

RESOLUTION No...92-61.....

BUTLER.....County, Ohio

Be It Resolved by the Township Trustees of.....UNION.....Township,

that

Whereas, the Township Administrator from time to time in the discharge of his responsibilities is obliged to provide for and pay certain expenses incurred while managing the several township volunteer committees and hosting certain businesses, functions and persons while in and about the township, and is,

As a representative of the government of the township expected on certain occasions to extend recognition, greetings and hospitality to those individuals and organizations on behalf of the Board of Union Township Trustees, and

Whereas the Auditor of State had opinioned in a letter to Public Officials on 28 December 1981 (attached) that such expenses are proper, appropriate and necessary when approved by the local governing board; now therefore

Be it hereby resolved by the Board of Union Township Trustees that the sum of One Thousand Dollars per year is appropriated from the General Fund for use by the Township Administrator during the year for hosting individuals during the conduct of official business including; refreshments, meals, honorariums, coffee, awards, plaques, cards, and other forms of recognition deemed by him to be resonably necessary.

Adopted the.....10th.....day of.....NOVEMBER.....19...92..

Attest:.....
Township Clerk.

Patricia Williams

.....
Bob Allen

.....
[Signature]
Township Trustee

JAMES A. BOLDEN
DEPUTY AUDITOR

CHARLES E. MAUGER
DEPUTY AUDITOR

THOMAS E. FERGUSON

AUDITOR OF STATE
COLUMBUS, OHIO 43210

December 28, 1961

RICHARD G. NUSS
DEPUTY AUDITOR

JOSEPH J. SOMMER
DEPUTY AUDITOR

RECEIVED

DEC 31 1961

Dear Public Official:

DELMH TOWNSHIP

The question of whether Christmas parties, plaques, coffee, meals, paid leave, awards in recognition of prior service, or similar types of non-salary remuneration for public employees are purposes for which public funds can be spent has been one of the most difficult to resolve equitably.

Based upon recent court decisions, the Attorney General has provided clarification of the issue in a formal opinion ~~1961-1962~~ and while the opinion addressed the authority of a school board to grant certain employee fringe benefits, it lends itself to a wider application.

In essence, the Attorney General held that the authority of a public employer (appointing authority) to compensate includes the authority to provide its employees with those fringe benefits that are not otherwise specifically circumscribed by statute.

In other words, if the appointing authority (board, commission, council, etc.) can set the salaries of its employees, it then may also grant its employees certain fringe benefits, so long as there is no prohibition against granting those specific fringe benefits. The appointing authority may also grant benefits in excess of that which is legally allowable, but shall not restrict those benefits to a lesser degree.

It does not mean, however, that the appointing authority can provide fringe benefits to itself since authority to set the salary, or salaries, of the appointing authority rests with a higher authority; i.e., the Ohio General Assembly.

Thus, the appointing authority may provide for Christmas parties, coffee, plaques, health insurance premium payments, as examples, for its employees, but it may not grant them to itself since it does not set its own salary.

Under the new interpretation, the Bureau of Inspection and Supervision of Public Offices has instructed its state examiners thus: If the subject of a fringe benefit arises during an audit they should (1) look first to see if the public employer involved has the authority to set the compensation of its employees, (2) see if the specific fringe benefit is subject to any

statutory restriction, (3) see if the public employer has set forth the granting of such fringe benefits to its employees previously in a formal action, and (4) see if the fringe benefit in question is charged properly to the appropriation for employees' compensation. If the criteria are met, then the fringe benefit will be considered by the examiners as having been properly granted those employees.

I sincerely hope this new interpretation serves to reduce the confusion and controversy surrounding certain public employee fringe benefits. If you have any further questions on this subject, please bring them to my attention in writing.

Sincerely,

THOMAS E. FERGUSON
Auditor of State

Charles E. Mauger

Charles E. Mauger
Deputy State Auditor
Bureau of Inspection and
Supervision of Public Offices

CEM/bb