

This is an updated seven digit chart of accounts. The seven digit chart of accounts is intended for use by small municipalities and public authorities. A unit should convert to the nine digit chart of accounts when the seven digit chart can no longer satisfy a unit's accounting needs. The seven digit chart of accounts contains the same account codes as the nine digit chart of accounts, many of which would not be applicable to a small municipality or public authority. These account codes were included to simplify the conversion from the seven digit chart of accounts to the nine digit chart of accounts. Small municipalities and public authorities should only adopt the account codes applicable to their operations.

DEPARTMENT OF STATE TREASURER
CHART OF ACCOUNTS
Section 5A

TABLE OF CONTENTS

	<u>Page</u>
Synopsis	1
Purpose and Applicability	4
Adaptation to Local Government's Needs	4
Structure	6
Definition of a Fund	8
Fund Codes and Account Group Codes	8
Assets, Liabilities, and Equity	11
Asset Account Codes	12
Liability and Equity Account Codes	18
Revenues and Expenditures	23
Revenue Account Codes	25
Functional Activity Revenue and Expenditure Account Codes	28
Revenue Source Codes	35
Expenditure Account Codes	39
Expenditure Object Codes	54
Conversion from the Seven Digit Chart of Accounts to the Nine Digit Chart of Accounts	61

Synopsis

- 1) The chart of accounts is designed to provide a uniform and orderly list from which each unit can select the accounts applicable to its own accounting needs. This classification system is intended to be used for budgeting, accounting, and reporting purposes.
- 2) In the budgeting process, the chart of accounts should be used to preserve a distinction between funds. Revenues should be shown by source and by fund. Expenditures should be classified by the fund from which they are paid; by the departments, bureaus, divisions, or other agencies spending the money; by the activities for which the expenditures are made; and by the objects of expenditure.
- 3) This chart of accounts uses seven digits for its account numbers. The first digit identifies fund codes. The next four digits designate basic accounts for assets, liabilities and equities, and revenues. For expenditure accounts, these four digits designate departments or activities. The last two digits indicate either source codes for revenues or object codes for expenditures. A typical account would be structured as follows:

X	XXXX	XX
FUND	BASIC ACCOUNT	SOURCE CODE OR OBJECT CODE

- 4) The seven basic fund types and the self-balancing account groups should be assigned values between 0 and 9. These funds and account groups are as follows:

- Central Depository/Cash Concentration Account
- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Internal Service Funds
- Self-Balancing Account Groups

Due to the variety in the number and types of funds of units, and the small number of potential values available with a single digit designation for the fund code, no attempt has been made to assign specific fund numbers to any fund types.

The use of a single digit for the fund code limits the number of funds and account groups which a unit may use to ten. The seven digit chart of accounts is intended for small municipalities and public authorities only. Units should be prepared to switch to the nine digit chart of accounts when the number of funds in use exceed the capacity of the seven digit chart of accounts.

However, a unit should consider the following practices which might allow it to continue using the seven digit chart of accounts:

- a) The Codification of Governmental Accounting and Financial Reporting Standards, Section 1300.108 states that a governmental unit should only establish the number of funds required by law and needed for financial administration. A debt service fund does not have to be established to account for debt service payments unless required by a bond order or financing agreement. Also, a municipality is not required to establish a separate fund to account for Powell Bill funds. When a unit adds a new activity or financing source, it should determine if an additional fund is necessary, or if the activity could be accounted for in an existing fund.
 - b) Fund numbers may be reassigned if funds have been closed out. This occurs most often in the case of a Capital Project Fund or a grant fund accounted for as a Special Revenue Fund. Fund numbers should not be reassigned until after the close of the last fiscal year in which the existing fund was in use.
 - c) If the unit has both Self-Balancing Account Groups, (a General Fixed Asset Account Group and a General Long-Term Debt Account Group), the same fund number may be assigned to both account groups. The accounts of each group are quite Different and have no overlapping accounts. The accounts of each group should be balanced regularly. If a unit chooses this option, the two account groups should never, under any circumstances, be combined in the financial reports of the unit. This combination should only occur in the unit's accounting system due to possible limitations of its accounting system, and in no way represents a merging of the assets and liabilities of the two account groups.
- 5) The basic accounts for assets, liabilities and equity, revenues, and expenditures are as follows:

1000 - 1999	Assets
2000 - 2999	Liabilities and Equity
3000 - 3999	Revenues
4000 - 9999	Expenditures

6) The basic source codes and object codes are as follows:

Revenue Source Codes

- 10 Taxes
- 20 Intergovernmental revenues-federal
- 30 Intergovernmental revenues-non-federal
- 40 Service charges
- 50 Enterprise charges
- 60 Assessments
- 80 Miscellaneous income
- 90 Non-revenue receipts

Expenditure Object Codes

- 00 Personal services
- 20 Supplies and materials
- 30 Current obligations and services
- 40 Fixed charges and other services
- 50 Capital outlay
- 60 Contracts, grants, subsidies, and allocations
- 70 Debt service
- 80 Contra accounts
- 90 Inventory/interfund transfers/budgetary accounts

Purpose and Applicability

The chart of accounts is designed to provide a uniform and orderly list from which each unit can select the accounts applicable to its own accounting needs. This classification system is intended to be used for budgeting, accounting, and reporting purposes. A classification system is the framework around which any accounting system is developed. The test of the adequacy of a classified system must be whether or not it provides the information needed for administrative and reporting purposes. The classification system should furnish the required information in the quickest, clearest, and most economical manner. This standard classification system is devised to reflect financial data in a number of different ways, but it should not be expected to supply every kind of desired information. For tracking purposes it may be necessary to regroup some of the accounts or to break out the accounts into further detail.

Adaptation to Local Government's Needs

Before this classification system is adopted it should be studied to determine what adjustments, if any, are necessary to make it adaptable to the requirements of a particular governmental unit. The standard classifications cover those accounts commonly found in accounting systems of local governments. Some units may not need all of the accounts provided. Only those accounts needed should be used.

In adapting this classification system to an individual governmental unit, the balance sheet accounts as well as the revenue and expenditure accounts that are used should be kept in the same order as they appear in the standard classification system. An account should be set up for each separate activity performed by each agency. The structure of many governmental units is such that departments generally represent functions, and units of the departments represent activities. Functions and departments are not always identical even in the best organized units, and related activities may be performed by agencies in different departments.

An individual governmental unit may need to rearrange accounts in order to build a classification system that fits its structure. A certain activity may be performed by a division of government other than the one under which the account appears in the standard classification system. Under such circumstances, the accounts should follow the actual organization. Regardless of the agency that performs an activity, the account titles for recording the cost of the activity should be the same. Comparability of activity costs between units can thus be secured despite differing governmental structures.

When two or more activities are performed as a single unit, it may be impossible to determine the cost of each separately. If these activities are so interwoven in the daily routine that in actual operation they cannot be split up into component elements except arbitrarily or by elaborate cost methods, an attempt to segregate them

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 5

would not be beneficial. On the other hand, direct expenditures for activities not part of the daily routine of an office may be segregated from the other expenditures of the office.

The combining of several activities under a single department, bureau, or division often will be found desirable in governmental units where departmental structure is relatively simple. It may then be necessary to use only the more general accounts. For example, "Transportation" may be used instead of the detailed accounts. Conversely, a large governmental unit may find it desirable to show functions or activities in greater detail than is suggested here.

The classification of accounts presented here is a master classification from which accounts should be selected for each fund as needed. For example, the Cash account would be needed in most of the funds; the Taxes Receivable -- Current account may be needed in the General Fund or in some municipalities' Special Revenue Funds, etc. The same would be true with certain liability, fund equity, revenue, and expenditure accounts. That is, some accounts would be needed in several funds whereas others would apply to only one fund.

The classification system presented in this policy is concerned primarily with the accounts necessary to account for the assets, liabilities, fund equity, revenues, and expenditures of each fund. However, it is also possible to use the accounts to prepare statistical reports of the finances of a unit as a whole by eliminating those items that represent revenues and expenditures of a fund, but not of the unit as a whole. For example, transfers in and out of funds of the same governmental unit are revenues and expenditures of Individual funds but not the unit as a whole.

Use in Budgeting - The budget must contain both revenues and expenditures. If the classification of revenues and expenditures presented in this policy is used in the budget, it will help administrative officials fix a definite goal, establish a means of control, and secure coordination of activities. Moreover, one aim in governmental financial management is to report actual operations as compared with budget estimates. By using the same classification in the budget as in the accounts and in the reports, it is easier to reflect whether budgetary operations are balanced, revenues exceed expenditures, or expenditures exceed revenues.

The distinction between funds must be preserved in the budget. Revenues should be shown by source and by fund. Accurate revenue estimates are dependent upon a source classification because factors that determine the amount of revenues do not affect each source uniformly. Thus, the revenue side of the budget is more likely to be realized if estimates are segregated by source and are controlled accordingly.

Expenditures should be shown in the budget classified by the funds from which they are paid; by the departments, bureaus, divisions,

or other agencies spending the money; by the activities for which the expenditures are made; and by the objects of expenditure. The classification by spending agencies provides classes for budget estimates and furnishes control accounts by which agencies can be held accountable for money expended. The activity classification makes the budget more intelligible by showing the purpose of each expenditure. The object classification provides greater detail for judging and controlling estimates, but greater emphasis should be placed on activity than on object classifications.

Structure

The first digit in the seven digit chart of accounts is the fund code, which remains the same for all assets, liabilities and equities, revenues, and expenditures of a fund. Typical fund categories which a unit might use are:

- 0-9 Central Depository/Cash Concentration Account
- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Internal Service Funds
- Self-Balancing Account Groups

Specific fund numbers are not assigned in this policy due to the limited number of fund digits available, and the variety in the number and the types of funds which a local government or public authority may operate. Units should assign the fund digits as needed. A gap may be left in assigned fund numbers if it is anticipated that additional funds of a particular type, such as capital project or special revenue fund, will be added in the future. It may be necessary to reassign fund numbers after a fund has been closed; however, this should not be done until after the end of the fiscal year in which the fund is closed.

Again, this seven digit chart of accounts is intended for small municipalities and public authorities only. If the number of funds operated by a unit exceeds the limits of the single fund digit, the unit should adopt the nine digit chart of accounts.

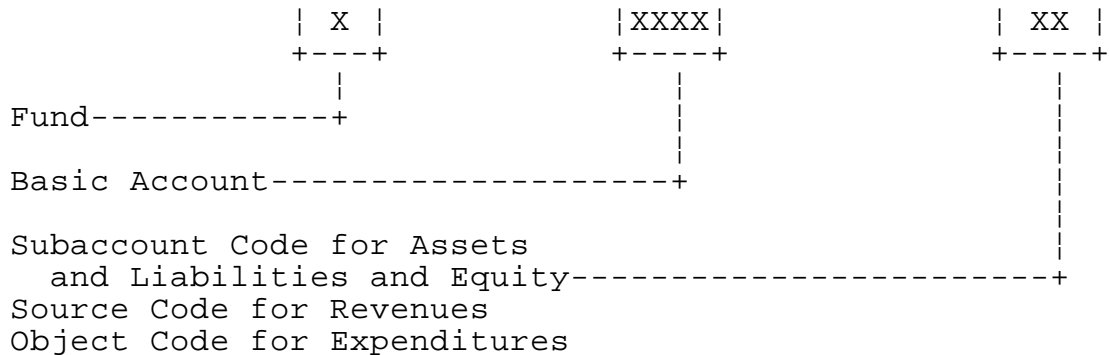
The second, third, fourth, and fifth digits are basic accounts for assets, liabilities and equity, and revenues. For expenditure accounts, these four digits designate departments or activities. They are numbered as follows:

- | | |
|-------------|------------------------|
| 1000 - 1999 | Assets |
| 2000 - 2999 | Liabilities and Equity |
| 3000 - 3999 | Revenues |
| 4000 - 9999 | Expenditures |

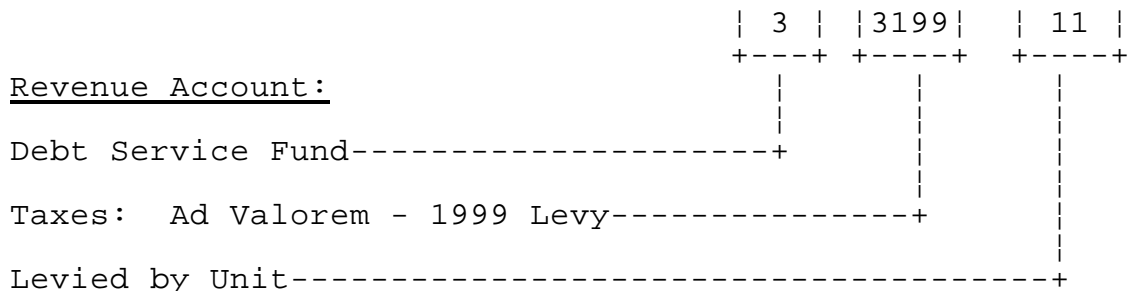
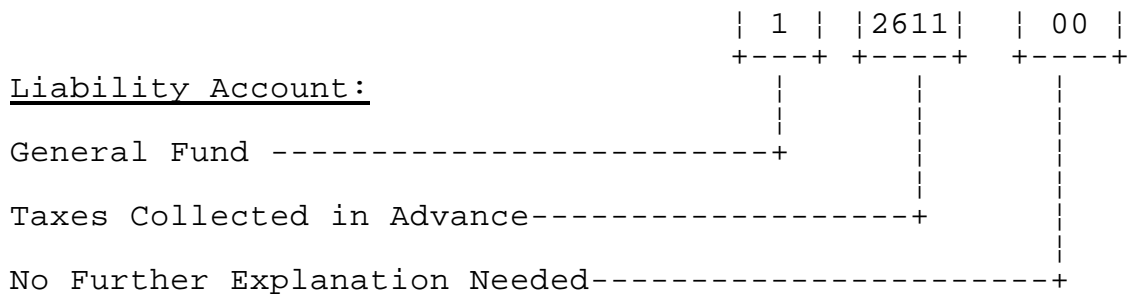
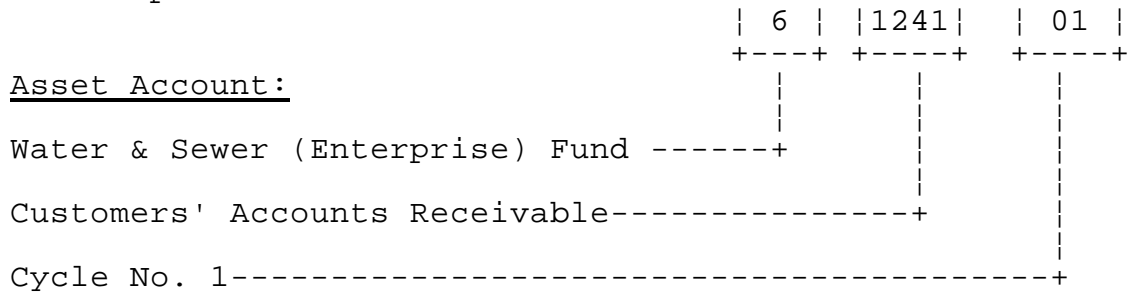
DEPARTMENT OF STATE TREASURER POLICIES MANUAL
 CHART OF ACCOUNTS
 Section 5A Page - 7

The last two digits are subaccount codes for assets and liabilities and equity. For revenues, they indicate source codes. For expenditures, they indicate objects of expenditure.

Consequently, account numbers for assets, liabilities and equities, revenues, and expenditures are structured as follows:



Typical examples are:



	6	7210	26
	+--+	+-----+	+--+
<u>Expenditure Account:</u>			
Electric (Enterprise) Fund-----+			
Administration Department-----+			
Office Supplies-----+			

Definition of a Fund

G.S. 159-7 defines a fund as "a fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations." Thus, the "fund" is the basic operating and accounting entity of each public authority and unit of government. As such, it is very strictly regulated by law and by generally accepted accounting principles. "Fund" in this policy section is defined for purposes of the chart of accounts and also includes the account groups and the central depository system even though these are not "funds" in the true sense of the term.

An efficient fund structure should have the fewest number of funds consistent with the requirements of the law and sound accounting practice. Each additional fund costs the unit more in staff time and supplies to maintain and increases the time and cost of the annual audit. Therefore, a fund should not be added unless it is determined that it is required by law, or unless the use of the fund will bring certain benefits to offset the additional costs associated with it.

Before establishing a fund, the purpose and need for the fund should be determined. (Is it required by law or could it be combined with one or more other funds? What advantages does the unit receive if the fund remains separate? What disadvantages are there to the unit over and above the problems of accounting for the extra fund?) If the fund is not required by law, it should not be established as a separate fund unless it will provide definite advantages to the unit (Codification of Governmental Accounting and Financial Reporting Standards Section 1300.108). If the fund is not established separately, its operations could be included in another appropriate fund but separated into special departments to the extent appropriate.

Fund Codes and Account Group Codes

Each fund should be assigned a one digit code within the ten numbers available. Assign additional fund numbers as needed.

FUNDS

Central Depository/Cash Concentration Account

This fund is only to be used to record transactions involving pooled deposits and investments of the various funds of the governmental unit in order to simplify recordkeeping and to maximize the amount of cash available for investments.

General Fund

General Fund - This fund is the most active fund of the unit, containing a large number of revenue and expenditure accounts that reflect the operations of general government.

Special Revenue Funds

This category of funds is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Reserve Fund -- This fund accounts for reserves for revenues that have been earmarked for a specific purpose and that will be expended sometime in the future. The law specifies that a capital reserve fund may be maintained for any purpose for which bonds may be issued.

Grant Project Fund -- This fund accounts for projects financed by revenues received from the federal and/or State government for operating or capital purposes as defined by the grant contract.

Revaluation Fund -- This fund provides for the revaluation of property tax values over the period between each revaluation according to G.S. 105-286.

Fire Districts Fund -- This fund is used to account for special taxes levied on real and personal property for the purpose of providing fire protection.

Debt Service Funds

This category of funds is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Use of this type of fund is not recommended unless it is mandated by a bond order or by law.

Capital Project Funds

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise, Internal Service, and Trust Funds).

Enterprise Funds

This category of funds accounts for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The most commonly used enterprise funds are:

- Water and Sewer Fund
- Electric Fund
- Natural Gas Fund
- Mass Transit Fund
- Landfill Fund

Trust and Agency Funds

These funds account for assets held by the unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds. These include the following subclassifications:

Expendable Trust Funds

Account for assets held by the unit in a trustee capacity when both the principal and its earnings may be expended.

Nonexpendable Trust Funds

Account for assets held by the unit in a trustee capacity, when only the earnings on principal may be expended and the principal must remain intact, i.e. the perpetual care trust fund authorized under G.S. 160A-347.

Pension Trust Funds

Account for pension assets held by the unit in a trustee capacity, i.e. assets held for the Law Enforcement Officers' Special Separation Allowance enacted by State Statute.

Agency Funds

Account for assets held by the unit in an agent capacity, i.e. assets held under a deferred compensation program.

Internal Service Funds

These funds account 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.

SELF-BALANCING ACCOUNT GROUPS

General Fixed Assets

This self-balancing account group is used to account for all fixed assets of the unit except those accounted for in Enterprise Funds, Internal Service Funds, or Trust Funds.

General Long-Term Debt

This self-balancing account group is used to account for all long-term obligations of the unit except those accounted for in Enterprise Funds, Internal Service Funds, or Trust Funds. It includes the unmatured principal portion of debt issues and lease and installment purchase contracts, claims and judgements, unfunded pension obligations, accumulated unpaid vacation pay, and other employee benefit amounts.

Assets, Liabilities, and Equity

The balance sheet accounts that are maintained in the general ledger for each fund will vary considerably from unit to unit. A unit with a sophisticated system of subsidiary ledgers will need fewer general ledger accounts than a unit with a less sophisticated system. The complexity of operation and the interrelation of the unit to other units also will affect the number of accounts that should be used.

The basic principle of establishing account codes for balance sheet accounts is good management practice. The accounting system should be designed to protect the assets, to assist in the prompt collection of amounts owed to the unit, to permit the payment of the debts in a prompt manner, and to assist the governing body and officers in managing the unit well. The account codes should provide for separation of information. They also should provide the auditor with the necessary information he/she will need to perform the annual audit. The final proposed chart of accounts for balance sheet accounts should be reviewed and discussed with the unit's independent auditor before it is approved for use.

Asset Account Codes

1000 ASSETS

- 1100 Cash and investments
 - 1101 Due from Central Depository/Cash Concentration Account
The amount that represents the equity of the fund in a central depository or cash concentration account.
 - 1110 Cash on hand
A sum of money set aside for the purpose of making change or paying obligations too small to justify payment by check.
 - 1120 Cash on demand
Cash deposited on demand in official depositories.
 - 1121 Cash in imprest payroll
Amount in the unit's imprest payroll account.
 - 1125 Cash with fiscal agent
Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
 - 1130 Cash in time deposits
Cash deposited in NOW accounts, certificates of deposits, savings, money market deposits, and other time deposits.
 - 1131 Maturities one year or less.
 - 1135 Maturities greater than one year.
 - 1140 Investments -- governments and agencies
U.S. Treasury bills, U.S. Treasury notes and bonds, Federal Land Banks, Federal Home Loan Banks, Federal National Mortgage Association, and other government and agency securities permitted by G.S. 159-30.
 - 1141 Maturities one year or less.
 - 1145 Maturities greater than one year.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 13

- 1150 Other direct investments
 - Bankers' acceptances, commercial paper, and other non-government and agency securities permitted by G.S. 159-30.
- 1151 Maturities one year or less.
- 1155 Maturities greater than one year.
- 1160 Repurchase agreements and other indirect investments
 - Agreements with a bank or securities dealer to buy eligible short-term securities for immediate delivery and to sell them back at a predetermined rate.
- 1170 Investments in the N. C. Cash Management Trust (NCCMT)
 - The N. C. Cash Management Trust is a money market mutual fund offered exclusively to local governmental units. The NCCMT is the only mutual fund certified by the Local Government Commission under G.S. 159-30(c)(8).
- 1171 Cash Portfolio
- 1172 Term Portfolio
- 1190 Interest receivable - investments
 - The amount of interest receivable on all investments.
- 1200 Receivables
 - 1210 Taxes receivable
 - 1211 Ad valorem taxes receivable -- current
 - The uncollected portion of taxes that the unit has levied that are due within one year and that are not yet considered delinquent.
 - 1212 Ad valorem taxes receivable -- delinquent
 - Taxes remaining unpaid on and after the date on which a penalty for nonpayment attaches. Delinquent taxes are classified as such until paid, abated, cancelled, or converted into tax liens.
 - 1213 Interest and penalties receivable
 - The uncollected portion of interest and penalties receivable on ad valorem taxes.

- 1214 Tax liens receivable
Legal claims against property that have been exercised because of nonpayment of delinquent taxes, interest, and penalties. Amounts accumulated in this account include delinquent taxes, interest and penalties thereon, and costs of converting delinquent taxes into tax liens.

- 1215 Local option sales tax receivable
Amount receivable from the State for the portion of the two 1/2¢ and the 1¢ Local Government Sales and Use Taxes allocated to the unit.

- 1219 Allowance for doubtful taxes receivable
The estimate of the portion of taxes receivable that will never be collected. The balance in this account is recorded as a deduction from taxes receivable to indicate net taxes receivable.

- 1220 Special assessments receivable
 - 1221 Special assessments receivable
Uncollected portion of special assessments for curbs and gutters, streets and sidewalks, etc.

 - 1229 Allowance for doubtful special assessments receivable
The estimate of the portion of special assessments receivable that will never be collected. The balance in this account is used as a deduction from special assessments receivable to reflect net special assessments receivable.

- 1230 Intergovernmental accounts receivable
 - 1231 Accounts receivable -- federal government
Receivable from federal government departments for goods sold or services rendered; or for grants, entitlements, or shared revenues.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 15

- 1232 Accounts receivable -- State government
 Receivable from State government departments
 for goods sold or services rendered; or for
 grants, entitlements, or shared revenues,
 including taxes collected for the unit by an
 intermediary collecting government; or for
 sales and gas tax refunds.

- 1233 Accounts receivable -- local governments
 Receivable from local government units for
 goods sold or services rendered.

- 1239 Allowance for doubtful intergovernmental
 accounts receivable
 The estimate of the portion of accounts
 receivable that will never be collected.
 The balance in this account is recorded as a
 reduction from accounts receivable to
 reflect net accounts receivable.

- 1240 Utilities receivables

- 1241 Accounts receivable -- water and sewer
 Uncollected portion of utility charges
 billed to customers of a water and sewer
 system.

- 1243 Accounts receivable -- electric
 Uncollected portion of utility charges
 billed to customers of an electric system.

- 1244 Accounts receivable -- gas
 Uncollected portion of utility charges
 billed to customers of a natural gas
 system.

- 1245 Accounts receivable -- mass transit
 Uncollected portion of utility charges
 billed to customers of a mass transit
 system.

- 1246 Accounts receivable -- landfill
 Uncollected portion of landfill charges
 billed to users.

- 1247 Unbilled accounts receivable
 The estimated amount of accounts receivable
 for goods and services rendered but not
 billed to customers.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 16

- 1249 Allowance for doubtful utility receivables
The estimate of the portion of utility receivables that will never be collected. The balance in this account is reported as a deduction from utility receivables to reflect net utility receivables.
- 1250 Other receivables
 - 1251 Accounts receivable -- other
Amounts due from private citizens and business firms for special services, purchases of government-owned supplies and materials, damage to government property, etc.
 - 1259 Allowance for doubtful other receivables
The estimate of the portion of other receivables that will never be collected. The balance in this account is reported as a deduction from accounts receivable -- other to reflect net accounts receivable -- other.
- 1300 Interfund, receivables
 - 1310 Due from other funds (specify fund)
Amounts owed for goods and services rendered to a particular fund by another fund within the reporting entity of the unit.
 - 1320 Interfund receivable (specify fund)
Amounts that are owed, other than charges for goods and services rendered, to a particular fund by another fund within the reporting entity of the unit and that are due within one year.
- 1400 Inventories
 - 1410 Inventories -- operations
Inventories of supplies and materials used in departmental operations to provide services.
 - 1420 Inventories -- maintenance
Inventories of supplies used to maintain fixed assets owned or leased.
 - 1430 Inventories -- administrative
Inventories of stationery and other supplies used in general and departmental administration.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 17

1500 Prepaid expenses

1510 Prepaid expenses - utilities

Charges entered in the accounts for benefits not yet received. Prepaid items differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation. Examples of prepaid items are prepaid rent, prepaid interest, and unexpired insurance premiums.

1600 Other assets

1610 Long-term receivables

Created when a local government unit is the lessor in a capital lease agreement.

1620 Deferred charges

Expenditures that are not chargeable to the fiscal period in which they are made, but which are carried as assets pending amortization or other disposition. An example of a deferred charge is unamortized discounts on bonds sold.

1630 Advance to other funds (specify fund)

Amounts that are owed, other than charges for goods and services rendered, to a particular fund by another fund within the reporting entity of the unit and that are not due within one year.

1700 Fixed assets

1710 Land

Account includes cost of land purchased, legal fees involved, and any expenses for grading, filling, or other work necessary to prepare the land for its intended use.

1720 Improvements other than buildings

Acquisition value of permanent improvements other than buildings that add value to land. Such structures as retaining walls, storm sewers, tunnels, and bridges.

1730 Buildings

Same general rules apply to buildings as to land above. Any equipment or fixtures built into or permanently attached to a building becomes part of the building (other than operating plants).

- 1740 Operating plants
 Plant used to provide the services of utilities
 (include both the buildings and equipment).
- 1750 Equipment
 Tangible property of a more or less permanent
 nature, other than land or buildings and
 improvements thereon. Examples are machinery,
 tools, furniture, and furnishings (other than
 operating plants).
- 1760 Vehicles
 Cost of motor vehicles owned by the local
 governmental unit. Examples: police cars,
 trucks, etc.
- 1790 Construction in progress
 Cost to date of construction of fixed assets
 not yet completed. Holding account for 1)
 fixed assets whose account distribution is
 undetermined at month-end or 2) accumulation of
 partial payments on invoices.
- 1800 Accumulated depreciation
 This account is used to accumulate the periodic
 credits that record the expiration of the
 estimated service life of the fixed assets.
- 1900 Other debits:
 - 1910 Amounts available in a debt service fund for
 retirement of general long-term debt
 An account in the General Long-Term Debt
 Account Group equal to the amount of fund
 balance available in Debt Service Funds for the
 retirement of general long-term debt.
 - 1920 Amounts to be provided for retirement of general
 long-term debt
 An account in the General Long-Term Debt
 Account Group that represents the amount to be
 provided from taxes or other general revenues
 to retire outstanding general long-term debt.

Liabilities And Equity Account Codes

2000 LIABILITIES AND EQUITY

- 2100 Accounts payable and accrued liabilities

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 19

- 2110 Accounts payable
 Amounts owed on open account to private persons
 or organizations for goods and services
 furnished to a local government unit.
 - 2120 Accrued interest payable
 Interest costs incurred but not due until a
 later date.
 - 2130 Other current liabilities
 Current portion of liabilities for unfunded
 pension obligations and other current
 liabilities.
 - 2150 Payroll deductions
 - 2151 FICA taxes payable
 - 2152 Federal withholding taxes payable
 - 2153 State withholding taxes payable
 - 2154 Retirement contributions payable
 - 2155 Insurance deductions payable
 - 2156 Other deductions payable
 - 2300 Current portion of long-term debt
 The face value of debt due within one year.
 - 2301 Bonds and coupons outstanding
 Amounts owed to bondholders for bonds and
 coupons that have matured but have not yet
 recorded as paid.
 - 2310 General obligation bonds payable
 - 2320 Special assessment bonds payable
 - 2330 Revenue bonds payable
 - 2350 Capital leases payable - current
 Current portion of the discounted present value of
 the minimum lease payments on lease agreements
 that were capitalized.
- 2400 Interfund/Intergovernmental payable

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 20

- 2410 Due to other funds (specify fund)
Amounts owed for goods and services rendered by a particular fund to another fund within the reporting entity of the unit.
- 2420 Interfund payable (specify fund)
Amounts that are owed, other than charges for goods and services rendered, by a particular fund to another fund within the reporting entity of the unit, and that are due within one year.
- 2440 Intergovernmental payable
Amounts owed to a federal, State, or local government i.e. due to Carolina County.
- 2500 Customer deposits
Liability of a utility enterprise fund for deposits made by customers as a prerequisite to receiving the services it provides.
- 2600 Deferred revenues
Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such accounts are measurable but not available.
- 2610 Arising from cash receipts, e.g. prepaid taxes not yet earned.
- 2620 Taxes receivable
- 2700 Long-term payables
 - 2710 Bonds payable
The face value of bonds due after one year.
 - 2711 General obligation bonds payable
 - 2714 Special assessment bonds payable
 - 2717 Revenue bonds payable
 - 2719 Other bonds and notes payable
The face value of other bonds or notes payable including tax anticipation notes, bond anticipation notes, and revenue anticipation notes.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 21

- 2750 Capital leases payable - noncurrent
 - Noncurrent portion of the discounted present value of the minimum lease payments on lease agreements that were capitalized. Both lease purchase and installment purchase obligations could be included or alternately separated into different accounts.

- 2770 Other liabilities
 - 2771 Noncurrent portion of liabilities for unfunded pension obligations

 - 2772 Advance from other funds (specify fund)
 - Amounts that are owed, other than charges for goods and services rendered, by a particular fund to another fund within the reporting entity of the unit and that are not due within one year.

 - 2773 Other noncurrent liabilities

- 2800 Equity other than fund balance
 - 2810 Contributed capital
 - An account used to record permanent contributions to an Enterprise or an Internal Service Fund to pay for fixed assets or for permanent working capital. Proper accounting procedures require that the contributions be segregated between major sources.

 - 2820 Investment in fixed assets
 - An account used to offset debits in the General Fixed Assets Account Group 1700 thru 1790.

- 2900 Fund balance/retained earnings
 - 2910 Reserved fund balance
 - Reservations of fund balances are established to indicate the portion of fund balance not available for appropriation or legally segregated for a specific use.

 - 2911 Reserve for inventories
 - Segregation of a portion of fund balance to indicate that for units using the purchases method, inventories of supplies do not represent "available spendable resources", even though they are a component of net current assets.

- 2912 Reserve for encumbrances
 Segregation of a portion of fund balance for the estimated amounts of the expenditures ultimately to result, if unperformed contracts or outstanding purchase orders in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. This amount is available for appropriation in the next year's budget for the encumbrances at year- end.
- 2913 Reserved by State statute
 Segregation of a portion of fund balance not available for appropriation after remaining reserves not available for appropriation, such as reserves for inventories, have been segregated. This amount is usually comprised of receivables.
- 2914 Reserve for debt service
 Segregation of a portion of fund balance available for appropriation but legally restricted to the payment of general long-term debt principal and interest that is due in future years.
- 2915 Reserve for prepaid items
 Segregation of a portion of fund balance to indicate that prepaid items do not represent available spendable resources even though they are a component of net current assets.
- 2916 Reserve for employees' retirement system
 Segregation of a portion of fund balance available for appropriation to pay retirement benefits when due.
- 2917 Reserve for streets
 Segregation of a portion of fund balance available for appropriation but legally segregated for street expenditures. It represents the balance of the total unexpended Powell Bill funds.
- 2920 Unreserved fund balance
 The remaining fund balance that is not reserved.

- 2921 Designated fund balance
Segregation of a portion of fund balance available for appropriation to indicate tentative plans for financial resource utilization in a future period, such as for a future courthouse or for subsequent year's expenditures. Such designations reflect tentative managerial plans or intent and should be clearly distinguished from reserves. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

- 2929 Undesignated fund balance
The amount of fund balance that is available for appropriation for any purpose by the governing board.

- 2950 Reserved retained earnings
Segregation of a portion of retained earnings, in accordance with terms of legal restriction, for amounts that should be accumulated in a restricted asset account.

- 2960 Unreserved retained earnings
The accumulated earnings of an Enterprise or Internal Service Fund that are not reserved for any specific purpose.

Revenues And Expenditures

As in the case of funds, the number of separate revenue codes, departmental expenditure codes, revenue source codes, and object of expenditure codes should be kept to the minimum needed to allow for good management of the unit's fiscal affairs. For example, departmental expenditure codes should be assigned only where one person is responsible for the whole activity or where the breakdown is important to management needs, e.g., breaking up water and sewer operations into three departments-water operations, sewer operations, and administration of the system even though one person may be responsible for all three areas. The chart of accounts established for a unit should follow the organization and objectives of the unit in order to best serve the needs of the unit's management.

Each additional departmental expenditure code should provide a benefit to the executives and governing body of the unit in terms of either ease of management or information needed to make decisions, e.g., to establish utility rates.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 24

Object of expenditure codes should be established for each department. The following object of expenditure codes are valuable for all departments:

01	Salaries and wages -- regular
03	Salaries and wages -- temporary and part-time
31	Travel
26	Departmental supplies and materials
50-59	Capital outlays

Additional object of expenditure codes should be assigned to a department only when the additional information is of value in managing the unit or department. Otherwise, using Object of Expenditure Code 49 - Miscellaneous Expenses is permissible. However, annual expenditures of 5% or more of total departmental expenditures could be considered significant and should be assigned an object code.

Revenue codes are designed to differentiate each of the unit's larger sources of revenue. Thus, it is appropriate to assign each source of revenue in excess of 3% of total revenue or \$5,000, whichever is less, a separate revenue code. An exception may be warranted where particular revenues received infrequently are accounted for in one revenue code with each entry fully describing each revenue source. Local governments should establish a separate revenue code for relatively small amounts of income received at frequent intervals.

The revenue source codes are classified into the following eight areas.

10	Taxes
20	Intergovernmental revenues - federal
30	Intergovernmental revenues - nonfederal
40	Service charges
50	Enterprise charges
60	Assessments
80	Miscellaneous income
90	Nonrevenue receipts

The intergovernmental revenues - federal and nonfederal (source codes 20 and 30) are composed of 5 classifications:

- Unrestricted
- Partly restricted
- Restricted
- Tax refunds
- Categorical grants

One of these classifications should be assigned to each intergovernmental revenue.

Revenue Account Codes

3000 REVENUES

3100 Taxes -- ad valorem

31XX Taxes -- ad valorem

Taxes paid on real property, personal property, and property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue. The year of tax levy should be updated annually and source code numbers should be used.

3113 Taxes -- ad valorem -- written off

Payments received from taxpayers on taxes written off the books in a prior period.

3200 Other taxes and licenses

3210 Taxes -- animal

3230 Taxes -- local option sales

A sales and use tax collected by the N. C. Department of Revenue and transmitted to the county in which collected and the municipalities therein.

3231 1% local option sales tax (G.S. 105, Article 39)

3232 1/2% local option sales tax (G.S. 105, Article 40)

3233 1/2% local option sales tax (G.S. 105, Article 42)

3240 Taxes -- real property transfer tax (Excise Stamp)

Documentary stamp taxes paid to the Register of Deeds for recording of deeds and mortgages.

3245 Land transfer tax -- voted tax in some counties (mostly coastal or other resort areas)

3255 911 Charges

3260 Privilege license tax

Licenses collected under Article 2 of NCGS Chapter 105 and other licenses imposed by local ordinance on the basis of a fixed rate per year.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 26

3261 Cable television franchise tax

3265 Prepared food tax

3270 Local occupancy tax

3275 Scrap tire disposal fee

3280 Auto licenses

3300 Intergovernmental revenues

3301 Federal-shared revenues

3311 Payments in lieu of taxes

Amounts received from federal agencies as partial compensation for the property tax for which the agency is exempt, e.g., Tennessee Valley Authority.

3315 State-shared revenues

3316 "Powell Bill" funds

3317 Controlled substance tax

3318 Intangibles tax

A State-shared tax received annually from the N.C. Department of Revenue and distributed in proportion to property tax levies.

3321 Payments in lieu of taxes

Amounts received from State agencies as partial compensation for the property tax for which the agency is exempt.

3322 Beer and wine tax

A State-shared tax available to counties and municipalities where such beverages are sold.

3323 Court facilities fees

Part of the costs assessed in each criminal and civil action. The fee is remitted to the county or city that provides the courtroom in which the judgement was rendered.

3324 Utility franchise tax

A State-shared tax remitted to the municipalities quarterly.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 27

- 3325 Food stamp purchases tax reimbursement
- 3326 Senior citizens tax exemption refund - 50%
Reimbursement to counties and municipalities
for portion of property classified for
taxation at a reduced valuation
(G.S. 105-277.1A).
- 3327 Inventories tax exclusion reimbursement
Reimbursement from the N.C. Department of
Revenue to counties, municipalities, and tax-levying
special districts for the loss of
revenue resulting from the exclusion of retailers',
wholesalers', and manufacturers' inventories from
the property tax base
(G.S. 105-277A and 105-275.1).
- 3328 Public school building capital outlay fund
(not reported as revenue until warrants are
written)
- 3330 Local-shared revenue
 - 3331 Payments in lieu of taxes
Amounts received from local government
agencies as partial compensation for the
property tax for which the agency is
exempt.
- 3340 Permits and fees
 - 3343 Building permits
Permits for construction or alteration
of buildings, usually charged as a
percentage of cost of such construction
or alterations.
 - 3344 Register of deeds - exclude excise tax
 - 3345 Inspection fees
Fees for services of building, plumbing,
or electrical inspectors.

Functional Activity Revenue and Expenditure Account Codes

Explanation of the following chart:

The revenue and expenditure codes shown include all revenues and expenditures accrued and expended by the entity on account of the activities of the specific designated department or function. (In order to properly describe the revenue received, it is necessary to designate each account using both a revenue code and a revenue source code. In order to properly describe the expenditure incurred, it is necessary to designate each account using both an expenditure code and an expenditure object code.)

3400

FUNCTIONAL ACTIVITY REVENUES AND EXPENDITURES

4000

REVENUE CODES	FUNCTIONAL AREA	EXPENDITURE CODES
3410	General government	4100
3411	Governing body	4110
3412	Administration (Includes manager's office, personnel, purchasing, and budgeting function, if not reporting to finance officer)	4120
3413	Finance (Includes accounting, treasury, and payroll functions. Includes also personnel, purchasing, and budgeting functions, if under the finance officer)	4130
3414	Tax and revaluation (Includes tax supervisor and tax collector)	4140
3415	Legal	4150
3416	Court facilities	4160
3417	Elections	4170
3418	Register of deeds	4180
3420	Central services	4200
3421	Data processing	4210
3422	Word processing	4220
3423	Central printing	4230
3424	Central warehouse	4240
3425	Central garage	4250
3426	Public buildings	4260
3430	Public safety	4300
3431	Police/sheriff	4310
3432	Jail	4320
3433	Emergency management	4330
3434	Fire	4340
3435	Inspections	4350
3436	Medical examiner	4360
3437	Ambulance/rescue squad	4370
3438	Animal control	4380

FUNCTIONAL CATIVITY REVENUES AND EXPENDITURES

REVENUE CODES	FUNCTIONAL AREA	EXPENDITURE CODES
3450	Transportation	4500
3451	Streets and highways (Includes administration, engineering, street lighting and maintenance, construction, "Powell Bill", etc.)	4510
3452	Mass transit	4520
3453	Airports	4530
3454	Parking	4540
3470	Environmental protection	4700
3471	Sanitation	4710
3472	Landfill	4720
3473	Drainage & water protection	4730
3474	Cemeteries	4740
3475	Forestry and nursery	4750
3490	Economic and physical development	4900
3491	Planning and zoning	4910
3492	Economic development	4920
3493	Community development	4930
3494	Special employment program	4940
3495	Agr. ext./home agents	4950
3496	Conservation	4960
3497	Housing and urban renewal	4970
3500	Human services	5000
3510	Health	5100
3511	General	5110
3512	Epidemiology	5120
3515	Adult health service programs	5150
3516	Maternal and child care programs	5160
3518	Environmental health	5180
3519	Other	5190

FUNCTIONAL ACTIVITY REVENUES AND EXPENDITURES

REVENUE CODES	FUNCTIONAL AREA	EXPENDITURE CODES
3520	Mental health	5200
3521	Administration	5210
3522	Adult mental health	5220
3523	Child mental health	5230
3524	Mental retardation	5240
3526	Alcohol and drug abuse	5260
3528	Interdisability programs	5280
3530	Social services	5300
3531	Administration	5310
3532	Social services block grants	5320
3533	State in-home services	5330
3534	Permanency planning	5340
3535	Special adult day care	5350
3536	WIN - IV-C	5360
3537	Other services	5370
3538	Public assistance administrative	5380
3540	Social services (continued)	5400
3541	Aid to families with dependent children	5410
3542	State-county special assistance	5420
3543	State foster care benefits program	5430
3544	Foster care program - Title IV-E	5440
3545	Medical assistance program	5450
3546	Special assistance for the blind	5460
3547	Adoption assistance program	5470
3548	Crisis intervention program	5480
3549	CP&L program	5490
3550	Social services (continued)	5500
3551	State aid to counties	5510
3552	State public assistance equalization program	5520
3553	Juvenile code	5530
3554	Long-term care screening	5540
3555	Title III grants	5550
3558	County programs	5580
3560	County home charges	5600

FUNCTIONAL ACTIVITY REVENUES AND EXPENDITURES

REVENUE CODES	FUNCTIONAL AREA	EXPENDITURE CODES
3570	Hospitals	5700
3580	Other human services	5800
3581	Legal aid	5810
3582	Veterans service officer	5820
3583	Youth services	5830
3584	Aid to the blind	5840
3585	Child day care	5850
3586	Aging	5860
3590	Education	5900
3591	Public schools (Includes national forest service timber receipts)	5910
3592	Current Operations	5911
3593	Capital outlay (Includes the amount transferred from the Public School Building Capital Fund to the County disbursing account maintained with the State Treasurer and paid to the terminal payee	5912
3595	Community colleges	5920
3596	Current operations	5921
3597	Capital outlay	5922
3600	Cultural and recreational	6000
3610	Cultural and recreational	6100
3611	Library	6110
3612	Recreation	6120
3613	Parks	6130
3614	Museums	6140
3615	Theaters	6150
3616	Coliseums	6160
3700	Utilities	7000
3710	Water and sewer	7100
3711	Administration	7110
3712	Finance	7120
3713	Water (Includes raw water supply treatment, distribution, and maintenance)	7130

FUNCTIONAL ACTIVITY REVENUES AND EXPENDITURES

REVENUE CODES	FUNCTIONAL AREA	EXPENDITURE CODES
3714	Sewer (Includes collection, treatment, and maintenance)	7140
3720	Electric	7200
3721	Administration	7210
3722	Operations	7220
3723	Power purchases	7230
3730	Natural gas	7300
3731	Administration	7310
3732	Operations	7320
3740	Landfill	7400
3741	Administration	7410
3742	Operations	7420
3790	Utility expenses to be allocated between utilities	7900
3800	Capital	8000
3810	Capital outlays	8100
3811	General government	8110
3812	Public safety	8120
3813	Transportation	8130
3814	Environmental protection	8140
3815	Economic and physical development	8150
3816	Human services	8160
	Health	8161
	Mental health	8162
	Social services	8163
	Social services (continued)	8164
	Social services (continued)	8165
	Hospitals	8167
	Other	8168
3817	Cultural and recreational	8170

3830 Miscellaneous revenues

- 3831 Investment earnings
The interest earned on the permissible investment instruments (G.S. 159-30) must be credited to the fund from which the moneys that were invested came.
- 3832 Special assessments
Special assessments against property owners for the cost of curbs and gutters, streets and sidewalks, sanitary and storm sewers, etc.
- 3833 Contributions and donations
Amounts received from non-governmental sources as a gift or donation and not as the result of operations of the unit.
- 3834 Rents
Income derived from rental of government-owned property.
- 3835 Sales - materials and fixed assets
- 3836 Sales - real property
- 3837 ABC distribution
The \$15.00 "mixed beverage surcharge" (75% of this sum is retained as part of the local store's profits) and the net profit distribution from the local A.B.C. Board [G.S. 18B-805(f)].
- 3838 ABC 5¢ bottle tax
5¢ bottle tax received from the local ABC Board. The 5¢ bottle tax must be spent on The treatment of alcoholism or substance Abuse or the education thereof pursuant to G.S. 18B-805(b)(4).
- 3839 Other miscellaneous revenues
All other revenues not elsewhere classified.

3900 Other

- 3910 Proceeds of debt issues
The net increase resulting from the amounts of bonds and notes sold less the amounts of bond anticipation notes redeemed by the proceeds of the bonds sold.

3920 Proceeds of lease and installment purchase agreements

3980 Transfers from other funds

Permanent transfers from one fund to another within the same governmental unit. Sub-account codes should be used to identify each fund.

3981	General Fund
3982	Special Revenue Funds
3983	Debt Service Funds
3984	Capital Project Funds
3986	Enterprise Funds
3987	Trust and Agency Funds
3988	Internal Service Funds

3990 For Budgetary Accounting Only

3991 Fund balance appropriated

An account to be used for budget purposes only. It is a balancing item in the budget to show the amount of the estimated fund balance at the end of the current year that is being carried forward to balance the budget for the budget year. In recording the budget, this account will be used.

Revenue Source Codes

10 TAXES

11 Levied by unit

Taxes levied by the unit for the unit.

12 Levied for unit

Taxes levied for the unit by some other entity.

14 Discoveries for prior years

Taxes that were discovered and billed in the current year that should have been listed by the owner in a preceding year.

15 Animal taxes

Taxes on ownership of dogs, cats, and other domestic animals (G.S. 160A-212).

16 Amounts refunded

An amount paid back or credit allowed because of an overcollection. The balance in this account is deducted from taxes levied to determine the net collection.

- 17 Penalties
 - Penalties on delinquent taxes.
- 18 Interest on delinquent taxes
 - Interest charged and collected as a percentage of taxes and penalties because taxes were paid after the due date and the grace period.
- 19 Discounts
 - Reductions in taxes allowed by an approved ordinance of the governing board because the taxes were paid prior to the due date. The balance in this account is deducted from net taxes levied to determine net levy.
- 20 INTERGOVERNMENTAL REVENUES -- FEDERAL**
 - 21 Unrestricted
 - Intergovernmental revenues that may be spent at the discretion of the governing body, e.g., payments in lieu of taxes.
 - 22 Partly restricted
 - Intergovernmental revenues that may be spent only within certain functions but within those limits at the discretion of the governing body.
 - 23 Restricted
 - Intergovernmental revenues that may be spent only within the projects or functions for which the revenue is made but within those limits at the discretion of the governing body.
 - 25 Tax refunds -- intergovernmental
 - Reimbursements paid to the unit for taxes previously paid on purchases.
 - 26 Categorical grants
 - Intergovernmental revenues for specific projects agreed to by contract with the grantor, e.g., Economic Development Authority.
- 30 INTERGOVERNMENTAL REVENUES -- NON-FEDERAL**
 - 31 Unrestricted
 - Intergovernmental revenues that may be spent at the discretion of the governing body, e.g., beer and wine tax.
 - 32 Partly restricted
 - Intergovernmental revenues that may be spent only within certain functions but within those limits at the

discretion of the governing body,
e.g. State-Aid to Libraries.

- 33 Restricted
Intergovernmental revenues that may be spent only within the projects or function for which the revenue is made but within those limits at the discretion of the governing body, e.g. court facilities fees.

- 36 Categorical grants
Intergovernmental revenues for specific projects agreed to by contract with the grantor, e.g. Clean Water Grant.

- 37 Matching share -- other political subdivision
Intergovernmental revenues from other local governments to fund part or all of the required matching share on a federal or State grant.

40 SERVICE CHARGES

- 41 Departmental services -- direct
Service charges billed to and paid by the person receiving the service, e.g. ambulance fees.

- 42 Departmental services -- third party payees
Service charges billed to the person receiving the service but paid by a third party such as an insurance carrier.

- 43 Indirect cost
Amounts charged to functions and projects to reimburse for general and other administrative expenses.

- 44 Concessions
Amounts received from sellers of products at athletic games, etc., in lieu of or in addition to rent.

- 45-49 Other reciprocal revenue -- not elsewhere classified
Any other reciprocal revenue not properly chargeable to another revenue source in the 40 series, e.g. investment earnings.

50 ENTERPRISE CHARGES

- 51 Basic service
Amounts charged to customers on a regular basis for enterprise sources, e.g. those arising from meter readings.
- 52 Other regular services to customers
Regular charges made to customers on an infrequent basis, e.g. tap charges, restoration of service charges.
- 53 Special charges
Charges made to specific customers arising only from special services rendered.
- 58 Interest/penalty charges on delinquent billings
Amounts charged to customers as interest or penalties on amounts not paid when due.

60 ASSESSMENTS

A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

- 61 Streets and highways
- 62 Sidewalks
- 63 Water and sewer
- 68 Interest on assessments

80 MISCELLANEOUS INCOME

- 81 Sale of materials and scrap
Sale of materials or other property not considered a fixed asset pursuant to applicable State law.
- 82 Sale of fixed assets
Entries to this account for the sale of fixed assets should trigger adjustments in property control records and in the General Fixed Asset Account Group.
- 83 Refund of prior years expenditures
Amounts received from a vendor as a refund of an expenditure made in a prior year.
- 84 Contributions and donations
All moneys freely given to the unit for its operations and not as a result of services rendered or payments required by law.

- 85 Insurance settlements
Amounts received from an insurance carrier for claims made by the unit.
- 86 Rents
Amounts received for permitting other persons to use tangible property owned or controlled by the unit.
- 89 Other revenues -- not elsewhere classified
Any other revenue received by the unit that is not chargeable to another revenue source in the 80 series.

90 NON-REVENUE RECEIPTS

- 91 Proceeds from sale of debt
Amounts received from the sale of bonds and notes for principal and premium less the amount deducted to pay outstanding bond anticipation notes. Used in the Capital Projects Fund.
- 96 Interfund transfers
Legally authorized transfers between funds receiving resources to the funds through which the resources are to be expended. Example: transfer from the General Fund to a Capital Projects Fund.
- 97-99 For budgetary accounting only
 - 99 Fund balance appropriated
A balancing item in the budget to show the amount of the estimated fund balance at the end of the current year that is being carried forward to balance the budget for the budget year.

Expenditure Account Codes

4000 EXPENDITURES

4100 GENERAL GOVERNMENT

4110 Governing body

Activity of the board of commissioners, the board of aldermen, or the council. Include miscellaneous payments to others of a general nature, e.g., Chambers of Commerce, Association of County Commissioners, League of Municipalities, etc.

4120 Administration

Expenditures of the county or city manager, including his/her secretarial help, personnel, purchasing, and budgeting functions when these are not under the finance officer.

4130 Finance

Expenditures from the office of the finance officer, including accounting, auditing, payrolls, and cash management (treasury). Also includes personnel, purchasing, and budgeting functions, if under the finance officer.

4140 Tax and revaluation

Tax listing, appraisals (including octennial revaluations), preparation of tax bills, and tax collection expenditures.

4150 Legal

Expenditures on retainers and payments for special services to municipal and county attorneys.

4160 Court facilities

All expenditures for law library, furniture for the court, etc. chargeable to court facilities fees.

4170 Elections

The cost of municipal and county elections, and bond, A.B.C., and other referendums.

4180 Register of Deeds

Expenditures in the office of Register of Deeds for recording, maintenance, reproduction, etc. of records.

4190 Public building

All expenditures relating to the construction, maintenance, and operation of the courthouse and any other buildings not related to particular purposes.

4200 Central services

Expenditures by a central service operation performed by one department for other county/city departments or agencies; include central garage, central printing, data processing, motor pools, etc. should be included.

NOTE: When accounted for in the General Fund, central service operations consist of

transactions that constitute reimbursements to the General Fund for expenditures or expenses initially made from it and that are properly applicable to another fund. These transactions should be recorded as expenditures in the reimbursing fund and as a reduction of the expenditures in the General Fund. This reduction in expenditures is recorded in 80 -- Contra Accounts object of expenditure code. An example would be an expenditure properly chargeable to a Special Revenue Fund that was initially made from the General Fund, which is subsequently reimbursed. When central service operations are accounted for as an Internal Service Fund, the total cost (including depreciation and overhead) of providing a particular service is accumulated. Internal Service Funds are reimbursed for these costs by the departments or agencies to which the services are provided. Such reimbursements are accounted for as quasi-external interfund transfers. Accordingly, they are treated as operating revenues of the Internal Service Fund and as current operating expenditures (expenses) of the reimbursing fund.

- 4210 Data processing
- 4220 Word processing
- 4230 Central printing
- 4240 Central warehouse
- 4250 Central garage
- 4260 Public buildings

Expenditures relating to the maintenance and operation of the courthouse or city hall and any other buildings not related to particular purposes. Expenditures for firehouses, police/sheriff department, libraries, etc. are to be reported for the purpose directly involved.

4300 PUBLIC SAFETY

4310 Police/sheriff

Expenditures by the police and sheriff's department, patrol, identification units, detective bureaus, vice squads, etc., except cost of detention of prisoners.

4320 Jail

Cost of detention of prisoners expended directly by the county.

4325 Emergency Communications
The costs of providing 911 and other emergency communications.

4330 Emergency management
Amounts for civil defense and disaster or emergency planning.

4340 Fire
Cost incurred for firefighting and fire prevention and payments for fire protection to non-profit volunteer fire departments.

4350 Inspections
This group includes accounts for recording expenditures incurred in making protective inspections except those related to health, fire, and other inspections that are definitely assigned to other functions, e.g. plumbing, electrical, elevator, and building inspections.

4360 Medical examiner
Payments to coroner or medical examiner and payments for autopsies, etc. required by these officials.

4370 Ambulance/rescue squad
Direct expenditures for rescue and ambulance service and payments made to non-profit volunteer ambulances or rescue squads.

4380 Animal control
Cost of animal control and pounds/shelters operated by the city and county, and payments to others to assist in the provision of these services by private organizations.

4500 TRANSPORTATION

4510 Streets and highways
Administration, engineering, street lighting and maintenance, construction, all "Powell Bill" expenditures, etc.

4520 Mass transit
Expenditures for the moving of people on a regular basis in a defined area.

4530 Airports
Direct expenditures of an airport.

4540 Parking

Expenditures for maintaining on-street, off-street, and multi-level parking.

4700 ENVIRONMENTAL PROTECTION

4710 Sanitation

Expenditures for the removal of garbage and other similar types of waste material for disposal.

4720 Landfill

Expenditures for maintaining a site to dispose of garbage and other similar types of waste matter.

4730 Drainage & watershed protection

Expenditures for storm damage, watershed protection and dams, etc. for the avoidance of flooding.

4740 Cemeteries

Costs of cemetery maintenance, opening of graves, capital costs, etc.

4750 Forestry and nursery

Expenditures for growing trees and other plants and transplanting them along streets, in parks, in parkways, or other public areas. Other activities

whose expenditures should be included in this account include removal and disposal of undesirable trees and other plants, supervision of tree trimming on public property, and granting of permits to plant trees in parks and other public areas.

4900 ECONOMIC AND PHYSICAL DEVELOPMENT

4910 Planning and zoning

Expenditures for planning department, zoning and subdivision enforcement, etc.

4920 Economic development

Expenditures for advertising, etc. to increase tourist trade, obtain prospects for industrial development or otherwise increase economic activity or employment in the area.

- 4930 Community development
Expenditures for physical improvements made to populated sections of the county/city, usually under grants from federal agencies such as HUD.
- 4940 Special employment programs
Federal or other programs that provide jobs in public service employment otherwise unrestricted
- 4950 Agriculture extension/home agents
Expenditures under agriculture extension programs.
- 4960 Conservation of natural resources
Activities designed to conserve and develop such natural resources as water, soil, forests, and minerals.
- 4970 Housing and urban renewal
The rehabilitation or demolition of dilapidated housing in the city, usually under grants from federal agencies such as HUD.

5000 HUMAN SERVICES

- 5100 Health
Expenditures involved in aid programs administered by the Division of Health Services, Department of Environment, Health, and Natural Resources (DHS Form 2949).
- 5110 General
Non-categorical funds for the support of administrative functions and services required by State statute for which there is no financial support. Such services are communicable disease control and certain environmental health activities (DHS Project Code - 140).
- 5120 Epidemiology
Funds for the support of local health department tuberculosis control activities. Expenditures support nursing and clerical expenses, operating expenses, and equipment.
 - 5124 Tuberculosis (DHS Project code - 240)
 - 5125 CDC -- Tuberculosis Project (DHS Project Code - 241)

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 45

- 5150 Adult health services programs
 Funds supporting the prevention of diseases
 and disabilities that contribute to
 mortality and morbidity among adults.
 Services supported include:
 - 5151 Adult health services (DHS Project Code -510)
 - 5152 Renal disease prevention (DHS Project Code -
520)
 - 5153 Hypertension (DHS Project Code - 512)
 - 5154 Home health (DHS Project Code - 540)
 - 5155 Epilepsy (DHS Project Code - 511)
 - 5156 Refugee health (DHS Project Code 561)
 - 5157 Arthritis (DHS Project Code - 513)

- 5160 Maternal and child care programs
 Funds for the assurance, promotion, and
 protection of health of families with
 emphasis on women of child bearing age,
 children, and youth. Services supported
 include:
 - 5161 Nutrition - Title XX (DHS Project Code - 610)
 - 5162 Sickle cell (DHS Project Code - 620)
 - 5163 Maternal and child health (DHS Project Code -
630)
 - 5164 Family planning (DHS Project Code - 640)
 - 5165 DEC (DHS Project Code - 650)
 - 5166 CC - cardiology (DHS Project Code - 661)
 - 5167 Nutrition - WIC administration (DHS Project Code
- 611)
 - 5168 Nutrition - WIC nutrition (DHS Project Code -
612)
 - 5172 CC - neurology (DHS Project Code - 662)
 - 5173 CC - orthopedic (DHS Project Code - 663)
 - 5174 CC - speech and hearing (DHS Project Code - 664)

- 5180 Environmental health
 Funds provided for the support of technical
 and financial assistance for mosquito
 control assessment and abatement activities
 such as spraying and ditching for the
 removal or reduction of mosquito breeding
 areas. Financial grants also made
 available to local health departments for
 inspecting non-community water supplies and
 updating inventories of these supplies.
 - 5182 Mosquito control (DHS Project Code - 820)
 - 5185 Safe drinking water act (DHS Project Code - 851)

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 46

5190 Other
Any other funds made available to local health departments by the Division of Health Services.

5196 Migrant health (DHS Project Code - 560)
5197 Jobs bill (DHS Project Code - 560)

5200 Mental health
Expenditures involved in aid programs administered by the Division of Mental Health, Department of Human Resources.

5210 Administration
Activities necessary to the operation of the program that cannot be specifically identified with services defined in the other categories below. The following items should be included in this category if they cannot be specifically identified with some other category: non-clinical time of center director; business management staff; personnel staff; reimbursement staff; medical records staff; receptionist; clerical and secretarial staff; janitorial and housekeeping services; supporting expenses for the above staff; building maintenance and utilities expense; evaluation and training.

5211 Administration -- management
5212 Administration -- other

5220 Adult mental health
Activities designed for adults (ages 18 and over) who are experiencing mental health problems.

5221 CSP -- chronic mental illness

5230 Child mental health
Services that are designed for children (from birth through age 17) who are experiencing mental health problems.

5231 Group homes -- emotionally disturbed
5232 Early intervention -- emotionally disturbed

5240 Mental retardation
Services that are designed for persons who are mentally retarded.

5241 Group homes - M.R. adult
5242 Group homes - M.R. children
5243 Early intervention - M.R.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 47

5244 Adult developmental activity program
5245 Developmental day care
5246 Respite care
5247 Community ICF - M.G. facility
5248 Apartment living - M.R.
5249 Community residential - M.R.
5251 Specialized foster care - M.R.
5252 Community demonstration project - M.R.
5253 Community living services

5260 Alcohol and drug abuse
Services that are designed for persons who are experiencing problems related to alcohol or drug abuse.

5261 Halfway houses
5262 Crisis intervention -- drugs
5263 Primary prevention -- drugs
5264 Program oriented consultation -- drug education
5265 Outpatient services -- drugs
5266 Continuing services -- drugs
5267 Day/night services -- drugs
5268 410 drug statewide services

5280 Interdisability programs
Services that are not specific to one of the disability specific services as defined above.

5281 Inpatient services
5282 Outpatient services
5283 Consultation and education services
5284 Day activity programs
5285 Partial hospitalization program

5300 Social services
All expenditures for each public assistance program, social services program, and related administrative costs. For example, the types of services provided are medical assistance, food coupons, income maintenance payments, clothing, shelter, etc. (DSS Form 1571, all parts).

5310 Administration
Administrative expenditures of the department that are not identifiable to a specific program.

5311 Distributable program costs (DSS-310)
5312 General services support (DSS-349)
5313 General public assistance support (DSS-359)

- 5320 Social Services Block Grant (SSBG)
 - Purchase of services or related administrative expenditures funded by SSBG allocation.
 - 5321 Regular (DSS-321)
 - 5322 Training (DSS-322)
 - 5323 Family planning (DSS-323)
 - 5324 Adult day care (DSS-331)
 - 5325 Chore (DSS-332)
 - 5326 Homemaker (DSS-333)
 - 5327 Housing/home improvement (DSS-334)
 - 5328 Preparation and delivery of meals (DSS-335)

- 5330 State in-home services
 - Purchase of services or related administrative expenditures funded by the State In-Home Allocation.
 - 5331 Adult day care (DSS-331)
 - 5332 Chore (DSS-332)
 - 5333 Homemaker (DSS-333)
 - 5334 Housing/home improvement (DSS-334)
 - 5335 Preparation and delivery of meals (DSS-335)

- 5340 Permanency planning
 - Purchase of services or related administrative expenditures funded by the Permanency Planning Allocation.
 - 5341 Permanency planning (DSS-371)

- 5350 Special adult day care
 - Purchase of services or related administrative expenditures funded by Special Adult Day Allocation.
 - 5351 Special adult day care

- 5360 WIN - IV-C
 - Related administrative expenditures associated with the operation of the Work Incentive Program. These expenditures are funded by the special WIN allocation.
 - 5361 WIN - IV-C (DSS-341)

- 5370 Other services
 - Expenditures to purchase or provide services by special grants.
 - 5371 Food Stamps - CWEP (DSS-369)
 - 5372 Job Search (DSS-370)

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 49

5373 Child support enforcement (DSS-361)
5374 CWEP (DSS-374)
5375 CAN (DSS-378)
5376 CAN (DSS-379)

5380 Public assistance administrative expenditures
Expenditures related to the determination of
eligibility for all public assistance programs.

5381 Aid to families with dependent children (AFDC)
(DSS-351)
5382 Medical assistance - Title XIX (DSS-352)
5383 Food stamp issuance (DSS-353)
5384 Food stamp fraud (DSS-354)
5385 Special assistance to adults (DSS-355)
5386 Training AFDC IV-A (DSS-356)
5387 Training Title XIX (DSS-357)
5388 Energy assistance (LIEAP) (DSS-358)
5389 Food assistance program (DSS-362)
5390 Adoption assistance Title IV-E (DSS-363)
5391 Training Title IV-E (DSS-364)
5392 Eligibility services system (DSS-365)
5393 FSIS-conversion (DSS-423)
5394 FSIS D.O. (DSS-424)

5400 Social services (Continued)

5410 Aid to families with dependent children

5411 AFDC payments

5420 State-county special assistance

5421 S/C - SA payments

5430 State foster care benefits program

5431 State foster care payments

5440 Foster care program - Title IV-E

5441 Title IV-E Payments

5450 Medical assistance program

5451 Medicaid payments

5460 Special assistance for the blind

5461 SA for the blind payments

5470 Adoption assistance program

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 50

- 5471 Adoption payments
- 5480 Crisis intervention program
 - 5481 Crisis intervention payments
- 5490 CP&L program
 - 5491 CP&L payments
- 5500 Social services (Continued)
 - 5540 Long-term care screening
 - 5550 Title III grants
 - 5580 All county programs
- 5700 Hospitals
 - Costs associated with the operation of hospitals and clinics not part of the county/city health department. Includes subsidies paid to assist private and public hospitals.
- 5800 Other human services
 - 5810 Legal aid
 - Donations to legal aid societies or moneys paid to provide legal aid to those who could otherwise not afford it.
 - 5820 Veterans service officer
 - Expenditures made for the veterans service officer or for the same purposes if the county has no veterans service officer.
 - 5830 Youth services
 - Expenditures involved in aid programs administered by the Division of Youth Services, Department of Human Resources. Programs include treatment services for delinquent, undisciplined youth and youth-at risk; and detention facilities for specified juveniles, e.g. CBA funds.
 - 5840 Aid to the blind
 - Include expenditures involved in aid programs administered by the Division of Services for the Blind, Department of Human Resources.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 51

5850 Child day care

Include expenditures involved in aid programs administered by the Division of Day Care, Department of Human Resources.

5900 Education

5910 Public schools

5911 Current operations

Include appropriations paid to the School Current Expense Fund of the school administrative unit(s).

5912 Capital outlay

Include appropriations paid to the Capital Outlay Fund of the school administrative unit(s).

5920 Community colleges

5921 Current operations

Includes appropriations paid to an institution of the community college system for current operations.

5922 Capital outlay

Includes all appropriations for Community College capital outlay.

6000 CULTURAL AND RECREATIONAL

6100 Cultural And Recreational

6110 Library

Include expenditures to provide library services to the public. Include donations to private libraries and to libraries of other governments.

6120 Recreation

Include expenditures for recreation, golf courses, tennis, juvenile sports, avocational and handicraft courses, etc.

6130 Parks

Expenditures for the operation and maintenance of park areas.

6140 Museums

Expenditures for art, history, natural history, or specialized museums or collections. Also, donations to the art society.

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 52

6150 Theaters
Expenditures for theaters.

6160 Coliseums
Expenditures for coliseums, civic centers,
auditoriums, etc.

7000 UTILITIES

7100 Water and Sewer

7110 Administration
Expenditures for water and sewer administration
expenses.

7120 Finance

7130 Water
Expenditures for water operations (e.g., raw water
supply, water treatment, distribution, and
maintenance costs).

7140 Sewer
Expenditures for sewer operations, e.g. sewer
treatment, distribution, and maintenance costs.

7200 Electric
Expenditures for electric operations, e.g. adminis-
tration expenses, distribution, and maintenance costs.

7210 Administration

7220 Operations

7230 Power purchases

7300 Natural gas
Expenditures for natural gas operations, e.g.
administration expenses, distribution, and maintenance
costs.

7310 Administration

7320 Operations

7400 Landfill
Expenditures for landfill operations.

7410 Administration

7420 Operations

7900 Utility expenses to be allocated between utilities Administration, maintenance, and other costs connected with two or more utilities should be allocated to the individual utilities for reporting purposes. This account is to be used for temporary purposes only.

8000 CAPITAL OUTLAYS

8100 Capital Outlays
Outlays that result in the acquisition of or additions to fixed assets.

8110 General government
8120 Public safety
8130 Transportation
8140 Environmental protection
8150 Economic and physical development
8160 Human services
 8161 Health
 8162 Mental health
 8163 Social services
 8164 Social services (continued)
 8165 Social services (continued)
 8167 Hospitals
 8168 Other

8170 Cultural and recreational

9000 OTHER

9100 Debt Service
Payments of general long-term debt principal and interest, and related costs.

9500 Inventory Changes
Special account to maintain the consumption (perpetual) inventory method or the modified accrual basis of measurement.

9600 Accumulated Fringe Benefits
An account used for interim periods when using an indirect cost rate for fringe benefits.

9800 Transfers To Other Funds

9810 General Fund
9820 Special Revenue Funds
9830 Debt Service Funds
9840 Capital Project Funds

9860 Enterprise Funds
9870 Trust and Agency Funds
9880 Internal Service Funds

9900 For Budgetary Accounting Only

9910 Contingency

No actual expenditures should be recorded in this account. If any amount of the contingency appropriation is to be used, a budget amendment must transfer the amount to the appropriate functional area.

9920 Prior years deficit appropriated

General Statute 159-13(b)(2) requires the full amount of any deficit in each fund to be appropriated.

9930 Designated for Future appropriations

To be used when reserving Fund balance or when appropriating funds to be used for future years.

Expenditure Object Codes

00-19 PERSONAL SERVICES

Expenditures for personal services include all compensation to permanent, temporary, and emergency employees and their corresponding staff benefits. Also, services performed by individuals and firms other than employees.

00-03 Salaries and wages

00 Salaries and wages -- regular

Gross earnings of all full-time employees subject to FICA and retirement regulations.

01 Salaries and wages -- overtime

The overtime payments for personal services to full-time permanent employees as compensation for working time in excess of a standard work week.

02 Salaries and wages -- temporary and part-time

Gross earnings of all employees subject to FICA but not to retirement regulations.

03 Salaries and wages -- longevity

Gross earnings of longevity paid to eligible employees.

04-08 Special payments

DEPARTMENT OF STATE TREASURER POLICIES MANUAL
CHART OF ACCOUNTS
Section 5A Page - 55

- 04 Separation allowance - law enforcement officers
Payments made by the unit for the special separation allowance provided for law enforcement officers under G.S. 143-166.42.
- 05 Separation allowance - other employees
Include payments made by the unit for a special separation allowance for employees other than law enforcement officers.
- 06 Supplemental retirement income plan - law enforcement officers
Include payments made by the unit to the supplemental retirement income plan provided for law enforcement officers under G.S. 143-166.50(e).
- 07 Supplemental retirement income plan - other employees
Payments made by the unit to the supplemental retirement income plan for all other employees.
- 08 Board member expenses
Per diem and travel expenses paid to members of the governing board.
- 09-17 Fringe benefits
- 09 Social Security contribution
Employer's share of Social Security (FICA) taxes on salaries and wages.
- 10 Retirement contribution
LGERS, own system. Employer's share of contribution into retirement fund for eligible employees.
- 11 Hospitalization insurance contribution
Employer's share of cost for hospitalization insurance on eligible employees.
- 12 Disability insurance contribution
Employer's share of cost for disability insurance on eligible employees.
- 13 Unemployment compensation contribution
Employer contribution for unemployment compensation on employees.
- 14 Workers' compensation contribution
Cost of workers' compensation insurance. (For self-insured -- medical costs and/or compensation for lost job time due to a job-related accident.)

- 15 Payment for released time
Used only by those units electing to allocate vacation, sick, and other release time to functions and projects on a percentage basis.
- 16 Fringe benefits allocated
Used only by those units electing to allocate all fringe benefits to functions and projects on a percentage basis.
- 17 Other fringe benefits
Employer's cost of fringe benefits for employees not otherwise classified.

- 18-19 Professional services
Retainer fees and expenses paid to professionals, not employees of the unit, for their special expertise.

- Accounting
- Legal
- Medical
- Other

20-29 SUPPLIES AND MATERIALS

- Commodities that are consumed in operations within a relatively short period or the use of which results in a material change in, or an appreciable impairment of their physical condition. It also includes all articles or substances in a natural, prefabricated, or manufactured state that are either used for current operating purposes or processed in the construction or manufacture of articles.
- 21 Household and cleaning supplies, janitorial supplies, and uniforms
 - 22 Food and provisions
Cost of food and food-related provisions, including such special items as may be purchased for picnics and banquets.
 - 23 Educational, medical, and agriculture supplies
Classroom and laboratory supplies for instructional purposes, research supplies, examination supplies, medicines and hospital supplies, maps, charts, seed, fertilizer, forage, etc.
 - 24 Construction and repair supplies
Supplies and materials used in construction or repair of buildings and other pertinent structures, including but not limited to lumber, nails, roofing, cement, and spackling compound.

- 25 Vehicle supplies and materials
Tangible maintenance and operating requirements for use and preservation of motor vehicles.
- 26 Office supplies and materials
General office supplies and materials, such as but not limited to paper, pencils, typewriter ribbons, adding machine paper, desk calendars, rulers, staplers, tape dispensers, etc. Such items should be of relatively low value, relatively consumable, and may not be subject to inventory control.
- 27 Purchases for resale
Cost of property purchased for resale.
- 28 Heating and utility supplies
Cost of materials and supplies to heat, and other utility services to the property owned or controlled by the unit.
- 29 Other supplies and materials, data processing supplies
- 30-39 CURRENT OBLIGATIONS AND SERVICES**
All payments for operation and maintenance services rendered by firms or individuals (other than local unit employees and those classified in other personal services). Examples of expenditures belonging to this group include travel, communication, utilities, printing, etc.
- 31 Travel and transportation
- 32 Communications
The cost of communications, telephone, telegrams, cablegrams, radiograms, and postage.
- 33 Utilities
Heat, lights, power, water, and sewer expenses for public buildings and other facilities, including electricity for street lights and traffic signals.
- 34 Printing and binding
- 35 Repairs and maintenance
- 36 Freight, express, deliveries
Cost of transportation in or out of property owned or controlled by the unit.

- 37 Advertising
Advertising and publicity in newspapers, radio,
video, magazines, periodicals, and related items.
- 38 Data processing services
Cost of services rendered by outside data processing
organizations.
- 39 Other services
- 40-49 FIXED CHARGES AND OTHER SERVICES**
Payments for rentals, insurance, pensions, benefits, and
other current expenses.
- 41 Rental of real property
Cost of acquisition of the use of space not owned by
the unit.
- 42 Rental of data processing equipment
Cost of the use of data processing equipment not
owned by the unit.
- 43 Rental of other equipment
Cost of the use of all equipment other than data
processing equipment not owned by the unit.
- 44 Service and maintenance contracts
Cost of contracts covering specific periods of time
for maintenance of owned or otherwise controlled
equipment.
- 45 Insurance and bonding
Cost of insurance on property or against specific or
general liabilities of the unit.
- 46 Depreciation
Annual allocation of the cost of fixed assets to
operations of the subject fund. Use only in
Enterprise and Internal Service Funds.
- 47 Pensions and benefits
Amounts paid to annuitants, beneficiaries of
deceased annuitants and employees, etc.
- 48 Indirect cost
Amounts charged to the project or function on
account of general and administrative services under
a central or departmental indirect cost plan.
- 49 Other fixed charges/current operating expenses

50-59 CAPITAL OUTLAY

Include outlays that result in the acquisition of or additions to fixed assets. They should be classified under one of the following nine objects:

- 51 Office furniture and equipment
- 52 Data processing equipment
- 53 Educational, medical, and agriculture equipment
- 54 Motor vehicles
- 55 Other equipment
- 56 Books
- 57 Land
- 58 Buildings, structures, and improvements
- 59 Other structures, improvements, and capital outlay

60-69 CONTRACTS, GRANTS, SUBSIDIES, AND ALLOCATIONS

All expenditures of moneys appropriated by the local unit for aid to any other governmental entity. Also, allocation of appropriations for some designated program or project.

- 63 Aid to other governmental units

Amounts allocated to other governmental units for services, etc. to be rendered (e.g., aid to school administrative units).

- 68-69 All other contracts, grants, and subsidies

- 68 Payments made on cooperative agreements
Amounts paid to another unit of government as this unit's share of expenses for services rendered jointly by this unit and other units.

- 69 Other contracts, grants, and subsidies (contributions and donations)
Amounts transferred to another governmental unit not properly chargeable to another object of expenditure in the 60 series. For example, a contribution to a fire district.

70-79 DEBT SERVICE

Amounts paid for principal, interest, and service charges on funded debt owed by the unit.

- 71 Bond principal
- 72 Bond interest
- 73 Anticipation notes
- 74 Interest on anticipation notes
- 75 Service charges
- 76 Call premiums
- 77 Other

80-89 CONTRA ACCOUNTS

An account that reduces either an asset or liability on a balance sheet.

90-99 INVENTORY CHANGES/INTERFUND TRANSFERS/BUDGETARY

90 Inventory changes

This is used with the purchases method only. See the Inventory Section of this policies manual.

92 Purchases of inventory

Purchases to replenish inventory and maintain stock quantities at normal levels.

93 Issues from inventory

To be credited with cost of materials requisitioned from stock for use by a department or construction project.

96 Interfund transfers

Legally authorized transfer between the fund(s) receiving resources to the fund(s) through which the resources are to be expended. Example: transfer to the General Fund from an Enterprise Fund to finance General Fund expenditures.

97-99 Budgetary accounting only

97 Contingency

The amount of the contingency appropriation.

98 Deficits of prior years funded in current year

General Statute 159-13(b)(2) states that the full amount of any deficit in each fund must be appropriated.

**Conversion from the Seven Digit Chart of Accounts
to the Nine Digit Chart of Accounts**

A unit may find it necessary to move from the seven digit chart of accounts to the nine digit chart of accounts. This may occur because the unit has too many funds for the seven digit chart of accounts, or needs more detail in revenue source codes or expenditure object codes than is available with the seven digit chart of accounts. The seven digit chart of accounts was prepared with the intention that most units would ultimately convert to the nine digit chart of accounts. A unit should follow these guidelines when converting from the seven digit to the nine digit chart of accounts.

Fund and Account Group Codes

Units that have been using the seven digit chart of accounts are limited to using ten or fewer funds and account groups. Therefore, it should not take long to reassign fun numbers from the seven digit chart of accounts to the nine digit chart of accounts. When assigning new fund numbers, the unit must determine the fund type of each fund. The Fund Codes and Account Groups Codes Section of this policy provide descriptions of individual fund types and account groups and some of the commonly used individual funds. The independent auditor also can provide advise in this area. After determining the fund type of each fund, the fund should be assigned a two digit fund number. Section 5, of this manual Chart of Accounts, should be followed when assigning the two digit fund and account group code.

The nine digit chart of accounts permits a unit to account for many more funds than is possible with the seven digit chart of accounts. A unit should still operate only the number of funds required by law and should only add a fund if the use of the additional fund will bring certain benefits which offset or exceed the additional costs. Single funds should not be divided into two or more funds simply because more fund numbers are available. When acquiring a new funding source or taking on new activities, a unit should still carefully evaluate whether or not a new fund is needed to account for the new funds or activity.

Accounts Codes

The seven and nine digit charts of accounts both assign four digits to account codes. The account codes presented in the nine digit chart of accounts are identical to those in the seven digit chart of accounts. Therefore, no additional steps are necessary for converting account codes from the seven to nine digit chart of accounts.

Source Codes/Object Code

The seven digit chart of accounts assigns two digits to the source code and the object code, the nine digit chart of accounts assigns three digits. Therefore, it is possible to obtain much greater detail in these codes under the nine digit chart of accounts than is possible under the seven digit chart of accounts. When assigning new code numbers, refer to the nine digit chart of accounts policy, which lists the assigned code numbers for source and object codes under the nine digit chart of accounts. In most cases the two digit source/object code assigned under the seven digit chart of accounts should correspond to the first two digits of the three digit number assigned under the nine digit chart of accounts. Units should use the third digit to gain greater detail in source and object codes as needed.

An exception to these guidelines occurs when converting the personal services expenditure object codes from the seven digit chart of accounts to the nine digit chart of accounts. The numbers 00 through 19 is assigned to these object codes under the seven digit chart of accounts. The 100 number series is assigned to these expenditure object codes under the nine digit chart of accounts. The numbering system between the two charts of accounts for these expenditure codes differs because an attempt was made to provide units using the seven digit chart of accounts with as much detail as possible for tax and payroll reporting.

When To Convert to the Nine Digit Chart of Accounts

A unit should convert to the nine digit chart of accounts at the beginning of a new fiscal year. There are several advantages to making the conversion at that time. One advantage is that all revenue and expense accounts will begin the new fiscal year with a zero balance. Therefore, it is not necessary to carry a balance from one chart of accounts to another, which is especially significant since the expanded number of source and object codes available will often result in a single account under the seven digit chart of accounts being converted into two or more accounts under the nine digit chart of accounts. If the conversion occurs during the fiscal year, research into the balances of accounts and transactions occurring within an account under the prior chart of accounts are more likely to become necessary. The unit's auditors will also benefit from all accounting records of a particular period being maintained on the same chart of accounts. This could result in a lower audit fee, and the auditor may require less assistance from unit personnel.

If it is not possible to delay conversion from the seven to the nine digit chart of accounts until the beginning of the fiscal year, the unit should make the conversion at month end. Detailed records of the account balances transferred from one account under the seven digit chart of accounts to one or more accounts under the nine digit chart of accounts should be maintained. All records produced under the seven digit chart of accounts should be kept as required by the unit's retention schedule.