



# Michigan Public School Accounting Manual (Bulletin 1022) Requirements Review

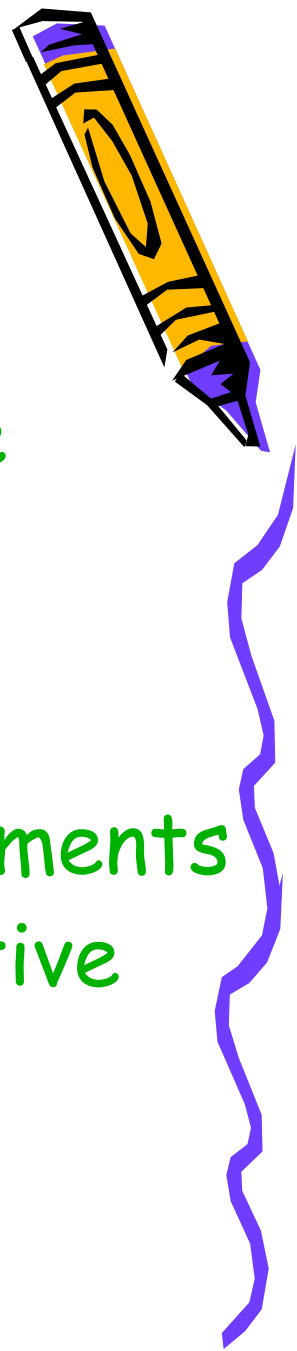


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MSBO Annual  
Conference 2017

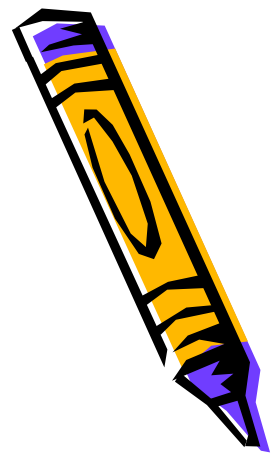
# Objectives

- Review elements of account structure
  - Balance Sheet
  - Revenue
  - Expenditure
- Reminders of accounting/FID requirements
- Best practices from district perspective
- Identify helpful resources



# Account Structure

## Balance Sheet



# Account Structure



- Balance Sheet Major Class Code (3 positions)

Fund	Trans.	Major Class					
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The basic account identifier for balance sheet accounts

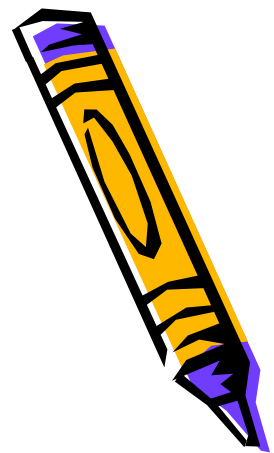


# Account Structure

Revenue



# Account Structure



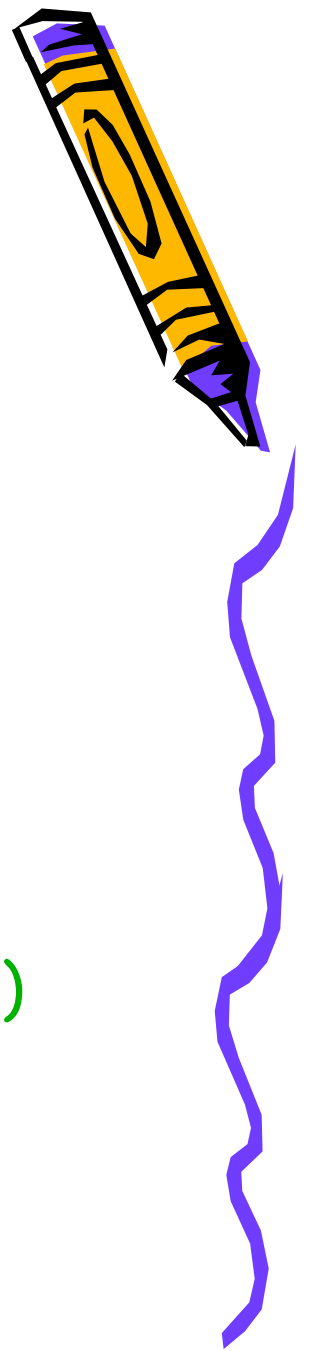
- Revenue Major Class Code (3 positions)

Fund	Trans.	Major Class	Suffix		Grant		
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The basic account identifier for revenue accounts



# Account Structure

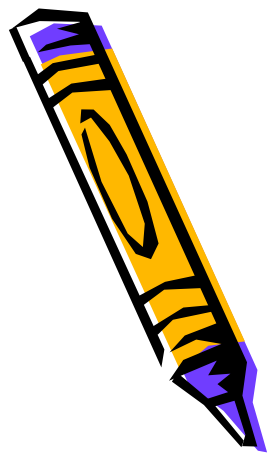


- Revenue Major Class Codes
  - Local sources (1XX)
  - Other political subdivisions (2XX)
  - State sources (3XX)
  - Federal sources (4XX)
  - Other financing sources (5XX)
  - Operating transfers (fund modifications) (6XX)



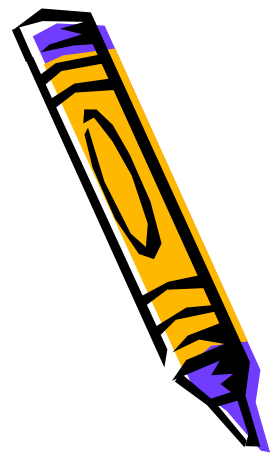
# Account Structure

- Revenue Major Class Code
  - The FID edits data to the 3rd position of the major class code.





# Account Structure



- Revenue Suffix Code (4 Positions)

Fund	Trans.	Major Class	Suffix				
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- Additional dimension used to distinguish revenues
- This code helps to classify various program revenue types (adult education, special education, pre-school, career tech education, ARRA, Edujobs, etc.)

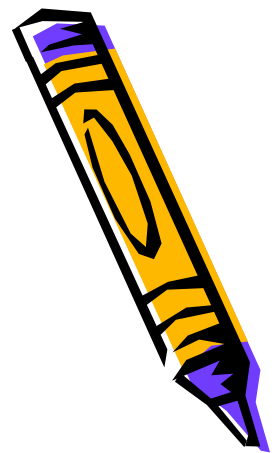


# Account Structure

## Expenditure



# Account Structure



- Function Code (3 Positions)

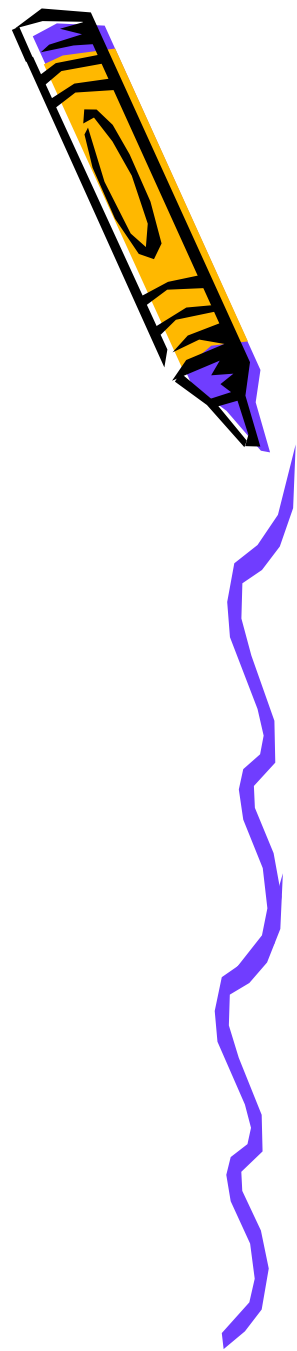
Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The Function describes the activity for which a service or material is acquired.



# Account Structure

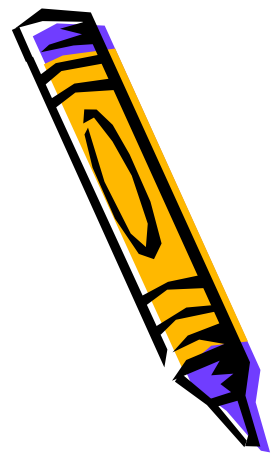
- Function Codes
  - Instruction
  - Instructional staff support
  - Non-instructional support
  - Community services
  - Payments to other governmental agencies
  - Other financing uses



# Account Structure

- Instructional Function Codes  
(1XX) Classroom Instruction

Examples: teachers' salaries, classroom aides' salaries, textbooks, classroom supplies



# Account Structure

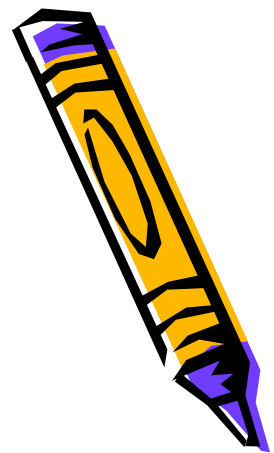
- Instructional Function Codes (1XX)

Major Categories:

11X - Basic instruction

12X - Added needs

13X - Adult education



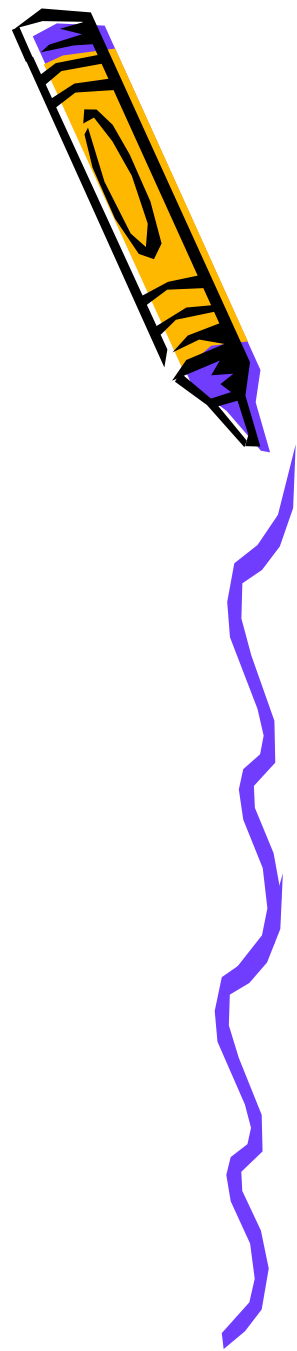
# Account Structure

- Instructional Staff Support  
(21X-22X)

Major Categories:

21X - Pupil support

22X - Instructional staff support



# Account Structure

- Non-Instructional Support  
(23X-28X)

Major Categories:

23X - General administration

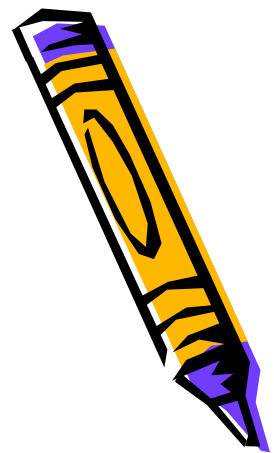
24X - School administration

25x - Business services

26x - Operations and maintenance

27x - Transportation

28x - Other support (communications,  
personnel, non-instructional technology,  
pupil accounting)



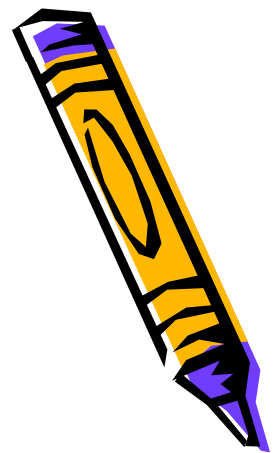


# Account Structure

- Expenditure Function Code
- The FID requires submission of data to the 3<sup>rd</sup> position of the function code.



# Account Structure



- Object Code (4 positions)

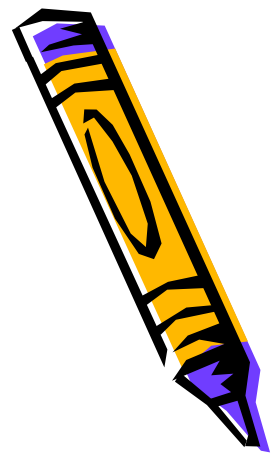
Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The Object Code describes the service or materials obtained.



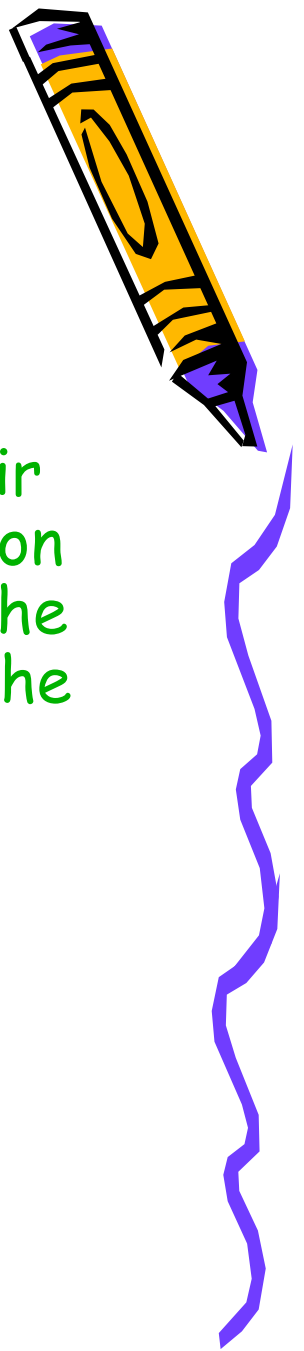
# Account Structure

- Object Codes
  - Salaries (1XXX)
  - Employee benefits (2XXX)
  - Purchased services (3XXX-4XXX)
  - Supplies (5XXX)
  - Capital outlay (6XXX)
  - Other fees, dues, interest (7XXX)
  - Payments to other public schools for services rendered (82xx)
  - Sub grantee (85xx)



# Account Structure

- It is recommended that districts keep their object codes consistent to the third position of the state chart of accounts. However, the FID only edits data to the 2<sup>nd</sup> position of the Object Code. Districts may use the 4<sup>th</sup> position of the Object Code at their discretion.

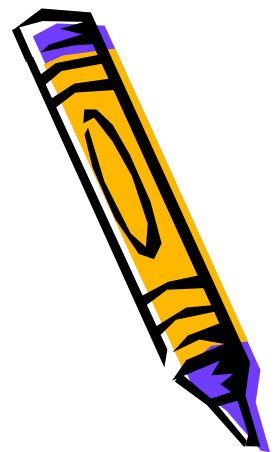


# Account Structure

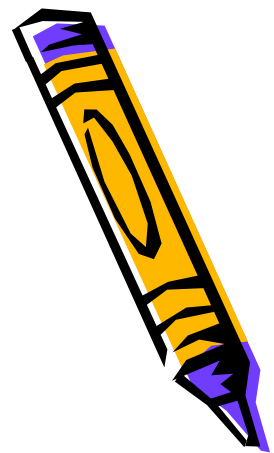
- Program (3 Positions)

Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The Program Code is currently used to further describe special education and vocational education expenditures.
- The current FID does not require the program code, although some programs do.



# Account Structure



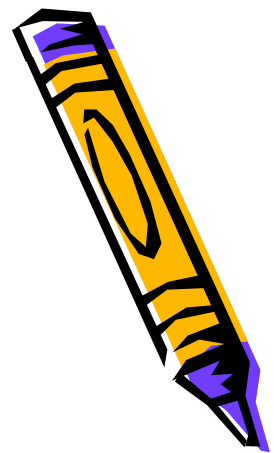
- Grant Code (4 Positions)

Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The Grant Code is used to further describe expenditures by grant type.
- The FID edits the Grant Code to the 3<sup>rd</sup> position. This facilitates the State's federal grant reporting.
- Grant Codes are required for any expenditures of restricted grant funds.



# Account Structure



- Facility/School Code (5 Positions)

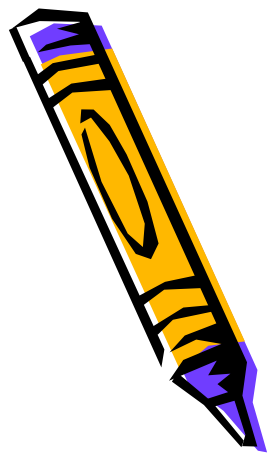
Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- The School Code is a five digit state assigned number for a district building or administrative unit.



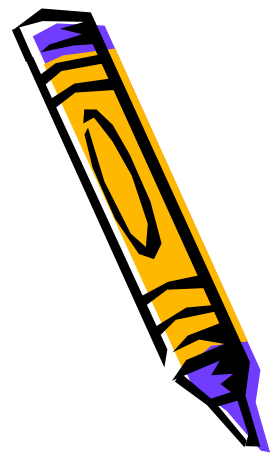
# Account Structure

- Expenditures reported to the FID will require a valid five digit school code for various instruction (1xx) and school administration (24x) functions. All other functions may be reported with "00000" in the facility code.





# Account Structure



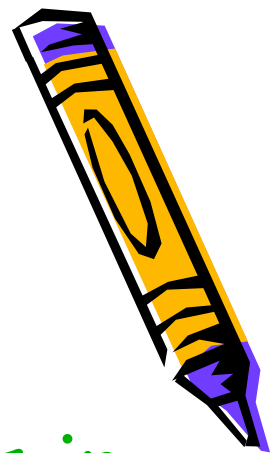
- Other Code (4 Positions)

Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

- This Code may be used at the district's discretion



# Account Structure

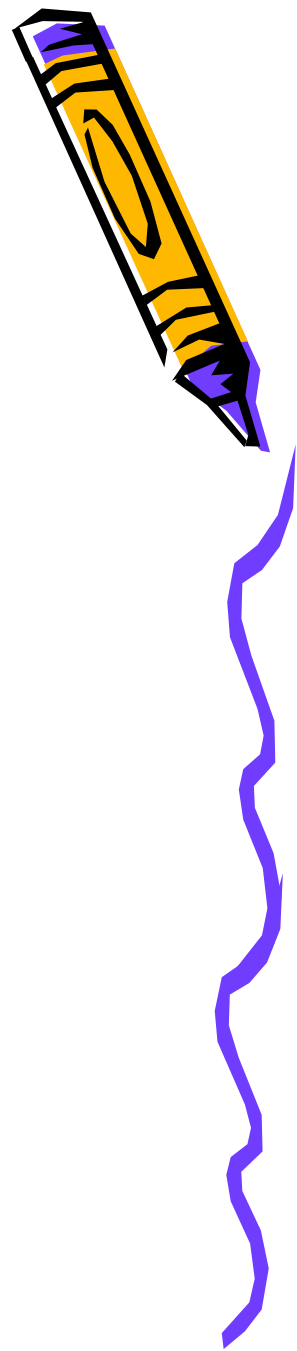


Maintain the general ledger accounts in a manner that will facilitate proper reporting, including the FID and other financial reporting

Refer to the appendix in the Michigan School Accounting Manual.



# Accounting Manual - Section II Requirements



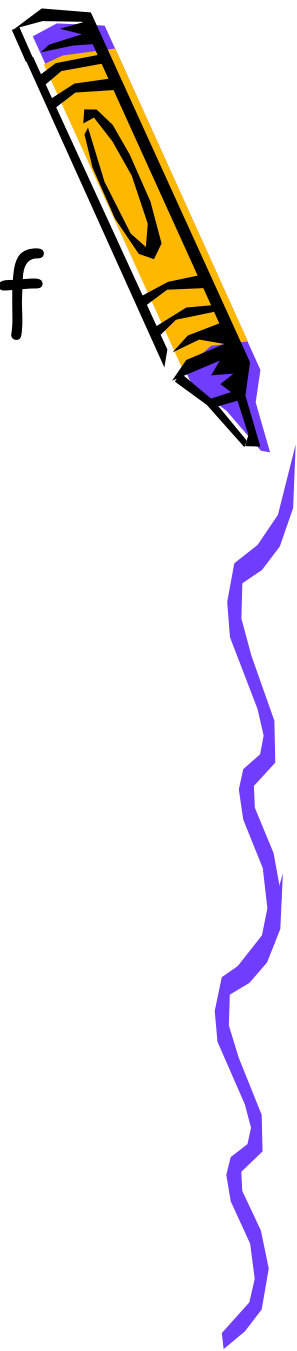
- Accounting principles
- Fund accounting
- State requirements
- Federal requirements
- Accounting issues



# MDE - SASF Website

<http://www.michigan.gov/sasf>

- Michigan Public School Accounting Manual
- Account Codes for State Aid
- Budget and Compensation Transparency Reporting
- Indirect Cost Rate
- Maintenance of Effort



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