• FUNDS, FUND TRANSFERS, RESTRICTIONS ON EXPENDITURES, AND CERTIFICATIONS

- Ohio Association of Public Treasurers
- Training Institute; June 13-15, 2022
 - MARK W. ALTIER
 - Attorney at Law



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DEFINITIONS

• R.C. 5705.01

- (A) Subdivision-Includes county, municipal corporation, township, school district, etc.
- (C) Taxing Authority or Bond Issuing Authority-Board of county commissioners, municipal legislative authority, board of education, board of township trustees.
- (E) Permanent Improvement-Property, asset or improvement with estimated life of five years, including land, reconstruction, and enlargements.



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DEFINITIONS, CONT. • R.C. 5705.01

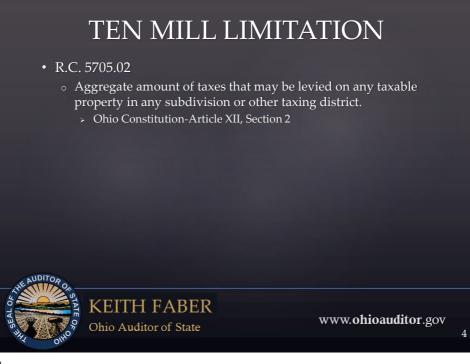
• (F) Current Operating Expenses or Curent Expenses-Any lawful expense except payments for interest, sinking funds, retirement of bonds, notes or certificates of indebtedness



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LEVYING TAXES

• R.C. 5705.03

• (A) Current operating expenses and acquiring or constructing permanent improvement. Pay interest and sinking fund and to retire certificates of indebtedness including levies in anticipation of which the subdivision or taxing authority has incurred indebtedness.



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LEVYING TAXES, CONT.

• R.C. 5705.03

- (B)(1) Auditor's resolution-Content (cont.)
 - > (f) Date of election
 - > (g) Submitted to entire territory or some portion
 - > (h) Tax year first levied and calendar year first collected
 - > (i) County or counties in which subdivision located
 - > Auditor has ten (10) days to certify

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> (B)(2) Second resolution to certify to board of elections

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• Establishment of Funds-ORC 5705.09:

- Each subdivision shall establish the following funds:
 - > General fund
 - > Sinking fund for outstanding bonds other than serial bonds
 - Bond retirement fund for serial bonds, notes, certificates of indebtedness
 - > A special fund for each special levy
 - > A special fund for each class of revenue other than general property tax required to be used for particular purpose

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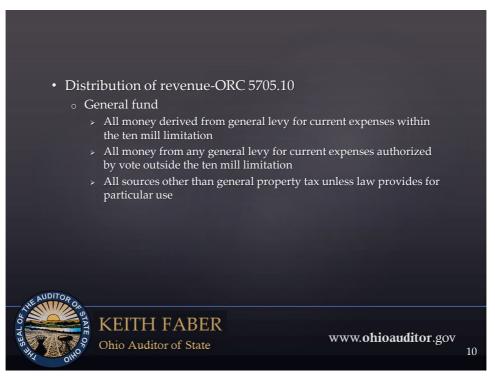
> A special fund for each public utility

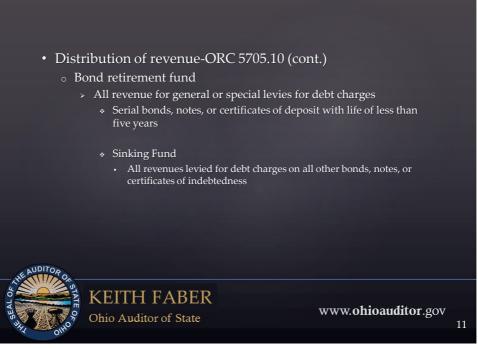
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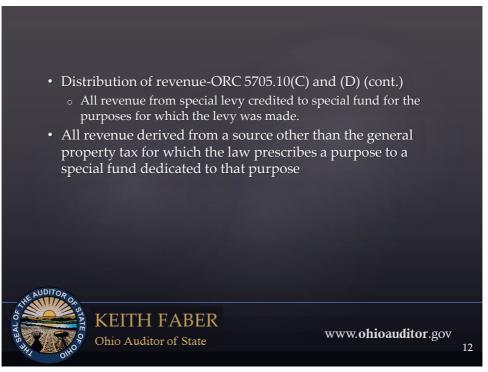
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> A trust fund for any amount received in trust









• Distribution of revenue-ORC 5705.10 (E)(cont.)

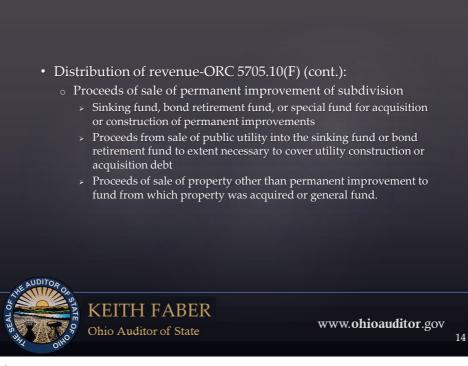
- Proceeds on sale of public obligations
 - > Paid into special fund for purpose of issue
 - Interest-Used for special fund purpose or to general fund or other fund or account as taxing authority determines
 - Premium and accrued interest from sale to sinking fund or bond retirement fund



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• Distribution of Revenue-ORC 5705.10(G) (cont.)

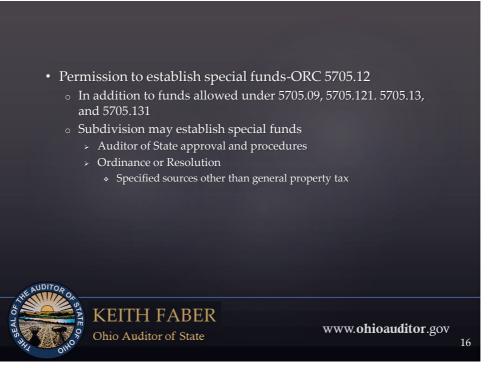
- Proceeds of sale of township permanent improvement to general fund
 - > Township-Population over 15,000
 - Declared one or more improvements to be public purpose under ORC 5709.73 (Exemptions of increased value due to public infrastructure improvement)
 - > Proceeds of sale to general fund if:
 - Fiscal officer written certification of financing for 5709.73 improvements for next ten years; and
 - * Permanent improvement sold funded entirely from general fund



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• Other Special Funds-ORC 5705.121

- Municipality may establish a sanitary police pension fund, an urban development tax increment equivalent fund, or a cemetery fund
- o Township may establish a cemetery fund
- Levy for purpose set out in (ZZ) or (AAA) of 5705.19
 - > Establish a general capital and infrastructure fund
 - * May establish accounts for specific purposes
 - * May eliminate when no longer necessary or desirable

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* May transfer among accounts

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* May not use to pay compensation



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- Reserve Balance Accounts-ORC 5705.13
 - Established in general fund or one or more of operating funds maintained for operating purposes
 - Not considered part of unencumbered balance under ORC 5705.35(A) or 5705.36(A)(1)
 - Amount reserved in each fiscal year

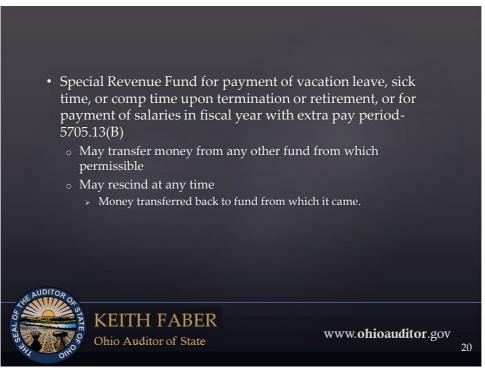
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- Not exceed:
 - * 5% of revenue credited to the fund in preceding fiscal year
 - County or Township-Greater of that amount or one-sixth of expenditures from the fund for preceding year
 - At any time may reduce or eliminate by resolution or ordinance or rescind-Balances back to funds from which transferred

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- Capital Projects Fund-ORC 5705.13(C)
 - Resolution or Ordinance
 - Identify source and amount of money to be accumulated, and identify fixed assets, and period of time not to exceed 10 years
 - May have more than one at a time
 - Purpose-Acquisition, construction, or improvement of fixed assets
 - > Fixed assets includes motor vehicles
 - May rescind at any time

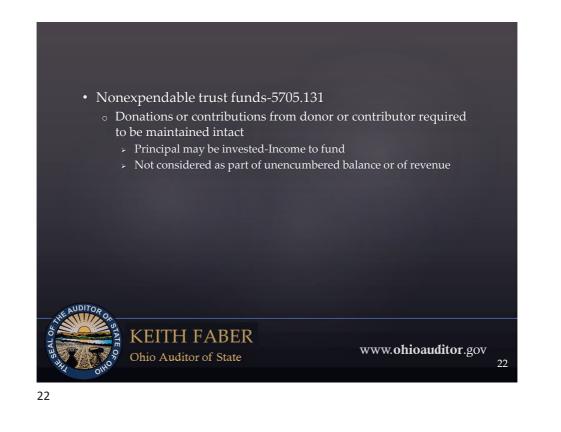
At rescission or end of period provided back to funds from which came



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- Township Special Purpose Reserve Balance Account-ORC 5705.132
 - In addition to reserve balance accounts under 5705.13
 - Resolution of township trustees-Specific purpose
 - > Any legal township purpose other than those in 5705.13
 - > Transfer funds legally expendable for the purpose
 - > Exist no more than five years beginning with first year of deposit
 - > Total amount of fund balance not exceed total of:
 - $\star~$ Five per cent of total of township's revenue for preceding year

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- * Any unencumbered balance carried over
- May rescind at any time

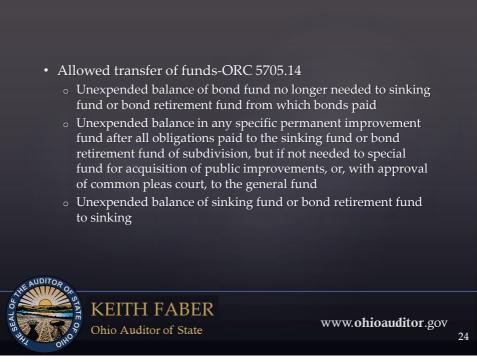
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End of term or rescission-Money back to fund

Not part of unencumbered balance





- Transfer of Public Funds-ORC 5705.15 and 5705.16
 - In addition to transfers authorized under 5705.14

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- Transfers in manner permitted under 5705.16 except:
 - Proceeds or balances of loans, bond issues, special levies for payment of loans or bond issues, the proceeds or balances of funds derived from any excise tax for a specific purpose, and the proceeds or balances of any license fees imposed by law for a specified purpose

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- Transfer of Funds; Petition/Approval of Tax Commissioner-ORC 5705.16
 - Tax Commissioner shall approve upon finding:
 - > The petition states sufficient facts
 - > There are good reasons and necessity for the transfer
 - > No injury will result from transfer
 - If disapproved return within ten days with statement of objections

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> May resubmit

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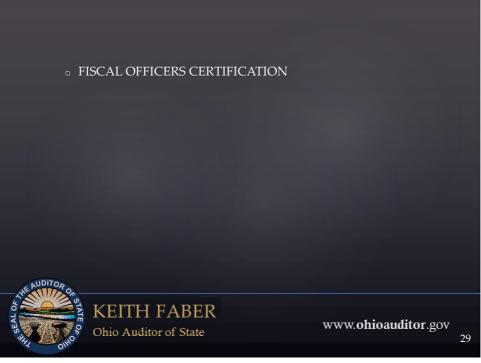
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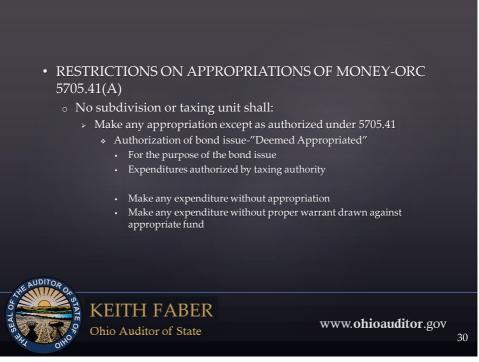
If approved return notice within ten days.



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LEVY PURPOSES • R.C. 5705.19 o Resolution-Amount of taxes raised within 10 mill limitation will be inadequate and necessary to levy additional taxes for designated purpose > Purposes set out A through AAA > Specify amount necessary to levy-Auditor's certification and copy > Purpose > Number of years-May include current year * Number of years designaed for purpose * Some continuing, i.e. police, fire, ambulance. * Immediate effect upon passage-No publication required. **KEITH FABER** www.ohioauditor.gov Ohio Auditor of State 28





- No contract or order for expenditure without certificate of fiscal officer-ORC 5705.41(D)(1)
 - Except Division 5705.41(D)(2) or 5705.44
 - Certificate of fiscal officer:
 - > Amount necessary lawfully appropriated and is in treasury or in process of collection for the fund free of encumbrance
 - * Reasonably certain cash will be on hand to pay
 - As in grants to be disbursed on proper certification-In the process of collection

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- * Multi-year-Current year amount
- * Signed by fiscal officer

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- "Then for Now Certificate"
 - Was at the time of making contract or order and at time of execution of certificate:
 - > Sufficient sum appropriated for the purpose
 - > In the treasury or in the process of collection to appropriate fund
 - > Free of encumbrance

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- > Taxing authority may authorize payment
 - Passed within 30 days after receipt of certificate
 - * Less than \$3,000-Fiscal Officer may authorize without taxing

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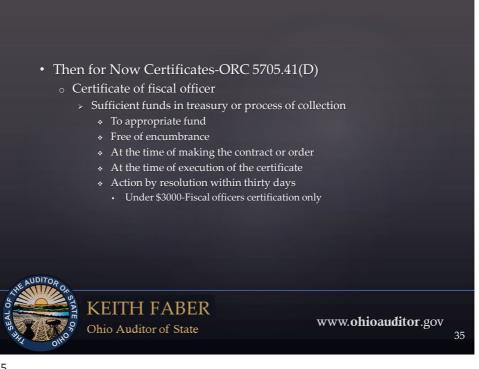
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authority affirmance if otherwise valid.



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- Super Blanket Certificates-ORC 5705.41(D)(3)
 - $\circ~$ Certification of fiscal officer
 - > Lawfully appropriated for permitted purpose
 - > In treasury or in process of collection
 - > Line-item account free of encumbrance
 - > Aggregate payments may not exceed certified sum
 - Professional services-Accountant, architect, attorney, physician, professional engineer, construction manager, consultant, surveyor, appraiser
 - > Fuel oil, gasoline, food items, roadway materials, utilities
 - > Any other recurring and reasonably predictable operation expense

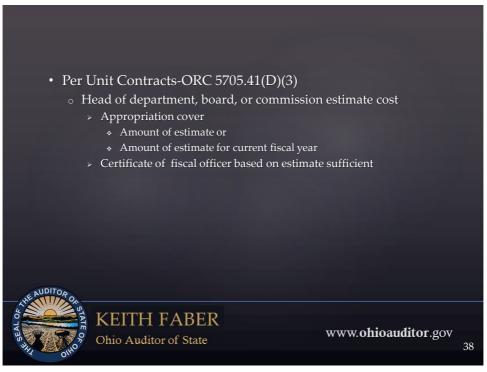
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- > Itemized statement of expenditures
- > More than one at a time.

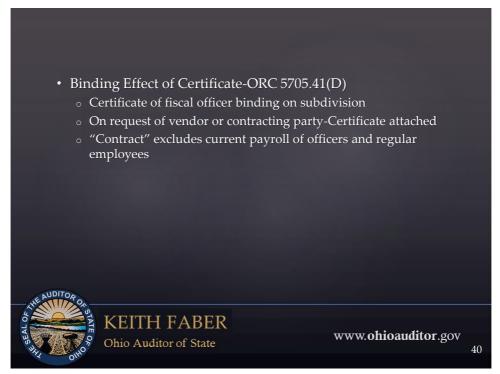
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- Deemed in the treasury or in process of collection-ORC 5705.41(E)
 - Taxes or revenue
 - > In process of collection
 - Proceeds derived from authorized bonds, notes, or certificates of indebtedness sold and in the process of delivery
 - Section does not apply to:

- * Investment of sinking funds
- * Investment of municipal funds under ORC 731.56 to 731.59

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