



**Dave Yost**  
Auditor of State



How do I record...

Presented by:  
Local Government Services

Ohio Auditor of State  
Dave Yost

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Discussion will include....

- New Funds
- FEMA monies
- OPWC/OWDA Payments
- Debt Issuances
- Transfers and Advances
- Deficit Balances
- and much more.....



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New Funds

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

*Answer: Technical Bulletin 1999-006*



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## 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*

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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. (UAN users – memo receipt)*

*AOS Bulletin 2002-004*

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## 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 move of money, no repayment is expected.*

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## Transfers/Advances

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

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

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## 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. I recommend consulting your legal counsel.*

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## Income Taxes

Question: Do I withhold income taxes on?

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

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## Property Taxes

Question: Can I book property taxes net?

*Answer: No. Property tax settlements are booked at gross (JAN users – memo receipt).*

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## Oil & Gas Leases/Royalties

Question: What fund do I book Oil & Gas leases?

*Answer: General Fund.*

Question: What revenue classification do I use?

*Answer: Miscellaneous Revenue.*

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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.*

*AOS Bulletin 2011-007*

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## 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*

*Northeast – Nita Hendryx*

*Southeast – Robert Burlenski*

*Northwest – Belinda Miller*

*Southwest – April Davis*

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## Declining Balances

Question: Council/Trustees keep spending down our balances. What can I do to curtail the spending?

*Answer: Prepare a forecast (3-5 years) showing the direction of the Village/Township - Contact Local Government Services*

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## Fiscal Caution, Watch, Emergency

Question: Am I in Fiscal....?

*Answer: Only the Auditor of State can declare an entity into fiscal caution, watch or emergency.*

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## Fiscal Caution

- **Potential** Triggers for Fiscal Caution
  - Unauditable Financial Records
  - Significant deficiencies, material weaknesses, direct and material noncompliance as disclosed in the financial audit
  - Deficit fund balances
  - Carryover fund balance of less than one month's average expenditures for two or more consecutive years
  - Failure to reconcile accounting journals and ledgers with the treasury

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## Grounds for Fiscal Watch

- Anyone of four conditions constitutes grounds for a fiscal watch:
  - Accounts Payable
  - Deficit Fund Balances
  - Deficit in the Treasury
  - Forecasted General Fund Deficit.

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## Grounds for Fiscal Emergency?

Any one of six conditions constitutes a fiscal emergency:

- A default on any debt obligation
- A failure to make payroll to employees
- An increase in the minimum levy - inside millage
- Accounts Payable
- Deficit Fund Balances
- Deficit in the treasury

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## Bank Reconciliations

Question: Do I have to reconcile every month?

*Answer: Yes. Reconciliations should be completed in a timely manner every month.*

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## Audit Adjustments

- What are they and how do I record them?

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I got a 90 day letter...



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### Local Government Services

88 East Broad Street  
Columbus, Ohio 43215

**Nita Hendryx**  
**April Davis**

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