



# ROSS TOWNSHIP RESOLUTION NUMBER 2016-052

**RESOLUTION ENTERING INTO PROJECT GRANT AGREEMENT WITH THE OHIO DEPARTMENT OF TRANSPORTATION FOR ITS SIGN SAFETY GRANT; AUTHORIZING THE ROAD SUPERINTENDENT TO EXECUTE THE PROJECT; ESTABLISHING GRANT FUND NUMBER 2908 ENTITLED "ODOT 2016 SIGN SAFETY GRANT"; AUTHORIZING AN ADVANCE OF FUNDS; BUDGETING RECEIPTS AND MAKING APPROPRIATIONS FOR EXPENSES; AND REQUESTING AN AMENDED CERTIFICATE OF ESTIMATED RESOURCES FROM THE BUTLER COUNTY AUDITOR**

WHEREAS, the Board authorized the application for a grant from the Ohio Department of Transportation (hereinafter referred to as "ODOT") for its Sign Safety Grant (hereinafter referred to as "GRANT") for the Ross Township Road Maintenance Department in the amount of \$26,142.03; and

WHEREAS, the ODOT, desires to award and enter into a grant agreement with the Ross Township Road Maintenance Department for said GRANT; and

WHEREAS, the Township desires to enter into said Agreement with the ODOT for said Grant; and

WHEREAS, the said Agreement execution requires authorization of grant term execution and dictates the need to establish a grant fund for the purpose of budgeting receipts and making appropriations for Project expenses; and

WHEREAS, R.C. 5705.40(E) provides that transfers may be made by resolution from the General Fund to any other Ross Township fund; and

WHEREAS, the current fiscal requirements of the Township necessitate an advance of funds from its General Fund to the Grant Fund Number 2908 entitled "ODOT Sign 2016 Safety Grant" (hereinafter referred to as "GRANT FUND"); and

WHEREAS, R.C. 5705.40 authorizes the amendment or supplement of appropriations and provides that transfers may be made by resolution from one appropriation item to another, and

**BE IT RESOLVED**, by the Trustees of Ross Township, Butler County, Ohio, as follows:

**SECTION 1-A:**

That the Board hereby enters into a grant agreement with the ODOT under the provisions substantially outlined in the form of the Ohio Auditor of State Bulletin #2000-008 attached hereto and marked as Exhibit "A".

**SECTION 1-B:**

That Road Superintendent Paul Bulach serves as Project Manager for purpose of the GRANT and that he is hereby authorize to execute the acceptance and installation of regulatory and warning roadway signage in connection to the GRANT in the amount of \$26,142.03 in order to fund the Project (hereinafter referred to as "GRANT PURPOSE").

**SECTION 1-C:**

That the GRANT FUND be established for the purpose of budgeting receipts and making appropriations necessary to execute the GRANT and to satisfy the GRANT PRUPOSE.

**SECTION 1-D:**

That the Board of Trustees of Ross Township hereby authorizes the advance of \$26,142.03 from its General Fund to the GRANT FUND.

**SECTION 1-E:**

That the GRANT FUND is herewith established for the purpose of budgeting receipts and making appropriations for expenses for said grant project as follows:

- a) Anticipated receipts of \$26,142.03 in GRANT FUND are hereby budgeted with an advance of \$26,142.03, herein authorized in Section 1-D, from Fund Number 1000 - General Fund in anticipation that the GRANT FUND will repay the General Fund in the future.

To make provision for the current expenses and other expenditures of said Board of Trustees, during the fiscal year ending December 31, 2016, appropriations be amended with the additional appropriation of \$26,142.03 to the GRANT FUND.

**SECTION 1-F:**

That the Fiscal Officer of Ross Township hereby be directed to request an Amended Certificate of Estimated Resources from the Butler County Auditor.

**SECTION 2-A:**

That Sections 1-A, 1-B, 1-C and 1-F of this resolution shall take effect on October 19, 2016 upon the filing of this resolution with the Ross Township Fiscal Officer.

**SECTION 2-B:**

That Sections 1-D, and 1-E of this resolution shall take effect upon receipt of the Amended Certificate of Estimated Resources from the Butler County Budget Commission.

**SECTION 3:**

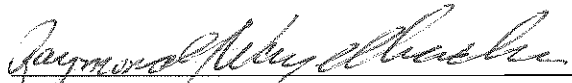
It is hereby determined that all formal actions of the Board of Trustees relating to the adoption of this Resolution were taken in an open meeting of the Board of Township Trustees and that all deliberations of such Board of Trustees were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

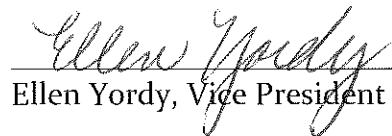
**INTRODUCTION AND VOTE RECORD:**

Trustee Wurzelbacher introduced the foregoing Resolution and moved its adoption, Trustee Willsey seconded the Motion. The roll being called upon the question of adoption of the Resolution by the Township Fiscal Officer, the vote resulted as follows:

Trustees: Willsey AYE Wurzelbacher AYE Yordy AYE

Adopted at the meeting of the Ross Township Board of Trustees this 3<sup>rd</sup> day of November, 2016.

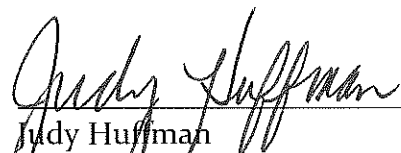
  
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Raymond Wurzelbacher, President

  
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Ellen Yordy, Vice President

  
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Thomas Willsey, Trustee

**AUTHENTICATION**

This is to certify that this resolution was duly adopted by the Board of Trustees, and filed with the Ross Township Fiscal Officer, this 3<sup>rd</sup> day of November, 2016.

  
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Judy Huffman  
Ross Township Fiscal Officer

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AUDITOR OF STATE BULLETIN 2000-008  
MAY 2, 2000

TO: ALL COUNTY AUDITORS  
ALL CITY AUDITORS, FINANCE DIRECTORS & TREASURERS  
ALL VILLAGE FISCAL OFFICERS  
ALL SCHOOL DISTRICT TREASURERS  
ALL EDUCATIONAL SERVICE CENTER TREASURERS  
ALL TOWNSHIP CLERKS  
ALL LIBRARY CLERKS/TREASURERS  
ALL JOINT FIRE DISTRICT FISCAL OFFICERS  
ALL FIRE AND AMBULANCE DISTRICT FISCAL OFFICERS  
ALL JOINT RECREATION DISTRICT FISCAL OFFICERS  
ALL PARK DISTRICTS  
ALL JOINT ADAMH FISCAL OFFICERS  
ALL UNION CEMETERY DISTRICT FISCAL OFFICERS  
ALL PORT AUTHORITY FISCAL OFFICERS  
ALL AIRPORT AUTHORITY FISCAL OFFICERS  
ALL WATER AND SEWER DISTRICT FISCAL OFFICERS  
ALL TOWNSHIP WASTE DISPOSAL DISTRICT FISCAL OFFICERS  
ALL INDEPENDENT PUBLIC ACCOUNTANTS

SUBJECT: ACCOUNTING FOR CASH BASIS LOCAL GOVERNMENTS' PARTICIPATION  
IN ON-BEHALF-OF GRANTS OR IMPROVEMENT PROJECTS<sup>1</sup>

Many local governments are the beneficiaries of programs commonly carried out or administered by other local governments or the State. Many of these grant programs or capital improvement projects (hereafter referred to as "program") are administered such that the benefiting governments do not receive cash or make disbursements as part of the program (for example, certain Issue II or CDBG programs). This bulletin describes the proper accounting treatment for these "on-behalf-of" programs.

#### Cash Accounting

When a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

This accounting treatment should only be applied when a local government or its residents are the recipients of benefits as evidenced by an agreement or an approved program application (This might include a consortium application where a group of local governments enter into an agreement as a consortium and the consortium is not a legally separate entity.<sup>2</sup>) A local government should not record any program transactions if the government has not entered into an agreement or has not been approved for program participation as a result of its request for participation. That is, transactions should not be recorded if the local government benefits solely as a consequence of a program carried out or

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<sup>1</sup> Though this Bulletin is intended primarily for cash basis local governments, local governments reporting under Generally Accepted Accounting Principles may find this guidance helpful when considering the application of Statement No. 24 of the Governmental Accounting Standards Board.

<sup>2</sup> For purposes of this Bulletin, the consortium fiscal agent may use any reasonable method to allocate receipt and disbursement activity of the consortium among consortium participants. However, be aware that a particular grant may provide specific allocations among consortium participants in which case those allocations should be used.

administered by another party.

For example, suppose the Ohio Department of Transportation administers a program which widens and repaves a five-mile section of state highway located within the Village of XYZ's boundaries. The Village has not applied for funding or entered into an agreement related to the project<sup>3</sup>. However, the improvements benefit the Village by providing increased access for tourists. In this case the Village would not record any receipts or disbursements related to the project.

Suppose, however, that the Village submits an application to XYZ County for participation in the County's CDBG-funded annual improvement project. The County approves the Village's application for a sidewalk replacement project, and the County advertises for bids, awards the contracts, and pays the vendors directly. In this case, even though the Village did not receive any payment or make any disbursements related to the project, the Village should record receipts and disbursements for the amount of the project payments made on-behalf-of the Village.

Note: When a local government makes on-behalf-of program disbursements for the benefit of another local government, the Auditor of State recommends that the disbursements be recorded as intergovernmental. This treatment prevents two governments from reporting operating or capital disbursements for the same grant. Also, GASB Statement No. 24 provides guidance regarding the fund type to be used when a government receives financial assistance to spend on-behalf-of a secondary recipient. In general, a government receiving such assistance should record the related receipts and disbursements in a governmental fund (though a proprietary or trust fund might also be appropriate). However, if the government has no administrative responsibility the financial activity should be recorded in an agency fund (This would be infrequent.)

Budgetary Accounting (for entities subject to Ohio Revised Code Chapter 5705)

The legislative authority should approve, by resolution, the grant or project application and must establish any fund(s) necessary to meet the grant or project objectives. Auditor of State permission for fund establishment is not necessary, although it may be necessary to obtain a fund number from the Auditor of State if one has not been previously assigned.

Once the grant is awarded or the application is approved, the fiscal officer must obtain an official certificate of estimated resources or an amended certificate of estimated resources for all or part of the grant or project, based on the expected cash disbursements to be made on the local government's behalf in the current fiscal year. Any on-behalf-of payments expected to be made in the next year should be reflected on the next year's certificate<sup>4</sup>.

The fiscal officer shall record the appropriations in accordance with the terms and conditions of the grant or project agreement. In addition, prior to recording the appropriations, Ohio Rev. Code § 5705.40 requires the legislative authority to pass a resolution amending its appropriation measure.

If the grant or project will be expended over a period longer than the current fiscal year, only the amount expected to be obligated during the current fiscal year should be recorded as appropriated. The remainder of the project should be appropriated in the subsequent year(s)<sup>5</sup>.

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<sup>3</sup> Some local governments do participate in certain ODOT projects as part of a formal agreement, with matching requirements.

<sup>4</sup> However, if the local government, with the exception of a school district, has budgeted on a project length basis pursuant to Ohio Rev. Code § 9.34(B), the fiscal officer must obtain an official certificate of estimated resources for the entire project length fiscal period. If the project length basis is used, the local government would appropriate the entire project amount.

<sup>5</sup> See footnote 4.

Other Matters

Local governments participating in on-behalf-of programs should review program documents and/or contact the awarding entity to determine the estimated and actual on-behalf-of disbursements for the fiscal year. These amounts should be used, respectively, for the budgetary and cash accounting treatment described above.

For federally funded programs, application of this accounting treatment will generally be an indication that the local government is a subrecipient of federal financial assistance, however, each agreement must be evaluated individually. When a local government has not applied for funding or entered into an agreement, as discussed in the ODOT example above, it will generally not be considered a subrecipient of federal financial assistance. When determining whether or not the local government is a subrecipient of federal financial assistance, the guidance provided by Office of Management and Budget (OMB) Circular A-133 should be considered<sup>6</sup>.

Township officials are compensated based on annual budgets. The application of this accounting treatment and the related budgetary accounting may alter the budget amounts on which officials' compensation is based (see Auditor of State Bulletin 99-008.)

If you have any questions regarding this matter, please contact your regional Auditor of State's Office.

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<sup>6</sup> OMB Circular A-133 section .205 (a) states in part, that the determination of when an award is expended should be based on when the activity related to the award occurs. This section further states, that generally, the activity pertains to events that require the non-Federal entity to comply with laws, regulations, and provisions of contracts or grant agreements. A-133 Section .105 defines *Subrecipient* as a non-Federal entity that expends federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A-133 Section .105 defines *Federal Financial Assistance* to include assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

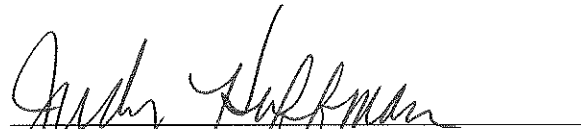
Under these sections, a local government should generally be considered a subrecipient when it receives cash or non-cash assistance under a federal program for which the local government has significant administrative or compliance responsibility.

**CERTIFICATE AS TO COPY,  
ORIGINAL ON FILE**

**STATE OF OHIO, COUNTY OF BUTLER, SS:**

I, Judy Huffman, Fiscal Officer of the Board of Township Trustees of Ross Township, in said county, and in whose custody the Files and Records of said Board are required by the Laws of the State of Ohio to be kept, do hereby certify that the foregoing is taken and copied from the original Resolution now on file with said Board, that the foregoing has been compared by me with said original and copied from the original document, and that the same is a true and correct copy thereof.

This 3<sup>rd</sup> day of November, 2016.

  
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Judy Huffman,  
Ross Township Fiscal Officer

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