Chart of Accounts

General Instructions:

The appropriate use of account codes allows state agencies to accurately record accounting transactions resulting from operations. A comprehensive listing of codes, when properly utilized, leads to uniformity in recording and reporting of financial information. The incorrect use of accounting codes can lead to inaccurate and often misleading financial statements.

Accounting codes are also used for internal purposes such as the establishment and tracking of revenue and expenditure budgets. Balance sheet accounts can be monitored to highlight problems, such as a large amount of older outstanding receivables or a negative fund balance. Finally, object codes are used for budgetary control to insure that operations are within legislative intent.

In case of questions, please contact the State Controller's Office at 266-1694.

Definitions:

ACCOUNT CODE

The account code is a sequence of alphanumeric fields. Codes may consist of letter, numbers or a combination of both. Account codes are used to record all transactions on the central accounting system. Some account codes are entered on tables, which have budget fiscal year as part of the key. The sequence, as well as the field length, is as follows:

Account Code Layout:

Fund	Agency	Org	Sub Org	App r	Actv	Fun ction	Rev	Sub Rev	Obj	Sub Obj	BS Acct	Report Cat	Pro ject	FY	Amount
4(3)*	3	4	2	9(4)*	4	4	4	2	4	2	4	4	8	2	

* The first number represents the field length; the number in parenthesis is the amount of characters currently in use.

The codes used in each category should be only those approved for that purpose. Fund codes can be found in the *"Statutory Fund Table"*. Agency and appropriation codes are authorized in Chapter 20 of the statutes and are approved by the State Budget Office. The entity responsible for maintaining each code is as follows:

Fund	State Controller's Office
Agency	State Controller's Office
Organization	State Controller's Office
Appropriation Unit	State Controller's Office
Activity	State Controller's Office
Function *(not currently in use)*	State Controller's Office
Revenue Source	State Controller's Office
Object	State Controller's Office
Balance Sheet Account	State Controller's Office
Reporting Category	Both
Project	Both
Grant	Both

FUND

Fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Fund has a hierarchical structure which consists of fund, fund type and fund group. Only the fund will be entered on transactions. Each fund is defined to roll-up to a particular type, and each type to a group. The fund type and group are used for financial reporting purposes. The statutory funds are used for daily processing. At year-end, a special program is run to translate the financial data from the statutory fund structure to the GAAP fund structure.

Statutory funds are classified into the following types and groups:

Type	Type Name	Group	Group Name
A	Agency	F	Fiduciary
C	Capital Projects	G	Governmental
D	Debt Service	O	Other
G	General		
N	Permanent		
O	Other		
P	Pension Trust		
R	Special Revenue		
U	Private Purpose		

AGENCY

State government is organized into agencies (departments, boards, commissions, etc.). When the budget is prepared each agency is given a three-digit code to differentiate it from others. The first digit of the agency number relates to the function (i.e., Commerce, Education, etc.). The three-digit numbers are identified in Chapter 20 of the statutes. See Wis. Stat. Sec. 20.001 for a summarized list of all agencies.

ORGANIZATION

The organization hierarchy falls directly below the Agency level in the accounting structure. Organizations are the actual operational entities of the government. Organization structures are established at the discretion of the agency.

SUB ORGANIZATION

Each organization can be assigned one or more sub-organizations. The sub-organization defines a distinguishable sub-function of the organization.

APPROPRIATION UNIT

An appropriation is an authorization by the Legislature to make expenditures and incur obligations from a specific fund for specific purposes. The authorization is usually limited in amount and as to the time in which expenditures can be made and obligations incurred. (See Wis. Stat. Sec. 20.001(3) for statutory references.) An appropriation unit is a four-character code that is unique within fund and agency.

Appropriation Numbering Scheme

The State allots appropriations by 10 major budgetary lines (groups of objects). Under the current process, the budget contains appropriations passed by the Legislature and approved by the Governor identified with an alpha/numeric code. The first digit of the code represents the program (1-9). The second one or two characters represent the funding source (A to ZZ). The State Budget Office translates the alpha codes into a numeric and then creates line level allotments for each numeric appropriation. To provide this level of spending control, each numeric appropriation has been subdivided into up to ten alphanumeric appropriation units. Each appropriation unit will represent an existing numeric appropriation/allotment line. The fourth digit of the appropriation will represent the allotment line.

The allotment lines and corresponding fourth character of the appropriation unit are listed below:

1	Permanent/Project Salaries
2	LTE/Miscellaneous Salaries
3	Fringe Benefits
4	Supplies and Services/Permanent Property
5	Debt Service
6	Local Assistance/Aids to Individuals and Organizations
7	Special Purpose
8	*- not in use at this time -*
9	Cost Allocations
R	Revenue
B	Balance Sheet Transactions

Each current numeric appropriation may be divided into one or more allotment lines, which are called appropriation units. For example for appropriation 101, the appropriation unit 101(3) would be used to record a fringe benefit expenditure, while 101(4) would to used to record the purchase of a computer. The total picture for each appropriation can be achieved by summarizing all transactions reported under the 101 units.

The Budget Office does not allot some appropriations, such as for capital projects, in the same manner. These appropriations will not be divided into allotment lines for control. The project management subsystem is used to provide the allotment control established by the State Division of Facilities Development over these applications. Please refer to Section VII – 2 of the accounting manual.

Types of Appropriations:

Annual Appropriation - An authorization that is expendable only up to the amount appropriated by the Legislature and only for the fiscal year for which it is appropriated. Amounts appropriated but unexpended or unencumbered generally lapse to the fund from which they are appropriated at the end of each fiscal year.

Biennial Appropriation - An authorization that is expendable only during the biennium for which appropriated by the Legislature. The amounts appropriated for each fiscal year represent the most reliable estimates of the amounts, which will be expended in each fiscal year. For accounting purposes, the appropriation for the first year of a biennium is the sum of the expenditures for that fiscal year plus the encumbrances at the close of that year. The appropriation for the second year is the unexpended and unencumbered balance of the appropriation at the end of the first fiscal year. Amount appropriated but unexpended or unencumbered at the end of a biennium lapse to the fund from which they were appropriated.

<u>Continuing Appropriation</u> - An authorization which is expendable until fully depleted or repealed by subsequent action of the Legislature. The appropriation for any fiscal year consists of the ending balance from the previous fiscal year plus the revenues received or the new appropriation authority granted in the current fiscal year. Specific dollar amounts appearing in any type of appropriation listing or schedule only represent the most reliable estimates of the amounts to be expended or encumbered during any given fiscal year and are not considered as limiting.

<u>Sum Sufficient Appropriation</u> - An authorization which is expendable from the indicated source of funds in the amounts necessary or sufficient to accomplish the purpose for which provided. The amounts appropriated represent the most reliable estimate of the amounts that will be needed for the stated purpose.

ACTIVITY

An activity is a statewide code; the values are not unique by agency. The code is designed to report activity or cost center data across agencies and organizations. In the State, it is used to meet agency specific reporting requirements that may cross-organizational boundaries. Each agency is given a range of activity codes to use for their operations. These codes can be used for any reporting required by the agency that is not supported through the use of other chart of account elements. The activity code is the level of detail used on transactions. Activity code has a four level hierarchical reporting structure of class, category, type and group.

FUNCTION

This field is similar to the activity field in that it allows agencies to code expenditures and revenues across organization lines. Currently this field is being reserved for possible future use by the performance measurement subsystem that comes with the WiSMART software.

REVENUE SOURCE and SUB REVENUE SOURCE CODES

The revenue source code is used to identify the type of revenue a particular transaction represents. Sub revenue source codes allow for a more detailed reporting of revenues on transactions. The revenue source codes are listed in the section *Revenue Source Codes* or on the "RSRC" WiSMART table. A complete listing of the sub revenue codes is contained on the "SREV" table of the central accounting system. Each revenue source code has a hierarchical reporting structure of class, type and group. Revenues are classified into the following class, groups and types:

Group	Class	Name	Type	Type Name
CN	CON	Participant Contributions	01	Federal Funding Sources
FN	FIN	Fines and Forfeitures	02	Govt Funding Source (ST)
GD	GFT	Gifts and Donations	03	Bond Funding Sources
GS	CGS	Charges for Goods & Services	04	Local/Other Funding Sources
IG	GOV	Intergovernmental		
IN	INV	Investment & Interest		
LP	LIC	Licenses and Permits		
OR	ORV	Other Revenues		
OT		Other Transactions		
PR		Proceeds from Sale of Bonds		
TR		Interfund Transfers In		
TX	TAX	Taxes		
	OFS	Other Financing Sources		
	OTR	Other Transactions		

Revenue source codes span from number 6000 through 9999. Most agency revenues will be deposited into program revenue appropriations. If your agency receives revenue which should be deposited directly into the operating fund, one of the following appropriations: 100R, 200R, 300R, 400R, etc. should be used. For example, if the revenue is a result of a refund from prior year's expenditures in program 1, these funds are called "GPR-Earned" and should be deposited in appropriation 100R using a revenue source code. If the refund is a result of the current year's operation it can be recorded as either a refund of expenditure (see description below) or GPR-Earned. See Wis. Stat. Sec. 20.001(2) for the statutory descriptions of revenue types and Wis. Stat. Sec. 20.001(4) for the definition of GPR-earned.

Types of Revenues:

1. <u>General Purpose Revenue (GPR)</u> - General taxes and other moneys which are collected by state agencies and deposited into the general fund, and are available for appropriation by the Legislature.

2. <u>General Purpose Revenue Earned (GPR-Earned)</u> - Moneys which are collected by a state agency, deposited in the general fund and not available for expenditure by the collecting agency, but available for appropriation by the Legislature. Such moneys are generally collected to partially offset the costs of an activity that is financed by general purpose revenues.

3. <u>State Program Revenue (PR)</u> – Moneys, which are collected by state agencies for specific purposes, deposited in the general fund and credited directly to an appropriation to finance those purposes.

4. <u>Federal Program Revenue (PRF)</u> - Moneys which are received from the federal government, deposited in the general fund and credited directly to an appropriation to finance specific purposes.

5. <u>Program Revenue Service (PRS)</u> - Moneys that are transferred between or within state agencies and credited to an appropriation in the general fund as a reimbursement for services rendered or materials purchased.

6. <u>State Segregated Revenue (SEG)</u> - Moneys, which are collected by state agencies, deposited in a segregated fund by law and are available for appropriation by the Legislature for the purposes of the fund.

7. <u>Federal Segregated Revenue (SEG-F)</u> - Moneys which are received from the federal government, deposited in a segregated fund and credited directly to an appropriation to finance specific purposes.

8. <u>Segregated Revenue Service (SEG-S)</u> - Moneys that are transferred between or within state agencies and credited to an appropriation in a segregated fund as reimbursement for services rendered or materials purchased.

9. <u>Bond Revenue (BR)</u> - Moneys that are available for expenditure for the contracting of public debt.

OBJECT and SUBOBJECT CODES

The object code is used to identify the type of expenditure a particular transaction represents. It also is used to further classify expenditures into the budget line category. Each expenditure object code has a hierarchical reporting structure of class, category, type and group. The section *Expenditure Object Codes* lists all of the object codes and shows a summarized version of their reporting structure. The section *Object Class/Category/Type/Group* explains the abbreviations used on the expenditure code summary. The WiSMART table "OBJT" also provides a summarized listing of the object codes.

Subobject codes are used to report expenditure transactions on a more detailed level. A detailed listing of the subobject codes is available on the "SOBJ" table of the central accounting system.

Expenditure object code numbers primarily span from 1000 to 5999. In addition, code 9151 has been set up for narrowly defined usage.

Types of Expenditures:

1. <u>State Operations Expenditures</u> - Direct payments by state agencies to carry out state programs for such expenses as salaries, fringe benefits, supplies, contractual services, debt service and permanent property. These payments are used to fund such things as the cost of the University of Wisconsin System, state institutions, the Legislature, etc.

2. <u>Local Assistance Expenditures</u> - Payments from a state fund to or on behalf of local units of government and school districts in the state, including payments associated with state programs administered by local units of government and school districts such as community mental health aids, school aids, etc.

3. <u>Aids to Individuals and Organizations Expenditures</u> – Payments from a state fund made directly to or on behalf of an individual or private organization, including such payments as Medicaid, student financial assistance, etc.

4. <u>Local Tax Relief</u> - Payments from the general fund to local units of government and individuals under Wis. Stat. Sec. 20.835 for the purpose of providing property tax relief, including such programs as shared revenue payments, general and personal property tax relief, homestead tax credits, farmland preservation tax credits, etc.

REFUND OF EXPENDITURE

A refund of expenditure occurs when a receipt is used to reverse an expenditure that was previously recorded in the same fiscal year. This is generally recorded through the use of a cash receipt (CR). The same expenditure code is used as that of the original entry. See Wis. Stat. Sec. 20.001(5) for the statutory definition. In addition, Section VI, Subsection 6 of the State Accounting Manual provides guidance on recording expenditure refunds.

BALANCE SHEET ACCOUNT CODES

The central accounting system is a full general ledger system. This means that balance sheet accounts are utilized and maintained, as well as, expenditure object and revenue source codes. The balance sheet accounts have a three level reporting roll-up hierarchy of class, category and group. The listing of balance sheet accounts, located under the section *Balance Sheet Codes*, is arranged in outline form. Under this approach, the headings and sub headings used illustrate the hierarchical structure of these codes. A detailed listing of these codes is also found under the WiSMART table "BACC".

For many transactions, the balance sheet entry will be inferred (for example, on a cash receipt transaction, the accounting system automatically debits cash). For some entries, such as on journal vouchers, both debits and credits must be coded.

PROJECT MANAGEMENT

The project code is available for agency use. Agencies normally use it to isolate expenses for special activities or amounts. A common use is to assign separate project codes for each federal grant received. It is also used to isolate special activities where internal operating budgets are set-up. The project numbering format is subject to the approval of the capital accounting section. Please refer to Section VII.

The project code (sometimes referred to as "Job Number") consists of project number (5 digits), sub project (2 digits), and phase (1 digit). This subsystem is primarily used for "true projects", that is, for construction and similar projects where there are definite beginning and end dates, and potentially multiple phases. The project management facility can also be used for cost collection on activities with discreet beginning and ending dates, which may cross fiscal years.

GRANT MANAGEMENT

The grant management codes consist of grant number and reporting category. Grants are established with one or multiple categories. The reporting category is the item entered on transactions. Grants can be established to contain multiple funding sources (i.e., state and federal). They may cross fiscal year, fund, organization, and agency boundaries. However, the primary functionality resides within the agency.

FISCAL YEAR

The fiscal year starts on July 1 and ends on June 30 and is represented by a combination of years. For example the year starting July 1, 2010 and ending June 30, 2011 is referred to as 2010-2011, also known as "Fiscal Year 2011" and abbreviated to FY11. Likewise, the fiscal year spanning July 1, 2011 to June 30, 2012 would be called "Fiscal Year 2012" or FY12. The WiSMART fiscal year is either a two-character field that represents the final two digits of the fiscal year (e.g. 11 or 12), or a four-character field that shows the full fiscal year (e.g. 2011 or 2012).

Wis. Stat. Sec. 16.52 delineates the criteria for insuring that expenditures are charged to the appropriate fiscal year.

ADDITION OF NEW CODES

Each revenue, expenditure and balance sheet code has a unique meaning and purpose. Agencies may request additional codes, but they must fully document the reason for their request. A code number can be suggested by an agency but the State Controller's Office reserves the right to assign code numbers.

Listed below are guidelines for adding new codes:

1. Use the general use code rather than creating a new code if possible, especially if the new code would result in total charges under $100,000.

2. Do not create a new code for segregation of expenses that are accomplished by project, organization, activity, or reporting category.

3. When requesting a new code or a change include a descriptive name, a suggested code number and an explanation of the code if it is not obvious from the proposed name. Agencies should prepare a "*Chart of Accounts Maintenance Request*" (DOA-2279 – see following page) and forward this form to the State Controller's Office for review.

AGENCY REVIEW

In order to insure the financial reports are based on accurate data, agencies should:

1. Periodically compare agency code manuals with this manual so that all code definitions are in agreement.

2. Review agency procedures to insure that account codes are used properly and consistently.

3. If additional codes or revisions to the current codes are necessary to meet the financial reporting needs of your agency, please complete a Chart of Accounts Maintenance Request.

If you have any questions call the State Controller's Office.