

Municipal Chart of Accounts Crosswalk

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TENNESSEE COMPTROLLER OF THE TREASURY



Crosswalk-What is it?

- A means of converting your financial data into a standard format
 1. Provides consistency
 2. Data Analysis
 3. Comparability
 4. Transparency

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- Not a mandate
- The Comptroller has statutory authority to prescribe a uniform system of bookkeeping and accounting for local governments; however, rather than mandating a municipal COA, we have chosen to work through your contract CPA firm to convert your financial data into a standard format based on a COA previously maintained by the Municipal Technical Advisory Service (MTAS). We have modified that chart to bring it up to date with generally accepted accounting principles (GAAP) and have developed a condensed crosswalk COA in Microsoft Excel.
- Effective Date: June 30, 2023-early conversion would be encouraged

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- Who will convert data?
 - CPA Firm
 - Municipal employee-Audit Firm will verify accuracy

11. In consideration of the satisfactory performance of the provisions of this contract, the organization shall pay to the auditor the fee(s) listed below. (Fees may be fixed amounts or estimated.)

Fixed Contract Fee:

Audit

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Total Fixed Contract Fee

or

Estimated Contract Fee:

Audit

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Total Estimated Contract Fee

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- CPA Firm Converts Data: Define Level of Service
 - This will be included in engagement letter
 - A. Regulatory Reporting
 - B. Agreed-Upon-Procedures
 - C. LGA does not believe this to be a non-audit service
- We will provide a generic disclaimer on converted data posted to our website that explains that readers should refer to a municipality's actual audit report for audited information.

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- Why are we converting this data?
 1. Transparency
 2. Comparability
 3. Data Analysis
- Financial Data Transparency Act (FDTA)
 - Increase transparency to F/S

Frequently Asked Questions

- Are any municipalities exempt from the Crosswalk?

All incorporated municipalities in Tennessee will be required to crosswalk their audited financial data.

- Can we early implement the crosswalk?

Yes. While the crosswalk is required to be performed for the audit year ending June 30, 2023, it would be beneficial to get an early start by performing a conversion test of June 30, 2022, data.

Frequently Asked Questions

- Are Utility Districts included in the Crosswalk mandate?

No, not currently but UD's will be required in the future.

- How will Municipal School System's financial data be captured?

Municipal school systems use the existing county chart of accounts required by the Tennessee Department of Education. This data will be able to be transferred directly into the crosswalk.

Frequently Asked Questions

- What should we be discussing with our external auditor regarding the chart of accounts

You need to begin a conversation with your external auditor as soon as possible as to how they plan on handling your data conversion. The crosswalk does not constitute an audit and no opinion should be issued. You should also discuss with your auditor the cost of performing this service.

FAQ

- ✓ How will our external auditor submit the converted data to the Comptroller's Office?

Your converted data will be uploaded to the Comptroller's CARS system along with your completed audit report.

FAQ

CARS Public – Main Menu – Upload Financial Information

Main Menu

1. Account Information
Manage my Account
(upload peer review information and change address, email, etc.)
Manage all Accounts for my Business
(status and signature authority for all accounts)
Admin users for my business
Go to the Peer Review section of my Account

Upload Financial Information
(financial and single audits, mgt letters, etc.)
[Report Submission History](#)

Attach reports & files

* Choose File No file chosen

* Select a file type

- * Select a file type
- Audit Report
- Audit Conclusions – Comptroller’s Referral Letter
- Compliance Examination Report
- Federal Form 990
- Governance Letter
- Management Letter
- Miscellaneous
- Schedule of Cash Shortages and Thefts
- Separate Single Audit
- Specialty License Plate Annual Accounting
- Unaudited Financial Information

* By checking this box, you verify that the above de

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Frequently Asked Questions

- How will the Crosswalk tie into the recently passed Financial Data Transparency Act (FDTA) and the data standards required by that legislation?

We are uncertain as to the impact this legislation will have on municipalities, your accounting records, and your audited financial statements. The FDTA provides two years for the Security and Exchange Commission to develop data standards. Once the standards are developed, governments will have two years to implement. With that said, we see no reason to delay the implementation of the chart of accounts crosswalk. We believe the crosswalk could give us a good starting point on complying with the new data standard requirements and the tagging of municipal financial information into a machine-readable format.

Frequently Asked Questions

- What audited financial data will be converted using the crosswalk?

The audited financial information to be converted will include data from the fund financial statements. This will include all governmental funds and enterprise funds. The information will include audited data from the Balance Sheet and the Statement of Operations. Each line-item expenditure/expense account should also include an object code. Fiduciary fund types and the Government-wide financial statements are excluded from this conversion.

Frequently Asked Questions

- How will the external auditor submit the financial data to the Comptroller's Office?

Your converted data will be uploaded to the Comptroller's CARS system along with your completed audit report.

- Are component units of municipalities included with the crosswalk?

The only component units of a city that should be included in the conversion would be a school department or any blended component units. All other discretely presented component units should be excluded. Entities such as emergency communications districts or airports would not be included unless they are considered funds of the municipality.

Other Questions and Concerns

- What if the city and the utilities board have separate audits. Should the city auditor include the utilities board's crosswalk?

Our office recommends each audit firm be responsible for applicable COA Crosswalk for the funds they audit.

- Will audits of school activity funds be included?

Internal school funds (ISF) audits are not impacted by the chart of accounts conversion, however the ISF-special revenue fund reported in a municipality's financial statements should be included in the municipality's chart of accounts crosswalk. A municipality's chart of accounts for ISF does not have to include detailed line items, but it should reflect line items reported in the municipality's financial statements.

Crosswalk updates

- CPA firms beginning to use
- Updated in June and August
- Majority of the updates in August
- Minimal updates remainder of the year
- Planned yearly updates to remain GASB compliant
- No major changes to input method or look

✓ Municipal COA Documents

[Municipal Uniform Chart of Accounts](#) - August 2023

[Municipal Chart FY23 Updates](#) - June 2023

[Municipal Chart FY23 Updates](#) - August 2023

[Condensed Municipal Chart of Accounts](#) - August 2023

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