prescription Insurance	Self-Insurance claims for Prescription Insurance.
666	Worker's Compensation	Self-Insurance claims for Worker's Compensation.
669	Other-Claims	All other expenditures for other Self-Insurance claims not included in object codes 661-666.
690	Other - Miscellaneous	All other expenses not included in detail object codes 610-650.
700	**Debt Service**	
710	Principal	Payments for retirement of outstanding note principal balances.
720	Interest	Interest payments on outstanding note/bond indebtedness.
730	Discount on Debt	The discount on debt is the difference between the principle amount of the debt issued and the price paid (by the investor) for the debt. This difference, the discount, is caused by the stated interest rate on the bonds being less than the market interest rate (i.e. the stated rate on the bonds is 5.75 percent and the market rate is 6.0 percent).
790	Other Debt Service	All other debt service payments not included in object codes 710-730.
900	**Other Financing Uses**	
910	Transfers - Out	Transfers to other funds.
920	Advances - Out	Temporary loans to another fund with the intent that the money will be repaid.
930	Contingencies	Appropriation of an unusual, unexpected nature. Appropriation account only; no actual expenditures are charged to this account.
990	Other - Other Financing Uses	Other expenses not included in detail object codes 910-930.

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APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
System Treatment of Interest Revenue Accounts

Interest Earned By This Fund Number	System Posts Income to This Interest Account	Conditional Interest Account
1000	1000 - 701	
2011 - 2019	201x - 701	
2021 - 2029	202x - 701	
2031 - 2039	1000 - 701	
2041 - 2049	1000 - 701	
2051 - 2059	1000 - 701	205x - 701
2061 - 2069	1000 - 701	206x - 701
2071 - 2079	1000 - 701	
2081 - 2089	1000 - 701	
2091 - 2099	1000 - 701	
2101 - 2109	210x - 701	
2111 - 2119	1000 - 701	
2121 - 2129	1000 - 701	
2131 - 2139	1000 - 701	
2141 - 2149	1000 - 701	
2271 - 2289	1000 - 701	
2291 - 2299	1000 - 701	
2401 - 2499	1000 - 701	
2901 - 2999	1000 - 701	29xx - 701
3101 - 3199	1000 - 701	31xx - 701
3201 - 3299	1000 - 701	32xx - 701
3301 - 3399	1000 - 701	33xx - 701
3401 - 3499	1000 - 701	34xx - 701
3901 - 3999	1000 - 701	39xx - 701
4101 - 4199	1000 - 701	41xx - 701
4201 - 4299	1000 - 701	42xx - 701
4501 - 4599	1000 - 701	45xx - 701
4901 - 4949	1000 - 701	49xx - 701
4951 - 4999	1000 - 701	49xx - 701
5101 - 5199	1000 - 701	
5201 - 5299	1000 - 701	
5301 - 5399	1000 - 701	
5401 - 5499	1000 - 701	
5501 - 5599	1000 - 701	
5601 - 5699	1000 - 701	56xx - 701
5701 - 5709	1000 - 701	570x - 701
5721 - 5739	1000 - 701	572x - 701 to 573x - 701
5741 - 5759	1000 - 701	574x - 701 to 575x - 701
5761 - 5779	1000 - 701	576x - 701 to 577x - 701

APPENDIX A - 2

UNIFORM ACCOUNTING NETWORK
System Treatment of Interest Revenue Accounts

Interest Earned By This Fund Number	System Posts Income to This Interest Account	Conditional Interest Account
5781 - 5799	1000 - 701	578x - 701 to 579x - 701
5901 - 5919	1000 - 701	590x - 701 to 591x - 701
6101 - 6199	1000 - 701	
6901 - 6999	1000 - 701	69xx - 701
9101 - 9199	1000 - 701	
9201 - 9209	1000 - 701	
9901 - 9924	1000 - 701	99xx - 701
9951 - 9974	1000 - 701	99xx - 701
9976 - 9999	1000 - 701	99xx - 701

Explanation of funds with conditional interest accounts:
Users will designate the funds that can receive interest at the fund level. Funds that have a conditional interest account designation will allow the users to select if that fund will receive the interest or if it will be posted to the General Fund.

Note: The conditional interest account must be activated prior to posting the interest receipt.

APPENDIX B-1

TAX BUDGET

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APPENDIX B - 1

Tax Budget

This Tax Budget Form is designed to include financial transactions of all municipal funds, based upon the municipal reporting system required by the Auditor of State. An attempt has been made to provide designated space for the most important classified items. Space is also provided for write-in of any funds or items not specified, and for identification of transfers.

The Municipal Fiscal Officer should fill out Column I of Schedule A, and all detail required in Exhibits 1, 2, and 3. Exhibit 1 detail for the two actual years should be copied from the forms used in preparing the Annual Report to the Auditor of State. Actual year balances, receipt totals, and disbursement totals by fund may also be checked against the Summary of Fund Transactions, pages 2 and 3 of the Annual Report. Bond registers should provide the information needed for Exhibit 2. Column I information for Exhibit 3 and Schedule A is derived from Exhibits 1 and 2. All other data in Exhibit 3 should be completed in so far as possible.

The Municipal Fiscal Officer should **not** fill out Schedule A (except Column I), Schedule B, or the County Budget Commission Certificate. For memoranda purposes, after certification of tax rates subsequent to the November election, the Fiscal Officer may record the correct information by taxing district in the Exhibit 3 Reference Table of Total Tax Levies and Tax Rates.

Definitions

Receipts:	Money received from revenue and non-revenue sources.
Revenue:	Yield from income sources such as taxes, charges, assessments, grants, fares, fines, licenses, permits, and interest earnings.
Non-Revenue:	Proceeds from the sale of bonds and notes, reimbursements, refunds, taxes collected for others, and transfers from other local funds.
Disbursements:	Money paid out for expenditure and non-governmental purposes.
Expenditures:	Expense for personal services, other operation and maintenance, capital improvements, and interest.
Personal Services:	Payments for salaries and wages only.
Other Operation and Maintenance:	Payments for personnel benefits, contractual services, materials and supplies, travel, and general upkeep of property or equipment.
Capital Improvements:	Outlay for purchase of lands, buildings, furniture, or equipment with an estimated life of five years or more, and a value of over $500.
Interest:	Payment of charges for money borrowed, but not for any debt principal.
Non-Governmental:	Amounts disbursed for debt principal redemption, refunds, reimbursements, and transfers to the local funds.

CITY VILLAGE of _____,
_____ County, Ohio,
_____, _____
(date)

This Budget must be adopted by the Council or other legislative body on or before July 15th, and two copies must be submitted to the County Auditor on or before July 20th. FAILURE TO COMPLY WITH SEC. 5705.30 R.C. SHALL RESULT IN LOSS OF LOCAL GOVERNMENT FUND ALLOCATION.

To the Auditor of said County:

The following Budget for the fiscal year beginning January 1, _____, has been adopted by the Council _____, and is herewith submitted for consideration of the County Budget Commission.

Signed _____

Title _____

Schedule A

Summary of Amounts Required From General Property Tax Approved By Budget Commission and County Auditor's Estimated Tax Rates

County Auditor's Estimated Municipal Tax Valuation $_____

	For Municipal Use		For Budget Commission Use				For County Auditor's Use	
Fund	Total Amount Requested (Per Tax Budget)		Amount Approved By Budget Commission Inside 10 Mill Limit		Amount Approved By Budget Commission Outside 10 Mill Limit		County Auditor's Estimate of Tax Rate To Be Levied	
							Inside 10 Mill Limit	Outside 10 Mill Limit
	Column I		Column II		Column III		IV	V
General Fund								
Bond Retirement Fund								
Police Pension Fund								
Fire Pension Fund								
TOTAL								

Schedule B

For County Budget Commission Only

Levies Outside 10 Mill Limitation, Exclusive of Debt Levies

Authority For & Purpose of Levy	Date of Vote	Tax Year		Maximum Rate Authorized To Be Levied	Reduced Rate Per R.C. 5713.11	County Auditor's Estimate of Yield of Levy	
		Levy Begins	Levy Ends				

Exhibit 1

Comparative and Estimated Receipts, Disbursements and Balances

GENERAL FUND	For _____ Actual		For _____ Actual		Current Year Estimated For _____		Budget Year Estimated For _____	
General Fund — Receipts								
Balance January 1st								
Property Tax Revenue								
Real Estate & Public Utility								
Tangible Personal Property								
Intangible (Classified) Tax								
Trailer Tax								
Income Tax Revenue								
Unvoted Municipal Income Tax Revenue								
Voted Municipal Income Tax Revenue								
Other Locally-Levied Taxes								
Admission Taxes								
Hotel - Motel Taxes								
In Lieu Payments								
Other (Explain)								
State Levied Locally-Shared Taxes								
Local Government Fund								
Estate (Inheritance) Tax								
Cigarette Licenses								
Liquor & Beer Permits								
Other (Explain)								

GENERAL FUND	For _____ Actual		For _____ Actual		Current Year Estimated For _____		Budget Year Estimated For _____	
General Fund — Receipts								
Intergovernmental Revenue								
Federal Aid or Grants								
State Aid Health Subsidy								
State Aid, Other								
Local Government Operating Contracts								
Other (Explain)								
Revenue Charges For Public Services								
General Government Fees								
Garbage & Refuse Collection & Disposal								
Parking Fees								
Recreation Programs								
Hospital								
Cemetery								
Other (Explain)								
Fines, Costs & Forfeitures								
Court Costs								
Court Fines								
Court Forfeitures								
Licenses, Permits & Inspections								
Building Permits & Inspections								
Zoning Permits & Fees								
Vehicle Licenses								

GENERAL FUND	For _____ Actual		For _____ Actual		Current Year Estimated For _____		Budget Year Estimated For _____	
Business Licenses								
Other (Explain)								
General Fund — Receipts								
Other Revenue								
Sale of Assets								
Interest								
Rental Income								
Premium on Investments Sold								
Other (Explain)								
Non-Revenue								
Income Tax Collected For Others								
Reimbursements For Capital Expenditures								
Other Reimbursements								
Refunds								
Transfers From (Identify)								
Other (Explain)								
Total Receipts								

GENERAL FUND	For _____ Actual		For _____ Actual		Current Year Estimated For _____		Budget Year Estimated For _____	
Total Receipts and Balance								
General Fund — Disbursements								
Security of Persons and Property								
Police Law Enforcement								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Traffic Control								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Animal Control								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Fire Prevention & Inspection								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Civil Defense								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Police & Fire Communications								
Personal Services								
Other Operation & Maintenance								

GENERAL FUND	For _____ Actual		For _____ Actual		Current Year Estimated For _____		Budget Year Estimated For _____	
Capital Improvements								
General Fund — Disbursements								
Street Lighting								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Police Pension (not shown in transfer fund)								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Fire Pension (not shown in transfer fund)								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Safety Administration Support								
Personal Services								
Other Operation & Maintenance								
Capital Improvements								
Other Expenditures (Explain)								

Exhibit 2

Inside Debt, General Bonds and Notes as of January 1st of Coming Year
Requirements of Bond Retirement Fund

Purpose of Bonds and Notes Payable From Tax Levies Outside 10 Mill Limit	Ordi-nance/ Reso-lution Number	Date Due	Rate of Interest	Amount of Bonds and Notes Outstanding Jan. 1st (1)		Amount Required for Principal (2)*		Amount Required for Interest (3)*		Total Amount Required for Principal and Interest (4)*	
Payable From Bond Retirement Fund											
Serial Bonds and Notes											
ISSUED:											
SUBTOTAL											
Proposed:											
TOTAL (Carry total of Columns 2 and 3 to Bond Retirement Fund, Exhibit 1)											

*Exclude any amount of principal and interest requirements being met from special assessments, user charges, or other non-property tax sources.

Exhibit 2

Outside Debt, General Bonds and Notes as of January 1st of Coming Year
Requirements of Bond Retirement Fund

Purpose of Bonds and Notes Payable From Tax Levies Outside 10 Mill Limit	Authority for Tax Levy Outside 10 Mill Limit	Ordi-nance/ Reso-lution Number	Date of Issue	Date Due	Rate of Interest	Amount of Bonds and Notes Outstanding Jan. 1st (1)	Amount Required for Principal (2)*	Amount Required for Interest (3)*	Total Amount Required for Principal and Interest (4)*
Payable From Bond Retirement Fund									
Serial Bonds and Notes									
ISSUED:									
SUBTOTAL									
Proposed:									
TOTAL (Carry total of Columns 2 and 3 to Bond Retirement Fund, Exhibit 1)									

*Exclude any amount of principal and interest requirements being met from special assessments, user charges, or other non-property tax sources.

Exhibit 3

Amounts Requested From General Property Tax and Estimated Tax Rates
City/Village of _____ fiscal officer's estimated tax value $_____

Fund	Total Amount Requested		Estimate Amount to be Derived from Levies Outside the 10 Mill Limit		Estimated Amount Requested Inside the 10 Mill Limit		Municipal Estimate of Tax Rates to be Levied	
							Inside 10 Mill Limit	Outside 10 Mill Limit
	Column I		Column II		Column III		IV	V
General Fund								
Bond Retirement Fund								
Police Pension Fund								
Fire Pension Fund								
Total								

Proposed Tax Levies

Purpose	Date of Vote	Tax Rate to be Levied (In Mills)	Estimated Yield of Levy, Budget Year (Dollar Amount)		Tax year to Begin	Number of Years

Tax Levies and Rates For _____
(May be filled in by local fiscal officer - Memorandum entry only)

Governmental Unit	Amount Approved By Budget Commission						County Auditor's Estimate of Rate, In Mills		
	Inside 10 Mill Limit		Outside 10 Mill Limit		Total		Inside	Outside	Total
County									
Township									
School									
City or Village of _____									
Other									
Total									

Certificate of the County Budget Commission

The Budget Commission of _____County, Ohio, hereby makes the following official certificate of estimated Resources for the (City) Village _____, for the fiscal year beginning January 1, _____.

Funds	Unencumbered Balance, Jan 1st. _____		General Property Tax		Local Government Allocation		Classified Property Tax		Other Revenue Sources		Transfers and Other Non-Revenue		Total	
General Fund														
General Revenue Sharing Fund														
Street Construction, Maint, & Repair Fund														
State Highway Improvement Fund														
Bond Retirement Fund														
Police Pension Transfer Fund														
Fire Pension Transfer Fund														
TOTAL														

The Budget Commission further certifies that its action on the foregoing budget and the County Auditor's estimate of the rate of each tax necessary to be levied within and without the 10 mill limitation is set forth in the proper columns of the preceding pages and the total amount approved for each fund must govern the amount of appropriation from such fund.

Date _____

_____

_____ Budget Commissioners

_____

APPENDIX B-2

AMENDED OFFICIAL CERTIFICATE OF ESTIMATED RESOURCES

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APPENDIX B - 2

Amended Official Certificate of Estimated Resources

This form will be returned to the village by the county budget commission after the village has filed the "certificate of the total amount from all sources available for expenditures, and balances" (January 1). The first page is a summary of all funds by fund type with the following pages presented by fund. The total of the middle two columns (taxes/other sources) equals the amount that the village anticipates receiving from the various sources during the present year.

The objective for the village is to reflect an accurate amount for estimated receipts in the receipts ledger to monitor the budgetary process. The receipts ledger is set up using estimates based on the middle two columns "taxes" and "other sources". Dividing the revenue into the individual receipt codes should be based on the budget prepared the previous July or as updated on the certificate of the total amount from all sources available for expenditures, and balances. Whenever an amended official certificate of estimated resources is received, the appropriate receipts ledger should be adjusted.

Amended Official Certificate of Estimated Resources
(Rev. Code, Sec. 5705.36)

To the Council of the Village of _____:

The following is the amended official certificate of estimated resources for the fiscal year beginning January 1st, _____, as revised by the Budget Commission of said County, which shall govern the total of appropriations made at any time during such fiscal year:

Fund Types	Unencumbered Balance 1/1/_____	Taxes	Other Sources	Total
Governmental Fund Types				
General				
Special Revenue				
Debt Service				
Capital Projects				
Permanent				
Proprietary Fund Types				
Enterprise				
Internal Service				
Fiduciary Fund Types				
Trust				
Agency				
Total				

Signed: _____

_____ Budget Commission

_____

Fund Types	Unencumbered Balance 1/1/_____	Taxes	Other Sources	Total
Governmental Fund Types				
General Fund				
General				
Special Revenue Funds				
Street Maintenance and Repair				
State Highway Improvement				
Contribution				
Special Assessment				
Total Special Revenue Funds				
Debt Service Funds				
General Obligation Bond				
Special Assessment Bond Retirement				
Total Debt Service Funds				
Capital Project Funds				
Total Capital Project Funds				
Permanent Funds				
Endowment				
Total Permanent Funds				

Fund Types	Unencumbered Balance 1/1/_____	Taxes	Other Sources	Total
Proprietary Fund Types				
Enterprise Funds				
Water				
Sewer				
Total Enterprise Funds				
Internal Service Funds				
Total Internal Service Funds				
Fiduciary Fund Types				
Private Purpose Trust Funds				
Total Private Purpose Trust Funds				
Investment Trust Funds				
Total Investment Trust Funds				
Agency Funds				
Total Agency Funds				
Total - All Funds				

APPENDIX B-3

CERTIFICATE OF TOTAL AMOUNT FROM ALL SOURCES AVAILABLE FOR EXPENDITURES AND BALANCES

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Certificate of Total Amount from All Sources Available for Expenditures and Balances

On or about the first day of each fiscal year, the clerk/treasurer of the village shall certify, to the county auditor, the total amount from all sources available for expenditures from each fund set up in the tax budget, along with any balances that existed at the end of the preceding year. The county budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall certify to the village an amended official certificate of estimated resources. If the village collects any revenue from a new source that is not included in an official certificate, or if the actual balance and receipts in any fund exceed the certified estimate, the village should obtain a new amended official certificate of estimated resources from the county budget commission.

The purpose of this form is twofold: (1) to report the actual unencumbered fund balances; and (2) to adjust estimated revenues, if necessary.

The official certificate of estimated resources, which is prepared by the county budget commission, is based on the tax budget which is completed in July. This budget includes estimated unencumbered fund balances. These amounts have been added to estimated revenues to arrive at estimated resources for the year. It is important to include the actual unencumbered fund balances to further clarify the total estimated resources for the year.

Since the budget was prepared five to six months before year end, the estimated revenues at that time may have changed. The village may be receiving additional grants, patron fees, or tax levy revenues. The estimated revenues on this form may be adjusted to reflect such changes. This further defines estimates to present a more accurate picture of what will happen during the year. The county budget commission reviews these changes in estimated revenues to ascertain that the estimates are reasonable.

The form should be completed by the clerk/treasurer and filed with the county auditor as soon after December 31 as possible. The first page is a summary of all funds by fund types. The second page and remaining pages identify the individual funds.

Column (1) - Cash Balance as of December 31, XXXX
The cash balance for each fund according to the cash journal.

Column (2) - Encumbrances as of December 31, XXXX
The total encumbrances outstanding at year end.

Column (3) - Advances not Repaid
Record all advances that have not been repaid as of the end of the year. A positive amount would be entered for the fund that loaned the money and a negative amount would be entered for the fund that received the loan.

Column (4) - Carryover Balance Available for Appropriations
The sum of Column (1) less Column (2) plus or minus Column (3).

Column (5) - Total Estimated Revenue From all Sources
The estimated revenues for each fund based on the official certificate of estimated resources plus or minus any changes the village feels are necessary due to changes in revenue sources since the tax budget was completed. If the figures have changed, the reasons should be noted at the bottom of the form or attach separate documentation.

Column (6) - Total Carryover Balances Plus Estimated Resources
The final column is the sum of Column (4) plus Column (5). This represents the amount that can be appropriated for that particular fund.

Once the individual fund information has been completed, simply combine all funds for each fund type and complete the front page of the document.

Certificate of the Total Amount From All Sources Available
For Expenditures, and Balances
(Rev. Code, Sec. 5705.36)

From the :_____ _____County
_____, Ohio, as of _____, _____

To the County Auditor of said County:

The following is the total amount from all sources available for expenditure for all funds as set up in the tax budget (shown in the fiscal officer ledgers if no tax budget was required under 5705.281) that exist at the end of the fiscal year.

Fund Types	Cash Balance 12/31/____	Encumbrances 12/31/____	Advances Not Repaid	Carryover Balance Available For Appropriations	Total Estimated Revenue From All Sources	Total Carryover Balance Plus Estimated Resources
Governmental Fund Types						
General Fund						
Special Revenue						
Debt Service						
Capital Projects						
Permanent						
Proprietary Fund Types						
Enterprise						
Internal Service						
Fiduciary Fund Types						
Trust						
Agency						
Total All Funds						

Fund Types	Cash Balance 12/31/_____	Encumbrances 12/31/_____	Advances Not Repaid	Carryover Balance Available For Appropriations	Total Estimated Revenue From All Sources	Total Carryover Balance Plus Estimated Resources
Governmental Fund Types						
General Fund						
General						
Special Revenue Fund						
Street Maintenance and Repair						
State Highway Improvement						
Contribution						
Special Assessment						
Total Special Revenue Funds						
Debt Service						
General Obligation Bond						
Special Assessment Bond Retirement						
Total Debt Service						

Fund Types	Cash Balance 12/31/_____	Encumbrances 12/31/_____	Advances Not Repaid	Carryover Balance Available For Appropriations	Total Estimated Revenue From All Sources	Total Carryover Balance Plus Estimated Resources
Capital Project Funds						
Total Capital Project Funds						
Permanent Funds						
Endowment						
Total Permanent Funds						
Proprietary Fund Types						
Enterprise Funds						
Water						
Sewer						
Total Enterprise Funds						
Internal Service						

Fund Types	Cash Balance 12/31/_____	Encumbrances 12/31/_____	Advances Not Repaid	Carryover Balance Available For Appropriations	Total Estimated Revenue From All Sources	Total Carryover Balance Plus Estimated Resources
Internal Service						
Total Internal Service Funds						
Fiduciary Fund Types						
Trust & Agency						
Total Trust & Agency Funds						
Total - All Funds						

APPENDIX B-4

ANNUAL APPROPRIATION ORDINANCE

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Annual Appropriation Ordinance

The appropriation ordinance identifies the amounts that village council expects to spend on each line item (account) for the year. The village must have appropriations adopted to legally spend money. However, the total amount appropriated for each fund must be less than or equal to the total estimated resources for that fund. Difficulty may arise due to the time delay in receiving the amended official certificate of estimated resources from the county budget commission informing the village of the total estimated resources available for the year. This document may not be returned until the middle of January or later depending on when the certificate of the total amount from all sources available for expenditures, and balances was submitted to the county budget commission. Although village council could base the appropriation totals on the official certificate of estimated resources, this may not be accurate due to different carryover unencumbered fund balances and adjustments to revenues. This may require village council to adopt extensive amendments to the appropriation resolution. Thus, village council may choose to adopt a temporary appropriation measure in January, then, adopt the permanent appropriations by March 31 when they have received the amended official certificate of estimated resources and can better plan the allocation of resources amongst the appropriation codes.

The temporary appropriation amounts can be an estimate of what will be spent for up to the first three months. However, the permanent appropriations must be an estimate of what will be spent for the entire year.

The total appropriations for each fund cannot exceed the total on the amended official certificate of estimated resources. This is the "budget" mechanism that attempts to prevent overspending. However, there may be carryover appropriations for outstanding encumbrances. These are covered by "encumbered" cash which is not included in the amended official certificate of estimated resources.

The permanent appropriations may be amended at any point if village council adopts an ordinance and the amendment is submitted to the county budget commission; however, the total appropriations should never exceed total estimated resources on the amended official certificate of estimated resources.

An example of an annual appropriation ordinance follows:

Annual Appropriation Ordinance
(Revised Code Sec. 5705.38)

Village of _____
Ordinance No. _____

An ORDINANCE to make appropriations for Current Expenses and other Expenditures of the Village of _____, State of Ohio, during the fiscal year ending December 31, _____.

Section 1. BE IT ORDAINED by the Council for the Village of _____, State of Ohio, that, to provide for the expenditures of the Village of _____ during the year ending December 31, ____, the following amounts be and they are hereby set aside and appropriated as follows.

Section 2. That there be appropriated from the GENERAL FUND:

Program 100 - Security of Persons and Property

1000-110	Police Law Enforcement			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Police Law Enforcement			_____
1000-120	Fire Fighting, Prevention, and Inspection			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Fire Fighting, Prevention, and Inspection			_____
1000-130	Street Lighting			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Street Lighting			_____
Total Program 100 - Security of Persons and Property				_____

Annual Appropriation Ordinance
(continued)

Program 200 - Public Health and Welfare

1000-210	Cemetery			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Cemetery			_____
1000-220	Payment to County Health District			
	300	Contractual Services		_____
Total Program 200 - Public Health and Welfare				_____

Program 300 - Leisure Time Activities

1000-310	Recreation Programs			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Recreation Programs			_____
Total Program 300 - Leisure Time Activities				_____

Program 400 - Community Environment

1000-410	Community Planning and Zoning			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Community Planning and Zoning			_____
Total Program 400 - Community Environment				_____

Annual Appropriation Ordinance
(continued)

Program 500 - Basic Utility Services

1000-510	Electric Utility			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Electric Utility			_____
1000-520	Gas Utility			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Gas Utility			_____
1000-530	Water Works & Supply			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Water Works & Supply			_____

Total Program 500 - Basic Utility Services _____

Program 600 - Transportation

1000-630	Street Cleaning, Snow and Ice Removal			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Street Cleaning, Snow and Ice Removal			_____
1000-640	Storm Sewer and Drains			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Storm Sewer and Drains			_____

Total Program 600 - Transportation _____

Annual Appropriation Ordinance
(continued)

Program 700 - General Government

1000-710	Mayor and Administrative Offices			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Mayor and Administrative Offices			_____
1000-715	Legislative Activities (Council)			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Legislative Activities (Council)			_____
1000-720	Mayor's Court			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Mayor's Court			_____
1000-725	Clerk Treasurer			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Clerk Treasurer			_____
1000-730	Lands and Buildings			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Lands and Buildings			_____

Annual Appropriation Ordinance
(continued)

1000-735	Boards and Commissions			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Boards and Commissions			_____
1000-740	Property Tax Collection Fees			
	300	Contractual Services		_____
1000-745	State Auditor's Fees			
	300	Contractual Services		_____
1000-755	Income Tax Administration			
	300	Contractual Services		_____
Total Program 700 - General Government				_____
Program 800 - Capital Outlay				
1000-800	Capital Outlay			
	500 Capital Outlay			_____
Total Program 800 - Capital Outlay				_____
Program 900 - Other Financing Sources				
1000-900	Other Financing Sources			
	910 Transfers-Out			_____
Total Program 900 - Other Financing Sources				_____

Section 3. That there be appropriated from the GENERAL FUND for contingencies for purposes not otherwise provided for, to be expended in accordance with the provisions of Section 5705.40, R.C., the sum of _____

Grand Total GENERAL FUND Appropriation _____

Annual Appropriation Ordinance
(continued)

Section 4. That there be appropriated from the following SPECIAL REVENUE FUNDS.

2011 Street Construction, Maintenance, and Repair Fund

Program 600 - Transportation

2011-610	Street Construction and Reconstruction			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Street Construction and Reconstruction			_____
2011-620	Street Maintenance and Repair			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Street Maintenance and Repair			_____

Total for 2011 - Street Construction, Maintenance, and Repair Fund _____

2021 State Highway Improvement Fund

Program 600 - Transportation

2021-610	Street Construction and Reconstruction			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total State Highway Improvement		_____	

Total for 2021 - State Highway Improvement Fund _____

2031 Cemetery Fund

Program 200 - Public Health and Welfare

2031-210	Cemetery			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Cemetery			_____

Total for 2031 -Cemetery Fund _____

Annual Appropriation Ordinance
(continued)

2901 Other (Specify Name) Revenue Funds

2901-	Other (Specify) _____			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total _____			_____

Total for 2901 - Other (Specify Name) Revenue Funds _____

Grand Total SPECIAL REVENUE FUNDS Appropriation _____

Section 5. That there be appropriated from the following DEBT SERVICE FUNDS.

3101 General Obligation Debt Service Fund

3101-850	Debt Service			
	300	Contractual Services	_____	
	700	Debt Service	_____	
	Total General Obligation Debt Service			_____

Total for 3101 - General Obligation Debt Service Fund _____

3301 Special Assessment Debt Service Fund

3301-850	Debt Service			
	300	Contractual Services	_____	
	700	Debt Service	_____	
	Total Special Assessment Debt Service			_____

Total for 3301 - Special Assessment Debt Service Fund _____

Grand Total DEBT SERVICE FUND Appropriation _____

Section 6. That there be appropriated from the following CAPITAL PROJECTS FUNDS.

4100 Construction Fund

(Specify) Program _____

4101-800	Capital Outlay _____		
	500	Capital Outlay	_____

Total for 4101 - Construction Fund _____

Grand Total CAPITAL PROJECTS FUND Appropriation _____

Annual Appropriation Ordinance
(continued)

Section 7. That there be appropriated from the following PERMANENT FUNDS.

4951 Endowment Fund

(Specify) Program _____

4951	Endowment _____			
	900	Other		_____
	Total (Specify) Program _____			_____

Total for 4951 - Endowment Fund _____

Grand Total PERMANENT FUND Appropriation _____

Section 8. That there be appropriated from the following ENTERPRISE FUNDS.

5101 Water Fund

Program 530 - Basic Utility Services

5101-531	Office			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Office			_____
5101-532	Billing			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Billing			_____
5101-533	Supply			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Supply			_____
5101-534	Filtration			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Filtration			_____

Annual Appropriation Ordinance
(continued)

5101-535	Pumping			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Pumping			_____
5101-539	Other			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Other			_____

Total for 5101 - Water Fund Appropriation _____

5201 Sanitary Sewer Fund

Program 540 - Basic Utility Services

5201-541	Office			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Office			_____
5201-542	Billing			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Billing			_____
5201-543	Pumping			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Pumping			_____

Annual Appropriation Ordinance
(continued)

5201-549	Other			
	100	Personal Services	_____	
	200	Fringe Benefits	_____	
	300	Contractual Services	_____	
	400	Supplies and Materials	_____	
	500	Capital Outlay	_____	
	Total Other			_____

Total for 5201 - Sewer Fund Appropriation _____

5701 Utility Improvement Fund

Program 800 - Capital Outlay

5701-800	_____ Construction (Specify)		
	500	Capital Outlay	_____

Total for 5701 - Utility Improvement Fund Appropriation _____

5721 Enterprise Debt Service Fund

Program 850 - Debt Services

5721-850	Debt Service			
	300	Contractual Services	_____	
	700	Debt Service	_____	
	Total Debt Service			_____

Total for 5721 -Enterprise Debt Service Fund Appropriation _____

5781 Utilities Deposits Fund

Program 590 - Utility Deposit Services

5781-610	Deposits Refunded	_____
5781-620	Deposits Applied	_____
5781-690	Other	_____

Total for 5781 - Utilities Deposits Fund Appropriation _____

Grand Total <u>ENTERPRISE FUNDS</u> Appropriation _____

Annual Appropriation Ordinance
(continued)

Section 9. That there be appropriated from the INTERNAL SERVICE FUNDS.

6101 Fund Name _____ (Specify)

6101 _____ (Specify Program)

100	Personal Services	_____	
200	Fringe Benefits	_____	
300	Contractual Services	_____	
400	Supplies and Materials	_____	
500	Capital Outlay	_____	
Total _____ (Specify)			_____

Grand Total INTERNAL SERVICE FUND Appropriation _____

Section 10. That there be appropriated from the TRUST AND AGENCY FUNDS.

9901 Other Agency Fund (Specify)

(Specify) Program _____

9901 Other _____ (Specify)

300	Contractual Services	_____	
500	Capital Outlay	_____	
Total Miscellaneous _____(Specify)			_____

9901 Other _____

Total (Specify) Program _____ _____

Total for 9901 - Other Agency Funds Appropriation _____

9951 Investment Trust Fund (Specify)

(Specify) Program _____

9951 Other _____ (Specify)

300	Contractual Services	_____	
500	Capital Outlay	_____	
Total Miscellaneous _____(Specify)			_____

9951 Other _____

Total (Specify) Program _____ _____

Total for 9951 - Investment Trust Funds Appropriation _____

Annual Appropriation Ordinance
(continued)

9976 Private Purpose Trust Fund (Specify)

(Specify) Program _____

9976	Other _____ (Specify)			
	300	Contractual Services	_____	
	500	Capital Outlay	_____	
	Total Miscellaneous _____(Specify)			_____
9976	Other			_____
	Total (Specify) Program _____			_____

Total for 9976 - Private Purpose Trust Funds Appropriation _____

Grand Total TRUST AND AGENCY FUNDS Appropriation _____

TOTAL ALL APPROPRIATIONS _____

Section 11. The Village Clerk is hereby authorized to draw warrants on the Village Treasury for payments from any of the foregoing appropriations upon receiving proper certificates and vouchers therefore, approved by the board or officers authorized by law to approve the same, or an ordinance or resolution of council to make the expenditures; provided that no warrants shall be drawn or paid for salaries or wages except to persons employed by authority of and in accordance with law or ordinance. Provided further that the appropriations for contingencies can only be expended upon appeal of two-thirds vote of Council for items of expense constituting a legal obligation against the village, and for purposes other than those covered by the other specific appropriations herein made.

Section 12. This ordinance shall take effect at the earliest period allowed by law.

Passed _____, _____ _____
(Date) President of Council

Attest:_____
Clerk of Council

Certificate

Section 5705.39, R.C. - "No appropriation measure shall become effective until the county auditor files with the appropriating authority . . . a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure . . . ."

The State of Ohio _____ County

I, _____, Clerk of the Village of _____ in said County, and in whose custody the files, journals, and records are required by the Laws of the State of Ohio to be kept, do hereby certify that the foregoing Annual Appropriation Ordinance is taken and copied from the original Ordinance now on file with said Village, that the foregoing Ordinance has been compared by me with the said original and that the same is a true and correct copy thereof.

Witness my signature, this _____ day of _____, _____.

_____
Clerk of the Village of

_____

_____ County, Ohio

APPENDIX C-1

CALENDAR FOR VILLAGE OFFICERS

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APPENDIX C

Calendar for Village Officers

JANUARY

1st:	New Year's Day is a legal holiday.
	The fiscal year of the village begins.
	The term of village council members begins.
	The term of village mayor begins.
	The term of village treasurer begins unless an appointed office passed by ordinance.
	The annual term of each member of the volunteer firemen's dependents board begins.
	Financial statement sent by village clerk to county auditor.
	Annual appropriation measure.
	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
15th:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
3rd Monday:	Martin Luther King Day is a legal holiday.
1st Meeting:	Mayor's monthly report of money received.
	Mayor's report on village affairs.
	Treasurer's report on village finances.
	President pro tempore of village council elected.

FEBRUARY

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
3rd Monday:	President's Day is a legal holiday.
1st Meeting:	Mayor's monthly report of money received.
60 Days after Year End:	The annual financial report must be received by the Auditor of State.

MARCH

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
1st Monday:	Annual meeting of health district advisory council.
	Apportionment of boundary line roads for maintenance.
	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

APRIL

1st:	The term of office of the village clerk or clerk/treasurer begins unless an appointed office passed by ordinance.
	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
	Annual appropriation measure due if operating under a temporary budget.
1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

MAY

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
31st:	Deadline for head of department to submit estimate of contemplated revenues and expenditures for ensuing fiscal year.
1st Monday:	Village clerk to certify to village council the amount necessary for the payment of final judgments.
	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
Last Monday:	Memorial Day is a legal holiday.

1st Meeting:	Mayor's monthly report of money received.

JUNE

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
1st to 20th:	Destruction of noxious weeds growing along highways.
1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

JULY

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
4th:	Independence Day is a legal holiday.
5th:	Deadline for filing two copies of tax budget with village clerk, and giving public notice of the required hearing.
14th:	Deadline for OPERS board to file statements of village obligation for ensuing fiscal year with village mayor, for inclusion in tax budget.
15th:	Deadline for adoption of tax budget.
20th:	Deadline for submission of tax budget to county auditor.

1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

AUGUST

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
1st to 20th:	Destruction of noxious weeds growing along highways.
1st Monday:	County budget commission hearing.
	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

SEPTEMBER

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
	County budget commission action certified to village council.
1st to 20th:	Destruction of noxious weeds growing along highways.
30th:	Deadline for certification of tax levies to county auditor.

1st Monday:	Labor Day is a legal holiday.
	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
2nd Monday:	Deadline for village clerk to certify assessments to county auditor.
1st Meeting:	Mayor's monthly report of money received.

OCTOBER

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
2nd Monday:	Columbus Day is a legal holiday.
1st Meeting:	Mayor's monthly report of money received.

NOVEMBER

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
11th:	Veterans Day is a legal holiday.

1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Tuesday after 1st Monday:	General election of village officers.
4th Thursday:	Thanksgiving Day is a legal holiday.
1st Meeting:	Mayor's monthly report of money received.

DECEMBER

1st:	Report of payroll changes during month to OPERS.
	OPERS standard report form and remittance of contributions.
25th:	Christmas Day is a legal holiday.
31st:	Deadline for village to amend tax budget to conform with amended official certificate of estimated resources made by the county budget commission.
	Village clerk audits village accounts.
	End of fiscal year.
1st Monday:	Monthly financial reports due from village officers and departments.
	Mayor pays all fines, forfeitures, and costs collected into village treasury.
1st Meeting:	Mayor's monthly report of money received.

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APPENDIX D-1

OHIO AUDITOR OF STATE
GENERAL INFORMATION

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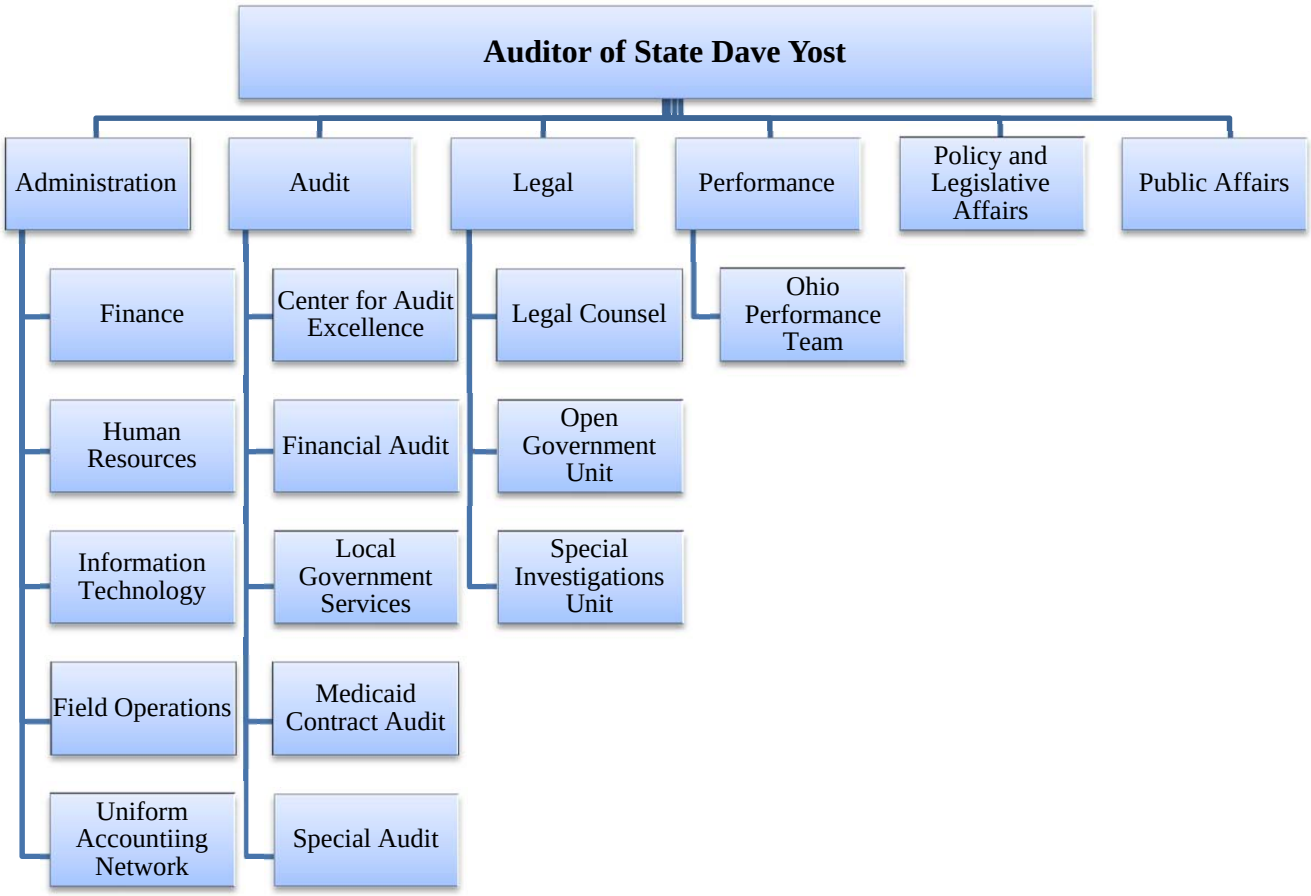
ORGANIZATIONAL CHART



ADMINISTRATION DIVISION

The **Administration Division** is the managing arm of the Ohio Auditor of State's Office. The Chief of Staff heads the division and reports directly to the Auditor of State. This division is responsible for the day-to-day management and policy decisions of the office.

Information Technology develops and maintains the technology of the Auditor of State's Office. Because many Auditor of State employees regularly work at off-site client locations, they rely on convenient, timely access to the office's computer network.

The **Uniform Accounting Network (UAN)** is housed within the Information Technology Section, which is led by the Chief Information Officer. UAN provides townships, villages, and libraries with a complete computer system (hardware and software), along with training and support. UAN's accounting, payroll, and ancillary (cemetery and inventory tracking) applications help to reduce the time necessary for entities to process accounting transactions and maintain the related accounting records. UAN also fosters timely and useful information for the governing body. Currently, about 75 percent of the state's more than 1,300 townships are using UAN, as are more than 400 villages and libraries.

ADMINISTRATION DIVISION CONTACTS

Toll Free…..... **(800) 282-0370**
Fax…..... **(614) 466-4490**

Chief of Staff …….…….....Brenda Rinehart
blrinehart@ohioauditor.gov

Deputy Chief of Staff .....Tony Tanner
ttanner@ohioauditor.gov

Director of Regional Liaisons.....Kevin Servick
kwservick@ohioauditor.gov

Chief Information Officer.....David Potts
dbpotts@ohioauditor.gov

Chief Financial Officer…..... William Collier
wmcollier@ohioauditor.gov

Director of Personnel …..... ……Cindy Sovell-Klein
csovell-klein@ohioauditor.gov

Director of Uniform Accounting Network….....Tim Moloney
tpmoloney@ohioauditor.gov

UAN Support Line... ..... **(800) 833-8261**
UAN e-mail support….....UAN_Support@ohioauditor.gov

AUDIT DIVISION

The Auditor of State is the constitutional officer responsible for auditing all public offices in Ohio including cities, villages, schools, universities, counties, and townships, as well as state agencies, boards, and commissions.

The office strives, through financial audits of public and quasi-public entities, to ensure that public funds are spent appropriately and lawfully, in accordance with state and local law. The Audit Division is managed by the chief deputy auditor, who reports directly to the Auditor of State. It is made up of several smaller sections such as the Financial Audit Group, the Medicaid/Contract Audit Section, the Special Audit Section, and the Center for Audit Excellence.

The Auditor of State's Office employs more than 700 auditors located in eight regional offices in addition to the main office in Columbus: Akron/Canton, Athens, Cincinnati, Columbus, Cleveland, Dayton, Toledo, and Youngstown. Additionally, the State Region, located in Columbus, audits state agencies, boards, and commissions. Each Regional Office is managed by a Chief Auditor who oversees the audits performed by the office within their region.

The **Special Audit Section** reviews allegations of public corruption and abuse of public funds by public officials which potentially constitute a violation of either criminal or civil law. This group works with the Legal Division and the Special Investigation Unit to help prosecute those who use public funds for personal gain.

The **Center for Audit Excellence** is made up of the office's Quality Assurance Section, Accounting and Auditing Support Section, Audit Administration Section, and Training Section. These sections develop auditing standards based on current laws and guidelines and ensure that Auditor of State employees are up-to-date on these standards. This group also ensures that Auditor of State audits are performed in a manner that complies with all auditing standards. Additionally, this section provides financial management training sessions for local officials.

The **Medicaid/Contract Audit Group** focuses its audit work on Medicaid providers; compliance audits of county agencies under interagency agreements with the Ohio Department of Job and Family Services and the Ohio Department of Developmental Disabilities; and program audits aimed at assessing the efficiency and effectiveness of state programs such as child support enforcement, home health care, nursing homes, and food stamps.

The **Financial Audit Group** is responsible for conducting financial audits of all public and quasi-public entities as required under Ohio law. Generally, the Auditor of State's office is required to perform these financial audits at least once every two fiscal years. The office must review the methods, accuracy, and legality of the accounts, financial reports, records, files, and reports of public entities. The Financial Audit Group also determines if the entity has complied with the law, rules, ordinances, and orders pertaining to the office. The Financial Audit Group staff is headquartered out of the eight regional offices but spends most of its time in the field at local audit sites.

AUDIT DIVISION CONTACTS

Toll Free… ..... **(800) 282-0370**
Fax… ..... **(614) 466-4490**

Chief Deputy Auditor… ..... Robert Hinkle
rrhinkle@ohioauditor.gov

Assistant Chief Deputy Auditor…..... Leanna Abele
lmabele@ohioauditor.gov

Assistant Chief Deputy Auditor…..... Marnie Carlisle
macarlisle@ohioauditor.gov

Chief Auditor, Special Audit Section… ..... Kevin Saionzkowski
kmsaionzkowski@ohioauditor.gov

Chief Auditor, Center for Audit Excellence… ..... W. Brad Blake
wbblake@ohioauditor.gov

Chief Auditor, Medicaid/Contract Audit Section… ..... Kristi Erlewine
kserlewine@ohioauditor.gov

Chief Auditor, State Region/ISA… ..... Debbie Liddil
dlliddil@ohioauditor.gov

REGIONAL OFFICES:

Regional Office	Chief Auditor	Counties Served	Phone
Central	Mark Long mllong@ohioauditor.gov	Ashland, Crawford, Delaware, Fairfield, Franklin, Holmes, Knox, Licking, Madison, Marion, Morrow, Pickaway, Richland, Union, Wayne	(800) 443-9275
East	Joey Jones jjones@ohioauditor.gov	Carroll, Columbiana, Jefferson, Mahoning, Portage, Stark, Summit, Trumbull	(800) 443-9271
Northeast	Daniel Stuetzer djstuetzer@ohioauditor.gov	Ashtabula, Cuyahoga, Geauga, Lake Lorain, Medina	(800) 626-2297
Northwest	Greg Glick glglick@ohioauditor.gov	Defiance, Erie, Fulton, Hancock, Henry, Huron, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Williams, Wood, Wyandot	(800) 443-9276
Southeast	Charles Barga cfbarga@ohioauditor.gov	Athens, Belmont, Coshocton, Gallia, Guernsey, Harrison, Hocking, Jackson, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Tuskarawas, Vinton, Washington	(800) 441-1389
Southwest	Loren Crisp lscrisp@ohioauditor.gov	Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, Lawrence, Pike, Ross, Scioto, Warren	(800) 368-7419
West	Mike Botkin mabotkin@ohioauditor.gov	Allen, Auglaize, Champaign, Clark, Darke, Greene, Hardin, Logan, Mercer, Miami, Montgomery, Preble, Shelby, Van Wert	(800) 443-9274

LOCAL GOVERNMENT SERVICES SECTION

The **Local Government Services Section (LGS)** serves as a consulting and fiscal advisory group to all governmental agencies and subdivisions. The section provides an array of services including, but not limited to, financial forecasts, GAAP conversion assistance, annual financial report processing, record reconstruction and reconciliation, fiscal caution, watch, or emergency assistance, and financial management training for elected officials. Publications such as accounting manuals and policy bulletins are distributed to assist local governments in performing their duties and to keep them up to date on their legal requirements.

LOCAL GOVERNMENT SERVICES CONTACTS

Chief of Local Government Services..... Unice S. Smith
ussmith@ohioauditor.gov
1-800-345-2519 (Columbus)
1-800-626-2297 (Cleveland)

Assistant Chief of Local Government Services.....David B. Thompson
dbthompson@ohioauditor.gov
1-800-345-2519 (Columbus)
1-800-368-7419 (Cincinnati)

LOCAL GOVERNMENT SERVICES REGIONAL CONTACT INFORMATION:

Toll Free (for all regional contacts) 1-800-345-2519

LGS Regional Staff	Chief Project Manager	Counties Served
Northeast	Nita Hendryx nrhendryx@ohioauditor.gov	Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Erie, Geauga, Harrison, Holmes, Huron, Knox, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, Wayne
Northwest	Belinda Miller blmiller@ohioauditor.gov	Allen, Auglaize, Champaign, Crawford, Defiance, Delaware, Fulton, Hancock, Hardin, Henry, Logan, Lucas, Marion, Mercer, Morrow, Ottawa, Paulding, Putnam, Sandusky, Seneca, Union, Van Wert, Williams, Wood, Wyandot
Southeast	Robert Burlenski raburlenski@ohioauditor.gov	Athens, Belmont, Fairfield, Gallia, Guernsey, Hocking, Jackson, Jefferson, Lawrence, Licking, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Vinton, Washington
Southwest	April Davis acdavis@ohioauditor.gov	Adams, Brown, Butler, Clark, Clermont, Clinton, Darke, Fayette, Franklin, Greene, Hamilton, Highland, Madison, Miami, Montgomery, Pickaway, Pike, Preble, Ross, Scioto, Shelby, Warren.
Special Projects	Tracie McCreary tlmccreary@ohioauditor.gov	Administrative projects and support to regions

OHIO PERFORMANCE TEAM

The **Ohio Performance Team** focuses on economy, efficiency, and effectiveness in public-sector entities. Performance audits can help identify areas of inefficiency or low effectiveness and provide recommendations for corrective action.

The **State Performance Audit Section** was created upon the signing of Senate Bill 4 on April 5, 2011, and requires that the Auditor of State's office conduct performance audits of state agencies to streamline agency operations and ensure optimal use of tax dollars. This section seeks to develop recommendations for state agencies that provide detailed steps toward improving performance - steps that can generate real change within the organization and offer clear benefits for the ultimate customer - the taxpayer.

The **Local Government Performance Audit Section** identifies and helps correct inefficient managerial operations and waste of taxpayer dollars within Ohio's local governments. By statute, the Auditor is authorized to conduct a performance audit for any school district or local government deemed to be in fiscal caution (school districts only), fiscal watch, or fiscal emergency. Moreover, the Auditor of State is authorized to conduct performance audits of state or local entities upon request. These audit results help entities in fiscal distress improve the cost-effectiveness of operations and resolve their financial difficulties.

Ohio Performance Team Director…..... Danny Cecil
dacecil@ohioauditor.gov
1-800-282-0370

LEGAL DIVISION

The Auditor of State's **Legal Division** is primarily responsible for providing legal advice to field auditors, assisting in determinations of whether or not the entity being audited is complying with all applicable laws. The legal staff can also help public offices comply with state and federal requirements. Such information can be found in bulletins, informal opinions, and at Auditor of State conferences. The Legal Division also provides continuing education to elected officials and government employees through specific training programs and conferences on government issues.

The **Special Investigation Unit** investigates and assists in the prosecution of those who use public funds for personal gain. The Chief Legal Counsel and the Chief of Investigations work closely with the Special Audit Section in an effort to aggressively pursue fraud and public corruption.

The **Open Government Unit** serves local officials by providing training and resources to help them better understand their obligations under the Ohio Public Records Act and the Ohio Open Meetings Act. Public officials are required to attend this training during their term in office. The Deputy Chief Counsel and a full-time paralegal serve as the office's experts on public records and open meetings. At the request of local officials, the office offers training seminars and other educational resources on the Sunshine Laws.

LEGAL DIVISION CONTACTS

Toll Free… ..... **(800) 282-0370**
Fax… ..... **(614) 466-4333**

Chief Legal Counsel… .....Robert Cupp
rrcupp@ohioauditor.gov

Deputy Chief Legal Counsel
Northeast Region ….....Brendan Inscho
bminscho@ohioauditor.gov

Assistant Legal Counsel
Central Region… .....Stephanie Mingo Miles
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Assistant Legal Counsel
East/Northwest Regions……Maxwell Gerwin
mwgerwin@ohioaditor.gov

Assistant Legal Counsel
West/Southeast Regions…….Michael Press
mdpress@ohioauditor.gov

Assistant Legal Counsel
Southwest/State and Performance Regions……James Harding
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PUBLIC AFFAIRS DIVISION

The **Public Affairs** section serves as a liaison between the Auditor of State's Office and the news media. The section is responsible for all internal and external communications and publications. Public Affairs also issues news releases and manages the content of the office's Web site, ensuring that the public at large - through the news media and the Internet - has timely, accurate information about the activities of the office.

PUBLIC AFFAIRS CONTACTS

General Media Enquiries… ..... (614) 644-1111

Public Affairs Director & Press Secretary….....Carrie Bartunek
csbartunek@ohioauditor.gov

POLICY AND LEGISLATIVE AFFAIRS DIVISION

The **Policy and Legislative Affairs** section serves as a link between the Auditor of State's Office and the Ohio General Assembly. This section ensures that state senators and representatives understand the duties and needs of the office and also provides legislators with the necessary information to make well-informed decisions on legislation affecting the Auditor of State's Office.

Policy and Legislative Affairs Contacts

Legislative Liaison ……..... Brian Mead
bkmead@ohioauditor.gov