

**SECTION 6000**

**PROGRAMS AND SERVICES DIMENSIONS**

August 2003

**Minnesota County Financial Accounting & Reporting Standards**

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The basic dimensions (fund, department, or object) generally will not be adequate for all units of county government. In areas where it is desirable or necessary to budget, account, and/or report fiscal data below the department level, for example divisions, we have presented in this section of COFARS two additional dimensions: programs and services.

- Programs--This is the next breakout of fiscal data below the department level. It should represent logical subdivisions of the department dimension and in many cases will represent budgeting areas of responsibility.
- Services--This is a further breakout of the program dimension; although budgeting will usually not take place down to this level, it provides a means of accounting for activities that will be useful internally to evaluate costs against performance. It is also needed in some areas for state and federal reporting purposes.

The following numbering systems can be used for the program dimension:

General Government	000-199
Public Safety/Corrections	200-299
Public Works/Transportation/Highways and streets	300-399
Sanitation	400-449
Health	450-499
Culture, Parks, and Recreation	500-549
Conservation	550-599
Welfare/Human Services	600-899
Other	900-949
Economic Development	950-999

These ranges are general guidelines. Individual counties may have to shift the ranges based on their own budgetary and reporting requirements. The basic dimensions (fund, department, objects) are generally all that will be needed for annual financial statement reporting.

Services would also be numbered with unique numbers for each service. This will allow for the automation of the entire county without duplicating numbers. COFARS will not give specific guidance on codes for services. Each county should develop services codes based on their budgetary and internal and external reporting needs.

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USE OF PROGRAM AND SERVICE DIMENSIONS

General Government

The general government areas of county government have traditionally accounted to only the departmental level. However, for many counties, their department structures, budgeting, and accounting requirements necessitate the addition of the program and services codes.

Counties now want to budget and account for divisions or subdepartments within the departments for better management, accountability, and control. Therefore, we have presented suggestions of how general government departments might further subdivide their budgeting and accounting functions. For consistency, we have called these departmental segments “programs.”

NON-GENERAL GOVERNMENT FUNDS AND DEPARTMENTS

The following areas of county government have specific needs or requirements related to reimbursement, federal and state reporting, and auditing. These areas are: welfare/human services, health, corrections, public safety, culture and recreation, conservation, and highways.

For these areas, we have developed with state and county representation, specific programs and services which will be used to aggregate costs in a logical, hierarchical manner. For example, by appropriately coding the basic dimensions and these special dimensions, a human services board or county welfare department will have the capability of posting costs simultaneously rather than maintaining a number of subsidiary ledgers. The total array of dimensions, including the basic chart of accounts, would look like this:

<u>Dimensions</u>	<u>Digits</u>	<u>Example of Meaning</u>
Fund	XX	Human Services
Department	XXX	Income Maintenance
Program	XXX	TANF
Service	XXXX	Maintenance Grant
Transaction Code (Optional)	X	Expenditure
Object	XXXX	Payment to Recipients

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In the above example, we have identified that a payment was made to the recipients of an TANF-related program. At the same time, we have identified the other related dimensions. As a result, it is possible to account and report for the following:

- Total expenditures within the human services fund.
- A budget/expenditure report for the manager who is responsible for income maintenance within the human services department.
- The spending for the TANF program.
- Spending for a specific service (maintenance grants).
- Spending for a specific object of expenditure.

Therefore, the result of appropriately coding programs and services will be a mutually exclusive array of valid accounts that will accommodate reporting for both county management and reimbursement purposes.

PROGRAM ADMINISTRATION COSTS

There will be certain costs that cannot be charged to specific services within programs (e.g. the salary of the department head). These costs will be accumulated in a “program administration” program and may be allocated to operating programs for reporting purposes when necessary.

FINANCIAL ACCOUNTING VS. OTHER ACCOUNTING NEEDS

The purpose of the COFARS manual is to present to counties information related to financial budgeting, accounting, and reporting.

We recognize that there are other legitimate needs that county, state, and/or federal agencies may have related to statistical reporting, case management data, client accounting, time reporting, etc.

Ideally, in automated systems, data may be input into these subsystems and also posted to the accounting system. For example, a client tracking system has a legitimate and needed function, but it is a separate parallel function. The costs that are posted in aggregate to the accounting system relating to client services should equal the total of the individual client costs. A sophisticated client tracking system will be able to do this aggregation automatically. On a manual system, it will be necessary to maintain subsidiary records to determine how much was expended by the client for each service.