



# LOCAL GOVERNMENT OFFICIALS CONFERENCE

Day 2 - April 14, 2022

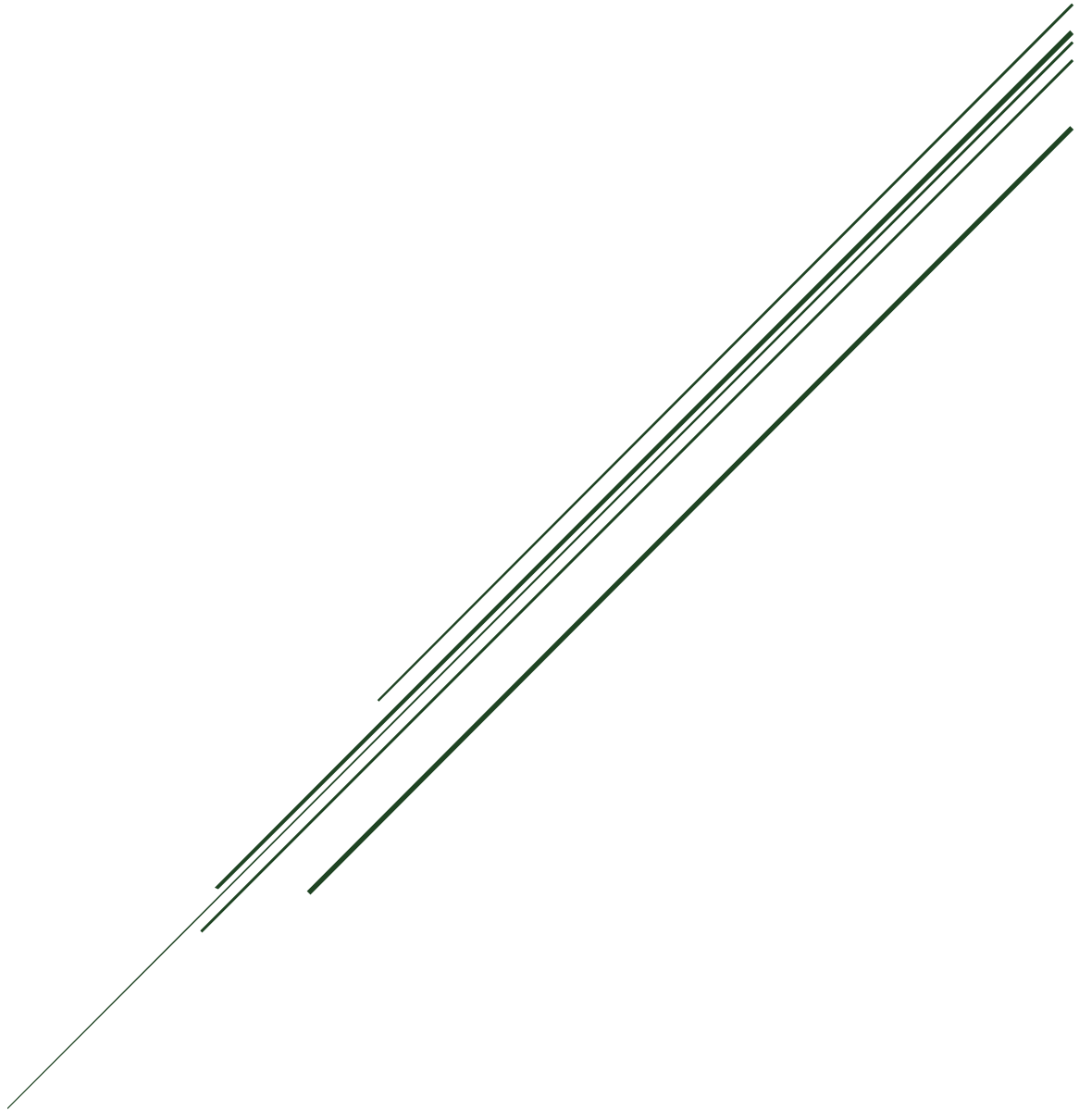
Presentation Slides &  
Handout Material

OHIO AUDITOR OF STATE  
**KEITH FABER**



# OPERS EMPLOYER UPDATE

Slides






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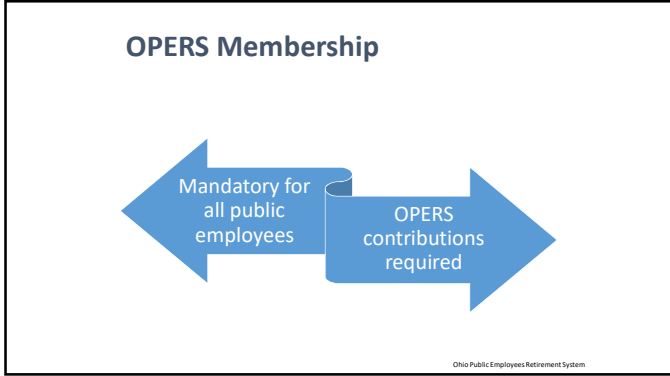
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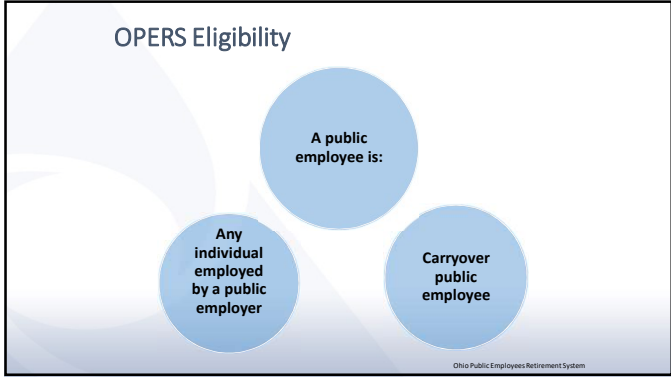
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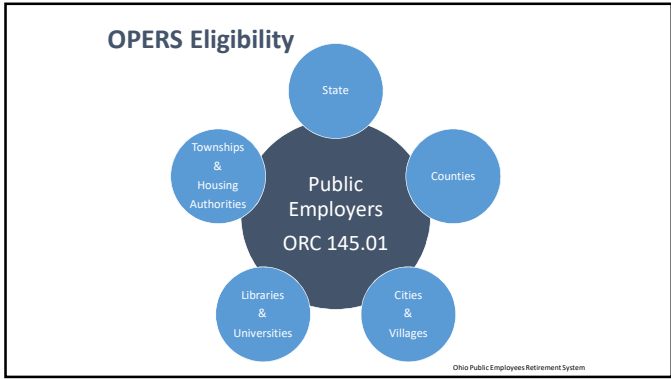
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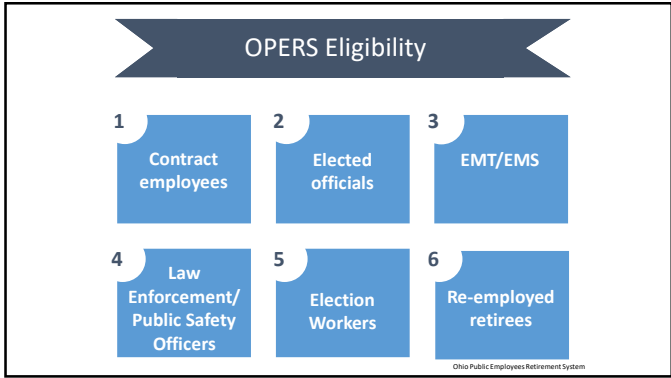
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**OPERS Eligibility**

|   |                   |   |
|---|-------------------|---|
| 1 | Contract Employee | OAC 145-1-42(A)(1)  |
| 2 | Elected Official  | Elected by the public or appointed to fill an elective position |
| 3 | EMT/EMS           | Strictly EMT and does not require firefighter training          |

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**OPERS Eligibility**

|   |   |  |
|---|---|--|
| 4 | Law Enforcement/<br>Public Safety<br>Officers | ORC 145.01(AA)-<br>145.01(UU) and<br>145.01 (WW)   |
| 5 | Election Workers                              | Earning more than<br>\$600 per year  |
| 6 | Re-employed<br>retirees                       | Retired from an<br>OPERS-covered<br>employer or any of<br>the Ohio retirement<br>systems |

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**Required eligibility forms:**

| Establish OPERS membership:                           | Re-employed retirees:   |
|---|---|
| Form A (Personal History Record)                      | SR-6 (Notice of Re-employment of an OPERS Benefit Recipient)                                      |
| SSA-1945 (Required by Social Security Administration) | SR-6E (Notice of Re-employment of a Retired Elected or Appointed Official to an Elected Position) |

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### Exclusions from membership

|  |   |
|--|---|
| College or University employees electing ARP | <ul style="list-style-type: none"> <li>• Electing to participate in an ARP rather than contributing to OPERS</li> </ul>                   |
| Election workers                             | <ul style="list-style-type: none"> <li>• Earning less than \$600 per year</li> <li>• OAC 145-1-44</li> <li>• ORC 145.012(A)(5)</li> </ul> |
| EMT/Firefighter                              | <ul style="list-style-type: none"> <li>• Hired on or after Aug. 3, 1992</li> <li>• EMT position requires firefighter training</li> </ul>  |

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### Exclusions from membership

|   |  |
|---|--|
| Independent contractor                          | <ul style="list-style-type: none"> <li>• ORC 145.38</li> </ul>                 |
| Students working for college they are attending | <ul style="list-style-type: none"> <li>• Approved student exemption</li> </ul> |

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### NOT Earnable Salary

- 1 Lump sum payments at termination
- 2 Pay per meeting, item, event
- 3 Incidental benefits
- 4 Severance pay
- 5 Pay differential for military vs. civilian

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### Minimum earnable salary

| Year | Minimum Earnable Salary |
|------|-------------------------|
| 2022 | \$684.86                |
| 2023 | \$684.00                |
| 2024 | \$696.84                |
| 2025 | \$709.03                |
| 2026 | \$721.44                |
| 2027 | \$734.91                |
| 2028 | \$749.09                |
| 2029 | \$773.20                |
| 2029 | \$788.82                |

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### Elected Official Form A

- Paper Elected Official Form A
- New Enhancement in ECS
- Elected Official Membership

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**Retirees Returning to a Public Employer**

- 1. An OPERS retiree may become re-employed in an OPERS-covered position.
- 2. An OPERS retiree may also provide services as an independent contractor for a public employer.

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How do you know if you are hiring an OPERS benefit recipient?

**SSN Look Up in ECS**

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**Retirees Returning to a Public Employer**

- |   |  |  |
|---|--|--|
| <b>1</b><br>Hired as an employee                      | <b>2</b><br>Hired as an employee with no earnable salary | <b>3</b><br>Hired as an independent contractor |
| <b>4</b><br>Elected or appointed to the same position | <b>5</b><br>Elected or appointed to a different position | <b>6</b><br>Special cases                      |

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**Retirees Returning to a Public Employer**

- 1. SR-6 is found on ECS for employers who report on ECS

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- 2. SR-6 form may be found on [opers.org](https://www.opers.org) for employers who do not report on ECS

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**Retirees Returning to a Public Employer**

- Start date on SR-6 must match first payroll reporting date (if applicable)
- SR-6 must be submitted within the same month of re-employment
- Use PPE code of Quit when a contributing retiree terminates or submit a Term-MP with quit date when a non-reported retiree terminates

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**What is a Non-Contributing List?**

A list of individuals who, in the prior year, provided services to the employer and were classified as an independent contractor or any other classification other than a public employee.

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### Non-Contributing List

- Independent contractors
- Individuals paid non-earnable salary
- Elected officials who have opted out
- Individuals excluded from membership

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### Non-Contributing List

|                 |                |                    |
|-----------------|----------------|--------------------|
| 1<br>SSN        | 2<br>Name      | 3<br>Status        |
| 4<br>Date Range | 5<br>Job Title | 6<br>Annual Salary |

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### Non-Contributing List

**Prepare**

- Build list throughout the year

**Review**

- Review and edit data as needed

**Submit**

- NCL due by Jan. 31, each year

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**Recap**

|   |   |   |
|---|---|---|
| 1 | Elected Official Form A                                   | Paper Form A is now required only if the elected official is wanting to contribute into OPERS |
| 2 | SR-6 required for Retirees Returning to a Public Employer | Submitted for any retiree hired as an independent contractor                                  |

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**Recap**

|   |   |
|---|---|
| 3 | Retirees who return to service as an independent contractor to the same public employer from which they retired will have their retirement benefit and OPERS health care coverage impacted. |
| 4 | Retiree's pension benefit is impacted if return to work for any public employer within two months of retirement effective date. Health care coverage impacted as well.                      |

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**Recap**

|   |   |
|---|---|
| 5 | Non-Contributing Lists are due on or before Jan. 31 every year. |
|---|---|

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**Employer Services**

|                                     |                      |
|-------------------------------------|----------------------|
| Call Center<br>888-400-0965         | Fax<br>614-857-1152  |
| Email<br>employeroutreach@opers.org | Website<br>opers.org |

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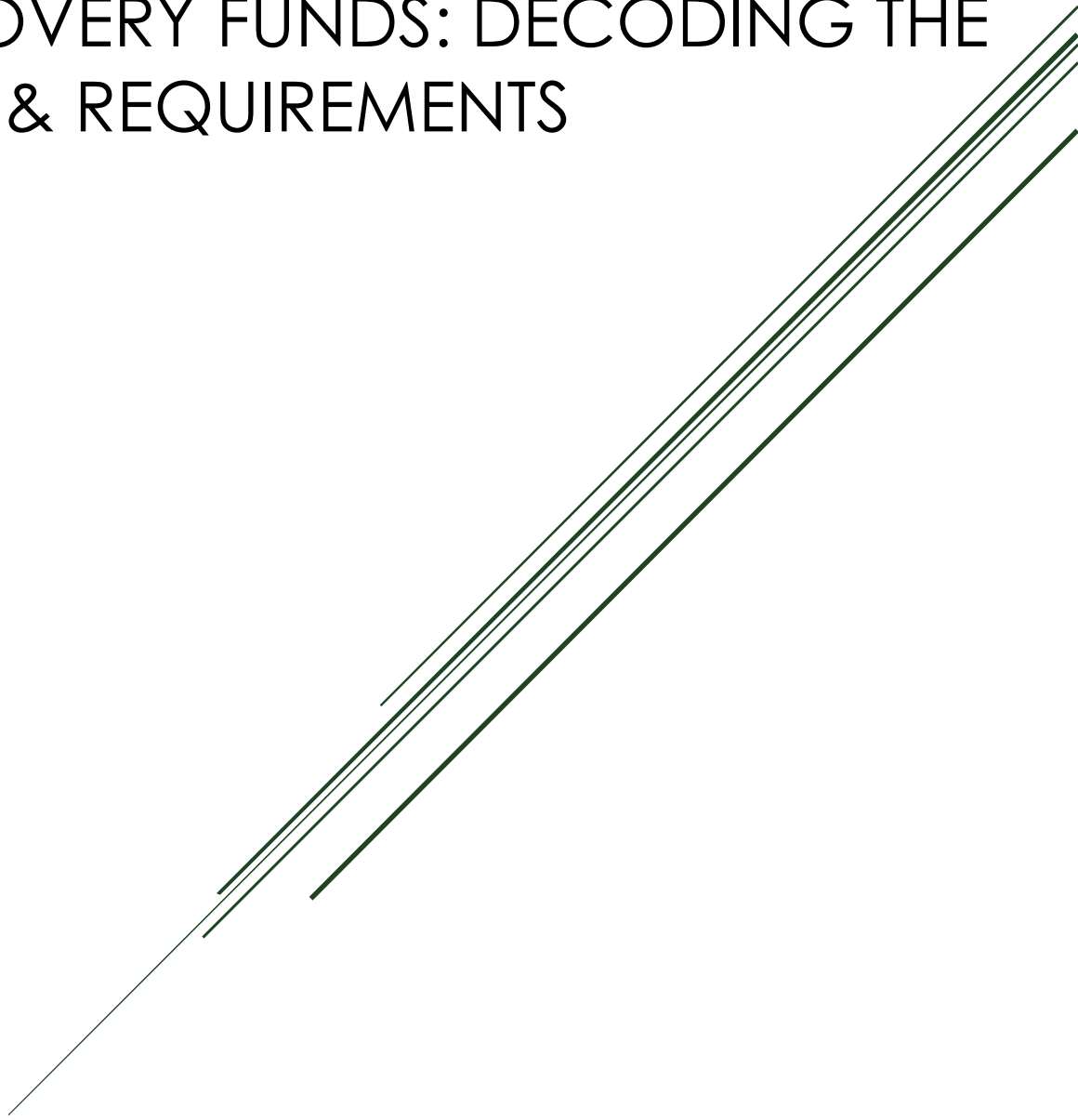
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OHIO AUDITOR OF STATE  
**KEITH FABER**



# AMERICAN RESCUE PLAN ACT (ARPA) STATE & LOCAL FISCAL RECOVERY FUNDS: DECODING THE USES & REQUIREMENTS

Slides





**The Ohio Grants Partnership**

American Rescue Plan Act State and Local Fiscal Recovery Funds:  
Decoding the Uses and Requirements

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Stacie Massey, MBA  
Senior Financial Manager

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## Allowable Uses of Funds



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## Allowable Uses of Funds

**Cover costs incurred by December 31, 2024:**

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality;
- To provide premium pay to essential employees or grants to employers to provide premium pay (premium pay cannot exceed \$13 per hour or \$25,000 per worker and cannot exceed certain local averages, unless specifically justified);
- To provide government services affected by a revenue reduction due to the public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- To make necessary investments in water, sewer, or broadband infrastructure.

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## Fiscal Recovery Key Dates

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## Fiscal Recovery Key Dates

Payments from the Fiscal Recovery Fund can only be used for costs incurred from March 3, 2021, through December 31, 2024.

The Final Rule continues to define **costs incurred** in alignment with the Uniform Guidance and requires funds to be **obligated** by December 31, 2024.

Use of Fiscal Recovery Funds is forward-looking:

- Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.
- Recipients are not permitted to use funds to cover pre-award costs (only those on or after March 3, 2021, which were made with the intention of receipt of future ARPA funding).
- The period of performance runs until December 31, 2026.

Restrictions to cover costs incurred beginning March 3, 2021, do not apply to costs/impacts incurred by households, businesses, non-profits, and individuals benefiting from assistance if the cost was not incurred by the recipient prior to that date.

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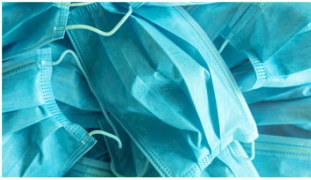
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## Other Key Provisions

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## Other Key Provisions

**Funds may not be used to:**

- Deposit into any pension fund - *does not include the payment to a pension fund as part of covered benefits for eligible personnel charged to the fund.*
- Contribute to rainy day funds, financial reserves, budget stabilization, or similar funds – the revenue reduction amounts must be applied to general government services.
- Offset a reduction in net tax revenue.
- Pay interest or principal on outstanding debt instruments, including short-term revenue or tax anticipation notes, or other debt service costs.
- Satisfy a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding.
- Serve as non-federal match for other federal grant programs (some exceptions with funds used as revenue loss).
- Use may not conflict with or contravene the purpose of the American Rescue Plan Act statute (e.g., use undermines COVID-19 mitigation practices in line with CDC guidance and recommendations) – **New with Final Rule**

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## Final Rule and Major Provisions

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## State and Local Fiscal Recovery Final Rule

- Final Rule adopted on January 6, 2022
- Effective April 1, 2022
- Will be codified at 31 CFR Part 35
- Final Rule provides broader flexibility and greater simplicity

**Additional accompanying documents:**

- Statement Regarding Compliance with the Interim Final Rule and Final Rule
- Coronavirus State & Local Fiscal Recovery Funds: Overview of Final Rule

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### Terminology within the Final Rule

- “Should” and “must” = mandatory
- “May” and “encourage” = suggestion, discretion of recipient allowed
- **Proportional** and **Reasonable** are key concepts stressed in the rule in determining the level of investment for eligible activities.
- **Enumerated** by Treasury means specifically listed as an eligible use of funds in the Final Rule.
- **Impacted** – those impacted by the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.
- **Disproportionately Impacted** – those that experienced disproportionate public health or economic outcomes from the pandemic, Treasury recognizes that pre-existing disparities amplified the impacts of the pandemic causing more severe impacts in underserved communities.

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### Summary of Key Changes in the Final Rule

- **Public Health and Economic Impacts**
  - Use of funds for capital expenditures
  - Expanded set of households and communities that are presumed “impacted” and “disproportionately impacted” with a broader set of uses
  - Broader use of funds to restore and support public sector employment
- **Premium Pay**
  - Expanded the list of eligible workers who can receive premium pay without written justification
- **Revenue Loss**
  - Added a standard allowance option
  - Other minor changes with the calculation of revenue loss
- **Water, Sewer, and Broadband Infrastructure**
  - Broadens eligibility for broadband projects
  - Added additional eligible water and sewer projects

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### Key Changes in the Final Rule – Revenue Loss

- **Added an option to elect a “standard allowance” of up to \$10 million in revenue loss through the life of the program**
  - Treasury recognizes the standard allowance may cover an entire allocation and has indicated reporting will be streamlined
  - Do not have to illustrate there was an actual revenue loss
- Revenue loss election is made on the first Project and Expenditure report
- Recipients may use revenue loss funds for **general government services up to the revenue loss** amount
- General government services means any service traditionally provided by a government, unless Treasury has stated otherwise

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Key Changes in the Final Rule – Revenue Loss (cont.)

Treasury provided the following examples of **general government services** as a non-exhaustive list:

- Construction of schools and hospitals
- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff, and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

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Key Changes in the Final Rule – Revenue Loss (cont.)

- May calculate revenue loss on a **fiscal year or calendar year** (e.g., December 31 for years 2020, 2021, 2022, and 2023)
  - Must select one and be consistent throughout the performance period
  - Clarified the base year to be the last full fiscal year prior to January 27, 2020
- Revenue loss **growth adjustment changed from 4.1% to 5.2%** as the new standard default allowance for the formula
- General revenue now includes **utility and liquor store revenue**
- Must adjust actual revenue totals for the effect of **tax cuts and tax increases that were adopted after January 6, 2022**

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Revenue Loss Reminders

- **Parameters that apply to the use of revenue loss funds**
  - No debt service or financial reserves replenishment (e.g., rainy day, budget reserves, budget stabilization, etc.)
  - No satisfaction of settlements or judgements
  - No extraordinary pension contributions
  - Use may not conflict with or contravene the purpose of the American Rescue Plan Act statute (e.g., use undermines COVID-19 mitigation practices in line with CDC guidance and recommendations)
- **Revenue loss funds are considered federal funds and must follow Uniform Guidance requirements**
  - Must be treated and tracked as federal expenditures
  - Provisions of the Uniform Guidance such as procurement apply
  - Terms and Conditions of Award apply (e.g., conflicts of interest, civil rights, etc.)
  - Revenue loss funds must be expended within the period of performance

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### Revenue Loss as Non-Federal Match?

Funds under the "revenue loss" eligible use category generally may be used to meet the non-federal cost-share or matching requirements of other federal programs.

The use as non-federal match for the state's Medicaid and CHIP programs are unallowable.

Funds beyond eligible revenue loss cannot be used as a non-federal match or cost-share requirement other than as specifically provided for by statute (i.e., Infrastructure Investments and Jobs Act, Bureau of Reclamation projects and certain broadband deployment projects).

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### Public Health and Negative Economic Impacts – Eligible Use Categories

 **Public Health**
 **Assistance to Households**
 **Assistance to Small Businesses**
  
 **Assistance to Nonprofits**
 **Aid to Impacted Industries**
 **Public Sector Capacity**


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### Public Health and Negative Economic Impacts – Enumerated, Presumed Population, or Not?

Treasury has provided lists of enumerated uses and presumptions for populations that were impacted. **Recipients providing enumerated uses of funds to populations presumed eligible (impacted or disproportionately impacted) are clearly operating consistently with the final rule.**

Eligible uses in this category must meet two criteria:

- 1) Identify a COVID-19 public health or economic impact on a specific household, business, or non-profit; or to a class of households, businesses, or non-profits (i.e., group), **AND**
- 2) Design a response (program, service, or capital expenditure) that addresses or responds to the impact.

Responses must be **related, reasonably proportional** to the harm identified, and **reasonably designed** to benefit those impacted.

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### Public Health – COVID-19 Mitigation and Prevention

Enumerated eligible uses include:

- > Vaccination/testing programs
- > Monitoring, contact tracing, and public health surveillance
- > Public communication efforts
- > Public health data systems
- > **COVID-19 prevention and treatment equipment, such as ventilators and ambulances**
- > Medical and PPE/protective supplies
- > Support for isolation or quarantine
- > **Ventilation system installation and improvement**
- > Technical assistance on mitigation of COVID-19 threats to public health and safety
- > Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations
- > Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools
- > Support for prevention and mitigation strategies in small businesses, nonprofits, and impacted industries
- > Medical facilities generally dedicated to COVID-19 treatment and mitigation
- > Temporary medical facilities and other measures to increase COVID-19 treatment capacity
- > **Emergency operation centers and emergency response equipment (e.g., emergency response radio systems)**
- > Public telemedicine capabilities for COVID-19 related treatment

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### Public Health – Medical Expenses

Funds may be used for expenses to households, medical providers, or others that incurred medical costs due to the pandemic, including:

- > Unreimbursed expenses for medical care for COVID-19 testing or treatment, such as uncompensated care costs for medical providers or out-of-pocket costs for individuals
- > **Paid family and medical leave for public employees to enable compliance with COVID-19 public health precautions**
- > Emergency medical response expenses
- > Treatment of long-term symptoms or effects of COVID-19

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### Public Health – Behavioral Health Care

Treasury recognizes the pandemic has broadly impacted Americans' behavioral health and recipients can provide these services to the general public to respond.

Enumerated eligible uses include:

- > Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction, and long-term recovery support
- > Enhanced behavioral health services in schools
- > Services for pregnant women or infants born with neonatal abstinence syndrome
- > Support for equitable access to reduce disparities in access to high-quality treatment
- > Peer support groups, costs for residence in supportive housing or recovery housing, the 988 National Suicide Prevention Lifeline or other hotline services
- > Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery
- > Behavioral health facilities and equipment

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### Public Health – Preventing and Responding to Violence

Recipients may use funds to respond to communities with increased violence due to the pandemic. Enumerated eligible uses include:

- > Referrals to trauma recovery services for victims of crime
- > Community violence intervention programs, including evidence-based practices like focused deterrence, with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance
- > In communities experiencing increased gun violence due to the pandemic:
  - > Law enforcement officers focused on advancing community policing
  - > Enforcement efforts to reduce gun violence, including prosecution
  - > Technology and equipment to support law enforcement response

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### Negative Economic Impacts – Population Presumptions

Treasury defines "impacted" and "disproportionately impacted" populations and provides presumptions for each assistance category (household, small business, non-profit, and industry).

Recipients can identify other impacted or disproportionately impacted populations beyond those presumed eligible.

**Impacted** – those impacted by the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.

**Disproportionately Impacted** – those that experienced disproportionate public health or economic outcomes from the pandemic. Treasury recognizes that pre-existing disparities amplified the impacts of the pandemic causing more severe impacts in underserved communities.

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### Assistance to Households and Communities – Population Presumptions

| Impacted Households   | Disproportionately Impacted Households  |
|---|---|
| Low-and-moderate income (LMI) households, defined as those at or below 300% of FPG or 65% of AMI          | Low income (LI) households, defined as those at or below 185% of FPG or 40% AMI                               |
| Households experiencing unemployment or food or housing insecurity  | Households located in QCTs  |
| Households that qualify for certain federal programs (CHIP, Childcare Subsidies, CCDF or Medicaid)        | Households that qualify for certain federal programs (i.e., TANF, SNAP, SSI, WIC, Section 8 vouchers, LIHEAP) |
| Households that qualify for National Housing Trust Fund – for affordable housing programs                 | Households receiving services provided to Tribal governments (N/A to Ohio)                                    |
| Any student that lost access to in-person education – services to address lost instructional time in K-12 | Households residing in the US territories or receiving services from these governments                        |

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## Assistance to Households and Communities – Enumerated Eligible Uses

| Impacted Households  | Disproportionately Impacted Households   |
|--|--|
| <ul style="list-style-type: none"> <li>➢ Food assistance and food banks</li> <li>➢ Emergency housing assistance</li> <li>➢ Health insurance coverage expansion</li> <li>➢ Benefits for surviving family members of individuals who have died from COVID-19</li> <li>➢ Assistance to individuals to work (i.e., job training, childcare and transportation support, subsidized employment, assistance to start small business, etc.)</li> <li>➢ Financial services for the unbanked and underbanked</li> <li>➢ Burials, home repair, and weatherization</li> <li>➢ Programs, devices, and equipment for internet access and digital literacy</li> <li>➢ Cash assistance</li> <li>➢ Paid sick, medical, and family leave programs</li> <li>➢ Assistance in accessing public benefits or services</li> <li>➢ Childcare and early learning services, home visiting programs, services for child welfare involved families, and foster youth and childcare facilities</li> <li>➢ Learning loss for K-12 students</li> <li>➢ Long-term housing security programs or services, affordable housing and permanent supportive housing</li> </ul> | <ul style="list-style-type: none"> <li>➢ Community health workers to help households access health and social services</li> <li>➢ Remediation of lead paint or other lead hazards</li> <li>➢ Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment and facilities designed to address health disparities</li> <li>➢ Housing vouchers and assistance relocating to neighborhoods with higher economic opportunity</li> <li>➢ Investments in neighborhoods to promote improved outcomes</li> <li>➢ Improvements to vacant/abandoned properties</li> <li>➢ Services to address education disparities</li> <li>➢ Schools and other educational equipment and facilities</li> </ul> |

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## Assistance to Small Business – Population Presumptions

**Treasury defines small business as having no more than 500 employees, in general, and is independently owned and operated and is not dominant in its field of operation.**

| Impacted Small Businesses  | Disproportionately Impacted Small Businesses   |
|--|--|
| <ul style="list-style-type: none"> <li>➢ Decreased revenue or gross receipts</li> <li>➢ Financial insecurity</li> <li>➢ Increased costs</li> <li>➢ Capacity to weather financial hardship</li> <li>➢ Challenges covering payroll, rent or mortgage, and other operating costs</li> </ul> | <ul style="list-style-type: none"> <li>➢ <b>Small business operating in Qualified Census Tracts (QCT)</b></li> <li>➢ Small business operated by Tribal governments or on Tribal lands</li> <li>➢ Small businesses in the U.S. territories</li> </ul> |

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## Assistance to Small Business – Enumerated Eligible Uses

| Impacted Small Businesses  | Disproportionately Impacted Small Businesses   |
|--|--|
| <ul style="list-style-type: none"> <li>➢ Loans* or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs</li> <li>➢ Technical assistance, counseling, or other services to support business planning</li> </ul> | <ul style="list-style-type: none"> <li>➢ Rehabilitation of commercial properties, storefront improvements and façade improvements</li> <li>➢ Technical assistance, business incubators and grants for start-up or expansion costs for small businesses</li> <li>➢ Support for microbusinesses, including financial, childcare, and transportation costs</li> </ul> |

\*Refer to Treasury Final Rule and guidance on loan provisions

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### Assistance to Nonprofits – Population Presumptions

Treasury defines a nonprofit as 501(c)(3) and 501(c)(19) tax-exempt organizations.

| Impacted Nonprofits  | Disproportionately Impacted Nonprofits  |
|--|---|
| <ul style="list-style-type: none"> <li>➢ Decreased revenue (e.g., from donations and fees)</li> <li>➢ Financial insecurity</li> <li>➢ Increased costs (e.g., uncompensated increases in service need)</li> <li>➢ Capacity to weather financial hardship</li> <li>➢ Challenges covering payroll, rent or mortgage, and other operating costs</li> </ul> | <ul style="list-style-type: none"> <li>➢ <b>Nonprofit operating in Qualified Census Tracts (QCT)</b></li> <li>➢ Nonprofits operated by Tribal governments or on Tribal lands</li> <li>➢ Nonprofits operating in the U.S. territories</li> </ul> |

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### Assistance to Nonprofits – Enumerated Eligible Uses

| Impacted Nonprofit  | Disproportionately Impacted Nonprofit   |
|---|---|
| <ul style="list-style-type: none"> <li>➢ Loans* or grants to mitigate financial hardship</li> <li>➢ Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic</li> </ul> <p><small>* Refer to Treasury Final Rule and guidance on loan provisions</small></p> | <ul style="list-style-type: none"> <li>➢ Flexibility to identify appropriate responses that are related and reasonably proportional to addressing disproportionate impacts</li> </ul> |

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### Assistance to Impacted Industries

There are two main ways an industry can be designated as "impacted."

- 1) If the industry is in the **travel, tourism, or hospitality sectors**, the industry is impacted.
- 2) If the industry is outside the travel, tourism, or hospitality sectors, the industry is impacted if:
  - a. The industry **experienced at least 8% employment loss from pre-pandemic levels, or**
  - b. The industry is **experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries** as of 1/6/22 based on totality of economic indicators or qualitative data (if quantitative data is unavailable), and if the impacts are generally due to the COVID-19 public health emergency

Final rule provides flexibility to define impacted industries eligible for aid. Aid may only be provided to support those **operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic.**

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### Assistance to Impacted Industries – Enumerated Eligible Uses

- Treasury recognized the following enumerated responses to impacted industries:
- Aid to mitigate financial hardship, such as supporting payroll costs, lost pay and benefits for returning employees, support of operations and maintenance of existing equipment and facilities
  - Technical assistance, counseling, or other services to support business planning
  - COVID-19 mitigation and infection prevention measures

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### Public Sector Capacity – Eligible Uses

- No change to eligible use for Public Safety, Public Health, and Human Services responding to COVID-19
- Restoring pre-pandemic employment
- Providing additional funds for employees who experienced pay cuts or were furloughed
  - Must reduce for unemployment benefits received
- Maintaining current compensation levels to prevent layoffs
- Providing worker retention incentives
  - Must be additive to an employee’s compensation, narrowly tailored to need, and should not exceed incentive traditionally offered or comparable to market
  - Less than 25% of base rate of pay for individual or 10% for a group
  - Reasonably proportional to need to retain employees
- Covering ancillary administrative costs related to hiring, support, and retention

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### Public Sector Capacity – Restoring Pre-Pandemic Employment

**Two Options:**

- 1) Hire back employees **for pre-pandemic positions** – same positions that existed on 1/27/20 but were unfilled or eliminated as of 3/3/21
- 2) Hire above the pre-pandemic baseline with flexibility in positions – can support an increase in the number of budgeted FTEs **up to 7.5% above pre-pandemic baseline**
  - 1) Identify FTE level on 1/27/20 (baseline)
  - 2) Determine 7.5% level above the baseline (**adjusted baseline**)
  - 3) Identify budgeted FTE level on 3/3/21 (**actual FTEs**)
  - 4) **Adjusted baseline** less **actual FTEs** is the **total number of FTEs that can be covered**

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### Public Sector Capacity – Effective Service Delivery

Recovery Funds may be used to improve the efficacy of public health and economic programs.

- **Supporting program evaluation, data and outreach:**
  - Program evaluation and evidence resources
  - Data analysis resources to gather, assess, share and use data
  - Technology infrastructure to improve access to and user experience of government IT systems
  - Technology improvements to increase public access and delivery of government programs and services
  - Community outreach and engagement activities
  - Capacity building resources to support using data and evidence, including hiring staff, consultants, or technical assistance support
- **Addressing administrative needs:**
  - Administrative costs for programs responding to pandemic
  - Needs caused or exacerbated by the pandemic (backlogs caused by shutdowns, increased repair or maintenance needs, and technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, data and case management systems))

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### Key Changes in Final Rule – Premium Pay

Final rule expanded the list of "eligible" workers, while still allowing a chief executive of a recipient government the ability to designate additional non-public sectors as critical to protecting the health and well-being of residents.

Final rule provided flexibility to permit premium pay to workers that are not exempt from the Fair Labor Standards Act overtime provisions without submitting a written justification.

- Additional clarifications include:
- Premium pay may be provided in installments or lump sums (i.e., monthly, quarterly, etc.)
  - Can be awarded to hourly, part-time, or salaried or non-hourly workers
  - **Volunteers cannot receive premium pay**

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### Key Changes in Final Rule – Water and Sewer Infrastructure

Final rule provides additional eligible projects, if found to be "necessary:"

- ✓ Culverts
- ✓ Residential wells
- ✓ Dam and reservoir rehabilitation (related to drinking water)
- ✓ Broad set of lead remediation projects

**Necessary must be:**

- 1) Responsive to an identified need to achieve or maintain adequate minimum level of service, which may include a reasonable project of increased need, whether due to population growth or otherwise,
- 2) Cost-effective means for meeting that need, considering available alternatives, and
- 3) For investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life.

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### Key Changes in Final Rule – Broadband Infrastructure

Final rule allows investment in locations without reliable wireline 100Mbps download/20 Mbps upload (change from 25 Mbps download/3 Mbps upload).

Additional requirements outlined:

- 1) **Identify an eligible area for investment** – prioritize under or unserved areas (lack of access to reliable, affordable high-speed broadband connection)
- 2) **Design a project to meet high-speed technical standards** – projects are required to meet or exceed 100 Mbps download/100 Mbps upload (flexibility for 100 Mbps/20 Mbps)
- 3) **Enrollment in low-income subsidy program** – must require the service provider to either participate in the FCC’s Affordable Connectivity Program (ACP) or provide access to broad-based affordability program to low-income consumers that provides benefits commensurate to ACP

Modernization of cybersecurity for existing and new broadband infrastructure, regardless of their speed delivery standards is specifically listed as eligible.

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### Reporting Requirements

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### Reporting Requirements

Reporting is completed in the U.S. Treasury Portal. Non-entitlement local governments (NEUs) will report directly to the U.S. Treasury.

Go to Login.gov to set-up an account first.

Then access portal at:  
<https://portal.treasury.gov/compliance>

Reporting required and frequency is based on your entity type/reporting tier. For example, NEUs are only responsible to complete annual Project and Expenditure reports.

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### Reporting Requirements by Tier

| Tier | Recipient   | Interim Report   | Project and Expenditure Report  | Recovery Plan Performance Report   |
|------|---|--|---|--|
| 1    | States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents                       | By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category | By January 31, 2022, and then 30 days after the end of each quarter thereafter <sup>1</sup> | By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31 <sup>2</sup> |
| 2    | Metropolitan cities and counties with a population below 250,000 residents which received more than \$10 million in SLFRF funding |  |   | Not required   |
| 3    | Tribal Governments which received more than \$30 million in SLFRF funding   |  |   |  |
| 4    | Tribal Governments which received less than \$30 million in SLFRF funding   |  |   |  |
| 5    | Metropolitan cities and counties with a population below 250,000 residents which received less than \$10 million in SLFRF funding |  | By April 30, 2022, and then annually thereafter <sup>3</sup>                                |  |
| 6    | NEUs  | Not required   |   |  |

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**Project and Expenditure Reports include projects and contracts, grants, direct payment, and subawards over \$50,000.**

**Projects and Expenditures**

**Subawards**

**Program data**

}

- Project Inventory
- Expenditures
- Project Status
- Project Demographic Distribution
- Civil Rights Compliance

- Subawards

- Required Programmatic Data
- Required Programmatic Data (for infrastructure)

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**Several key concepts will help with understanding the reporting structure:**

- Projects
- Expenditure Category
- Relationships

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**Key Concept: Projects**

- Projects are closely related activities toward a common purpose/goal.
- Each project must align to one Expenditure Category.
- The Expenditure Category defines the additional programmatic reporting required.



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**Key Concept: Expenditure Category**

An **Expenditure Category** must be assigned to each project to identify how funding is used and will identify where additional programmatic reporting is required. It is highly recommended that recipients determine the appropriate category at the beginning with reporting in mind.

*Refer to the Compliance and Reporting Guidance and the Project and Expenditures Report User Guide for more details on required reporting elements.*



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**Compliance and Reporting Guidance**  
(updated on Feb. 28)

Appendix 1 includes a list of **Expenditure Categories** for reporting based on the Final Rule.

Appendix 3 provides the categories under the Interim Final Rule.



**Appendix 1: Expenditure Categories**

Treasury's final rule provides greater flexibility and simplicity for recipients to fight the pandemic and support families and businesses struggling with its impacts, maintain vital services amid revenue shortfalls, and build a strong, resilient, and equitable recovery. As such, recipients will report on a broader set of eligible uses and associated Expenditure Categories ("EC"), starting with the April 2022 Project and Expenditure Report. The table below includes the new Expenditure Categories, as well as a reference to previous Expenditure Categories used for reporting under the interim final rule.

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term "Expenditure Category" refers to the detailed level (e.g., 1.1 COVID-19 Vaccination). When referred to as a category (e.g., EC 1) it includes all Expenditure Categories within that level.

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details).

\*Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities (see Project Demographic Distribution section above for details).

| Expenditure Category   | EC* | Previous EC† |
|--|-----|--------------|
| Public Health  |     |              |
| COVID-19 Mitigation & Prevention   |     |              |
| COVID-19 Vaccination*  | 1.1 | 1.1          |
| COVID-19 Testing*  | 1.2 | 1.2          |
| COVID-19 Contact Tracing*  | 1.3 | 1.3          |
| Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)** | 1.4 | 1.4          |

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Treasury has prepared the additional guidance below to support recipients in implementing the new expenditure categories. This table includes only those previous expenditure categories that are changing under the new structure, aligned with the final rule.

**CAUTION:**

**Expenditure categories were realigned to the Final Rule and several have changed!**

See page 38 of the *Compliance and Reporting Guidance*

| January 2022 Expenditure Categories   | April 2022 Guidance  |
|---|--|
| <b>1: Public Health</b>   |  |
| 1.7 Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency | EC removed, capital expenditures can be designated in any relevant PH-NEI EC (e.g., new hospital wing would be tracked under EC 1.4) |
| 1.8 Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)                     | EC is 1.7  |
| 1.9 Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19                           | EC is 3.1  |
| 1.10 Mental Health Services*  | EC is 1.12   |
| 1.11 Substance Use Services**   | EC is 1.13   |
| 1.12 Other Public Health Services   | EC is 1.14   |
| <b>2: Negative Economic Impacts</b>   |  |
| 2.5 Household Assistance: Eviction Prevention   | EC is now included as part of 2.2  |
| 2.6 Unemployment Benefits or Cash Assistance to Unemployed Workers**  | EC is 2.9  |
| 2.7 Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)**       | EC is 2.10   |
| 2.8 Contributions to 501(c)(29) Funds   | EC is 2.28   |
| 2.9 Small Business Economic Assistance  | if public-health related (e.g., providing  |



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Appendix C – Expenditure Categories and Template Mapping


The Expenditure Categories (EC) listed below must be used to categorize each project as noted in the [Reporting Guidance](#). The term ‘Expenditure Category’ refers to the detailed level (e.g., 1.1 COVID-19 Vaccination). When referred to at the summary level (e.g., EC 1) it includes all Expenditure Categories within that summary level.

For the table below, the following legend applies.

\* Denotes areas where recipients should note if the project includes a capital expenditure

The Programmatic Data column indicates which Expenditure Categories have associated programmatic data, in addition to the project standard information. More information on each EC's programmatic data is contained in Appendix C and in the [Reporting Guidance](#).

| Category   | Programmatic Data? | Bulk Upload Template      |
|--|--------------------|---------------------------|
| 1 Expenditure Category: Public Health  |                    |                           |
| 1.1 COVID-19 Vaccination*  | No                 | Project Baseline Template |
| 1.2 COVID-19 Testing**   | No                 | Project Baseline Template |
| 1.3 COVID-19 Contact Tracing**   | No                 | Project Baseline Template |
| 1.4 Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*                       | No                 | Project Baseline Template |
| 1.5 Personal Protective Equipment**  | No                 | Project Baseline Template |
| 1.6 Medical Expenses (including Alternative Care Facilities)**   | No                 | Project Baseline Template |
| 1.7 Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency* | No                 | Project Baseline Template |



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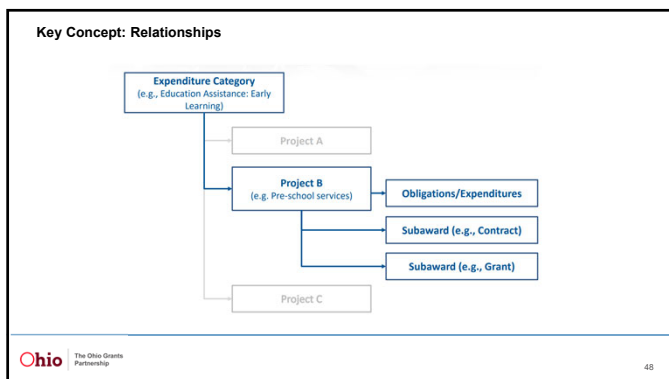
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### Revenue Loss Reporting

Recipients have the option to make a one-time decision to calculate revenue loss according to the formula or **elect a "Standard Allowance" of up to \$10 million**, not to exceed the award allocation, to spend on government services throughout the performance period.

This option to make this one-time decision must be provided during the **April 30, 2022 reporting deadline**.



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### Adopted Budget

- Applicable to States, Metro Cities, and Counties with a population over 250K
- Adopted budget is reported by project and is based on information that exists currently in the recipient's financial systems and the recipient's established budget process
- Treasury recognizes different budget processes:
  - Recipient may consider adopted once approved by governing body or another recipient may consider when the funds are obligated in the accounting system



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### Project Demographic Distribution (added with the Feb 28 Update)

- Applicable to Public Health and Negative Economic Impacts ECs (1.1-2.37)
- Collection to begin April 2022
- Page 20 of the Compliance and Reporting Guidance

What Impacted and/or Disproportionately Impacted population does this project primarily serve?

May select up to two additional populations served.

Recipients will select from the following options:

|  | Impacted  | Disproportionately Impacted  |
|--|---|--|
| Public Health Assistance to Households | <ul style="list-style-type: none"> <li>• General Public</li> <li>• Low or moderate income households or populations<sup>1)</sup></li> <li>• Households that experienced unemployment</li> <li>• Households that experienced increased food or housing insecurity</li> <li>• Households that qualify for certain federal programs<sup>2)</sup></li> <li>• For services to address lost instructional time in K-12 schools; any students that lost access to in-person instruction for a significant period of time</li> <li>• Other households or populations that experienced a negative</li> </ul> | <ul style="list-style-type: none"> <li>• Low-income households and populations<sup>3)</sup></li> <li>• Households and populations residing in Qualified Census Tracts federal programs<sup>4)</sup></li> <li>• Households receiving services provided by Tribal governments</li> <li>• Households residing in the U.S. territories or receiving services from these governments</li> </ul> |

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Recipients will select from the following options:

|  | Impacted   | Disproportionately Impacted   |
|--|--|---|
| Public Health Assistance to Households | <ul style="list-style-type: none"> <li>General Public</li> <li>Low- or moderate income households or populations<sup>1</sup></li> <li>Households that experienced unemployment</li> <li>Households that experienced increased food or housing insecurity</li> <li>Households that qualify for certain federal programs<sup>2</sup></li> <li>For services to address lost instructional time in K-12 schools; any students that lost access to in-person instruction for a significant period of time</li> <li>Other households or populations that experienced a negative</li> </ul> | <ul style="list-style-type: none"> <li>Low-income households and populations<sup>1</sup></li> <li>Households and populations residing in Qualified Census Tracts</li> <li>Households that qualify for certain federal programs<sup>2</sup></li> <li>Households receiving services provided by Tribal governments</li> <li>Households residing in the U.S. territories or receiving services from these governments</li> </ul> |
| Assistance to Small Businesses         | <ul style="list-style-type: none"> <li>Small businesses that experienced a negative economic impact of the pandemic (please specify)</li> <li>Classes of small businesses designated as negatively/economically impacted by the pandemic (please specify)</li> </ul>   | <ul style="list-style-type: none"> <li>Small businesses operating in Qualified Census Tracts</li> <li>Small businesses operated by Tribal governments or on Tribal lands</li> <li>Small businesses operating in the U.S. territories</li> <li>Other small businesses disproportionately impacted by the pandemic (please specify)</li> </ul>  |
| Assistance to Non-Profits              | <ul style="list-style-type: none"> <li>Non-Profits that experienced a negative economic impact of the pandemic (please specify)</li> <li>Classes of non-profits designated as negatively/economically impacted by the pandemic (please specify)</li> </ul>   | <ul style="list-style-type: none"> <li>Non-profits operating in Qualified Census Tracts</li> <li>Non-profits operated by Tribal governments or on Tribal lands</li> <li>Non-profits operating in the U.S. territories</li> <li>Other non-profits disproportionately impacted by the pandemic (please specify)</li> </ul>  |
| Aid to Impacted Industries             | <ul style="list-style-type: none"> <li>Travel, tourism, or hospitality sectors (including Tribal development districts)</li> <li>Industry outside the travel, tourism, or hospitality sectors that experienced a negative economic impact of the pandemic (please specify)</li> </ul>  | N/A   |

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### Public Health and Negative Economic Impact – Capital Expenditures Reporting

| If a project has total capital expenditures of                   | and the use is enumerated by Treasury as eligible, then   | and the use is beyond those enumerated by Treasury as eligible, then                               |
|--|---|--|
| Less than \$1 million  | No Written Justification required   | No Written Justification required  |
| Greater than or equal to \$1 million, but less than \$10 million | Written Justification required but recipients are not required to submit as part of regular reporting to Treasury | Written Justification required and recipients must submit as part of regular reporting to Treasury |
| \$10 million or more   | Written Justification required and recipients must submit as part of regular reporting to Treasury                |  |

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### Capital Expenditures Reporting – Written Justification

- Written justification** includes:
  - Description of harm or need to be addressed
  - Explanation of why a capital expenditure is appropriate
  - Comparison against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior
- Consideration to alternatives of improving existing capital assets already owned or leasing other capital assets.
- Treasury presumes that the following capital projects **are generally ineligible**:
  - Construction of new correctional facilities as a response to an increase in rate of crime
  - Construction of new congregate facilities to decrease spread of COVID-19 in the facility
  - Construction of convention centers, stadiums, or other large capital projects intended for general economic development or to aid impacted industries

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**Helpful Tips**

- 1) Establish defined projects for the use of funds.
- 2) Associate each project to a single expenditure category then determine additional reporting requirements and performance metrics.
- 3) Start planning an approach to track activity to meet the reporting requirements
  - How will you track expenditures by project?
  - What report will provide purchase order information on expenditures over \$50K (e.g., supplier information, obligation amount, current quarter obligations, related expenditures and dates, etc.)?
  - Do you have a way to run a report for contracts which provides necessary reporting details (e.g., contract number, contract type, contract amount, period of performance, contract date, primary place of performance address, etc.)?
  - How will program information and/or performance metrics be tracked?
  - How will your organization track the UEI and other relevant information for all expenditures over \$50K?



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**Final Rule and Supporting Resources**

Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

SLFRF Text of Final Rule

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>

SLFRF Overview of Major Provisions

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

SLFRF Compliance Statement

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>

Tool for Determining Low- and Moderate-Income Households

<https://home.treasury.gov/system/files/136/SLFRF-LMI-tool.xlsx>

Treasury Final Rule Webinar


<https://youtu.be/rwcvxquVR0I>

Treasury Final Rule Slide Presentation

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Webinar.pdf>

Compliance and Reporting Guidance

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>



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**Reporting Guides**  
**Project and Expenditure Report User Guide**  
<https://home.treasury.gov/system/files/136/Project-and-Expenditure-Report-User-Guide.pdf>

**NEU Agreements and Supporting Documents User Guide**  
<https://home.treasury.gov/system/files/136/NEU-Non-UJLG-Agreements-and-Supporting-Documents.pdf>

**Accessing Treasury Portal (Login-gov)**  
<https://home.treasury.gov/system/files/136/Login.gov-User-Guide.pdf>

**Recipient Reporting Tiers Listing**  
<https://home.treasury.gov/system/files/136/SLFRF-Recipient-Tiers-January-Reporting.xlsx>

**Treasury Webinars - Reporting**  
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities>

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**Other Related Grant Resources**

**Code of Federal Regulations (Uniform Guidance)**  
[https://ecfr.io/Title-02/cfr200\\_main](https://ecfr.io/Title-02/cfr200_main)


**System for Award Management**  
<https://sam.gov/SAM>

**Federal Acquisition Regulations**  
<https://www.acquisition.gov/browse/index/far>

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**Contact Information**

Contact the Ohio Grants Partnership with questions or assistance at [grants@obm.ohio.gov](mailto:grants@obm.ohio.gov)

For authoritative guidance, contact the U.S. Treasury at [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov)

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OHIO AUDITOR OF STATE  
**KEITH FABER**



# THE OHIO ETHICS LAW: WATCHING OUR STEP!

**Handout**



# Ohio Ethics Law Overview



The Ohio Ethics Commission  
30 West Spring Street  
Columbus, Ohio 43215-2256  
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[www.ethics.ohio.gov](http://www.ethics.ohio.gov)

# Introduction

Public servants in Ohio have both privileges and responsibilities. Every day, public servants are privileged to help their fellow Ohioans. Whether they provide necessary services to people with disabilities, fight fires or crime, or conduct building inspections to make sure new construction is safe, public servants change the lives of their fellow citizens for the better.

Public servants also have responsibilities. One of those responsibilities is to comply with the [Ohio Ethics Law](#). The Ethics Law applies to all public officials and employees in the state. Whether they are full-time or part-time compensated employees, elected officials, or uncompensated members of decision-making boards, all public servants are required to comply with these laws.

This overview has been created to assist public officials and employees in better understanding – and therefore complying with – the Ohio Ethics Law. You may be aware that public agencies are statutorily required to provide a copy of the Ohio Ethics Law to all new public officials and employees. This overview may serve as a helpful supplementary document that explains the statute in layperson-friendly language. Please note that this overview cannot be provided instead of the Ohio Ethics Law, but rather in addition to enhance the learner’s understanding of the law.

Throughout this document, you will find explanations of the Ohio Ethics Law along with examples and links to previously issued advisory opinions and other commission publications.



Examples are denoted by a magnifying glass like this one



Links to relevant advisory opinions are denoted by this symbol

Contact information for the Ohio Ethics Commission can be found on the front cover and the last page of the document.

## Ethics Commission Authority and Administration

In addition to the Ethics Law itself (Chapter 102 of the Revised Code), there are two provisions in Chapter 2921 (Ohio’s Criminal Code) that fall under the authority of the Ethics Commission. There “related statutes” are included in the document that will be provided to each public official or employee by the public agency. The authority of the Ethics Commission is limited to ethics issues that arise under Ohio Revised Code Chapter 102 and Sections 2921.42 and 2921.43.

The following four provisions of the Ethics Law establish the authority and duties of the Ethics Commission and govern its operation.

R.C. 102.05 creates and empowers the Ethics Commission. Statutes of this kind are called “enabling” statutes, because they enable a public body to engage in the activities described in the law. This statute defines the makeup of the Ethics Commission, appointment of its members, and its authority.



More information about these matters is available in the [General Information Fact Sheet](#).

R.C. 102.06 describes the Ethics Commission’s investigative authority. It establishes the confidentiality of investigations, the Commission’s subpoena and hearing authority, and allows the Commission to enter into settlements of cases.



More information about the Commission’s investigative authority can be found on the [Investigation homepage](#) and the [Investigation Confidentiality Fact Sheet](#).

R.C. 102.07 describes the confidential nature of Ethics Commission records.

R.C. 102.08 describes three other areas of the Commission’s authority:

- Issuing Advisory Opinions—The Ethics Commission issues advisory opinions in response to questions on conflicts of interest or financial disclosure. Any person can request an advisory opinion about actions he or she is considering. An advisory opinion of the Commission is a written document based on a written request disclosing the relevant facts. The Commission staff cannot provide verbal or written advisory opinions in response to questions posed on the telephone or in an email, questions involving the actions of someone other than the requester, or questions involving events that have already occurred.

An advisory opinion issued by the Commission provides the official or employee, and any other person in a similar situation, with immunity from civil action, criminal prosecution, or removal from office for the activity described in the opinion. More information about the Commission’s past advisory opinions and mechanisms for seeking new opinions can be found on the [Advice homepage](#).

- Conducting an Educational Program—The Ethics Commission provides a wide variety of ethics education and public information. The Commission teaches classes, prepares and disseminates pamphlets and information sheets on specific ethics issues, and offers webinars and other online education resources. The Commission also prepares a monthly newsletter with updates and new information. More information about the Commission’s educational activities, including upcoming classes and webinars, can be found on the [Education homepage](#).
- Recommending Legislation—The Ethics Commission is empowered to recommend legislative changes on matters related to the Ethics Law to the General Assembly.

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# Chapter 1

## Definitions (R.C. 102.01):

The first section in the law is the definitions. Among the most important definitions are:

- A “public official or employee” is any person who is: (1) elected or appointed to an office of a public agency; or (2) employed by a public agency. Teachers, professors, or other educators are excluded from some, but not all of the restrictions.
- A “public agency” is any department, division, institution, board, commission, authority, bureau, or other entity of the state, or any county, city, village, township, or other instrumentality of the state. Included are any public library, school district, regional transit authority, and all other public bodies. [R.C. 102.01(C)]



[Advisory Opinion 93-017](#)



More information about the Commission’s investigative authority can be found on the [Investigation homepage](#) and [Investigation Confidentiality Fact Sheet](#). [R.C. 102.01(B)]

- “Anything of value” includes any money, goods, checks, real estate interests, the promise of future employment, and “every other thing of value.”



More information about what is included in “anything of value” can be found in R.C. 1.03 and [Advisory Opinions 2001-03](#) and [2009-03](#).



## Chapter 2

### Financial Disclosure Laws (R.C. 102.02):

The second section in the law covers the financial disclosure requirement. About 12,000 public officials, public employees, and candidates for public office complete financial disclosure statements each year. The significant majority of public officials and employees don't have to file statements.

Most people who are required to file statements must disclose personal financial information such as sources of income and gifts, companies in which they have investments, and sources of travel expenses or meals. [R.C. 102.02(A)] A very small number of filers are required to disclose less information. Included are members of college and university boards of trustees and members, uncompensated board members, and employees of JobsOhio. These filers, for example, don't have to disclose information about travel or meal expenses. [R.C. 102.022]

All filers, or their agencies, pay filing fees, which help to support the work of the Commission. [R.C. 102.02(E) and (G)] People who file statements after the deadline must pay late fees. [R.C. 102.02(F)] People who fail to file or who file false statements may face criminal charges. [R.C. 102.02(C) and (D)]

Most statements filed with the Ethics Commission are public records. [R.C. 102.02(A)] However, statements filed by members of state boards and commissions who are not compensated, and statements filed by the members and employees of JobsOhio, are confidential. [R.C. 102.02(B)]

### Notification (R.C. 102.09):

This section describes who is responsible for informing public officials and employees about either the requirement to file financial disclosure statements or about the Ethics Law itself. The first three sections [102.09(A), (B), and (C)] describe the methods whereby certain officials, employees, or candidates are given financial disclosure statements. More information about these sections can be found on the [Financial Disclosure homepage](#).

The final section [R.C. 102.09(D)] requires all public agencies to provide a copy of the law to all officials and employees who serve the agency. The agency can provide the law in either physical (paper) format or as an electronic link. This document was created to accompany the copy of the law provided by a public employer and explain the law more fully.

More information about who is required to file, what they need to disclose, and how the Commission handles filed statements is available on the [Financial Disclosure homepage](#). Information about how to access statements filed by other officials and employees is also available on the [Financial Disclosure homepage](#).

## Chapter 3

### Revolving Door Law/Post Employment Law (R.C. 102.03(A)(1)):

Revolving Door (R.C. 102.03(A)(1)): The Ethics Law prohibits a current or former public official or employee from representing any person before any public agency on matters in which the official or employee personally participated.



**EXAMPLE:** A member of a city zoning commission is also an architect. As a zoning commission member, she participated in a decision on a pending residential project. This section prohibits her from representing a client before the zoning commission, and before any other board, commission, or office, on the residential project.

Relevant terms:

**Represent**—Any formal or informal appearance before, and any written or oral communication with, any public agency.

**Public agency**—Any state or local public agency, including any state department, board, or commission, any public college or university, and any county, city, village, township, school district, or public library.

**Matter**—Any case, proceeding, application, determination, issue, or question. Examples of a “matter” include a hearing on a permit application, a policy determination, and an investigation into wrongdoing.

**Personal participation**—Any decision, approval, disapproval, recommendation, rendering of advice, investigation, or other substantial exercise of administrative discretion. A public official or employee has personally participated in a matter if, for example, he or she investigated, made decisions, approved, or made recommendations on the matter. A matter is any case, proceeding, application, determination, issue, or question.



More information about the revolving door restriction is available in the [Revolving Door Information Sheet](#) and [Advisory Opinion 2011-03](#).

Exceptions [R.C. 102.03(A)(6), (7), (8), and (9)]: There are four main exceptions to the revolving door law -

R.C. 102.02(A)(6): A former public official or employee is not prohibited from assisting or representing his or her former public agency.



[Advisory Opinion 2012-04](#)

R.C. 102.02(A)(7): A former public official or employee is not prohibited from performing ministerial functions, such as filing applications for permits or licenses or other documents, on any matter.

R.C. 102.02(A)(8): A former state employee who gets a new job with a different state agency is not prohibited from representing his or her new public employer on any matter, including a matter in which he or she personally participated as an employee of the public agency. This exception does not apply to any audit or in which the former state employee personally participated.

R.C. 102.03(A)(9): A former employee of a local public agency who moves from one job to another job in the same local agency is not prohibited from representing his or her new public employer on a matter in which he or she personally participated as an employee of the public agency.



**Specific Revolving Door Restrictions:** The Ethics Law contains three other specific revolving door restrictions that apply to a limited group of public officials and employees. These restrictions apply to:

Former Commissioners and Attorney Examiners for the Public Utilities Commission of Ohio (R.C. 102.03(A)(2));

Former officials and employees of any public agency whose job duties included authority over solid or hazardous waste matters (R.C. 102.03(A)(3)); and

Current or former officials and employees of the Ohio Casino Control Commission (R.C. 102.03(A)(10)].



More information about this section is available in the [Casino Control Information Sheet](#) and [Advisory Opinion 91-003](#).

### **Post-Employment Disclosure (R.C. 102.021):**

Any state elected official and any state employee who is required to file a financial disclosure statement must, when leaving his or her public position, file a statement disclosing their subsequent place of employment. The statement must be filed with the Office of the Legislative Inspector General. Some officials and employees may be required to file periodic statements for 24 months after leaving their public positions.



More information about the post-employment disclosure requirement is available from the [Office of the Legislative Inspector General](#).

## Chapter 4

### Confidentiality (R.C. 102.03(B)):

If an official or employee has access to confidential information in his or her public job, he or she is prohibited from disclosing or using that confidential information, in any way, unless the public agency has authorized the person to disclose or use it. This restriction is in effect during and after a person's public service, as long as the information remains confidential.



#### [Advisory Opinion 93-012](#)

License and rate making [R.C. 102.03(C)]: This section prohibits a public official or employee from participating in license or rate-making proceedings that affect the licenses or rates of the official or business entity in which the official or employee, or any of his or her family members, has an investment of over five percent.



#### [Advisory Opinion 75-023](#)

### Conflicts of Interest Restrictions - Use of Authority (R.C. 102.03(D)):

Use of Position to Secure Benefit [R.C. 102.03(D)]: The conflict of interest law prohibits a public official or employee from using or authorizing the use of his or her public position to get a benefit for the official or employee or for anyone else with whom he or she is closely connected. The law also prohibits the official or employee from using his or her public position to avoid a detriment for the official or closely connected person. This means that a public official or employee cannot act on a matter before his or her public agency if the matter definitely and directly affects:

- The official or employee;
- One of the official's or employee's close family members; or
- One of the official's or employee's business associates.



EXAMPLE: The daughter of a school district board member is competing for a district-issued scholarship. The school board member is prohibited from using his position, in any way, to get the scholarship for his daughter.





EXAMPLE: A village council member is employed by a private company. After a recent village inspection, the company was cited for violations and a fine was assessed against it. The council member is prohibited from using his position in any way to have the company's fine waived or reduced.



[Advisory Opinion 2009-02](#)



[Advisory Opinion 2009-06](#)

## Chapter 5

### Conflicts of Interest Restrictions -

#### Soliciting or Accepting Things of Value (R.C. 102.03(E)):

The conflict of interest law also prohibits a public official or employee from soliciting or accepting things of value that could have a “substantial and improper influence” on the official or employee. In other words, the official or employee cannot solicit or accept “anything of value,” such as a gift, travel expenses, employment, substantial meals, or other things of significant value from anyone if the thing of value could improperly influence the official or employee in the performance of his or her duties. The Commission has explained that these kinds of gifts would improperly influence a public official or employee if they are provided to the official or employee by anyone that is:

- Doing or seeking to do business with his or her public agency;
- Regulated by his or her public agency; or
- Interested in matters before his or her public agency.



EXAMPLE: A library director is selecting a new catalog system for the library. One of the potential vendors would like him to see how its catalog system works for a comparably sized district in Massachusetts. The company has offered to provide travel expenses so that the director can use the system and discuss it with the other library’s employees. The conflict of interest law would prohibit the director from accepting the travel expenses.



More information about this restriction is available in the [Gifts Information Sheet](#), [Gifts Bulletin](#), and [Advisory Opinion 89-013](#).

Promising or Giving Things of Value [R.C. 102.03(F)]: This provision in the conflict of interest law prohibits any person from promising or giving anything of substantial value to a public official or employee if the thing of value could have a substantial and improper influence on the official or employee.



EXAMPLE: The conflict of interest law would prohibit the company in the previous example from promising or giving travel expenses to the library director.



More information about this restriction as it applies to seeking or accepting employment is available in the [Job Seeking Information Sheet](#) and [Advisory Opinion 96-004](#).



More information about this restriction is available in [Advisory Opinion 90-001](#) and in the [Gifts Information Sheet](#).



## Chapter 6

### Honorarium and Travel Expenses Restrictions (R.C. 102.03(H)(1), (H)(2), and (I)):

Honorarium [R.C. 102.03(H)(1)]: The Ethics Law prohibits most public officials or employees who file financial disclosure statements from accepting any honorarium. The term “honorarium” is defined in R.C. 102.01(H) as any payment for making a speech, writing an article, or attending a public or private event. This restriction does not apply to the president, chief administrative officer, or trustee of a state university or college.



[Advisory Opinion 99-003](#)

Travel Expenses [R.C. 102.03(H)(1)]: This section is an exception to the prohibitions against a public official or employee accepting travel expenses. It allows public officials and employees who file financial disclosure statements to accept actual travel expenses for travel: (1) to a meeting at which the official or employee is participating in a panel or making a speech; or (2) to a meeting of a national or state organization to which any state agency pays membership dues. The section allows any official or employee who is not required to file a financial disclosure statement to accept an honorarium or travel expenses from any person if the payment is made in recognition of the person’s interests that exist outside his or her public service.

Travel Expenses for Retirement System Officials [R.C. 102.03(H)(2)]: This provision applies only to higher ranking officials and employees of the five state retirement systems. It prohibits the covered officials and employees from accepting any travel expenses.



More information about this provision is available in the [Doing Business with Retirement Systems in Ohio Information Sheet](#).

Travel Expenses in Connection with Conferences, Seminars, and Similar Events [R.C. 102.03(I)]: This section allows a public official or employee to accept travel expenses in connection with conferences and similar events in some limited situations. The Commission has adopted a rule to explain the application of this exception more fully.



[OAC 102-3-08](#)

Restriction on Travel Expenses for Members and Staff of the General Assembly [R.C. 102.031]: This section in the Ethics Law applies only to members and employees of the Ohio General Assembly. It prohibits these officials and employees from accepting personal travel expenses from legislative agents.



More information about this provision and its exceptions is available on the web site for the [Office of the Legislative Inspector General](#).

## Chapter 7

### Restrictions Applying to Officials and Employees of the Casino Control Commission (R.C. 102.03(L) and (M)):

Two sections in the Ohio Ethics Law apply specifically to officials and employees of the Ohio Casino Control Commission, which regulates the casino industry in Ohio.

The first section [R.C. 102.03(L)] prohibits these public officials and employees from:

- Having any direct or indirect investment in casino businesses or facilities or gaming-related vendors; or
- Having financial or ownership interests in, being creditors of, or having contractual or service relationships with casino businesses or facilities or gaming-related vendors.

The second section [R.C. 102.03(M)] prohibits a member or employee of the Casino Control Commission from:

- Accepting employment, gifts, or other things of value from casino businesses or facilities, or any other person subject to the jurisdiction of the Commission.
- Soliciting, requesting, or taking any other action to secure employment for any person by a casino businesses or facilities or any other person subject to the jurisdiction of the Commission; and
- Participating in casino gaming at any casino facility in Ohio or any affiliated gaming facility located anywhere.

In addition to the penalties that apply to other sections of the Ethics Law, a Casino Control Commission official or employee who violates any of the three provisions of R.C. 102.03(M) shall immediately forfeit his or her office or employment.



More information is available in the [Casino Control Information Sheet](#), [Advisory Opinion 2012-01](#), and [Advisory Opinion 2012-02](#).

## Chapter 8

### Rendering Services on a Matter Before Another Public Entity (R.C. 102.04):

There are three restrictions in R.C. 102.04. The first two apply to state officials and employees.

R.C. 102.04(A) prohibits a state official or employee from **receiving compensation**, from anyone other than the state agency that he or she serves, to perform services on matters before any state agency.



**EXAMPLE OF RESTRICTION:** A member of the Ohio Example Commission cannot accept compensation to represent a client or prepare work for the client on a matter that is before the Example Commission.

There is an exception to this restriction [R.C. 102.04(D)]. The exception applies to non-elected officials and employees of any state agency. Under the exception, the state official or employee can be paid to provide services on a matter before a state agency provided that:

1. The agency is not the one that he or she serves; and
2. The official or employee files an R.C. 102.04(D) statement with both state agencies, and the Ethics Commission, disclosing the representation. The statement can be found on the Commission's web site.



[Advisory Opinion 93-010](#)

[Advisory Opinion 2007-03](#)



**EXAMPLE OF EXCEPTION:** A member of the Ohio Example Commission can accept compensation to represent a client on a matter before another state board, commission, department, or other agency, such as the Ohio Reference Board, provided that he files the required R.C. 102.04(D) statement. The Commission member must file the statement with the Example Commission, the Reference Board, and the Ethics Commission.

R.C. 102.04(B) also applies to state officials and employees. A state official or employee is prohibited from **selling goods or services**, except through competitive bidding, to any state agency.



**EXAMPLE OF RESTRICTION:** An employee of the Ohio ABC Department is prohibited from selling goods to the ABC Department unless the sale is competitively bid and she submits the lowest and best bid.

There is one exception to this restriction, which applies to non-elected state officials and employees [R.C. 102.04(D)]. The exception applies when:

1. The official or employee is selling to a state agency other than the one he or she serves; and
2. The official or employee files a statement (described in R.C. 102.04(D)) with both agencies, and the Ethics Commission, disclosing the activity. The statement can be found on the Commission's Web site.



[Advisory Opinion 89-010](#)



**EXAMPLE OF EXCEPTION:** The employee of the ABC Department can sell goods to a state board, commission, department or agency other than the ABC Department, such as the 123 Board, provided that she meets the exception. If she sells to the 123 Board, she must file the statement with the ABC Department, the 123 Board, and the Ethics Commission.

The final restriction, R.C. 102.04(C), applies to officials and employees of local public agencies—that is, agencies such as cities, counties, and school districts. R.C. 102.04(C) prohibits an official or employee of a local agency from receiving compensation, from anyone other than the department or sub-unit of the agency he or she serves, to perform services on matters before any other department or sub-unit of the local agency.





**EXAMPLE OF RESTRICTION:** An employee of a city zoning department cannot accept compensation from a client to prepare plans that will be filed with and approved by the zoning department, because the approval of the plans is a matter that is before her city department.



There is one exception to this restriction, which applies to non-elected officials and employees of local agencies [R.C. 102.04(D)]. The exception applies when:

1. The official or employee is performing services on a matter that is pending before a department or sub-unit of the agency other than the one he or she serves; and
2. The official or employee files a statement (described in R.C. 102.04(D)) with both agencies, and the Ethics Commission, disclosing the activity. The statement can be found on the Commission's web site.



**EXAMPLE OF EXCEPTION:** An employee of the city zoning department can accept compensation to represent a client before the city public utilities department provided that she files the required R.C. 104.04(D) statement with the city zoning department, the city public utilities department and the Ethics Commission.



[R.C. 102.04\(D\) Statement](#)

## Chapter 9

### Public Contract Law (R.C. 2921.42(A)(1), (A)(2), (A)(3), and (A)(4)):


There are four main restrictions in R.C. 2921.42. The laws prohibit a public official or employee from:

1. Authorizing a public contract in which the official, a family member, or a business associate has an interest [R.C. 2921.42(A)(1)] [NOTE: This is the section that prohibits nepotism, or authorizing an employment contract for a family member. See Chapter 10 ];
2. Authorizing an investment of public funds in which a family member or business associate has an interest or from which a family member or business associate receives a fee [R.C. 2921.42(A)(2)];
3. Profiting from a public contract authorized by the official or by a board on which he or she sits unless the contract was competitively bid and awarded to the lowest and best bidder [R.C. 2921.42(A)(3)]; and
4. Having an interest in a public contract of any public agency with which he or she is connected [R.C. 2921.42(A)(4)].

A public contract is any purchase or acquisition of goods or services by any public agency. Public contract also includes employment with any public agency. [R.C. 2921.42(I)]

Authorizing a Public Contract [R.C. 2921.42(A)(1)]: The Ethics Law prohibits a public official or employee from authorizing a public contract if the official, a family member, or a business associate has an interest in the contract. A public official has “authorized” a contract if he or she has taken any action to secure the contract. For example, a public official has authorized a contract if he or she:

- Voted to award the contract;
- Signed the contract;
- Recommended the contract to other officials or employees; or
- Taken any other official action on the contract.

 **EXAMPLE:** A business associate of a school board member is also a partner in a law firm. If the school district would like to hire the law firm, the board member is prohibited from taking any formal or informal action to secure the contract because his business associate, as a partner, has an interest in any contract awarded to the law firm.



A “business associate” includes any individuals, companies, or organizations with which the official is acting together to pursue a common business purpose. Adv. Op. No. 93-001. Examples of a public official’s business associates include, but are not limited to, the official’s: (1) partners in a partnership; (2) co-owners of a business; (3) outside employer; and (4) co-members of an LLC.



[Advisory Opinion 2009-06](#)

[Advisory Opinion 2013-01](#)

Profiting from a Public Contract [R.C. 2921.42(A)(3)]: This restriction prohibits a public official or employee from occupying a position of profit in the any public contract that he or she authorized. In other words, a public official cannot receive a definite and direct financial benefit from any contract that was authorized:

- By the official; or
- By any board or commission on which he or she served (even if the official didn’t vote on the authorization).

This restriction applies to the official or employee during public service and for one year after leaving public service. The restriction does not apply to competitively bid contracts awarded to the lower and best bidder.

A person who is employed by a company occupies a position of profit in a public contract awarded to the company if:

- The company depends on the contract;
- The employee receives compensation, fees, or other direct benefit from the contract; or
- The employee’s job would not exist without the contract.



[Advisory Opinion 2016-01](#)

[Advisory Opinion 88-008](#)

[Advisory Opinion 2009-05](#)



EXAMPLE: A state department director authorized an unbid contract to a private company. The department director could not accept employment with the company, within twelve months after leaving her job with the state, if she would be paid from the contract proceeds or otherwise profit from the unbid contract she awarded.

Having an Interest in a Public Contract [R.C. 2921.42(A)(4)]: A public official or employee is prohibited from having an interest in a contract entered into by his or her public agency. Usually, a public official or employee cannot sell goods or services to his or her own agency.

A public official or employee is prohibited from having a definite and direct interest in a contract with his or her public agency. A prohibited interest can be either financial or fiduciary in nature.

EXAMPLE: A city police officer cannot sell consulting services to the city he serves because he would have a financial interest in the contract.



If the police officer serves as a board member of the non-profit organization, he would have a fiduciary interest in the contracts of the organization. If the organization received a grant from the city, the police officer would have a prohibited fiduciary interest in the contract even if he received no financial benefit from it.



There are two exceptions to this prohibition. A public official or employee does not have a prohibited interest in a contract with his or her own agency if:

1. The official's interest is limited to being a minority stockholder or a creditor of a company that sells goods or services to the agency. The official or employee must file an affidavit with the agency disclosing his or her interest in the contract [R.C. 2921.42(B)].
2. The official can meet all parts of a four-part test [R.C. 2921.42(C)]. The four parts are:
  - The contract is for necessary goods or services;
  - The goods or services are unobtainable elsewhere for the same or lower cost or are part of a course of dealing that began before the official started serving the public agency;
  - The official or employee gives the public agency the same or better treatment than other clients or customers; **and**
  - The official or employee takes no part in the deliberations or decisions of the public agency on the contract.

Void and Unenforceable [R.C. 2921.42(H)]: This section establishes that contracts and investments in which an official, or the official's family members or business associates, have an interest in violation of R.C. 2921.42(A) are void and unenforceable.

Specific Exceptions [R.C. 2921.42(D) and (G)]: These two sections contain specific exceptions to the public contract law that apply to certain limited groups of public officials and employees.

R.C. 2921.42(D) allows employees of public agencies to apply for and receive housing rehabilitation loans from their own public agencies. The exception does not apply to elected officials. More information about the exception can be found in [Advisory Opinion 95-007](#).

R.C. 2921.42(G) applies to township trustees in small townships, for contracts that are under \$5,000 a year.

Legal Officers [R.C. 2921.42(F)]: Under this section, prosecuting attorneys and chief municipal legal officers are exempted from some of the Ethics Law, and are permitted to hire their business associates. This section is parallel to the prohibition in R.C. 102.03(K), which exempts legal officers from the provisions in the conflict of interest law. The application of this exception is spelled out more fully in R.C. 2921.421.



## Chapter 10

### Nepotism (R.C. 2921.42(A)(1)):

Whenever a public agency hires an employee, that employment is a “public contract.” A public official or employee is prohibited from hiring a family member or using his or her position in any way to secure employment of a family member. An official or employee cannot hire these family members, **regardless** of whether they live in the same household with the official or employee:

- Spouse;
- Parents or grandparents;
- Children or grandchildren;
- Siblings; and
- Step-children or step-parents.

An official or employee also cannot hire these family members if they live in the same household with the official or employee:

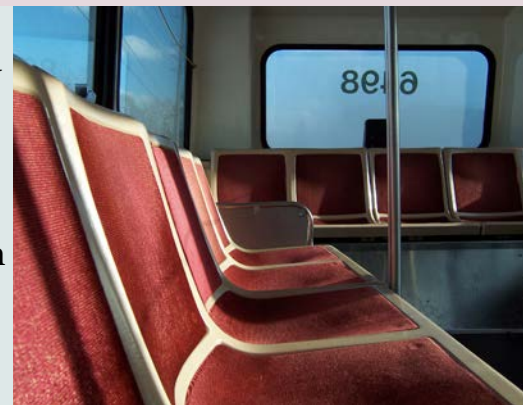
- Uncles and aunts;
- Cousins;
- Nieces and nephews;
- In-laws; and
- Anyone else related to the official or employee by blood or by marriage.



More information about nepotism restrictions can be found in [Advisory Opinion 2010-03](#) and in the [Nepotism Information Sheet](#).



EXAMPLE: The adult daughter of a regional transit authority employee has applied to become a bus driver. The regional transit authority can hire the employee’s daughter, but the employee cannot take any action to get the job for his daughter. If she is hired, the employee cannot use his position in any way to get any employment benefits, such as raises or promotions, for his family member.



There are more specific rules that apply when an official’s or employee’s minor child is applying for employment with the agency.



More information about these restrictions can be found in the [Summer Employment Bulletin](#).

Void and Unenforceable [R.C. 2921.42(H)]: This section establishes that contracts and investments in which an official, or the official's family members or business associates, have an interest in violation of R.C. 2921.42(A) are void and unenforceable.



Use of Position to Secure Benefit [R.C. 102.03(D)]: The conflict of interest law prohibits a public official or employee from using or authorizing the use of his or her public position to get a benefit for him or herself or for anyone else with whom he or she is closely connected. The law also prohibits the official or employee from using his or her public position to avoid a detriment for the official or employee or closely connected person. This means that a public official or employee cannot act on a matter before his or her public agency if the matter definitely and directly affects:

- The official or employee;
- One of the official's or employee's family members; or
- One of the official's or employee's business associates.

## Chapter 11

### Supplemental Compensation (R.C. 2921.43):

Supplemental Compensation [R.C. 2921.43(A)(1)]: This section prohibits a public official or employee from soliciting or accepting compensation from any source other than his or her public employer for the performance of his or her public duties. A private party also cannot promise or give a public official or employee compensation for performing his or her public duties.



EXAMPLE: A park district employee is responsible for removing fallen limbs and trees from park and adjoining property following storms. The employee is prohibited from accepting a gift, money, or any other benefit from an owner of adjoining property for removing a fallen park-owned tree from that person's property.



More information about this restriction can be found in [Advisory Opinion 2011-05](#) and the [Gifts Information Sheet](#).

Securing or preferring employment [R.C. 2921.43(B)]: A public servant cannot solicit or accept, and no one can give a public servant, anything of value to appoint, secure, promote, or otherwise affect material aspects of any person's public employment.



EXAMPLE: A city firefighter who is next on a promotion list cannot offer to pay a person who currently holds the position as an incentive to retire before the promotion list expires.



[Advisory Opinion 97-001](#)

Criminal Offenses [R.C. 2921.43(D)]: This section establishes that violations of R.C. 2921.43 are criminal offenses and establishes the levels of the offenses.

Disqualification [R.C. 2921.43(E)]: This section states that any person who is convicted of a violation of R.C. 2921.43 will be disqualified from public office, public employment, or any position of public trust, for seven years from the date of the conviction.

## Chapter 12

### Election Related Issues (R.C. 2921.43(C) and (F); R.C. 102.03(G)):

The Ethics Commission does not have any jurisdiction over campaign finance or elections laws or rules in Ohio. For guidance on these types of questions, you should contact the Ohio Secretary of State's Office or the Ohio Elections Commission. There are however a three provisions in the Ethics Law that address campaign contributions.



#### [Advisory Opinion 2002-03](#)

**Coercing Campaign Contributions [R.C. 2921.43(C)]:** This section prohibits any person from coercing campaign contributions for any candidate, campaign committee, legislative campaign committee, or PAC in return for appointing, securing employment, promoting, or otherwise affecting any material aspects of any person's public employment.

**Voluntary Campaign Contributions [R.C. 2921.43(F)]:** This section makes it clear that a person can make voluntary campaign contributions to any person or campaign fund.

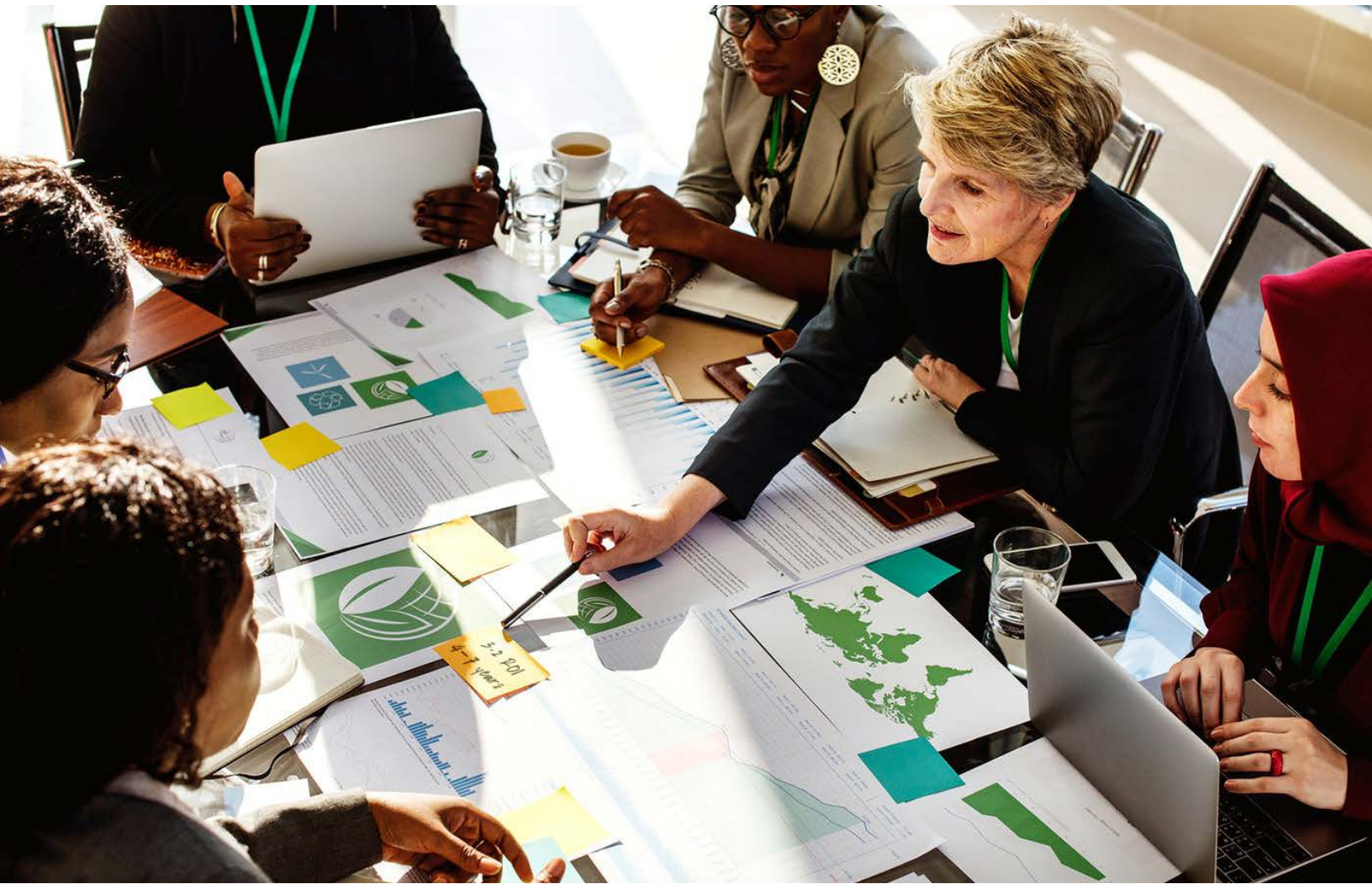
**Ordinary Campaign Contributions [R.C. 102.03(G)]:** Ordinary campaign contributions given to an elected official are not prohibited, even where a nexus exists between the public office and the contributor. However, where there is evidence of wrongdoing as set forth in R.C. 102.03(G), in connection with a campaign contribution, and a nexus exists between the officer and the contributor, the conflict of interest protections set forth in R.C. 102.03(D), (E), and (F) will apply to the parties to the contribution.



## Chapter 13

### Restrictions (R.C. 102.99):

The final section of Chapter 102 establishes the restrictions for any person who violates the Ethics Law and related statutes. All of the provisions of the Ethics Law are criminal prohibitions. Most of the provisions are first-degree misdemeanors, with a maximum fine of \$1000, a maximum jail term of six months, or both. However, two of the public contract prohibitions are fourth-degree felonies, with a maximum fine of \$5000, a maximum prison term of 18 months, or both. A person who is convicted of receiving supplemental compensation will be barred from holding public office, public employment, or any position of public trust for seven years.



## *Conclusion*

Every public agency must give each official or employee who serves the agency a copy of the Ohio Ethics Law. This overview is intended to give public officials and employees some basic information about how the law applies to them. The overview briefly summarizes each provision of the law and, when available, provides examples of the restrictions and links to additional resources.

This overview is not intended to substitute for the Ethics Law or for an advisory opinion of the Ohio Ethics Commission. For guidance on a specific situation, please contact the Commission at (614) 466-7090.

OHIO AUDITOR OF STATE  
**KEITH FABER**



# COMMON AUDIT COMMENTS & HOW TO AVOID THEM

Slides



OHIO AUDITOR OF STATE  
KEITH FABER

## Common Audit Comments and How to Avoid Them

Presented By: Amanda Stidham, CPA, CFE  
Quality Assurance & Technical Specialist

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## Agenda

- Terminology and Types of Audit Comments
- Common Noncompliance Comments
- Common Internal Control Comments
- Additional Resources

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## Terminology

GAGAS {

- Generally Accepted Government Auditing Standards
- Comments Which Impact Financial Statements
- AKA: Yellow Book

Single Audit {

- Single Audit Act of 1984 (Amended in 1996)
- Comments Which Impact Federal Programs
- AKA: Uniform Guidance (UG)

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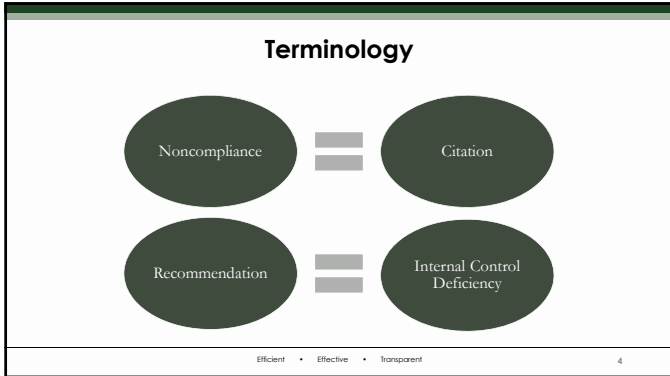
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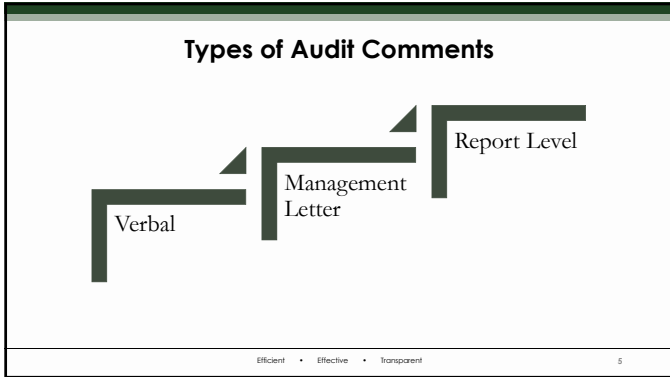
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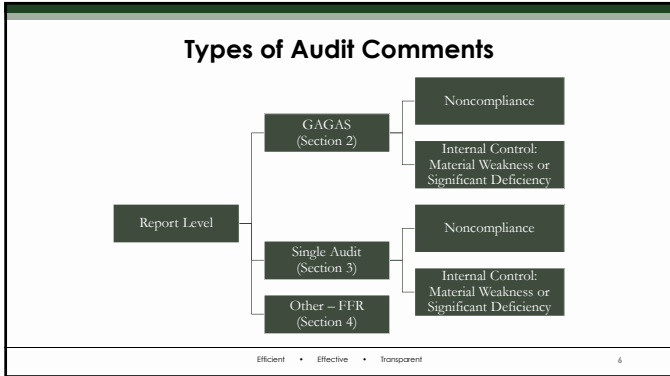
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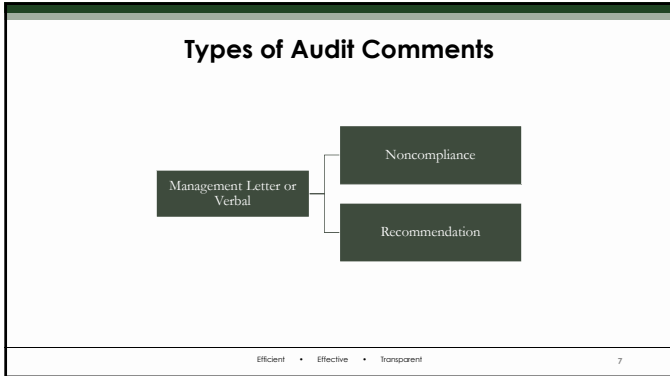
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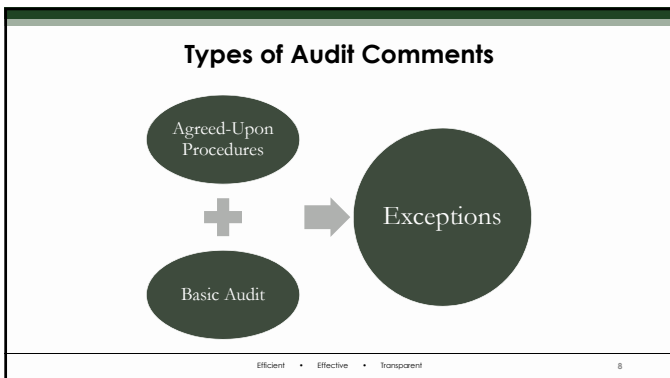
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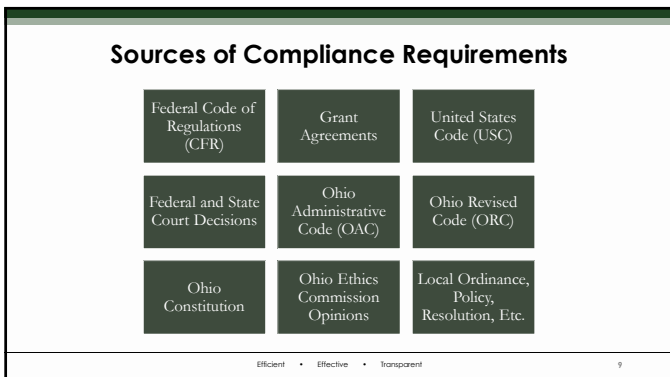
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## Sources of Compliance Requirements



Ohio  
Compliance  
Supplement

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## Sources of Compliance Requirements



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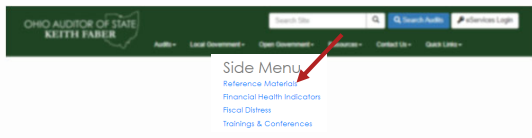
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## Sources of Compliance Requirements



Side Menu

- Reference Materials
- Financial Health Indicators
- Fiscal Distress
- Trainings & Conferences

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### Sources of Compliance Requirements

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Reference  
Materials

Clients & IPA Firms  
GASB 84  
GASB FAQs  
Ohio Compliance Manuals

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### Sources of Compliance Requirements

#### Ohio Compliance Supplement Manuals 2022

Ohio Compliance Supplement Implementation Guide (PDF)  
 • Exhibit 3 Compliance ACE (docx)

Ohio Compliance Supplement Manual (PDF)  
 • Chapter 1 - Direct Laws (PDF) (docx)  
 • Chapter 2 - Indirect Laws and Statutorily Mandated Tests (PDF) (docx)  
 • Chapter 3 - Stewardship (PDF) (docx)  
 Optional Procedures Manual (docx)

<https://ohioauditor.gov/references/compliancemanuals.html>

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### Sources of Compliance Requirements

#### OCS Legal Matrix (Nov 2021)

Notes: 1) Order is in sequential order.  
 2) Excel is limited to only one hyperlink for each cell. If more than one footnote is applicable, you will have to find it in  
 3) We had to apply footnotes to checkmarks whether the section applies or not. So pay close attention to the footnot!

| Step No.  | Requirement   | Library <sup>1</sup> | Park Dist.      |
|---|---|----------------------|-----------------|
| <b>General Budgetary Requirements (1-4 through 4-3)</b> |   |                      |                 |
| 1.1   | OCS 5750-38: Annual appropriation measure   | ✓ <sup>19</sup>      | ✓ <sup>18</sup> |
| 1.2   | OCS 5750-41(a), and 5750-42: Reserves on appropriating/expenseing money, including "Banker" fiscal officer certificates | ✓ <sup>21</sup>      | ✓               |
| 1.3   | OCS 5750-46: Amending or supplementing appropriations, contingencies  | ✓ <sup>18</sup>      | ✓               |
| 1.4   | OCS 5750-89: Establishing funds and 5750-124: Permission to establish special funds                                     | ✓ <sup>18</sup>      | ✓ <sup>25</sup> |

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### Finding an Audit Report

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### Finding an Audit Report

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### Finding an Audit Report

#### Audit Search

[Audit Search](#) | [Report Release](#) | [Audit FAQs](#) | [Audit Help](#) | [Request a Report](#)

Pass-through State Agencies/Local Governments - To receive a OMB Compliant (in accordance with 2 CFR Part 200, a.k.a. the Uniform Guidelines) version of an audit report package, please go to the FAC site at <https://facweb.com/ugov/>

Entity Name or Report Title:

Entity Type:

Report Description:

County:

Fiscal Year:

Release Date:

Latest Release Date:

Findings for Recovery Only:

Regional Councils of Governments (RCOG) Only:

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### Example: Noncompliance Comment

#### Noncompliance – Expenditures in Excess of Appropriations

Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

At December 31, 2017 the following funds had budgetary expenditures in excess of appropriations at the fund level:

| Fund          | Budgetary Expenditures | Appropriations | Variance     |
|---------------|------------------------|----------------|--------------|
| Fire          | \$ 4,887,795           | \$ 4,586,502   | \$ (301,293) |
| Road & Bridge | \$ 1,988,754           | \$ 1,903,480   | \$ (85,274)  |

The Township should develop and implement procedures to monitor its budgetary expenditures and verify they do not exceed approved appropriations. If the Township needs to expend more monies than are appropriated, the Township should follow Ohio Rev. Code requirements to amend appropriations. Failure to have adequate appropriation authority in place at the time of expenditure may result in expenditures exceeding available resources and result in deficit spending.

Officials' Response:

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### Example: Internal Control Comment

#### Material Weakness – Financial Statement Misstatement

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs A14 & A16.

The Library's financial statements for 2020 contained the following error due to lack of controls over review of the financial statements which was identified as material and has been adjusted in the accompanying financial statements:

The Library erroneously reported CARES Act funding received in the amount of \$53,000 in Special Revenue funds as Miscellaneous cash receipts instead of Intergovernmental cash receipts during 2020. As a result, Miscellaneous cash receipts was overstated by \$53,000 and Intergovernmental cash receipts was understated by the same amount.

The Library should develop and implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

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**Officials' Response:**

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**Officials' Response:**

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**Common Noncompliance Comments**

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### Common Noncompliance Comments

Ohio Revised Code  
149.43  
OCS 2-23

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How to Avoid

- Availability of Public Records for Inspection and Copying

- Create and Adopt Policy and Retention Schedule
- Promptly Respond
- AOS Bulletin 2019-003

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### Common Noncompliance Comments

Ohio Revised Code  
5705.41(D)  
OCS 1-2

➔

How to Avoid

- Certification of Expenditures and Blanket Certificates

- Blankets
- Super Blankets
- Then and Now Certifications

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### Common Noncompliance Comments

Ohio Revised Code  
109.43  
OCS 2-23

➔

How to Avoid

- Public Records Training Programs

- Attend Training Early in Each Term *or* Before Taking Office
- <https://www.ohioattorneygeneral.gov/Legal/Sunshine-Laws/Sunshine-Law-Training>

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**Common Noncompliance Comments**

Ohio Revised Code  
5705.10  
*ORC 1-13*

➔

How to Avoid

- Use of Revenues

- Research New Revenue Sources
- Verify Expenditures Follow Fund Restrictions

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**Common Noncompliance Comments**

Ohio Revised Code  
117.38 & 1724.05 &  
1724.06 & 1726.11  
*OCS 1-17*

➔

How to Avoid

- Annual Financial Reporting

- Know Your Due Date!
- AOS Bulletin 2015-007

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**Common Noncompliance Comments**

Ohio Revised Code  
505.24 and 507.09  
*OCS 1-29*

➔

How to Avoid

- Compensation of Township Fiscal Officer and Trustees

- Obtain and Retain Certifications, If Necessary
- Review OCS 1-29

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**Common Internal Control Comments**

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**Common Internal Control Comments**

- Misclassifications
- Audit Adjustments

How to Avoid

- Implement Controls
- Transactions
- Financial Statements

Financial Statement Errors

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**Common Internal Control Comments**

- Long Outstanding Checks
- Reconciliation Errors

How to Avoid

- Implement Controls
- Timely Investigate Errors
- AOS Bulletin 1991-11

Bank Reconciliation Deficiencies

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### Common Internal Control Comments

- Posting Budgetary Information to Accounting System

How to Avoid

- Timely Post
- Monitor Posting – Compare to Legally Adopted Budget

**Budgetary Deficiencies**

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### Helpful Resources

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### Additional (FREE) Training

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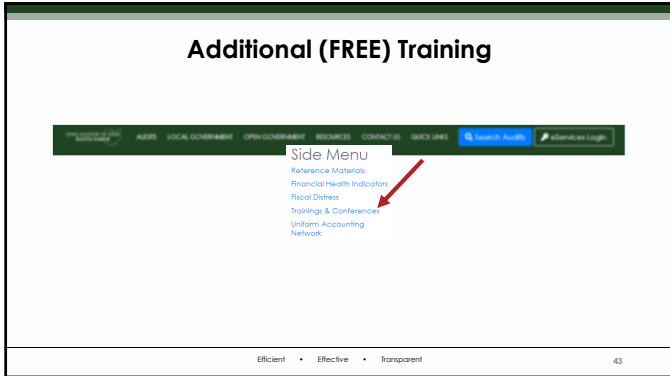
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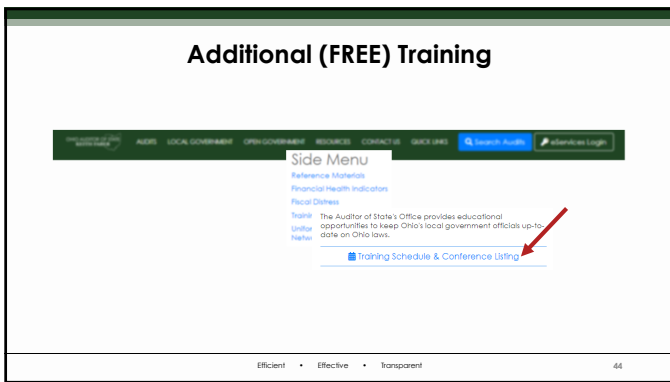
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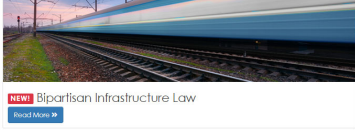
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**Infrastructure Funding Resources**



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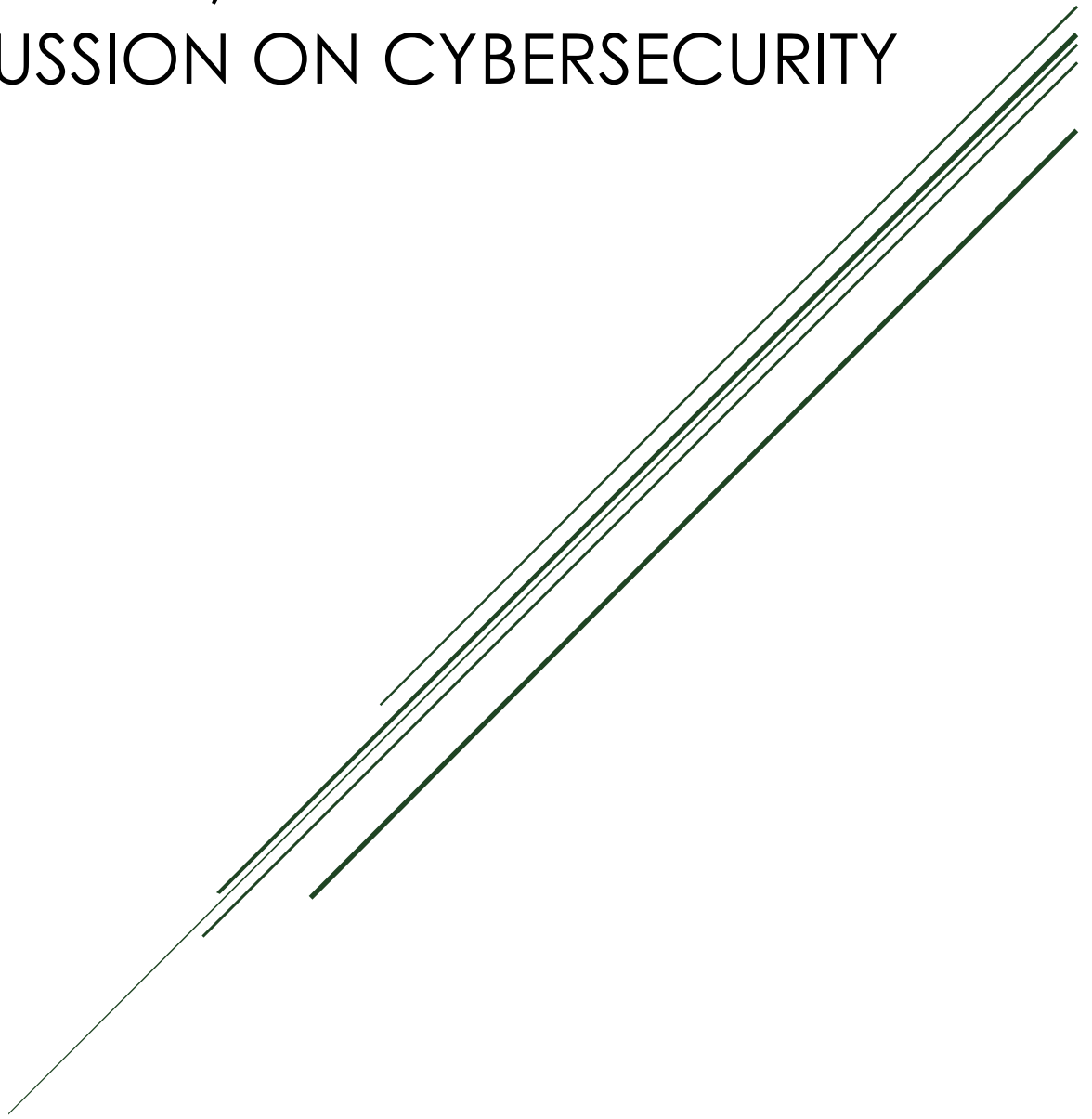
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OHIO AUDITOR OF STATE  
**KEITH FABER**



# PRACTICAL, ACTIONABLE DISCUSSION ON CYBERSECURITY

Slides





OHIO AUDITOR OF STATE  
KEITH FABER

Could the home you live in be more secure?

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Could the home you live in be more secure?

- Stronger Locks

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Could the home you live in be more secure?

- Stronger Locks
- Better Lighting

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**Could the home you live in be more secure?**

- Stronger Locks
- Better Lighting
- Alarm System

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**Could the home you live in be more secure?**

- Stronger Locks
- Better Lighting
- Alarm System
- Security System

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**Introduction**

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**Practical and Actionable talk about Cybersecurity**

We are going to cover 8 specific steps that if you follow, you will be more secure

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**The eight areas**

- Phishing
- Passwords
- Patching
- People
- Backups
- Privileges
- Complexity
- Resources

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**Phishing**

Your staff are your biggest vulnerability

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### Social Engineering Red Flags

**FROM**

- I don't recognize the sender's email address or recognize I identify communication with.
- The email is from someone outside the organization and it's not listed in my job responsibilities.
- The email was sent from someone inside the organization but is suspicious, possibly "off" person and is very unusual or out of character.
- In the subject line, the sender asks for sensitive information or requests a meeting.
- I don't know the sender personally and they were not identified by a contact I trust.
- I don't have a business relation "or any point" there is a possibility of a scammer email with an unverified signature or an attachment from someone I don't communicate with normally.

**TO**

- I was CC'd on an email sent to one or more people, but I don't generally know the other people it was sent to.
- I received an email that asks me to do additional work or provide information, but I don't recall being asked to do this work.

**HYPERLINKS**

- I hover my mouse over a hyperlink (highlight on the email message, but the link address is not a different window. (This is a big red flag).
- I received an email that asks me to click on a link to view information, but I don't recall being asked to do this.
- I received an email with a hyperlink that is a misspelling of a known website. For instance, [www.microsoft.com](http://www.microsoft.com) or [www.micrsoft.com](http://www.micrsoft.com).

**DATE**

- I don't believe an email that I received would get during regular business hours, but it was sent at an unusual time (e.g. 2 am).

**SUBJECT**

- I don't see an email with a subject line that is suspicious or does not match the message.
- In the email message or reply the something I never sent or requested?

**ATTACHMENTS**

- The sender included an email attachment that I was not expecting or that makes no sense in relation to the email message. (The sender doesn't normally send me this type of attachment).
- I saw an attachment with a suspicious filename. The only file type that should be able to be a .doc file.

**CONTENT**

- In an email message, the sender asks me to click on a link or open an attachment to reveal a negative experience or to gain something of value?
- In the email text of the message, or does it have bad grammar or spelling errors?
- In the sender for someone to click a link or open an attachment that seems odd or illegal?
- On the link or attachment and finding about the sender's request to open an attachment or link.
- In the email asking me to look at a compromising or embarrassing picture of myself or someone I know?

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### Strong passwords and pass phrases

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### Strong passwords and pass phrases

1L1k3coldb@nanas

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**Strong passwords and pass phrases**

1Lk3coldb@nanas  
D0ntpok3thed0g!

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**Strong passwords and pass phrases**

1Lk3coldb@nanas  
D0ntpok3thed0g!  
1Lov3audit\$

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**Patching**

- Software
- Operating system on desktops/laptops
  - Operating system on servers
  - Networking equipment

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**One person should be responsible for your cybersecurity efforts**

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**Backups**

- Servers
- Desktops
- Laptops

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**When staff login, they should be a Least Privilege User**

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**Reduce your technical complexity**

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Know what resources are available  
**[Ohioauditor.gov/cybersecurity.html](https://ohioauditor.gov/cybersecurity.html)**

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