

Treasurer's Webinar Training  
Accounting 101  
Overview of OSC Requirements  
April 21, 2020

**BST**  
ACCOUNTING / TAX / ADVISORY

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**Accounting System Must Provide**

- What has happened
- What is happening
- Orderly analysis of financial condition
- Audit trail - trace back to origin documentation

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**Uniform Classification**

- ✓ Budgeting
- ✓ Accounting
- ✓ Reporting

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**DEFINITIONS OF FUNDS**

**General Fund (A)**  
The General Fund is used to account for the ordinary day-to-day operations of the fire district financed through taxes and other general revenues.

**Reserve Funds (R) [Cash Basis only]**  
Are used to account for proceeds that are legally restricted to expenditures for specified purposes.

**Capital Projects (H)**  
Accounts for financial resources to be used for the construction of capital facilities or acquisition of Equipment.

**Debt Service (V)**  
Accounts for the accumulation of resources for the payment of principal and interest on long-term debt.

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**DEFINITIONS OF FUNDS**

**Fiduciary Funds**  
A fund used to account for assets held by a Fire District in a trustee capacity, or as an agent for individuals, organizations, or other governments or funds.

**Supplemental Schedules**

**Non-Current Governmental Assets (K)**  
This schedule is used to account for capital assets, such as buildings, equipment, etc. (value set be Commissioners).

**Non-Current Governmental Liabilities (W)**  
This schedule is used to account for long-term debt, such as bonds, compensated absences and other long-term obligations.

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**Basis of Accounting**

Cash - Single Entry - under \$500,000 of revenue.

Modified Accrual - Double Entry - over \$500,000 of revenue.

Revenue definition does not include interfund transfers or debt proceeds in determining thrush hold.

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### Cash vs Modified Accrual

**Cash Basis:**

- Only when cash is actually received or disbursed

**Modified Accrual Basis:**

- Revenues recorded when Measurable and Available

- Measurable: The ability to reasonably estimate the amount of revenue.
- Available: Revenue collectable within the fiscal year or "close enough" after the end of the fiscal year to pay current liabilities.
  - Governing Board should define the period of time to be used and apply consistently year to year.
  - If measurable but not available, record as deferred revenue

- Expenditures are recognized when a liability is incurred if measurable.



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### MODIFIED ACCRUAL cont'd

- Expenditures - Modifications and Alternatives

- Debt Principal and Interest
  - Charged as expenditure when due and paid
- Prepaid Items (optional, with the exception of NYS Retirement System)
- Inventory (optional)



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### ACCOUNTS

- Account coding consists of a letter and a number
- The letter designates the Fund:  
For example, (A) represents the General Fund.
- The number identifies if it is a general ledger, revenue or expenditure account.

For the complete Chart of Accounts (NYS Fire District Accounting & Reporting Manual) go to:

<http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#arm>

To access an online Chart of Accounts query service, go to:  
<http://www1.osc.state.ny.us/acctlookup/accountlookup.cfm>



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**ACCOUNTS** cont'd

**Modified Accrual (only)**

- **GENERAL LEDGER**  
General Ledger Accounts are three (3) Numerical Digits.
  - 100-499 Assets
  - 600-699 Liabilities
  - 800-999 Reserves & Fund Balance

**Examples:**  
 A200 represents; General Fund (A), Cash in Checking Account.  
 A600 represents; General Fund (A), Accounts Payable.  
 A878 represents; General Fund (A), Capital Reserve

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**ACCOUNTS** cont'd

- **REVENUE**  
Revenue Accounts are four (4) Numerical Digits.  
Revenue Accounts are arranged by the source of the revenue & Fund.
  - 1000-2999 Local Source
  - 3000-3999 State Sources
  - 4000-4999 Federal Sources
  - 5000-5999 Inter-fund Transfers & proceeds from debt

**EXAMPLES:**  
 A1001 Real Property Taxes (A) General Fund.  
 A2701 Refund of Prior Year's Expenditure  
 A3960 State Aid – Emergency Disaster  
 A4389 Federal Aid – Public Safety  
 H5710 Serial Bonds (H) Capital Projects Fund

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**ACCOUNTS** cont'd

- **EXPENDITURES**  
Expenditure Accounts are five (5) Digits.
  - Expenditure accounts identify the function and object.
  - The first four (4) digits represent the function:
    - 1000-1999 General Government Support**
    - 2000-2999 Education
    - 3000-3999 Public Safety**
    - 4000-4999 Health
    - 5000-5999 Transportation
    - 6000-6999 Economic Assistance and Opportunity
    - 7000-7999 Culture and Education
    - 8000-8999 Home and Community Services**
    - 9000-9099 Employee Benefits**
    - 9700-9799 Debt Service**
    - 9900-9999 Inter-fund Transfer**





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**ACCOUNTS cont'd**



□ **EXPENDITURES cont'd**

The fifth (5) digit represents the object:

- .1 Personal Services/Wages\*
- .2 Equipment and Capital Outlay \*
- .4 Contractual \*
- .6 Debt principal
- .7 Debt interest
- .8 Employee Benefits
- .9 Inter-fund Transfers

Example A3410.2 Fire – Equip. & Capital Outlay  
A3410.4 Fire - Contractual

\* Chapter 3, Page 9 - OSC Accounting Manual  
(examples of expansion codes)

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**ACCOUNTS cont'd**



□ **EXPENDITURES cont'd**

The fifth (5) digit for object can be expanded to provide greater detail.

**EXAMPLE:**

.4 Contractual could be expanded to include:

- .401 Office Supplies
- .402 Travel
- .403 Training
- .404 Utilities

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**Questions ?**




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