

**MEDINA TOWNSHIP TRUSTEES
SPECIAL MEETING 9:30 AM
JANUARY 31, 2023**

- I. ROLL CALL**
- II. WORK SESSION – STATE AUDITOR’S OFFICE REPRESENTATIVE**
- III. OTHER TOWNSHIP BUSINESS**
- IV. ADJOURN**

Best Practices

- Timely bank reconciliations
- Unclaimed monies if applicable
- Document, document, document

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OHIO AUDITOR OF STATE
KEITH FABER

Local Government Services Section
1-800-345-2519
contactlgs@ohioauditor.gov



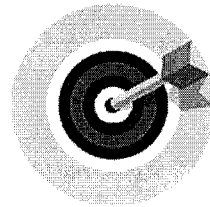
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Understanding the Budget and Roles of Elected Officials

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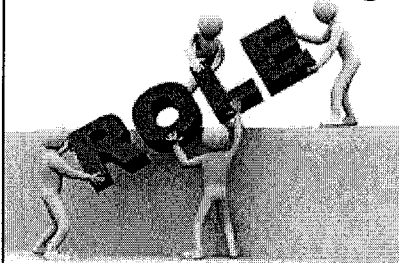
Objectives



- Identify elected officials role in the budgetary process
- Understand the process and timing issues
- Identify compliance items/limitations
- Recommended Policies and Procedures

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Governing Board Role in Budgetary Process



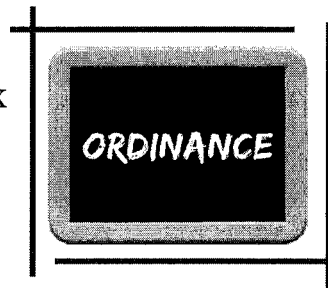
- Establish reserve funds – ORC §5705.13
 - Budget stabilization, reserve balance accounts
 - Capital projects set-asides
- Establish target carryover balances
- Set/approve salaries
 - Township's elected officials salary set by statute and employees salary set by Board of Trustees

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Governing Board Role in Budgetary Process

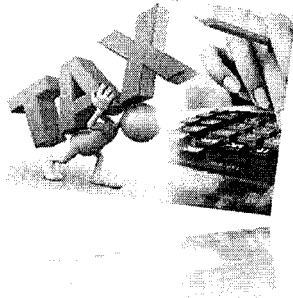
- Preparation of the annual tax ordinance/tax budget
- Presentation of annual tax ordinance/tax budget to budget commission



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Tax Budget



- Used to set tax property tax rates
- Used to allocate local government fund
- Planning for the next year
- Presents need for tax levies
- May be waived by budget commission
- Tax Budget is submitted by President of Board of Trustees

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Tax Budget Hearing

- Notice to be published 10 days before hearing
- Hearing is to provide interested parties with an opportunity to have input
- Tax budget to be adopted/approved by governing board by July 15
- Tax budget to be filed with the county auditor by July 20

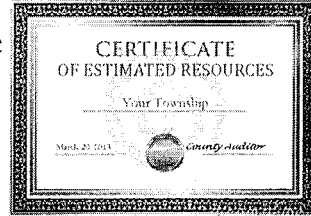


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Estimated Resources

- Certificate of year-end balance
- Official certificate
- Amended official certificate
- Amendments
 - Fiscal officer's responsibility (only)
 - No approval of governing board required
 - Governing board may request fiscal officer to amend the certificate so they can appropriate new or additional receipts

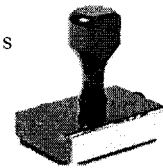


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Official and Amended Certificates

- The official certificate is in the tax budget
 - Signed by the budget commission and returned in September
 - Must be provided regardless of waiver of tax budget
- Amended official certificate of estimated resources
 - First amended certificate generally issued after the year-end balances are certified
 - May be amended as needed throughout the year
- Fiscal officer responsible for estimates therein and the amendments



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Appropriations Measurers



- Annual appropriation ordinance/resolution
 - Must adopt by April 1,
- Temporary appropriation ordinance/resolution
 - Covers Jan. 1 to Mar. 31, limited to ordinary expenditures
 - Items must be included in annual ...
- Amendments
 - Supplemental
 - Modifications (movement from one account to another within the same fund)

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Appropriations Measurers

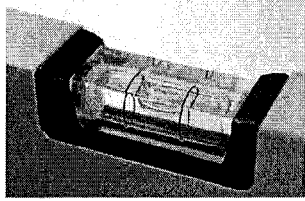


TIMING ISSUES

- 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 the official or amended official estimate.
- The County Auditor shall give a certificate forthwith upon receiving from the appropriating authority **a certified copy** of the appropriation measure.
 - If county is not providing certificate timely, proceed without certificate, but have written support that appropriations are within estimated resources.

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Legal Level of Control

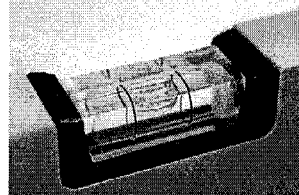
- Example of fund level

• General	\$ XXX,XXX
• Street/Gas Tax	\$ XXX,XXX
• State Highway/MVL	\$ XXX,XXX
• Cemetery	\$ XXX,XXX
• Grant	\$ XXX,XXX
• Total appropriations	<u>\$ XXX,XXX</u>

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Legal Level of Control



Example

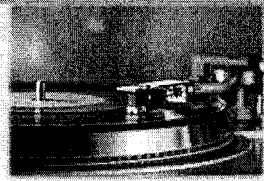
Fund department/activity, and major object level

• <u>General fund</u>	
• Police operations	
• Personal services	\$ XXX,XXX
• All other expenditures	\$ XXX,XXX
• Fire operations	
• Personal services	\$ XXX,XXX
• All other expenditures	\$ XXX,XXX

This is the minimum level implied by statute (ORC §5705.38(C))

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Recording/Posting of the Budget

Ohio Administrative Code, Section 117-2-02(C)(1)

- All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system.
This means designing an accounting system to provide ongoing and timely information on unrealized budgetary revenues and remaining uncommitted balances of appropriations.
- Estimated revenues posted to the accounting system should equal the estimated revenues on the certificate of estimated resources.
- Appropriations posted to the accounting system should equal the sum of the annual appropriation measurer and all supplemental appropriation measurers.

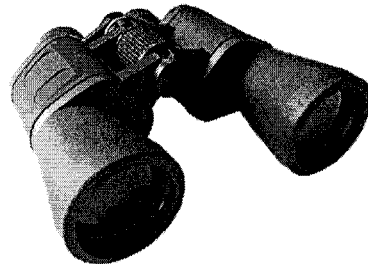
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Monitoring of the Budget

Who should review the monthly financial reports?

- Trustees
 - Finance committee
- Fiscal officer
- Department heads



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Transfers

Fund #1001

Fund #5678



- Transfers are permanent movements of money.
- 2023 Ohio Compliance Supplement Implementation Guide, Appendix A-1, page 51 - 56
- ORC §§5705.14 and 5705.15
- ORC §5705.16 is a different type of transfer.
- Transfers must be budgeted for / appropriated.

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Advances

Fund #1001

Fund #5678



- Basically, one fund "loans" another fund money expecting it to be returned at a later date.
- 2023 Ohio Compliance Supplement Implementation Guide, Appendix A-1, pages 51 -53
- If it is determined that an advance will not be repaid, the advance must be forgiven by the Governing Body.

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Blanket POs

- Trustees must, by resolution, set a dollar amount above which blanket POs may not exceed
- Use when the vendor, price, or quantity is open ended or not known
- The effective dates and the amount which does not exceed the amount limiting blanket POs voted on by the Trustees, must be included on the purchase order
- Only one blanket PO can be open against a particular line-item appropriation account
- Does not extend past the end of the year
- Signed by the fiscal officer

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Super Blanket POs

- Any amount (not to exceed available appropriations)
- Can only be for the following specific uses
 - Professional Services
 - Goods
 - Utilities
 - Any other specific expenditure that is a recurring and reasonably predictable operating expense
 - Any purchases exempt from competitive bidding under Ohio Revised Code §125.04
- Multiple Super Blanket PO can be open against a particular line-item appropriation account
- Does not extend past the end of the year
- Signed by the fiscal officer

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Payment of Bills (con't)

- Q. How should money be paid out of township funds?
- A. Money should be paid out on order (check) signed by at least two of the township trustees and countersigned by the township fiscal officer. O.R.C. 507.11.
- Q. Can townships use online payments to pay invoices?
- A. Yes, if the payee provides a written authorization designating a financial institution and an account number to which the payment is to be credited, (O.R.C. 9.37(B)) and order for such payment signed by at least two township officers and countersigned by the township clerk. O.R.C. 507.11(B); 1997 Op. Att'y Gen. No. 1997-053. Townships should also be aware of the Uniform Electronic Transactions Act, Chapter 1306 of the Revised Code, which generally applies to electronic records and electronic signatures relating to a transaction.

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Payment of Bills (con't)

- A voucher is a written order to draw a check in payment of a lawful obligation of the township. The completed voucher is the basis for the preparation of the check.
- Upon the receipt of a seller's invoice or the payroll of the township, the voucher(s) and check(s) should be prepared by the fiscal officer, with the requisition (if one is used), invoice and purchase attached to the voucher.
- The approval of the voucher can be completed in one of the following ways: (1) present to the trustees for their signature and approval, or (2) submit a list of bills paid at the trustee meeting. Vouchers are required by current Administrative Rule.

See Ohio Township Handbook page II-31

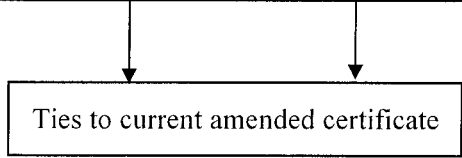
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XYZ Township

Summary of 2023 Estimated Resources and Appropriations

	Beginning Unencumbered Cash	Estimated Revenues	Proposed Appropriations	Estimated Ending Cash
1000 General	85,397.92	110,217.00	160,863.00	34,751.92
2011 Motor Vehicle Licenses Tax	3,114.21	36,000.00	35,896.00	3,218.21
2021 Gasoline Tax	22,213.89	106,230.00	135,200.00	(6,756.11)
2031 Road and Bridge	86,524.82	99,854.00	108,743.00	77,635.82
2191 Police Levy	208.45	157,809.00	157,500.00	517.45
4901 OPWC - Road #1	76,505.88	569,000.00	645,505.88	0.00
4902 OPWC - Road #2	0.00	206,000.00	206,000.00	0.00
Totals	273,965.17	1,285,110.00	1,449,707.88	109,367.29



- Appropriations - Must come before the Trustees
- Stay in available Resources
- Request a Summary of Line Item adjustments

XYZ Township

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Ties to current amended certificate

MEDINA TOWNSHIP

BOARD OF TRUSTEES MEETING

MEETING HELD 1-31-2023

NAME

ADDRESS

May Aukerman	5205 Baker
Kent Peterson	Box 156 Westfield GR
John Weger	21
Sandra Bille	3414 Hamlin Rd
KRAPP	FUND

Teff Johnson