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TO: All County and State Political Parties, Ohio Secretary of State, Ohio Elections Commissions, Ohio County Prosecutors, and Independent Public Accountants

FROM: David Yost
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SUBJECT: Political Party Checkoff Funds

This bulletin addresses legal and auditing requirements of political “checkoff funds” under Ohio Rev. Code § 3517.18

Legal Requirement:

Ohio Rev. Code § 3517.16 creates the Ohio Political Party Fund (the Fund). Ohio Rev. Code § 3517.17 requires the Auditor of State to audit each state and county political party. Ohio Rev. Code § 3517.18 in turn describes permissible and impermissible expenditures of “checkoff funds.” Ohio Rev. Code § 3517.18(A) lists six categories of permissible expenditures. All monies spent under RC 3517.18 must fall into one of the following six categories:

- (1) The defraying of operating and maintenance costs associated with political party headquarters, including rental or leasing costs, staff salaries, office equipment and supplies, postage, and the purchase, lease, or maintenance of computer hardware and software;
- (2) The organization of voter registration programs and get-out-the-vote campaigns and the costs associated with voter registration and get-out-the-vote activities, including, but not limited to, rental costs for booth spaces at fairs, festivals, or similar events if voter registration forms are available at those booths, printing costs for registration forms, mailing costs for communications soliciting voter registration, and payments for the services of persons conducting voter registration and get-out-the-vote activities;
- (3) The administration of party fund-raising drives;
- (4) Paid advertisements in the electronic or printed media, sponsored jointly by two or more qualified political parties, to publicize the Ohio political party fund and to encourage taxpayers to support the income tax checkoff program;
- (5) Direct mail campaigns or other communications with the registered voters of a party that are not related to any particular candidate or election;

(6) The preparation of reports required by law.

Auditing Requirement:¹

For the purposes of an audit, it is not sufficient to rely solely on the statute. As explained in AU-C 500.A14-.A15, auditors will be looking for documentary evidence to support expenditures under Ohio Rev. Code § 3517.18. Auditors should inquire into the legality of expenditures that do not contain supporting documentation. However, inquiry alone will not suffice to support auditing conclusions; documentation must be provided. AU-C 500.A2.

Questions and Failure to Comply:

If political parties have questions regarding the propriety of expenditures under Ohio Rev. Code § 3517.18, rather than wait until the next audit, Ohio Rev. Code § 3517.18(C) provides a mechanism to resolve questions and avoid improper expenditures. The section states:

If there is a question about the legitimacy of a party expenditure of public moneys, a designated agent of a political party receiving moneys from the Ohio political party fund may request the Ohio Elections Commission for an advisory opinion on the matter prior to making an expenditure of those public moneys. The commission shall afford the highest priority to a request made under this division.

The Auditor of State will accord deference to opinions issued by the Ohio Elections Commission.

Failure to conform to the statute or to provide sufficient documentation proving conformity to the statute may result in a finding for adjustment.

Questions concerning this bulletin should be addressed to the Legal Division of the State Auditor's Office at (800) 282-0370.

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¹ The Auditor of State considers its current agreed-upon procedures to satisfy this audit requirement.