

County Free Fair Manual

Oklahoma Statutes and Financial Procedures

Prepared by the Oklahoma State Auditor's Office

Revised 2014

SECTION ONE – OKLAHOMA STATUTES

2 O.S. § 15-67 “Free Fair” defined – Power of governing board

A. The term "free fair" as used in Section 15-66 of this title shall be construed to mean community and county fairs and livestock shows and other agricultural shows where admission to the grounds and all exhibit buildings is free and no charge is made for entering exhibits on which premiums are offered.

B. The governing board shall have the power to designate the time, place and number of fairs and livestock shows and agricultural shows in each county.

2 O.S. § 15-68 Board of Directors, Elections, Officers, Bond, Meetings

(Effective 11/1/2013)

A. There is hereby constituted a board of directors for the free fair association.

B. 1. The Board of Directors shall be composed of nine (9) members, who shall be elected by written ballot for a term of three (3) years. Three members shall be elected from each county commissioner's district of the counties, at a public meeting or convention of the qualified electors of each of the commissioner's district in the counties.

2. A qualified elector shall be a registered voter of the county and may only vote for the board members from the district in which the elector resides. The county commissioner holding the election may request proof of residency and a voter registration card of the county to qualify electors.

3. The board of county commissioners shall include in the publication notice of the election the requirements to be a qualified voter. Notice of which election shall be given by publication in a newspaper published in each of the counties, for ten (10) days before the election. Notice of the filing period for the elections shall be given in a newspaper published in the county, published one time at least ten (10) days before the filing period for the election.

C. The board of county commissioners shall, by resolution, set forth the following conditions concerning the election:

1. The filing period shall consist of five (5) consecutive business days and commence in January;
2. The date and time when the filing period will commence and end;
3. The date, time and place of the election;
4. Only registered voters of the county are eligible to file as a candidate;
5. Any person so filing must reside in the commissioner's district or city they seek to represent;
6. Prospective candidates must file with the county clerk; and

7. The board of county commissioners shall prescribe a form to be used by prospective candidates filing for the position of director of the fair board association.

- D.
1. The date of the election for the fair association board of directors shall be no later than three (3) weeks from the date of the final day of the filing period. If there is only one candidate for any of the commissioners' districts, the commissioners may cancel the election with notice being given by publication and posting at least ten (10) days prior to the election date previously established and the candidate shall be deemed to be elected.
 2. In the event there is no candidate for the election to the fair association board of directors, the county commissioners shall appoint a director for each position for which no candidates have filed by the close of the filing period. The appointment or appointments will be announced no later than two (2) weeks from the closing of the filing period.
 3. When a director is unable to fulfill the term to which the director has been elected to serve, for any reason, the board of county commissioners shall appoint the successor.
- E.
1. At the annual election there shall be elected (1) one person from each commissioner's district who is a qualified elector of the district. Each shall serve as a director of the association for a term of (3) three years, and until a successor is elected or appointed and qualified.
 2. The commissioner or commissioner's designee shall preside at the meeting and have the authority to appoint a secretary of the meeting. The commissioner and secretary shall certify to the county clerk of each of the counties the names of the directors elected, and the county clerk shall keep a record thereof and shall issue to each person elected a certificate of election.
- F. When a tie vote occurs in the election of a fair association board of directors, the commissioner or commissioner's designee shall select the candidate by lot pursuant to the procedures set forth in Section 8-105 of Title 26 of the Oklahoma Statutes.
- G.
1. The directors so elected shall meet at the next regularly scheduled monthly meeting immediately following the elections at the regular meeting place of the counties for the purpose of organization, and shall elect a president, a vice-president, a secretary and a treasurer; provided, that the secretary need not be a member of the board of directors.
 2. The treasurer shall furnish surety bond executed with a qualified surety company doing business in this state, in such amount as the directors of the board may determine to be necessary to indemnify against any loss which may arise by reason of failure to perform the necessary duties of the office or other misconduct in office for which the director shall be held liable.
- H. Meetings of the directors may be called by the president of the board or fixed by the board at any time convenient. However, the first election held under this section shall be on the first Saturday of June, and the board so elected at the election shall meet for organization purposes on the second Saturday of June of such year.

2 O.S. § 15-68 Board of Directors, Elections, Officers, Bond, Meetings

(Superseded 11/1/2013)

~~A. There is hereby constituted a board of directors for the free fair association.~~

~~B. The board of directors shall be composed of nine (9) members, who shall be elected for a term of four (4) years. Three members shall be elected from each county commissioner's district of the counties as provided in Sections 2 through 5 of this act.~~

~~C. 1. The directors so elected shall meet at the next regularly scheduled monthly meeting immediately following the elections at the regular meeting place of the counties for the purpose of organization, and shall elect a president, a vice-president, a secretary and a treasurer; provided, that the secretary need not be a member of the board of directors.~~

~~2. The treasurer shall furnish a surety bond executed with a qualified surety company doing business in this state, in such amount as the directors of the board may determine to be necessary to indemnify against any loss which may arise by reason of failure to perform the necessary duties of the office or other misconduct in office for which the director shall be held liable.~~

~~D. Meetings of the directors may be called by the president of the board or fixed by the board at any time convenient~~

2 O.S. § 15-69 Control of fair and expenditures by board of directors – Annual budget – Township or district fairs and junior fat stock shows in certain counties.

A. The board of directors is hereby vested with:

1. Control of the fair;
2. The expenditure of all money levied and collected for the purpose of conducting the fair; and
3. The power and authority to do all acts and things necessary in the conduct of the fair and the management of its fiscal affairs.

B. The board shall prepare an annual budget for the fair, which shall be published according to the law provided for budget publications. The board shall file the annual budget with the county clerk of each of the member counties.

C. 1. The provisions of this section shall also apply to livestock shows, community and district fairs, and other agricultural shows authorized by the board of directors.

2. In counties having a population of more than fifty-five thousand (55,000), according to the 1940 Federal Decennial Census and in and for which county no state fair is provided by statute, it shall be the duty of the board of directors to:

- a. hold in addition to the county fair one or more township fairs, and/or district fairs within such county,

b. designate the place and time for holding the fairs, and

c. hold within such county, in addition to the fairs, a junior fat stock show with premiums the same as a fair at an appropriate time during the spring months for the purpose of encouraging the youth of such county in the breeding and feeding of fat hogs, cattle, sheep and other livestock.

2 O.S. § 15-70 County officers may make annual levy.

The county commissioners, the county excise board and all other proper officers of the county may make an annual levy upon all taxable property in the county in an amount not to exceed one-half (1/2) of one (1) mill per annum in counties of more than fifteen thousand (15,000) population. In counties of less than fifteen thousand (15,000) population, the proper officers of the county may make an annual levy upon all taxable property in the county of not exceeding one (1) mill per annum. The purpose of the levy is to raise funds for:

1. The support and maintenance of the fair, including the payment of premiums on livestock, poultry, agricultural and horticultural products, dairy products, boys' and girls' club work or other junior agricultural organizations which shall be in one class, products of domestic science and domestic arts, farm women's clubs, hand paintings, cultivated plants and flowers;
2. Necessary expenses of management of said fair, including office expenses, postage, telegraph and telephone, salary and traveling expenses of the secretary, printing and necessary office supplies;
3. Premium ribbons and badges, clerical help, guards, superintendents and judges;
4. Advertising, decorating and cleaning the grounds and buildings; and
5. The repair of or erecting buildings owned and controlled by said county that are or will be used for free fair purposes.

B. In the counties of this state having a population in excess of fifty-five thousand (55,000), according to the 1940 Federal Decennial Census and in which county there is not authorized a state fair, it shall be the mandatory duty of the county commissioners and the excise board and other officers of the county, to make annual levy for the purposes specified by this section upon all taxable property in such county of not less than one-fourth (1/4) of one (1) mill per annum.

NOTE: All levies for the operation of county free fairs are considered a part of the millage for county government, which is limited by the Constitution to ten (10) mills.

2 O.S. § 15-72 Budget and itemized estimate of needs.

The board of directors of a fair shall submit to the county commissioners and the excise board a budget and an itemized estimate of the needs of the fair. The levy shall be made for the purpose of taking care of the budget.

2 O.S. § 15-73 Expenditure of funds.

The county treasurer, upon requisition therefor by the board of directors of a fair, shall pay over to the treasurer of the fair board the funds collected by virtue of the levy. The funds shall be paid out by the

treasurer of the fair board upon vouchers and warrants issued by the board under such rules as the board may make.

2 O.S. § 15-74 Grounds, buildings, concessions, advertising, etc. – Gifts and donations.

A. The board of directors shall have power to:

1. Acquire grounds for the fair by lease or purchase;
2. Erect buildings and repair the same;
3. Sell concessions, advertising and privileges at the fair; and
4. Accept gifts and donations.

B. All money received from sale of concessions and privileges, and all gifts and donations shall be paid to and deposited with the treasurer of the fair board, to be disbursed as provided in Section 15-75 of this title.

2 O.S. § 15-75 Duties of officers of fair board.

A. The president of a fair board shall be the executive head of the association and perform all the duties usual to the office and enforce and carry out the orders and directions of the board.

B. The vice president shall act in the absence of the president.

C. The secretary shall be the clerk of the board and keep all the records and property of the association and shall keep an account of the money and property of the association and draw all warrants and orders on the treasurer.

D. The treasurer shall keep all monies and securities of the association and pay out the same upon the order and warrant of the board, attested by the president and secretary of the board.

SECTION TWO – FINANCIAL PROCEDURES

GENREAL FUND

Restrictions: Current operation of the county free fair

Source of Revenue: Appropriation by the county excise board through the annual budget process

Method of Expenditure: Purchase order and warrants

Expenditure Controls: Budget limitations, purchase order approval by county commissioners, subject to County Purchasing Act

Procedures for Budget Amendment: Supplemental appropriation by excise board, transfer of appropriation by county commissioners within the general fund, reimbursement by county commissioners resolution as per 62 O.S. 1991 § 335

Notes:

CASH FUND

Restrictions: Special purpose designation

Source of Revenue: Monies collected for a designated purpose

Procedure for Deposit: Deposit in special fund with county treasurer through miscellaneous receipt

Procedure for Appropriation: Monthly approval by county excise board using SA&I No. 308

Method of Expenditure: Purchase order/warrant

Expenditure Control: Purchase order approval by board of county commissioners, must comply with provisions of County Purchasing Act, cannot exceed appropriation

Budget Amendment: Transfer of appropriation within fund with approval of board of county commissioners

Year-end Lapse: No

Notes:

DEFINITIONS OF APPROPRIATION ACCOUNTS

Statutory purposes for which funds will be appropriated and the definition of each are as follows:

- 1.) **Personal Services** – This account includes all salaries and wages of all employees, whether full or part time.
- 2.) **Maintenance and Operation** - This account includes all authorized expenditures except those items defined as Personal Services, Capital Outlay and Premiums and Awards.
- 3.) **Capital Outlay** - This account includes all items and articles (either new or replacement) not consumed with use by only diminished in value with prolonged use, such as land, buildings which construction is by contract, furniture and fixtures, equipment, machinery, etc.
- 4.) **Premiums and Awards** - This account is specific. It includes ribbons, buttons, medals, and those items which may be strictly construed as premium and awards.

EXPENDITURE OF GENERAL FUNDS

There are two methods of handling the funds appropriated within the **general fund** of the county.

METHOD 1

The amounts appropriated in the Free Fair Budget Account in the County Budget Account are expended in the same manner that any other appropriations in the County General Fund are expended.

The county purchasing procedures shall be followed for the expenditure of these funds (O.S. 19 § 1500-1505). When this method is used, purchase order/claims may be approved and warrants issued as soon as the county budget is approved by the excise board.

Notes:

METHOD 2

A pro-rata part of the tax collections of each month is paid to the Treasurer of the County Free Fair Association to be expended by cash warrants issued by the Free Fair Board of Directors. The Board of Directors will execute a requisition and file one copy with the County Treasurer and one copy with the County Clerk. For this purpose, used SA&I No. 372, a copy of which appears in the back of this publication.

Upon receipt of this requisition, the County Treasurer will apportion a percentage of tax collections for the tax year involved to the free fair account. The percentage ration will be obtained by dividing the total amount appropriated by the Excise Board in the Free Fair Budget Account of the county budget. The percentage ration thus obtained will be used, without change, so long as tax collections are had for the same tax year. The County Treasurer will certify each month the amount apportioned to free fair purposes to the County Clerk. The County Clerk will remit, by remittance warrant, the amounts so apportioned to the Treasurer of the County Free Fair Association.

After the funds have been received by the County Free Fair Association, and set up in the appropriation ledger as follows: personal services, maintenance and operations, capital outlay, premiums and awards, they will be expended in the following manner by the County Free Fair Association.

Itemized and verified claims are filed with the Secretary of the Free Fair Board. The Board of Directors may consider and approve (or disapprove) these claims at any regular or special meeting at which there are five members or more present. After the claims have been approved, a warrant is written by the Secretary, signed by the President and registered by the Treasurer. All warrants should be returned, after registration, to the Secretary and by him delivered to the payee.

Notes:

**EXPENDITURE OF CASH FUNDS
(Generally a County Sales Tax Fund)**

Procedure for Deposit: Deposit in special fund with county treasurer through miscellaneous receipt

Procedures for Appropriation: Monthly approval by County Excise Board using SA&I No. 308

Method of Expenditure: Purchase order/warrant

Expenditure Control: Purchase order approval by Board of County Commissioners, must comply with provisions of County purchasing Act, cannot exceed appropriation

Budget Amendment: Transfer of appropriation within fund with approval of Board of County Commissioners

Year-end Lapse: No

Notes:

RECEIPT AND EXPENDITURE OF *OTHER* FUNDS

All money received by the Treasurer of the Free Fair Association from sale of stand rights, admission to amusements, contributions, ad valorem tax and other income from any source must be deposited and secured in the manner as follows: "income received is credited to the "Name of County, County Free Fair and is apportioned monthly by the County Treasurer and paid to the Treasurer of the Fair Board by County Clerk Remittance Warrant." Funds are then handled in the same manner as the County Fair Association expends funds.

The statutes state that such a board performs all of its functions entirely within its particular county, the property managed by such board is the property of the county, and all funds extended by such board are county funds.

Notes:

ACCOUNTING RECORDS

Regardless of the method of expenditure, the only accounting records needed by the Treasurer of the Free Fair Association are, a receipt book, (in duplicate), a cash book, a ledger, and a combined appropriation ledger and warrant ledger. Ordinary columnar sheets may be used. These and the receipt book may be purchased in stock form from your local book store at a nominal price. Records needed by the Secretary are, a minute book and a combined appropriation ledger and warrant register, both of which may also be purchased locally.

Notes:

AUDITS

The County Free Fair Association is a County Department and all County Audits must be made by the State Auditor and Inspector. It is permissible for the Board of Directors to employ such technical help as may reasonably be necessary to prepare the budget and estimate of needs required to be submitted to the County Commissioners and Excise Board.

Notes:

GENERAL INFORMATION

TRANSFER OF APPROPRIATIONS

If, due to any unforeseen emergency, it is found that additional appropriations are needed in some accounts, while there are balances in other appropriation accounts which are not needed, or are of less urgent need, a transfer, from one or more appropriation accounts to other appropriation accounts may be effected in the following manner.

To transfer appropriations within the "Free Fair Budget Account", which is a part of the County General Fund, a request for "transfer of Appropriations" is prepared, (Using SA&I No. 237) signed by the officers of the Board of Directors, approved by the Board of County Commissioners and files with the County Clerk. Notifications to the County Excise Board completes the transfer. No publication is required.

The same procedure is followed in transferring within the appropriated *cash fund*.

It is improper to transfer from the Free Fair Budget Account to the appropriated cash fund, or vice versa.

FISCAL YEAR TERMINATION

The fiscal year for all accounting and reporting purposes is the same for Free Fair Associations as for all other municipalities in this state – beginning on July 1 of each year and ending the following June 30th. Appropriation balances which are known to be unencumbered may be allowed to lapse on June 30th, thus releasing revenue for the next fiscal year.

OATHS OF OFFICE

All members of the Board of Directors, (and the Secretary in the event he is not a member of the Board) must take and subscribe to the oath or affirmation prescribed by Art. 15, Sec. 1, of the Constitution. They must also subscribe to the oath or affirmation prescribed by Title 51, Section 36.2, O.S. 1991. Both of these are filed in the office of the County Clerk.

RESIGNATIONS

If any member of the Board of Directors desires to resign, he may do so by depositing such resignation, in writing, in the office of the County Clerk (see 51 O.S § 9). Vacancies are filled by appointment by the Board of County Commissioners.

SOCIAL SECURITY

The Board of Directors of the Free Fair Association have full authority to enter into an agreement with the Department of Public Welfare whereby the employee of such Free Fair Association may be covered by Social Security in the same manner that the officers and employees of counties, cities and other municipalities are covered. In the absence of such agreement, the employees cannot be covered.

PAYMENT OF AWARDS

It is permissible to pay the premium awards by using a separate claim and warrant for each individual award, however, this method brings on a veritable mountain of unnecessary work for everyone involved. A much better method and one which is recommended by the State Auditor and Inspector is described in detail as follows:

The judges of the exhibits go down the line deciding which exhibit wins first, second, etc., and how much. As soon as the award is made, the judge fills out a Certificate of Award and hands it to the person entering the exhibit. This certificate should be in substantially the following form:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ASSIGNMENT BY ENDORSEMENT</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">TO _____ (Name of person, firm or bank)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">BY _____ (Assignor)</p>	<p style="text-align: center;">CERTIFICATE OF AWARD</p> <p style="text-align: center;">_____ COUNTY FREE FAIR ASSOCIATION</p> <p>This Certifies that _____</p> <p>has won _____ Prize _____</p> <p style="text-align: center;">(1st, 2nd, 3rd, etc.) (Class or Exhibit)</p> <p>In the sum of _____ Dollars \$ _____</p> <p>This Certificate, when signed and countersigned by the proper officers of the aforesaid Free Fair Association as indicted below, and thereafter assigned by endorsement as noted in the panel across the left and hereof, is redeemable in cash in accord with regulations of the said Free Fair Association.</p> <p>Countersigned: _____ Secretary of said Free Fair Association</p> <p>Signed: _____ Superintendent of said Fair or Member of Said Fair Association</p> <p style="text-align: center;">THIS AWARD VOID IF NOT REDEEMED BEFORE DECEMBER 1, OF SAID YEAR</p>
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Almost any bank would be glad to handle these certificates, and arrangements to do so should be made

before the fair starts. Each person receiving a certificate merely takes it to the bank (or any one else who has agreed to handle them) endorses it, gets his money and goes home. After the fair is over the bank executes a claim, attaches all certificates that have been cashed and files it in the same manner that other claims are filed. If the county budget is supporting the award payments, the claim is approved by the Free Fair Board of Directors and filed with the County Clerk. After allowance by the Board of County Commissioners, one general fund warrant is issued by the County Clerk paying all for the certificates attached to the claim.

By using this method, five or six hundred (or more) awards may be paid with one warrant and one claim.

FORMS

- 1.) SA&I Form 372 – Requisition to County Clerk and Treasurer
- 2.) SA&I Form 373 – County Free Fair Claim (to be used to expend County Free Fair Association Funds)
- 3.) SA&I Form 131 – County Free Fair Warrant (to be used by County Free Fair Association)