

**VILLAGE OF YELLOW SPRINGS, OHIO
RESOLUTION 2026-13**

**ESTABLISHING A TAX-EXEMPT CERTIFICATE AND REIMBURSEMENT POLICY
FOR THE VILLAGE OF YELLOW SPRINGS**

WHEREAS, in response to Ohio Auditor of State Bulletin 2025-013, which established a best practice for tax-exempt municipalities of creating a policy guiding use of the tax-exemption and reimbursement rules, the Finance Director recommends adoption of such a policy by the Village of Yellow Springs; and

WHEREAS, in keeping with their efforts to maintain compliance with recommended best practices, Village Council desires to implement such a Policy,

**NOW, THEREFORE, COUNCIL FOR THE VILLAGE OF YELLOW SPRINGS, OHIO
HEREBY RESOLVES THAT:**

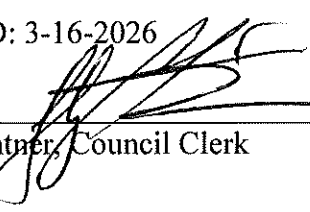
Section 1. Village Council hereby implements a Tax-Exempt Certificate and Reimbursement Policy in a form substantially similar to the attached Exhibit A

Section 2. This resolution shall take effect immediately upon approval by Council.



Gavin DeVore Leonard, President of Council

PASSED: 3-16-2026

Attest: 

Judy Kintner, Council Clerk

ROLL CALL:

Gavin DeVore Leonard __Y__ Angie Hsu __Y__ Carmen Brown __Y__

Senay Semere __Y__

Stephanie Pearce __Y__

Village of Yellow Springs, Ohio Tax-Exempt Certificate and Reimbursement Policy

1. Purpose

The purpose of this policy is to:

- Ensure proper use of the Village's tax-exempt certificate.
 - Provide clear procedures for reimbursing employees or officials who pay sales tax when making purchases on behalf of the Village.
 - Maintain compliance with Ohio law and best practices for public offices.
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2. Scope

This policy applies to:

- All Village officials, employees, and authorized representatives who make purchases for the Village.
 - All purchases of goods or services for official municipal purposes.
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3. Policy Guidelines

1. Government Purpose Requirement

- All expenditures must be made for a **proper government purpose**, consistent with the Village's mission and operations.

2. Access to Tax-Exempt Certificate

- Limit access to the Village's tax-exempt certificate to **authorized personnel only**, as designated by the Village Manager or Finance Director.

3. Prohibition on Using Personal Payment for Tax-Exempt Purchases

- Officials or employees **may not use the Village's tax-exempt certificate** when purchasing with their **personal credit card or checking account**.
- Any purchase made with a personal account must include **payment of sales tax at the point of sale**.

4. Reimbursement for Sales Tax Paid

- Employees or officials who pay sales tax when making a purchase on behalf of the Village may request reimbursement.
- Reimbursement is allowed **only for purchases made for a proper government purpose** and supported by receipts or invoices.

5. Direct Purchases Using Village Accounts

- Purchases made using the Village's account or credit card must include a **detailed invoice or receipt** showing the purchase was made by the Village.
- Whenever possible, use the Village's tax-exempt certificate directly to avoid unnecessary sales tax.

6. Threshold for Personal Account Purchases

- A reasonable maximum dollar threshold of **\$500.00** is set for purchases that may be made using a personal account and reimbursed for sales tax.
- Purchases exceeding this amount **must be made using the Village's account and tax-exempt certificate**.

7. Incorrectly Charged Sales Tax

- If sales tax is incorrectly charged on a purchase made with the Village's tax-exempt certificate, the Finance Department will **request a refund or credit** from the vendor.
- If the vendor does not correct the error, the Finance Department will submit a "Sales/Use Tax Application for Refund" form to the Ohio Department of Taxation.

4. Procedures

1. Before Purchase

- Confirm the purchase qualifies for municipal purposes.
- Determine if the purchase should be made directly with the Village account or, if under \$500, through a personal account with reimbursement.
- Present the tax-exempt certificate for direct Village account purchases.

2. After Purchase

- Submit the invoice or receipt to the Finance Department.
- If a personal account is used and sales tax paid, submit a reimbursement request with documentation.
- Finance reviews, approves, and reimburses as appropriate.

5. Roles & Responsibilities

Role	Responsibility
Village Manager or Finance Director	Designate authorized users of tax-exempt certificate; oversee compliance.
Finance Department	Maintain tax-exempt certificates; process reimbursements; monitor purchases for compliance.
Authorized Employees/Officials	Follow policy; provide proper documentation; only make authorized purchases.

6. Monitoring & Compliance

- The Finance Department will periodically **audit purchases and reimbursements** to ensure compliance.
- Misuse of the tax-exempt certificate or reimbursement process may result in **disciplinary action** and corrective measures.

7. References

- Ohio Revised Code §5739.02 – Sales and Use Tax Exemptions for Political Subdivisions
- Ohio Department of Taxation – Guidelines for Political Subdivision Exemptions