

Fairfield County Auditor — Finance Internal Control Manual

Excerpts from the Ohio Compliance Supplement

Part 1: Contracting and Purchasing

Section B: Counties and Townships

7-1 Compliance Requirement: Ohio Rev. Code Sections 307.93(G), 341.25, 753.22, and 2301.57 - Establishment and accounting treatment for commissaries.

Summary of Requirements: Commissaries may be established by a sheriff of a county jail, the director of public safety or the joint board that administers a municipal or municipal-county workhouse, the director of a community-based or district community-based correctional facility, or the corrections commission of a multicounty, municipal-county, or multicounty-municipal correctional center. Once a commissary is established, all persons incarcerated must be given commissary privileges. In addition, the commissary fund rules and regulations for the operation of the commissary must be established by the person establishing the commissary for the correctional facility. The commissary fund must be managed in accordance with the procedures established by the Auditor of State's Office, which are contained in Auditor of State Bulletin 97-011. The revenue generated in the commissary fund in excess of operating costs is considered profit. The profits must be expended for the purchase of supplies and equipment, life skills training, education and/or treatment services for the benefit of persons incarcerated in the correctional facility.

Sample Questions and Procedures

Please show me your commissary funds rules and regulations. Who established these rules and regulations?

Did you review AOSAB 97-011 to determine if your policies and procedures need updated?

Scan a list of expenditures from this fund.

7-2 Compliance Requirement: Ohio Rev. Code Section 5543.19 - Employment of labor and materials by **force account**.

Summary of Requirements: A county engineer, when authorized by the county commissioners, can utilize county labor and materials when undertaking the construction, reconstruction, widening, or resurfacing of **roads**.

Before undertaking force account activity, an estimate of the cost of the road work must be compiled. When the estimated cost of the work exceeds **ten thousand dollars per mile**, the county commissioners must invite and receive competitive bids for completing the road work.

A county engineer, when authorized by the county commissioners, can utilize county labor and materials when undertaking the construction, reconstruction, improvement, maintenance, or repair of **bridges and culverts**.

Before undertaking force account activity an estimate of the cost of the bridge/culvert work must be compiled. When the estimated cost of the work exceeds **forty thousand dollars**, the county commissioners must invite and receive competitive bids for completing the bridge/culvert work.

Sample Questions and Procedures

Has the county undertaken any force account projects during the year?

[If projects were undertaken.] Please show me proof that the preliminary estimates were taken and competitive bidding was not necessary.

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Part 2: Accounting and Reporting
Section A: General

7-7 Compliance Requirement: Ohio Rev. Code Section 9.38 - Deposits of public money.

Summary of Requirement: Public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection.

For example, a government employee other than the fiscal officer collecting funds and issuing a receipt must deposit the funds with the government's fiscal officer on the business day following the day of receipt. As an alternative to depositing the funds with the government's fiscal officer, the employee instead may deposit funds with the government's designated depository on the business day following the day of receipt.

If the amount of daily receipts does not exceed \$1,000 **and** the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

Note: This section does not require that the fiscal officer deposit receipts with the designated depository on the business day following the day of receipt, or any other specified time. However, if the fiscal officer is holding significant amounts of cash and checks for an unreasonable period, an internal control recommendation should be made.

Sample Questions and Procedures

1. What cash collection points receive significant amounts of cash?
 2. Where do they deposit cash (i.e., to the treasurer/finance director, or to certain banks, etc.)?
 3. How often do they make deposits? If deposits are not made on the business day after receipt, has a policy been adopted?
 4. What is the approximate daily collection?
 5. If cash is not deposited daily, how is the cash safeguarded (is a safe or other access-limiting device used?)
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