

A
CRITICAL SURVEY OF THE ORGANIZATION AND SYSTEM OF
ACCOUNTS USED IN LANE COUNTY

by

Delbert O. Kimberling

A THESIS

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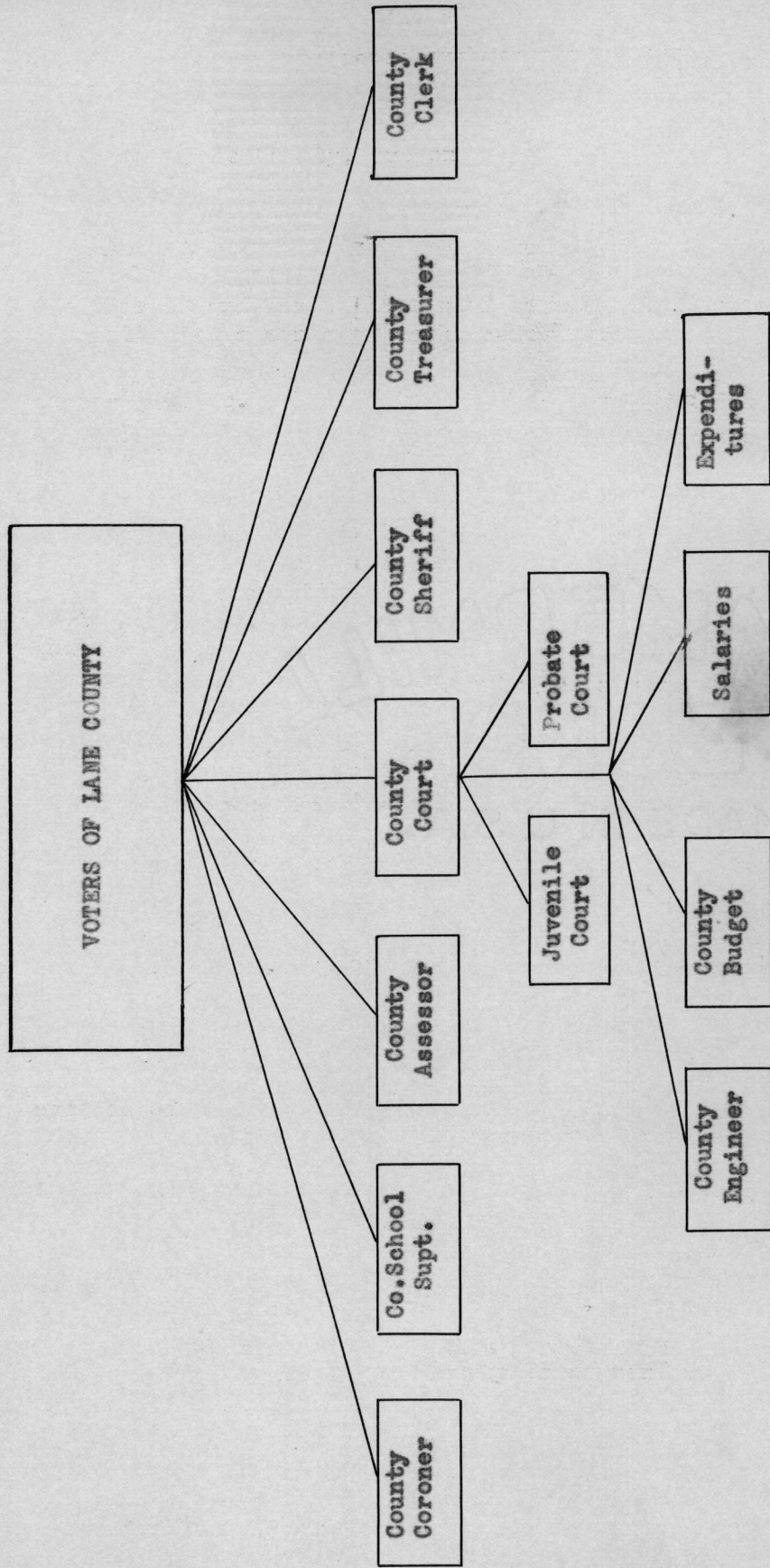
APPROVED:



ACKNOWLEDGEMENTS

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Frontispiece
 LANE COUNTY ORGANIZATION

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CHAPTER I
INTRODUCTION

Purpose and Need

The purpose of this study is to make a critical survey of the organization and system of accounts used in Lane County and to offer a constructive criticism thereof.

The system of accounts now in use in Lane County appears to be inadequate to serve the needs of the public. It fails to provide information which the public has a right to demand, and it fails to give a true condition of county finances.

There has been some awakening in public conscience to this condition of affairs. Taxpayers, who once were content to passively pay their assessments, mildly complain that they were too high, and blindly hope that next year they would be lower, have begun to realize that they are entitled to know where their money goes and to be assured that municipal business is conducted properly and honestly. At the 1929 session of the Legislature of the State of Oregon, House Bill No. 238, an excerpt from which follows, was passed and became a part of the General Laws of Oregon on June 4, 1929:

Be It Enacted by the People of the State of Oregon:

Section 1. The secretary of state shall formulate and prescribe a standard and uniform system of accountancy for all municipal corporations; provided, that the provisions of this act shall not apply to any county or any municipal corporation located within any county having a population in excess of 100,000. The

secretary of state shall make all rules and regulations necessary to carry out the provisions of this act.

The act also called for the preparation and adoption of a system of accountancy to be used as provided in section 1. Such a system was actually formulated and is called the Uniform System of Accounting for Municipal Corporations of Oregon; but, unfortunately, the thing seems to have gone little farther than this.

In fact, of the thirty-six counties in Oregon only Multnomah has a system of accounts from which it is possible to secure adequate information with regard to county books. Only this one county, so far as could be determined, uses what is known as a double entry system of accounting. The use of this (the double entry) system of accounting and the setting up of budget estimates for the year as a basis for expenditures affords an accurate system, minimizes misappropriation of funds and extravagances and makes it possible to give to the public better statements of the actual condition of the county at any time.

Other counties are still using various single entry systems which are little more than memorandum accounts of transactions. Old methods and forms devised years ago for sparsely settled farming communities still persist. Haphazard attempts to prop these up from time to time have resulted in a cumbersome patchwork which affords the taxpayer little security for or information about the way in which his money is being expended. Municipal government in general has lagged far behind in these matters. Under no consideration would one expect to find a modern up-to-date business with

operating costs of some \$700,000 annually depending upon such unformulable reports. And after all, government is a business. It has receipts and expenditures, debits and credits, and the taxpayers are the stockholders. The safeguarding of public interest demands that every possible step be taken to further study of county problems and introduce more efficient procedure.

Scope

The County of Lane was given detailed study because it affords a fair example of the general accounting practices used in the counties of this state--perhaps, this system is even better than most others. The proposed system contained herein was specially designed with the needs of this particular county in mind, but with certain adaptations it would be applicable to any other county.

CHAPTER II
PRESENT COUNTY ORGANIZATION

Introduction

The primary purpose in presenting here a brief survey of the organization of the county is to show the procedure which the accounts must serve and the personnel provided for. See Frontispiece. It must not, therefore, be inferred that any attempt will be made to set up a new organization. All county offices and duties assigned to them have been prescribed by law, so that no major changes could legally be made without further legislation. Only certain minor changes will be offered which appear to be feasible and which would facilitate the proposed system. However, several of the more popular plans of county reform which are being considered throughout the country will be mentioned.

County Court

+ "The county court is composed of a county judge and two commissioners. It convenes for the transaction of county business on the first Wednesday of each month. It acts upon all bills contracted for the county; has charge of roads and bridges and their construction, improvement and repair; has supervision of the county poor farm; levies all county taxes; appoints election officials, fixes polling places and establishes election precincts. +

The county judge has charge of probate business, his court being in session at all times for this work; has jurisdiction of juvenile offenses and delinquencies; has administration of the widows' or mothers' pension laws, and indigent soldiers' fund laws, and has the power of a committing magistrate."¹

It is required that all claims against county funds must be signed by at least two of the three officers, county judge and two commissioners mentioned above, before any county funds may be expended. Also, they must pass upon expenditures not provided for in the budget.

County Clerk

+ "The county clerk is the clerical officer of his county, also clerk of the circuit, probate and county commissioners' courts. + All documents required to be filed within a county, unless their filing is otherwise specifically provided for, are filed with the county clerk. All business of the circuit, probate and commissioners' courts passes through his office and all papers of these courts are filed with him. + Claims against the county are filed with and audited by him before presentation to the county court. County warrants are issued by him, and the sheriff and treasurer file with him reports of tax collections and their segregation. All election business is handled by the county clerk, who registers voters, prepares ballots and issues election certificates. + He

¹ Oregon Blue Book, 1933-34, p. 154.

issues marriage licenses, dog licenses, licenses to shows exhibiting outside incorporated cities and all licenses generally required to be issued by the county unless otherwise provided. Among documents required to be recorded in his office are mortgages, deeds, bills of sale, executions, attachments, liens on chattels, articles of incorporation, notary commissions, certificates of assumed names, doctors' certificates, farm names, soldiers', sailors' and marines' discharges, and also the liens of material men, laborers and others. Term of office, four years."²

Because of the large number and diversity of the duties which are imposed upon the county clerk there must be a large staff of assistants in order to properly discharge the work which has been assigned to this office. In Lane County there are, besides the county clerk, ten persons employed in the various divisions of the clerk's office. Of the ten, two are employed as bookkeepers, one for collecting fees and receiving instruments for filing; one acts as the probate clerk and stenographer; one is employed for general indexing, and the remaining five do recording, registering of titles, circuit court recording and take care of election work. All ten are deputized and act in the capacity of deputies.

County Treasurer

+ "The county treasurer is custodian of all county funds; trustee of all trust funds, such as estates, fines and bail money;

² Ibid, p. 155.

ex officio treasurer of all irrigation and drainage districts within his county; custodian of all school district funds, unless otherwise ordered by the county court, and keeps a record showing the segregation of all funds, including amounts due cities and other subdivisions. Peddlers' licenses are issued by the treasurer. +
Term of office, four years."³

In Lane County two persons are employed to do the necessary bookkeeping, registering and cashing of warrants and preparing the monthly turnover sheet or report of all funds expended during the month.

Sheriff

+ The sheriff must handle all criminal work, civil suits of the circuit court, serve papers such as court summons, issue temporary automobile license permits, sell property at sheriff's sale for delinquent taxes, and collect taxes. +

+ In counties of any size the work of the collection of taxes has developed and increased so much during the last few years that most of the counties of the state have what is known as a tax department with a deputy sheriff in charge. + In Lane County such a division has been made. There are four persons employed in this department; one doing the bookkeeping, and the other three, including the deputy, devote their efforts to the collection of the taxes and the sending out of tax statements.

³ Ibid, p. 155.

In the sheriff's office proper two persons are employed, one as stenographer and the other devotes all his time to taking care of fees collected, issuing temporary auto permits and other general office work.

Assessor

+ "It is the duty of the county assessor to assess all taxable property within the county, except the property of public service utilities, which is assessed by the state tax commission, and to compile annual lists of lands, within the county, devoted to the commercial growth or culture of agricultural and horticultural products, and to summarize and tabulate the same. All property must be assessed according to its value and location on March 1. After making the assessments it is the duty of the assessor to enter them in the assessment and tax rolls, which are required to be completed by the second Monday of September, when the county board of equalization consisting of the county judge, county clerk and county assessor, meets to review and equalize such assessments. This work must be completed within one month. All tax levies are certified to the assessor who extends them on the tax rolls and then delivers the rolls, usually in January, to the sheriff for collection. Term of office, four years."⁴

Two persons are employed in the office of the assessor, their duties being to bring all ownership plats up to date and make

⁴ Ibid, 155.

necessary adjustments in the assessments.

Engineer

The county engineer is appointed by the county court, but his appointment must be approved by the state highway commission. His duties are: to supervise the grading of roads and ditches, pass on road contracts, estimate costs for road projects, bridges, etc., and otherwise perform the general duties of a civil engineer. In Lane County the engineer also performs the functions of county surveyor.

Other Officials

Provisions have also been made for a county coroner, health officer, horticultural inspector, meat and herd inspector, school superintendent, stock inspector, and veterinarian.

Proposed Plans For County Organization

The county is constantly referred to as the most backward of our administrative units, "the dark continent in the field of American government". In recent years there have been a number of proposals for the reorganization of the county unit. Some have gone so far as to say that it should cease to exist at all and that direct state control should be administered. In lieu of such drastic change, a number of states have considered the county administrator or county president plan and the county manager plan.

+ County Administrator versus County Manager. + --These two plans are outlined in the report on the survey made by the New York Bureau of Municipal Research to the Governor of Virginia and his Committee on Consolidation: + "Under the former plan the county administrator is elected by the voters of the county for a term of four years, which is equivalent to the terms of the members of the board of supervisors. All functions of the county government, except those of a judicial character and those pertaining to elections are placed under the administrator. + The heads of the various county offices are appointed by the administrator and serve at his pleasure." +5 In differentiating between the two plans the report goes on to say + "The only difference is in the selection of the two administrative officers, the county administrator being elected by the people and the county manager appointed by the board of supervisors. + The office of county administrator is analogous to that of a strong mayor in city government, while the county manager is similar to the city manager. + Administrative responsibility is definitely fixed in either case. The manager form, however, has some advantages over the other form, as is apparent from the working of the manager plan in several of the Virginia cities." +6

Advantages of Manager Type. --As is intimated in the above quotation, the manager type would probably prove to be the most effective plan of organization. Professor Chester C. Maxey

5 As cited, p. 6.

6 Ibid, p. 13.

recommended this plan to be used in Delaware and pointed out the following advantages:

"1. It would establish an organization combining a high degree of administrative centralization with an equal flexibility and sensitiveness to popular control.

"2. It would stimulate the introduction of efficient methods of transacting county business.

"3. It would effect a considerable economy in overhead expenses by eliminating superfluous offices and employees.

"4. It would place county service on a professional basis so that a man's continuance in service would depend upon the character of his work and not upon his ability as a campaigner.

"5. It would place the responsibility for good or bad government squarely upon the voters so that the difference between the two would be a matter of civic ideals instead of a matter of chance as it now is."⁷

Commission Plan.--Professor Maxey also cites the "Commission Plan" which he says is the "manager plan minus the manager". He further states "The only thing to be said in behalf of the commission plan is that it brings about a greater degree of centralization than exists at present, and since it calms the fears of those who suspect one-man power under all circumstances may be obtainable when the manager plan would not."⁸

⁷ Maxey, Chester C. County Administration, p. 54.

⁸ Ibid, p. 57.

Redivisioning of State.--There has also been considerable interest recently in the redivisioning of states into new county units based upon natural and economic sectioning. This has received some consideration in Oregon. The matter was the subject of a Social Science Symposium held at the University of Oregon during the winter and spring terms of 1933-34.

CHAPTER III
PRESENT SYSTEM OF ACCOUNTS

Preparing The Budget

Taxation is the foundation of the financial structure of the county. Because of the method of securing income by taxation all municipalities must prepare a budget of anticipated income and expense. The ideal situation would of course be that the anticipated income should just equal the expected expenditures. Naturally, this situation never exists, as some of the expected taxes are not collected in the year in which they are assessed and conversely the actual expenditures often exceed those that are anticipated.

In most instances, therefore, an allowance is made for expected income that is never realized by allowing an additional levy to be made in order to balance the budget.

In Lane County an estimate is made of the expenditures that will be made in all funds for the following year. Each department, such as the office of the sheriff, the treasurer, the clerk, etc. will estimate the amount of money they will need for salaries, supplies, equipment, etc. An estimate of expenditures and equipment needed for all road funds will be prepared by the county engineer and submitted to the county clerk. The clerk then will ascertain the amount of bond interest and redemption needed and will also estimate what will be needed to take care of all other

funds such as the dog fund, the pension fund, etc.

The clerk then prepares a list of all funds and the amounts that are requested in each. Estimated income from fines, fees, interest, sale of land, etc. is then prepared and shown as a deduction from the total budget request. See Budget for the Year 1933, Table 1, page 14a. All state and city taxes levied are added to the total of the county requirements which then represent the grand total amount required for the ensuing year.

The budget is then turned over to the county court by the clerk. The county court composed of the county judge and two commissioners goes over the budget and makes all revisions which are deemed necessary. The revised budget is then prepared and a public hearing is held wherein anyone in the county may come and state any objections that he may have.

Any revisions that are necessary as a result of the public hearing are made by the clerk and the new revised budget is again prepared and submitted to the county court for its final approval. When approved, the budget is sent back to the clerk and the levies are made out in dollars and cents and these levies are turned over to the assessor.

The Tax Roll

The assessor computes the millage and writes up the tax roll. All land plats are corrected as to ownership not later

Table I
BUDGET FOR YEAR 1933

General Funds

Advertising	\$ 3,150
Assessor	13,310
Auditing	550
Bounty	1,800
Circuit Court	15,000
Coroner	900
Clerk	17,710
County Court	8,000
District Attorney	7,250
District Sealer	3,670
Emergency	500
Election	10,000
Fire Patrol	5,000
Fruit Inspector	2,050
Health Offices	2,000
Indigent Soldier	200
Insane	1,500
Justice Court	10,500
Juvenile Court	2,000
School Superintendent	900
Sheriff	4,670
Slaughtered Animals	26,755
Surveyor	1,800
Tax Rebates	8,075
Thistle	1,000
Treasurer	4,030
U.S. Labor Bureau	600
Care of Poor	50,000
Health Service	3,850
Widows' Pensions	13,000
County Fair Board	1,600
4-H Club Agent	1,900
Indigent Work Relief	15,000

\$ 239,270

Table I, Cont.

General Fund Receipts Itemized

Clerk's Fees	\$17,000	
Fines	500	
Sheriff's Fees	2,000	
Auto License Fees	1,000	
Int. on Daily Balances	1,500	
Sale of Land	1,000	
Dog Fund	2,000	
Oreg. & Cal. Land Grant	15,000	\$ 40,000.00
<hr/>		
To be Raised by Taxation, General Fund		199,270.00
Road Fund		140,700.00
Market Road Fund		66,000.00
County School Fund		150,570.00
Library Fund		1,505.70
Bond Interest and Redemption		90,170.00
State School Fund		99,175.91
State Taxes		142,191.49
Tax Delinquent Fund		116,500.00
<hr/>		
Total to be Raised by Taxation		\$1,006,083.10

than March 1st of the taxable year. After the tax roll is written up the extensions of the tax assessment is let out by contract.

The tax roll is composed of large sheets over two feet in width with extensions covering one side each of two full sheets and both sides of a short sheet inserted between the two full width sheets. Each taxpayer has two horizontal lines extending entirely across the two full and two short sheets, with vertical columns setting forth the description of the property, improvements, value, amount of assessments, etc.

After the roll is written and before the new ownership plats are changed the board of equalization must meet on the second Monday in August and must devote the first fifteen days to the receiving and adjusting of complaints made by tax payers. The board must complete this work in thirty days.

Taxpayers' names are listed alphabetically, and when the extensions are made on all the sheets they are bound in volumes about six inches thick. Lane County has eight such volumes, with volumes seven and eight being smaller than the first six.

When all extensions are made on the tax roll and are bound in volumes, the assessor obtains a warrant from the county court to turn them over to the sheriff who must collect the taxes assessed on the rolls. The tax rolls must by law be turned over to the sheriff thirty days before the first payment which falls

on March 15th.

The method used in writing up the tax roll and the use of the large volumes should be retained as they serve their purpose admirably. Were it not for the fact that the public has access to these books a card system might be used, but, as it is, this would only result in added labor. There is too much danger of loss of cards to make such a method feasible.

Tax Collection

Upon receipt of the tax roll by the tax department of the sheriff's office, the deputy sheriff and his assistants begin making out statements and sending them out to the taxpayers. See Form 1, page 16a. It is not required by law that any form of notice be given by direct mail, but in Lane County notices are sent out for the taxpayers' convenience.

A taxpayer paying the entire tax assessed against him would be allowed 3% discount if paid on or before March 15th of the current year. When payment is made the tax statement is inserted in a cash register which prints the amount paid along the margin on the original and the duplicate of the statement. The customer receives the original and the duplicate is retained by the tax department as a basis for posting to the tax receipt journal. Each receipt is numbered consecutively by the cash register so that all receipts must be accounted for. The total shown on the cash register tape must equal the total of the receipts and also

Interest, penalty and costs not included in amount shown above. Ask for complete bill.

Page Line
are delinquent on this property

TOTAL TAXES \$
1934 \$
Forest Patrol \$
City \$
Union High School \$
County H.S. Tuition Fund \$
School District No. \$
State and County \$

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

TOTAL TAXES \$
1934 \$
Forest Patrol \$
City \$
Union High School \$
County H.S. Tuition Fund \$
School District No. \$
State and County \$

Page Line
Taxes are delinquent on this property
for 1934
Amount \$

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION
Printed figures below show amount paid

4th Quarter
Printed figures below show amount paid

This Statement positively must be returned when paying taxes, first, second, third and fourth quarters.

LANE COUNTY OREGON

Dates Due:
FIRST QUARTER MARCH 15TH
SECOND QUARTER JUNE 15TH
THIRD QUARTER SEPT. 15TH
FOURTH QUARTER DEC. 15TH

See back of this Statement for Special Levies for 1934

Make Checks and Drafts Payable to
C. A. SWARTS, SHERIFF

This is not a valid receipt unless bear-

DATE
1st Quarter, 2nd Quarter, 3rd Quarter, Dis. Int., Dis. Int., Dis. Int.
To Mar. 15, Mar. 16, Apr. 15, Apr. 16, May 15, May 16, June 15, June 16, July 15, July 16, Aug. 15, Aug. 16, Sept. 15, Sept. 16, Oct. 15, Oct. 16, Nov. 15, Nov. 16, Dec. 15, Dec. 16, Jan. 15, Jan. 16, Feb. 15, Feb. 16, to Mar. 15

Payment Under 1933 Tax Law
Interest and Discount Sheet for Quarterly

TAX STATEMENT
of all State, County, School District, Union High School, Cities, County High School Tuition Fund, Forest Fire Patrol and of all other Taxes, appearing on the Assessment Roll for the Year 1933 and Tax Roll for the Year 1934 on the herein described property, which was assessed as of March 1, 1933, at one o'clock A. M.

Due and Payable in the Year 1934

TAXES FOR THE YEARS
1933 - 1934
Assessment Roll 1933 - Tax Roll 1934

Discount of 3% on entire Tax if whole amount is paid on or before March 15, 1934. Two per cent Discount on each Quarter if paid 90 days before due.

Taxes or Quarters thereof Not Paid become DELINQUENT DECEMBER 16, 1934.

Interest on Delinquent Taxes Two-Thirds of One Per Cent per Month.

This is not a valid receipt unless bear-

Printed figures above show amount paid
2nd Quarter
of delinquency on this property
for 1934

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

1934 TAXES
State and County \$
School District No. \$
County H.S. Tuition Fund \$
Union High School \$
City \$
Forest Patrol \$
TOTAL TAXES \$

Vol. Page Line
Taxes are delinquent on this property
for 1934
Amount \$

Printed figures above show amount paid
2nd Quarter
of delinquency on this property
for 1934

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS
Sec. of Lot or Block, Range, No. Acres, TOTAL VALUATION

TOTAL TAXES \$
1934 \$
Forest Patrol \$
City \$
Union High School \$
County H.S. Tuition Fund \$
School District No. \$
State and County \$

Vol. Page Line
Taxes are delinquent on this property
for 1934
Amount \$

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Amount \$
for 19
Taxes are delinquent on this property
Page Line

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Amount \$
for 19
Taxes are delinquent on this property
Page Line

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

C. A. SWARTS, SHERIFF

of delinquent taxes not included in amount of delinquent taxes shown above. Ask for complete bill.

1st Quarter
1st Quarter
2nd Quarter
3rd Quarter
4th Quarter

OREGON
LANE COUNTY

3rd Quarter
amount paid below show

4th Quarter

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Amount \$
for 19
Taxes are delinquent on this property
Page Line

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

ASSESSMENT FOR 1933 - 1934

TAXES FOR THE YEARS

PROPERTY DESCRIBED AS

SPECIAL LEVY FOR 1934 FOR LANE COUNTY—STATE AND COUNTY LEVY 25.0 MILLS

The following is a complete list of all special levies for Schools, Cities and for the State and County for Lane County, Oregon, for 1934.

Table with 12 columns: Sch. Dist., No. Mills, Sch. Dist., No. Mills, Sch. Dist., No. Mills, Sch. Dist., No. Mills, Sch. Dist., No. Mills, Sch. Dist., No. Mills, Sch. Dist., No. Mills

Table with 4 columns: U.H. No., U.H. No., U.H. No., U.H. No.

Table with 2 columns: CITIES, TOTALS OF CITIES

Table with 2 columns: STATE AND COUNTY, TOTAL

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Amount \$
for 19
Taxes are delinquent on this property
Page Line

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

IMPORTANT TO TAXPAYERS

EXCERPTS FROM CHAPTER 326 OREGON LAWS, 1933, EFFECTIVE JANUARY 1, 1934, RELATING TO COLLECTION OF TAXES FOR YEARS 1933-1934

Chapter 326 AN ACT

Section 69-720. The first quarter of all taxes levied and charged shall be paid on or before the fifteenth day of March next following, the second quarter on or before the fifteenth day of June next following, the third quarter on or before the fifteenth day of September next following, and the fourth quarter on or before the fifteenth day of December next following. Interest shall be charged and collected on any tax or quarter of a tax, not so paid, at the rate of two-thirds of 1 per cent per month or fraction of a month until paid; provided, that a rebate of 2 per cent shall be allowed on each quarter of the taxes on any separate parcel of real property, or on the personal property, of any taxpayer, for each full period of three months by which the payment of such quarter precedes the due date thereof. All taxes or quarters of taxes not paid on or before the fifteenth day of December shall become delinquent. The days or dates herein specified and provided are final as to the payment of all interest charges irrespective of any such day or date falling on a Sunday or other legal holiday. All interest shall be prorated and credited to the several municipal corporations and districts sharing in such taxes. Except as to the prorating and crediting of interest as herein provided, the provisions of this section, as herein amended, shall not become effective until January 1, 1934.

In order to receive the full benefit of 3% Discount the whole tax must be paid on or before March 15, 1934.

Address all communications to C. A. SWARTS, Sheriff and Tax Collector, Eugene, Oregon.

Interest, penalty and costs not included in amount of delinquent taxes shown above. Ask for complete bill.

Amount \$
for 19
Taxes are delinquent on this property
Page Line

TOTAL TAXES
1934
Forest Patrol
City
Union High School
County H. S. Tuition Fund
School District No.
State and County

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

Table with 5 columns: Sec. of Lot, Tr. or Block, Range, No. Acres, TOTAL VALUATION

PROPERTY DESCRIBED AS

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Forest Patrol
City
Union High School
County H. S. Tuition Fund
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cash taken in during the day. The amount printed on the tax statement should also equal the amount shown opposite total taxes on the quarterly statement on which payment was made.

Each time a payment is made by the taxpayer, the tax statement is checked with the tax roll for amounts and extensions. Thus any errors made in typing up the tax statements are always found and corrected. Any errors or discrepancies in any payment are immediately brought to light as the system in use easily affords a quick and accurate check.

The amount of the total tax is entered on all four quarters of the tax statement. When a taxpayer pays the first quarter, one-fourth of the total tax is paid, and one-fourth of each of the items listed are consequently considered paid. If a rebate is allowed because of prompt payment and amounts to less than \$1.00 the entire rebate is deducted from state and county. If such rebate amounts to more than \$1.00 it must be distributed pro rata over each of the items listed on the statement.

The duplicate tax slips are sent to the bookkeeper who enters them in the tax receipt journal. Form 2, page 17a. It would appear that errors would be numerous when postings are made to the tax receipts journal. However, if the wrong distribution is made the machine used in posting will print the error instead of placing a zero mark in the last or proof column. The bookkeeper must then find the error and make the necessary corrections before she can continue. Thus, no errors may creep into the receipt

TAX RECEIPT JOURNAL

LANE COUNTY OREGON

DATE _____

LANE CO., OREGON, O.S. 71007

RECEIPT NUMBER	TOTAL TAX	INTEREST	PENALTY	STATE AND COUNTY	CITIES		SCHOOLS		HIGH SCHOOLS		ROADS		PORT OF SUELAW	FOREST FIRE PATROL	PROOF
					AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.			

Form 2
Tax Receipts Journal

journal by totals if the distribution equals the total amount marked paid on the statement. Nevertheless, offsetting errors as between any of the items could be made when the payment was received. For instance if the first quarterly installment were paid and each item was divided by four in order to post the correct payment to each account, and an error of one dollar was made in state and county, offset by a similar error in Union High School, the error might easily go uncorrected. Such an error would occur very infrequently, but it is a possibility, and no precaution has been taken for its prevention. The only check that could be used to partially eliminate any such errors would be employing another person to check the slips during the rush periods when the bookkeeper is behind on her turnovers. Such errors are not of such grave importance as it is between schools, cities, and state and county, and would probably not pay for the person employed.

After entering the tax receipts in the tax receipt journal, the bookkeeper makes out a tax turnover sheet in triplicate showing the distribution of cash collected, distributed to the funds to which they apply. See Form 3, page 18a. This distribution is based on the amounts set forth in the tax roll. One copy is retained by the tax department, one is sent to the treasurer, and the other is sent to the clerk.

During the rush periods when taxes fall due it is practically impossible for the bookkeeper to make up turnover slips

Received from _____ the following accounts to be credited to the respective fund as written and stated herein, to-wit:

TAXES FOR YEAR _____

EUGENE, OREGON, _____ 19 _____

City and County.....
 Advertising.....
 Interest.....
 Penalties.....
 Total.....
 City of Eugene.....
 City of Springfield.....
 City of Creswell.....
 City of Coburg.....
 City of Cottage Grove.....
 City of Junction.....
 City of Florence.....
 City of Glenada.....
 Total.....
 School Districts—

School Districts—Continued

Union High Schools—

Total.....

Road Districts—

Total.....

Port of Siuslaw.....

Forest Fire Patrol.....

J. D. Cox Drainage District.....

Collected for Poisoning Grey Diggers.....

SUMMARY

State and County.....

Cities.....

School Districts.....

Union High School.....

Road Districts.....

Port of Siuslaw.....

Forest Fire Patrol.....

J. D. Cox Drainage District.....

Horticultural Liens.....

Collected for Poisoning Grey Diggers.....

Total.....

Form 3
Tax Turnover Sheet
(Prepared in Triplicate)

for the total cash taken in each day, so that a turnover slip does not accompany the day's transaction of cash received and deposited with the treasurer. At the end of each day the total cash taken in is deposited with the treasurer. It is important that the cash be deposited with the treasurer each day as interest is earned on the bank balance. This necessitates additional entries on the treasurer's books which will be discussed later.

The cash taken in during the day is counted by the deputy sheriff and reconciled with the cash register tape. Any over or short amounts that are small are ignored and nothing done to balance them, especially if they are errors resulting from making wrong change.

Any errors made in ringing up the wrong amount in the cash register will be found by the bookkeeper when entering the tax receipts in the tax receipts journal. The tax deputy in charge of collecting taxes keeps a cash ledger of all cash received and cash turned over to the treasurer.

The forms and system employed in the tax office are very effective and serve to reduce errors to a minimum. Nearly all the proper checks are employed to avoid any fraudulent practices, and it is thought necessary to discuss only one weakness. Under the present set up any overage or shortage of cash is not reported at the time it occurs and the total is not revealed until the end of the year when all the year's receipts and tax turnover

sheets are turned in. Some knowledge of any discrepancies should be reported to another department such as the county clerk, also there should be delivered to him the register tape and an adding machine tape of all tax receipts. This would provide an adequate check on the tax department and would prevent "lapping" or carrying over cash from day to day.

Income from Sheriff's Office

The sheriff's office proper has other income which is turned over to the treasurer. All fees and fines collected are entered in a four column ledger showing the amount of cash received from each source. All cash is placed in a cash register and a cash register slip is given when each payment is made. A receipt book is also used for all fees and fines collected. It is made out in duplicate and numbered consecutively. The following is a sample of the receipt:

COUNTY OF LANE

Sheriff's Receipt No. _____

Eugene, Oregon _____ .19. _____

Received from _____ \$ _____

Case No. _____ Am't. _____ Dollars

Case No. _____ Am't. _____ For _____

Case No. _____ Am't. _____ vs. _____

_____ Sheriff

By: _____

The sheriff's office also receives applications for temporary permits for automobile licenses which are remitted direct to the secretary of state.

The sheriff sets up his budget in a book having fourteen columns placing in each the budget estimate for expenses that was approved by the county court and listing under them all actual expenses incurred. Such a book gives the sheriff the total amount of each expense and how much he has left.

It would be advisable to use such a book in every department if it were kept accurately. On the other hand if many expenses were not entered the disadvantages would at once be apparent.

Disposition of Cash by the Treasurer

Upon receipt of the money from the tax department the treasurer issues a receipt similar to the following:

C.A. SWARTS
 Sheriff & Tax Collector Date _____ 19__

RECEIVED OF C.A. SWARTS, Sheriff and Tax Collector of Lane County, Oregon, the following amounts of cash, covering:

19__	Tax Receipts No. _____	to No. _____	Inc.-- \$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
			Total \$ _____

Tax Turnover
 Sheet No. _____

 County Treasurer, Lane County, Ore.

These receipts are set up on pads, four to a page. The treasurer checks the numbers on the tax receipts but does not check the total of the receipts so that the cash submitted may not represent the total of the tax receipts. The receipts are often left in the treasurer's office until the tax turnover sheet is submitted, and then it is sent to the tax department.

The weakness in this method of receiving cash is that lapping could still go on in the tax office without the treasurer's or anyone else's knowledge. It would seem that a better method would be for the tax department to deposit the day's cash with the treasurer accompanied by the cash register tape. A receipt would be made out in triplicate, the original given to the tax collector and the duplicate to the clerk. The clerk's office is given the duplicate receipt as it represents the general office and has control of the general books, and all transactions should go through this office.

For all other receipts of funds a different receipt is issued for each. That is, when money is sent in from sales made by the poor farm, one receipt book is used for that, and when cash for fees, licenses, etc. is received, another receipt book is used.

When the cash is received each day from the tax office an entry is made on the treasurer's books crediting unsegregated funds, since no entry can be made on the funds until the turnover sheet is received from the tax department. All other cash

received is immediately credited to the proper fund to which it applies. Tax receipts are credited immediately to unsegregated funds and deposited in the bank as the bank allows interest on the daily balance.

As each turnover sheet is received from the tax department an entry is made charging unsegregated funds and crediting the respective funds and accounts. See Form 4, page 23a. Since each turnover represents the funds in total and not segregated accounts, the treasurer each year computes the percentage that each fund and each account represents of the total budget. These percentages are then applied to each turnover received, and each fund and its subsidiary accounts are then credited with their respective portion of the amount charged out of unsegregated funds. This method of distributing taxes collected to the different funds and accounts is used because there is no way of knowing what part of the collections belong to any one fund. Any collections made for specific funds are of course credited to that fund.

The use of unsegregated funds is advantageous in that it permits interest to be earned on what would otherwise be idle funds, as the bank would not allow interest on daily balance when deposited by the sheriff, because the balance in many of the different accounts during certain times of the year would be almost nil.

The method used in distributing tax collections by budget percentages is fair to each fund, and seems to be the only equitable

COUNTY TREASURER'S TURNOVER SHEET

25a

W. B. Dillard, County Clerk of Lane County, Oregon:

EUGENE, LANE COUNTY, OREGON, 193

Herewith find warrants and vouchers paid by me for month ending 193

On account of as shown by Treasurer's Record of Cash, book page GRACE SCHISKA, Treasurer of Lane County, Oregon.

SOLE-CHAPMAN CO., EUGENE, ORE. 07241

WARRANT No.	REGISTER	AMOUNT	INTEREST	TOTAL
<p>Form 4 Treasurer's Turnover Sheet</p>				

Received the above Voucher, amounting to \$, this day of 193

County Clerk, Lane County, Oregon

COUNTY TREASURER'S TURNOVER SHEET

W. B. Dillard, County Clerk of Lane County, Oregon:

EUGENE, LANE COUNTY, OREGON, _____ 193__

Herewith find warrants and vouchers paid by me for month ending _____ 193__.

On account of _____ as shown by Treasurer's Record of Cash, book _____ page _____
 GRACE SCHISKA, Treasurer of Lane County, Oregon.

ROSECRAPAN CO., EUGENE, ORE. 67242

WARRANT No.	REGISTER	AMOUNT	INTEREST	TOTAL

Received the above Voucher, amounting to \$ _____, this _____ day of _____ 193__.

 County Clerk, Lane County, Oregon

method that can be employed.

The fund accounts and all other accounts kept by the treasurer are regular ledger sheets to which postings are made by a posting machine. All daily transactions are entered in a regular journal and postings are made at the end of the day. This book is called the treasurer's day book.

The treasurer's cash book is very simple. It has debit, credit and balance columns. Following is the form now in use:

COUNTY TREASURER'S CASH

Dr.

Cr.

Date	Cash Received	Fol.	Dr.	Bal.	Cr.	Fol.	Cash Paid Out	Date

This cash account represents the total of all cash. The account is debited with unsegregated taxes, fees, fines, licenses, beer fees, rents, county poor farm proceeds, and fees from the clerk's office, and is credited when payments are made from the

different funds. At present, five bank accounts are used. The cash account acts as a controlling account for these five subsidiary bank accounts.

The disbursements side of the treasurer's books will be taken up through the warrant which will be discussed from its inception to its final payment by the treasurer.

The Budget: Entries on the General Books

When the budget is finally approved by the county court it is sent back to the county clerk who enters the budgeted amount of each fund and its subsidiary accounts. The budget amounts for each account in the general fund are entered in the space provided in the 'balance of budget' column of 'exhibit of general fund warrants ledger'. See Form 5, page 25a. The blank columns at the top are filled in with the budgeted amount of each expense that will be incurred in each account, and the kind of expense is written in just above the amounts.

The same form is used for the other funds except the road funds. See Form 6, page 25b. On the road fund form the budgeted amount for each account is entered in the upper left hand corner. The different kinds of expenses incurred could be ascertained by reference to the warrants issued and examining the supporting claim.

Any expenses charged against the funds are entered at the end

EXHIBIT OF CLAIMS AND WARRANTS DRAWN ON ROAD FUNDS

LANE COUNTY, OREGON

25b

Account _____

Month of _____ 193__

KOKE-CHAPMAN CO., EUGENE, ORE. 65973

No.	TO WHOM PAYABLE	WHAT FOR	BUDGET BALANCE	WARRANTS ISSUED	OTHER DEDUCTIONS	ADDITIONS	BUDGET BALANCE
		Form 6.					

of the month and deducted from the budget balance. Thus, after each month's posting the balance of any fund or account may be obtained. Any transfers from one fund to another are authorized by the court.

No offsetting entries are made. At the end of the year the budget balances are ignored, new accounts are set up and new budget balances are entered on them. Budget estimates are merely set up as marks to shoot at and no attempt is made to close out the accounts at the end of the year or to show or carry forward the surplus balance to the next period.

All of the general books are operated on a single entry system and represent only memorandum accounts. It is true that almost any kind of information desired may be obtained if sufficient time and effort were spent in delving into the past records kept by the county clerk, but it would be very difficult to obtain off hand a true statement showing the fixed asset accounts, the current operating accounts or the inventories of supplies, etc.

When the budget is received the total of the estimated revenue should be set up with an offsetting entry to some income account and a similar procedure followed when taxes are levied and paid. Such a system is advantageous from the standpoint of control, accuracy, the preparation of statements, and in making possible the presentation to the public of the true condition of the county at any time.

The Warrant

The county clerk is in charge of the general books of the county and consequently all claims must be filed in the clerk's office. A claim represents a debt owed by the county to the person presenting it. A claim must be made out setting forth the nature of the claim, the amount due, and the fund from which it is to be paid. When such a claim is properly filled out and signed by the payee it is sent to the county court for approval. See Form 7, page 27a, for claim used in Lane County. Any one of the two commissioners and the county judge must sign each claim and approve it before a warrant may be drawn. All county warrants except school warrants are issued by the county clerk.

After securing the approval of the claim by the court, the county clerk draws a warrant for the amount named in the claim. Under the present system there are different warrants for each fund, and these are designated by different colors attached to stubs in a book and come in sheets of five.

The claim and the warrant are entirely separate units and both are drawn without the signature of the treasurer. A much better method would be to have the claim attached to the warrant so that the person receiving the warrant would also have a statement of the items for which the warrant was drawn. The treasurer should also check the claim with the warrant before signing it.

Each warrant when made out is run through a check protector

NO. of claim and warrant.....

From.....

Address.....

For.....

Amount: \$.....

Filed,, 19.....

W. B. Dillard

Clerk.

Deputy

It is hereby ordered that warrant on the

.....
.....
.....

..... Fund be issued

For \$.....

IN..... PAYMENT OF THIS ACCOUNT

Dated.....

.....

County Judge

.....

County Commissioner

.....

County Commissioner

Warrant No.....

Eugene, Ore.,, 19.....

County Clerk: Please deliver warrant for within

bill to.....

.....

.....

Payee

machine, and the number and the amount of the warrant is placed on the stub to which the warrant was attached.

The warrant is then entered in the warrant register. See Form 8, page 28a. There is a warrant register for each fund, and warrants are numbered serially by funds.

The following routine is carried out when warrants are drawn in groups, such as salaries, etc.

(1)
Claim blank filled out & given to--

(2)
Clerk, who checks and files it and sends it to the--

(3)
Court, who approves or rejects it. If approved, it is signed by judge and one or two commissioners.

(4)
Returned to the Clerk, sorted as to funds and numbered to correspond with warrant.

(5)
Warrants are drawn.

(6)
The Clerk checks the warrant with the bill for errors.

(7)
Clerk writes warrant register from the warrants;

(8)
Then puts sm'ts on stubs corresponding to bill of same No. from the bills;

(9)
Adds stubs and adds warrant register for balance.

(10)
When balanced, warrant is signed by the clerk.

(11)
Warrant is perforated by check protector machine.

(12)
Since all funds are not cash, it is sent to treasurer and registered there;

(13)
Then brought back and warrants in sheets of five are torn apart and sorted alphabetically,

(14)
And mailed or given out.

The cash position of the county is not always such that it can redeem its warrants in cash. When such is the case the warrants are presented to the treasurer for payment and the treasurer signs his name in the upper left hand corner marked "presented and not paid for want of funds". The warrant is then stamped with the next serial number opposite the register number and the warrant is entered in the treasurer's warrant register book which is kept by funds. See Form 9, page 29a.

Warrants that are not registered in the treasurer's office do not draw interest. They must be registered before interest may be earned. All registered warrants are called for payment as fast as cash accumulates. Warrants are called in the order in which they are entered in the warrant register. After sufficient funds have accumulated the treasurer places in the newspapers of the county a notice to the effect that warrants from No. _____ to No. _____ will be called for payment on a certain future date.

All interest on the warrants called is computed by the treasurer and entered in the warrant register, extending the totals of each to be paid. See Form 9. Interest ceases on the call date.

When the warrants are presented for payment the treasurer refers to the warrant register, finds the number of the warrant, fills in the interest and total amounts on the warrant and makes out a check for the amount, or pays in cash if the warrant is for a small amount.

When a sufficient number of the warrants called have been paid, the treasurer makes up a turnover sheet in duplicate, listing all the paid warrants by warrant number and the amounts of each. The duplicate and the supporting warrants are turned over to the county clerk.

Upon receipt of the treasurer's turnover sheet the clerk checks the warrants against the list on the turnover sheet and then sorts them according to funds. After this is done, he stamps the 'when cancelled' column of the warrants register, Form No. 8, page 28a. The warrants are then placed in a heavy manilla envelope and filed by date, by fund and by warrant number. The warrants are not placed in a permanent file until all warrants for the particular fund have been cancelled.

The original claim is used as a basis for charging the different funds in the clerk's office and the warrants are used as a basis for charging the respective funds to which they apply in the treasurer's office. The treasurer's cash is not credited until actual cash payment is made at which time cash is credited and the funds charged as per the total shown on the total column on the left hand side of the warrant. Each fund is thus charged with the amount of interest which has been earned on the warrants drawn against that particular fund.

The Treasurer's Books

Many of the books used by the treasurer have been mentioned

during the discussion of receipts and disbursements. The relationship that exists between the different accounts will be discussed here in order to give an idea of the operations of the treasurer's department.

As was mentioned previously, all daily transactions are entered in a journal known as the treasurer's day book and posted at the end of each day. For instance taxes received from the tax department will be recorded as a debit Cash and a credit to Unsegregated taxes. When warrants are paid an entry is made debiting the different funds and crediting Cash. At the end of the day these items are posted to their respective accounts.

The cash book has already been described. See page 24. It is debited with all receipts and is credited with all disbursements. All payments and receipts are supported by warrants or receipts. As has previously been mentioned, the cash book is really a control of the five bank accounts.

School warrants are drawn by the respective school districts so that they do not pass through the treasurer's office. Ledger accounts of all school districts are kept by the treasurer and when they are in need of funds the treasurer orders the bank to transfer the amount ordered from the treasurer's account to that of the school district and then sends the school district a receipt for the signature of the school clerk. After it is signed it is returned to the treasurer's office.

OFFICE OF TREASURER, LANE COUNTY, OREGON

Eugene, Oregon, _____

District No. _____

Warrant No. _____

Received From Grace Schiska, Treasurer

Warrant In Amount of _____ Dollars \$ _____

Taxes For _____

Past experience has proved this method very unsatisfactory, as many of the district clerks neglect to return the receipts; therefore, there is no record obtained concerning the transferring of funds. A better method would be to make it necessary for the school clerk to sign and return the receipt before funds are transferred.

For the treasurer's information a journal is kept of the bank accounts of all school districts which shows the balance on hand at all times. All school warrants must of course be presented to the treasurer for payment, but when paid they are returned to the school district from which they originated. No record is had of

the expenditures made by the school districts. In order to provide records of such disbursements, school warrants should be retained by the county clerk and filed by districts, returning to the school clerk for his records a signed slip listing all the warrants received and paid.

All funds and subsidiary accounts including all bank accounts are kept on ledger sheets and postings are made by machine.

Bond Interest and Redemption

The treasurer keeps a file of all bonds redeemed and all interest paid on coupons. Each bond number is placed at the top of a manila folder, size 9 x 14 $\frac{1}{2}$, on the outside of which is placed the title of the bond, the total issue, denomination, maturity date and interest rate. On the inside of the folder is a space for the bond and eighty small squares numbered from left to right to which each coupon is posted when paid. This is a very clever arrangement and its use is to be commended as it gives a complete record of each bond. Recently a law has been passed prohibiting municipalities from issuing other than serial bonds, so that the use of this unique method of keeping cancelled bonds will be greatly increased.

At the beginning of each year the treasurer computes all bond interest and adds to that the amount that will be needed to redeem bonds falling due. This amount is withheld from all funds in order to insure bond interest payment and bond redemption.

This is an excellent practice as it prevents any possibility of defaulting on school and county bonds.

All school and county bonds when issued are entered in the bond register. See Form 10, page 31a. This adequately takes care of all bonds that are issued and all interest coupon payments that are made. The bond records should logically be kept in the clerk's office leaving to the treasurer the duty of receiving and disbursing cash. Under the present method records of bonds are kept in both the office of the clerk and that of the treasurer causing unnecessary duplication of work. The clerk must have access to the bond records when drawing the warrant. Any other record of them is superfluous.

The Clerk's Books

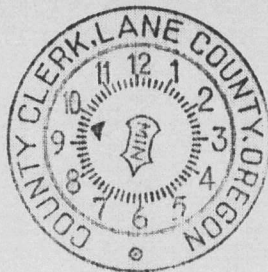
All of the accounts used in connection with the drawing of the warrants have been discussed.

In Lane County a separate office is used for the receipt of such fees as recording deeds, titles, etc., issuing of marriage, dog, and beer, licenses, etc. Each transaction that is made in this office is entered in the fee book which has columns for the No., date of reception, name of grantor, name of grantee, kind and No. of instrument, the recording and circuit court fees, probate court fees, marriage license fees, signature of the treasurer, to whom delivered, book and page recorded, and date delivered. Each entry is given the next serial number, and on all instruments

that are received for recording and filing there is placed the following sticker on which is stamped the time and date received.

State of Oregon,
County of Lane—ss.

I, W. B. Dillard, County Clerk and ex-officio Recorder of Conveyances, in and for said County, do hereby certify that the within instrument was received for record at



MAY 28 1934 AM

and
Recorded

In Book.....on Page.....

Lane County.....Records.

.....
County Clerk.

By Deputy.

The cash received is placed in a cash register, and a cash register ticket is given out as a receipt. The treasurer comes in daily and receives the cash and places his signature on the fee book just under the last entry. At the end of the month the treasurer posts the total received from the fee book in the treasurer's cash book and credits the general fund Emergency account

and gives a receipt to the fee department for the total receipts of the month.

In actual practice, however, the treasurer does not pick up the cash daily but only whenever it is felt that enough money has been taken in to make it worth while. The cash should be deposited daily with the treasurer and a receipt obtained for each deposit. The items need not be listed, since they are all deposited in one account. At the end of the month the treasurer could check the total of the fee book with the total receipts and the cash register tape.

There are five employees, a part of all of whose time is devoted to the recording and filing of all records presented to the fee department.

The county at present has seven active funds. They are: general fund, road fund, market road fund, bond redemption fund, old age pension fund, dog fund and county school fund. See Budget for Year 1933, page 14a and b. For all of these funds Form 5, page 25a, is used except the road fund for which Form 6, page 25b, is used. Any transfers from one fund to another must be authorized by a warrant from the county court.

A bond register is kept by the clerk and is a duplication of Form 10, page 34a, used by the county treasurer.

An insurance ledger is kept by the clerk with columns headed: policy No., company, expiration date, insured upon, face of policy, and premium. Insurance is carried on the following: court house,

county jail, public liability, county fair, shops, poor farm, rest cottage, dwellings, check or draft alterations, and burglary.

The amount of insurance policies are small and the method in use seems to be adequate to fit present needs.

Fixed Assets, Equipment and Supplies

Some of the most important items of which no records are kept are fixed assets, equipment and supplies. The most important of these from the standpoint of current operations is the item of supplies. All supplies are purchased out of the equipment fund, which is a general fund account. During the year all purchases of equipment and supplies are charged to this fund. After the current year is past no further record is kept of the amount of materials, supplies, equipment, or any other items purchased during the past year. As far as the county records are concerned none of these items exist.

During 1952 an inventory was taken of all supplies and equipment which amounted at that time to nearly \$60,000. Some record should be kept of such a large investment, particularly when a large part of it is composed of materials and supplies. It would be stretching the realm of the imagination to conceive of any modern business operating with a similar amount invested without at least keeping some memorandum records.

No requisitions are issued for materials used. The materials

used on road repairs would be charged to maintenance, but any price might be used, as it is doubtful if the actual price of many of the materials used is known.

An inventory should be taken each year of the materials and supplies on hand. All materials and supplies used should be requisitioned and all purchases should be made by one person in charge of all stores. Under the present system there is a temptation to have large stocks on hand rather than to carry the inventories at a minimum. There is also danger of theft. Repairs to machinery are made by the shop workmen, which necessitates keeping a supply of tools, some of which are very expensive.

All fixed assets including equipment and machinery should be set up on the books in order to show the amount of money that is invested therein and to afford a record of the purchase and sale of any such items. In lieu of depreciation, it is wise to use the method already in effect of charging rent to each job based on the amount of time the equipment is used on the job.

County Engineer's Cost Records

No itemized cost records for the construction and maintenance of roads is kept by the county clerk. This duty falls on the county engineer. All time sheets and a record of materials used in construction and maintenance of roads, bridges, etc. are sent to the engineer to be entered on his records. After they are

recorded they are returned to the county clerk to be filed. See Form 11, page 39a, for time sheets used.

The county engineer is in charge of all construction and maintenance of county and market roads. The roads in the county are broken up into divisions and each division is given a number, subdivided, and lettered alphabetically. The different kinds of road construction and maintenance are broken down into various subdivisions and given numbers to designate each.

To illustrate: Repairs have been made on road division No. 1, northern section A. Crushed rock was hauled and placed on the road. The account would appear as follows; 1 A 7 followed by the total amount of labor and expense. Each division and subdivision of all roads have a page in a loose leaf binder and all expense, labor and material is entered on the page for that particular piece of road. At the end of the year the total expenses of construction and maintenance of each small division of all county and market roads is known. The cost records now in use are very complete, but in order to find the total construction cost of any part of the county or market roads it would be necessary to check back through all the past years' reports and add them together.

A much better plan would be to have all the actual construction costs of all roads carried as a charge to an appropriation on the appropriation ledger in the clerk's office during the current year. At the end of the current year this capital improvement should be set up among the capital accounts or so-called Capital Fund.

LANE COUNTY, OREGON

PAY ROLL NO. _____ PAY ROLL, MONTH OF _____, 193____ COUNTY _____ OFFICE _____

NAME	Position	ENTER BELOW THE DAYS OR PART OF DAYS OF LABOR PERFORMED																														No. of Days	Rate per Month	Amount Due	Warrant No.	REMARKS	No.	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30							31
		Form 11. Time Sheet																																				
		TOTAL																																				

We the undersigned, whose names are subscribed below, hereby certify on honor that we have performed the services as herein rendered, and that we have not received payment on the same or any part thereof, and that the amounts set opposite our names are justly due us from Lane County.

SIGNATURE _____

WARRANT WILL NOT BE DRAWN WITHOUT THE SIGNATURE OF CLAIMANT

I, being first duly sworn, depose and say that the foregoing Pay Roll is just, true and correct; that the persons whose names appear thereon actually performed labor as stated on the dates shown, and that the amounts are actually due and unpaid.

Checked by _____

(SEAL)

County _____

For the County Clerk.

Subscribed and sworn to before me this _____ day of _____ 193_____

County Clerk.

NO. OF CLAIM AND WARRANT

FROM

ADDRESS

ACCOUNT OF

AMOUNT, \$.....

FILED,, 193.....

.....
County Clerk.

.....
Deputy.

ALLOWED IN THE TOTAL SUM OF

\$.....

Dated this..... day of....., 193.....

.....
Judge.

.....
Commissioner.

.....
Commissioner.

CHAPTER IV
PROPOSED SYSTEM

Introduction

All of the most important offices and accounts in the county have been discussed and criticisms made of each. The task at hand is to attempt to correct those faults as they exist and to justify changes suggested both from the standpoint of economy and better accounting practice.

Basic Entries

For the benefit of those who are not familiar with the modern methods of municipal accounting it is thought best to give the basic entries that must be made from the time the budget is prepared to the actual closing of the books at the end of the fiscal period.

All of the general books will be kept in the clerk's office, so that when an entry is stated as being made on the general books it is to be understood that the books in the clerk's office are the ones referred to.

When the budget is finally approved by the county court an entry should be made in the general books debiting Estimated Revenue and crediting Surplus Available for Appropriation. This entry sets up the total revenue expected, the surplus account being the clearing account when appropriations are made. See Form 12, page 40a, for the entries and accounts which they affect.

FORM 12
ILLUSTRATION OF BASIC
ENTRIES

<table style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Estimated Revenue</th> </tr> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">a--</td> <td style="padding: 5px;">b-- d--</td> </tr> </table>	Estimated Revenue		a--	b-- d--	<table style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Surplus Available for Approp.</th> </tr> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">c--</td> <td style="padding: 5px;">e--</td> </tr> </table>	Surplus Available for Approp.		c--	e--
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a--	b-- d--								
Surplus Available for Approp.									
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Cash									
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Capital Surplus									
	g'--								

a--When the budget is approved.

b--When taxes are levied, debit Taxes Receivable and credit Estimated Revenue with the amount that it is estimated will be received and credit Reserve for Uncollectible Taxes for the amount believed uncollectible.

FORM 12

ILLUSTRATION OF BASIC ENTRIES, CONT.

- c--When appropriations are made for the various funds, debit Surplus Available for Appropriation and credit Appropriation, which is the controlling account for all the funds.
- d--Income expected from fees, fines, etc; debit General Fund Receipts and credit Estimated Revenue with the expected receipts.
- e--When taxes and estimated general fund receipts are collected, debit Cash and credit Taxes Receivable and Estimated General Fund Receipts.
- f--When expenditures are made, debit Appropriation and the funds of which it is the control and credit Cash.
- g--When fixed assets such as equipment are purchased, Appropriation is debited and Cash is credited. At the same time the capital asset is debited and Capital Surplus is credited.
- g'-Assets taken into the capital fund are debited to the asset account and credited to Capital Surplus through the capital accounts journal.

At such time when taxes are levied an entry should be made on the general books debiting Taxes Receivable and crediting Estimated Revenue and Reserve for Uncollectable Taxes. Taxes Receivable may be thought of as Accounts Receivable for an industrial. Since they represent a part of revenue they should be credited to that account and, of course, removed from the Revenue Ledger. The Revenue Ledger is a ledger giving the detail of the estimated revenue.

A credit is made to Reserve for Uncollectible Taxes for the amount of taxes levied that are estimated to be uncollectible during the year.

After the taxes are levied the appropriations may be made for the various funds. The Appropriations account is the controlling account for all the accounts, which are in effect the subsidiary accounts. When the appropriations are made, Surplus Available for Appropriation is debited and Appropriations and its subsidiary accounts are credited. This entry is made for each fund. It is against these appropriations that warrants will be drawn.

When taxes are collected, Cash is debited and Taxes Receivable is credited. If all the taxes are collected, the Reserve for Uncollectible Taxes is closed into Surplus Available for Appropriation.

Most all of the expenditures made during the year are debited to appropriations and credited to cash. Capital asset entries are made separate and distinct from the current entries.

If equipment is purchased the regular entry would be a debit to Appropriations and a credit to Cash on the current books. On the fixed asset ledger the asset is debited and Capital Surplus is credited.

Each fund must have its own general ledger or have its own set of accounts, trial balance, etc. Also each fund according to the proposed system will have a complete set of other books; cash books, voucher warrant register journal, etc. Therefore, there could be no slip up in knowing the exact balance of cash or warrants outstanding or in each fund. At the end of the year all of the current accounts are closed out to Surplus Available for Appropriation.

With the above explanation of the general procedure in mind, the detailed explanation of the proposed system and the forms necessary for its operation will now be taken up.

The County Clerk's Office

The clerk's office would be the central office and would have charge of all of the general books. The treasurer would be the officer in charge of all funds of the county and his only duty would be to receive and disburse cash. All transactions of the county would, however, pass through the central office. The clerk's office, therefore, appears to be the logical place to begin the discussion of the accounts to be used.

When the budget is finally approved by the county court an

entry is made in the general journal debiting Estimated Revenue and crediting Surplus Available for Appropriation, making the proper explanation of the entry. See Form 13, page 43a, for general journal. The journal entry is then posted to the general ledger and to the proper accounts. See Form 14, page 43a. This sets upon the general books the total revenue that is expected to be received to meet the appropriations that will be made.

The tax levies will then be made by the county clerk and submitted to the assessor. The assessor then computes the millage as under the present system and writes up the tax roll. After the board of equalization has met and the extension of the tax roll has been made, the assessor must secure a written order from the county court to turn the tax roll over to the sheriff. A copy of the order is sent to the county clerk who will make an entry in the general journal debiting Taxes Receivable for the amount of the tax levy, and crediting Estimated Revenue. The entry is then posted to the general ledger.

The appropriations should now be made setting up the amounts budgeted to all funds. To accomplish this a general journal entry should be made debiting Surplus Available for Appropriation and crediting Appropriations and the subsidiary accounts. The Surplus Available for Appropriation account in the general ledger would be debited and the Appropriations account in the general ledger would be credited. All accounts of the appropriation ledger are subsidiary, consequently credits must be made to all subsidiary accounts for the amounts set forth in the budget. This is done on

Form 5, page 25a. This is the form used at present and the only change necessary would be in the title by substituting 'appropriations and expense ledger' for 'exhibit of general fund warrants.' The proper expense accounts can be placed in the blank spaces provided and the totals of the expense columns will show the total expense incurred in each account. These may be summarized by funds at the end of the month showing in detail the distribution of all expenses. Each fund should be given a letter, as General Fund A, --Road Fund B,-- Market Road Fund C,--etc., and the accounts in each fund should be numbered so that postings will be facilitated.

Tax Collection

The system in use in the tax department at present will be continued. The tax money received during the day should be turned over to the treasurer together with the register tape. It is, of course, understood that the tax receipts are checked against the register tape by the tax collector to be certain that no receipts are missing. The treasurer will count the cash and reconcile it with the total of the register tape. The treasurer will then issue a receipt to the tax collector for the actual amount of cash collected. See Form 15, page 44a, for receipt used. The receipt book used is bound, made out in triplicate and numbered serially. The original is given to the tax collector,

	No. _____		
Date _____	19 _____		
RECEIVED OF the Sheriff and Tax Collector of Lane County, Oregon, the following amounts of cash, covering:			
19 _____	Tax Receipts No. _____	to _____	Inclusive _____
19 _____	" " " _____	_____	" _____
19 _____	" " " _____	_____	" _____
19 _____	" " " _____	_____	" _____
19 _____	" " " _____	_____	" _____
			Total _____
Cash short _____			
Cash long _____			
		County Treasurer _____	

Form 15
Receipt for Taxes

\$ _____	No. _____
_____ , Oregon	19 _____
Fund _____	
Account _____	
Received of _____	
_____ Dollars	
For _____	
LANE COUNTY, OREGON	
County Treasurer _____	

Form 17
Receipt for Other
Collections

the duplicate to the clerk and the triplicate is left in the receipt book. The shortage or overage of cash received should be noted on the line provided in the receipt.

Disposition of Cash

When the clerk receives the duplicate, a general journal entry is made debiting Unsegregated Cash and crediting Taxes Receivable in the general ledger. The Unsegregated Cash account is used to designate the cash that has not been segregated as to funds until the tax turnover sheet is received. At certain time of the year when tax collections are the heaviest, it is impossible for the bookkeeper in the tax department to make out a turnover sheet for the total receipts each day. The Unsegregated Cash account is used to take care of this situation.

The tax turnover sheet, Form 3, page 18a, will be used by the tax collector which is made out in triplicate. One copy goes to the treasurer, one to the clerk, and one is retained by the tax department. When the clerk receives the turnover sheet he makes an entry in the general journal, debiting each fund in the cash receipts book and crediting Unsegregated Cash. See Form 16, page 45a, for cash receipts book. Each fund has its own cash receipts book. The balance of the Unsegregated Cash and of the cash in all the funds will give the total of the cash at all times.

The treasurer will, upon the receipt of cash from the tax collector, make a general journal entry debiting cash and

crediting unsegregated funds. These items will be posted by machine to the ledgers now in use. When the tax turnover sheet is received a general journal entry will be made debiting unsegregated funds and crediting the different fund accounts.

When cash from Estimated Revenue, which includes donations, fees, fines, licenses, poor farm sales, etc, and from other funds is received, a different receipts book will be used for issuing receipts. See Form 17, page 44a. This receipt book is to be used for all funds, bound, made out in triplicate, and numbered serially. The original is given to the one depositing the cash, the duplicate to the county clerk, and the triplicate is retained by the treasurer.

After receiving the receipt the clerk makes a general journal entry at the end of the day debiting cash receipts for each fund and crediting Estimated Revenue, and if it also includes receipts not included in estimated revenue, then Surplus Available for Appropriation would be credited in the general ledger. The treasurer will make a general journal entry debiting Cash and crediting the funds to which it applies. These are then posted to the proper accounts.

The proper disposition of all regular receipts has been discussed, and now the items on the disbursement side of the cash ledger will be discussed.

The Voucher Warrant

In order to insure proper disbursements a voucher warrant has

been made to be used in making all payments. See Form 18, page 47a. There will be a voucher warrant for each fund, with a different color for each fund. A pad of vouchers will be printed for each fund, numbered serially, and having a duplicate page exactly like the voucher warrant except that the duplicate will not have a voucher check attached. Instead of the voucher check, a space is provided for the distribution summary. See Form 19, page 47b. The carbon used between the original and the duplicate will extend only to the warrant ending at the perforated line.

The nature of the claim, the amount, the fund to be charged and the name of the payee must be filled in by the clerk. The warrant is also filled in with the same amount shown on the voucher. The payee must sign the voucher before it is sent to the county court for approval. The voucher warrant is then sent to the county court where it must be approved and signed by the county judge and one or both of the county commissioners. When it is returned the clerk enters the number of the voucher in the Voucher Warrant Register, the description, the amount and the extension of the amount in the proper columns provided. See Form 20, page 47c. There will be a voucher register for each fund.

At present there are seven active funds so that seven voucher warrants and seven voucher registers will be required. Difficulty will be experienced in auditing because of this amount of voucher registers, but the use of different colors for each fund will

eliminate most of this.

The voucher is then signed by the clerk and is sent to the treasurer for payment. The clerk fills in the distribution summary with the accounts charged and attaches all invoices, time sheets or other substantiating papers to the upper left hand corner. The sheet is then folded on designated lines and the voucher warrant number placed on the outside. The fund on which the warrant is drawn is also written in the space provided. It is then ready for filing.

All transfers made between funds must be made by a voucher warrant approved by the court.

The school districts will continue to draw their own warrants as before, but in order to receive funds on which warrants are to be drawn they must apply to the county clerk for a warrant for the amount desired. When the cancelled warrants of the school districts are received they must be sent to the county clerk who will return a receipt for the total received and file the warrants by districts. In this way all school warrants will be on file where they can easily be referred to.

If the treasurer does not have sufficient cash to pay the warrant he signs his name in the space provided in the upper left hand corner of the warrant, enters the date and the next serial register number in the treasurer's warrant register. See Form 9, page 29a. The warrant is then entered in the warrant register

and the treasurer signs his name to the warrant. All warrants must be registered to draw interest. If the treasurer has sufficient funds to pay the warrant, he signs his name, and enters the warrant in the journal. He then gives it to the payee, who may now cash it at the bank. All paid warrants are credited to cash and debited to the different accounts.

At the end of the month the clerk totals all of the columns in the voucher warrant register. The totals of all columns to the right of the date paid column should equal the total of the voucher warrants payable column. The voucher warrant register used for the road funds will have districts entered in the blank column opposite the description column. For other funds the account number would be placed there. Material purchased for stores is debited in the stores column. Work in progress is debited when materials are purchased for a particular job. The other columns are self explanatory.

A summary is prepared at the bottom of the page at the end of the month and an entry is made debiting the control account appropriations and all of the accounts and districts; and crediting the total of the voucher warrants payable column to the cash of the fund named at the top of the voucher warrant register.

Interest on Warrants

When the treasurer accumulates sufficient cash, he will advertise in the newspapers of the county that warrants registered

up to a certain number will be called for payment. He then computes the amount of interest due on each warrant and enters it in the interest column of the treasurer's voucher warrant. The total interest to be paid will be determined from the total of the interest column and the treasurer will make a request to the clerk for a warrant for that amount.

The clerk will then draw a voucher warrant and, after having it approved in the regular manner, will enter it in the voucher register. It will then be presented to the treasurer who will sign it, make the proper entry on his books and cash it at the bank. The funds thus provided will be used to pay the interest due on the warrants when presented for payment. All warrants bearing interest must be presented to the treasurer who will enter the amount of interest in the space provided, add it to the principal sum, sign his name and place the date paid in the space marked paid. The total interest will then be paid by the treasurer and a check made out for the principal amount stated in the warrant.

At the end of each month a turnover slip will be prepared by the treasurer listing all paid warrants by warrant number. The cancelled date is entered opposite the warrants listed in the treasurer's voucher warrant register for those that have been paid. An entry is then made crediting cash and debiting the accounts designated by the cancelled warrants listed in the treasurer's voucher warrant register.

The turnover slip together with all cancelled warrants are then sent to the clerk who checks the cancelled warrants against

the turnover slip and files them by funds, by warrant numbers, and by months.

The Bond Register

The bond register is to be kept by the clerk. See Form 10, page 34a. All county and school bonds issued will be entered in the general journal, debiting Cash, debiting Bond Discount if sold below par, and crediting Bonds Payable. The journal entry is then posted to the general ledger and each bond is entered in the bond register. At the beginning of the year the clerk will compute the amount of bond interest and bond redemptions that must be met during the year and notify the treasurer to retain sufficient funds in order to meet such payments when they fall due. The treasurer need not keep a bond register as it would be duplicating the work of the clerk. Redeemed bonds and paid interest coupons will be filed in the clerk's office and placed in manila folders previously described.

When bonds are to be retired out of current income, a voucher warrant will be drawn debiting the appropriation for this redemption if such were made. If an appropriation were not made and it were desired to retire the bonds out of surplus, then the charge is to Surplus Available for Appropriation. If the bonds were for capital improvements and are already on the Capital Fund, a journal entry on this fund should be made charging Bonds Payable and crediting Surplus Invested in Capital Improvements.

Stores

Because inventories of materials and supplies represent a large investment without any apparent control being exercised over them, a group of forms have been prepared to provide a check on them.

Under the proposed system stores will be an account in the general fund. All purchases for stores will be charged against the account 'stores' in the appropriation and expense ledger and to the controlling account appropriations.

A stores ledger will be used at the shop. On it will be entered materials and supplies ordered, received and issued. See Form 21, page 47c. The ordered column is merely a memorandum of materials ordered.

At the top of the stores ledger should be placed all of the information concerning the article carried, including the location, units carried, and the maximum and minimum supply that should be kept on hand. When the supply on hand has reached the minimum, the person in charge of stores will fill out a purchase requisition for the amount wanted and send it to the county clerk. The requisition is in a pad form and should be made in duplicate. See Form 22, page 52a.

The clerk will fill out a purchase order in triplicate and send it to the county court for approval. When approved, the original is mailed out, the duplicate sent to the storeskeeper, and the triplicate is retained by the clerk and filed. See Form

23, page 53a.

When the storeskeeper receives the copy of the purchase order, he enters it in the ordered column of the stores ledger. When the goods are received the invoice is sent to the storeskeeper who checks the amounts received against the invoice, enters the quantity and price in the received column of the stores ledger, signs the invoice and returns it to the clerk. The clerk then draws a warrant for the amount of the invoice, placing on the invoice the date paid. It is then filed among the paid invoices. The warrant proceeds through the accustomed channel.

Stores Requisition

When material is needed by workmen on construction and maintenance or repairs a stores requisition will be filled out and signed by the county engineer or one of his foremen requesting the materials needed. See Form 24, page 52a. This is presented to the storeskeeper. It must be made out in triplicate, the original being retained by the engineer, the duplicate retained by the storeskeeper, and the triplicate sent to the clerk. The storeskeeper enters the requisition on the stores ledger, fills in the date paid on both the duplicate and triplicate copies of the stores requisition and then sends the third copy to the clerk.

Stores Requisitions Filled

When the clerk receives the stores requisitions they are

PURCHASE ORDER

No. _____

(Show this number on all invoices, correspondence, etc.)

From: County Court
Lane County, Oregon

Date _____

To:

Bid _____

Requisition No. _____

Contract _____

Fund _____

Account _____

Gentlemen:
Please ship to us the following

Shipped to _____ at _____

Shipment to be made _____ vis _____

Terms _____

Quantity	Unit	Size	Description	Price	Amount
<p>Form 23.</p>					

No purchases will be valid unless covered by this form and signed by the following:

County Judge _____

County Commissioner _____

County Commissioner _____

entered on a stores requisition filled sheet. See Form 25, page 54a. This form is used so that only one entry will be required at the end of the month. At the end of the month a general journal entry is made debiting the totals of Appropriation and Work in Process and crediting the total of the stores column to stores.

Job Orders

A job order is made out by the engineer and all materials, supplies, labor, etc. expended on each job is entered on the job order. It should be made out in duplicate. See Form 26, page 54b. When the job is finished the engineer fills out the summary in the lower right hand corner and sends the duplicate to the county clerk.

The machine rentals column here may need some comment. Ordinarily charges for depreciation of machinery and equipment are not made in municipalities' accounts. However, if good accounting practice is to be followed some charge should be made for the machines used on each job. To fulfill this requirement a plan is suggested whereby each job would be charged an estimated rental that would approximate a depreciation rate for the amount of time that a machine was used on a particular job. The job is charged Surplus for Machine Rentals will be credited.

This surplus account should be carried forward each year to the capital fund books. The transferring of the rental to the capital accounts will be discussed below.

Job Orders Completed

When the clerk receives the completed job order the total cost is transferred to job orders completed. See Form 27, page 54a. At the end of the month the clerk totals the columns of the job orders completed and makes a summary of the different accounts affected. A general journal entry is then made debiting the control appropriations and the subsidiary accounts and crediting Work in Process. The blank debit column will be used when work is done for other funds.

Road Fund Accounts and Divisions

The clerk will keep a record of the detail of each road account and all subdivisions which formerly were kept by the county engineer. A loose leaf form similar to the one previously described which is in use at the present time, would be sufficient. All maintenance and repairs should of course be charged off against current operations. Actual road construction, however, should be taken up on the capital accounts and carried as an asset. This should be done at the end of each year. The method used in taking up entries of assets on the capital accounts will be discussed when the plant and equipment ledger and its use is described.

Sales

The County of Lane does not have a very large number of sales.

Most of the income through sales is from the county poor farm. In order to have a record of all sales made during the year a sales invoice will be used. See Form 28, page 56a.

When sales of any nature are made a sales invoice must be made out showing the quantity, description, price and amount of goods sold. The invoice must be made out in triplicate, the original going to the purchaser, the duplicate to be retained by the person in charge of making sales and the triplicate to be sent to the clerk. Any return sales will be noted and deducted on the invoice.

When the invoices are paid they are stamped paid and filed, and a cash book entry made debiting Cash and crediting Estimated Revenue.

The treasurer will receive the cash in most instances, at which time the treasurer will issue a receipt to the one paying the invoice and send the duplicate to the clerk who will then mark the invoice paid and enter the transaction as described above.

The Plant and Equipment Ledger

The capital fund is separate and distinct from the current funds. It has a separate journal and separate ledger accounts. All entries to this fund are made through the capital fund journal and posted to the various capital fund ledger accounts.

When equipment and other fixed assets are purchased from the

current fund during the year a separate journal entry must be made in the capital fund, debiting the asset acquired and crediting Capital Fund Surplus. The debit is then posted to the plant and equipment ledger and the credit to the capital surplus account. See Form 29, page 57a, for plant and equipment ledger. The Capital Surplus Account is posted to a ledger similar to Form 13, page 43a.

The name of the asset is placed at the top of the plant and equipment ledger. The spaces provided for the cost, estimated life, estimated scrap value and the estimated rate per day that will be charged for rentals must be filled in.

If any of the equipment is sold the asset is credited and Capital Fund Surplus is debited. On the current fund an entry is made debiting Cash and creditin Surplus Available for Appropriation. All rentals charged during the year are to be taken up on the capital fund by a debit to Capital Surplus and a credit to an account called Reserve for Rentals.

Closing the books of the Current Funds

At the end of the year all current fund accounts will be closed out to Surplus Available for Appropriation, which represents a current surplus account. All accounts having credit balances at the end of the year will be debited and those having debit balances will be credited. The off setting entry will be to Surplus Available for Appropriation.

All funds must be closed out by a separate journal entry, as each fund has its own set of accounts.

The accounts left on the current books after all closing entries have been made are: Assets; Cash and Stores; Liabilities; Surplus Available for Appropriation. When the Surplus Available for Appropriation has a credit balance such balance may be used for appropriations for the next year.

Conclusion

It has been shown that Lane County at the present time does not have an adequate system of accounting, nor does it provide any method of setting up capital assets on the books. The effort of the officers of the county to have some kind of record of all transactions is to be commended. It is apparent that they have attempted to keep these as complete and accurately as possible.

The fault is not with the officers of the county, but rather with the accounting methods used, which seemed to have evolved by trial and error attempts to prop up the system as the need arose. The changes suggested are not many and could be made without any noticeable effect upon the general routine of the present, nor would it cause any additional labor. In fact the treasurer's office could easily be relieved of one employee because of the decreased duties given to the treasurer. The clerk's office would scarcely

be aware than any additional books were being kept because of the large amount of duplication carried on at present.

It is felt that the proposed system would satisfy a need for more modern accounting procedure.

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