

## School Districts Ohio High School Athletic Association (OHSAA) Tournament Money FAQs

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**Note:** These FAQs reference information that can be found in [AOS Bulletin 2023-004](#)

**1. How should school districts governments account for OHSAA money on their day-to-day books?**

HB33 introduced some changes related to cash receipts at school affiliated events which may make some changes to recording OHSAA tournament monies in fiscal year 2024. AOS recently issued Bulletin 2023-004 to address some of these changes. As a result of HB33, the OHSAA has elected to accept cash at the gate when their tournament events are held at schools. When hosting an OHSAA tournament, there are two transactions – hosting the event and serving as the collection agent for cash collections at the gate. Once the tournament is completed, there is a settlement process with the OHSAA for each of the transaction types.

***First Transaction – hosting the event*** The first transaction is an exchange transaction whereby the OHSAA pays the school district to host the event—with all associated costs being the responsibility of the school district. That transaction is typically recorded in the school district’s general fund or a cost center within the 300 fund. The hosting fee is the school district’s own source revenue. For the purposes of this FAQ, when the term hosting fee is used, it is intended to include any rental fee and any other agreed upon extra fees. Extra fees are usually related to security and EMS. Typical school district costs include ticket takers, possibly concession stand workers, security, and EMS. These costs are separate exchange transactions between the school district and the vendor/worker. OHSAA is not a party to these transactions. These costs should be recorded in the 001/300 fund and is our accounting Bucket A.

***Second Transaction – serving as collection agent*** The second transaction is the school district serving as collection agent for ticket sales at the gate for the event. This exchange transaction is between the OHSAA and the those attending the event, the school district is not party to this transaction, but rather serves as the collection agent. The ticket sales are collected by the school district and distributed to the OHSAA. The costs of putting on the tournament game are the responsibility of the school district and are not part of this transaction. This is our accounting Bucket B.

On-line ticket sales will be managed and reported by OHSAA. The prices for OHSAA tournament tickets are set by the OHSAA. Note, the ticket sales are own source revenue to the OHSAA, and the hosting fee is own source revenue to the school district.

***Settlement with OHSAA*** At the end of the tournament, the event is settled through one payment, yet we still have our two accounting buckets. Bucket A has the costs of hosting the event and the OHSAA is to pay the school district the hosting fee. Bucket B has the gate ticket sales for which the school district is to pay the OHSAA. For payment purposes only, these two payments usually net together for one settlement payment. (net) For purposes of the accounting records, these two buckets are settled separately. (gross) When ticket sales exceed the hosting fee, the school district will pay OHSAA the difference and when the ticket sales are less than the hosting fee, OHSAA will pay the school district the difference.

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From the school district's perspective, the first step in the settlement process would be to look at the ticket sales in Bucket B. The OHSAA allows the hosting fee (OHSAA payment due to Bucket A) to be deducted from (or paid out of) the bucket B ticket sales payment before it is remitted to the OHSAA. However, if there are not enough ticket sales to cover the hosting fee, the OHSAA will send a separate payment for the difference (Bucket A).

The 022 fund reflects the gross payment of the gate ticket sales for the OHSAA. Fund 001/300 receipts the Hosting fee and the net of these two amounts (ticket sales less hosting fee) is forwarded to OHSAA. Although we're describing this as a net transaction, the accounting system will reflect the payment at gross, meaning the gross payment between 022 and 001/300 for the hosting fee and reflecting the gross payment to OHSAA for ticket sales.

However, if the ticket sales do not exceed the hosting fee, OHSAA will cut a check for the difference which will be receipted into 001/300. The accounting system will reflect the receipt of the hosting fee in 001/300 and the payment of the ticket sales to OHSAA in fund 022.

The true-up check is net, but the books should reflect the transaction at gross.

### **Example One**

#### ***Example 1 Ticket Sales less than Hosting Fee***

- Gate Ticket Sales are \$2,000
- Hosting Fee is \$3,000
- OHSAA makes partial hosting fee payment to School District for \$1,000
- School District also receives partial payment of hosting fee from 022 (as agent for OHSAA) to 001/300 of \$2,000

#### ***Fund 001/300 (gross)***

Reports Hosting fee of \$3,000 as revenue. (\$1,000 received directly from OHSAA and \$2,000 received from 022 as agent for the OHSAA.) Also, reports all related expenditures for hosting the event.

#### ***Fund 022 (gross)***

Reports gate ticket sales of \$2,000 and reports the distribution of the ticket sales to OHSAA of \$2,000. (\$2,000 payment to 001/300 as agent for the OHSAA) 022 has no remaining cash balance.

Note instead of the OHSAA sending payment of \$3,000 to the school for hosting and the school sending \$2,000 in gate ticket sales to the OHSAA, these two transactions are net together and \$1,000 is sent by OHSAA to the school district. The day-to-day books will reflect the transaction at gross.

### **Example Two**

#### ***Example 2 Ticket Sales Exceed Hosting Fee***

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- Gate Ticket Sales are \$3,000
- Hosting Fee is \$2,000
- School District makes payment to OHSAA for \$1,000 of ticket sales
- School District also receives payment of hosting fee from 022 (as agent for OHSAA) to 001/300 of \$2,000

***Fund 001/300 (gross)***

Reports Hosting fee of \$2,000 as revenue. (received from 022 as agent for the OHSAA) Also, reports all related expenditures for hosting the event.

***Fund 022 (gross)***

Reports gate ticket sales of \$3,000 and reports the distribution of the ticket sales to OHSAA of \$3,000. (\$2,000 paid to 001/300 as agent for the OHSAA and \$1,000 to OHSAA) 022 has no remaining cash balance.

Note instead of the OHSAA sending payment of \$2,000 to the school for hosting and the school sending \$3,000 in gate ticket sales to the OHSAA, these two transactions are net together and \$1,000 is sent by the school district to OHSAA. The day-to-day books will reflect the transaction at gross.

**2. Do we only have to run the ticket sale receipts through the 022 Fund (i.e. no expenses such as payroll, supplies, etc.)?**

Yes, please refer to Auditor of State Bulletin 2023-004 Cash Receipts at School-Affiliated Events. The following language is included for the 022 fund in the Bulletin:

“On the day-to-day books, this cost center is intended to be a clearing account to distribute tournament monies to other funds of the school and to the OHSAA. At the conclusion of the tournament, the cost center should not have any remaining balance. The OHSAA school hosting fees and other non-OHSAA related cash collections (i.e., concession sales at athletic events hosted by the school) should be reported in the school’s governmental or proprietary funds, as applicable. School costs are not intended to be paid from the custodial fund.”

**3. Can we record the payment to OHSAA as a refund?**

No, the payment to OHSAA would not be reported as a refund. Bulletin 2023-004 explains for Fund 022 that on the day-to-day books, this cost center is intended to be a clearing account to distribute tournament monies to other funds of the school and to the OHSAA.

Per OHSAA guidance, checks collected for radio station fees should be made out to the OHSAA with the host school forwarding the checks to the OHSAA. If checks for radio station fees are made out to the host school or are paid in cash, these amounts could also be accounted for (including being subsequently remitted to the OHSAA) through the 022 fund.

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**4. What should we do when OHSAA sends the school district a check because the hosting fee exceeds ticket sales?**

At the conclusion of the tournament game, there will be a settlement between the school and the OHSAA. The calculation is as follows (see also question 1 above):

Ticket Sales exceed OHSAA Hosting fee

- Difference will be paid by the School District to OHSAA

Ticket Sales less than OHSAA Hosting fee

- School District will receive payment from OHSAA

**5. How do we track profit and loss from the events?**

OHSAA has advised schools to use the Hometown Gate app to scan and sell tickets and save the Reconciliation User Audit Report for each OHSAA event. OHSAA has developed related procedures/instructions/training video, which are available at [www.ohsaa.org/school-resources](http://www.ohsaa.org/school-resources), under 'Selling Tickets at the Gate'. <https://www.ohsaa.org/School-Resources> (scroll down to find Additional Links for Ticket Selling at OHSAA Tournament Events)

Accounting / Reporting of ticket sales, other revenue, and cost associated with the event:

Schools should report monies held on behalf of OHSAA in a separate special cost center within Fund 022, which should be classified as a custodial fund. As noted in question 1 above, the 022 fund is a clearing account to distribute tournament monies to other funds of the school and to the OHSAA. (At the conclusion of the tournament, the cost center should not have any remaining balance.)

Note: School costs are not intended to be paid from the custodial fund. (The OHSAA school hosting fees and other non-OHSAA related cash collections (i.e., concession sales at athletic events hosted by the school) should be reported in the school's governmental or proprietary funds, as applicable.)