

OHIO AUDITOR OF STATE  
**KEITH FABER**



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## Chart of Accounts

Presented by:  
Local Government Services



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## Course Objectives

- How to correctly code receipts and expenditures
- How to use the chart of accounts in the village manual to determine your fund and account codes



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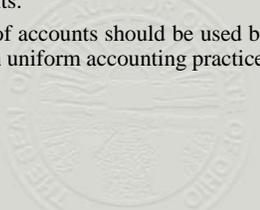
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## Why a Chart of Accounts

- A chart of accounts has been established as a way to standardize reporting requirements of local governments.
- The chart of accounts should be used by all villages to maintain uniform accounting practices.



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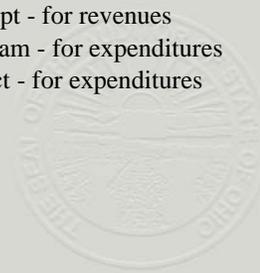
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## Numeric Account Code

- Fund
- Receipt - for revenues
- Program - for expenditures
- Object - for expenditures



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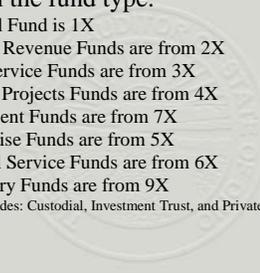
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## Fund

- Each fund is assigned a unique fund number based on the fund type.
  - General Fund is 1X
  - Special Revenue Funds are from 2X
  - Debt Service Funds are from 3X
  - Capital Projects Funds are from 4X
  - Permanent Funds are from 7X
  - Enterprise Funds are from 5X
  - Internal Service Funds are from 6X
  - Fiduciary Funds are from 9X
    - Includes: Custodial, Investment Trust, and Private Purpose Trust



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## Revenue Codes

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



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## Revenue Codes

### • Revenue Types

- 100s – Property and Other Local Taxes
- 200s – State Shared Taxes and Permits(Intergovernmental)
- 300s – Special Assessments
- 400s – Intergovernmental Revenues
- 500s – Charges for Services
- 600s – Fines, Licenses, and Permits
- 700s – Earnings on Investments
- 800s – Miscellaneous
- 900s – Other Financing Sources

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## Revenue Codes

### • Property and Other Local Taxes

- Real estate tax settlements
- Municipal income tax
- Permissive sales tax
- License tax levied by council (or permissive mvl)
- Various other local taxes

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## Revenue Codes

### • State Shared Taxes and Permits (Intergovernmental)

- Monies received that are distributed by the State but may come from the county auditor include:
  - Local government distribution
  - Cigarette tax
  - Liquor and beer permit fees
  - Gasoline tax
  - License tax
  - Property tax allocation (homestead and rollback)
  - Other state shared taxes and permits

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## Revenue Codes

- **Special Assessments**
  - All the codes under this section are based on a levy against property owners for some type of improvement or service provided to the property owners that they have to pay for.
    - Does not include grass cutting, weed cutting, etc.



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## Revenue Codes

- **Intergovernmental Revenue**
  - Are used when the Village is receiving some type of grant money.



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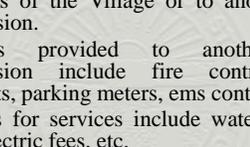
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## Revenue Codes

- **Charges for Services**
  - Each of the codes are setup for some type of service or charge that is being provided to the residents of the Village or to another political subdivision.
  - Services provided to another political subdivision include fire contracts, police contracts, parking meters, ems contracts, etc.
  - Charges for services include water fees, sewer fees, electric fees, etc.



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## Revenue Codes

- Fines, Licenses, and Permits
  - Court costs/fines
  - Zoning activity
  - Cable franchise fees, etc.



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## Revenue Codes

- Earnings on Investments
  - Interest earned on the primary checking account as well as certificates of deposits, StarOhio, mutual funds, etc.



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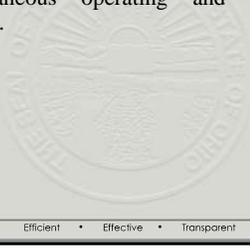
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## Revenue Codes

- Miscellaneous
  - Consists of donations/contributions, payments in lieu of taxes, capital contributions, and other miscellaneous operating and non-operating receipts.



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## Revenue Codes

- Other Financing Sources
  - Any type of debt activity recognizing the receipt of monies, whether it be bonds or notes.
  - Any transfers or advances received are also recorded here.
  - Other revenue items that don't fit elsewhere and are infrequent in nature (includes special items and extraordinary items).

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## Program Codes

- Program relates to the service that is being provided, examples are Police Enforcement, Cemeteries, Swimming Pool, Water, and Sewer.
- Each program relates to a specific function of government, examples of functions are Security of Persons and Property, Public Health, Leisure Time Activities, and Basic Utility Services.

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## Program Codes

- Each program is assigned a unique number, based on the function.

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## Program Codes

- Program Codes:
  - 100s – Security of Persons and Property
  - 200s – Public Health Services
  - 300s – Leisure Time Activities
  - 400s – Community Environment
  - 500s – Basic Utility Services
  - 600s – Transportation
  - 700s – General Government
  - 800 – Capital Outlay
  - 850 – Debt Service
  - 900s – Other Financing Uses

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## Object Codes

- Each Object is assigned a number based on the expenditure incurred.
- Object codes are a way of recognizing the actual type of expenditure that has occurred.

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## Object Codes

- Object Codes:
  - 100s – Personal Services
  - 200s – Employee Fringe Benefits
  - 300s – Contractual Services
  - 400s – Supplies and Materials
  - 500s – Capital Outlay
  - 600s – Miscellaneous
  - 700s – Debt Service
  - 900s – Other Financing Uses

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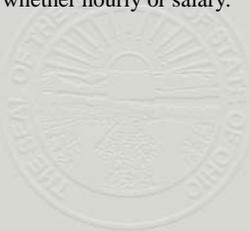
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## Object Codes

- Personal Services
  - This object code is used strictly for recording salaries whether hourly or salary.



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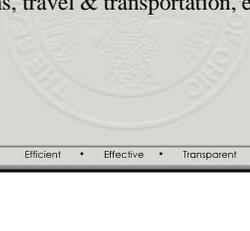
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## Object Codes

- Employee Fringe Benefits
  - This object code reflects what is paid for on the employee's behalf such as PERS, Social Security, Medicare, OP&FP, as well as insurances including workers compensation.
  - Other employee fringe benefits include uniforms, travel & transportation, etc.



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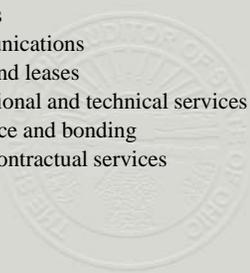
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## Object Codes

- Contractual Services
  - Utilities
  - Communications
  - Rents and leases
  - Professional and technical services
  - Insurance and bonding
  - Other contractual services



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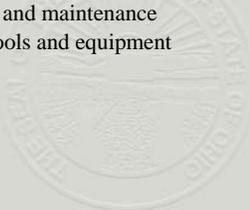
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## Object Codes

- Supplies and Materials
  - Office supplies and materials
  - Operating supplies and materials
  - Repairs and maintenance
  - Small tools and equipment



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## Object Codes

- Capital Outlay
  - Generally consist of large ticket items that are purchased such as large pieces of equipment, land, vehicles, furniture, construction of streets, sidewalks, curbs, utility distribution systems, etc.



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## Object Codes

- Other



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## Object Codes

- Debt Service
  - These codes are related to the payment of principal and interest on loans.



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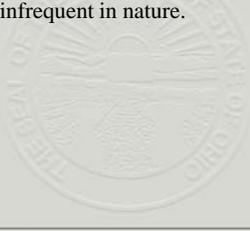
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## Object Codes

- Other Financing Uses
  - Transfers and advances from a fund
  - Other expenditure items that don't fit elsewhere and are infrequent in nature.



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