

Library Chart of Accounts FAQs

1. Libraries are being asked to transition from using summary program codes for their current expenditures to using the more detailed program codes. What are these detailed program codes?

A Following are the library programs codes. Those codes highlighted in yellow are the summary codes and those highlighted in blue are the detailed codes. The UAN program code numbers are included in parenthesis for reference.

Current:

Library Services (100):

Public Services and Programs (110)-

Collection Development and Processing (120)

Support Services (200):

Facilities Operation and Maintenance (210)

Information Services (220)

Business Administration (230)

Self-Insurance (280)

Intergovernmental (750)

Capital Outlay (760)

Debt Service (800)

Note: The definitions associated with these program codes are included in appendix A to this FAQ document.

2. When is this change to the detailed program codes effective?

A The 12/31/2024 financial statements filed in the Hinkle system are required to be prepared with the new program codes. If your board will appropriate at this level-then the budget documents prepared in 2023/early 2024 should be at this detailed level. If you do not appropriate at this detailed level or your financial system will not accommodate this detailed level for financial statement presentation, then a crosswalk from your system to the Hinkle filed financial statements will need to be provided to your auditors when they conduct your 2024 audit. (See also FAQ #7)

Generally, the starting point for the 2024 reporting year is the 2024 tax budget (prepared and filed in 2023), consideration of the new program codes should be given as the 2024 year begins.

For UAN users, you can post to your existing account structure through December 31, 2023. Exception: UAN users will not be able to add any new appropriation accounts with a 100 or 200 program code in 2023. If you need a new appropriation account, you will have to use the more detailed program codes.

3. I received a notice that I was not using the detailed codes. How do I know what is needed?

A Compare the program codes used in your most recent audit. The program codes are the expenditure categories used for the governmental fund financial statements. Those expenditure classifications

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should tie into the program codes listed above. Program codes that have a zero balance do not need to be presented.

4. I prepare an Annual Comprehensive Financial Report (ACFR). Do my program codes need to match the above program codes?
 - A. If your current program codes used in your ACFR are at a greater detail than reflected above, you can continue to use your current program codes. Also, if you have comparable codes, you can continue to use those codes as well. However, if your program codes are not at the detailed identified above, you will want to consider adjusting you program codes to meet the minimum level identified above.

This same guidance also applies if you have adopted your own more detailed program codes but are not preparing an ACFR.

5. Do these program codes replace my current object codes?
 - A. No, object codes should continue to be used. The program codes are in addition to the object codes. Each expenditure would have both a program code and an object code. When the annual financial statements are prepared, the financial information is rolled into the financial statements based on the program codes. See question 6 if your library is using department codes.
6. I am currently using department codes in addition to object codes. Do I need to also add program codes?
 - A. Program codes are needed for financial reporting purposes. If your library is currently using detailed department codes and object codes, and the department codes are easily translated to the program codes needed for financial reporting purposes, then you would just need to provide your auditors with a crosswalk of how the department codes tie to the program codes used on the financial statements. However, there is nothing to preclude you from using both program codes and department codes as part of your expenditure account code.
7. Will my auditors be looking to tie my program codes to my underlying financial records?
 - A. Yes, your auditors will be looking for the accounting records to support the amounts presented on the financial statements. Typically, when charging an expenditure account, the fund number, program code and object code will be identified.

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8. When do I use the capital outlay program vs. the capital outlay object?

A Although professional judgment will impact the decision, the capital outlay program code is usually used for major capital improvements/purchases. Typically, major capital improvement/purchases are made from capital projects funds which will use the capital outlay program. (For example, new construction or major renovations.) The capital outlay object code is usually used for routine capital outlay costs. (For example, the purchase of new furniture for the children's section of the library being recorded as part of expenditures – public service and programs within the general fund.) Capital outlay expenditures usually represent capitalized items but could also include items below the government's capitalization threshold. (For example, furnishings that are below the library's capitalization threshold could still be charged to capital outlay.)

9. How should I charge staff training/travel?

A Staff training/travel are best charged where the employee's salaries are being charged.

10. How do I manage allocating costs between programs?

A. Professional judgment and materiality come into play when allocating costs between programs.

- When allocating salaries, you could track hours and allocate based on hours worked. You could also track hours to develop a representative percentage for allocation purposes.
- Employee benefits could follow the salaries.
- When invoices need allocated for recurring purchases, you could request the vendor provide an itemized billing, otherwise you will need to use your own professional judgment.
- Databases and software can be allocated based on how the databases and software will be used.

Documentation for how the allocations were developed should be maintained for audit purposes. Any well-reasoned explanation should be acceptable.

Any clearly inconsequential amounts do not need allocated. As the dollar amount gets more significant, more care should be taken in allocating the amounts.

11. Will all libraries charge similar expenditures to the same program codes?

A The goal of financial reporting is consistency and comparability of financial statements; however, each library is unique and professional judgment is involved when charging program codes. For audit purposes, a well-reasoned explanation should be acceptable.

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12. What resources are available to assist with this process?

- A There are resources available on the Ohio Library Council's web-site [AOS Detailed Library Expenditure Code Reporting for Public Libraries - Ohio Library Council \(olc.org\)](#).

Object definitions from the UAN chart of accounts can be found at: [Accounting & General Manual \(ohioauditor.gov\)](#) The Library chart of accounts can be found beginning on pdf page 311 of 411 or hard page 296. Appropriation object codes can be found beginning on pdf page 319 of 411 or hard page 304.

Also, questions can be directed to Local Government Services at (800) 345-2519 or ContactLGS@ohioauditor.gov.

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Appendix A
Library Program Code Definitions

Library Services

- 110 Public Service and Programs:** Those activities directly dealing with the library’s duty to provide the community with access to informational, educational, and entertainment services through a variety of media. This would include everyday services as well as educational and recreational programs and events and the costs necessary to fund these programs. These activities also include costs associated with the administration and supervision of public service personnel including salaries and benefits such as insurance, OPERS and Medicare. Examples include library building managers and staff salaries and benefits, fees paid to outside presenters, and supplies used for patron programs. This program includes salaries and associated benefits for research and circulation employees interacting with patrons. Also included in this program are activities related to reserving, checking out, and returning items that are a part of the library collection, including any related salaries and benefits.
- 120 Collection Development and Processing:** Those activities concerned with the acquisition, custody, cataloging, and security of books, periodicals, pamphlets, films, recordings, papers, and other materials and equipment (both in physical and electronic form) to be made available for public consumption. These activities include costs associated with the administration and supervision of collection development personnel including salaries and benefits such as insurance, OPERS and Medicare. Examples include databases for patron use, as well as purchase of physical and digital patron materials and other circulating patron items. This program includes the purchase of books and other materials for patron lending. Also included in this program are the membership costs and shipping costs involved in inter-library lending/borrowing of the collection. For purposes of defining 120, “collection” refers to the library collection (books, periodicals, pamphlets, films, recordings, papers, and other materials and equipment) made available to patrons and “processing” refers to making newly acquired items in the collection ready for initial patron use.

Overall, the 120s include acquiring the collection (including replacement items) -- purchasing the books, periodicals, pamphlets, films, recording, papers and other materials and equipment (collection development) and once these items are received, getting them ready to go on the shelf or getting them ready for circulation (processing). Processing would include cataloging. Once these items are placed in circulation for the first time, the costs of the day-to-day management of the collection (reserving, checking out, and returning items as well as repairs) are part of the 110s public service and programs. For collection items that are acquired through a subscription, the ongoing cost of the subscription is part of the 120s, excluding related maintenance services.

Support Services

- 210 Facilities Operation and Maintenance:** Those activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings, equipment, and vehicles in an effective working condition and state of repair. This includes activities of maintaining safety in buildings, on the grounds, and in the vicinity of the library. These activities include salaries and benefits of Facilities & Maintenance personnel including insurance, OPERS and Medicare as well as contract fees paid to outside vendors to provide these services. Examples include all utilities, fuel for library vehicles, supplies used for repairs and maintenance of library buildings and vehicles as well as fees paid to outside vendors for repairs and maintenance of library

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buildings, vehicles, equipment, and grounds keeping fees. This program would include maintenance of the bookmobile.

220 Information Services: Those activities concerned with technology that supports administrative use and with supporting the library's information technology systems, including supporting networks, maintaining information systems, and processing data for administrative and managerial purposes. These activities include expenditures for technology support, as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel including salaries and benefits such as insurance, OPERS and Medicare, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs. Examples include IT peripheral supplies not included in 760 Capital Outlay, databases, purchase of staff software, internet contracts and any contracted costs to provide these services. Computers, software, and subscriptions should be charged to the program using the asset.

230 Business Administration: Those activities concerned with overall administrative responsibility for the library. These activities include salaries and benefits of administrative personnel as well as expenditures incurred as a cost of doing business not directly related to individual staff members. Examples include Administration, Human Resources, and Marketing department salaries and benefits such as insurance, OPERS and Medicare, as well as benefits not tied to specific staff members such as workers compensation and unemployment fees, general office supplies, Business Administration staff training, individual and system-wide memberships, property and liability insurance, and professional fees.

280 Self-insurance: Those activities associated with the library's self-insurance program.

Intergovernmental

750 Intergovernmental: Those activities concerned with amounts sub-granted to other governments and amounts returned to governmental granting agencies.

Capital Outlay/

760 Capital Outlay: Those activities concerned with amounts expended for the acquisition of, or additions to, capital assets. Typically, this program code is used for expenditures reported in capital projects funds or for major capital improvement projects. (Excludes the amounts related to the collection recorded in 120 Collection Development and also excludes routine items recorded in the related program) Examples include acquisition of land, construction costs for new buildings or renovation, vehicle purchase, and furniture and equipment purchases including technology equipment. This includes all costs associated with placing the asset in service-engineering and other professional services.

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Debt Service

800 Debt Service: Those activities concerned with principal and interest payments on debt, including issuance costs.

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