

Auditor of State Bulletin 99-005
March 24, 1999

TO: All City Auditors, Finance Directors and Treasurers
All Village Clerks and Treasurers
All Township Clerks
All County Auditors
All Independent Public Accountants

SUBJECT: Accounting for FEMA Hazard Mitigation Grants

The Auditor of State's Office recently issued a Bulletin (Bulletin 98-013) that discussed recommended accounting procedures for FEMA Public Assistance grants administered by the Ohio EMA. The purpose of this Bulletin is to address the federal Hazard Mitigation Grant Program also administered by Ohio EMA.

The program was created to assist states and local governments in implementing long term mitigation measures after a disaster declaration. The objectives of the program are to prevent future losses of lives and property due to disasters, to provide funding for State and local mitigation plans and to enable mitigation measures to be implemented during a community's immediate recovery from a disaster.

The program can fund up to 75% of the eligible costs of an approved project. The required local match may be cash, in kind services or materials. Funding is generally provided in advance of program expenditures unless a recipient is designated high risk. High risk projects are funded on a reimbursement basis. Program money must be expended within a reasonable time from receipt, generally within thirty days. All costs associated with the program must be documented and the local government must be able to demonstrate compliance with the local match requirements. Specific guidelines for mitigation grants are available from the Ohio EMA, Mitigation Branch, by calling (614) 799-3530.

The grant program should be accounted for in a separate fund. All federal money should be receipted directly into this fund. The Auditor of State recommends that all program expenditures be accounted for in this fund. Money representing the local share may be transferred by resolution or ordinance into the program fund from the general fund. If the program is funded on a reimbursement basis, the amount representing the federal share may be advanced to the program fund from the general fund and then repaid once the federal money is received.

Appropriate fund numbers are as follows:

Villages	Alpha-Numeric	Numeric
Special Revenue Fund	B5 or B16	2901-2999
Capital Projects Fund	D2	4901-4999
Townships	Alpha-Numeric	Numeric
Special Revenue Fund	14	2901-2999
Capital Projects Fund	14	4901-4999

Note: AOS no longer prescribes alpha-numeric fund codes for villages, but does not object to governments that might still use them.

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

No additional Auditor of State approval is necessary to establish the FEMA funds; only a resolution or ordinance of the legislative authority is needed. The classification of the fund as special revenue or capital projects will depend on the nature of the expenditures that will be made.

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

UAN villages will use receipt code 411 - Federal Restricted. Non-UAN villages will use receipt code D-141 - Federal Receipts. UAN Townships will use receipt code 511 - Federal Receipts. Non-UAN townships will use receipt code 14-C - Other Receipts.

Questions concerning this Bulletin should be addressed to the Local Government Services Division of the State Auditor's Office at (800) 345-2519.