**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.

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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_

Exhibit A to Resolution 2026-13

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

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## 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.

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## 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.

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## 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. |

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## 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.

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## 7. References

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