

# OHIO AUDITOR OF STATE KEITH FABER



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## Certificate of Transition Frequently Asked Questions (FAQs) (Updated August 2022)

**Q:** Upon completing and providing or receiving a certificate of transition, is there a requirement to also submit a copy of the certificate of transition to the Auditor of State's (AOS) office?

**A:** No. A certificate of transition should not be sent to the AOS unless it is provided with a complaint of non-compliance with the statute via the [complaint form](#).

**Q:** If an individual retires and is immediately re-hired to the same position, is a certificate of transition required?

**A:** No

**Q:** Item #6 in the Bulletin Detail section discusses a best practice suggestion for the incoming/current county treasurers and fiscal officers to prepare a "Certificate of Transition" as soon as possible upon taking office and consistently update it for as long as they hold the position." Is this required? Will auditors check to ensure the county treasurers and fiscal officers have prepared their certificate of transition during the audit?

**A:** No and no. The best practice suggestion is only intended to ensure the information is readily available for when a fiscal officer leaves the position. It is not a requirement; therefore, it will not be tested during an audit.

**Q:** What, if any, consequence will a fiscal officer face if an outgoing official refuses to create a certificate of transition? Who would enforce the requirement?

**A:** The AOS has authority to test the accuracy of any certificate of transition described in ORC section 117.171 and may report discrepancies or findings under ORC sections 117.28 and 117.29. Additionally, if a fiscal officer recklessly fails to perform the duty expressly imposed by ORC section 117.171, the AOS could make a referral to the county or city prosecutor that outlines the facts supporting a charge of dereliction of duty in violation of ORC section 2921.44. A violation of ORC section 2921.44 constitutes a misdemeanor of the second degree and can result in a fiscal officer being disqualified from holding any public office, employment, or position of trust in this state for four years.

**Q:** How will the AOS ensure the items, accounts and information prescribed in the certificate of transition apply to my office?

**A:** HB 450 required the AOS to solicit input from county treasurers and fiscal officers, or from their affiliated groups before prescribing what must be included in a certificate of transition. This resulted in multiple sample certificates of transition being created. We understand that county treasurers and village fiscal officers, for instance, do not have the same responsibility or maintain the same types of records.

**Q:** What would happen if someone were to pass away while in office, or became ill and could no longer perform their duties?

**A:** In the tragic event that an official passes away or falls ill without the advanced preparation of a transition certificate, there would be no penalty for failure to complete a certificate of transition.

**Q:** What if the next fiscal officer has not been elected/appointed when I leave my current position?

**A:** As provided on the certificate shells, if a successor has not been elected/appointed, the certificate should be addressed to the appointing authority. The chairperson/board president should countersign as the recipient of the letter.

**Q:** Can you provide an example of when your office would test a certificate of transition?

**A:** Every certificate of transition could be tested as part of the next regular audit of the entity. A more specific example of when a certificate is more likely to be tested is when a complaint over the timeliness, accuracy and/or completeness of the certificate is received by the AOS.

**Q:** Will I have to provide personal passwords to my successor?

**A:** No. However, a summary description of the process and the names of IT staff or vendors that can assist a new fiscal officer in gaining access to electronic records should be included in the certificate.

**Q:** Why is this requirement needed if fiscal officers were already required to deliver information to their successors?

**A:** Not all fiscal officers had such a requirement prior to this law. For those who did, there was no method to prove that an outgoing official actually complied with the requirement. The Certificate of Transition provides proof of compliance. Additionally, the flexibility built into the law allows our office to update what information and items must be transferred to a successor as time goes on and official duties and/or technology changes.

**Q:** Some of the descriptions included on the check list for a school district treasurer/CFO are clear and self-explanatory, while others are not. If possible, could you please provide examples of what a treasurer/CFO of a district would include for the following items:

- a. "List of statutory filings, notifications and any other statutorily required responsibilities."
- b. "Any other records pertaining to the operation of the office"?

**A:** The purpose of the certificate of transition is to provide information, documents, etc. the successor fiscal officer will need in performing duties of the position. The "list of statutory filings, notifications or any other statutorily required responsibilities" is intended to be information for the new treasurer/fiscal officer to be aware of any responsibilities that are statutorily required. This could be in the form of a calendar listing or "tickler file" of responsibilities that help the current treasurer/fiscal officer ensure the requirements are met. Similarly, "any other records pertaining to the operation of the office" is intended as any other specific records the outgoing treasurer/fiscal officer should provide to the incoming treasurer/fiscal officer that are needed for operation of the specific office.

**Q:** The list of items included in the statement below are related to school financing and borrowing obligations. Would you please confirm that the contracts requested include only borrowing- or financing-related contracts?

“List of current leases, *contracts*, outstanding loans and advances, debt schedules, continuing disclosure obligations, lines of credit, State and Federal grant agreements, and other agreements.”

**A:** Similar to the answer to the previous question, it would be any contracts the incoming treasurer/fiscal officer needs to be aware of in performing the duties of the position. It is not anticipated that every employment contract would be included in this listing, however a summary of the process and contract due dates would be helpful to an incoming official.

**Q:** If I am not a fiscal officer for an entity that is specifically identified in ORC 5705.01(D), how do I know whether I am a fiscal officer that must comply with ORC 117.171 and prepare a certificate of transition?

**A:** If the fiscal officer is not one that is identified in the list in ORC 5705.01(D), then the officer does not need to prepare a certificate of transition, unless the fiscal officer is “responsible for keeping the appropriation accounts and drawing warrants for the expenditure” of moneys of a district or taxing unit. For purposes of ORC Chapter 5705, a “taxing unit” is “any subdivision or other governmental district having authority to levy taxes on the property in the district or issue bonds that constitute a charge against the property of the district, including conservancy districts, metropolitan park districts, sanitary districts, road districts, and other districts.” ORC 5705.01(H). Although “district” is not defined, based on the definition of “district authority” in ORC 5705.01(I), we can discern that a district is a “district institution or activity that derives its income or funds from two or more subdivisions[.]” The Auditor of State views ORC 117.171 as a setting a good practice for seamless transitions and therefore applies the terms of ORC 117.171 and ORC 5705.01(D) liberally.

**Q:** Bulletin 2021-005 originally included certificate of transition shells. Why were they removed from the bulletin? [NEW]

**A:** Updated certificate of transition shells are maintained on the Auditor of State website; therefore, the shells in the bulletin were replaced by a link to the website to ensure the current shells are utilized.

**Q:** One of the items listed in the certificate of transition shells to be completed by the outgoing fiscal officer is to provide access to the incoming fiscal officer as an “eServices” contact in the Auditor of State’s eServices Portal. Why is this necessary? How do I as the outgoing fiscal officer provide eServices access to the incoming fiscal officer? [NEW]

**A:** As the entity’s fiscal officer, it is important to maintain current contact information in eServices to receive billing and audit information from the Auditor of State’s Office and to submit financial statements and other information to the Auditor of State’s office. The current fiscal officer should remain the Main contact for the entity until leaving office; therefore, adding the incoming fiscal officer as an “eServices” contact in the Auditor of State’s eServices Portal will enable the incoming fiscal officer to change their status to the Main contact upon assuming the position.

To provide the incoming fiscal officer access to the Auditor of State’s office eServices Portal, log into [eServices](#) using your on-file email and password. After logging in, click on the “My Profile” tab on the left of the screen and then select the “Main” tab. Under the “Additional Authorized Users” section on the

right of the screen, select the “+ Add New Authorized User” button. Enter the incoming fiscal officer’s name, title and email address and click the ‘Save’ button to add the incoming fiscal officer as an “eServices” authorized user. The incoming fiscal officer will then receive an email invitation to create a login password.

**Q:** How do I use the shells on the Auditor of State website to create a certificate of transition for my position? **[UPDATED]**

**A:** As indicated at the top of the shells, the certificate should be included on the official’s letterhead; therefore, the easiest way to use the shells is to copy and paste from the shell to a separate electronic document which includes the letterhead. If you plan to print the certificate on physical letterhead, you will need to save a copy of the Word document to your computer before it can be modified.

**Q:** If the shell certificate of transition indicates to provide a “list,” should I insert the list into the certificate of transition document or provide a separate list?

**A:** Either method is acceptable as long as the information is provided.

**Q:** I am an incoming fiscal officer and received an email invitation to create an Auditor of State eServices login. Why did I receive this invitation? What should I do once I’ve created my eServices login? **[NEW]**

**A:** As stated in an FAQ in this document regarding the responsibilities of the outgoing fiscal officer, as the entity’s fiscal officer, it is important to maintain current contact information in eServices to receive billing and audit information from the Auditor of State’s Office and to submit financial statements and other information to the Auditor of State’s office. Therefore, it is important for the outgoing fiscal officer to provide access to eServices to you as the incoming fiscal officer.

Once you have assumed the fiscal officer position, you should log into eServices, and make yourself the main entity contact on the Main tab under the My Profile page by first deleting the eServices authorized user account and then update the Main contact information to include your contact information. You should also verify all other contact information is current and complete on the Main, Governing Board, and Report Release Recipients tabs on this page.

**Note:** An email address can only be assigned to **one** contact type on the Main My Profile tab, which is why you must first delete your eServices user account before updating the Main contact information. Please ensure you update the Main contact information to your contact information before logging out of eServices to ensure continued eServices access.

**Q:** I am an incoming fiscal officer but did not receive an email invitation to create an Auditor of State eServices login prior to the outgoing fiscal officer’s departure. How do I update to my entity’s Auditor of State eServices Main contact with my contact information? **[NEW]**

**A:** Please refer to the guidance provided under the “Notification of Change in Fiscal Officer” tab on the [AOS Notifications](#) webpage.