

October 5, 2020

Mr. Christopher Nunn  
Commissioner  
Georgia Department of Community Affairs (DCA)  
60 Executive Park South, NE  
Atlanta, GA 30329

Mr. Greg Griffin  
State Auditor  
Georgia Department of Audits and Accounts (DOAA)  
270 Washington Street, SW  
Atlanta, GA 30334

Re: Uniform Chart of Accounts (UCOA) for Local Governments in Georgia – Proposed Amendments

Commissioner Nunn and Mr. Griffin:

Subsequent to Mr. Griffin’s approval and the DCA Board’s adoption of the Fourth Edition of the Uniform Chart of Accounts for Local Governments in Georgia, additional needs have emerged for finance directors and staff in many Georgia cities, counties, and consolidated governments.

In response to a Government Accounting Standards Board (GASB) pronouncement and a pending county-level Transit Special Purpose Local Option Sales Tax referendum, I am writing on behalf of the UCOA Working Group (DCA, DOAA, Carl Vinson Institute of Government, Georgia Municipal Association, and Association County Commissioners of Georgia) to propose eight amendments to the UCOA – one addressing GASB Statement 84, and seven addressing the potential Transit SPLOST revenue stream..

#### **GASB84 Language**

In compliance with Government Accounting Standards Board (GASB) Statement 84, the UCOA Fourth Edition is amended to replace the terms “Trust and Agency Funds” and “Agency Funds,” with “Trust and Custodial Funds” and “Custodial Funds,” respectively.

#### UCOA Amendment I: Fund Code Verbiage Update

<b>Fund Code</b>	<b>Fund Description</b>
700	Trust and Custodial Funds
710	Custodial Funds

All references to this Fund Code and Sub-Code will be updated throughout the UCOA to reflect this updated terminology.

#### **Transit SPLOST Accounting**

During the 2017-2018 Legislative Session, HB930 established a Transit Special Purpose Local Option Sales Tax (OCGA 48-8-269.41). Counties within the EPA Clean Air Act “Nonattainment

Areas” are able to propose the tax for a single-county; those counties outside of the “Nonattainment Areas” must propose the tax in conjunction with one or more neighboring counties. While the context in which a referendum is proposed is distinct, resulting revenue will be handled the same for accounting and reporting purposes.

While no counties have adopted a Transit SPLOST to date, the referendum will be voted on in Gwinnett County on November 3, 2020 (Gwinnett County Commission, Resolution 2020-0766).

In the current Fourth Edition of the UCOA, potential Transit SPLOST revenue is *not* included. The Fourth Edition of the UCOA is amended to include three additional sub-fund codes, three additional revenue sub-accounts, and one expenditure codes to account for Transit SPLOST-related funds (additions indicated by “\*”).

UCOA Amendment II: Additional Fund Code

Fund Code	Fund Description
200	Special Revenue Funds
*236	Transit SPLOST Fund

UCOA Amendment III: Additional Fund Code

Fund Code	Fund Description
300	Capital Projects Fund
*336	Transit SPLOST Fund

Because of the mechanics of distribution, it may be necessary for county/consolidated governments to account for special purpose tax funds in a fiduciary fund custodial account. To meet this need, the Fourth Edition of the UCOA is amended to add a custodial account for all special purpose tax funds to be distributed to a municipal government. This fund code will be exclusively for the use of county/consolidated governments, used for funds that will subsequently be distributed to municipal governments.

UCOA Amendment IV: Additional Fund Code

Fund Code	Fund Description
700	Trust and Custodial Funds
*790	Special Purpose Tax Funds (SPLOST, TSPLOST, Transit SPLOST)

UCOA Amendment V: Additional Revenue Account Classification

Account Classification	Account Description
31.3000	General Sales and Use Taxes
*31.3600	Transit Special Purpose Local Option Sales Tax

UCOA Amendment VI: Additional Intergovernmental Revenue Account Classification

Account Classification	Account Classification Description
33.7000	Local Government Unit (Specify Unit) Shared Revenues
33.7100	Special Purpose Local Option Sales and Use Taxes (SPLOST)
*33.7400	Transit Special Purpose Local Option Sales and Use Taxes (Transit SPLOST)

UCOA Amendment VII: Additional Interest Revenue Code Classification

Code Classification	Code Classification Description
36.1000	Interest Revenues
*36.1350	Transit SPLOST Fund Interest Revenue



UCOA Amendment VIII: Additional Expenditure Sub-Code Classification

Code Classification	Code Classification Description
4960	Intergovernmental Payments of Shared Sales and Use Tax Revenue
*4961	Intergovernmental Payment of Shared Special Purpose Local Option Sales Tax (SPLOST)
*4964	Intergovernmental Payment of Shared Transit Special Purpose Local Option Sales Tax (Transit SPLOST)

With the approval of both the Commissioner of the Department of Community Affairs and the State Auditor, these amendments will be made available for public comment in accordance with the Georgia Administrative Procedures Act and considered for adoption by the DCA Board at the quarterly meeting scheduled for November 18, 2020.

Please join me in extending thanks and gratitude to DCA and DOAA staff, CVIOG public service faculty, and GMA and ACCG representatives, all of whom demonstrate continued commitment to ensuring the UCOA is most effectively meeting the needs of local government finance officials across Georgia. If you have any questions or require additional information, please feel free to contact me at [tyler.reinagel@dca.ga.gov](mailto:tyler.reinagel@dca.ga.gov) or 404-679-4996.

Sincerely,



Tyler Reinagel, Ph.D.  
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