



DAVE YOST  
Ohio Auditor of State



Where to Fit In? A discussion on  
Funds, Chart of Accounts, and  
Grant Accounting, and Other  
Information for  
Fire Districts

Presented by: Local Government  
Services – Michelle Wears, CPA

## Agenda

- Governmental fund cash basis accounting
- Fund Definitions
- Brief update on GASB 54
- Requesting new funds
- Notes to Financial Statements Requirement
- HINKLE

## Basis of Accounting

- Cash Basis
- OCBOA
- GAAP Basis - Fire Districts are not required to report under GAAP
- These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

## Fund Definitions

### **General Fund (1000)\***

General fund should be used to account for and report all financial resources not accounted for and reported in another fund.

\*Fire Districts using UAN follow the township UAN chart of accounts

# Fund Definitions

## Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are *restricted or committed to expenditures* for specified purposes other than debt service or capital projects. *The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.*

# Fund Definitions

- Special revenue funds must have a specific restricted or committed revenue source which comprises a substantial portion of fund’s resources on an ongoing basis
  - Fund also may include other restricted, committed, and assigned resources
  - Discontinue reporting the fund as SR when the restricted or committed resource is not longer expected to be the substantial portion of the inflows to the fund.
    - Combine with general fund with the appropriate fund balance classification.

## Common Special Revenue Funds

- ORC 505.39 allows the levy of property taxes for fire and rescue services
  - EMS Levy Fund (2111-2139)
- ORC 505.371 & 505.375 allows for the creation of rates set by the Fire District for services
  - EMS Fund (2111-2139) emergency run services and billing contracts
  - Ambulance and Emergency Services Fund
- Grants
  - Safety Intervention Grant Fund
  - FEMA – see AOS Bulletin 1998-013
  - Other Grants

## Types of Grants

- Reimbursable Type – spend money then request reimbursement
- Nonreimbursable type – usually receive the grant first, then the District spends the money.

## Accounting for Grants

Initial outlays before the grant money is received can be made possible by advancing money from the General Fund to the grant special revenue fund. This is repaid after the grant money is received.

If a local match is required, that amount can be transferred from the General Fund to the special revenue fund OR expended directly from another legal fund.

Be aware to NOT violate budgetary law by illegally transferring money – ORC 5705.14

## Fund Definitions

### Debt Service Funds

Debt service funds are used to account for and report financial resources that are *restricted, committed, or assigned* to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

- **Bond Retirement or Debt Service Fund (2101-3199)** - proceeds of debt normally are posted to a capital projects fund. The debt service fund receives the money pledged to pay the debt or transfers from the General Fund to pay the debt.

# Fund Definitions

## **Capital Projects Funds**

- Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure *for capital outlays*, including the acquisition or construction of capital facilities *and other capital assets*. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Loan Proceeds Fund (4101-4999) – to account for loan receipts for the construction of a new fire house.

## Other Capital Projects Funds

- Firehouse Construction Fund – for the receipt of bond proceeds for the construction of the new firehouse.
- Bureau of Workers' Compensation Grant Fund – to account for a grant restricted for capital purposes.
- Permanent Improvement Fund (4301-4399) – to account for property tax levy restricted for capital improvements and capital purchases.
- Miscellaneous Capital Projects (4901-4949) – to account for receipts to be used on capital improvements and capital purchases.

# Fund Definitions

## Permanent Funds

- Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs-that is, for the benefit of the government or its citizenry.
- Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.
  - Permanent funds should have be fund balances that are non-spendable and restricted.

## Permanent Fund or ?

- Bequest or donation given to the District with no restrictions
  - Could be posted to the General Fund
- Bequest or donation given to the District with restrictions
  - Create a special revenue fund
- Bequest or donation given to the District where only interest earnings are to be used on District programs
  - Permanent Fund
- Bequest or donation given to the District where only interest earnings are to be awarded to a qualifying student within the District
  - Private Purpose Trust Fund

## GASB Statement No. 54

- The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

## GASB Statement No. 54

- Fund balance classifications are:
  - Non-spendable
  - Restricted
  - Committed
  - Assigned
  - Unassigned

## Non-Spendable Fund Balance

- Legally or Contractually Required to be maintained.  
Examples include:
  - Principal of Permanent Funds
  - Unclaimed moneys fund

## Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

## Restricted Fund Balance

Examples of Restricted Fund Balance include resources provided from:

- Voted property tax levy not for General Fund operations
- Most grant funding

## Committed Fund Balance

- Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action at the government's highest level - board of trustees - of decision-making authority
- Constraints are imposed by the government separate from the authorization to raise the revenue
- Committed resources/amounts are not considered to be legally enforceable as with restricted.

## Committed Fund Balance

- Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed (encumbered) for use in satisfying those contractual requirements.
- Funds created under Section 5705.13(C), R.C. - capital projects funds created to accumulate resources for acquisition, construction, or improvement of capital assets (10 year max) and special revenue funds (but combined with General Fund for reporting purposes) created for accumulating resources for severance payments or extra pay periods.

## Assigned Fund Balance

- Amounts intended to be used for specific purposes
- Intent is expressed by
  - Governing body, or
  - High-level body or individual authorized by the governing body
- Lowest classification for all governmental funds, except general fund and funds with deficits

## Unassigned Fund Balance

- Unassigned fund balance is the residual classification for the general fund
- General fund should be the only fund that reports a positive unassigned fund balance
- Negative fund balances in other governmental funds are reported as negative unassigned fund balance

## When Fund Requests are Necessary

- AOS Bulletin 99-006
- Requesting permission from the AOS are unnecessary when the creation of the desired fund is already authorized or required by Statute.

## When Fund Requests are Necessary

- ❑ General statutory requirements for the creation of funds per ORC 5705.09:
  - ❑ Each subdivision shall establish the following funds:
    - 1) General Fund
    - 2) Sinking fund whenever the subdivision has outstanding bonds other than serial bonds
    - 3) Bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness

## When Fund Requests are Necessary

- 4) A special fund for each special levy
- 5) A special bond fund for each bond issue
- 6) A special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose
- 7) A special fund for each public utility operated by a subdivision
- 8) A trust fund for any amount received by a subdivision in trust

### When Fund Requests are Necessary

- When the creation of the fund is not specifically authorized by statute, or
  
- When the purpose of the fund is not identified in ORC 5705.09

### When Requests are Unnecessary

- Examples:
  - 1) When management wishes to create a new fund in order to capture additional financial information about a specific source of revenue or a specific activity
    - In circumstances where the desired financial information can be obtained by creating additional accounts within an existing fund, the creation of a separate fund is generally considered unnecessary. An exception is made for requests for the creation of proprietary funds.

## When Fund Requests are Necessary

- 2) When the fund will be used to account for restricted gifts or bequests that will **not** be held in trust
  - May be accounted for in a special revenue fund or, if restricted to the acquisition of capital assets, in a capital projects fund

## When Fund Requests are Necessary

- 3) When management wants to impose internal restrictions on the use of otherwise unrestricted resources
  - These are generally not approved
  - AOS will refuse requests when approval would result in giving readers of the financial statements the false impression that the use of the resources in the fund is restricted.

## Fund Requests

- The AOS applies two basic guidelines when responding to requests. Separate funds are justified when:
  - They will provide management with additional relevant financial information which is not obtainable using the current fund structure
  - Necessary to demonstrate compliance with legal or contractual restrictions

## Deleting Funds

- When the purpose of a fund has been fulfilled, the unexpended balance may be transferred to the general fund or to the bond retirement fund
  - Only after the payment of all obligations incurred and payable from the fund

## Deleting Funds

- Management may not simply modify or alter the purpose of the fund
  - That in effect, creates a new fund and would require a second approval from the AOS

## Other Frequently Asked Questions

- **Should encumbrances be displayed on the face of the governmental funds balance sheet?**
- A—No. Encumbrances should not be displayed on the face of the financial statements. Generally, encumbered amounts should already be included in the restricted, committed, and assigned fund balance classifications.

## Other Frequently Asked Questions

- **Can encumbrances be included in unassigned fund balance in the general fund?**
- A—No. Executing a purchase order is tantamount to assigning the amount of the purchase order to a specific purpose; thus, the outstanding encumbrance amount would be included in assigned fund balance (unless the purchase order relates to restricted or committed resources).

## Other Frequently Asked Questions

- **Should any encumbered amount in the general fund be reported as part of the committed fund balance?**
- A - Yes. Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The type of contractual obligations that would meet the committed criteria would be a contract awarded by ordinance or resolution or through the bid process authorized by ordinance or resolution of the governing board. This issue is typically limited to the general fund because of its residual (unassigned) fund balance classification.

## Other Frequently Asked Questions

- **How is GASB 54 supposed to be presented for a regulatory cash basis Fire District?**
- A - The application of the fund type definitions and fund balance classifications are the same for GAAP basis financial statements, OCBOA financial statements, and regulatory basis financial statements. The office took the same approach when the fund types changed under GASB Statement No. 34.

## Other Frequently Asked Questions

- **What are the consequences for a regulatory basis local government that does not implement GASB 54?**
- A - The failure to follow the requirements of GASB Statement No. 54 would preclude the auditor from issuing an unqualified opinion on the financial statements.

## Notes to Financial Statements

- Now required to prepared and file your Notes to the Financial Statements .
- Shells are available on the Auditor of State website as a word document.
- Remember to customize every note for your entity – if it doesn't apply to you, you can delete it. Be sure to renumber your notes

## Note Shells

- Go to [www.ohioauditor.gov](http://www.ohioauditor.gov)
- Hover your mouse on Local Government at the top, then click Reference Materials
- On the left side, choose Financial Statement Shells and Footnotes

## Note Shells - continued

- Choose OCBOA or Regulatory, then find your entity type
- Click on Notes and save the file on your computer in an easy to find place
- Consider naming the file with the year you're working on, so that you can go back to it in future years
- These shells are updated about once a year, so check back for updates and incorporate them into your file each year

## Note Shells - continued

- The shells have colors to help guide you
  - Yellow highlights are helpful guidance
  - Green highlights are generic information; modify to fit your entity

## Hinkle System

- Everyone is required to use the Hinkle System to file their financial statements annually
- If you use UAN, filing will be part of the year end closing process
- For non-UAN users:
  - A link just for your entity will be emailed to the address our office has on file, and you must click that link to file
  - Financial data and certain demographic information is entered into the system
  - A full copy of your annual report, including required financial statements and notes, must be uploaded as one PDF file

## Hinkle System

- Frequently Asked Questions on the Hinkle System can be found on the web at:  
<http://www.ohioauditor.gov/financialreporting/default.html>
- This same web page has “Quick Guides”; these documents give step by step instructions on how to use the Hinkle System, including screen shots for each step
- This same web page also has contact information to access your account or send in questions on the Hinkle System

## Creating a PDF File

- Most common software to create PDF files is Adobe Acrobat
- There are other software programs that you can access for free on the following websites:
  - Small PDF - <https://smallpdf.com/merge-pdf>
  - PDF Forge - <http://www.pdfforge.org/>
  - Office Converter - <http://www.office-converter.com/Convert-to-PDF>
  - PDF Merge - <http://www.pdfmerge.com/>

## Creating a PDF File

- Each software may work slightly differently, but typically you will “print” to create a file; we will demonstrate this
- Once you have all pieces saved as PDFs, then you will need to combine them into one file for uploading. Again, your software may work differently, but we will demonstrate on Adobe Acrobat so that you get a general idea of how it works
- You could also print each page of your report, scan it in, and save as a PDF (if you have a copier or scanner with that option)

## **Local Government Services**

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**TRI-VALLEY FIRE DISTRICT  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Tri-Valley Fire District, Logan County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. The District serves three political subdivisions consisting of Jefferson Township, Village of Valley Hi, and the Village of Zanesfield. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits**

The District maintains its funds in checking and money market accounts.

**D. Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

EMS Levy Fund – This fund accounts for the EMS tax levy, billing, and service contract activity.

**JSP FIRE DISTRICT  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 120,243	\$ 140,820	\$ -	\$ 261,063
Charges for Services	63,447	290,206	-	353,653
Intergovernmental	29,072	4,068	-	33,140
Earnings on Investments	598	527	131	1,256
Miscellaneous	12,622	17,612	-	30,234
<i>Total Cash Receipts</i>	<u>225,982</u>	<u>453,233</u>	<u>131</u>	<u>679,346</u>
<b>Cash Disbursements</b>				
Current:				
General Government	71,130	65,415	-	136,545
Public Safety	61,142	275,462	-	336,604
Capital Outlay	3,600	3,600	-	7,200
Debt Service:				-
Principal Retirement	18,806	173,457	-	192,263
Interest and Fiscal Charges	32,898	26,630	-	59,528
<i>Total Cash Disbursements</i>	<u>187,576</u>	<u>544,564</u>	<u>-</u>	<u>732,140</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	38,406	(91,331)	131	(52,794)
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	-	15,000	-	15,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<i>Net Change in Fund Cash Balances</i>	38,406	(76,331)	131	(37,794)
<i>Fund Cash Balances, January 1</i>	<u>396,595</u>	<u>433,815</u>	<u>114,120</u>	<u>944,530</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	53,725	53,725
Restricted	-	357,484	60,526	418,010
Assigned	11,832	-	-	11,832
Unassigned	423,169	-	-	423,169
<i>Fund Cash Balances, December 31</i>	<u>\$ 435,001</u>	<u>\$ 357,484</u>	<u>\$ 114,251</u>	<u>\$ 906,736</u>

The notes to the financial statements are an integral part of this statement.

**BPM JOINT FIRE DISTRICT  
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts:</b>				
Local Taxes	\$ 97,437	\$ -	\$ -	\$ 97,437
Intergovernmental	7,609	-	-	7,609
Charges for Services	-	2,296	-	2,296
Contracts	22,136	-	-	22,136
Interest	19	-	-	19
Miscellaneous	2,333	-	-	2,333
<i>Total Cash Receipts</i>	<u>129,534</u>	<u>2,296</u>	<u>-</u>	<u>131,830</u>
<b>Cash Disbursements:</b>				
Current Disbursements:				
Security of Persons and Property:	59,380	-	-	59,380
Capital Outlay	13,432	-	177,491	190,923
Debt Service:				
Principal Retirement	32,090	-	-	32,090
Interest and Fiscal Charges	13,146	-	-	13,146
<i>Total Cash Disbursements</i>	<u>118,048</u>	<u>-</u>	<u>177,491</u>	<u>295,539</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>11,486</u>	<u>2,296</u>	<u>(177,491)</u>	<u>(163,709)</u>
<b>Other Financing Receipts (Disbursements):</b>				
Proceeds of Debt	-	-	177,491	177,491
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>177,491</u>	<u>177,491</u>
<i>Net Change in Fund Cash Balance</i>			0	13,782
<i>Fund Cash Balances, January 1</i>	<u>174,255</u>	<u>1,494</u>	<u>-</u>	<u>175,749</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	3,790	-	3,790
Unassigned (Deficit)	185,741	-	-	185,741
<i>Fund Cash Balances, December 31</i>	<u>\$ 185,741</u>	<u>\$3,790</u>	<u>\$0</u>	<u>\$189,531</u>

*The notes to the financial statements are an integral part of this statement.*

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>All Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$281,944	\$0	\$94,524	\$376,468
Charges for Services	0	109,228	0	109,228
Intergovernmental	47,216	0	14,718	61,934
Earnings on Investments	1,289	0	0	1,289
Miscellaneous	4,482	0	0	4,482
<i>Total Cash Receipts</i>	<u>334,931</u>	<u>109,228</u>	<u>109,242</u>	<u>553,401</u>
<b>Cash Disbursements:</b>				
Current Disbursements:				
General Public	77,292	0	3,121	80,413
Public Safety	158,087	104,994	0	263,081
Capital Outlay	49,711	0	0	49,711
Debt Service:				
Principal Retirement	19,423	4,750	78,709	102,882
Interest and Fiscal Charges	4,447	0	21,594	26,041
<i>Total Cash Disbursements</i>	<u>308,960</u>	<u>109,744</u>	<u>103,424</u>	<u>522,128</u>
<i>Net Change in Fund Cash Balance</i>	25,971	(516)	5,818	31,273
<i>Fund Cash Balances, January 1</i>	<u>352,179</u>	<u>60,542</u>	<u>78,056</u>	<u>490,777</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	60,026	83,874	143,900
Assigned	6,599	0	0	6,599
Unassigned (Deficit)	371,551	0	0	371,551
<i>Fund Cash Balances, December 31</i>	<u>\$378,150</u>	<u>\$60,026</u>	<u>\$83,874</u>	<u>\$522,050</u>

*The notes to the financial statements are an integral part of this statement*

AUDITOR OF STATE BULLETIN 98-013  
DECEMBER 16, 1998

TO: All City Auditors, Finance Directors and Treasurers  
All Village Clerks and Treasurers  
All Township Clerks  
All County Auditors  
All IPAs

SUBJECT: Accounting for FEMA grants

This office has been receiving numerous questions about the proper accounting treatment for grants received from the Federal Emergency Management Agency. The following are some general guidelines for handling FEMA money:

A. When no work has been completed at the time a check is received, your entity must:

- 1) Place all funds into a special FEMA fund,
- 2) Pay bills directly from the FEMA fund keeping in mind that the FEMA fund pays the federal share of each Damage Survey Report (DSR), that is 75% (federal) of the 100% total. The remaining 25% state/local match of any bills may be paid out of the general fund or other non-federal fund that permits expenditures for this purpose. When the state share is received, the state money may be receipted directly into the fund(s) from which the original payment(s) were made. As an alternative, if you wish to keep all expenditures related to the project in one fund, money may be advanced to the FEMA fund and repaid when the state share is received. The Auditor of State recommends that all project expenditures be maintained in one fund.

B. When a portion or all of the work has been completed and paid for at the time the FEMA money is received, your entity must:

- 1) Place all funds into a special FEMA fund,
- 2) For work completed and paid for, reimburse the fund(s) used to pay for the goods and/or services (before the FEMA money was received). One way to repay the fund is to reduce the expenditure in the fund making the original payment and to record the expenditure in the FEMA fund. A second method is to have advanced money to the FEMA fund in anticipation of the receipt of the grant. Repay the advance once the FEMA money is received. A third approach is to transfer the FEMA money from the FEMA fund to the fund that made the original payments.

A final alternative to repay from the FEMA fund is to create a bill from the fund that

made the original payment to the FEMA fund. The bill should identify the invoices(s) that were previously paid and show the portion(s) that are being charged to the FEMA fund. This method is most useful when the original expenditures were made in one year and receipt of the FEMA money didn't occur until the following year.

- 3) For Townships and Villages on the UAN system, the system will permit any of these procedures. Please call 1-800-833-8261 for any information on how to properly handle these types of transactions on the UAN system.

Other governments that have questions about accounting or interfund transactions may call 1-800-345-2519.

- 4) For any work not completed at the time FEMA money is received, please follow the instruction(s) shown under A.
- 5) Again, please keep in mind that the Federal FEMA money is to pay 75% federal match with the remaining 25% being paid from the state/local matching funds.

Please note that it is not necessary to create a FEMA fund for each Damage Survey Report. You need only create this fund for the entire grant. 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

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 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. If the expenditures are mostly for salaries or repairs, special revenue would be appropriate. If the expenditures are for replacing fixed assets, then classify the fund as capital projects. If expenditures will be a mixture of the two, select the fund type that reflects the majority of the expenditures.

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.

## **5705.14 Transfer of funds.**

No transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, except as follows:

(A) The unexpended balance in a bond fund that is no longer needed for the purpose for which such fund was created shall be transferred to the sinking fund or bond retirement fund from which such bonds are payable.

(B) The unexpended balance in any specific permanent improvement fund, other than a bond fund, after the payment of all obligations incurred in the acquisition of such improvement, shall be transferred to the sinking fund or bond retirement fund of the subdivision; provided that if such money is not required to meet the obligations payable from such funds, it may be transferred to a special fund for the acquisition of permanent improvements, or, with the approval of the court of common pleas of the county in which such subdivision is located, to the general fund of the subdivision.

(C)

(1) Except as provided in division (C)(2) of this section, the unexpended balance in the sinking fund or bond retirement fund of a subdivision, after all indebtedness, interest, and other obligations for the payment of which such fund exists have been paid and retired, shall be transferred, in the case of the sinking fund, to the bond retirement fund, and in the case of the bond retirement fund, to the sinking fund; provided that if such transfer is impossible by reason of the nonexistence of the fund to receive the transfer, such unexpended balance, with the approval of the court of common pleas of the county in which such division is located, may be transferred to any other fund of the subdivision.

(2) Money in a bond fund or bond retirement fund of a city, local, exempted village, cooperative education, or joint vocational school district may be transferred to a specific permanent improvement fund provided that the county budget commission of the county in which the school district is located approves the transfer upon its determination that the money transferred will not be required to meet the obligations payable from the bond fund or bond retirement fund. In arriving at such a determination, the county budget commission shall consider the balance of the bond fund or bond retirement fund, the outstanding obligations payable from the fund, and the sources and timing of the fund's revenue.

(D) The unexpended balance in any special fund, other than an improvement fund, existing in accordance with division (D), (F), or (G) of section [5705.09](#) or section [5705.12](#) of the Revised Code, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.

(E) Money may be transferred from the general fund to any other fund of the subdivision.

(F) Moneys retained or received by a county under section [4501.04](#) or division (A)(3) of section [5735.27](#) of the Revised Code may be transferred from the fund into which they were deposited to the sinking fund or bond retirement fund from which any principal, interest, or charges for which such moneys may be used is payable.

(G) Moneys retained or received by a municipal corporation under section [4501.04](#) or division (A)(1) or (2) of section [5735.27](#) of the Revised Code may be transferred from the fund into which they were

deposited to the sinking fund or bond retirement fund from which any principal, interest, or charges for which such moneys may be used is payable.

(H)

(1) Money may be transferred from the county developmental disabilities general fund to the county developmental disabilities capital fund established under section [5705.091](#) of the Revised Code or to any other fund created for the purposes of the county board of developmental disabilities, so long as money in the fund to which the money is transferred can be spent for the particular purpose of the transferred money. The county board of developmental disabilities may request, by resolution, that the board of county commissioners make the transfer. The county board of developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners may make the transfer. Money transferred to a fund shall be credited to an account appropriate to its particular purpose.

(2) An unexpended balance in an account in the county developmental disabilities capital fund or any other fund created for the purposes of the county board of developmental disabilities may be transferred back to the county developmental disabilities general fund. The transfer may be made if the unexpended balance is no longer needed for its particular purpose and all outstanding obligations have been paid. Money transferred back to the county developmental disabilities general fund shall be credited to an account for current expenses within that fund. The county board of developmental disabilities may request, by resolution, that the board of county commissioners make the transfer. The county board of developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners may make the transfer.

(I) Money may be transferred from the public assistance fund established under section [5101.161](#) of the Revised Code to either of the following funds, so long as the money to be transferred from the public assistance fund may be spent for the purposes for which money in the receiving fund may be used:

(1) The children services fund established under section [5101.144](#) of the Revised Code;

(2) The child support enforcement administrative fund established, as authorized under rules adopted by the director of job and family services, in the county treasury for use by any county family services agency.

Except in the case of transfer pursuant to division (E) of this section, transfers authorized by this section shall only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members.

Amended by 129th General Assembly File No.28, HB 153, §101.01, eff. 9/29/2011.

Amended by 128th General Assembly ch.28, SB 79, §1, eff. 10/6/2009.

Effective Date: 01-10-1992