CHART OF ACCOUNTS

I. PURPOSE
To facilitate the record keeping process for accounting, all ledger accounts should be assigned a descriptive account title and account number; to provide the method for assignment and maintenance of the Agency’s chart of accounts in order to produce meaningful financial data for the Agency.

II. SCOPE
This procedure applies to all general ledger accounts.

III. DEFINITIONS
Chart of Accounts – A categorized listing of all account titles and numbers being used by an organization to track income, expenses, assets, equity, and liabilities is called a Chart of Accounts.

IV. POLICY
A. DESIGN OF ACCOUNTS

- Accounts should have titles and numbers that indicate specific ledger accounts such as Cash in Checking, Furniture and Fixtures, Accounts Payable, etc.

- Accounts should be arranged in the same sequence in which they appear in the financial statements. Asset accounts should be numbered first, followed by liability accounts, owner's equity accounts, revenue accounts and expense accounts:
  1000 - Asset Accounts
  2000 - Liability Accounts
  3000 - Owner’s Equity Accounts
  4000 - Sales or Revenue Accounts
  5000 - Cost of Sales/Administration Accounts
6000 - Debt Service Accounts
8000 - Other Accounts

B. DESCRIPTION OF ACCOUNTS

- Each account should be given a short title description that is brief but will allow the reader to quickly ascertain the purpose of the account.

- For training and consistent transaction coding, as well as to help other non-accounting managers understand why something is recorded as it is, each account should be defined. Definitions should be concise and meaningful. One or two sentences of definition are usually sufficient. The definition tells the user what can be recorded in a specific numbered account. However, if there is a confusing account usage, or if repetitive coding errors are being made, the definition can also inform the reader of what may not be recorded in this account.

Since the definitions are reference sources, they should be developed for quick and easy lookup. The account number and name should be on one line and the definition should be indented beginning on the following line in a consistent pattern. If the account is part of a group, the group title should be at the top of the group or page.

An example of definitions follows:

**ASSETS**

11111 - Cash in Checking

Includes all cash held in the operating bank account. All withdrawals by check and deposits are recorded here. The reported balances are supported by a bank reconciliation.
ACCOUNT CODES
As of 06/30/2017

ASSETS
10000 – Union Bank
Includes all cash held in the operating bank account. Funds were transferred to River City Bank in December 2017.

10100 - ACH
Includes all cash withdrawals related to automated clearing house transactions. This account was closed once the operating account with River City Bank was established.

10200 - Check
Includes all cash held in the operating bank account. This account was closed in January 2017 once the Operating account with River City Bank was established.

10300 – Operating – River City Bank
Includes all cash held in the operating bank account. All withdrawals, deposits or transfers from the Lockbox account are recorded here. The reported balances are supported by a bank reconciliation prepared monthly.

10310 – Lockbox – River City Bank
Includes all cash held in the lockbox bank account. All deposits from PG&E and withdrawals to designated power suppliers are recorded here. The reported balances are supported by a bank reconciliation prepared monthly.

10320 – Collateral for Loan – River City Bank
Includes all cash held in a reserve. The reported balances are supported by a bank reconciliation prepared monthly.

11000 – Accounts Receivable
11100 – Accounts Receivable - Customers
Includes invoices to customers for consumption of energy and demand charges and cash owed.

11101 – Reserve for Uncollectible
A contra-account that reduces the reported amount of Accounts Receivable
11200 – Accounts Receivable – Misc.
Invoices for services other than energy.
11225 – Interest Receivable
Includes income earned from cash and securities not yet received.
11250 – Energy Settlements Receivable
Includes energy supplied and billed to the CAISO but not yet paid.
11300 – Accrued Revenue
Includes energy sales made to customers but not yet billed.
12100 – Inventory Asset
Recording of original value of fixed assets with useful lives longer than 1 year and costing more than $1,000.

13000 – Prepaid Expenses
13100 - Prepaid Postage
The current portion of postage paid by the Agency for future use as part of the required notifications process.
13200 - Prepaid Rent
The current portion of building rent paid by the Agency for future use.
13300 – Prepaid Health
The current portion of health premiums paid by the Agency for future use.
15000 – Furniture and Equipment
Represents the company’s original cost for the purchase of furniture and other accessory items. Also includes purchase of computers and peripherals.
15010 – Vehicle
Represent the Agency’s original cost for the purchase of vehicles.
15100 – Accumulated Depreciation
The amount of a long-term asset's cost that has been allocated to Depreciation Expense since the time that the asset was acquired.

18000 – Deposits
18100 – Deposit – CPUC Bond
Represents the deposit with the CPUC in order to be considered a load-serving entity.

18110 – Deposit – CRR Holding
Represents the deposit with CAISO for the Agency to partake in the CRR market.

18200 – Deposit – Security
Represents the security deposit with the Agency’s current landlord.

LIABILITY ACCOUNTS
20000 – Accounts Payable
Balances owed for goods, supplies and services purchased on open account.

21210 – Accrued Expense
22000 – Interest Payable
Represents the amount of interest accrued on debt obligations but not yet paid.

24000 – Payroll Liabilities
24100 – Retirement Payable
Includes the portion of retirement contributions earned by an employee but not yet paid by the Agency.

24200 – Payroll Liability – Health
Includes the portion of health insurance premiums earned by an employee but not yet paid by the Agency.

24300 – Accrued Compensation Absences
Includes the portion of unused PTO earned by an employee.

24400 – Accrued Payroll
The amount of wages or salaries earned for time worked but not yet paid as of the period being reported.
25000 – Accrued Cost of Energy
Recording of the cost of energy supplied but not yet paid.

25610 – Utility Users Tax
Recording of UUT collected but not yet paid to the local agencies that impose it.

25620 – Electric Energy Surcharge
Recording of EEC collected but not yet paid to the State Board of Equalization.

25650 – NEM Liability
Recording of credits earned by Net Energy Metering Customers.

27100 – Due to Member Agencies
Recording of principal of loan from Member Agencies to SVCE.

27200 – Other Liabilities – Long Term

28000 - Loan – LT Revolving
Represents the amount of debt principal that is to be repaid after the next twelve-month period for the existing Revolving Line of Credit.

28100 – Loan – LT Non-Revolving
Represents the amount of debt principal that is to be repaid after the next twelve-month period for the existing Non-Revolving Line of Credit.

EQUITY ACCOUNTS

30000 – Opening Balance Equity

32000 – Unrestricted Net Assets
Represents net worth of SVCE.

REVENUE ACCOUNTS

40000 – Electricity Sales

40100 – Streetlight/Agr – Green
Recording revenue for opt-up of street lighting and agricultural accounts.

40110 – Commercial – Green
Recording revenue for opt-up of commercial and industrial accounts.

40120 – Residential – Green
Recording revenue for the opt-up of residential accounts.

40130 – Streetlight/Agr – Demand
Recording revenue related to demand charges for street lighting and agricultural accounts.

40140 – Commercial – Demand
Recording revenue demand charges for commercial and industrial accounts.

40150 – Streetlight/Agr – Generation
Recording sales related to energy usage for street lighting and agricultural accounts.

40160 – Commercial – Generation
Recording sales related to energy usage for commercial and industrial accounts.

40170 – Residential – Generation
Recording sales related to energy usage for residential accounts.

40200 – Miscellaneous Income
Recording revenue for transactions not related to core business activities.

40300 – Interest Income
Recording revenue related to investment income for deposits and investments.

**COST OF GOODS SOLD/EXPENSE ACCOUNTS**

50001 – Cost of Goods Sold

50020 – Cost of Energy

50021 – PPA Generation
Recording of generation through Agency-sponsored power purchase agreements.

50024 – Capacity Purchases
Recording of procurement of demand-related capacity as required by load serving entities.

50025 – Energy Purchases
Recording the procurement of energy supplied to CAISO.

50026 – REC Purchases
Recording of procurement of Renewable Energy Credits.

50030 – CAISO Charges (Admin)
Recording of expenses for CAISO to recover administrative costs.

50031 – CAISO Charges (Ancillary Srvc)
Recording of various ancillary service charges (spinning reserve, etc.) to maintain grid reliability.

50032 – CAISO Chg/Cred (Congestion RR)
Recording of expenses or credits in the Congestion Revenue Market that are financial hedges on transmission.

50033 – CAISO Chg/Cred (Cost Recovery)
Recording of expense or credits from CAISO in bid-cost recovery charges.

50034 – CAISO Chg/Cred (IST, Net Rev)
Recording of expense or credits against power supply for settlements of bilateral transactions.

50035 – CAISO Chg/Cred (Uplift Charge)
Recording of charges or credits related to imbalance energy.

50040 – NEM Expense
Record power supply expense from Net Energy Metering customers.

50000 – Payroll Expense
50100 – Regular Wages
Represents the gross amount for labor costs for regular hours.

50101 – 401(a) PARS Contribution  
Mandatory contribution to deferred compensation account.

50102 – 457(b) PARS Contribution  
Contribution to deferred compensation account.

50200 – Holiday Pay  
Compensation for holidays recognized by the Agency.

50300 – Car Allowance  
Compensation in lieu of mileage reimbursement.

50400 – Misc. Reimbursement  
Various reimbursement of employee expenses for Agency business.

50500 – Overtime  
Compensation for non-exempt employees working over 40 hours.

50600 – Misc. Pay  
Other compensation not wage related.

50700 – Employer Tax  
Recording of payroll taxes paid by the Agency such as FUTA, SUTA, EEI, etc.

50800 – Payroll Fee  
Fee paid by the Agency to a consultant for processing of payroll.

50900 – Employee Health & Welfare  
Expenses related to premiums paid for health-related insurance.

53000 – Bad Debt Expense  
Resulting from making sales on credit and not collecting the customers' entire accounts receivable balances.

5310 – Investment Management Fees  
Fees paid by the Agency for administration of the 401(a) and 457(b) plans.

55000 – General & Administration
5110 – Office Supplies
Expenses for various office supplies such as stationery.

5120 – Postage – Office
Expenses for postage such as FedEx, UPS or stamps.

5130 – Printing and Copying – Office
Expense for monthly fee per copy.

5140 – Telephone and Internet
Expense for monthly fee of telephone and internet connections.

5150 – General Supplies
Expenses for supplies such as paper towels, etc.

5160 – Equipment Lease
Expense for lease of office equipment.

5170 – Rent
Expense for lease on building.

5180 – HR and related
Expense related to recruitment, advertising of positions and pre-employment processing.

5240 – Repair & Maintenance
Expense for miscellaneous repair to the Agency’s facility.

5270 – Insurance – Commercial, Auto
Represents the portion of insurance premiums paid for coverage of the current period for property, casualty, and other business insurance.

5275 – Workers Compensation Insurance
Expenses for insurance premiums paid for by the Agency.

5300 – Small Equipment
Expense for purchase of small equipment under $1,000 that is not capitalized.

5320 – Software License/Support
Expenses to maintain licenses for software.

5370 – Dues & Subscriptions
Includes amounts paid for membership in professional organizations and amounts paid for subscriptions to publications.

5375 – Training & Conferences
This includes amounts incurred by employees attending outside seminar or conference programs.

5380 – Business Meals
Employee reimbursements for meal expenses related to Agency business.

5420 – Membership Fees
Expenses related to core business such as CAISO and Western Renewable Energy Generation organizations.

5500 – Travel
Includes the amounts paid for employee’s business travel, such as airfare, lodging, rental cars, etc.

5510 – Convention, Conference, Meeting
Expenses for registration fees of conferences or meetings related to Agency business.

5520 – Professional Development
Expenses to support employee professional development.

5530 – Bank Service Fees
This includes amounts charged by banks to the Agency for processing financial transactions. This does not include interest expense items.

56000 – Marketing & Communications

6100 – Advertising
Expenses to support awareness and brand recognition.

6200 – Sponsorships
Expenses related to Member Agencies’ Chamber of Commerce events and various other sponsorships such as the State of Silicon Valley event.
6300 – Required Notifications
Expenses related to the printing and mailing of customer notifications required by the CPUC.

6400 – Printing & Mailers
This includes amounts for printing, binding, and padding paid to outside print shops. This does not include Advertising and Promotions.

6600 – Consultant – Communications
Consultant fees to support the development and maintenance of the website, public education and other public outreach efforts.

6700 – Outreach – Miscellaneous
Expenses to support various communication efforts in the Agency’s service territory.

57000 – Professional Services

7100 – Engineering Services
Consultant fees for feasibility study.

7200 – Legal Services
Consultant fees for legal services to support administration and power supply.

7300 – Misc. Professional Services
Account mostly used to record expenses related to recruitment.

7400 – Accounting and Auditing
Includes costs to outside firms for auditing services and accounting advice.

7500 – IT Services
Includes consultant fees for monthly IT support or IT related audits.

7600 – Legislative Consulting
Includes consultant fees for support in regulatory affairs.

7700 – Program Implementation
Fees paid to member agencies for support during start-up phase including marketing, finance, and operations.

7800 – Technical Consultants
Includes consultant fees for support of risk management, scheduling of energy with CAISO, and evaluation and procurement of power supply.

58000 – Service Fees – PG&E
Includes per meter fee from PG&E for billing support.

59000 – Data Management
Includes Per meter fee from Calpine for customer data support.

**65100 – Debt Service**

65130 – Interest Expense
This account is a non-operating or "other" expense account for the cost of borrowed money or draws against existing line of credit.

80010 – Bank Service Fees
Fees related to the execution of lines of credit with River City Bank.

80020 – Depreciation Expense
The income statement account which contains a portion of the cost of equipment that is being expensed during the time interval shown in the heading of the income statement.