

# Account Code Communication

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## **Purpose of Account Codes**

The main purpose of the account code is to organize financial information, segregating expenditures, revenue, assets and liabilities. The account codes are a tool used in preparing the State of Ohio Financial Statements, and are used in order to give interested parties a better understanding of the State's financial position.

## **Need for revision**

State Accounting is working to reduce the number of expense account codes where possible, and to clarify existing definitions. Both actions should reduce the risk of incorrect categorization, as well as reduce the number of audit comments for incorrect coding.

Since OAKS went live, there have been a variety of resources available for employees to research and determine proper account codes for the goods or services being purchased, e.g. on-line account code search, the object code book, and a crosswalk. Differing degrees of information and definitions in these resources increases the risk that the wrong account codes may be chosen. The active account code list has not been reviewed in its entirety for quite some time and, as a result, has become outdated. As an example, the account codes reference data processors rather than computers and pagers rather than cell or smart phones.

## **Impact**

During FY14 there were 1,052 active non-payroll expense account codes. In FY15 the list will be reduced to 350. This is a 67% reduction. The best way to manage a change as considerable as this is to ensure that everyone impacted by the change is aware of it.

Key points to be aware of include:

- All non-payroll expense account code numbers manually entered on vouchers will change. The following account codes will not change: 1) 540000-EDI default account, 2) 540001-PCard default account, 3) 523600-T&E module and 4) 599998-Interest Allocation Offset.
- FY14 account codes cannot be inactivated until all prior year POs that are coded to the account code are closed. No Allotment will be lost.
- Chartfields are available for agencies to use to capture agency specific reporting needs.
- Every PO created for any FY15 expenditures needs to reference an FY15 account code.
- Every Speedchart with an account code must be recreated.
- Every voucher interface file needs to be updated.
- Transactions will need to be corrected. Beginning July 1, 2014, OBM will run reports to identify any voucher or PO that was created using FY15 funding, yet references an FY14 account code.
- The FY15 equipment account code threshold will be changed from \$300 to \$1,000 per unit.

Agencies will be required to enter a journal voucher for any voucher created using an FY14 account code with FY15 funding. Agencies will receive daily reports from OBM which will list any voucher or PO that was created using an FY14 expense account code for an FY15 PO or voucher. For the first two weeks of FY15, agencies will have five business days to correct POs. After that, POs must be closed in less time. If a PO is not corrected in the allotted time, OBM will close the PO.

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## Voucher Processors/Requisitioners/Payment Card Payers

1. Every non-payroll expense account code number manually entered on vouchers will change. The following account codes will not change: 1) 540000-EDI default account, 2) 540001-PCard default account, and 3) 523600-T&E module account.
2. The last 2 digits of all new codes end with numbers ranging from 50 to 92. Aside from limited instances such as capital and ODOT specific codes, FY14 account numbers do not end in this range. For example, account code 5110**52** is a code that is available for FY15 expenditures, whereas account code 5110**01** is not valid for FY15 expenditures.
3. Agencies are not to modify account codes on FY14 or prior year transactions.
4. The new codes must only be used on FY15 and future year's budgets.
5. FY14 account codes will remain active until every PO that references these codes is liquidated, including capital and grant POs. No allotment will be lost because of this project.
6. If you select an FY14 expense account code for an FY15 transaction, OBM will require that the PO be cancelled or modified, or that a journal voucher is entered to correct the coding.
7. Every Speedchart with an account code must be recreated. (see speedchart section). Work with OSS to ensure any VAT speedcharts they use are updated.
8. Click (<http://oaksaccountcodes.obm.ohio.gov/>) for the FY15 account code crosswalk.
9. The FY15 equipment account code threshold will change from \$300 to \$1,000 per unit, to align with the DAS Asset Management Policy. In FY15, items with a per unit cost of \$1,000 or more will be coded to 53xxxx. As an example, a desk is purchased for \$700; in FY14, the desk would be coded to an equipment code in the 53xxx series. Using the new account codes in FY15, that same desk would be coded to the Office Supplies and Equipment in the 52xxxx series.
10. The few codes that addressed IT/Communication expenses have been updated to fit current needs. Beginning in FY15, IT expenditures must be classified to either an IT development project or goods/services for regular operating IT expenses. Processors must work with IT to determine the appropriate code based on its use. (Click xxxx@xxxxfromOITworkgroup for helpful hints to classify expenses)
11. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## CFO

1. Determine who is impacted by new expense account codes and ensure the appropriate staff are aware of and prepared for the change.
2. Consider requiring requisitioners and voucher processors acknowledge that they are aware of the new codes.
3. Does the agency have a stand-alone system that will need to be updated?
4. Does the agency rely on speedcharts?
5. Will reports created by the agency be affected?
6. Does the agency interface voucher files with OAKS?
7. Chartfields are available for agencies to use to capture agency specific reporting needs.
8. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## CIO

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1. Does the agency use a stand-alone system that references account codes that will need to be updated prior to FY15?
2. Does the agency interface voucher files with OAKS? INF02, INF17, and INF18 interface files will need updated. There are no changes to the mapping of the fields, these changes are only to the data in the account code field.
3. Will reports created by the agency be affected?
4. The few codes that addressed IT/Communication expenses have been updated to fit current needs. Beginning in FY15, IT expenditures must be classified to either an IT development project or goods/services for regular operating IT expenses. Processors must work with IT to determine the appropriate code based on its use. (Click [xxxx@xxxx](#) for helpful hints to classify expenses)
5. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

### Agency Points of Contact

1. OBM will post the name of the agency point of contact on the State Accounting Account Code website to encourage agency staff to reach out with questions or concerns.
2. OBM will send daily reports showing transactions created using account codes that reference FY14 account codes and FY15 funding.
3. OBM will close POs that have not been corrected within five business days of original notification. Establish a plan to disseminate information, when necessary.
4. Chartfields are available for agencies to use to capture agency specific reporting needs.
5. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

### MBE/EDGE Coordinator

1. The table below shows the 21 codes used in the past, which are now combined into a new code with a different EOD attribute.
2. Additionally, many new IT codes have been added that must be evaluated.
3. Contact your agency's point of contact ([click here for cabinet level agency contact list](#)) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

FY 14 Account Code	FY14 EOD Designation	FY15 Account Code	FY15 EOD Designation	Comment
513601 SEMINARS DIR BILL IN STATE	EDGE Goods & Services	510060 STATE PLANNED TRAINING/EMP	EDGE Goods & Services	There will be two codes for training. One, which is Exempt from EOD reporting, is used for classes that are offered to the public and state employees attend. The other is eligible for MBE/EDGE and used when the State plans the training and hires a trainer.
513602 SEMINARS & REGISTRATION DB OS	Exempt from EOD Reporting	510061 Vendor offered train/Cert fee	Exempt from EOD Reporting	
519501 CONSULTANTS& CONTRACT-TRAIN-PPS	EDGE Goods & Services	510061 Vendor offered train/Cert fee		

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Various	Various	510062 Contractor's Travel	Exempt from EOD Reporting	All contractor travel is combined into one account code. Agencies are encouraged to include travel in the cost of the contract. This code should rarely be used.
511502 OTHER PERSONAL SERVICE	Exempt from EOD Reporting	510063 OTHER PERSONAL SERVICE	EDGE Goods & Services	Too broad to be excluded from MBE/EDGE program
520501 CATERED FOOD	Exempt from EOD Reporting	520052 FOOD-State Function	EDGE Goods & Services	Combined with 529301 HOSTING MEETING SEMINARS FOOD, which is eligible for MBE/EDGE
529302 SERVICE GRATUITY FEE	Exempt from EOD Reporting			
521203 PSYCHIATRIC DRUGS	EDGE Goods & Services	521056 DRUGS	Exempt from EOD Reporting	Combine with 521202 DRUGS which is Exempt from EOD Reporting
521601 LIC PLATES/SHEETING/STEE L-DHS	Exempt from EOD Reporting	521091 LICENSE PLATE EXPENSES	EDGE Goods & Services	
521602 STICKERS	Exempt from EOD Reporting			
Various	Various	524050 MOVING EXPENSE-ST EMPLOYEE	Exempt from EOD Reporting	Clarified definition to explain the payment is a reimbursement.
524105 FEE FOR POSTAGE	Exempt from EOD Reporting	524057 POSTAGE/MAIL SORTING SERVICES	EDGE Goods & Services	Clarified definition to explain the payment is for services (replenish postage to metered equipment and for mail sorting services) NOT for US Postage.
525500 OTHER UTILITY & FUEL PAYMENTS	Exempt from EOD Reporting	525053 OTHER FUEL TYPES	EDGE Goods & Services	

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527700 OTHER RENTALS-NOT ELSEWHERE CL	Exempt from EOD Reporting	527059 OTHER RENTALS	EDGE Goods & Services	Too broad to be excluded from MBE/EDGE program
525501 GASOLINE AND MISC VEHICLE REP	EDGE Goods & Services	529078 Reimbursements - Various	Exempt from EOD Reporting	Clarified definition to explain the payment is a reimbursement.
Various	Various	539152 LEASED EQUIPT - INTEREST	Exempt from EOD Reporting	All interest on leased equipment will be exempt from EOD Reporting. Principal payment for the specific type of purchase has been independently evaluated and did not change.
525905 RECLAMATION OIL AND GAS PRO IN	EDGE Goods & Services	550054 Grant paid to govt or NFP entity	Exempt from EOD Reporting	Properly reclassified as a grant.
574089 WETLAND MITIGATION CREDITS	Exempt from EOD Reporting	570053 Pre-bid expenses -Not service based	EDGE Construction Services (MBE Exempt)	DOT only
573901 LATE PYMT INTEREST CHARGES CAP	Exempt from EOD Reporting	570054 Interest payments	EDGE Construction Services (MBE Exempt)	Aligned interest payment with Construction Service
571012 OTHER BUILDING-MATERIALS	Exempt from EOD Reporting	570061 Construction-Bldgs, other NEC	EDGE Construction Services (MBE Exempt)	Aligned materials with labor costs
Various	Various	578050 Capital Grants or Loans	Exempt from EOD Reporting	Grants are exempt from EOD reporting

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## Speedchart Maintainers

1. Speedcharts can be accessed during the OAKS FY14 year-end shutdown.
2. Every Speedchart with an account code must be recreated with an effective date no earlier than July 1, 2014.
3. Effective dates on speedcharts cannot be updated, each speedchart that references an account code must be recreated.
4. Work with OSS to ensure any VAT speedcharts they use are updated.
5. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## Report Users

1. The BI team will ensure all standard reports are updated to work with the new account codes. Look for additional details and guidance regarding potential impacts to agency BI reports.
2. Agency-built reports referencing specific expense account codes will need to be updated.
3. Chartfields are available for agencies to use to capture agency specific reporting needs.
4. OBM and DAS reports referencing account codes will be updated (e.g., Expense Accounts Excluded by EOD for FYxxxx, DAS Blanket Exemptions, OBM's The Source, OBM Financial Processing Manual, OAKS Account Codes)
5. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## Budget Section

1. Though every non-payroll account code will change, only a few will shift to a different allotment category. Therefore, budget control for allotment and agency control and track budgets should not see much of an impact. There are exceptions. As an example, books and subscriptions will be moved from the personal service allotment level to the supplies and material allotment level.
2. Equipment expenses from \$300 to \$1,000 per unit will be 520 expenses instead of 530. Budget allotments will need to be adjusted accordingly.
3. Chartfields are available for agencies to use to capture agency specific reporting needs.
4. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## Asset Managers

1. Asset managers will see no effect from the change.
2. The FY15 equipment account code threshold will be changed from \$300 to \$1,000 per unit.
3. Agencies can moved and retire assets without updating account codes.
4. Contact your agency's point of contact (click here for cabinet level agency contact list) or the OBM Account Code Mailbox ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) with questions.

## **New Account Codes**

- Crosswalk. A searchable crosswalk has been developed which shows the old FY14 Account Codes and the new FY15 account codes to help users choose the appropriate account code. (<http://obm.ohio.gov/SectionPages/StateAccounting/AccountCodes2.aspx>)
- Contractor's Travel Reimbursements. Reimbursement of travel for contractors is not recommended. Whenever possible, contracts should be written to include travel within the cost/bid for the service. However, when required, all contractor travel will be coded to one account code regardless of the type of service being provided (account code # 51xxxx).

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- IT Development Codes. Significant changes have been made to the IT codes. The State requires that agencies code any funds spent on the development of systems separately from the codes used for maintaining systems. Agencies will need to work with their IT sections to understand the purpose of the expenditure to ensure they are selecting the proper account code.
- Inactivated codes. OBM will inactivate ##### FY14 expense account codes, mainly for lack of use. In searching the crosswalk, if a user does not find the desired code, use a key word search to find an account code that will work for the expenditure. A list of inactivated account codes is on the OBM account code website (<http://obm.ohio.gov/SectionPages/StateAccounting/AccountCodes2.aspx>).

Visit the OBM, State Accounting, Account Code website for the most current information and additional details regarding the transition. Information on this page includes how to search and use the crosswalk as well as lists the cabinet level agency points of contact. (xxxx@x34xxx)

### FAQs

1. Where can I find the new account codes?
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2. What if I can't find a code that fits my need?
  - The expense account codes are broad, select the code that best suits your needs. If you can't find a code that suits your needs, email ([OBM.OAKSAccountCodes@obm.state.oh.us](mailto:OBM.OAKSAccountCodes@obm.state.oh.us)) and explain your need. OBM will respond within 2 days.
3. What if my agency needs to capture more detail than the new codes provide?
  - There following optional chartfields are available for agencies to use for their specific reporting needs: Grant, Project, Serv Loc, Reporting, Agency Use, Budget Reference
4. Can we update the POs we created in FY14 to use the new codes?
  - No, all vouchers process using FY14 budget or prior to FY14 must reference an old (FY14 or earlier) account code.
5. Will we have to close POs that reference the old account codes?
  - At some point in the future, OBM may ask agencies to close old POs that reference old account codes and replace them with new POs using new account codes. This will not happen until January 2015 at the earliest. OBM has language in the MBR that allows this to happen, no appropriation will be lost.
6. Can I modify my speedcharts to update the account code?
  - No, speedcharts effective dates cannot be updated. The new account codes have an effective date of May 1, 2014. All speedcharts must be recreated using an effective date no earlier than May 1, 2014.
7. If I see the new account codes in OAKS, can we use them now?
  - A few agencies enter POs prior to the beginning of the upcoming fiscal year. The codes must be used on FY15 POs but cannot be used to process payments or POs referencing FY14.
8. Will we lose allotment when codes are inactivated if we have a PO that still references the code?
  - No, account codes will remain active until all POs that reference the old account codes have been liquidated.
9. How does this affect my MBE/EDGE plan?

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- The table below shows the 21 codes used in the past, which are now combined into a new code with a different EOD attribute. Additionally, many new IT codes have been added that must be evaluated.
10. I use OAKS-BI standard reports, will they be updated by July?
- Yes, all OAKS standard reports will be updated by July 1, 2014. If agencies have created reports that reference account codes, agencies must update their reports.