

Basic Accounting



Objectives

- Budgetary Requirements
- Fund Accounting
- Transfers and Advances
- When is a Receipt Recorded?
- Interest
- When is a Disbursement Recorded?
- Purchase Orders



Budgetary Requirements/Documents

- Tax Budget
 - Resolution setting tax amounts and Rates
- Certificate of Estimated Resources
 - Certificate of year end balances
 - Amended official certificate of estimated resources
- Appropriation Ordinance or Resolution
- County Auditor certification of appropriations within estimated resources



Tax Budget

- Ohio Revised Code 5705.28
 - The taxing authority shall adopt a tax budget for the next succeeding fiscal year
 - To be sent to the County once adopted.

		Township Fiscal Officer	Auditor,	County, Ohio	
SCHEDULE A					
SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION					
AND COUNTY AUDITOR'S ESTIMATED TAX RATES					
Fund Description	Levy Description	Amount Approved by Budget Commission	Amount to be Derived from Levies	County Auditor's Estimate of Tax Rate to be Levied	
				Inside 10 Mill Limitation	Outside 10 Mill Limitation
		Column I	Column II	Column III	Column IV

TOWNSHIP, COUNTY			
SCHEDULE B			
LEVIES OUTSIDE 10 MILL LIMITATION, EXCLUSIVE OF DEBT LEVIES			
Fund	Levy Description	Maximum Rate Authorized To Be Levied	County Auditor's Est. of Yield of Levy (carry to Schedule A Column II)

Certificate of Estimated Resources

- Unencumbered Balance
- Estimated Taxes
- Estimated Other Resources

- Amendments

OFFICIAL CERTIFICATE OF ESTIMATED RESOURCES
OHIO REVISED CODE SECTION 5705.36
Office of Budget Commission, _____ County, Ohio
_____, Ohio August 29, 2025
To the Taxing Authority of _____ Township

The following is the amended official certificate of estimated resources for the fiscal year beginning January 1st, 2026 as revised by the Budget Commission of said County, which shall govern the total of appropriations made at any time during such fiscal year:

FUND	Estimated Unencumbered Balance Jan. 1st, 2026	TAXES	OTHER SOURCES	TOTAL
<i>TIES TO ① ON VAN PRINTOUT.</i>				

Appropriations

- Annual appropriations measure
 - Legal Level of Control
- Ohio Revised Code 5705.39
 - Appropriations limited by Estimated Revenue
- Amendments
 - Temporary
 - Permanent



What is Fund Accounting?

Fund accounting is the activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

Demonstrates a government's fiscal accountability.

What is a Fund?

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and balances, which are segregated for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions, or limitations.



Fund Accounting

Segregates transactions related to certain government functions to aid financial management

Demonstrates legal compliance

**Tax
Levies**

Grants

ORC

**Debt
Proceeds**

What kinds of Funds are there?

- **Governmental**

Those funds through which most governmental functions typically are financed. Reports on the sources, uses & balances of current financial resources.

- **Proprietary**

Focuses on the determination of operating income, financial position & cash flows

- **Fiduciary**

Focuses on net position and changes in net position



Governmental Funds

General Fund

Special Revenue Funds

Debt Service Funds

Capital Projects Funds

Permanent Funds

General Fund

- Operating fund of the government
- Used to account for all financial resources except those required to be accounted for in another fund.
- The balance is available to the government for any purpose provided it is disbursed or transferred in accordance with Ohio law
- Primary source of revenues are income and property taxes

Special Revenue Funds

Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects

Special revenue funds for road improvement and repairs

- Road & Bridge
- Street Maintenance & Repair
- Gasoline (cents per gallon) Tax
- State Highway
- Permissive Motor Vehicle License Tax

Uses defined in ORC



Special Revenue Funds

Cemetery

- Revenues consist of property taxes, lot sales, opening & closing fees, intergovernmental revenue, interest

Voted Property/Income Tax Levy – Uses defined in the ballot language

- Fire operations
- Police operations

Grants – Uses defined in the grant agreement

- SAFER FEMA Grant
- COPS Grant



Debt Service Funds

Used to account for the accumulation of resources for, and the payment of, debt principal and interest

Should be used to report resources if legally mandated (Property Taxes)





Capital Projects Funds



Used to account for and report financial resources that are for the acquisition or construction of capital facilities and other capital assets



Excludes:

- Capital assets financed by proprietary funds
- Assets that will be held in trust for individuals, private organizations, or other governments.

Capital Projects Funds

Revenues may include:

- Debt Proceeds
 - OPWC/OWDA/ODOT
 - Note/Bond Issuance
- Grants
 - OPWC/OWDA/ODOT
- Voted Tax Levy
- Transfers



Permanent Funds

Used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs

– for the benefit of the government or its citizenry

Proprietary Funds

Enterprise Funds

Used to account for any activity for which a fee is charged to **external** users for goods or services



Revenue can only be used for the costs relating to the “business”

Internal Service Funds

Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis



Fiduciary Funds

- Pension (and other employee benefit) trust funds
- Investment trust funds
- Private-purpose trust funds
- Custodial funds

Trust Agreement

Trust Agreement

Trust Agreement

Custodial Funds

Mayor's Court

Performance Deposits

- Building deposits

Fire Trust/Loss/Insurance

Payroll Withholdings

Unclaimed Monies



May be reported differently on financial statements

Fund Balance Classifications

GASB Statement 54 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 in **governmental** funds.

Reflected on the Balance Sheet:

- OCBOA Cash and Modified Cash Basis Financial Statements
- GAAP Basis Financial Statements

Regulatory Cash Basis Financial Statements

- Limited disclosure related to fund balance is included in notes

Fund Balance Classifications

Non-Spendable – Cannot be spent because not in spendable form or legally or contractually required to be intact



Restricted – Externally imposed constraints

Committed – Internally imposed constraints by formal action of the government's highest decision-making authority

Assigned - Constraints where there is government intent to be used for specific purposes but are neither restricted or committed

Unassigned – The residual classification for the general fund. Negative fund balances in other governmental funds are reported as negative unassigned fund balance

Transfers

- Transfers are a **permanent** movement of money from one fund to another; **NO** repayment is expected.
- Transfers require the following pieces of legislation
 - Resolution authorizing the transfer
 - Transfers must be part of your certificate of estimated resources and appropriation resolution
- Generally, transfers are from the general fund. Work with Legal Counsel to determine if/when transfers from other funds are permissible (ORC 5705.14-5705.16)



Advances

- Advances are a **Loan** of money. The general fund expects to be repaid.
- Advances must be approved by a formal resolution, include:
 - Amount of the advance
 - Fund advancing and fund receiving the advance.
 - An indication of the money (funds) from which it is expected that repayment will be made.
 - An estimated repayment date



Revenue - Receipts

- All money received by government needs to be recorded into the accounting system and documented through the use of a receipt or a “pay-in”
- Once entered into the accounting system the receipt is generated and should include:
 - Receipt Number
 - Total Amount Received
 - Date
 - Payer and Description
 - Fund & Receipt Code
 - Signature of Fiscal Officer



Expenditures - Disbursements



- Good or service determined
 - Requisition
- Certification of Available Funds
 - Purchase Order
- Payment of Invoices
 - Compare & Recompute
- Voucher
 - Includes details of payment
- Check

Purchase Orders

- Ohio Revised Code § 5705.41(D)(1)
 - no contracts or orders made unless certified that:
 - “the amount required to make payment has been appropriated and available or will be available

- Types of Purchase Orders
 - Regular
 - Blanket
 - Super Blanket
 - Then and Now

Send All Invoices To

PURCHASE ORDER

Date	Purchase Order No.
12/1/2024	39904930
	Page
	001

PURCHASER IS A NON-PROFIT EDUCATIONAL ORGANIZATION (POLITICAL SUB-DIVISION), REGISTERED FOR TAX-FREE TRANSACTIONS UNDER CHAPTER 52 OF THE INTERNAL REVENUE

Entity Address:

ATTN: dweisch

TERMS:

REQUISITION NO. 9142

PAYMENT WILL BE AUTHORIZED ONLY AFTER RECEIPT OF ENTIRE ORDER

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
1.0000		* Treasurer to place order * BWC Premium BWC Premium	5,531.000	5,531.00
			PAGE TOTAL	5,531.00
			GRAND TOTAL	5,531.00

	TI	FUND	FUNC.	OBJ.	SPCC.	SUBJ.	OPU	IL	JOB	AMOUNT
VERIFICATION OF RECEIPT OF GOODS		001	1110	259	0000	000000	000	00	000	5,531.00

Order Complete

Items Back Ordered (Circle)

Materials Checked

by: _____

Date: _____

Return to Treasurer's Office Upon Completion

IT IS HEREBY CERTIFIED THAT THE ABOVE AMOUNT REQUIRED TO MEET THE CONTRACT, AGREEMENT OBLIGATION, PAYMENT OR EXPENDITURE FOR THE ABOVE, HAS BEEN LAWFULLY APPROPRIATED OR AUTHORIZED OR DIRECTED FOR SUCH PURPOSE AND IS IN THE TREASURY OR IN PROCESS OF COLLECTION TO THE CREDIT OF THE FUND, FREE FROM ANY OBLIGATION OR CERTIFICATION NOW OUTSTANDING.

School Districts Are Exempt From Federal Excise Taxes And Ohio Sales Tax. **TAX EXEMPT** STATE ID: 51318935 FED ID: 345004112

THIS ORDER IS VOID UNLESS TREASURER'S CERTIFICATE IS SIGNED

TREASURER/CFO

SUPERINTENDENT

VENDOR COPY

Types of Purchase Orders



Regular Purchase Orders

- Purchase of specific item(s) from a specific vendor
- No limit to dollar amount
- No expiration, can carry into subsequent year
- Signed by fiscal officer

Then and Now Purchase Orders

- Prior Approval not obtained
- Unencumbered appropriations at the time of
- Greater than \$3,000, must pass a resolution authorizing the expenditure

Blanket Purchase Order

- A set dollar amount above which blanket POs may not exceed is established by resolution
- Used when vendor, price or quantity is open ended or not known
- Does not extend past Year End
- Only 1 blanket per appropriation line item

Super Blanket Purchase Order

- Same as above but
- No limit to dollar amount
- Multiple vendors
- Only for specific uses

Questions?



Angela DeNunzio & Holly Price
Assistant Chief Project Manager & Project Manager
Local Government Services
800-345-2519
ContactLGS@ohioauditor.gov