

USAS Manual

May 2025 Update

Major USAS Manual Changes



Goals for USAS Manual Update Project

- Improve ease of use for School District Treasurers
- Improve reporting to Ohio Department of Education and Workforce
- Facilitate financial reporting process
- Improve audit efficiencies

Understandability of the USAS Manual

Improve ability to identify the applicable required level of coding

- A red font indicates a summary code. Transactions should not be posted to summary codes.

Incorporate a glossary

Incorporate comparison of definitions (accounting vs legal)

Add an FAQ document on the Auditor of State's Website

- The FAQ guidance should be applied beginning July 1, 2025

Update Language

Note: Black text indicates verifying or clarifying current practice while red text indicates a new or updated practice.

Accounting Functionality of the USAS Manual

Establish Predefined Special Cost Centers

Eliminate Grant Funds for Grants No Longer Active

Update Fund Definitions and Account Codes for New GASB Pronouncements

Update Funds for Manner of Use Changes (Funds 014 and 016)

Update Various Funds

Update Fund Approval Process

Update Function, Object, and Receipt Codes

Note: Black text indicates verifying or clarifying current practice while **red** text indicates a new or updated practice.

Release Date, Effective Dates & Action Items

The Updated USAS Manual is expected to be published and posted to the AOS Web-site in early May of 2025. Appendix A of the May 2025 release of the USAS Manual will identify effective dates and “Action Item” guidance.

Unless a separate effective date is identified within the “Action Items,” the changes are effective for fiscal year 2026 reporting. Recording of these items in the school district’s day-to-day books should begin July 1, 2025. Fiscal year 2026 activity should be reported reflecting these changes for the entire fiscal year. Adjustments can be made during FY26, if needed; however, the activity of the entire fiscal year needs to reflect these changes.

Some changes identified as “Action Items” in the USAS manual will call for school districts to analyze certain activity and/or address certain items. For each of these action items, a specific completion date or effective date will be provided.

Predefined Special Cost Centers



NEW

Having predefined special costs centers will allow us to accomplish three goals:

- Improve financial reporting by facilitating program revenue and restricted fund balance GAAP Basis financial reporting requirements.
- Improve audit efficiencies by creating more consistency among school districts which allows more electronic audit procedures to be developed.
- Improve reporting to Ohio Department of Education and Workforce by allowing them to capture certain expenditure details through cost center reporting rather than developing separate reporting mechanisms.

Predefined Special Cost Centers



NEW

900X-999Z will be assigned by the Auditor of State with input from the Ohio Department of Education and Workforce. Note: any special cost center combination that has a “9” as the first digit and an “X”, “Y”, or “Z” as the last digit (with any combination of characters as the second and third digits) should NOT be used by the school district unless directed by AOS/DEW.

- 911X Disadvantaged Pupil Impact Aid
- 915X Career Technical Education
- 916X Gifted Education
- 917X English Learner Funding
- 918X Student Wellness and Success Funding

Predefined Special Cost Centers



NEW

These special cost centers will account for restricted foundation revenue received from the Department of Education and Workforce (DEW).

- Amounts receipted into these new special cost centers will be limited to amounts identified by DEW on the foundation settlement sheets.
- The expenditures are intended to reflect only the expenditures of the restricted dollars received through DEW.
- Expenditures in excess of the funding received are not intended to be reflected in these special cost centers.
- A special cost center beginning with a nine is being used to identify any unspent restricted dollars at the end of the fiscal year.
- These special cost centers will facilitate reporting to DEW and are being used in place of setting up a separate special revenue fund.

Predefined Special Cost Centers



NEW

These new special cost centers within the general fund are not considered separate funds and are not subject to the new fund approval process.

- No prior year unspent balances are required to be moved.
- Use will begin July 1, 2025.

Grant Funds No Longer Active

400 & 500 funds being retired

There are quite a few funds still active in the USAS manual that relate to grant programs whose expenditure period has ended, or with grant programs that are no longer being funded. **The following funds should be analyzed and addressed by June 30, 2026.** These funds will not be available for use beginning July 1, 2026.



Grant Funds No Longer Active

400 & 500 funds being retired

- 413 Post Secondary Vocational Education
- 414 Adult High School Education
- 416 Teacher Development
- 424 Children's Trust
- 426 Industrial Training Program
- 431 Gifted Education
- 440 Entry Year Programs
- 443 Summer School Remediation
- 450 SchoolNet
- 452 SchoolNet Professional Development
- 453 Telecommunity
- 459 Ohio Reads

Grant Funds No Longer Active

400 & 500 funds being retired (continued)

- 460 Student Intervention
- 463 Alternative Schools
- 464 School Improvement Models
- 466 Straight A
- 496 School Building Assistance Limited
- 498 Capital Improvements CAP (H.B. 810)
- 502 School to Work
- 506 Race to the Top
- 510 Coronavirus Relief Fund (CRF)
- 533 Title II D - Technology
- 537 Title 1 School Improvement Stimulus G
- 542 Nutrition Education and Training Program

Grant Funds No Longer Active

400 & 500 funds being retired (continued)

- 573 Title V - Innovative Education Programs
- 583 Emergency School Repair
- 591 Early Learning Initiative

Note: This process could apply to special cost centers within funds 499 and 599 where the state or federal grant program's expenditure period has ended, or the grant program is no longer being funded.

Grant Funds No Longer Active

Action Items

Return any unspent grant monies to the granting agency as appropriate.

Make any adjustments for grant related expenditures that were recorded in another fund.

400 and 500 funds should be used to report State and Federal grants only. If their use has evolved to include ongoing activities beyond accounting for grant monies, those activities should be evaluated and reported in a more appropriate fund. See also how fund 014 has been repurposed. Although fund change functionality is not currently available within State Software, we anticipate it to be available around the end of calendar 2025 which will allow the necessary changes to be made by June 30, 2026.

Documentation of the analysis of these funds and of the actions taken should be maintained and provided to your auditors.

Grant Funds No Longer Active

Information from Ohio Department of Education and Workforce related to returning unspent grant money will be incorporated into the AOS FAQs.



Information for accounting for the return of grant monies and other accounting issues will be available in a FAQ document on www.ohioauditor.gov under the Local Governments | Reference Materials menu with other AOS FAQ documents

Grant Funds No Longer Active

How do I record returning state/federal grant money?

Amounts returned to the granting agency can be charged as a refund of prior year receipt on the day-to-day books. Refund of prior year receipt is not a valid GAAP other financing use and should be reclassified as an intergovernmental expenditure on the GAAP Basis financial statements. If submitting an ACFR to GFOA's Certificate of Achievement Program, GFOA will look for intergovernmental expenditures to be presented by financial statement program/function for display purposes on the statement of activities.

Grant Funds No Longer Active

When reviewing any remaining balances in the 400 and 500 funds scheduled to be retired, I discovered a prior year expenditure that should have been charged to the 400/500 fund. This expenditure was treated as an allowable expenditure, but it was not adjusted on my books. How can I adjust this on my books?

The following *Prior Fiscal Year Expenditures Reimbursed with Federal Funds in the Subsequent Fiscal Year* guidance was previously developed and can be adapted to this situation when the obligation and liquidation of the underlying expenditure were allowably incurred within the program period of performance:

Management should prepare a detailed invoice documenting the fund that reported the original expenditure of allowable cost(s) (Original Fund), charge the invoice to the appropriate SCC within the 400/500 Fund, and record a refund of prior year expenditure in the Original Fund. Management should charge the appropriate functions/objects within the SCC of the 400/500 Fund based on the billing received from the Original Fund. The refund of prior year expenditure is allowable on the budgetary reporting basis but must be reclassified on the financial statements. The reclassification would move the refund of prior expenditures to a revenue line item (usually Miscellaneous Revenue). A reduction of expenditure could be used if the amount is immaterial. Some judgment may be needed to determine the best presentation of these reclassifications in each particular circumstance.

It is important to note, this type of correction is considered a reimbursement and is not considered a transfer under Ohio Revised Code § 5705.14-.16.

GASB 54 Fund Definition Changes

GASB 54 Changed the Definition of Special Revenue Funds

Various fund definitions have been updated for GASB 54 purposes to indicate when a fund is classified as a special revenue fund and does not have a restricted or committed revenue source, it will be included with the general fund for financial reporting purposes.

GASB 84 Fund Definition Changes

GASB 84 Impacted the Presentation of Fiduciary Funds

Not Fiduciary if there is Administrative Involvement by the School District

- 200 Student Managed Student Activity - special revenue
 - Previously agency
- Pell and Stafford – special revenue
 - Previously could have been included in 022

GASB 84 Fund Definition Changes

Fund Classification Options for Special Trust (007) Funds

- Governmental - Special Revenue
- Governmental - Permanent
- Fiduciary – Private-Purpose Trust

Fund Classification Options for Endowment (008) Funds

- Governmental - Permanent
- Fiduciary – Private-Purpose Trust

Funds with Manner of Use Change

Fund 014 Other Special Revenue

Effective July 1, 2026, fund 014 will be repurposed from Internal Services Rotary to Other Special Revenue. For Fiscal Year 2026, it will be known as Other Services Rotary.

By June 30, 2026, the activity of this fund should be reviewed, and only special revenue activity should remain. Any enterprise, internal service, or custodial activity should be adjusted to another fund.

This repurposed fund is intended to report special revenue activity other than federal, state, or local grants. This type of activity could be fee based. Documentation of analysis should be available for auditors.

Fund change functionality should be available by the end of calendar 2025 to facilitate this change.

Funds with Manner of Use Change

Fund 016 Emergency Levy

If the constraints on the use of the levy monies are not more narrow than those on the General Fund, the 5705.194 levy can be accounted for in the General Fund. Any amounts remaining in fund 016 at July 1, 2025, can be spent out of the 016 fund. Any amounts received on July 1, 2025, or after can be receipted into the General Fund. The balance of the 016 fund should be spent first.

If the constraints on the use of the levy monies are more narrow than those of the General Fund, the use of fund 016 Emergency Levy is appropriate. Use of fund 016 as a special revenue is expected to be infrequent. Documentation should be available to demonstrate these constraints.

Update Various Funds

NEW

Available beginning on July 1, 2025

- **493 State Capital Grants**
- **593 Federal Capital Grants**
 - Rather than using 499 and 599 for capital grants, 493 and 593 will be used. This will allow special revenue funds and capital projects funds to be accounted for in separate multi-purpose funds.
 - This usage should begin with new grants. Any balance related to capital grants currently in 499 and 599 can be spent down from those funds.

Update Various Funds

Available Beginning on July 1, 2025

- 036 Special Levy

Name Change

- 002 Bond Retirement to Debt Retirement

Other Funds Scheduled to be Deleted after Fiscal Year 2026

- 032 School Improvement Models
- 467 Student Wellness and Success
- 507 Elementary and Secondary School Emergency Relief (ESSER)
- 508 Governor's Emergency Education Relief (GEER)

Update Fund Approval Process

NEW

Background

- Within the fund structure of the USAS manual, most funds have a defined purpose.
- To allow the USAS manual the ability to add new funds that cannot be anticipated, a limited number of funds have been established that have the potential to be multi-purposed in nature.
- A fund is considered multi-purposed when it has special cost centers that account for different activities that do not relate to each other. For example, a fee-based fund could account for two separate fee-based activities that have separate fee structures. One SCC may account for providing tuition-based educational services while another SCC accounts for providing fee-based accounting services for another governments.
- In these cases of multiple types of activity within a single fund, each activity will be subject to separate fund approval, unless there is already specific statutory authority in place or if there is an AOS Bulletin granting approval of the SCC.
- Some of these multi-purpose funds have specific statutory authority for their creation, while others do not. Currently, there are only **four** funds which may be impacted by this change.

Update Fund Approval Process

NEW

Beginning on July 1, 2025

- Cost centers in the following funds ONLY will be subject to Auditor of State fund approval, unless there is statutory authority establishing the creation of the special cost center:
 - 014 Other Services Rotary
 - 020 Special Enterprise
 - 021 Intra-District Services
 - 022 District Custodial

Update Fund Approval Process



NEW

Beginning on July 1, 2025

- The requirement for fund approval by special cost center in these funds is for new special cost centers only, it does NOT apply to:
 - Special cost centers in use in funds established prior to July 1, 2025.
 - Special cost centers in use in other funds established prior to July 1, 2025, that are adjusted to one of the above funds in accordance with other “Action Items” provided in this manual.
 - Special cost centers within any fund other than the four funds identified previously.
 - Special cost centers within the general fund.
- For purposes of evaluating ORC 5705.10 fund deficits, all SCCs are rolled together, and the evaluation is done for the fund as a whole.

Function Code Updates



1200 - Numerous clarifications and changes to descriptions

1300 - Change from Vocational Instruction to Career Technical Education Instruction

2930 - Change from Information Services to Media and Communication Services

4548 - Girls' Individual Sports has added Wrestling

Object Code Updates



245 and 255 have been added for Health Savings Accounts

426 updated from Lease Purchase Agreements to Financed Purchase Agreements (GASB 87)

520s Textbooks and 530s Library books have been updated to include electronic materials

800 added clarification for debt (COPs)

Receipt Code Updates

1300 Transportation Fees

- **Remaining Codes**
 - 1310s Transportation Fees
 - 1390s Other Transportation Fees
- **Codes Eliminated** (Not to be used after June 30, 2025)
 - 1320s Transportation Fees from Other Districts Within the State
 - 1330s Transportation Fees From Other Districts Outside the State
 - 1340s Transportation Fees from Other Sources

REMOVED

Receipt Code Updates



NEW

1880 Compensation for Property Tax Exemption – Payment in Lieu of Taxes (PILOTs)

- 1881 Enterprise Zone Agreements
- 1882 Community Redevelopment Area
- 1883 Tax Increment Financing
- 1889 Other Economic Development Tool

Receipt Code Updates



3210 Restricted Grants-In-Aid Received Directly From State Government

- 3211 Disadvantaged Pupil Impact Aid*
- 3212 Bus Purchase Allowance*
- 3213 School Lunch*
- 3214 Textbook/Instructional Materials*
- 3215 Career Technical Education*
- 3216 Gifted Education*
- 3217 English Learner Funding*
- 3218 Student Wellness and Success Funding*
- 3219 Other Restricted Grants-in-Aid Received from the State*

4221 Medicaid Reimbursement



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