

**AUDITOR OF STATE BULLETIN: 96-012**  
**APRIL 15, 1996**

TO: ALL CITY AUDITORS, FINANCE DIRECTORS & TREASURERS  
ALL VILLAGE CLERKS & TREASURERS  
ALL TOWNSHIP CLERKS  
ALL COUNTY AUDITORS  
ALL INDEPENDENT PUBLIC ACCOUNTANTS

SUBJECT: FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) GRANTS, LOANS,  
AND REIMBURSEMENTS

Currently, the Ohio Emergency Management Agency, Disaster Recovery Branch is in the process of aiding certain Ohio governments with FEMA grants and/or loans. The purpose of this Auditor of State Bulletin is to inform you of the preferred accounting for FEMA grants, loans, and reimbursements.

Each separate FEMA grant or loan received by your government should be accounted for in a separate fund. The "grant" or "loan" indicates that the Ohio government will receive the money in advance of its being spent; and, this money must be kept separate, each grant or loan in its own fund. FEMA related funds should normally be classified as "capital project funds, governmental fund type"; or, as "special revenue funds, governmental fund type."

Care should be taken not to treat grants or loans as reimbursements. Previous Auditor of State Bulletins have stated that "reimbursements" are to be receipted into the fund or funds from which the initial outlay was made. FEMA grants or loans are not reimbursements and therefore each grant or loan received should have its own fund.

Cities and counties receiving FEMA grants or loans should establish separate funds within their chart of accounts.

Townships using the numeric chart of accounts (for townships) should establish funds using fund codes in the range of 2901 to 2999. Townships on the alphanumeric chart of accounts should use fund code 14, Miscellaneous Fund.

Villages should use fund code B5, Federal Grant Fund. If B5 is already being used, fund code B16 is authorized for use.

For all FEMA money, the correct receipt code to use is one which identifies the money as coming from the Federal government.

No additional Auditor of State approval is necessary to establish the FEMA funds; only a resolution of the legislative authority is needed.

If you have any questions, please contact the Auditor of State's Local Governmental Services staff at 614-466-4717 or 1-800-345-2519.