How do I record...

Presented by:
Local Government Services

Discussion will include...

• New Funds
• FEMA monies
• OPWC/OWDA payments
• Debt Issuances
• Transfers and Advances
• Fund Balance Classifications
• Budgetary
• and much more...

New Funds

Question: What do I need to do to create a new fund?

Answer: Technical Bulletin 1999-006
New Funds

Question: Do I need AOS approval?

Answer: If it is not established by law, either specifically, or in general, permission to establish a new fund comes from the Auditor of State’s Office.

AOS Permission

- Required under the following circumstances:
  - 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

AOS Approval

- When it is necessary to demonstrate compliance with legal or contractual restrictions
- Use of fund must be consistent with GASB fund definitions
  (See AOS Bulletin 2011-004)
**FEMA Grants**

**Question:** I received FEMA monies, what do I need to do?

**Answer:** FEMA monies need to run through the FEMA fund (even if reimbursing another fund)

AOS Bulletin 1998-013
AOS Bulletin 1999-005

**FEMA Hazard Mitigation**

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**OPWC/OWDA Payments**

**Question:** OPWC is paying the contractor directly, do I have to record the payments?

**Answer:** Yes, you need to record both the revenue and the expenditure.

**AOS Bulletin 2002-004**

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**Loans**

**Question:** Village received a loan from the bank to purchase a backhoe. The bank paid LGOC Equipment Company directly. Do I have to record the payments?

**Answer:** Yes, you need to record both the revenue and the expenditure.
**Debt Proceeds**

**Question:** I issued $100,000 in notes to pay for a project. They took the costs of the note out of the proceeds and I only received $99,000. What do I book?

**Answer:** Debt Proceeds - $100,000  
Issuance Costs - $1,000  

*Everything is Booked at Gross*

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**Transfers/Advances**

**Question:** What is the difference between a transfer and an advance?

**Answer:** Advances are a loan of money. The general fund expects to be repaid. Transfers are a permanent movement of money, no repayment is expected.

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**Transfers**

**Question:** How do I transfer monies?

**Answer:** Two pieces of legislation:  
1. Appropriation resolution  
2. Legislation directing the transfer
**Transfers**

**Question:** Do I have to transfer the money all at once?

**Answer:** No

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**Transfers**

**Question:** Am I allowed to transfer money out of a capital projects fund?

**Answer:** Generally, no. There are certain cases in which this is allowable. You will need to consult with legal counsel.

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**Old Funds**

**Question:** There is a fund with $300 left. There has been no activity in the fund for years. Can I close the fund?

**Answer:** Work with legal counsel. Closing the fund is dependent upon how the fund was created.

**ORC 5705.14 - 5705.16**
**Reserve Funds**

Question: The County Auditor is telling me the carryover in the general fund is large. What can I do?

Answer: Consider setting up a reserve fund ORC 5705.13. Work with legal counsel.

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**GASB Statement No. 54**

Question: I don’t file GAAP look-a-like statements, only cash. Do I have to do this?

Answer: Yes. GASB Statement No. 54 defines governmental fund types and fund balance reporting.

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**Fund Balance Classification**

Question: What is the difference between restricted and committed?

Answer: Who is controlling what the monies can be used for?

State/Grantor/Voters - Restricted
Council/Trustees - Committed
Assigned Fund Balance

Question: I closed all my purchase orders at year end but audit said I should have assigned fund balance at December 31, 2019?

Answer: Review 2020 amended certificate and appropriations

Handout Examples

Unclaimed Monies

Question: How can I eliminate old outstanding checks on my reconciliation?

Answer: Create an unclaimed monies fund under ORC Section 9.39

MAS Bulletin 91-11

[Image of assigned fund balance]

[Image of handout examples]

[Image of unclaimed monies]
Audit Costs

Question: Am I allowed to charge audit costs to other funds?

Answer: AOS Bulletin 2020-002

Special Levy Monies

Question: Am I allowed to use the fire levy to pay for the fire truck loan?

Answer: The ballot language would determine this answer. Work with legal counsel.

Credit Card Policy

Question: Do I need a credit card policy?

Answer: AOS Bulletin 2018-003
**Budgetary**

**Question:** Doesn’t the permanent appropriations have to match the total available resources on the amended certificate?

**Answer:** No. Appropriations cannot exceed the total available resources.

**Budgetary**

**Question:** Can I move appropriations from the police department to the fire department?

**Answer:** Depends upon the legal level of control.

**Budgetary**

**Question:** What is the legal level of control?

**Answer:** The level at which the Trustees/Council sets appropriations.
Budgetary

General
- Police Department
  - Personal Services $xxx,xxx
  - Other $xxx,xxx
- Fire Department
  - Personal Services $xxx,xxx
  - Other $xxx,xxx

This is the minimum level implied by statute

Budgetary

- General Fund
  - Police Department
    - Salaries and Wages $xxx,xxx
    - Employees Benefits $xxx,xxx
    - Contractual Services $xxx,xxx
    - Materials & Supplies $xxx,xxx
    - Other $xxx,xxx
    - Capital Outlay $xxx,xxx
  - Total Police Department $xxx,xxx

Example – fund department/activity and major object level

Income Taxes

Question: What do I withhold income taxes on?

Answer: The laws change all the time. I recommend calling the IRS directly.
**Property Taxes**

Question: Can I book property taxes net?

Answer: No. Property tax settlements are booked at gross (UAN users - memo receipt)

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**Traffic Camera Revenue**

Question: LGOC Traffic Company operates the program. The Township receives 60% and LGOC Traffic Company keeps 40% as their fee. Can I book this net?

Answer: No. Revenues and expenditures need to be booked at gross.

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**Township Salaries**

Question: How do I calculate how to charge the salaries to the various funds?

Answer: You are looking for a reasonable method of calculation.
**Township Salaries**

Question: If the Township budget increases into the next bracket, what is the affect on the annual salary?

Answer: The annual salary would be increased on the effective date of the budget increase to the salary for the higher compensation bracket. This increase must, however, be prorated for the portion of the year remaining after the effective date of the increase and would not result in a retroactive payment for the portion of the year already served.

**Deficit Funds**

Question: UAN won’t allow me to have deficit balances. I need to make payroll. What do I do?

Answer: Contact...

**Local Government Services**

800-345-2519

**Declining Balances**

Question: Council/Trustees want to give raises. I don’t think the Village/Township can afford this. What can I do?

Answer: Prepare a forecast (3-5 years) showing the long-term affect of the raises.
Forecast Tips

- Forecast conservatively for revenues
- Forecast as accurately as possible for expenditures
- Salaries and benefits should include all relevant pieces of personnel expenditures
- Purchased services and materials and supplies should have small increases if necessary.
- Helps prevent going into fiscal distress.

Forecasts Capital Plan

Capital Plan
- Allows for project participation with limited resources
- Communication tool to your community
- Allows your township/village to look into the future to determine additional needs

Forecasts Operating Plan

Operating Plan
- Assists the trustees/council and public to understand the financial impact of operational decisions
- Can assist in resource allocation
- Transparency and Communication

Helps prevent going into fiscal distress.
Question: Am I in Fiscal..?
Answer: Only the Auditor of State can declare an entity into fiscal caution, watch or emergency.

Question: Do I have to reconcile every month?
Answer: Yes, Reconciliations should be completed in a timely manner every month.

Question: When do I have to file?
Answer: For cash basis reports - 60 days after year end

AOS Bulletin 2015-007
Question: I am not on UAN, what do I need to file?

Answer: Financial Statements and Notes
- Hinkle System - Entity specific link emailed every year
- One PDF is uploaded
Notes on website updated every year

Audit Adjustments
What are they and how do I record them?

I got a 90 day letter...
Accounting Questions

- Manuals
  - Ohio Township Handbook
  - Village Officer's Handbook
- Technical Bulletins
- Ohio Compliance Supplement
- Past Conference Materials
- Local Government Services

Auditor of State’s Website

Resources
- Publications & Manuals
  - Ohio Township Handbook
  - Village Officer's Handbook
  - Technical Bulletins
  - Desk Calendar

Local Government Services
- Reference Materials
  - Financial Statement Shells & Footnotes
  - Current Notes
  - Specialized Notes
- Training & Past Conferences
  - Past-Conference Materials

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