

# Big Bend Community Based Care Policy & Procedure

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**Series:** 1300: Financial Management

**Policy Name:** Chart of Accounts

**Policy Number:** 1302

**Origination Date:** 2/2/2009

**Revised:** Board Meeting of 12/13/2018

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## Policy

It is the policy of Big Bend Community Based Care, Inc. (BBCBC), to maintain a chart of accounts which allows programmatic compliance to contractual, state and federal and financial reporting and permits effective and efficient management of BBCBC.

## Procedure

- A. The chart of accounts provides consistent terminology and classification throughout the agency reporting entity.
- B. The structure and content of the chart of accounts will aid personnel in the preparation of the budget and preparation of periodic and annual financial reports.
- C. The chart of accounts will be used in developing program and the agency's annual budgets, structure of agency's financial accounting system, the structure of other financial reports, data and the structure of the agency's annual financial report.
- D. All BBCBC programs will adhere to the structure of the chart of accounts for agency-wide conformity and consistency, as well as the agency's cost allocation plan.
- E. The chart of accounts includes a specific program code for each agency program.
- F. The unique accounting program code is strictly adhered to and allows for interim and annual financial reporting by program.
  1. BBCBC uses a 20-digit account coding structure for each of its accounts. See Form 001 for the actual account numbers and their descriptions.

X-XXXXX-XXX-XX-XXXX-XX-XXX

- **First Digit** – Identifies the Corporate costs which a transaction occurs.
- **Second, Third, Fourth, Fifth and Sixth Digit** – Identifies the Fund and year within which a transaction occurs. BBCBC uses these digits for classification by funding source.
- **Seventh, Eighth and Ninth Digit** – This three-digit component identifies the Cost Pool which accumulates related costs (both direct and indirect) for allocation to the funding sources at month end.
- **Tenth and Eleventh Digit** - This digit identifies the location of certain costs.

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- **Twelfth, Thirteenth, Fourteenth and Fifteenth Digit** – This four-digit component identifies the General Ledger Account Number for all assets, liabilities, net assets, revenue, and expenditures.
  - **Sixteenth and Seventeenth Digit** – These two digits represent the potential funding source that may be charged to specific general ledger expenditures.
  - **Eighteenth, Nineteenth and Twenty Digit** – Represent future growth potential.
- G.** The chart of accounts is utilized for all accounting entries with more summarized control levels provided through reporting capabilities.
- H.** The finance staff maintains responsibility for updating and maintaining the chart of accounts as necessary as the agency's structure or program areas dictate the need to do so.
1. The Chief Financial Officer approves any changes or additions to the chart of accounts.