




JASON E. MUMPOWER  
*Comptroller*

January 25, 2023

**Memorandum**

**To:** All City Mayors and Municipal Finance Officers

**From:** Jason Mumpower, Tennessee Comptroller of the Treasury 

**Subject:** **Mandatory Use of Uniform Chart of Accounts Crosswalk by Municipal Governments Effective for Audit Years Ending June 30, 2023**

The Comptroller's Office has developed a process that will result in a uniform means of capturing municipal financial data. A uniform chart of accounts (COA) has been in place for county governments since the mid-1980s. The county COA has provided for consistency and transparency as well as allowed for the analysis and comparison of county financial data through our "Transparency and Accountability for Governments in Tennessee" (TAG) website. Until now, this has not been possible for municipalities.

**Beginning with the audit year ending June 30, 2023, incorporated municipalities will be required to convert their audited accounting information into a standard format and then submit that data to the Comptroller's Office.** We plan to use the municipal data to build an application like TAG that will promote transparency, comparability of financial data across municipalities, and data analysis.

Our office frequently receives requests for public, municipal financial information from entities such as the State Legislature, Governor's Office, Tennessee Advisory Commission on Intergovernmental Relations (TACIR), researchers, citizens, and the U.S. Census Bureau. To respond to those requests, we must refer the requesting entity to the 342 municipal audit reports on our website that are currently in PDF format. The requested data in those reports must be extracted manually. That is time consuming and an archaic process for the 21st century. It is time that municipal financial data be more readily available and accessible.

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 that your external auditor will use to convert your account balances. The crosswalk will not be an account for an account conversion but will include audited data from the Balance Sheet and the Statement of Operations for all governmental and enterprise funds. Your CPA firm may charge an additional fee for this service. You can choose to crosswalk your data yourself; however, your CPA firm will need to verify the accuracy of your conversion. You may also choose to adopt the new municipal COA to record your financial transactions which would simplify the crosswalk process.

The new municipal COA along with the Excel crosswalk tool can be found at [Chart of Accounts \(tn.gov\)](#).

**To be clear, the Comptroller's Office is not mandating that your municipality adopt the new municipal COA nor are we requiring you to make changes to the COA you are currently using. This initiative will also not require you to change your accounting software. You will be able to keep your books, records, and funds exactly as they are now.**

Thank you for the work you perform on behalf of the citizens of your respective governments. Your contributions make government work better in Tennessee. We look forward to working with you on this project and are excited about the easy access and utilization of municipal financial data that will now be available. Providing public access to municipal financial information should provide benefits to you and to the citizens of your municipality as well as to those other entities that require access to municipal data for research and policy decisions.

Please see the attachment containing frequently asked questions. You may also contact Mr. Tim Hardy, Senior Contract Audit Review Specialist ([Timothy.Hardy@cot.tn.gov](mailto:Timothy.Hardy@cot.tn.gov)), regarding questions related to the conversion of accounts or Mr. Justin Neal, IS Specialist ([Justin.Neal@cot.tn.gov](mailto:Justin.Neal@cot.tn.gov)), regarding questions about the Excel crosswalk tool. They can also be reached by phone at 615.401.7841.

cc: Jim Arnette, Director – COT Division of Local Government Audit  
Margaret Norris, Executive Director – MTAS  
Anthony Haynes, Executive Director – Tennessee Municipal League

Attachment