Policy Type: Administrative

Category: Fiscal and Budget **Sub-Category**: Budget Practices

Policy Name: General Ledger Account Policy

Policy Owner: Controller-Treasurer Department

Policy Purpose

The purpose of this policy is to guide departments through the process for adding a new general ledger account, or changing, blocking, or unblocking an existing general ledger account.

Policy Summary

General ledger accounts are used to classify financial transactions. They are used to capture amounts representing assets, liabilities, deferred outflow/inflow of resources, equity, revenues, receipts, expenditures, disbursements, transfers, reimbursements, reserves, and designations. general ledger accounts assist with not only capturing these amounts, but also with determining *what* the amounts represent.

The County's accounting system allows breakdown of revenues or expenditures by using statistical internal orders and tracking of program budgets by funded programs. Once a general ledger account is created, it cannot be reassigned to a different purpose.

Adding a New General Ledger Account

General ledger accounts should only be added when new accounting standards or new transactions are needed by the County for reporting purposes. The County does not encourage using general ledger accounts

to track transactions for specific programs, grants, projects, or department-specific transactions.

Changing an Existing General Ledger Account

Departments may wish to make changes to a general ledger account for a variety of reasons. Examples of changes include changing the name of the general ledger account and adding to the purpose, use, or need of the account. A change to a general ledger account is allowed if there are no postings Countywide in the County's accounting system.

If there is any posting in the County's accounting system, the Controller-Treasurer Department General Accounting Unit [Reporting] will decide whether an exemption can be granted. Approval for exemption is obtained from the Controller Treasurer Department Division Manager, or designee.

Blocking or Unblocking an Existing General Ledger Account

General ledger accounts that are no longer needed can be blocked to prevent usage. A blocked general ledger account can be unblocked if it becomes needed at some point in the future. If a department wishes to block a balance sheet account, the account must have a zero balance Countywide.

Procedures

Adding, Changing, Blocking, or Unblocking a General Ledger Account

1) Upon determining a need to add a new general ledger account, or to change, block, or unblock an existing general ledger account, the **operating department** completes the General Ledger Account Request Form.

2) The **operating department** submits the completed General Ledger Account Request From electronically with email approvals from authorized personnel attached to the Controller-Treasurer Department General Accounting Unit [Reporting]. The Form and email approvals must be submitted via email to GAUReporting@fin.sccgov.org

3) The **Controller-Treasurer Department General Accounting Unit [Reporting]** reviews and approves the General Ledger Account Request Form and submits the form to the Controller-Treasurer Department Fiscal System Division [ASAP].

3a) If the request is related to a revenue or expenditure account type, additional review and approval must be obtained from the Office of Budget and Analysis (OBA). OBA submits the General Ledger Account Request Form to the Controller-Treasurer Department Fiscal System Division [ASAP].

4) The **Controller-Treasurer Department Fiscal System Division [ASAP]** processes and attaches the General Ledger Account Request Form in the County's accounting system and notifies the Controller-Treasurer Department General Accounting Unit [Reporting], OBA, and the department of the completed process. ASAP will not process the request unless all signatures are evident on the form.

Definitions

For the purposes of this policy, the following definitions apply:

1) "**County's accounting system**" means the SAP System or other similar system currently used by the County as its primary accounting and finance system.

2) "**General Ledger Account**" means an account contained in the General Ledger, which records every financial transaction for every financial account.

Frequently Asked Questions

None.

Related Policies

- Cost Center Policy - https://www.sccgov.org/sites/scc/gov/CountyPolicies/Cost-Center-Policy.pdf

- Fund Policy - https://www.sccgov.org/sites/scc/gov/CountyPolicies/Fund-Policy.pdf

Related Forms and Information

- General Ledger Account Request Form - [url] /sites/forms/controller/ControllerCountywideforms/General%20Ledger%20Account%20Request%20Form_5409.pdf

History

Date	Changes Made
2/22/2019	Form submission required by email. (David Bruno)
1/14/2019	Links Updated. (David Bruno)
4/27/2017	Policy summary and procedures revised and updated (David Bruno)
1/15/2014	Policy uploaded