



**STATE OF OHIO
ADJUTANT GENERAL'S DEPARTMENT
2825 West Dublin Granville Road
Columbus, Ohio 43235-2789**

November 30, 2016

Mr. Randall J. Meyer
Ohio Inspector General
30 East Broad Street
Suite 2940
Columbus, Ohio 43215

OFFICE OF
INSPECTOR GENERAL
2016 DEC -5 PM 2:01

Dear Mr. Meyer:

Thank you for your Report of Investigation 2015-CA00023, dated October 11, 2016. We appreciate the diligence of your office in reviewing the policies and procedures for administering and accounting for certain non-appropriated funds received and expended by armory boards and Ohio National Guard units under the control of The Adjutant General.

In the 18 months since the Ohio Adjutant Generals' Department (ADJ) self-reported an alleged theft of armory board funds, ADJ has made several important changes to the accounting and reporting of activities involving the receipt and use of non-appropriated moneys received and expended by the armory boards and Ohio National Guard units. These changes include the consolidation of all armory funds at the battalion/squadron level, designating the battalion/squadron commanders as the custodian of the funds, and eliminating unit level armory funds. Additionally, all checks issued from any fund now require two signatures and the use of debit/credit cards or store lines of credit are expressly prohibited. Furthermore, formal annual training requirements have been adopted targeting battalion/squadron commanders, delegated consolidated facilities fund custodians, and company level readiness and training NCOs. These and numerous other changes have been included in revised regulation NGOR 37-2 (attached), effective September 1, 2016, which will be updated annually to reflect any discrepancies discovered during the annual audit process. We believe these changes, which are explained below, respond affirmatively to your recommendations for improvement.

Recommendations and actions:

1. "Consider an annual review of Policy AGOR 37-2/177-4 and similar regulations governing armory board and unit funds to resolve any discrepancies found in the annual audit."

Effective September 1, 2016, ADJ issued an updated and revised regulation NGOR 37-2, Administration of Facility Rentals with the units of the Ohio National Guard. Following audits that are required to be completed by ADJ State Finance prior to December 31, ADJ will annually review NGOR 37-2 and revise its contents as necessary in order to address any discrepancies discovered in the annual audits to ensure they are not repeated. Any revisions to NGOR 37-2 will take effect July 1 of the next fiscal year.

2. "Consider requiring armory board and unit personnel responsible for appropriated funds to review applicable policies, procedures, and regulations annually, and complete policy acknowledgement forms stating they have read and understood AGOR 37-2/177-4."

Appropriated funds are no longer issued to units and regulation NGOR 37-2 strictly addresses the administration of non-appropriated funds. Thus, while armory unit personnel have no interaction with appropriated funds, beginning in state fiscal year 2017, fund custodians must annually sign an acknowledgement form verifying that they are aware of their responsibilities, have received training, and understand their responsibilities under NGOR 37-2.

3. "Consider the benefits of conducting an annual training to review the requirements of AGOR 37-2/177-4, prior year audit discrepancies, and other investigative results to eliminate any confusion on the regulations. It is recommended topics for this training include, but are not limited to: the correct way to complete the monthly activity ledger, receipt and payment vouchers, and financial reports; the timing of when these documents are to be complete; the monthly reconciliation, financial reporting, and audit processes; and the consequences for failing to comply with these guidelines or when unauthorized expenditures occur."

As referenced in response to recommendations 1 and 2 above, ADJ will annually revise NGOR 37-2 to reflect issues discovered in previous years' audits and will provide annual training on the revised regulation as well as addressing specific discrepancies found during the annual audits that resulted in changes to the regulation.

4. "Consider amending AGOR 37-2/177-4 to ensure blank check stock, deposit slips, debit cards, bank statements, and cash boxes are kept in a safe and secure location and are only accessible by authorized personnel. It is recommended that this regulation should also prohibit the pre-signing of blank checks and use of debit cards by unauthorized users to ensure purchases made using the check or debit card are permissible per the account guidelines."

Cash may not be accepted for payment. As a result, no cash boxes are authorized. With respect to the safety and security of blank check stock, deposit slips, and bank statements, revised NGOR 37-2, Chapter 6, Section 2 requires that checks and checkbooks must be properly secured. Furthermore, it is specified in the same section that debit cards are no longer authorized.

5. "Consider amending AGOR 37-2/177-4 to identify who is authorized, and when it is permissible to use mobile deposits, mobile banking apps for smartphones, electronic bill pay, debit cards, or open credit lines with vendors."

Debit cards and credit lines with vendors are not permissible under NGOR 37-2, Chapter 6, Section 2. In the revised regulation, a written check is the only permissible method of

payment and electronic bill pay is not an option. However, ADJ will update NGOR 37-2 during the next annual review to specifically eliminate the use of mobile bank apps, electronic bill pay, and mobile deposits.

6. "Consider revising the Monthly Ledger for Accumulated Balances form referenced in Appendix D of AGOR 37-2/177-4 to include columns for the receipt number, receipt date, source of funds, check payee, and category of expenditure. This would allow an independent reviewer to determine when reviewing the ledger in conjunction with a monthly account reconciliation whether revenues were deposited into the appropriate account in a timely manner and whether unauthorized expenditures may have occurred."

Former Appendix D has been replaced by Appendix C (Monthly Ledger for Cumulative Balances) in NGOR 37-2 and includes columns for voucher date, voucher number, check number and deposit date. Since all transactions require completion of a payment/receipt voucher form provided in Appendix B, the information will be drawn from that source and included in the appropriate columns of the Monthly Ledger for Cumulative Balances.

7. "Consider amending AGOR 37-2/177-4 or implementing policies and procedures to require the use of manual receipt book, and requiring a receipt be issued and given to each individual remitting funds to the armory board or unit. The manual receipts should be dated, reflect the source of the funds, the amount, and reference supporting documentation such as a rental agreement, vending commission check stub, etc. It is also recommended that a copy of the receipt should be given to the individual renting the facility or giving funds to the unit or armory board."

As with our response to recommendation 6, NGOR 37-2, Appendix B, requires a payment/receipt voucher form that is to be completed for each receipt or expenditure. This is to include a copy of all checks, receipts, rental agreements, and/or bank deposits.

8. "Consider requiring each armory board establish rental rates for its location and to maintain a log or calendar identifying each time the armory was rented. As part of a monthly reconciliation or annual audit, the calendar or log should be compared to the rental agreements, activity ledger, and bank statement to ensure rental payments received were recorded in the ledger and subsequently deposited."

NGOR 37-2, Chapter 4, Section 6 requires each board to establish rental rates based on like facilities in the local area. Additionally, we believe this recommendation is fully addressed through the required use of Appendix B (payment/receipt voucher) and its accompanying documentation along with the requirement in Chapter 4, Section 4b, that DIMR maintain a log of all rentals approved. The log maintained by DIMR will be used to validate each unit's submission during the annual audit of records by ADJ State Finance.

9. "Consider amending the existing payment voucher form in Appendix C of AGOR 37-2/177-4 to include a certification that the goods or services purchased were received; confirmation the items were installed at the armory; the inventory tag number or the location within the armory of the item purchased; and when required by regulation, the date and person contacted to verify whether the purchase could be made using armory board funds. It is also

recommended that each payment voucher should have the original receipt or invoice attached to support the expenditure.”

Former Appendix C has been modified and changed to Appendix B of NGOR 37-2 and now requires the identification of specific items purchased through each expenditure. Additionally, former Appendix F has been modified and changed to Appendix E. It requires the unit to complete a Notification of State Property Acquisition form that identifies the purchase of non-expendable property and requires its submittal to NGOH-DIMR-SP (State Property) for inclusion in the state property/asset list. Items are subject to inventory in accordance with state of Ohio requirements.

10. “Consider requiring equipment and other portable assets purchased using armory board or unit funds be tagged as armory board or unit property and added to an inventory list to be audited annually to ensure items purchased are accounted for or have been disposed of in accordance with the applicable regulations.”

To address this recommendation, NGOR 37-2 now includes a Notification of State Property Acquisition form in Appendix E which requires the reporting of non-expendable property, is submitted to NGOH-DIMR-SP for inclusion in the state property/asset list, and subjects the asset to inventory in accordance with state of Ohio requirements.

11. “Consider amending AGOR 37-2/144-4 to revise the process for reimbursing an individual for a purchase, by requiring a detailed original receipt be provided specifying the items purchased, verification the purchase is an authorized use of unit or armory board, and determination of whether pre-authorization was obtained, when required.”

NGOR 37-2, Chapter 6, Section 2 discourages the practice of reimbursement, but does provide specific requirements for reimbursement of an individual for a purchase. These specific requirements are comprised of providing a detailed receipt and/or invoice and validation of the purchase by an individual authorized to make purchases prior to the issuing of the reimbursement check.

12. “Consider requiring the monthly reconciliation of the account ledger activity in Appendix D of the AGOR 37-2/177-4 to the bank statement activity, including a comparison of manual receipts to the account ledger and bank statements to verify all funds received were deposited. In addition, the reconciler should verify that each payment voucher has a receipt or invoice attached that matches the amount of the check shown on the bank statement. Once complete, it is recommended that the monthly reconciliation and supporting documents be reviewed by an independent reviewer to verify funds collected were deposited and determine if there were unauthorized purchases made.”

Appendix D has been revised and is now Appendix C, Monthly Ledger for Cumulative Balances, with the requirement that the monthly ledger be reconciled with the monthly bank statement. For the next revision of NGOR 37-2, ADJ will be adding the requirement that each monthly reconciliation be reviewed by an independent reviewer to verify and validate all receipt and expenditure activity.

13. "Consider requiring annual audits to be conducted by a person independent of the account custodian, command, and individual reviewing the monthly reconciliations to ensure the account activity is in compliance with AGOR 37-2/177-4, federal regulations, and other guidance."

In addition to the account custodian, command, and individual reviewing monthly reconciliations, each fund is also audited annually by the ADJ State Finance Officer to ensure compliance with NGOR 37-2 and other federal and state regulations and policies.

14. "Consider amending the Audit/Examination Checklist of Deficiencies form located in Appendix E of AGOR 37-2/177-4 to include a reconciliation of rental agreements, vending commissions, receipt vouchers, and manual receipts to subsequent deposits to ensure all funds received were deposited in their entirety and in a timely manner."

Appendix E has been amended and renumbered as Appendix D-1, Audit Checklist, in the revised NGOR 37-2 to include the reconciliation of rental agreements, vending commissions, receipt vouchers, and receipts to subsequent deposits to ensure that all funds are deposited in a timely manner. Additionally, NGOR 37-2, Appendix B, provides a payment/receipt voucher form that is to be completed for each receipt or expenditure. This form will include a copy of all checks, receipts, rental agreements, and/or bank deposits. We believe that this required consolidation of all documentation simplifies the reconciliation process and responds to this recommendation.

15. "Consider implementing a spreadsheet or other tracking mechanism to ensure that the individual who is responsible for the authorized accounts submits the required fiscal year-end financial reports and completes the required annual audits within the prescribed time frame. This mechanism should also track the audit deficiencies identified, how the deficiencies were resolved, and whether the deficiencies were resolved within the prescribed timeframe."

ADJ has implemented a spreadsheet tracking system maintained by the State Finance Officer that will track the submittal of required information, the identification of deficiencies, and the status of resolving the deficiencies in a prescribed timeframe.

16. "Consider developing procedures to be followed when closing or combining bank accounts. These procedures should include, at a minimum, the requirement for an audit to be conducted and audit discrepancies resolved prior to the closing or transfer of account funds; the disposition of the remaining funds, bank check, stock, bank statements, online banking passwords, and debit cards; and how long records should be retained once the account is closed."

NGOR 37-2, Chapter 2, Sections 3 through 5 provides detailed procedures and requirements for situations in which it is necessary or desirable to close or combine one or more bank accounts. As part of this process, Major Subordinate Command (MSC) headquarters will complete Appendix D (Audit Report) and Appendix D-1 (Audit Checklist) and forward them to DIMR-FI (State Finance) for review. Once any discrepancies are resolved, the unobligated balance in the fund will be converted to a cashier's check made payable to the MSC and

forwarded for deposit into the MSC's consolidated facilities fund. If the MSC does not have a consolidated facilities fund, the check will be transferred to Joint Force Headquarters for determination of disposition. In the event a unit is redesignated, the battalion/squadron commander will close out the financial records for the current fiscal year and complete Appendix A (Statement of Transfer and Receipt) of NGOR 37-2, reflecting the newly designated battalion/squadron. This would be followed by the appropriate bank account name change and fund transfer, to include check designation.

17. "Consider whether the unit or armory board should maintain a bank account, use a cashbox to hold its funds, or combine the bank account with another unit or armory board. This decision should consider how often funds are received and expended; the cost of bank account charges being incurred; the records to be maintained if a cashbox is used; and the ability to secure and limit access to the cashbox."

The receipt of cash for any rental or service is strictly prohibited. As a result, each unit or armory board will maintain a bank account to hold its funds.

18. "For unit funds without established federal regulations, consider developing and implementing guidelines, policies, and procedures which address the purpose of the fund; records to be maintained to support the receipt and disbursement of such funds; authorized types of expenditures; the frequency reconciliations and audits are to be conducted; and who, as an independent reviewer, should review these reconciliations and audits for compliance with these guidelines."

ADJ is currently drafting a companion regulation to NGOR 37-2 to address the administration and auditing of any funds within the Ohio National Guard not covered by NGOR 37-2. Once the regulation is drafted, training of personnel will be conducted and the regulation reviewed. The regulation will be updated annually to reflect any discrepancies discovered during the annual audit and training will be held to address the revised regulation. As with NGOR 37-2, personnel will be required to complete an acknowledgement of the training and that they have read and understand the guidelines. This companion regulation will take into account that NGOR 37-2 effects only Ohio Army National Guard units, since the Ohio Air National Guard does not generate revenue from the rental of their facilities.

19. "For unit funds with established federal guidelines, consider an annual review and training on those guidelines and requiring the responsible parties to complete an acknowledgement stating that the read and understood the guidelines."

ADJ is currently drafting a companion regulation to NGOR 37-2 to address the administration and auditing of any funds within the Ohio National Guard not covered by NGOR 37-2. Once the regulation is drafted, training of personnel will be conducted and the regulation reviewed. The regulation will be updated annually to reflect any discrepancies discovered during the annual audit and training will be held to address the revised regulation. As with NGOR 37-2, personnel will be required to complete an acknowledgement of the training and that they have read and understand the guidelines. This companion regulation will take into account that NGOR 37-2 affects only Ohio Army National Guard units, since the Ohio Air National Guard does not generate revenue from the rental of their facilities.

The ADJ will continuously review its processes with respect to armory board and unit funds to ensure compliance with the highest accountability procedures. Thank you for your investigation into this issue and the assistance provided to improve our processes. Please contact me if you have any questions or concerns regarding this response.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Bartman", with a long, sweeping horizontal stroke extending to the right.

Mark E. Bartman
Major General
The Adjutant General

Enclosure

State of Ohio
Adjutant General's Department
2825 West Dublin Granville Road
Columbus, Ohio 43235-2789

NGOR 37-2

Effective 1 September 2016

**ADMINISTRATION OF FACILITY RENTAL WITHIN THE UNITS OF THE OHIO
NATIONAL GUARD**

By Order of the Governor:



MARK E. BARTMAN
Major General
The Adjutant General

Supplementation of this regulation is authorized with copies of supplements furnished to The Adjutant General's Department, ATTN: NGOH-DIMR-Z, 2825 West Dublin Granville Road, Columbus, Ohio 43235-2789. Supplementation cannot conflict with this regulation.

This regulation supersedes AGOR 37-2 (Army), 177-4 (Air) dated 28 March 2008.

CHAPTER 1	GENERAL	Paragraph	Page
	Purpose	1-1	1
	Applicability	1-2	1
	Explanation of terms	1-3	1
	Responsibilities	1-4	1
CHAPTER 2	FUND ACCOUNTABILITY		
	General	2-1	3
	Specific	2-2	3
	Change of Commander (Custodian)	2-3	3
	Closing or transferring a consolidated facilities fund	2-4	4
	Transferring facility fund upon federal mobilization	2-5	4
CHAPTER 3	EXPENDITURES		
	General	3-1	5
	Expenditures from consolidated facilities funds	3-2	5
	Unauthorized expenditures from consolidated funds	3-3	6
	Structural Modifications	3-4	6
	Maintenance Requests	3-5	6
CHAPTER 4	FACILITY RENTALS		
	Force Protection	4-1	7
	General	4-2	7
	Types of Rental Activities	4-3	8
	Responsibilities	4-4	8
	Facility Rental Agreement	4-5	9
	Facility Rental Fee Schedule	4-6	10
CHAPTER 5	NON-RENTAL FUNDS		
	Vending Machines	5-1	12
	Military Discipline	5-2	12
	Donations	5-3	12
CHAPTER 6	FINANCIAL DOCUMENTATION		
	Vouchers	6-1	13
	Checkbooks	6-2	13
	Bank Statements	6-3	14
	Fund Designations	6-4	14
CHAPTER 7	STATE PROPERTY		
	General	7-1	15
	Explanation of terms	7-2	15
	Property Accountability	7-3	15

CHAPTER 8	AUDITS - EXAMINATIONS		
	General	8-1	16
	Financial Report	8-2	16
	Audits	8-3	16
	Records Retention	8-4	16
APPENDIX			
	Statement of Transfer and Receipt	A	17
	Payment/Receipt Voucher	B	18
	Monthly Ledger of Cumulative Balances	C	19
	Audit Report	D	20
	Audit Checklist	D-1	21
	Notification of State Property Acquisition	E	22
	Financial Report	F	23
	Facility Rental Agreement	G	24
	Conditions of Rental	G-1	26
	State of Ohio Tax Exempt Form	H	28
	Readiness Centers Authorized for Rental	I	29

CHAPTER 1

GENERAL

1-1 PURPOSE. This regulation establishes basic policies and procedures for the administration of facility rentals and accountability of rental revenues, other funds, and expenditures. Revenue generated by rentals or other funds must be applied to reduce the cost of operation and maintenance of facilities (readiness centers).

1-2. APPLICABILITY.

a. This regulation prescribes policies and procedures applicable to all funds established and governed by Chapters 5911, 5923, and 5924 of the Ohio Revised Code (RC) and by the Adjutant General.

b. This regulation applies to those organizations that generate funds from facility rentals and/or other funds as described in paragraph 1-3, explanation of terms.

1-3. EXPLANATION OF TERMS.

a. Battalion/squadron consolidated facilities fund. Funds received from subordinate units' approved facility rentals and other funds. These funds are for the benefit of all units within the facility and/or across the MSC/battalion/squadron. Separate bank accounts to account for these funds at detachment and/or company/battery/troop level are not authorized.

b. Facility Rental Funds. Funds received through an approved facility rental agreement. All rental generated funds are to be deposited and accounted for in an authorized battalion/squadron consolidated facilities bank account.

c. Other Funds. All funds collected from vending machines, non-judicial punishment, and court martial fines (Section 5924.15 and .16 of the RC), gifts, or donations for the benefit of the unit or organization must be deposited and accounted for in an authorized bank account.

d. Battalion/squadron commander of consolidated facilities funds is designated as custodian; the term commander and custodian are used interchangeably.

e. Facility. For the purposes of this regulation, facility is the readiness center. Readiness centers listed in Appendix I, Readiness Centers Authorized for Rental, are the only authorized facilities which may be rented out.

1-4. RESPONSIBILITIES.

a. RC 5911.10 requires Consolidated Facilities Fund Commanders to account for and administer all facility rental and other funds. The commander is responsible for maintaining accurate records of all transactions regarding the funds. The fund records are subject to audit by the State Auditor's Office at any time with or without notification.

b. In multi-unit facilities, the senior battalion/squadron facility commander has overall responsibility for administration and accounting of the facility rental and other funds. In single unit armories, responsibility for the administration and accounting of funds remains at the battalion or squadron command level.

c. When notice of irregularities in any fund or account is received from the Adjutant General's Department or a representative of the State Auditor's Office, corrections or safeguards shall be made by the responsible officer immediately. Anyone suspecting illegal conduct in the administration of any fund shall report instances to the next higher commander and the Senior AGR Judge Advocate who will file a report with the State Highway Patrol.

CHAPTER 2

FUND ACCOUNTABILITY

2-1. GENERAL. RC 5911.10 requires the commander or senior commander at multiple unit facilities which generate revenue from facility rentals of the Ohio National Guard to account for the funds as directed by the Adjutant General.

2-2. SPECIFIC.

a. Consolidated Facilities Fund Battalion/Squadron Commander:

(1) Designated as the consolidated facilities fund custodian responsible for receipt, management, and administration of facility rental and other funds.

(2) Responsible for ensuring efficient and appropriate management of the battalion/squadron consolidated facilities funds.

(3) Shall approve all expenditures and, upon receipt of a proper invoice, promptly execute the check for payment. Refer to Chapter 3 for authorized expenditures.

(4) Shall certify (sign) reconciliation of monthly bank account statements (Appendix C) and ensure proper accounting of purchased property.

(5) Not authorized to incur obligations which exceed the balance in the battalion/squadron consolidated facilities funds. Unauthorized expenditures or obligations may result in personal liability for the Commander.

(6) May delegate in writing the day-to-day management of the consolidated funds including rental agreement and check signature authority to two full-time field grade or senior company grade officers only. This delegation does not relieve the battalion/squadron commander of their responsibility to ensure efficient and appropriate management of the consolidated funds.

b. The full time officer(s) designated in writing with the day to day management of the consolidated funds, including rental agreement and check signature authority, is responsible to ensure all requirements as set forth in paragraph 2-2a(1-5).

2-3. CHANGE OF BATTALION/SQUADRON COMMANDER/CUSTODIAN.

a. When a change of command occurs, the outgoing commander will accomplish the following tasks but remain responsible for all transactions while in command:

(1) Obtain a current bank account statement.

(2) Reconcile the statement with the checkbook and voucher file.

(3) Prepare a Statement of Transfer & Receipt (Appendix A); one copy to be placed in the voucher.

(4) Place a copy of the change of authority signature card from the bank in the voucher file.

(5) Place a copy in the file and forward all documents to the MSC headquarters for their review/audit.

b. The MSC headquarters will examine the subordinate battalion/squadron's records. MSC headquarters will complete the Audit Report (Appendix D) and Audit Checklist (Appendix D-1). The MSC will forward a copy of their audit findings and all supporting documentation to the incoming commander.

c. The incoming commander will review the MSC's audit and all supporting documentation to ensure the current unit/organization fund balances are accurate. Any perceived irregularities must be reported to the MSC prior to any further transaction on the unit/organization fund account.

2-4. CLOSING OR TRANSFERRING A CONSOLIDATED FACILITY FUND.

a. In the event a battalion/squadron deactivates, the battalion/squadron commander will close out the financial records for the current fiscal year and complete a statement of transfer and receipt (Appendix A) reflecting the closing of the account and forward all supporting documents to the MSC for their review/audit.

b. The MSC headquarters will examine the subordinate battalion/squadron's records. MSC headquarters will complete the Audit Report (Appendix D) and Audit Checklist (Appendix D-1). The MSC will forward a copy of their audit findings and all supporting documentation to NGOH-DIMR-FI for their review.

c. Upon completion of the MSC and DIMR audit and all financial obligations have been paid and have cleared the checking account, the unobligated balance in the consolidated facilities fund will be converted to a cashier's check made payable to the MSC and forwarded for deposit into the MSC's consolidated facilities fund (if available). If the MSC does not have a consolidated facilities fund, the funds will be transferred to JFHQ (point of contact is the Chief of Staff).

d. In the event a battalion/squadron is re-designated, the battalion/squadron commander will close out the financial records for the current fiscal year and complete a Statement of Transfer and Receipt (Appendix A) reflecting the newly designated battalion/squadron. The appropriate bank account name change and fund transfer, to include check designation (name), must be executed.

2-5. TRANSFERRING A CONSOLIDATED FACILITIES FUND UPON FEDERAL MOBILIZATION.

a. Under no circumstances will battalion/squadron commanders expend unit funds while in a federal Title 10 status. Upon federal mobilization, commanders will accomplish the following:

(1) Conduct "Change of Custodian" requirements, as outlined in Paragraph 2-3. If a rear detachment battalion/squadron headquarters is established, the funds are to be transferred to the senior appointed officer designated as either officer in charge or commander.

(2) Forward all unit fund documentation to the next higher commander that is not mobilizing within the MSC.

b. Next higher commander will assume accountability and responsibility for the mobilized consolidated facilities' funds IAW this regulation.

CHAPTER 3

EXPENDITURES

3-1. GENERAL.

- a. Improper or unauthorized purchases will be the personal responsibility of the battalion/squadron commander of the consolidated facilities funds.
- b. State of Ohio sales tax will not be paid on any purchase. These purchases are exempt from sales tax by RC 5739.02. See Appendix H for a reproducible copy of the state tax exemption form. Commanders will be responsible for reimbursing sales tax paid.
- c. Each purchase should take advantage of any available discounts. Payment of bills will be made promptly in order to secure discounts and avoid late charges. Commanders will be responsible for reimbursing for late charges.

3-2. EXPENDITURES FROM CONSOLIDATED FACILITIES FUNDS.

- a. Consolidated facilities funds are to be used solely for the care, maintenance, improvement, or minor repairs of the readiness center buildings and grounds of each organization of the Ohio National Guard (no exceptions).
- b. The following non-exhaustive list provides examples of authorized expenditures of consolidated facilities funds. Questions regarding other purchases should be directed to NGOH-DIMR-Z.

Supplies, materials, and equipment incidental to the operation and maintenance of the facility and grounds such as: janitorial supplies, floor wax, lumber, hardware, paint, building materials, facility bulletin boards, landscaping items, lawn care equipment, de-icing materials, and security apparatus providing it meets regulation standards and does not negate warranty of existing contracts, if applicable.

- c. Purchase of items is limited to \$499.99 or less per transaction. Commanders are prohibited from making "split purchases." A split purchase is defined as a series of small transactions for the benefit of the facility to circumvent the \$499.99 threshold.
- d. Purchase of services may be paid directly from funds accounts so long as the purchase does not exceed \$499.99. Service is defined as: the furnishing of labor, time or effort by a person, not involving delivery of a specific end product other than a report which, if provided, is incidental to the required performance. When the purchase is for a specific product and service provided is as a part of the product cost, the purchase is handled as a product purchase.
- e. Commanders may submit an exception to the \$499.99 policy to NGOH-DIMR-Z for consideration. If the exception is approved, the approval must be attached to the voucher documenting the purchase.

3-3. UNAUTHORIZED EXPENDITURES FROM CONSOLIDATED FACILITIES FUNDS.

- a. Consolidated facilities funds cannot be used to purchase office supplies, food items, including stocking unit vending machines, refreshments, bottled water, paper products, or other supplies associated with the serving of food.
- b. Consolidated facilities funds cannot be used to fund or used as a third party mechanism for such events as dining outs, family support groups, full-time staff or traditional Soldiers' workshops, or support Soldiers' training materials during Inactive Duty Training or Annual Training.
- c. Consolidated facilities funds cannot be spent on ceremonial or sympathy flowers, physical fitness equipment, telephone use charges, telephone equipment, cellular telephones and usage charges, data line charges, computers or computer parts, televisions, facsimile machines, and other type of AV/IT equipment.

3-4. STRUCTURAL MODIFICATION. Requests for changes or modification involving walls, beams, girders, etc., must be submitted to the NGOH-DIMR-Z office for approval. Sufficient information, drawings, etc., must accompany the request.

3-5. MAINTENANCE REQUESTS.

- a. Major repairs (beyond \$499.99) are repairs which require estimates, specifications, securing of bids, and awarding of contracts. Major repairs will be handled by the DIMR or his representative upon request by the facility board president. This type of repair normally will not be made from consolidated facility funds.
- b. All maintenance and/or service requests which cannot be supported with consolidated facilities funds must be submitted via TAGNET, OHARNG Service Desk, drop down to the DIMR facilities requests.
- c. Inoperable Intrusion Detection Systems (IDS) must be reported to the Electronic Systems Security Coordinator at (614) 336-7004 or NGOH-DIMR-FM at (614) 336-7414/7307.

CHAPTER 4

FACILITY RENTALS

4-1. FORCE PROTECTION.

- a. Antiterrorism (AT) programs are designed to protect Ohio National Guard personnel, their families, facilities, and material resources against terrorist attack. Threat assessments will drive Force Protection Condition (FPCON) measures, which directly affect facility rental activities.
- b. Commanders desiring to execute rental agreements must observe current FPCON measures which may restrict rental activities and/or require significant force protection mitigation.
- c. When considering rental agreements, facility commanders and battalion/squadron commanders must review and comply with all current Force Protection Operations Orders (OPORD) and subsequent Fragmentary Orders (FRAGO). Force Protection OPORD and FRAGO are published by the G2 section and are located on TAGNET.

4-2. GENERAL.

- a. Readiness centers may be rented with NGOH-DIMR-Z approval as provided in RC 5911.09. Rentals will in no case conflict or interfere with the military use of the facility.
- b. Readiness centers listed in Appendix I, Authorized Rental of Readiness Centers, are the only authorized facilities which may be rented.
- c. The senior headquarters of the facility being rented is responsible for the condition of the facility during and after all rentals.
- d. Every event or activity must be covered by an approved rental agreement prepared by the applicable facility and approved by the battalion/squadron commander of the consolidated facilities fund and NGOH-DIMR-Z (no exceptions). The agreements must be issued sequentially containing the state fiscal year followed by number i.e. 17-001.
- e. Rental fees established must reflect a realistic charge for utilities, additional custodial services, and facility wear and tear. Fees for facility rentals must be based on reasonable and customary charges for like facilities and like activities in the local region.
- f. Readiness centers will not be rented for activities which conflict with state law, local ordinance, or the objectives of the Ohio National Guard. The use of good judgment in renting armories is essential, keeping in mind the primary purpose for which the facility exists.
- g. Both state and federal law prohibit the Adjutant General's Department (Ohio National Guard) from leasing, licensing, or authorizing use of any facility or facility under its control which in any manner discriminates against any group or individual because of race, color, religion, gender, handicap, or national origin.
- h. Rentals for gambling activities including closed charitable events are not authorized, no exceptions.

i. Rental activities which would be inappropriate in light of community standards or which would alienate community support for the Ohio National Guard are not authorized. Examples of inappropriate rentals include such hate groups as Ku Klux Klan, White Nationalist, and anti-government groups such as Posse Comitatus and Patriot Groups.

j. Proof of liability insurance from the renter in the amount \$1 million or more is required in order to protect the state and the Ohio National Guard from unnecessary liability for rental activities.

k. RC 5911.08 forbids the sale of intoxicating liquor in Ohio National Guard facilities without appropriate Ohio Department of Commerce, Division of Liquor Control permits. Prior to the execution of a rental activity desiring the use of alcohol, the renter must obtain any appropriate permit from the Department of Liquor Control. The "Consent of Real Property Owner" must be signed by NGOH-DIMR-Z. No commander is authorized to execute the "Consent of Real Property Owner" block on behalf of the Adjutant General's Department.

l. The senior headquarters of the facility being rented must ensure that all state and local fire, health, and occupancy codes applicable to each rental activity are followed. Any questions concerning these regulations or ordinances should be submitted in writing to NGOH-DIMR-Z for determination prior to approval of the rental.

m. A military representative of the facility must be present during all rentals to ensure compliance with this regulation and security of the facility and its contents.

4-3. TYPES OF RENTAL ACTIVITIES.

a. Open/Public: Any function open to the general public either through advertisement, sale of tickets, or word of mouth invitation is considered to fall under this category.

b. Closed/Private: Any function the general public would neither be invited to nor expected to attend. Examples of such functions would include Boy Scouts, Girl Scouts, YMCA, YWCA, or any other 32 USC 508 approved organization's activities, Veterans organizations as authorized by Section 5911.07 of the Revised Code, or functions with attendance restricted to members and/or guests.

c. The Ohio Military Reserve and Ohio Naval Militia do not require rental agreements and will not be assessed any charges.

d. Commanders desiring to execute rental agreements must abide with current FPCON measures which may restrict rental activities and/or require significant force protection mitigation.

4-4. RESPONSIBILITIES.

a. The Adjutant General. The Adjutant General has delegated NGOH-DIMR-Z to be the final approval authority for all rental agreements.

b. DIMR-Z. DIMR will review rental agreements and all supporting documents (proof of liability insurance, force protection mitigation efforts, and liquor permit if applicable). DIMR will

ensure rentals are in compliance with this regulation. DIMR will maintain a log of all rentals approved and verify during the annual audit the payments for these rentals were deposited into the appropriate account.

c. Battalion/squadron commander.

(1) Only the battalion/squadron commander or their designee (para 2-2a6) may execute (sign) the rental agreement for submission to NGOH-DIMR-Z.

(2) Establish fees for facility rentals based upon reasonable and customary charges for like facilities and like activities in the local area.

(3) Renters will be informed of the following at the time of application:

(a) Checks or money orders made payable to the applicable consolidated facilities fund are the only acceptable form of rental payment.

(b) The receipt of cash is strictly prohibited.

(c) A minimum of 30% deposit is required at the time the rental agreement is applied for.

(d) The remaining balance is due prior to or on the date of the rental, no exceptions. Failure to provide full payment will result in the cancellation of the rental, no exceptions.

(e) If checks are returned for non-sufficient, funds renter must make full payment plus associated bank fees (bad check fees).

(4) Renters must be advised that separate checks or money orders are required for rent and other services.

(a) Checks for custodial and security services must be made payable to the individual responsible for providing that service.

(b) Custodians, security personnel, and facility representatives shall not be paid from consolidated facilities funds, no exceptions.

(5) Readiness centers will not be rented without a rental agreement approved by NGOH-DIMR-Z, no exceptions.

4-5. FACILITY RENTAL AGREEMENT.

a. The Facility Rental Agreement & Conditions of Rental (Appendix G and G-1) must reflect the name of the battalion/squadron facility fund and location of the facility being rented. The agreements must be issued sequentially containing the state fiscal year followed by number, i.e. 17-001. Beyond the header information, no other alterations are allowed without approval from NGOH-DIMR-Z.

b. The senior military full time staff will prepare the facility rental agreement and forward to the battalion/squadron headquarters.

c. The battalion/squadron headquarters will review the rental agreement to ensure the organization/applicant's activity and documentation meet the requirements as stated in paragraph 4-2 e through k.

d. The battalion/squadron headquarters will forward the rental agreement to the G3 if current

FPCON dictates further review (para 4-1).

e. The battalion/squadron headquarters will forward the signed rental agreement to NGOH-DIMR-Z for review and final approval. The rental agreement must be signed by battalion/squadron commander or the delegated senior full-time officer only (para 2-2a6).

f. The original agreement will be filed in the voucher file to support the revenue receipt.

4-6. FACILITY RENTAL FEE SCHEDULE.

a. Fees for facility rentals must be based on reasonable and customary charges for like facilities and like activities in the local region. If comparable data is not available the following minimum rental fees are established: drill floor - \$300 (4 hour period), additional \$75 per hour after 4 hours; drill floor with kitchen - \$375 (4 hour period), additional \$75 per hour after 4 hours. Classroom minimum rental fees are \$50 (4 hour period), additional \$10 per hour after 4 hours. These rates do not include the cost of clean-up and security.

b. Once the comparable/local area fee is established, the fees must remain consistent for each type of rental activity. If the comparable/local area fee is lower than the minimum fee established in paragraph 4-6a, the facility must use paragraph 4-6a minimum fees. The only exceptions allowed are stated in paragraph 4-6c through f.

c. Training and Community Centers (TACC) through the Board of Controls will establish rental fee schedules.

d. Any National Guard member (including retired members) may be given a 50% discount from the established comparable/local area fee or established minimum fee (para 4-6a). The rental agreement along with documentation (memorandum for record) validating current or retired National Guard membership must be submitted to DIMR for approval.

e. Rental fees for organizations such as the state highway patrol or local high schools where a "quid pro quo" relationship exists may have their rental fee waived. An example of a "quid pro quo" relationship is the local high school that hosted deployment or welcome home ceremonies at no cost would be a candidate for a rental fee waiver. Rental agreements are still required reflecting no cost and proof in insurance. The rental agreement along with documentation validating the "quid pro quo" relationship must be submitted to DIMR for approval.

f. Per 32 USC 508, assistance for certain youth and charitable organizations, the following organizations are recognized as organizations which may address community and civic needs in Ohio and therefore will not be charged a rental fee. All force protection measures and G3 approval (if required) must be met prior to executing a rental agreement. A rental agreement and proof of insurance must be executed for these organizations and submitted to DIMR for approval.

The Boy Scouts of America	The Young Men's Christian Association	The Campfire Girls
The Girl Scouts of America	The Young Women's Christian Association	The 4-H Club

The Boys Clubs of America	The United States Olympic Committee	The Police Athletic League
The Girls Clubs of America	The Special Olympics	Any other youth or charitable organization designated in writing by the Secretary of Defense.
The Civil Air Patrol	The Campfire Boys	

CHAPTER 5

NON-RENTAL FUNDS

5-1. Vending Machines.

- a. Readiness centers with vending machines which generate revenue based upon a percentage of the sales must maintain a copy of the commission agreement (supporting documentation).
- b. The vendor must provide a written detail of the total sales generated and the commission check amount must match the commission agreement (cash is not allowed).
- c. Generated revenue must be deposited into the consolidated facilities fund.

5-2. Military Discipline. Commanders who impose non-judicial or convene court martial proceedings (ORC 5294.15 and .16) that result in a fine as one of the punishments in those proceedings must adhere to the following procedures:

- a. Checks for the fines must be made payable to "Treasurer, State of Ohio" (cash is not allowed).
- b. The check with supporting documentation (personal information redacted) must be forwarded to NGOH-DIMR-FI for subsequent depositing into a state-level authorized account.
- c. Checks are not authorized to be deposited into the consolidated facilities fund or any other unit level fund (no exceptions).

5-3. Gifts/Donations.

- a. Monetary gifts/donations received and deposited into the consolidated facilities fund must be used to reduce the cost of the operation and maintenance of the facilities.
- b. The readiness center and/or organization receiving monetary gifts/donations must provide a receipt to the person and/or organization.
- c. If the gift/donation is for a specified purpose which meets 5-3a criteria, the receipt must reflect the specified purpose and the subsequent expenditure of the gift/donation must be documented.
- d. If the gift/donation's specified purpose does not meet 5-3a criteria and the readiness center and/or organization still desires to accept the gift/donation, those funds must be accounted for and deposited into another organization's funds, if available.

CHAPTER 6

FINANCIAL DOCUMENTATION

6-1. VOUCHERS.

a. Each transaction must have a separate voucher (Appendix B) for each receipt or expenditure including any voided checks or voided rental agreements.

b. Each voucher will have a number listed consecutively, beginning with number one (1), at the beginning of each state fiscal year and will be fastened at the top of the file folder with the latest transaction on top.

c. Each voucher must have the appropriate supporting documents attached to the voucher; i.e. copies of issued checks, vending machine checks, gifts/donations, original invoices, tabulations from a cash register (with description of item(s) purchased), or a duplicate of a deposit slip and canceled checks.

d. Any invoice for goods or services must be reviewed and validated with date and signature for accuracy the goods or services received and the invoice is correct.

e. All invoices must be paid prior to the "date due" as reflected on the invoice. If "date due" is not listed on invoice, prompt payments must be made within thirty (30) days of receiving the invoice (OBM rule 126-3-01(A)). Commanders will be responsible for reimbursing for late charges.

f. The voucher must contain a detailed explanation of the use; i.e., deposit from William's wedding rental, August vending machine commission, material to remodel room # XXX, lumber to build supply bins, miscellaneous supplies for cleaning the facility, etc. The use of "see attached bill" is not acceptable.

g. All deposit checks must be clearly marked "For Deposit Only (Fund Designation)." Prior to depositing, checks must be properly secured by the Commander and/or designated senior full-time officer. Checks must be deposited into the fund checking account within five (5) working days. A record of the deposit will be obtained, indicating receipt by the bank, and attached to the appropriate voucher.

h. Each check or money order received, along with accompanying deposit slips, rental agreements, and gift/donation letters, must be copied and maintained as supporting documentation.

6-2. CHECKBOOKS.

a. The battalion/squadron commander will ensure the checkbook is properly secured.

b. The battalion/squadron commander may delegate the day to day management of the consolidated funds to include check signing to two full-time field grade or senior company grade officers only.

c. All checks must be endorsed (signed) by the battalion/squadron commander and one of the designated senior full-time officer or two (2) designated senior full-time officers (para 2-2a6). Two signatures required (no exceptions).

d. Checks must be issued sequentially.

e. Checks cannot be pre-signed and given to another to make a purchase.

f. Checks must be made payable to the vendor name appearing on the invoice. Third party can receive reimbursement for authorized purchases, but is discouraged. A detailed receipt and/or invoice must be provided and validated prior to issuing a check to a third party.

g. Checks payable to "Cash" are not authorized.

h. Canceled checks or voided checks will be attached to the front of the appropriate voucher. Voided checks will have "void" written across the front of the check.

i. All consolidated facilities fund's checkbooks must contain the appropriate fund designation.

j. Store accounts/credit/debit/credit cards not authorized (such as Lowes, Home Depot, MasterCard).

6-3. BANK STATEMENTS. Bank statements will be obtained monthly, promptly reconciled, and filed in the voucher file on top of that month's vouchers. Use Appendix C for monthly reconciliation.

6-4. FUND DESIGNATION.

a. All consolidated facilities funds are official state funds and must be designated in a manner similar to the following example:

73rd Troop Command Consolidated Facilities Fund
8227 South Access Rd, Bldg #943
Rickenbacker ANGB, Ohio 43217-5943

b. Names of members assigned to the organizations are not authorized to appear on fund designation and checks.

CHAPTER 7

STATE PROPERTY

7-1. GENERAL. The commander of all consolidated facilities funds is responsible for ensuring that all property purchased with these funds is classified as either expendable or nonexpendable.

7-2. EXPLANATION OF TERMS.

a. Expendable property is a supply, material, or equipment item which loses its identity or is consumed in normal use.

b. Nonexpendable property is a material or equipment item which does not lose its identity or is not consumed in normal use such as power tools, lawn mowers, weed trimmers, snow blowers, etc.

7-3. PROPERTY ACCOUNTABILITY.

a. The commander of all consolidated facilities funds must report purchases of nonexpendable property which exceeds \$100.00 to the NGOH-DIMR-SP on a Notification of Property Acquisition (Appendix E) within 30 days of purchase.

b. The State Property office will maintain the original document in their record file. NGOH-DIMR-SP will prepare an issue slip and update the unit state property hand receipt.

c. Commanders of all consolidated facilities funds will ensure that nonexpendable state property is disposed of IAW state procedures. When required, requests for disposal of nonexpendable property will be transmitted in writing to NGOH-DIMR-SP who will direct subsequent disposal actions.

CHAPTER 8

AUDITS – EXAMINATIONS

8-1. GENERAL. Each battalion/squadron consolidated facilities fund will be closed out at the end of each state fiscal year (June 30).

8-2. FINANCIAL REPORT.

a. The battalion/squadron commander will complete and sign the Financial Report (Appendix F) at the close of each audit period. This signature authority cannot be sub-delegated.

b. The battalion/squadron commander will ensure that one (1) copy of the Financial Report (Appendix F) and one (1) copy of the Monthly Ledger of Balances (Appendix C), and all supporting documents such as vouchers, rental agreements, receipts, deposits slips, monthly bank statements, and monthly reconciliations are forwarded to the MSC headquarters no later than August 1 of each year. An additional copy will be retained in the battalion/squadron-level fund file.

8-3. AUDITS.

a. The MSC headquarters will examine each subordinate battalion/squadron's records annually. MSC headquarters will complete the Audit Report (Appendix D) and Audit Checklist (Appendix D-1) to conduct the examination. The MSC will forward a copy of their audit findings and the entire consolidated facilities fund's financial reports (documents) to NGOH-DIMR-FI no later than October 1 of each year.

b. NGOH-DIMR-FI will conduct audits of all consolidated facilities funds no later than January 1 of each year and return the consolidated facilities fund's financial reports (documents) to the MSC.

c. Process weaknesses and/or deficiencies must be identified and assigned specific corrective actions with suspense (times) by which they must be corrected. The corrective action plan must be submitted to NGOH-DIMR-FI and validated to ensure all items have been corrected.

d. The State Auditor's Office may randomly sample facility consolidated funds for review during their annual audit.

e. NGOH-DIMR-SP may review battalion/squadron's fund during their annual property inventory audit to ensure accurate reporting of purchased property (Appendix F).

8-4. RECORDS RETENTION.

a. Copies of all financial records are to be maintained for 48 months (based upon the state fiscal year ending June 30).

b. The folder containing the financial records must be annotated with the appropriate no earlier than destruction date of 48 months from the end of the state fiscal year.

APPENDIX A
CONSOLIDATED FACILITIES FUND
STATEMENT OF TRANSFER & RECEIPT

Change of Commander/Custodian for (Fund Name), (Consolidated Facilities Fund
Commander/Custodian Name)

_____(Address)

1	Balance in bank as of date	\$200.00
2	Less outstanding checks (-)	\$100.00
3	Subtotal	\$100.00
4	Receipts not deposited (+)	\$ 50.00
5	Cash balance as reflected in reconciled bank statement (attached)	\$150.00

"I certify to the best of my knowledge and belief, this statement is a complete and accurate record of the fund, revealing all outstanding liabilities and receivables, and that the property owned by this fund is on hand."

RICHARD O. TUTTLE
LTC, INF
Outgoing Consolidated Facilities Fund Custodian

"I hereby have received all supporting documentation and accept responsibility for the above described fund, knowing the above statement of financial condition to be complete and accurate to the best of my knowledge and belief, and that all property owned by this fund is present."

HENRY MORGAN
LTC, INF
Incoming Consolidated Facilities Fund Custodian

Prepare in Duplicate:
1 copy to NGOH-DIMR-FI
1 copy to Voucher File

**APPENDIX B
PAYMENT/RECEIPT VOUCHER**

(Consolidated Facilities Fund Designation)
100 Center Street
Youngstown, Ohio 45557

Today's Date

VOUCHER #
CHECK #
DEPOSIT #
AMOUNT

I certify I have, this date, paid to: _____

for: _____

I certify I have, this date, received from: _____

for: _____

Signature of Consolidated Facilities Fund Custodian
or the designated senior full-time officer

Typed Name, Rank, and Title

The copy of check, receipts, rental agreements and/or bank deposit must be attached to each voucher.

A complete and detailed description of receipt or purchase is required for every voucher.

For assets greater than \$100 Notification of Property Acquisition (Appendix E) must be submitted to NGOH-DIMR-SP within 30 days of purchase.

APPENDIX C
MONTHLY LEDGER FOR CUMULATIVE BALANCES
CONSOLIDATED FACILITIES FUND

CONSOLIDATED FACILITIES FUND DESIGNATION

Month:

Year:

VOUCHER DATE	VOUCHER #	CHECK #	DEPOSIT DATE	DESCRIPTION	DEPOSIT AMOUNT	CHECK AMOUNT	BALANCE
1 Jan 16				Balance from previous month (end of month)			\$1,200.00
12 Jan 16	15	1005		W.R. Thomas		\$210.75	\$989.25
21 Jan 16	16	1235	20 Jan 16	Facility Rental – Veteran’s Group	\$300.00		\$1,289.25
25 Jan 16	17	1006		A&R Lumber Co.		\$53.64	\$1,235.61
31 Jan 16	18	NA		Bank Service Charge		\$1.65	\$1,233.96
Total Receipts & Expenditures					\$300.00	\$266.04	\$1,233.96

The end of the month ledger must be reconciled with the bank statement each month.

Reconciliation performed by:

Date and Signature of Consolidated Facilities Fund Custodian
or the designated senior full-time officer

Typed Name, Rank, and Title

APPENDIX D
AUDIT REPORT - CONSOLIDATED FACILITIES FUND

Consolidated Facilities Fund Designation:

Location:

Name of Consolidated Facilities Fund Commander (Custodian):

Period of Examination: From: 1 July 20xx To: 30 June 20xx

EXAMINER'S STATEMENT

I hereby certify that I have examined the Consolidated Facilities Fund's records identified above and find that the fund is (), or is not () being administered in accordance with provisions of NGOR 37-2.

The examination revealed the following deficiencies which must be corrected not later than _____, 20__:

The most recent bank statement has been reconciled with the checkbook, and all income and expenditures during the period of examination are properly accounted for and recorded, except as noted above.

Examined By:

Date

Signature (with typed signature block)

See Appendix D-1 for Audit Checklist.

APPENDIX D-1 AUDIT CHECKLIST

Consolidated Facilities Fund Designation:

Location:

Name of Consolidated Facilities Fund Commander (Custodian):

Period of Examination: From: 1 July 20xx To: 30 June 20xx

Monthly ledger not properly prepared	Checks/reimbursement issued without supporting documentation	
Bank statement(s) not properly reconciled	Checks written out of sequence	
Insufficient information on voucher to substantiate expenditure or deposit	Checks – unauthorized signatures (Custodian and/or senior full time officers)	
State taxes paid on purchases	Duplicate payment	
Vouchers missing	Duplicate deposit (double posting)	
Improper receipt	Vending commissions received were not deposited	
Bank statements missing	Statement of Transfer and Receipt missing	
Receipts missing	Notification of property acquisition not sent	
Pen & ink changes made on invoices or receipts; not verified by vendor	Unauthorized expenditures	
Deposits not made within 5 business days	Late charges paid	
Deposit/amount received per rental agreement does not equal the amount deposited for rental agreements	Rental agreements not numbered	
Annual Financial Report not completed or inaccurate	Rental agreements not issued sequentially	
Check does not agree with invoice and/or receipt	Rental agreements fees charged were not in accordance with established fee schedule	
Checks not verified	Rental agreement deposits/payments not collected at time of application	
Copy of checks not attached to voucher	Rental agreement payments not paid prior to date of event	
Checks missing	Rental agreement fees waived or discounted for groups other than those listed in regulations	
Restitution for unauthorized purchases not made	Restitution for late fees paid not made	
Restitution for sales tax paid not made	Other	

APPENDIX E
NOTIFICATION OF STATE PROPERTY ACQUISITION

TO: NGOH-DIMR-SP, 2825 West Dublin Granville Rd, Columbus, OH 43235-2789

FACILITY <Unit Name, Address, City, Ohio, Zip>

LOCATION : (Readiness Center's location where the property is located)

SUBJECT: Report of Purchase of Non-Expendable Property

VOUCHER #	
DESCRIPTION	
QUANTITY	
MANUFACTURER	
MODEL #	
SERIAL #	
TOTAL COST	

Keep one (1) copy for Consolidated Facilities Fund File

NOTE: This form is to be sent to NGOH-DIMR-SP immediately upon purchase of new equipment.

NOTE: Proposed purchases of equipment with a cost exceeding \$500.00 require prior approval of NGOH-DIMR. Unauthorized purchases will be the personal responsibility of the Consolidated Facilities Fund Commander (Custodian)

APPENDIX F
FINANCIAL REPORT
CONSOLIDATED FACILITIES FUND

Fund Designation:

Address:

Period from: 1 July 20xx

To: 30 June 20xx

1	Balance as of June 30, end of previous year	
2	Total received from facilities' rentals (+)	
	Total received from vending machines (+)	
	Total received from donations (+)	
	Total received from court martials (+)	
	Total received from non-judicial punishment actions (+)	
3	Total expenditures, including outstanding checks (-)	
	Total fund balance June 30, current year (1 plus 2 minus 3)	

I CERTIFY THAT I HAVE EXAMINED THESE FUNDS AND THAT THIS FINANCIAL REPORT IS A TRUE AND EXACT RECORD OF ALL RECEIPTS AND EXPENDITURES FOR THE PERIOD INDICATED.

Signature Consolidated Facilities Fund Commander (Custodian)

Date

**APPENDIX G
FACILITY RENTAL AGREEMENT**

**CONSOLIDATED FACILITIES FUND DESIGNATION
LOCATION OF READINESS CENTER**

Sequential Numbered agreement (state FY followed by number i.e. 17-001)

ORGANIZATION/APPLICANT NAME:	
ADDRESS:	
ORGANIZATION/APPLICANT POC:	
TELEPHONE #:	
DATE OF RENTAL:	
FROM:	TO:
PURPOSE OF USE:	
ESTIMATED ATTENDANCE:	

YOU MUST PROVIDE A COPY OF YOUR \$1 MILLION LIABILITY INSURANCE DECLARATION PAGE SHOWING CURRENT PREMIUM PAID AND APPLICABILITY TO THIS EVENT AT THIS LOCATION PRIOR TO THE DATE OF THE RENTAL.

IF ALCOHOL IS BEING SERVED, YOU MUST PROVIDE A COPY OF THE OHIO DEPARTMENT OF LIQUOR CONTROL PERMIT OR EVIDENCE OF NO REQUIREMENT FOR PERMIT PRIOR TO THE DATE OF THE RENTAL.

The rental fee for use of this facility is: \$_____. This amount will be paid by check or money order (**cash not accepted**) prior to the date of the rental. Renter is required to make a deposit on the day of the application for the room/facility in the amount of 30% of the total cost of the rental. This amount will be refunded to the renter so long as cancellation of the scheduled event is made prior to thirty (30) days in advance of the date of the rental. Cancellation after that time will result in forfeiture of the deposit.

In the unlikely event that activation of the Ohio National Guard requires use of this facility, the facility agrees to refund the entire rental fee. The facility will give renter as much notice as possible of termination of the rental activity.

Deposit for this rental is \$_____ and received on _____.
(date)

All rental checks or money orders including deposits must be made out to:
(Consolidated Facilities Fund designation) _____

Renters must pay by a separate check or money order (**cash not accepted**) for custodial and security services. The separate check or money order must be made payable to the individual(s) responsible for providing the service and be presented at the beginning of the rental period.

APPENDIX G
FACILITY RENTAL AGREEMENT (CONTINUED)

ORGANIZATION/APPLICANT NAME:	
------------------------------	--

The renter must comply with the conditions of the facility, Appendix H-1. A signed copy of the conditions of the facility must be submitted with the rental agreement.

Renter will be provided access to the facility beginning (date)_____ at (time)_____ and staff of this facility will lock the facility following the rental period (date)_____ at (time)_____.

If checks are returned for insufficient funds, renter must make full payment plus associated bank fees (bad check fees) prior to the date of rental. If restitution is not made in full, the rental agreement is immediately terminated.

This agreement was prepared and is executed in accordance with the laws of the state of Ohio and any changes or additions thereto must be in writing and agreed to by both parties.

The Consolidated Facilities Fund Custodian hereby: () Approves ()
Disapproves this Rental Agreement.

Date of Action

Consolidated Facilities Fund Custodian or
Authorized Designee

ACTION BY NGOH-DIMR (FINAL APPROVAL)

NGOH-DIMR hereby: () Approves () Disapproves this Rental Agreement.

Date of Action

Director, Installation Management and Resources

APPENDIX G-1
CONDITIONS OF FACILITY RENTAL

1. Renter agrees to comply with all local, state, and federal laws, regulations, and ordinances at all times covered by this rental agreement.
2. Renter understands that this facility is a non-smoking facility and agrees to allow smoking only in those areas designated as smoking areas outside of the building.
3. Renter agrees to manage the premises rented, the common areas, and the surrounding grounds in a responsible manner. Stapling, tacking, or taping of decorations on walls or wood surfaces is not authorized. Upon completion of the rental period, renter agrees to return the premises in a "vacuum, mop, and/or broom-clean" condition. All trash will be placed in the outside trash dumpster adjacent to the facility.
4. Renter agrees to prohibit parking on any areas of the premises except the areas provided for that purpose. There will be no parking on any grassed areas of the premises, beach, or adjacent private property.
5. Renter agrees to notify the facility representative of any need for repairs, whether minor or major, and of any damage or improperly functioning equipment or parts of the facility as soon as possible and at least at the conclusion of the rental period.
6. Renter agrees to be responsible for any and all claims, demands, or causes of action, together with any and all losses, costs, or related expenses asserted by any person or persons for bodily injury, death, or property damage ensuing from renter's use of the facility which is not covered by its liability insurance, unless the claim, demand, or cause of action was proximately caused by, or resulted from the sole act, omission, or negligence of an employee, official, agent, or contractor of the state of Ohio or the United States of America. Proof of liability insurance from the renter in the amount \$1 million or more is required in order to protect the state and the Ohio National Guard from unnecessary liability for rental activities.
7. Renter agrees to prohibit gambling activities or charitable games of chance during the period of the rental agreement.
8. In the event that the rental agreement covers an activity involving alcohol for which an Ohio Department of Commerce, Division of Liquor Control permit is required, renter agrees to comply with the conditions of the Division of Liquor Control permit issued to it. Determination of the need for a permit is the responsibility of the Ohio Department of Commerce, Division of Liquor Control.

APPENDIX G-1 (CONTINUED)
CONDITIONS OF FACILITY RENTAL

9. Renter agrees not to permit any activity which discriminates against any person or group due to race, color, religion, gender, handicap, sexual orientation or national origin.

10. Renter is responsible for all pick-ups and deliveries of equipment, displays, printed materials, and/or other items necessary for the conduct of the rental activity.

ACCEPTED BY:

ORGANIZATION/APPLICANT NAME:	
SIGNATURE	
DATE:	
PHONE #:	

APPENDIX H
TAX EXEMPT FORM



STATE OF OHIO
DEPARTMENT OF TAXATION
SALES AND USE TAX
BLANKET EXEMPTION CERTIFICATE

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:

(vendor's name)

and certifies that this claim is based upon the purchaser's proposed use of the items or services, the activity of the purchaser, or both, as shown hereon:

THE STATE OF OHIO, ADJUTANT GENERAL'S DEPARTMENT, IS EXEMPT FROM SALES AND
USE TAX BECAUSE IT IS AN AGENCY OF THE STATE, PURSUANT TO R.C. 5739.02 (B)(1).

PURCHASER MUST STATE A VALID REASON FOR CLAIMING EXCEPTION OR EXEMPTION.

THE ADJUTANT GENERAL'S DEPARTMENT

Purchaser's Name

2825 W. DUBLIN-GRANVILLE RD

Street Address

COLUMBUS

OHIO

43235-2789

City

State

Zip

Ray Neim

State Finance Offices

Signature and Title

1/7/2016

Date Signed

311370188

Vendor's License Number, if any

Vendors of motor vehicles, titled watercraft and titled outboard motors may use this certificate to purchase these items under the "resale" exception. Otherwise, purchasers must comply with rule 5703-9-10 of the Administrative Code.

This certificate cannot be used by construction contractors to purchase material for incorporation into real property under an exempt construction contract. Construction contractors must comply with rule 5703-9-14 of the Administrative Code.

APPENDIX I
READINESS CENTERS AUTHORIZED FOR RENTAL

MUNICIPALITY	INSTALLATION	PROPERTY
Akron	Akron Hawkins Readiness Center	State
Alliance	Alliance Readiness Center	State
Amanda	Tarlton Training Site and Readiness Center	State
Bowling Green	Bowling Green Training and Community Center	State
Brook Park	PFC Frank Petrarca Armory	State
Chagrin Falls	Chagrin Falls Readiness Center	State
Cleveland	BG Woods King Armory	State
Coshocton	Coshocton Readiness Center	State
Delaware	Delaware Training and Community Center	State
Dover	Dover Readiness Center	State
Greenville	Greenville Readiness Center	State
Hamilton	MG Charles H. Jones Armory	State
Kettering	MG Leo M. Kreber Armory	State
Lebanon	Lebanon Readiness Center	State
Lima	Lima Readiness Center	State
Lorain	Lorain Readiness Center	State
Marysville	Marysville Training and Community Center	State
McConnelsville	Congressman Clarence E. Miller Armory & Training Site	Federal
Medina	Governor John W. Brown Readiness Center	State
Middletown	PFC Patrick Kessler Armory	State
Newark	Newark Readiness Center	State
North Canton	North Canton Readiness Center	State
Norwalk	Norwalk Readiness Center	State
Piqua	Piqua Readiness Center	State
Port Clinton	Camp Perry Joint Training Center	State
Portsmouth	Portsmouth Readiness Center	Federal
Sandusky	Sandusky Readiness Center	State
St. Marys	St. Marys Readiness Center	State
Stow	1SG Robert Pinn Armory	State
Tiffin	1SG Paul Thompson/PVT Joseph J. Cicchetti Armory	State
Walbridge	MG Gilson D. Light Armory	State
Woodlawn	Woodlawn Training and Community Center	State
Wooster	Wooster Readiness Center	State
Xenia	Xenia Readiness Center	State
Youngstown	COL Wade C. Christy Armory	State