

**Readopt with amendment Rev 2200, effective 8-8-14 (Document #10652), to read as follows:**

CHAPTER Rev 2200 FINANCIAL ACCOUNTING FOR COUNTIES

Statutory Authority: RSA 21-J:1; 21-J:3; 21-J:13, III ; 21-J:16; 21-J:34; 27:3; 33:14.

PART Rev 2201 GENERAL DEFINITIONS

Rev 2201.01 "Accrual basis of accounting" means the method under which:

(a) Revenues are recognized in the accounting period in which they are earned and become measurable; and

(b) Expenses are recognized in the period incurred, if measurable.

Rev 2201.02 "American Institute of Certified Public Accountants (AICPA)" means the institute which issues authoritative accounting literature.

Rev 2201.03 "Basis of accounting" means when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements.

Rev 2201.04 "Department" means the New Hampshire department of revenue administration.

Rev 2201.05 "Double entry" means an accounting system which requires that, for every entry made to the debit side of an account, an entry for a corresponding amount is made to the credit side of another account.

Rev 2201.06 "Expenditure(s)" means:

(a) The cost of goods delivered or services rendered, whether paid or unpaid;

(b) Expenses, except depreciation;

(c) Provision for debt retirement not reported as a liability of the fund from which retired; and

(d) Capital outlays.

Rev 2201.07 "Expense(s)" means charges incurred, whether paid or unpaid, for operations, maintenance, interest, and other charges, including depreciation, presumed to benefit the current fiscal period.

Rev 2201.08 "Federal Accounting Standards Advisory Board (FASAB)" means the authoritative standard-setting body responsible for establishing GAAP for the federal government.

Rev 2201.09 "Financial Accounting Standards Board (FASB)" means the independent private-sector, not-for-profit organization that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow GAAP.

Rev 2201.10 "Function" means group-related programs aimed at accomplishing major service or regulatory responsibility.

Rev 2201.11 "Fund" means a fiscal and accounting entity with a self-balancing set of accounts which is:

(a) Used to record cash and other financial resources, with all related liabilities and residual equities or balances, and changes therein; and

(b) Segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with applicable restrictions or limitations as provided by statute and related administrative rules.

Rev 2201.12 "Generally accepted accounting principles (GAAP)" means the established body of theory and practice that acts as a general guide for accountants.

Rev 2201.13 "Governmental Accounting Standards Board (GASB)" means the board which issues authoritative pronouncements primarily for governmental accounting.

Rev 2201.14 "Legislative body" means "legislative body" as defined in RSA 21:47.

Rev 2201.15 "Modified accrual basis of accounting" means the method under which:

(a) Revenues are recognized in the accounting period in which they become available and measurable; and

(b) Expenditures, rather than expenses are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt.

Rev 2201.16 "Municipal tax rate setting portal (MTRSP)" means the department's municipal tax rate setting portal accessed through <https://www.proptax.org>.

Rev 2201.17 "Program" means activities, operations, or organizational units directed to attaining specific purposes or objectives.

Rev 2201.18 "Uniform chart of accounts" means the account titles, descriptions, and numbering classification system expressed in this chapter established by the department in accordance with RSA 21-J:13, III.

## PART Rev 2202 METHOD AND BASIS OF ACCOUNTING AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR COUNTIES

Rev 2202.01 Method of Accounting. Counties shall use a double entry system of bookkeeping as the method to record all financial transactions.

Rev 2202.02 Basis of Accounting.

(a) Counties shall use the accrual basis of accounting for:

(1) Proprietary funds;

(2) Non-expendable trust funds; and

- (3) Pension trust funds.
- (b) Under the accrual basis of accounting, transactions shall be classified by fund and for:
  - (1) Revenues recognized in the accounting period in which they are earned and become measurable; and
  - (2) Expenses, rather than expenditures, recognized in the period incurred, if measurable.
- (c) Counties shall, for purposes of filing Form MS-45, "Financial Report of the County," use the modified accrual basis of accounting for all:
  - (1) Governmental funds;
  - (2) Transfers to and expenditures from capital reserve funds and expendable trust funds; and
  - (3) Fiduciary funds.
- (d) Under the modified accrual basis of accounting, transactions shall be classified by fund and for:
  - (1) Revenues recognized in the accounting period in which they become available and measurable; and
  - (2) Expenditures rather than expenses, recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt.

Rev 2202.03 Hierarchy of Generally Accepted Accounting Principles for Counties. For general accounting in areas not addressed in this rule, counties shall follow, in descending priority sequence, the authoritative sources listed below:

- (a) The first level shall include:
  - (1) GASB statements; and
  - (2) GASB interpretations;
- (b) The second level shall include:
  - (1) GASB technical bulletins;
  - (2) AICPA industry audit and accounting guides made applicable by the AICPA and accepted for use in governmental accounting by the GASB; and
  - (3) AICPA statements of position made applicable to auditing governmental entities by the AICPA and accepted for use in governmental accounting by the GASB;
- (c) The third level shall include:
  - (1) GASB emerging issues task force consensus positions; and

- (2) AICPA practice bulletins made applicable to governmental entities by the AICPA and accepted for use in governmental accounting by the GASB;
- (d) The fourth level shall include:
- (1) GASB implementation guides; and
  - (2) Prevalent accounting practices that are widely recognized by public accountants and certified public accountants, licensed under RSA 309-B who prepare state and local governmental financial reports consistent with generally accepted accounting principles; and
- (e) Other sources of guidance shall include:
- (1) GASB concepts statements;
  - (2) Private-sector authoritative guidance not applicable to state and local governments;
  - (3) FASB guidelines that have not been made applicable to state and local governmental accounting by the GASB;
  - (4) FASB concept statements;
  - (5) FASAB statements, interpretations, technical bulletins, and concept statements;
  - (6) AICPA issues papers;
  - (7) International public sector accounting standards;
  - (8) International financial reporting standards; and
  - (9) Accounting textbooks, articles, or pronouncements of other professional or regulatory agencies.

## PART Rev 2203 CLASSIFICATION OF FUNDS AND ACCOUNT GROUPS

### Rev 2203.01 Classification of Funds.

(a) Governmental funds shall be used to account for activities supported by taxes, grants, or other similar revenue and shall consist of:

- (1) A general fund to account for all financial resources of the county except those required to be accounted for in another fund;
- (2) Special revenue fund(s) to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects and exclusive of resources held in trust for other individuals, private organizations, or other governments, that are legally restricted to expenditure for specified purposes;
- (3) Capital project fund(s) to account for financial resources used to acquire or construct capital facilities, other than those financed by proprietary funds and trust funds;

- (4) Capital reserve funds established under RSA 35;
  - (5) Permanent fund(s) to account for and report resources restricted to the extent that only earnings and not principal may be used for purposes to support the county's programs; and
  - (6) Non-capital reserve funds under RSA 35:1-c.
- (b) Fiduciary funds shall:
- (1) Account for assets held by a county in a trustee or agency capacity for others and which therefore cannot be used to support the county's own programs;
  - (2) Consist of:
    - a. Pension and other employee benefit trust funds, such as, deferred compensation plans and post employment benefit plans under RSA 31;
    - b. Private purpose-trust funds used to report all other trust funds held in a fiduciary capacity for individuals, private organizations, and other governments, other than pension or investment trust funds;
    - c. Investment trust funds managed in a trustee relationship for outside parties; and
    - d. Agency funds held temporarily in a custodial capacity.
- (c) Proprietary funds are business type activities that shall consist of:
- (1) Enterprise fund(s) which may be used to account for operations:
    - a. That are financed and operated similar to private business enterprises where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or
    - b. Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for:
      1. Capital maintenance;
      2. Public policy;
      3. Management control;
      4. Accountability; or
      5. Other public purposes; and
  - (2) Internal service fund(s) which may be used to account for the financing of goods or services provided, on a cost-reimbursement basis, by one department or agency of a county to other:

- a. Departments or agencies of the county; or
- b. Other governments.

#### PART Rev 2204 CLASSIFICATION OF REVENUE SOURCES

Rev 2204.01 Source 3100: Revenue From Assessments and Taxes. Revenue from assessments and taxes shall be classified by the following accounts:

(a) Account 3110, property taxes levied for unincorporated places, classification shall be for compulsory charges levied by the county tax collector for unincorporated places' purposes on the assessed valuation of real property located within the unincorporated places;

(b) Account 3111, municipal assessment, classification shall be for compulsory charges levied for county purposes by municipalities on the assessed valuation of real property located within the county;

(c) Account 3120, land use change taxes for unincorporated places, classification shall be for taxes assessed and levied on the full and true value of land within the unincorporated places;

(d) Account 3180, resident taxes for unincorporated places, classification shall be for taxes assessed and levied on inhabitants of the unincorporated places;

(e) Account 3185, yield taxes for unincorporated places, classification shall be for taxes assessed and levied within the unincorporated places on the stumpage value at the time of timber cutting;

(f) Account 3186, payments in lieu of taxes for unincorporated places, classification shall be for payments made in place of property taxes from the general revenues of one government to another in place of property taxes had its property or other tax base been subject to taxation by the recipient government on the same basis as privately owned property or other tax base;

(g) Account 3187, payments in lieu of taxes, classification shall be for payments to the county made in place of property taxes or used for payments from the general revenues of one government to another in place of taxes it would have had to pay had its property or other tax base been subject to taxation by the recipient government on the same basis as privately owned property or other tax base;

(h) Account 3189, other taxes, classification shall be for taxes assessed and levied, other than those specified above;

(i) Account 3190, interest and penalties on delinquent taxes for unincorporated places, classification shall be for:

(1) Amounts assessed as penalties for the payment of taxes after their due date; and

(2) Interest charged on delinquent taxes from their due date to the date of actual payment;  
and

(j) Account 3191, penalties on delinquent municipal assessments, classification shall be for amounts assessed as penalties for the payment of municipal assessments after their due date.

Rev 2204.02 Source 3200: Revenue From Licenses, Permits, and Fees. Revenue from licenses permits and fees shall be classified as the following accounts:

(a) Account 3220, motor vehicle permit fees for unincorporated places, classification shall be for revenues from motor vehicle permit fees levied on residents in unincorporated places;

(b) Account 3230, building permits in unincorporated places, classification shall be for revenues from the issuance of building permits in unincorporated places; and

(c) Account 3290, other licenses, permits, and fees, classification shall be for revenue, not otherwise classified, from:

(1) Licenses;

(2) Permits; and

(3) Fees.

Rev 2204.03 Source 3300: Revenue From The Federal Government.

(a) Account 3319, federal grants and reimbursements, classification shall be for intergovernmental revenues received from any other U.S. departments or agencies in the form of operating grants, entitlements, and shared revenues.

Rev 2204.04 Source 3350: Revenue From the State of New Hampshire. Revenue from the state of New Hampshire shall be classified into the following accounts:

(a) Account 3351, shared revenue - block grant for unincorporated places, classification shall be for intergovernmental revenue from the state of New Hampshire received by the county for unincorporated places pursuant to RSA 31-A;

(b) Account 3352, incentive funds, classification shall be for intergovernmental revenue received from the state of New Hampshire for the development of:

(1) Community based diversion; and

(2) Alternative disposition programs;

(c) Account 3354, water pollution grants, classification shall be for intergovernmental revenues received from the state of New Hampshire department of environmental services, division of water, in the form of:

(1) Operating grants;

(2) Entitlements; or

(3) Shared revenues;

(d) Account 3355, housing and community development, classification shall be for intergovernmental revenues received from the state of New Hampshire office of state planning in the form of:

(1) Operating grants;

(2) Entitlements; or

(3) Shared revenues;

(e) Account 3356, state and federal forest land reimbursement in unincorporated places, classification shall be for intergovernmental revenues received from the state of New Hampshire for payments in lieu of property tax; and

(f) Account 3359, other state grants and reimbursements, classification shall be for intergovernmental revenues, not otherwise classified, received from other state of New Hampshire departments in the form of:

(1) Operating grants;

(2) Entitlements; or

(3) Shared revenues.

Rev 2204.05 Source 3370: Revenue From Other Governments.

(a) Account 3379, intergovernmental revenues - other, classification shall be for revenues received from other local governments in the form of:

(1) Operating grants;

(2) Entitlements; or

(3) Shared revenues.

Rev 2204.06 Source 3400: Revenues from Charges For Services. Revenue from charges for services shall be classified into the following accounts:

(a) Account 3401, income from sheriff's department, classification shall be for revenue received from the charge for services for the sheriff's department;

(b) Account 3402, income from register of deeds, classification shall be for revenue received from the charge for services for the register of deeds;

(c) Account 3403, income from county corrections, classification shall be for revenue received from the charge for goods and services for the county correctional facility;

(d) Account 3404, income from county nursing homes, classification shall be for revenue received from the charge for goods and services for the county nursing home(s);

(e) Account 3405, income from county farm, classification shall be for revenue received from the charge for goods and services for the county farm;

(f) Account 3406, income from cooperative extension service, classification shall be for revenue received from the charge for services for the cooperative extension services;



(g) Account 3407, income from maintenance department, classification shall be for revenue received from the charge for services for the maintenance department; and

(h) Account 3409, other charges, classification shall be for revenue received for goods and services provided by the county not otherwise classified.

Rev 2204.07 Source 3500: Revenues from Miscellaneous Sources. Revenue from miscellaneous sources shall be classified into the following accounts:

(a) Account 3501, sale of county property, classification shall be for proceeds from the sale of:

- (1) Property previously used to pursue county business; and
- (2) Tax-deeded property;

(b) Account 3502, interest on investments, classification shall be for revenue earned as compensation for the use of the county's financial resources;

(c) Account 3503, rents of property, classification shall be for revenue earned as compensation for the use of the county's property;

(d) Account 3505, escheats, classification shall be for payment or delivery of property to the appropriate county treasurer following completion of proceedings pursuant to RSA 471-C:30;

(e) Account 3506, insurance dividends and reimbursements, classification shall be for monies returned from the payment of:

- (1) Insurance premiums paid in a prior period; or
- (2) Claims for which the expenditure was incurred in prior periods;

(f) Account 3508, contributions and donations, classification shall be for revenue provided by private or public contributions; and

(g) Account 3509, revenue from miscellaneous sources not otherwise classified, classification shall accumulate information for reporting purposes of revenue from miscellaneous sources not otherwise classified.

Rev 2204.08 Source 3900: Other Financial Sources.

(a) Inter-fund operating transfers-in shall be classified as follows:

- (1) Account 3911, classification shall be for transfers from the general fund;
- (2) Account 3912, classification shall be for transfers from special revenue fund;
- (3) Account 3913, classification shall be for transfers from capital projects fund;
- (4) Account 3914, classification shall be for transfers from proprietary funds;
- (5) Account 3915, classification shall be for transfers from capital reserve fund; and

(6) Account 3916, classification shall be for transfers from trust and fiduciary funds.

(b) Account 3934, proceeds from long-term notes and general obligation bonds, classification shall be for gross financial resources provided by long-term general obligation debt.

**PART Rev 2205 CLASSIFICATION OF EXPENDITURE AND EXPENSE FUNCTIONS AND PROGRAMS**

Rev 2205.01 Function 4100: General Government. Expenditures for the legislative, judicial, and executive branches of county government shall be classified into the following accounts:

(a) Account 4110, county convention costs, classification shall be for recording direct costs of the legislative body;

(b) Account 4120, judicial, classification shall be for recording expenditures of criminal and civil courts;

(c) Account 4122, jury costs, classification shall be for recording expenditures for:

(1) Jury hearings;

(2) Witness fees;

(3) Investigation costs; and

(4) Clerical costs;

(d) Account 4123, county attorney's office, classification shall be for recording expenditures of:

(1) The office of public defender; and

(2) The county attorney's office related to legal functions of the county, including:

a. Legal defense;

b. Ordinance drafting; and

c. Legal advice and interpretations of statutes, contracts, and other technical services;

(e) Account 4124, victim witness advocacy program, classification shall be for expenditures for the provision of information and services to victims and witnesses;

(f) Account 4130, executive, classification shall be for expenditures related to the executive branch of government including county commissioners and their staff;

(g) Account 4150, financial administration, classification shall be for expenditures related to the financial and business operations of the government including:

(1) Accounting;

- (2) Budgeting;
- (3) Auditing;
- (4) Purchasing;
- (5) Treasury;
- (6) Business systems; and
- (7) Information technology;

(h) Account 4151, treasurer, classification shall be for expenditures related to the office of the county treasurer when maintained as an operation separate from financial administration;

(i) Account 4153, other legal costs, classification shall be for any legal expenditures of the county outside the county attorney's office;

(j) Account 4155, personnel administration, classification shall be for expenditures related to employee benefits not allocated to other programs including:

- (1) County's share of payroll taxes;
- (2) Group insurance;
- (3) Retirement plan contributions;
- (4) Sick leave buy-outs; and
- (5) Special awards;

(k) Account 4191, planning and zoning expenditures for unincorporated places, classification shall be for expenditures related to the control of land use and management of community resources including:

- (1) Master planning;
- (2) Zoning; and
- (3) Appeals;

(l) Account 4192, medical examiner, classification shall be for recording expenditures of the office of the county medical examiner;

(m) Account 4193, register of deeds, classification shall be for recording expenditures of the office of the county register of deeds;

(n) Account 4194, maintenance of government buildings, classification shall be for expenditures related to the maintenance, repairs, and protection of all general governmental buildings and facilities except facilities maintained by a department directly responsible for its use;

(o) Account 4196, insurance not otherwise allocated, classification shall be for expenditures for liability, property, and other insurance coverage not allocated to other programs;

(p) Account 4198, contingency, classification shall be for unanticipated expenditures arising during the year, pursuant to RSA 24:13, II; and

(q) Account 4199, other general government, classification shall be for expenditures for other general governmental purposes or operations not otherwise classified.

Rev 2205.02 Function 4200: Public Safety. Expenditures related to the protection of persons and property shall be classified into the following accounts:

(a) Account 4211, sheriff's department, classification shall be for expenditures related to law enforcement including:

- (1) Traffic control;
- (2) Protection of person and property;
- (3) Safety;
- (4) Criminal investigation; and
- (5) Other police functions;

(b) Account 4212, custody of prisoners, classification shall be for expenditures for the temporary detention and custody of offenders;

(c) Account 4214, sheriff's support services, classification shall be for expenditures related to:

- (1) Providing and maintaining dispatch communications; and
- (2) Maintaining communications equipment; and

(d) Account 4219, other public safety, classification shall be for expenditures related to public safety matters not otherwise classified.

Rev 2205.03 Function 4230: Corrections. Expenditures related to the county corrections facility shall be classified into the following accounts:

(a) Account 4230, corrections, classification shall be for recording expenditures for the confinement of individuals arrested or convicted; and

(b) Account 4235, adult probation and parole, classification shall be for recording expenditures for probation and parole activities involved in rehabilitation of law violators.

Rev 2205.04 Function 4300: County Farm. Expenditures related to the county farm shall be classified into the following accounts:

(a) Account 4301, administration, classification shall be for administrative expenditures related to the county farm;

(b) Account 4302, operating expenditures, classification shall be for expenditures related to services and operations of the county farm; and

(c) Account 4309, other county farm expenditures, classification shall be for county farm expenditures not otherwise classified.

Rev 2205.05 Function 4400: County Nursing Home. Expenditures related to the county nursing home(s) shall be classified into the following accounts:

(a) Account 4411, administration, classification shall be for administrative expenditures related to the county nursing home(s);

(b) Account 4412, operating expense, classification shall be for expenditures related to services and operations of:

- (1) County hospitals;
- (2) Long-term care facilities; and
- (3) Rehabilitation centers; and

(c) Account 4439, other health, classification shall be for expenditures for health programs not otherwise classified.

Rev 2205.06 Function 4440: Human Services. Expenditures related to public assistance for individuals who are unable to provide essential needs for themselves shall be classified into the following accounts:

(a) Account 4441, administration, classification shall be for administrative expenditures related to human services activities;

(b) Account 4442, direct assistance, classification shall be for expenditures for public assistance to eligible adult recipients who are unable to provide essential needs for themselves including:

- (1) Money paid directly to needy persons covered by federal aid programs, such as Temporary Assistance for Needy Families; and
- (2) Money paid directly to needy persons not covered by federal aid programs, such as general relief, home relief, poor relief;

(c) Account 4443, board and care of children, classification shall be for expenditures for board and care of children including court-ordered placement costs;

(d) Account 4447, special outside services, classification shall be for expenditures for programs or services provided by outside agencies including non-profit and other health and human services; and

(e) Account 4449, other human services, classification shall be for expenditures for goods or services rendered by the county not otherwise classified.

Rev 2205.07 Function 4610: Cooperative Extension Services. Expenditures related to the conservation and development of natural resources shall be classified into the following accounts:

(a) Account 4611, administration, classification shall be for administrative expenditures related to the county extension services; and

(b) Account 4619, other conservation, classification shall be for expenditures related to the preservation, conservation, and development of natural resources, not otherwise classified.

Rev 2205.08 Function 4650: Economic Development. Expenditures relating to activities directed toward economic development within the county and providing assistance to and opportunities for economically disadvantaged businesses shall be classified into the following accounts:

(a) Account 4651, administration, classification shall be for expenditures related to the general supervision and administration performed by the county government, of all:

(1) Economic development; and

(2) Economic assistance activities;

(b) Account 4652, economic development, classification shall be for expenditures made to foster economic growth and development within the county including:

(1) Economic and industrial surveys;

(2) Financial assistance to new industries and businesses;

(3) Acquisitions of industrial sites;

(4) Contact activities of industrial development agencies; and

(5) Promotional advertising; and

(c) Account 4659, other economic development, classification shall be for economic development expenditures not otherwise classified.

Rev 2205.09 Function 4700: Debt Service. Expenditures related to interest and principal payments on debt shall be classified into the following accounts:

(a) Account 4711, principal - long-term bonds and notes, classification shall be for expenditures related to the payment and retirement of long-term debt;

(b) Account 4721, interest - long-term bonds and notes, classification shall be for expenditures related to the payment of interest associated with long-term debt;

(c) Account 4723, interest on revenue anticipation notes, classification shall be for expenditures related to the payment of interest on short-term temporary borrowing related to:

(1) Municipal assessment; or

(2) Revenue anticipation obligations;

(d) Account 4750, fiscal agents' fees, classification shall be for payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity;

(e) Account 4760, bond issuance costs, classification shall be for payments to bond underwriters, legal fees, and other costs associated with bond issuance; and

(f) Account 4790, other debt service charges, classification shall be for expenditures for interest and other financing charges associated with debt obligations not otherwise classified.

Rev 2205.10 Function 4800: Intergovernmental Transfers.

(a) Account 4800, intergovernmental transfers, classification shall be for pass-through of funds to subrecipient organizations in support of activities financed by grant money.

Rev 2205.11 Function 4900: Capital Outlay. Expenditures related to capital outlays shall be classified as follows:

(a) Account 4901, land and improvements, classification shall be for expenditures related to the acquisition of land for:

(1) Future use; or

(2) Conservation purposes not allocated to other functions;

(b) Account 4902, machinery, vehicles, and equipment, classification shall be for expenditures related to the acquisition of general government owned machinery, vehicles, and equipment not allocated to other functions;

(c) Account 4903, buildings, classification shall be for expenditures related to the acquisition, repair, renovation, reconstruction, or construction of a public building not allocated to other functions; and

(d) Account 4904, improvements other than buildings, classification shall be for expenditures related to capital project activity not otherwise classified.

Rev 2205.12 Function 4905: Depreciation Expense. Expenses related to recognizing the expiration of tangible and intangible assets shall be classified into the following accounts:

(a) Account 4905, depreciation, classification shall be for recording the expiration of the estimated service life of assets used by the fund types maintained on the accrual basis of accounting; and

(b) Account 4906, amortization, classification shall be for recording the expiration of the intangible assets used by the fund types maintained on the accrual basis of accounting.

Rev 2205.13 Function 4910: Interfund Operating Transfers. Interfund operating transfers out shall be classified into the following accounts:

(a) Account 4911, classification shall be for transfers to the general fund;

(b) Account 4912, classification shall be for transfers to special revenue fund;

- (c) Account 4913, classification shall be for transfers to capital projects fund;
- (d) Account 4914, classification shall be for transfers to proprietary funds;
- (e) Account 4915, classification shall be for transfers to capital reserve fund; and
- (f) Account 4916, classification shall be for transfers to trust and fiduciary funds.

PART Rev 2206 CLASSIFICATION OF BALANCE SHEET ACCOUNTS FOR REPORTING ON REPORT MS-45 NEW HAMPSHIRE ANNUAL COUNTY FINANCIAL REPORT

Rev 2206.01 Assets. Probable future economic benefits obtained or controlled by a county as a result of past transactions or events shall be classified into the following accounts:

- (a) Account 1010, cash and equivalents, classification shall be for:
  - (1) Cash on hand;
  - (2) Checks, money orders, or banker's drafts on hand;
  - (3) Demand deposits with financial institutions; or
  - (4) Investments readily convertible to known amounts of cash and that will mature within 3 months of acquisition;
- (b) Account 1030, investments, classification shall be for securities that provide revenues in the form of interest and dividends;
- (c) Account 1080, property taxes receivable for unincorporated places, classification shall be for the uncollected portion of taxes the county has levied on behalf of the unincorporated places;
- (d) Account 1081, municipal assessments receivable, classification shall be for municipal assessments not yet received by the county;
- (e) Account 1110, tax liens receivable for unincorporated places, classification shall be for legal claims against property by the county, on behalf of the unincorporated places, that have been exercised because of nonpayment of delinquent taxes, interest and penalties, plus the costs of converting delinquent taxes into tax liens;
- (f) Account 1150, accounts receivable, classification shall:
  - (1) Be for amounts owed to the county on open accounts from private individuals or organizations for goods and services furnished by a government; and
  - (2) Not include amounts due from other funds or other governments;
- (g) Account 1260, due from other governments, classification shall be for amounts owed to the county from another government representing charges for:
  - (1) Goods and services;



(2) Loans; and

(3) Intergovernmental grants, entitlements, or shared revenues;

(h) Account 1310, due from other funds, classification shall be for amounts owed to one county fund from another county fund representing:

(1) Charges for goods and services; and

(2) Interfund advances to another county fund;

(i) Account 1400, other current assets, shall be for assets not included elsewhere, whose economic benefit shall be converted to cash or used to meet a current liability within one accounting cycle;

(j) Account 1410, inventory, classification shall be for material and supplies on hand for future consumption;

(k) Account 1430, prepaid items, classification shall be for charges entered in the accounts for benefits not yet received;

(l) Account 1610, land and improvements, classification shall be for:

(1) Land acquired; and

(2) All improvements made to ready the land for use, net of any applicable depreciation;

(m) Account 1620, buildings, classification shall be for the cost, net of any applicable depreciation, of:

(1) Buildings acquired;

(2) All expenditures related to construction of buildings;

(3) Improvements made to extend the life of the structure; and

(4) The capitalized costs of leased property if the lease meets the criteria specified in FASB statements and interpretations;

(n) Account 1640, machinery, vehicles, and equipment, classification shall be for:

(1) Machinery, vehicles, and equipment acquired;

(2) All expenditures for the construction of machinery and equipment; and

(3) The capitalized costs of leased machinery, vehicles, and equipment if the lease meets the criteria specified in FASB statements and interpretations;

(o) Account 1650, construction in progress, classification shall be for the cost of construction undertaken but not yet completed;

(p) Account 1690, accumulated depreciation, classification shall be for the accumulation of periodic credits made to record the expiration of estimated service life of tangible asset used by funds maintained on the accrual basis of accounting; and

(q) Account 1700, other assets, classification shall be for intangible assets and other assets, not otherwise classified in (a) through (p) above, whose economic benefit shall be converted to cash or used to meet liabilities at some future time beyond the next accounting cycle.

Rev 2206.02 Liabilities and Fund Equity. Probable future sacrifices of economic benefits arising from present obligations of a county to transfer assets or provide services to other entities in the future as a result of past transactions or events shall be classified as follows:

(a) Account 2020, accounts payable, classification shall be for balances owed to others for:

- (1) Goods;
- (2) Supplies;
- (3) Services purchased on open accounts;
- (4) Payroll; and
- (5) Deductions payable;

(b) Account 2030, compensated absences payable, classification shall be for balances arising through accounting recognition of unpaid costs that come into existence in the current period which will be discharged at a future time, such as:

- (1) Earned vacation;
- (2) Earned sick leave; and
- (3) Holiday time;

(c) Account 2060, contracts payable, classification shall be for amounts due on contracts for goods and services, including retainage;

(d) Account 2070, due to other governments, classification shall be for amounts owed by the county to another government, which may represent:

- (1) Charges for goods and services;
- (2) Loans; and
- (3) Intergovernmental grants, entitlements, or shared revenues;

(e) Account 2080, due to other funds, classification shall be for amounts owed by one county fund to another county fund representing:

- (1) Charges for goods and services; and

(2) Interfund advances from another fund;

(f) Account 2090, due to others, classification shall be for amounts owed to other organizations or individuals for which the county acts as an agent or fiduciary, including inmate and patient accounts;

(g) Account 2220, deferred revenue, classification shall be for amounts for which asset recognition requirements have been met, but revenue recognition criteria have not been met;

(h) Account 2230, notes payable - current, classification shall be for notes due within one year;

(i) Account 2250, bonds payable - current, classification shall be for the face value of bonds due within one year;

(j) Account 2260, capital leases payable - current, classification shall be for the current portion of the discounted present value of total future stipulated payments on any lease-purchase agreements;

(k) Account 2270, other payables, classification shall be for liabilities, not included elsewhere, which requires the sacrifice of economic benefits within one accounting cycle;

(l) Account 2310, notes and bonds payable - long-term, classification shall be for amounts owed by the county on notes and bonds, which are not due within one year;

(m) Account 2370, capital leases payable, classification shall be for the noncurrent portion of the discounted present value of total future stipulated payments on lease-purchase agreements; and

(n) Account 2390, other long-term liabilities, classification shall be for liabilities, not included elsewhere, which requires the sacrifice of economic benefits at some future time beyond the next accounting cycle.

Rev 2206.03 Fund Equity. Residual interest in the assets of a fund that remains after deducting its liabilities shall be classified as follows:

(a) Account 2440, nonspendable fund balance, classification shall be for segregation of a portion of a fund balance for non-cash items such as inventories or prepaid items;

(b) Account 2450, restricted fund balance, shall be for segregation of a portion of a fund balance set apart for funds legally restricted such as, but not limited to, a grant;

(c) Account 2460, committed fund balance, shall be for segregation of a portion of a fund balance set apart by the legislative body for a particular purpose such as, but not limited to, the unexpended portion of a non-lapsing special warrant article;

(d) Account 2490, assigned fund balance, in the general fund shall be for segregation of a portion of a fund balance for a specific future use such as, but not limited to, commitments related to unperformed contracts or encumbrances;

(e) Account 2530, unassigned, in the general fund shall be for the unassigned residual interest in the assets of a fund that remains after deducting its liabilities, but shall only be used for a deficit in all other funds;

(f) Account 2610, county contributed capital, classification shall be for permanent contribution by a county to a proprietary fund;

(g) Account 2620, other contributed capital, classification shall be for permanent contributions by entities other than the county to a proprietary fund; and

(h) Account 2790, retained earnings, classification shall be for the accumulated earnings of a proprietary fund.

#### PART Rev 2207 FORMS AND REPORTS REQUIRED

Rev 2207.01 Use of Uniform Classification of Accounts. All forms in this part shall be completed using the uniform classification of accounts described in this chapter.

Rev 2207.02 Form MS- 46, Proposed Budget and Estimate of Revenue - County.

(a) Form MS-46, “Proposed Budget and Estimate of Revenue - County”, shall be completed and copies filed by the county commissioners, pursuant to RSA 24:21-a, with:

- (1) Each member of the county convention;
- (2) The chairperson of the board of selectmen or mayor of each city within the county; and
- (3) The secretary of state.

(b) Form MS-46, “Proposed Budget and Estimate of Revenue - County”, shall be filed by the clerk of the county convention with the department, pursuant to RSA 21-J:34, XI.

(c) In instances when a county has met subsequently to consider a proposed supplement to the original proposed budget, the clerk of the county convention shall complete and file Form MS-46, “Proposed Budget and Estimate of Revenue - County”, as required in RSA 24:14-a and pursuant to RSA 21-J:34, XIV, with:

- (1) Each member of the county convention;
- (2) The chairperson of the board of selectmen or mayor of each city within the county;
- (3) The secretary of state; and
- (4) The department.

Rev 2207.03 Form MS-42, Statement of County Appropriations and Revenue as Voted.

(a) Form MS-42, “Statement of County Appropriations and Revenue as Voted”, shall be completed by the clerk of the county convention and a copy filed with the secretary of state and the department, pursuant to RSA 24:24, after the adoption of:

- (1) The budget by the county convention; and
- (2) Supplemental appropriations by the county convention.

Rev 2207.04 Form MS-45, Financial Report of the County. Form MS-45, “Financial Report of the County”, shall be completed and filed pursuant to RSA 21-J:34, V, and RSA 28:3 by the clerk for the board of commissioners to report the financial status of the county to the department.

Rev 2207.05 County Reporting.

(a) All reports required by the department shall be certified and shall be timely filed in accordance with:

- (1) RSA 21-J:34;
- (2) Statutes addressing specific reports; or
- (3) Requirements established by these rules.

(b) All reports required by the department shall be completed utilizing the department uniform chart of accounts pursuant to RSA 21-J:17.

(c) All reports required by the department shall be completed and submitted utilizing the MTRSP.

#### PART Rev 2208 BONDING OF OFFICIALS

Rev 2208.01 Format Requirements for Bond Instruments.

(a) The position schedule bond may be issued for either a one-year or a multiple-year period of coverage.

(b) If a multiple-year period of coverage is issued, the bond shall:

- (1) State that the amount of coverage per position shall be on a yearly basis; and
- (2) Be cumulative to the extent of such limits in each year of the bond.

(c) The position schedule bond(s) shall:

- (1) Present a schedule showing the:
  - a. Name of the elected or appointed officials that are covered;
  - b. Number of officials occupying each such position; and
  - c. Amount of coverage on each official;
- (2) Indicate the beginning and ending term dates;
- (3) Include the signatures of the attorney-in-fact and the witness to the attorney-in-fact; and
- (4) If extended, be extended by means of a continuation certificate which:
  - a. Becomes effective as of the anniversary of the initial date of the position schedule bond in order to provide continuous coverage;

- b. States the beginning and ending term dates;
- c. States the new amount of coverage for each official;
- d. Stipulates that the limit of the coverage for each position stated in the original bond and all continuations of that original bond shall be cumulative to the extent of the limits stated in the original bond in each year;
- e. Includes the signatures of the attorney-in-fact and the witness to the attorney-in-fact; and
- f. Is intended by the parties to have the legal effect of a new and separate obligation issued for the period stated therein.

Rev 2208.02 Effective Dates. The date of the initial bond shall coincide with the date of the election of county officers.

Rev 2208.03 Period for Discovery.

(a) The period for discovery of civil or criminal liability of the bonded official shall be consistent with applicable statutes of limitations.

(b) The period for discovery as described in paragraph (a) above shall apply to the termination of the bond as an entirety, or to the termination of the term of office of any person filling any position stated in the schedule.

Rev 2208.04 Cost of the Bonds.

(a) The cost of the bond shall be paid by the county, pursuant to RSA 27:4.

(b) The cost of the bonds shall be appropriated annually whether the undertaking is issued for a one-year period or a multiple-year period of coverage.

Rev 2208.05 Minimum Surety Bond Requirements for Specific County Officials.

(a) In addition to the requirements of RSA 27:2, the minimum surety bond requirements shall be based on the amounts of estimated collections for each position bonded.

(b) The bond amounts shall be computed as specified in the following table.

(c) For the following officers, to comply with the requirements of RSA 72:2, the bond amount calculated using the table shall be adjusted up or down as necessary to ensure the final bond amount imposed remains within the minimum and maximum thresholds established pursuant to RSA 27:2:

- (1) Sheriff;
- (2) County attorney;
- (3) Treasurer;
- (4) Register of deeds and their deputy; and
- (5) County commissioner.

TABLE 2208.01 MINIMUM BOND REQUIREMENTS

REVENUES		BOND REQUIRED
FROM	TO	
\$1,000	\$5,000	\$1,000
5,001	10,000	2,000
10,001	20,000	3,000
20,001	35,000	7,000
35,001	50,000	8,000
50,001	65,000	10,000
65,001	80,000	12,000
80,001	100,000	15,000
100,001	140,000	17,000
140,001	180,000	22,000
180,001	220,000	27,000
220,001	260,000	32,000
260,001	300,000	36,000
300,001	375,000	38,000
375,001	450,000	40,000
450,001	550,000	42,000
550,001	650,000	44,000
650,001	750,000	46,000
750,001	850,000	48,000
850,001	925,000	50,000
925,001	1,000,000	52,000

(c) When estimated collections exceed \$1,000,000, the minimum surety bond shall be \$52,000 plus 1% of the excess over \$1,000,000 of estimated revenues.

#### APPENDIX

RULE	SPECIFIC STATE STATUTE THE RULE IMPLEMENTS
Rev 2201.01 – Rev 2201.18	RSA 21 J:13, III
Rev 2202.01 – Rev 2202.03	RSA 21-J:13, III
Rev 2203.01	RSA 21-J:13, III; RSA 31:19-b; RSA 23:13; RSA 24:13, IV; RSA 35:1, RSA 35:1-c
Rev 2204.01 – Rev 2204.08	RSA 21-J:13, III
Rev 2205.01 – Rev 2205.13	RSA 21-J:13, III
Rev 2206.01 – Rev 2206.03	RSA 21-J:13, III
Rev 2207.01 – Rev 2207.06	RSA 21-J:13, I; RSA 24:21-a, RSA 21:24; RSA 21-J:34
Rev 2208.01 – Rev 2208.05	RSA 21-J:13, III