

Library Fund Accounting and Chart of Accounts

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Course Objectives

- This session will provide new fiscal officers an introduction to
 - Fund Accounting
 - Chart of Accounts
 - General Accounting Concepts

What is Fund Accounting?

- Fund accounting is the activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments
- Fund accounting is necessary to demonstrate a government's fiscal accountability.
 - Allows governments to track revenues with purpose restrictions against the expenditures made for those purposes
 - It is easier to identify which monies are available for specific purposes
- This is accomplished through the use of funds

What is a Fund?

- A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- A fund segregates the monies of the government according to legal or purpose restrictions

Fund Classifications

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

Governmental Funds

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Permanent Funds

General Fund

- The operating fund of the government, used to account for all financial resources except those required to be accounted for in another fund
- The general fund balance is available to the government for any purpose provided it is disbursed or transferred in accordance with Ohio law

Special Revenue Funds

- Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects

Special Revenue Funds

Library (Common Examples)

- Grant Funds
- Friends Foundation Fund
- Termination Benefit Fund (27th Pay)
- Coronavirus Relief Fund
- Restricted Donation Fund

Debt Service Funds

- Used to account for the accumulation of resources for, and the payment of, general long-term and short-term debt principal and interest
- Should be used to report resources if legally mandated
 - Debt payable from property taxes
 - Notify the County Auditor when debt is incurred, and the County Auditor will distribute the portion of taxes or revenue collected that are to be used to pay the debt.

Capital Project Funds

- Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds

- Used to account for the financial resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the government's programs (used for the benefit of the government or its citizens)

Proprietary Funds

- Enterprise Funds
- Internal Service Funds

Enterprise Funds

- May be used to account for any activity for which a fee is charged to external users for goods or services

Internal Service Funds

- May be used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

- Used to report assets held in a trustee or custodial capacity for others and cannot be used to support the government's own programs
- The assets associated with the activity are NOT derived from either:
 1. Solely from the library's own source revenues, or
 2. From government-mandated nonexchange transactions or voluntary nonexchange transactions, with the exception of pass-through grants, for which the government does not have administrative involvement or direct financial involvement

Fiduciary Funds

- Pension (and Other Employee Benefit) Trust
- Investment Trust
- Private Purpose Trust
- Custodial

Pension (and Other Employee Benefit) Trust

- Used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contributions plans, other postemployment benefit plans, or other employee benefit plans

Investment Trust

- Accounts for the financial resources of an external investment pool that the government sponsors
 - Very Rare

Private Purpose Trust

- Used to report all trust arrangements, other than those properly reported in pension (and other employee benefit) or investment trust funds
- The assets are (a) administered through a trust in which the government itself is not a beneficiary; (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government

Custodial Funds

- Account for fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds

Establishment of Funds

- General statutory requirements for the creation of funds are found in Ohio Revised Code § 5705.09
- Libraries shall establish the following funds:
 - General fund
 - Sinking fund or bond retirement fund
 - Special fund for each special levy
 - Special bond fund for each bond issue
 - Special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose
 - Special fund for each public utility operated by a library
 - Trust fund for any amount received by a library in trust

Establishment of Funds

- Statutory requirements for the creation of certain special funds are found in Ohio Revised Code § 5705.12
- Reserve Balance Accounts – Special Revenue Fund - Capital Projects Funds (Ohio Revised Code § 5705.13)

Establishing a New Fund

- The establishment of certain new funds may require Auditor of State approval
- It is necessary to submit requests to the Auditor of State when the creation of the fund is not specifically authorized by statute or when the purpose of the fund is not identified in Ohio Revised Code §§ 5705.09 (A) - (H)
- Auditor of State approval for a new fund is also necessary when,
 - Management wants to capture additional financial information about a specific revenue source or activity;
 - When the fund will be used to account for restricted gifts or bequests that will not be held in trust; or
 - When management wants to impose internal restrictions not otherwise required by law

Establishing a New Fund

- Auditor of State approval is **not** necessary when the creation of the desired fund is already authorized or required by statute (either specifically by name, or in general)
- Auditor of State approval is **not** necessary to establish a new fund when the purpose of the fund will be to record and expend the proceeds of debt, to account for a new grant whose use is restricted to a particular purpose or to account for money received in trust

Requesting Auditor of State Approval

- Refer to Auditor of State Bulletin 99-006 (Included in Handout)
- The information is also available at <https://www.ohioauditor.gov/resources/AOSNotifications.html>

Chart of Accounts

- Proper record keeping requires the establishment of a chart of accounts
- The Auditor of State supports a numeric chart of accounts for Uniform Accounting Network clients

Chart of Accounts

- Fund
- Revenue - for receipts and other financial resources
- Appropriations - for expenditures and other financial uses
 - Programs
 - Objects

Fund Chart of Accounts

- Each fund is assigned a unique fund number, based on the fund type

Libraries

- Governmental Funds:
 - General Fund – 1000
 - Special Revenue Funds – 2001-2799
 - Coronavirus Relief Fund – 2801-2819
 - Debt Service Funds – 3001-3999
 - Capital Project Funds – 4001-4499
 - Permanent Funds – 4501-4999
- Proprietary Funds:
 - Enterprise Funds – 5001-5999
 - Internal Service Funds – 6001-6999
- Fiduciary Funds:
 - Custodial Funds – 9001-9249
 - Investment Trust Funds – 9501-9749
 - Private Purpose Trust Funds – 9751-9999

Revenue Chart of Accounts

- Each revenue source is assigned a unique revenue code based on the type of revenue

Libraries

- Property and Other Local Taxes – 121-190
- Intergovernmental – 211-299
- Patron Fines and Fees – 310-399
- Services Provided to Other Entities – 511-599
- Contributions, Gifts and Donations – 611-690
- Earnings and Investments – 701-790
- Miscellaneous – 820-892
- Other Financing Sources – 911-999

Appropriation Chart of Accounts

- Expenditures and uses of financial resources are assigned both a program code and object code
- Programs provide information on the overall purposes or objectives of expenditures
- Objects identify the types of items purchased or services obtained

Appropriation Chart of Accounts

- Program codes include:

Libraries

- Public Services and Programs – 110
- Collection Development and Processing – 120
- Facilities Operation and Maintenance – 210
- Information Services – 220
- Business Administration – 230
- Self Insurance – 280
- Intergovernmental – 750
- Capital Outlay – 760
- Distributions as Fiscal Agent – 781
- Distributions to Other Governments – 782
- Distributions to Other Funds – 783

Libraries (Continued)

- Distributions of Unclaimed Monies – 784
- Distributions of Deposits – 785
- Distributions on Behalf of Employees – 786
- Other Distributions – 789
- Debt Service – 800
- Transfers – 910
- Advances – 920
- Contingencies – 930
- Other Financing Sources – 990

Appropriation Chart of Accounts

- Object codes include:

Libraries

- Salaries – 100's
- Employee Fringe Benefits – 200's
 - Employer's Retirement Contributions, Insurance Benefits, Employee Reimbursements
- Purchased Services – 300's
 - Professional and Technical Services, Property Services, Communications, Printing and Advertising, Utilities, Insurance and Bonding
- Library Materials/Information/Supplies – 400's
- Other – 500's
 - Dues and Fees, Claims, Other Expenses
- Capital Outlay – 700's

Libraries (continued)

- Debt Service – 810-890 & 940
 - Principal, Interest, Fiscal Changes, Discounts on Debt, Payment to Refunded Bond Escrow Agent *(from resources other than bond proceeds)*
- Other Financing Uses – 910-990
 - Transfers Out, Advances Out, Contingencies, Payment to Refunded Bond Escrow Agent *(from bond proceeds)*

Basic Accounting Concepts

- Revenues
 - Receipts
- Expenditures
 - Requisitions
 - Purchase Orders
 - Vouchers and Checks
- Transfers and Advances
- Bank Reconciliations

Revenues

- All money received by the government is to be recorded into the accounting system and documented through the use of a receipt or a "pay-in"
- Entered into the accounting system by the fiscal officer
- The accounting system generates a receipt (pay-in) which should include:
 - Receipt number
 - Total amount received
 - Date money was received
 - Payer
 - Reason for receipt
 - Fund to which revenue is to be credited
 - Receipt code
 - Fiscal Officer's signature
- Receipts should be deposited daily
- Governing Body may approve a policy to allow up to three days between receipt of money to deposit (Ohio Revised Code § 9.38)

Refund of Receipts

- Appropriate in the case of
 - Overpayments
 - Return of deposits
 - Repayment of money when a service was not provided
- Post as reduction of original receipt code used if in the same year
- Post as expenditure if in subsequent year

Expenditures

- A good or service is determined to be necessary and a requisition is prepared and submitted for approval
- Prior to expending moneys, there needs to be a certification of the availability of funds
 - Accomplished through the use of a Purchase Order
- Payment of Invoices
 - Compare invoiced items, prices and quantities to purchase order and billing slips
 - Recompute invoices to ensure accurate extensions and totals
- A voucher is prepared and filed
 - A voucher is a written order to draw a check in payment of a lawful obligation which includes a requisition, purchase order, invoice, and receiving order or billing slip
- A check is drawn and sent to vendor

Purchase Orders

- Ohio Revised Code § 5705.41(D)(1), states that no contracts or orders involving the expenditure of money may be made unless the fiscal officer has certified that “the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of the appropriate fund free from any previous encumbrances”
- Certification is accomplished with the issuance of a purchase order
- Any contract made without this certification shall be void and no warrant shall be issued in payment

Purchase Orders

- Types of purchase orders
 - Regular
 - Blanket
 - Super Blanket
 - Then and Now

Purchase Orders

- Regular Purchase Order
 - Issued when the purchase of a specific item(s) from a specific vendor is planned
 - Also must specify at least one appropriation account
 - No limit to the dollar amount
 - Does not expire and can therefore carry-over into subsequent year
 - May be encumber more than one fund and appropriation line item
 - This certificate only needs to be signed by the fiscal officer

Purchase Orders

- Blanket Purchase Order
 - Trustees must, by resolution, set a dollar amount above which Blanket POs may not exceed
 - Use when the vendor, price, or quantity is open ended or not known
 - An amount, not exceeding the amount limiting blanket POs voted on by the Trustees, must be included on the purchase order
 - Only one Blanket PO can be open against a particular line-item appropriation account
 - Does not extend past the end of the year
 - This certificate only needs to be signed by the fiscal officer

Purchase Orders

- Super Blanket Purchase Order
 - No limit to the dollar amount
 - Can only be for the following specific uses:
 - Most Professional Services
 - Fuel Oil, Gasoline, Food Items, Roadway Materials
 - Utilities
 - Any purchase exempt from competitive bidding under Ohio Revised Code §125.04
 - Any other specific expenditure that is a recurring and reasonably predictable operating expense
 - One or multiple vendors
 - One account code
 - Multiple Super Blanket PO can be open against a particular line-item appropriation account
 - Does not extend past the end of the year
 - This certificate only needs to be signed by the fiscal officer

Purchase Orders

- Then and Now Certificate
 - Used when prior approval for purchase was not obtained
 - If there were unencumbered appropriations at the time of purchase (then) and there are currently (now) unencumbered appropriations
 - If the amount is less than \$3,000, the fiscal officer may authorize the expenditure
 - If the amount is greater than \$3,000, the Trustees must pass a resolution authorizing the expenditure
 - Resolution must be passed within 30 days of receipt of the fiscal officer's certification
 - Should be the exception, rather than the rule

Purchase Orders

- Purchase orders should be numbered consecutively
- Each purchase order should be made out in triplicate by the purchasing authority
- Two copies should be filed with the fiscal officer who will complete both
 - Forward one copy to the vendor
 - The other copy should be used as a source entry for posting in the appropriation ledger
- The third copy should be returned to the individual initiating the purchase order (or requisition)
 - The third copy should serve as a receiving report and be returned to the fiscal officer once the items are received and verified
 - The third copy of the purchase order should then be attached to the voucher along with the invoice

Expenditures

- A voucher is prepared and filed
 - Date
 - Payee
 - Purchase order number
 - Account number
 - Amount
 - Check number
- A voucher is a written order to draw a check in payment of a lawful obligation which includes a requisition, purchase order, and invoice
- A check is drawn and sent to vendor

Reductions (Refunds) of Expenditures

- Appropriate for:
 - Overpayments returned to the Library
 - Return of a deposit
 - Repayment of money to the government when a service was not provided to them
 - Expenditures within the same fiscal year the payment actually occurred
- Not Appropriate for:
 - Reimbursements from other entities for services provided
 - Reimbursement of general fund expenditures from the State or other governments
 - Refund of prior year's expenditures (should be recorded as revenue when received)

Transfers and Advances

- A transfer is a permanent reallocation of cash from one fund to another
- Trustees must pass a resolution authorizing the transfer
- Transfers must be included on your certificate of estimated resources and appropriation resolution
- Ohio Revised Code §§ 5705.14 through 5705.16 describe allowable transfers
- Only the general fund may transfer monies to another fund, with certain exceptions
 - Exceptions relate to funds no longer needed for the purpose they were created
 - Some exceptions require permission from the Ohio Tax Commissioner
 - Ohio Revised Code § 5705.13(c) allows for establishment of a capital projects fund for the purpose of accumulating resources for acquiring fixed assets

Transfers and Advances

- Advances are temporary reallocations of cash from one fund to another
- Must be statutory authority to use the money in the fund advancing the cash for the same purpose as the fund receiving the cash
- Made from a less restricted fund to a more restricted fund
- The reimbursement must not violate any restrictions on the money being used to make the reimbursement
- Advances must be approved by a formal resolution passed the legislative body
 - Resolution includes:
 - The amount of the advance
 - The name of the fund advancing the money
 - The name of the fund receiving the money
 - The source of funds used to repay the advance
 - An estimated repayment date

Transfers and Advances

- Advances may be subsequently converted to a transfer if the fund initially receiving the advance will not be able to repay the advance
- Perform the necessary procedures for approval of a transfer
- In the year of the initial advance,
 - Record the transfer in the cash journal, receipts journal and appropriations ledger
 - Reverse the advance
 - Update the Amended Certificate of Estimated Resources
 - Amend the Appropriations Resolution
- In a year subsequent to the initial advance,
 - Perform the necessary procedures for approval of a transfer
 - Update the Certificate of Available Balances

Bank Reconciliation

- It is essential that bank reconciliations be performed every month!
- Should be done as soon as the month closes
- Reconciliation should include all of the governments financial accounts
 - Checking
 - Savings
 - Investment Portfolios
- Add in the total of Deposits in Transit
- Subtract off total of Current Outstanding Checks
- Reconciled balance should match the total of the cash book for the month

Bank Reconciliation

- Ensure that checks cleared the bank for the amounts that they were issued for
 - Ensure checks were not cleared more than once
- Ensure deposits on the bank statement match deposit slips and pay-in totals
- Verify that all EFT/ACH payments have been recorded into the accounting system
 - EFT Remit Lookup (used to electronic payments from the State of Ohio/OAKS)
 - <https://remitlookup.ohm.ohio.gov/default.aspx>

OAKS EFT Remittance Lookup

- Vendor ID is a numeric code unique to each entity
- Key# is the ZIP Code of your entity
- Email ID: should be the fiscal officer's email address
- Search by Date Range and Remitting Agency OR Amount, Invoice, Voucher, Payment ID
- <https://remitlookup.obm.ohio.gov/default.aspx>

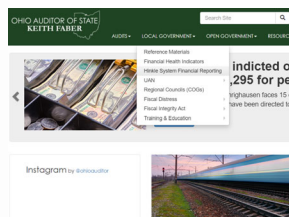


Hinkle System Financial Reporting

- The Hinkle System is an internet-based application that allows certain financial statement, debt, and demographic data to be entered and/or uploaded and transmitted to the Auditor of State to satisfy the filing requirements prescribed by the Ohio Revised Code and the Ohio Administrative Code. The Hinkle System increases uniformity in financial reporting, generates the statutory reports for the governor and general assembly required pursuant to ORC §117.38, and provides users of this information improved access and functionality
- All entities required to file annually with the Auditor of State are required to file via our Hinkle Annual Financial Data Reporting System (Hinkle System)
 - For libraries not filing GAAP, the filing deadline is sixty (60) days after year-end

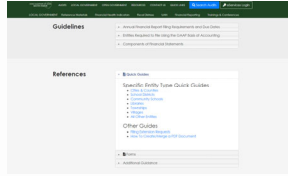
Hinkle System Financial Reporting

- Questions? – Access the Hinkle System Financial Reporting System webpage
- Visit OhioAuditor.gov
 - Local Government tab
 - Select Hinkle System Financial Reporting



Hinkle System Financial Reporting

- Quick Guides for filing in the Hinkle System are available under the resources section of the webpage and are available for various specific entities
- Webinar for Preparing Notes to the Financials is available under the Additional Guidance section under References
- Course handout materials are also available



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Ohio Revised Code

Section 5705.09 Establishment of funds.

Effective: October 1, 1953

Legislation: House Bill 1 - 100th General Assembly

Each subdivision shall establish the following funds:

- (A) General fund;
 - (B) Sinking fund whenever the subdivision has outstanding bonds other than serial bonds;
 - (C) Bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness;
 - (D) A special fund for each special levy;
 - (E) A special bond fund for each bond issue;
 - (F) A special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose;
 - (G) A special fund for each public utility operated by a subdivision;
 - (H) A trust fund for any amount received by a subdivision in trust.
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Ohio Revised Code

Section 5705.12 Approval to establish special funds.

Effective: July 22, 1998

Legislation: House Bill 426 - 122nd General Assembly

In addition to the funds provided for by sections 5705.09, 5705.121, 5705.13, and 5705.131 of the Revised Code, the taxing authority of a subdivision may establish, with the approval of and in the manner prescribed by the auditor of state, such other funds as are desirable, and may provide by ordinance or resolution that money derived from specified sources other than the general property tax shall be paid directly into such funds. The auditor of state shall consult with the tax commissioner before approving such funds.



Ohio Revised Code

Section 5705.121 Other special funds.

Effective: March 22, 2019

Legislation: House Bill 500 - 132nd General Assembly

A municipal corporation may establish in the manner provided by law a sanitary police pension fund, an urban redevelopment tax increment equivalent fund, or a cemetery fund.

A township may establish by law a cemetery fund.

A subdivision that levies a tax for the purpose described in division (ZZ) or (AAA) of section 5705.19 of the Revised Code shall establish a general capital and infrastructure fund to which the proceeds from that levy shall be credited. By resolution or ordinance, the taxing authority may establish accounts within that fund for any of the several particular purposes for which such money may lawfully be spent, may eliminate such accounts when no longer necessary or desirable, and may transfer money between such accounts. Money in the fund may not be used to pay the compensation of officers or employees of the subdivision.



Ohio Revised Code

Section 5705.13 Reserve balance accounts - special revenue fund - capital projects fund.

Effective: March 27, 2020

Legislation: House Bill 197 - 133rd General Assembly

(A) A taxing authority of a subdivision, by resolution or ordinance, may establish reserve balance accounts to accumulate currently available resources for the following purposes:

- (1) To stabilize subdivision budgets against cyclical changes in revenues and expenditures;
- (2) Except as otherwise provided by this section, to provide for the payment of claims and deductibles under an individual or joint self-insurance program for the subdivision, if the subdivision is permitted by law to establish such a program;
- (3) To provide for the payment of claims, assessments, and deductibles under a self-insurance program, individual retrospective ratings plan, group rating plan, group retrospective rating plan, medical only program, deductible plan, or large deductible plan for workers' compensation.

The ordinance or resolution establishing a reserve balance account shall state the purpose for which the account is established, the fund in which the account is to be established, and the total amount of money to be reserved in the account.

Not more than one reserve balance account may be established for each of the purposes permitted under divisions (A)(2) and (3) of this section. Money to the credit of a reserve balance account may be expended only for the purpose for which the account was established.

A reserve balance account established for the purpose described in division (A)(1) of this section may be established in the general fund or in one or more special funds for operating purposes of the subdivision. The amount of money to be reserved in such an account in any fiscal year shall not exceed five per cent of the revenue credited in the preceding fiscal year to the fund in which the account is established, or, in the case of a reserve balance account of a county or of a township, the greater of that amount or one-sixth of the expenditures during the preceding fiscal year from the fund



in which the account is established. Subject to division (F) of section 5705.29 of the Revised Code, any reserve balance in an account established under division (A)(1) of this section shall not be considered part of the unencumbered balance or revenue of the subdivision under division (A) of section 5705.35 or division (A)(1) of section 5705.36 of the Revised Code.

At any time, a taxing authority of a subdivision, by resolution or ordinance, may reduce or eliminate the reserve balance in a reserve balance account established for the purpose described in division (A)(1) of this section.

A reserve balance account established for the purpose described in division (A)(2) or (3) of this section shall be established in the general fund of the subdivision or by the establishment of a separate internal service fund established to account for the operation of an individual or joint self-insurance program described in division (A)(2) of this section or a workers' compensation program or plan described in division (A)(3) of this section, and shall be based on sound actuarial principles. The total amount of money in a reserve balance account for self-insurance may be expressed in dollars or as the amount determined to represent an adequate reserve according to sound actuarial principles.

A taxing authority of a subdivision, by resolution or ordinance, may rescind a reserve balance account established under this division. If a reserve balance account is rescinded, money that has accumulated in the account shall be transferred to the fund or funds from which the money originally was transferred.

(B) A taxing authority of a subdivision, by resolution or ordinance, may establish a special revenue fund for the purpose of accumulating resources for the payment of accumulated sick leave and vacation leave, and for payments in lieu of taking compensatory time off, upon the termination of employment or the retirement of officers and employees of the subdivision. The special revenue fund may also accumulate resources for payment of salaries during any fiscal year when the number of pay periods exceeds the usual and customary number of pay periods. Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the Revised Code, the taxing authority, by resolution or ordinance, may transfer money to the special revenue fund from any other fund of the subdivision from which such payments may lawfully be made. The taxing authority, by resolution or ordinance, may rescind a special revenue fund established under this division. If a special revenue fund is rescinded, money



that has accumulated in the fund shall be transferred to the fund or funds from which the money originally was transferred.

(C) A taxing authority of a subdivision, by resolution or ordinance, may establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction, or improvement of fixed assets of the subdivision. For the purposes of this section, "fixed assets" includes motor vehicles. More than one capital projects fund may be established and may exist at any time. The ordinance or resolution shall identify the source of the money to be used to acquire, construct, or improve the fixed assets identified in the resolution or ordinance, the amount of money to be accumulated for that purpose, the period of time over which that amount is to be accumulated, and the fixed assets that the taxing authority intends to acquire, construct, or improve with the money to be accumulated in the fund.

A taxing authority of a subdivision shall not accumulate money in a capital projects fund for more than ten years after the resolution or ordinance establishing the fund is adopted. If the subdivision has not entered into a contract for the acquisition, construction, or improvement of fixed assets for which money was accumulated in such a fund before the end of that ten-year period, the fiscal officer of the subdivision shall transfer all money in the fund to the fund or funds from which that money originally was transferred or the fund that originally was intended to receive the money.

A taxing authority of a subdivision, by resolution or ordinance, may rescind a capital projects fund. If a capital projects fund is rescinded, money that has accumulated in the fund shall be transferred to the fund or funds from which the money originally was transferred.

Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the Revised Code, the taxing authority of a subdivision, by resolution or ordinance, may transfer money to the capital projects fund from any other fund of the subdivision that may lawfully be used for the purpose of acquiring, constructing, or improving the fixed assets identified in the resolution or ordinance.



Ohio Revised Code

Section 5705.41 Restriction upon appropriation and expenditure of money - certificate of fiscal officer.

Effective: September 28, 2012

Legislation: House Bill 509 - 129th General Assembly

No subdivision or taxing unit shall:

(A) Make any appropriation of money except as provided in Chapter 5705. of the Revised Code; provided, that the authorization of a bond issue shall be deemed to be an appropriation of the proceeds of the bond issue for the purpose for which such bonds were issued, but no expenditure shall be made from any bond fund until first authorized by the taxing authority;

(B) Make any expenditure of money unless it has been appropriated as provided in such chapter;

(C) Make any expenditure of money except by a proper warrant drawn against an appropriate fund;

(D)(1) Except as otherwise provided in division (D)(2) of this section and section 5705.44 of the Revised Code, make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made, has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. If no certificate is furnished as required, upon receipt by the taxing authority of the subdivision or taxing unit of a certificate of the fiscal officer stating that there was at the time of the making of such contract or order and at the time of the execution of such certificate a sufficient sum appropriated for the purpose of such contract and in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances, such taxing authority may authorize the drawing of a warrant in payment of amounts due upon such contract, but such resolution or ordinance shall be passed within thirty days after the taxing authority receives such



certificate; provided that, if the amount involved is less than one hundred dollars in the case of counties or three thousand dollars in the case of all other subdivisions or taxing units, the fiscal officer may authorize it to be paid without such affirmation of the taxing authority of the subdivision or taxing unit, if such expenditure is otherwise valid.

(2) The board of county commissioners may adopt a resolution exempting county purchases of one thousand dollars or less from the requirement of division (D)(1) of this section that a certificate be attached to any contract or order involving the expenditure of money. The resolution shall state the dollar amount that is exempted from the certificate requirement and whether the exemption applies to all purchases, to one or more specific classes of purchases, or to the purchase of one or more specific items. Prior to the adoption of the resolution, the board shall give written notice to the county auditor that it intends to adopt the resolution. The notice shall state the dollar amount that is proposed to be exempted and whether the exemption would apply to all purchases, to one or more specific classes of purchases, or to the purchase of one or more specific items. The county auditor may review and comment on the proposal, and shall send any comments to the board within fifteen days after receiving the notice. The board shall wait at least fifteen days after giving the notice to the auditor before adopting the resolution. A person authorized to make a county purchase in a county that has adopted such a resolution shall prepare and file with the county auditor, within three business days after incurring an obligation not requiring a certificate, or within any other period of time the board of county commissioners specifies in the resolution, a written or electronically transferred document specifying the purpose and amount of the expenditure, the date of the purchase, the name of the vendor, the specific appropriation items from which the expenditures are to be made, and any additional information as the auditor of state may prescribe.

(3) Upon certification by the auditor or other chief fiscal officer that a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority of the subdivision or taxing unit, has been lawfully appropriated, authorized, or directed for a certain purpose and is in the treasury or in the process of collection to the credit of a specific line-item appropriation account in a certain fund free from previous and then outstanding obligations or certifications, then for such purpose and from such line-item appropriation account in such fund, over a period not extending beyond the end of the fiscal year, expenditures may be made, orders for payment issued, and contracts or obligations calling for or requiring the payment of money made and assumed; provided, that the aggregate sum of money



included in and called for by such expenditures, orders, contracts, and obligations shall not exceed the sum so certified. Such a certification need be signed only by the fiscal officer of the subdivision or the taxing district and may, but need not, be limited to a specific vendor. An itemized statement of obligations incurred and expenditures made under such certificate shall be rendered to the auditor or other chief fiscal officer before another such certificate may be issued, and not more than one such certificate shall be outstanding at a time.

In addition to providing the certification for expenditures as specified in this division, a subdivision also may make expenditures, issue orders for payment, and make contracts or obligations calling for or requiring the payment of money made and assumed for specified permitted purposes from a specific line-item appropriation account in a specified fund for a sum of money upon the certification by the fiscal officer of the subdivision that this sum of money has been lawfully appropriated, authorized, or directed for a permitted purpose and is in the treasury or in the process of collection to the credit of the specific line-item appropriation account in the specified fund free from previous and then-outstanding obligations or certifications; provided that the aggregate sum of money included in and called for by the expenditures, orders, and obligations shall not exceed the certified sum. The purposes for which a subdivision may lawfully appropriate, authorize, or issue such a certificate are the services of an accountant, architect, attorney at law, physician, professional engineer, construction project manager, consultant, surveyor, or appraiser by or on behalf of the subdivision or contracting authority; fuel oil, gasoline, food items, roadway materials, and utilities; and any purchases exempt from competitive bidding under section 125.04 of the Revised Code and any other specific expenditure that is a recurring and reasonably predictable operating expense. Such a certification shall not extend beyond the end of the fiscal year or, in the case of a board of county commissioners that has established a quarterly spending plan under section 5705.392 of the Revised Code, beyond the quarter to which the plan applies. Such a certificate shall be signed by the fiscal officer and may, but need not, be limited to a specific vendor. An itemized statement of obligations incurred and expenditures made under such a certificate shall be rendered to the fiscal officer for each certificate issued. More than one such certificate may be outstanding at any time.

In any case in which a contract is entered into upon a per unit basis, the head of the department, board, or commission for the benefit of which the contract is made shall make an estimate of the total amount to become due upon such contract, which estimate shall be certified in writing to the



fiscal officer of the subdivision. Such a contract may be entered into if the appropriation covers such estimate, or so much thereof as may be due during the current year. In such a case the certificate of the fiscal officer based upon the estimate shall be a sufficient compliance with the law requiring a certificate.

Any certificate of the fiscal officer attached to a contract shall be binding upon the political subdivision as to the facts set forth therein. Upon request of any person receiving an order or entering into a contract with any political subdivision, the certificate of the fiscal officer shall be attached to such order or contract. "Contract" as used in this section excludes current payrolls of regular employees and officers.

(E) Taxes and other revenue in process of collection, or the proceeds to be derived from authorized bonds, notes, or certificates of indebtedness sold and in process of delivery, shall for the purpose of this section be deemed in the treasury or in process of collection and in the appropriate fund. This section applies neither to the investment of sinking funds by the trustees of such funds, nor to investments made under sections 731.56 to 731.59 of the Revised Code.

No district authority shall, in transacting its own affairs, do any of the things prohibited to a subdivision by this section, but the appropriation referred to shall become the appropriation by the district authority, and the fiscal officer referred to shall mean the fiscal officer of the district authority.



Ohio Revised Code

Section 5705.14 Transfer of funds.

Effective: January 1, 2018

Legislation: House Bill 26 - 132nd General Assembly

No transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, except as follows:

(A) The unexpended balance in a bond fund that is no longer needed for the purpose for which such fund was created shall be transferred to the sinking fund or bond retirement fund from which such bonds are payable.

(B) The unexpended balance in any specific permanent improvement fund, other than a bond fund, after the payment of all obligations incurred in the acquisition of such improvement, shall be transferred to the sinking fund or bond retirement fund of the subdivision; provided that if such money is not required to meet the obligations payable from such funds, it may be transferred to a special fund for the acquisition of permanent improvements, or, with the approval of the court of common pleas of the county in which such subdivision is located, to the general fund of the subdivision.

(C)(1) Except as provided in division (C)(2) of this section, the unexpended balance in the sinking fund or bond retirement fund of a subdivision, after all indebtedness, interest, and other obligations for the payment of which such fund exists have been paid and retired, shall be transferred, in the case of the sinking fund, to the bond retirement fund, and in the case of the bond retirement fund, to the sinking fund; provided that if such transfer is impossible by reason of the nonexistence of the fund to receive the transfer, such unexpended balance, with the approval of the court of common pleas of the county in which such division is located, may be transferred to any other fund of the subdivision.

(2) Money in a bond fund or bond retirement fund of a city, local, exempted village, cooperative education, or joint vocational school district may be transferred to a specific permanent improvement fund provided that the county budget commission of the county in which the school district is located approves the transfer upon its determination that the money transferred will not be required to meet the obligations payable from the bond fund or bond retirement fund. In arriving at such a



Ohio Revised Code

Section 5705.15 Transfer of public funds - exceptions.

Effective: October 1, 1953

Legislation: House Bill 1 - 100th General Assembly

In addition to the transfers authorized in section 5705.14 of the Revised Code, the taxing authority of any political subdivision may, in the manner provided in this section and section 5705.16 of the Revised Code, transfer from one fund to another any public funds under its supervision, except the proceeds or balances of loans, bond issues, special levies for the payment of loans or bond issues, the proceeds or balances of funds derived from any excise tax levied by law for a specified purpose, and the proceeds or balances of any license fees imposed by law for a specified purpose.



Ohio Revised Code

Section 5705.16 Resolution for transfer of funds; petition; approval or disapproval by tax commissioner.

Effective: September 30, 2021

Legislation: House Bill 110

A resolution of the taxing authority of any political subdivision shall be passed by a majority of all the members thereof, declaring the necessity for the transfer of funds authorized by section 5705.15 of the Revised Code, and such taxing authority shall submit to the tax commissioner a petition that includes the name and amount of the fund, the fund to which it is desired to be transferred, a copy of such resolution with a full statement of the proceedings pertaining to its passage, and the reason or necessity for the transfer. The commissioner shall approve the transfer of such funds upon determining each of the following:

- (A) The petition states sufficient facts;
- (B) That there are good reasons, or that a necessity exists, for the transfer;
- (C) No injury will result from the transfer of such funds.

If the petition is disapproved by the commissioner, it shall be returned within thirty days of its receipt to the officers who submitted it, with a memorandum of the commissioner's objections, and the taxing authority shall not transfer the funds as requested by the petition. This disapproval shall not prejudice a later application for approval. If the petition is approved by the commissioner, it shall be returned within thirty days of its receipt to the officers who submitted it, and the taxing authority may transfer the funds as requested by the petition.



determination, the county budget commission shall consider the balance of the bond fund or bond retirement fund, the outstanding obligations payable from the fund, and the sources and timing of the fund's revenue.

(D) The unexpended balance in any special fund, other than an improvement fund, existing in accordance with division (D), (F), or (G) of section 5705.09 or section 5705.12 of the Revised Code, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.

(E) Money may be transferred from the general fund to any other fund of the subdivision.

(F) Moneys retained or received by a county under section 4501.04 or division (A)(2) of section 5735.27 of the Revised Code may be transferred from the fund into which they were deposited to the sinking fund or bond retirement fund from which any principal, interest, or charges for which such moneys may be used is payable.

(G) Moneys retained or received by a municipal corporation under section 4501.04 or division (A)(1) of section 5735.27 of the Revised Code may be transferred from the fund into which they were deposited to the sinking fund or bond retirement fund from which any principal, interest, or charges for which such moneys may be used is payable.

(H)(1) Money may be transferred from the county developmental disabilities general fund to the county developmental disabilities capital fund established under section 5705.091 of the Revised Code or to any other fund created for the purposes of the county board of developmental disabilities, so long as money in the fund to which the money is transferred can be spent for the particular purpose of the transferred money. The county board of developmental disabilities may request, by resolution, that the board of county commissioners make the transfer. The county board of developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners may make the transfer. Money transferred to a fund shall be credited to an account appropriate to its particular purpose.



(2) An unexpended balance in an account in the county developmental disabilities capital fund or any other fund created for the purposes of the county board of developmental disabilities may be transferred back to the county developmental disabilities general fund. The transfer may be made if the unexpended balance is no longer needed for its particular purpose and all outstanding obligations have been paid. Money transferred back to the county developmental disabilities general fund shall be credited to an account for current expenses within that fund. The county board of developmental disabilities may request, by resolution, that the board of county commissioners make the transfer. The county board of developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners may make the transfer.

(I) Money may be transferred from the public assistance fund established under section 5101.161 of the Revised Code to either of the following funds, so long as the money to be transferred from the public assistance fund may be spent for the purposes for which money in the receiving fund may be used:

(1) The children services fund established under section 5101.144 of the Revised Code;

(2) The child support enforcement administrative fund established, as authorized under rules adopted by the director of job and family services, in the county treasury for use by any county family services agency.

Except in the case of transfer pursuant to division (E) of this section, transfers authorized by this section shall only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members.

AUDITOR OF STATE BULLETIN 99-006
APRIL 6, 1999

TO: Fiscal Officer of All Subdivisions
All Independent Public Accountants

SUBJECT: Requests for New Funds

The Auditor of State receives numerous requests to establish new funds under the provisions of Ohio Rev. Code §5705.12 which states:

In addition to the funds provided for by sections 5705.09, 5705.121, 5705.13, and 5705.131 of the Revised Code, the taxing authority of a subdivision may establish, with the approval of and in the manner prescribed by the auditor of state, such other funds as are desirable, and may provide by ordinance or resolution that money derived from specified sources other than the general property tax shall be paid directly into such funds. The auditor of state shall consult with the tax commissioner before approving such funds.

The purpose of this Bulletin is to identify when a request under this code section is required and when a local government may create a new fund without the Auditor of State's approval.

When Requests are Unnecessary

Approval to establish a new fund is unnecessary when the creation of the desired fund is already authorized or required by statute. Whenever the creation of a fund is authorized or required by statute, either specifically by name, or in general, a separate letter requesting permission to establish the fund is not required.

Examples of specific statutory requirements are found in Ohio Rev. Code §3313.81, which requires that school districts establish food service funds, and in Ohio Rev. Code §5747.50, which requires that each county establish an undivided local government fund. Similar statutory provisions requiring the creation of a specific fund are scattered throughout the Revised Code.

General statutory requirements for the creation of funds are found in Ohio Rev. Code §5705.09. This code section states:

Each subdivision shall establish the following funds:

(A) General fund;

(B) Sinking fund whenever the subdivision has outstanding bonds other than serial bonds;

(C) Bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness;

(D) A special fund for each special levy;

(E) A special bond fund for each bond issue;

(F) A special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose;

(G) A special fund for each public utility operated by a subdivision;

(H) A trust fund for any amount received by a subdivision in trust.

Based on this statute, it is unnecessary to continue to request permission from the Auditor of State to establish a new fund when the purpose of the fund will be to record and expend the proceeds of debt, to account for a new grant whose use is restricted to a particular purpose or to account for money received in trust.

When Requests are Necessary

It is necessary to continue to submit requests to the Auditor of State when the creation of the fund is not specifically authorized by statute or when the purpose of the fund is not identified in Ohio Rev. Code §5705.09 (A) - (H). Situations in which it would be appropriate to continue to submit requests include: 1) when management wishes to create a new fund in order to capture additional financial information about a specific source of revenue or a specific activity; 2) when the fund will be used to account for restricted gifts or bequests that will not be held in trust; and 3) when management wants to impose internal restrictions on the use of otherwise unrestricted resources

Management often asks to create a new fund to determine how much revenue a specific source generates or how money from a specific source is being spent. In circumstances where the desired financial information can be obtained by creating additional accounts within an existing fund, the creation of a separate fund is generally considered unnecessary. An exception to this policy is made for requests for the creation of proprietary funds.

Proprietary funds are intended to account for activities that are similar to businesses. The activity is at least partially financed by charges for services or goods. Rates are usually set by the legislative authority, and the desire is to maintain accounting records which can demonstrate the extent that charges cover the costs of providing the goods or services. This is accomplished by tracking all revenues and the related expenses of an activity within a single fund. Requests for the creation of a proprietary fund are usually granted.

Sending a request to establish a new fund is still appropriate when the fund will be used to

Do not classify funds holding restricted gifts as trust funds if the beneficiary is the government. If a trust agreement designates other parties as beneficiaries, then the fund **should** be classified as a trust fund. GASB 1300.108)

account for restricted gifts or bequests not held in trust. ~~The creation of a trust fund is not necessary to account for restricted gifts or donations; this money may be accounted for in a special revenue fund or, if restricted to the acquisition of fixed assets, in a capital projects fund. A trust fund is recommended only when there is a formal trust agreement with the donor.~~ Requests to account for restricted gifts and donations are routinely granted based on the need to demonstrate compliance with donor restrictions.

Letters frequently request permission for a new fund based on management's wish to place internal restrictions on the use of otherwise unrestricted resources. These types of requests are generally not approved. It is the policy of the Auditor of State to refuse requests when approval would result in giving readers of financial statements the false impression that the use of the resources in the fund is restricted. The General Assembly has begun authorizing the creation of funds using unrestricted resources in certain specific circumstances. For example, H.B. 426 allows subdivisions to create funds for the payment of compensated absences and for the acquisition of fixed assets. The Auditor of State does not feel it is appropriate to extend this ability into areas where the legislature has not acted.

When responding to requests to establish new funds, the Auditor of State applies two basic guidelines. Separate funds are justified 1) when they will provide management with additional relevant financial information which is not obtainable using the current fund structure; and 2) when necessary to demonstrate compliance with legal or contractual restrictions.

When the purpose of a fund created under the provisions of Ohio Rev. Code §5705.12 has been fulfilled, the unexpended balance may be transferred to the general fund or to the bond retirement fund, but only after the payment of all obligations incurred and payable from the fund. (See Ohio Rev. Code §5705.14) Management may not simply modify or alter the purpose of the fund; that, in effect, creates a new fund and would require a second approval from the Auditor of State.

To request the creation of a new fund, complete the attached form. Send the form and a copy of the resolution or ordinance of the legislative authority authorizing the fund to:

[http://www.ohioauditor.gov/
resources/AOSNotifications.html](http://www.ohioauditor.gov/resources/AOSNotifications.html)

The request can be deemed approved if you do not receive a letter disapproving the request from the Auditor of State's local government services division within 30 days from the date of submission.

Questions concerning this bulletin should be addressed to the Local Government Services Division of the State Auditors Office at ~~(800) 345-2519~~.

[http://www.ohioauditor.gov/
contact.html](http://www.ohioauditor.gov/contact.html)

**AUDITOR OF STATE
REQUEST FOR FUND APPROVAL**

Entity: _____

Fiscal Officer: _____

Phone No.: _____

Request Date: _____

Fund Requested: _____

Purpose of Fund: _____

Sources of Revenue: _____

Anticipated Expenditures (Types): _____

NOTE: Please attach a copy of the resolution requesting approval to establish the fund.

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LIBRARY CHART OF ACCOUNTS

LIBRARY FUND NUMBERS

Governmental Funds

Fund Number	Fund Name
1000	General
2001-2799	Special Revenue
2801-2819	Coronavirus Relief Fund
3001-3999	Debt Service
4001-4499	Capital Projects
4501-4999	Permanent

Proprietary Funds

Fund Number	Fund Name
5001-5999	Enterprise
6001-6999	Internal Service

Fiduciary Funds *(Only if they are being held for another government.)*

Fund Number	Fund Name
9001-9249	Custodial
9501-9749	Investment Trust
9751-9999	Private – Purpose Trust

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LIBRARY REVENUE CODES

Property and Other Local Taxes

Financial Report Caption Title: Property and Other Local Taxes

Revenue Code	Revenue Name	Description
121	General Property Tax - Real Estate	Semi-annual tax settlement from county auditor, including deductions. Taxes levied by the taxing authority for the benefit of the public library district on the assessed valuation of real property located within the library district.
122	Tangible Personal Property Tax	Semi-annual tax settlement from county auditor, including deductions. Taxes levied by the taxing authority for the benefit of the public library district on the assessed valuation of personal tangible property located within the library district.
190	Other - Local Taxes	Receipt of any other taxes not described in revenue codes 121-122.

Intergovernmental

Financial Report Caption Title: Intergovernmental

Revenue Code	Revenue Name	Description
211	Unrestricted Federal Grants-In-Aid	Revenue received from the Federal government for unrestricted grants to the library.
212	Restricted Federal Grants-In-Aid	Revenue received from the Federal government for restricted grants to the library.
219	Other – Federal Grants-In-Aid	All other Federal grants-in-aid received not included in revenue codes 211-212.
221	Unrestricted State Grants-In-Aid	Revenue received from the State government for unrestricted grants to the library.
222	Restricted State Grants-In-Aid	Revenue received from the State government for restricted grants to the library.
229	Other – State Grants-In-Aid	All other State grants-in-aid received not included in revenue codes 221-222.
231	Unrestricted Local Grants-In-Aid	Revenue received from a local government for unrestricted grants to the library.
232	Restricted Local Grants-In-Aid	Revenue received from a local government for restricted grants to the library.
239	Other – Local Grants-In-Aid	All other local grants-in-aid received not included in revenue codes 231-232.
240	Public Library Fund – State	Monthly distribution from the county auditor.

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Revenue Code	Revenue Name	Description
250	Property Tax Allocation	Money provided by the State as a reimbursement for statutory tax credits and reductions granted to real and personal property taxpayers to include 10% Rollbacks, Homestead Exemptions, \$10,000 Personal Property Tax Exemption, Utility Deregulation (electric and natural gas), Property Tax Replacement (kilowatt per hour received from state and natural gas consumption taxes), Excess Distribution of Utility Deregulation Taxes, Tangible Personal Property Tax Loss and Other Property Tax Allocations.
260	Other Federal Aid	Receipts of any other Federal revenue not described in revenue codes 211-219.
270	Other State Aid	Receipts of any other State revenue not described in revenue codes 221-229.
280	Other Local Aid	Receipts of any other local revenue not described in revenue codes 231-250.
291	Unrestricted Other Grants-In-Aid	All other revenue received for unrestricted grants-in-aid to the library.
292	Restricted Other Grants-In-Aid	All other revenue received for restricted grants-in-aid to the library.
299	Other – Intergovernmental	All other intergovernmental revenues received not included in revenue codes 291-292.

Patron Fines and Fees

Financial Report Caption Title: Patron Fines and Fees

Revenue Code	Revenue Name	Description
310	Patron Fines and Lost Item Income	Includes monies received from patrons in the form of overdue fines and lost material charges.
320	Patron Rental and Usage Income	Includes monies received from patrons in the form of rental and usage income.
330	Patron Charges for Professional Service Rendered	Includes monies received from patrons for professional service rendered.
340	Patron Coin-Operated Machine Income	Monies received from the use of all coin operated machines (includes payphones, copiers and faxes).
350	Patron Parking Lot Charges	Includes monies reserved for parking on library property.
360	Patron Class and Seminar Fees	Includes monies received from patrons for library classes and seminars.
399	Other – Patron Fines and Fees	Includes all other monies received from patrons for fines and fees not included in revenue codes 310-360.

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Services Provided to Other Entities

Financial Report Caption Title: Services Provided to Other Entities

Revenue Code	Revenue Name	Description
511	Computer Services	Revenue received from other libraries on a contractual basis for computer services.
512	Interlibrary Loan Services	Revenue received for inter-library loan services.
513	Research Services	Revenue received from other libraries for research services.
519	Other – Services Provided to Other Libraries	Revenue received from other libraries for any other services not included in revenue codes 511-513.
591	Voter Registration Services	Revenue received from other entities for voter registration services.
599	Other – Other Service Provided to Other Entities	All other revenue received from other entities not included in revenue code 591.

Contributions, Gifts and Donations

Financial Report Caption Title: Contributions, Gifts and Donations

Revenue Code	Revenue Name	Description
611	Restricted Contributions – Individuals	Includes monies received as gifts, bequests, donations and endowments from private individuals where the proceeds of the gift (or interest to be earned on the principal amount of the gift) are to be used for a specific purpose.
612	Restricted Contributions – Businesses	Includes monies received as gifts, bequests, donations and endowments from private organizations where the proceeds of the gift (or interest to be earned on the principal amount of the gift) are to be used for a specific purpose.
613	Restricted Contributions – Foundations	Includes monies received as gifts, bequests, donations and endowments from philanthropic foundations where the proceeds of the gift (or interest to be earned on the principal amount of the gift) are to be used for a specific purpose.
619	Other – Restricted Contributions, Gifts and Donations	Includes all other monies received as gifts, bequests, donations and endowments where the proceeds of the gift (or interest to be earned on the principal amount of the gift) are to be used for a specific purpose.

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Revenue Code	Revenue Name	Description
651	Unrestricted Contributions – Individuals	Includes monies received as gifts, bequests, donations and endowments from private individuals to be used for any legal purpose desired without restriction, and for which no repayment or special service to the contributor is expected.
652	Unrestricted Contributions – Businesses	Includes monies received as gifts, bequests, donations and endowments from private organizations to be used for any legal purpose desired without restriction, and for which no repayment or special service to the contributor is expected.
653	Unrestricted Contributions – Foundations	Includes monies received as gifts, bequests, donations and endowments from philanthropic foundations to be used for any legal purpose desired without restriction, and for which no repayment or special service to the contributor is expected.
659	Other – Unrestricted Contributions, Gifts and Donations	Includes all other monies received as gifts, bequests, donations and endowments to be used for any legal purpose desired without restriction, and for which no repayment or special service to the contributor is expected.
690	Other – Contributions, Gifts and Donations	All other contributions, gifts and donations received not included in revenue codes 611-659.

Earnings on Investments

Financial Report Caption Title: Earnings on Investments

Revenue Code	Revenue Name	Description
701	Interest or Dividends on Investments	Interest income received from deposits and investments.
730	Gain or Loss on Sale of Investments	Any gain or loss on the sale of an investment.
740	Rental of Real Property (Investment Property)	Monies received from the rental of library property, such as rental of meeting rooms, office space,...etc.
790	Other – Earnings on Investment	All other earnings on investments not included in revenue codes 701-740.

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Miscellaneous

Financial Report Caption Title: Miscellaneous

Revenue Code	Revenue Name	Description
820	Sale of Supplies for Resale	Includes proceeds from the sale of supplies purchased for resale. (Does not include patron's fines and fees.)
831	Rental of Meeting Rooms	Any monies received for the rental of meeting rooms owned by the library.
832	Rental of Office Space	Any monies received for the rental of office space owned by the library.
839	Other – Rental of Real Property	All other monies received for the rental of real property not included in revenue codes 831-832.
841	Capital Contributions	Contributions of cash from individuals, other funds or other governments whose use is restricted to capital acquisition or construction.
851	Contributions to a Permanent Fund (Use only with Permanent funds.)	A contribution to support a program of the reporting government through the use of the interest earned on the contribution. The original contribution must be maintained intact and may not be spent.
871	Refunds for Overpayment	Monies received in the form of a refund for overpayment.
872	Insurance Reimbursements	Reimbursements on insurance payments.
879	Other – Refunds and Reimbursements	All other refunds and reimbursements not included in revenue codes 871-872.
881	Unclaimed Monies Received (Fiduciary Funds Only)	An account for Fiduciary Funds Only. To report the receipt of unclaimed monies held for distribution.
882	Deposits Received (Fiduciary Funds Only)	An account for Fiduciary Funds Only. To report the receipt of deposits held.
883	Amounts Held for Employees (Fiduciary Funds Only)	An account for Fiduciary Funds Only. Any employee payroll withholding that is collected to be distributed.
884	Amounts Received as Fiscal Agent (Fiduciary Funds Only)	An account for Fiduciary Funds Only. Any collections received for an entity for which the Library serves as the fiscal agent.
885	Other Amounts Collected for Distribution (Fiduciary Funds Only)	An account for Fiduciary Funds Only. An account for other collections made in a Fiduciary capacity.
891	Other – Miscellaneous Operating	All other miscellaneous operating revenue not included in revenue codes 820-879.
892	Other – Miscellaneous Non-Operating	All other miscellaneous non-operating revenue not included in revenue codes 820-879.

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Other Financing Sources

Financial Report Caption Title: Other Financing Sources

Revenue Code	Revenue Name	Description
911	Sale of Real Property	Includes proceeds from the sale of real library property declared surplus by the library's Board of Trustees.
912	Sale of Personal Property	Includes proceeds from the sale of personal library property declared surplus by the library's Board of Trustees.
919	Other – Sale of Fixed Assets	Proceeds from the sale of both real and personal library property not included in revenue codes 911-912.
931	Transfers – In	Revenue permanently transferred to a fund from another fund.
941	Advances – In	Revenue temporarily allocated to a fund for cash flow purposes with the intent that the money will be repaid to the originating fund.
951	Sale of Bonds	Proceeds from the sale of bonds.
952	Premium and Accrued Interest – Bonds	Premium and accrued interest from the sale of bonds.
953	Sale of Refunding Debt	Proceeds from the sale of refunding debt
959	Other – Sale of Bonds	Receipts from any other sale of bonds not described in revenue codes 951-953.
961	Sale of Notes	Proceeds from the sale of anticipatory notes.
962	Premium and Accrued Interest – Notes	Premium and accrued interest from the sale of notes.
969	Other – Sale of Notes	Receipts from any other sale of notes not described in revenue codes 961-962.
970	Other Debt Proceeds	Receipts from the proceeds of any other debt.
981	Special Items	Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.
982	Extraordinary Items	Significant transactions or other events that are both unusual in nature and infrequent in occurrence.
999	Other – Other Financing Sources	Receipts not otherwise described in revenue codes 911-982.

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LIBRARY APPROPRIATION PROGRAM CODES

Program Code	Program Name
	Library Services*
110	Public Service and Programs
120	Collection Development and Processing
	Support Services*
210	Facilities Operation and Maintenance
220	Information Services
230	Business Administration
280	Self-Insurance
750	Intergovernmental
760	Capital Outlay
781	Distributions as Fiscal Agent
782	Distributions to Other Governments
783	Distributions to Other Funds (Primary Gov't)
784	Distributions of Unclaimed Monies
785	Distributions of Deposits
786	Distributions on Behalf of Employees
789	Other Distributions
800	Debt Service
910	Transfers
920	Advances
930	Contingencies
990	Other Financing Uses

* AOS Local Government Services is discontinuing the following Program Codes:

- 100 Library Services
- 200 Support Services

Beginning in fiscal year 2023, libraries are not permitted to add *new* appropriation codes using programs 100 or 200. However, upon closing fiscal year 2022, if a library's existing appropriations include some accounts with programs 100 or 200, the library is permitted to budget those accounts in fiscal year 2023, but not in fiscal year 2024.

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LIBRARY APPROPRIATION OBJECT CODES

Salaries

Financial Report Caption Title: Salaries

Object Code	Object Name	Direct Charges	Description
100	Salaries	Yes	Summary object code for Salaries. Comprises detail object code 110.
110	Salaries	Yes	Cost of employee salaries and wages including leave time.

Employee Fringe Benefits

Financial Report Caption Title: Employee Fringe Benefits

Object Code	Object Name	Direct Charges	Description
	Employee Fringe Benefits		
	<i>Retirement Benefits</i>		
211	Ohio Public Employees Retirement System	Yes	Library's share of retirement contributions, payable to the Ohio Public Employees Retirement System.
212	Social Security	Yes	Library's share of retirement contributions, payable to the Social Security Administration for Social Security.
213	Medicare	Yes	Library's share of retirement contributions, payable to the Social Security Administration for Medicare.
219	Other – Retirement Benefits	Yes	Library's share of other retirement contributions not included in object codes 211-213.
220	<i>Insurance Benefits</i>	No	Library's payments for employee insurance benefits. Sub-summary object code for Insurance Benefits. Comprises detail object codes 221-229.
221	Medical / Hospitalization Insurance	No	Library's payment for the employer's share of employee hospitalization premiums.
222	Life Insurance	No	Library's payment for the employer's share of employee life insurance premiums.
223	Dental Insurance	No	Library's payment for the employer's share of employee dental insurance premiums.
224	Vision Insurance	No	Library's payment for the employer's share of employee vision insurance premiums.

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Object Code	Object Name	Direct Charges	Description
225	Workers' Compensation	Yes	Payments to the Ohio Bureau of Workers' Compensation.
228	Health Care Reimbursement	Yes	Payment for reimbursement of health insurance premiums.
229	Other – Insurance Benefits	No	Library's payment for the employer's share of other employee insurance benefits not included in object codes 221-225.
290	<i>Other Employee Fringe Benefits</i>	No	Sub-summary object code for Other Employee Fringe Benefits. Comprises detail object codes 291-299.
291	Unemployment Benefits	Yes	Payments to the State for unemployment compensation.
292	Employee Reimbursement Benefits	No	Payments to library employees for uniform, tool, equipment and other reimbursements.
299	Other – Employee Fringe Benefits	No	Payment of other employee fringe benefits not included in objects 291-292.

Purchased and Contracted Services

Financial Report Caption Title: Purchased and Contracted Services

Object Code	Object Name	Direct Charges	Description
300	Purchased and Contracted Services	No	Summary object code for Purchased and Contracted Services. Comprises detail object codes 310-390.
310	<i>Dues, Fees, Travel and Meeting Expense</i>	No	Sub-summary object code for Dues, Fees, Travel and Meeting Expense. Comprises detail object codes 311-319.
311	Dues and Fees	No	All dues and membership fees.
312	Travel and Meeting Expense	No	Includes the cost of travel, transportation and incidental expenses incurred for travel on official business; common carrier fares; rental of passenger-carrying vehicles; motor pool charges for passenger-carrying vehicles; mileage allowances, tools, subsistence and per diem allowances; incidental travel expenses such as baggage transfer and checking fee; communication expenses.
319	Other – Dues, Fees, Travel and Meeting Expense	No	All other expenses for dues, fees, travel and meetings not included in object codes 311-312.

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Object Code	Object Name	Direct Charges	Description
320	<i>Communications, Printing and Publicity</i>	No	Expenses for telephone and fax communications, printing and advertising. Sub-summary object code for Communications, Printing and Publicity. Comprises detail object codes 321-329.
321	Telephone	No	Telephone and fax expense.
322	Postage	No	Postage and shipping expense.
323	Postage Machine Rental	No	Postage machine rental expense.
324	Printing	No	Cost of contractual printing and reproduction such as work done on printing presses, lithographing, and other duplication, photo stating, blueprinting, photographing and microfilming.
325	Advertising	No	Expenses for publication of official notes, ads, and legal advertising in newspapers and periodicals. Also includes small advertising supplies given out by library.
329	Other – Communications, Printing and Publicity	No	Other communications, printing and advertising expenses not included in objects 321-325.
330	<i>Property Maintenance, Repair and Security Services</i>	No	Sub-summary object code for Property Maintenance, Repair and Security Services. Comprises detail object codes 331-339.
331	Maintenance and Repair of Facilities	No	Cost of service, maintenance or repairs to buildings or facilities paid to an outside firm or individual.
332	Maintenance and Repair on Equipment	No	Cost of service, maintenance or repair of equipment.
333	Security Services	No	All costs associated with security services.
334	Trash Removal	No	All costs associated with trash removal.
339	Other – Property Maintenance, Repair and Security	No	All other costs associated with property maintenance, repairs and security services not included in object codes 331-334.
340	<i>Insurance and Bonding</i>	No	Cost of all insurance other than that related to personal services (objects 220-229). Sub-summary object code for Insurance and Bonding. Comprises detail object codes 341-349.

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Object Code	Object Name	Direct Charges	Description
341	Property Insurance Premiums	No	Cost of property insurance.
342	Liability Insurance Premiums	No	Cost of liability insurance.
343	Fidelity Bond Premiums	No	Cost of fidelity and security bonds on officials and employees.
349	Other – Insurance and Bonding	No	Other insurance costs not included in objects 341-343.
350	<i>Rents and Leases</i>	No	Sub-summary object code for Rents and Leases. Comprises detail object codes 351-359.
351	Rents and Leases	No	Cost of rents and leases of land, buildings, equipment and machinery.
359	Other – Rents and Leases	No	Cost of all other rents and leases not included in object code 351.
360	<i>Utilities</i>	No	Costs of heat, light, power, water, gas, or electricity purchased from either privately owned or publicly operated utilities. Sub-summary object code for Utilities. Comprises detail object codes 361-369.
361	Electricity	No	Costs for electricity.
362	Water and Sewage	No	Costs for water and sewage.
363	Natural Gas	No	Costs for natural gas.
364	Heating Oil	No	Costs for heating oil.
365	Coal	No	Costs for coal.
369	Other – Utilities	No	Costs of utilities not included in object codes 361-365.
370	<i>Professional Services</i>	No	Sub-summary object code for Professional Services. Comprises detail object codes 371-379.
371	Auditing Services	No	Auditing services provided by either the Auditor of State Audit Division or by an independent professional accounting firm.
372	Uniform Accounting Network Fees	No	Participation fees paid to the Auditor of State for participation in the Uniform Accounting Network.
373	Tax Collection Fees	Yes	Expenses and fees as deducted by the county auditor, county treasurer and the State department of taxation for the collection and administration of taxes. Also the cost of publication of delinquent tax lists as deducted by county auditor.
374	Engineering Services	No	Expenses for architectural and engineering services.

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Object Code	Object Name	Direct Charges	Description
379	Other – Professional Services	No	All other professional services not included in object codes 371-374.
380	Library Material Control Services	No	Amounts paid to outside firms and individuals for the following types of services: library material processing, cataloging and material inventory control services.
390	Other – Purchased and Contracted Services	No	All other purchased and contracted service not included in object codes 310-380.

Library Materials and Information

Financial Report Caption Title: Library Materials and Information

Object Code	Object Name	Direct Charges	Description
410	Library Materials and Information	No	Summary object code for Library Materials and Information. Comprises detail object codes 411-419.
411	Books and Pamphlets	No	Cost to purchase all books and pamphlets.
412	Periodicals	No	Cost of magazines and newspapers.
413	Audiovisual Materials	No	Cost to purchase books on tape, audio cassettes and CD's.
414	Computer Services and Information	No	Public use software.
415	Interlibrary Loan Fees/Charges	No	Shipping costs involved with transporting books to another library.
416	Library Material Repair and Restoration	No	All costs for repairs, upkeep and restoration of library materials.
419	Other – Library Materials and Information	No	All other costs for library materials and information not included in object codes 411-416.

Supplies

Financial Report Caption Title: Supplies

Object Code	Object Name	Direct Charges	Description
450	Supplies	No	Summary object code for Supplies. Comprises detail object codes 451-459.

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Object Code	Object Name	Direct Charges	Description
451	General Administrative Supplies	No	Office stationary, forms, reproduction supplies, small items of equipment, maps and other supplies consumed in the office environment.
452	Property Maintenance / Repair Supplies and Parts	No	Cost of supplies or materials for repairs and maintenance of buildings or equipment.
453	Motor Vehicle Fuel, Supplies and Parts	No	Cost of supplies or materials purchased for automobiles, bookmobiles and trucks operated by the library.
454	Supplies Purchased for Resale	No	Cost of supplies or materials purchased for resale.
455	Warehouse Inventory Adjustments	No	Includes charges and credits to adjust perpetual inventory records to actual counts.
459	Other – Supplies	No	Cost of all other supplies not included in object codes 451-455.

Other

Financial Report Caption Title: Other

Object Code	Object Name	Direct Charges	Program Code Default	Description
500	Other	No	Defined By User	Summary object code for Other. Comprises detail object codes 510-590.
510	Dues and Memberships	No	Defined By User	Cost of dues and membership fees to library associations or organizations.
520	Taxes and Assessments	Yes	Defined By User	General property taxes paid on newly acquired real estate and assessments paid on real property owned by the library. Also included are state sales taxes collected on items sold of a taxable nature and later paid to the state.
530	Judgments and Findings	No	Defined By User	Includes expenditures from library district funds for all judgments against the district.

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Object Code	Object Name	Direct Charges	Program Code Default	Description
540	Claims	No	280	Summary object code for Claims. Comprises detail object codes 541-549.
541	Liability Insurance	No	280	Self-Insurance claims for Liability Insurance
542	Health Insurance	No	280	Self-Insurance claims for Health Insurance
543	Dental Insurance	No	280	Self-Insurance claims for Dental Insurance
544	Vision Insurance	No	280	Self-Insurance claims for Vision Insurance
545	Prescription Insurance	No	280	Self-Insurance claims for Prescription Insurance
546	Worker's Compensation	No	280	Self-Insurance claims for Worker's Compensation
549	Other Claims	No	280	All other expenditures for other Self-Insurance claims not included in object codes 541-546.
550	Refunds and Reimbursements	No	Defined By User	Refunds and reimbursements made to patrons, employees and other agencies when appropriate.
560	Grants to Other Governments	No	750	Amounts sub-granted to other governments and amounts returned to governmental granting agencies.
590	Other – Other	No	Defined By User	All other miscellaneous expenses not included in object codes 510-560.

Capital Outlay

Financial Report Caption Title: Capital Outlay

Object Code	Object Name	Direct Charges	Description
700	Capital Outlay	No	Summary object code for Capital Outlay. Comprises detail object codes 710-790.
710	Land	No	Land and interest in land, when acquired by purchase.
720	Land Improvement	No	Improvements of land such as landscaping, grading, fences when acquired by monetary outlay, cost of acquisition, construction or improvement of publicly owned parking lots.

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Object Code	Object Name	Direct Charges	Description
730	Buildings	No	The acquisition or construction of buildings and structures and additions thereto; includes increases in value of buildings and structures resulting from major alterations, restoration and modifications.
740	Building Improvements	No	Increases in the value of buildings and structures and additions thereto; includes increases in the value of buildings and structures resulting from major alterations, restoration or modification.
750	Furniture and Equipment	No	All purchases of furniture not permanently attached to buildings.
770	Motor Vehicles	No	Cost of acquisitions of automobiles, trucks and other motorized vehicles.
790	Other – Capital Outlay	No	Other expenses not included in object codes 710-770.

Principal Payments, Interest and Fiscal Charges

Financial Report Caption Title: Principal Payments, Interest and Fiscal Charges

Object Code	Object Name	Direct Charges	Description
	Debt Service		
810	Redemptions of Principal	No	Principal payments on outstanding note/bond indebtedness.
820	Interest Payments	No	Interest payments on outstanding note/bond indebtedness.
850	Financing Fees and Expenses	No	Payments to financial institutions for financing fees and other expenses.
860	Discount on Debt	No	The discount on debt is the difference between the principal amount of the debt issued and the price paid (by the investor) for the debt. This difference, the discount, is caused by the stated interest rate on the bonds being less than the market interest rate (i.e. the stated rate on the bonds is 5.75% and the market rate is 6%).
880	Payment of Capital Appreciation Bonds	No	Payment of original principal of capital appreciation bonds at maturity.
885	Payment of CAB Accretion	No	Accreted interest of capital appreciation bonds at maturity. The accreted amount represents the difference between the original principal and the bond payment at maturity.
890	Other – Debt Service	No	All other payments of debt not included in object codes 810-885.

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Object Code	Object Name	Direct Charges	Description
940	Payment to Refunded Debt Escrow Agent	No	Payments made <i>from resources other than debt proceeds</i> to escrow agent for debt refunding.

Other Financing Uses

Financial Report Caption Title: Other Financing Uses

Object Code	Object Name	Direct Charges	Description
	Other Financing Uses		
910	Transfers – Out	Yes	Transfers to other funds from a fund.
920	Advances – Out	Yes	Disbursements temporarily allocated to another fund for cash flow purposes with the intent that the money will be repaid to the originating fund.
930	Contingencies	No	Expenses of an unusual, unexpected nature. Appropriation account only; no actual expenditures are charged to this account.
940	Payment to Refunded Debt Escrow Agent	No	Payments made <i>from debt proceeds</i> to escrow agent for debt refunding.
990	Other – Other Financing Uses	No	Other expenses not included in objects 910-940.

Summary and Detail Account Codes

Within each financial reporting group, there are both summary and detail account codes available. Summary account codes are shown on the chart in **bold**. Some report groups may not have a summary account code available.

Direct Charges

If the Direct Charges column contains a ‘Yes’, expenditures may be charged directly to the account code. A purchase order or blanket certificate is not required before charging expenditures to the object account code.

If the Direct Charges column contains a ‘No’, expenditures may not be charged directly to the account code. A purchase order or blanket certificate must be established before charging expenditures to the object account code.