ACCOUNTING SYSTEM AND PERSONNEL REPORTING

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LEA Fiscal Accountability
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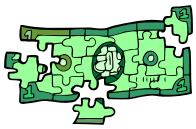
Overview

- Accounting Code Components
  - What do the numbers actually mean?
  - How do you choose an account number?
- Acceptable coding combinations for payroll object codes
- Coding Errors
- What's new?



The Components of the System

- XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX
- 27 digits
- 9 components

1. Fund Type/ Account Group
2. Account Type
3. Account Code
4. Object Code
5. Cost Center
6. Fund Source
7. Appropriation Year
8. Program Code
9. Special Use

1. Fund Types/Account Groups

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

- A. Fund Types
  - Governmental fund types
  - Proprietary fund types
  - Fiduciary fund types
- B. Account Groups
  - General fixed assets
  - General long term debt

Governmental Fund Types

- **Fund Type 11 - General Fund** - Accounts for all financial resources of the school system except those required to be accounted for in another fund type.
- Foundation program funds and general local funds are accounted for in Fund Type 11.

Governmental Fund Types

- **Fund Type 12 - Special Revenue Fund** - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes except those required to be accounted for in some other fund type, such as capital projects or debt service.
- Local school public funds and most federal funds are accounted for in Fund Type 12.

Governmental Fund Types

- **Fund Type 13 - Debt Service Fund** - Accounts for the accumulation of resources for the payment of general long term debt, both principal and interest.
- **Fund Type 14 - Capital Projects Fund** - accounts for the financial resources used to acquire or construct major capital facilities other than those of proprietary and trust funds.

Proprietary Fund Types

- Proprietary funds are used to account for school system activities that are similar to business operations in the private sector.
- The reporting focus is on determining net income, financial position and cash flows and when the activity is intended to be self supporting.
- Fund Type 21 - Enterprise Fund
- Fund Type 22 - Internal Service Fund

Fiduciary Fund Types

- Accounts for assets held by the school system in a trustee capacity for individuals, private organizations, other governmental units and/or other fund types.
- Includes non-expendable trust (31) and expendable trust (32) as well as agency funds such as clearing accounts.
- Non-public local school funds are accounted for in Fund Type 32.

Account Groups

- General fixed assets
- General long term debt
- These are not funds and do not report operations since they do not contain revenue and expenditure accounts.

2. Account Type Component

XX-**X**-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

- Used along with the account code to identify the five major account types
  1. Assets
  2. Liabilities
  3. Fund equity
  4. Revenues
  5. Expenditures

3. Account Code Component

XX-X-**XXXX**-XXX-XXXX-XXXX-X-XXXX-XXXX

- Provides the ability to specify the particular balance sheet account, revenue source or function of expenditure.
- Function of expenditure code is used when coding expenditures of funds to identify the service performed or the material acquired.

3. Account Code Component

- Think of the function code as telling you what you are doing.
- The emphasis should be on the activity being performed, not the program receiving the benefit

3. Account Code Component

- Function of expenditure ranges
  - Instructional Services (1100)
  - Instructional Support Services (2110 – 2390)
  - Operation & Maintenance Services (3100 – 3900)
  - Auxiliary Services (4110 – 4290)
  - General Administrative Services (6110 – 6910)
  - Capital Outlay – Real Property (7100 – 7900)
  - Debt Service – Long Term (8100 – 8900)
  - Other Expenditures (9110 – 9800)
  - Other Fund Uses (9910 – 9990)

4. Object Code Component

XX-X-XXXX-**XXX**-XXXX-XXXX-X-XXXX-XXXX

- Object of expenditure code is used to identify the service or commodity obtained as the result of the expenditure.
- Think of the object code as telling you what you are receiving.

4. Object Code Component

- Object Code ranges
  - Salaries (010 – 199)
    - Certified (010 – 099)
    - Support (101 – 199)
  - Benefits (210 – 290)
  - Purchased Services (310 – 399)
  - Materials and supplies (410 – 499)
  - Capital Outlay (511 – 590)
  - Other Objects (611 – 704)
  - Other Fund Uses (910 – 969)

5. Cost Center Component

XX-X-XXXX-XXX-**XXXX**-XXXX-X-XXXX-XXXX

- The cost center code is used to identify specific units for budgeting revenues and expenditures, accumulating transactions, and identifying financial resources designated for a particular unit.
- All school sites in the state have a state assigned cost center number.
- When possible, school expenditures are to be charged directly to the appropriate cost center. If this is not feasible, cost center pools are available.

6. Fund Source Component

XX-X-XXXX-XXX-XXXX-**XXXX**-X-XXXX-XXXX

- This is the component of the system that is used to maintain fund accounting.
- The fund source tells you where you are getting the funds to finance the expenditure.
- The fund source is also used to provide information regarding allowability of costs for various state and federal funds.

6. Fund Source Component

- Fund Source Ranges
  - State Sources (1110 – 2901)
  - Federal Sources (3210 – 5991)
  - Local Sources (6001 – 7910)
  - Other Sources (8001 – 8998)
  - Other Financing Sources (9010 – 9910)

7. Appropriation Year Component

XX-X-XXXX-XXX-XXXX-XXXX-**X**-XXXX-XXXX

- Used to identify the grant/appropriation year that applies to the transaction.
  - 0 - Current year funds
  - 1 - Carryover funds (Fund Source 4110/4137 only)
  - 2 – July to September Federal Appropriations
  - 9 – Prior Year State Appropriation Encumbrances

8. Program Code Component

XX-X-XXXX-XXX-XXXX-XXXX-X-**XXXX**-XXXX

- This is one of the most important components.
- Allows the charging of expenditures directly to the benefiting program, such as elementary, secondary, vocational, or special education.
- If you consider the function as telling you what service you provided, then the program code tells you who or what you provided it to.
- When it is impractical or impossible to identify the specific program(s) benefiting from a particular expenditure, program pools may be used.

8. Program Code Component

- Program Code Ranges
  - Instructional Programs (1100 – 5900)
    - Regular Education (1100 – 1900)
    - Special Education (2200 – 2900)
    - Vocational/Technical Education (3500 – 3800)
    - Non-Regular Day School Instructional Programs (4110 – 5900)
  - Program Pools (8100 – 8699)
  - Non-Instructional Programs (9100 – 9992)

8. Program Code Component

- Examples:
  - In a school which includes grades 6, 7, & 8, costs should be split, with the 6th grade charged to 1200 and 2300, and the 7th & 8th charged to 1500 and 2400.
  - This is important in the preparation of excess cost and maintenance of effort reports because you must meet the requirements based on these grade levels.

8. Program Code Component

- Example:
  - The salaries for janitorial workers at a K-12 school. Since it would be impractical to charge the salaries to all the programs in this school, (kindergarten, elementary, secondary, special education, vocational education, and food services), the operations and maintenance program pool could be used.

8. Program Code Component

- When choosing a program code, remember that the program code should be logical when considering the function code used.
- You wouldn't use a non-instructional program code with the instruction function code.

9. Special Use Component

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-**XXXX**

- The special use code is used when additional detail is needed.
- Codes 0001 - 0099 are reserved by SDE to satisfy legal and reporting requirements of certain funds.
  - compliance with classroom instructional support requirements of the foundation program
  - identify matching expenditures for certain state and federal programs.

9. Special Use Component

- 0100 through 9999 are available as needed by your system to provide further information
  - Suggested uses are to identify interfund receivables and payables, and for payroll deduction designators.
- The default for this component is 0000, because it is the only one that is not required for expenditures.

Coding Expenditure Transactions

XX-X-XXXX-XXX-XXXX-**XXXX**-X-XXXX-XXXX

- All components are REQUIRED, except special use.
- First determine the fund source to use to pay the expense.
- This will determine the fund type.
- All expenditures are account type 5.

Coding Expenditure Transactions

XX-X-**XXXX-XXX**-XXXX-XXXX-X-XXXX-XXXX

- The function code will be selected by asking "what service is being performed?"
  - EX: instruction, administration, transportation, food service, etc.
- Next choose the object code by asking "what is being received by this transaction?"
  - EX: personnel costs, benefits, materials and supplies, equipment, etc.

Coding Expenditure Transactions

XX-X-XXXX-XXX-**XXXX**-XXXX-**X**-XXXX-XXXX

- Select the cost center receiving the benefit of this expenditure.
  - If it is system-wide or non-instructional in nature, a cost center pool may be appropriate.
- Choose the appropriation year based on which year's appropriation is being used.

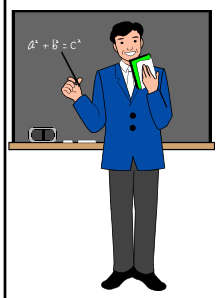
Coding Expenditure Transactions

XX-X-XXXX-XXX-XXXX-XXXX-X-**XXXX-XXXX**

- Determine the program code by asking "who is receiving the service being provided?"
  - EX: grade level, special education, program pool, non-instructional
- Use a special use code if necessary.
- Remember to use special use codes to identify expenditures for classroom instructional support items, matching expenditures, and other detail not provided earlier.

Acceptable Coding Combinations

Object Code 010 (Regular Teacher)



- Allowed with Functions 1100 (Instruction); 2180 (Speech Pathologist); 91xx (Adult / Continuing Education); 9200 (Non Public Schools); and 9390 (Other Community Services
- Should be used with salaries related to the teacher's contract duties, regarding the education of children
- Additional duties performed by certified teachers should be coded with object 191 (Supplements) or 199 (Other Compensation)

Objects 021 – 035 (Principals & Assistant Principals)

- Allowed with Functions 23xx (School Administration)
- Can be used with 6xxx (General Administration), but an explanation will be required.
- Objects 021 & 022 (Principals N-6 or N-12) can also be used with 9140 (Preschool), but an explanation will be required.

Object 041-045 (Counselor)

- Allowed with Functions 2120 (Guidance & Counseling Services); 91xx (Adult / Continuing Education); and 9200 (Non Public Schools)
- Object 041 (Counselor N-12) can also be used with 2110 (Attendance Services), but an explanation will be required.

Object 061-063 (Superintendent & Staff)

- Allowed only with 6xxx (General Administration)
- Object 063 (Administrative Assistant) can also be used with Functions 23xx (School Administrative Services); 4110 (Transportation Administration); and 4210 (CNP)

Object 071-074 (Librarians)

- Allowed with 22xx (Instructional Staff Support); 91xx (Adult / Continuing Education); 9200 (Non Public Schools)

Object 101 (Instruction Assistant)

- Allowed with 1100 (Instruction); 91xxx (Adult / Community Education); and 9200 (Non Public Schools)
  - Can also be used with Function 2160 (Work Study Services), but an explanation will be required
- Object Code 109 (Other Assistant) is allowed with all function codes except 9800 (Other Expenditures).
  - An explanation will be required if used with 1100 (Instruction) or 42xx (Food Services)

Object 104 (Student Assistant / Student Tutor)

- Allowed with Functions 1100-2390; 3200 (Building Services); 3400 (Equipment Services); 41xx (Transportation); 4210 (CNP); 6xxx (General Administration); 91xx (Adult / Continuing Education); and 9200 (Non Public Schools);

Object 116 (Chief School Finance Officer)

- Allowed only with General Administrative Services (6xxx) function codes.
- Every system as a CSFO, but every system has only one CSFO.

Object 191 (Supplements) and 199 (Other Compensation)

- Object 191 – Allowed with all codes except 9800 (Other Expenditures); 9910 (Interfund Operating Transfers Out); & 9990 (Other Fund Uses)
- Object 199 – Allowed with all codes except 9910 (Interfund Operating Transfers Out); & 9990 (Other Fund Uses)

Object 192 (Stipends)

- Allowed only with 2120 (Guidance & Counseling); 22xx (Instructional Staff Support Services); 4210 (Child Nutrition); 6xxx (General Administration); 91xx (Adult / Continuing Education); 9200 (Non-public Schools); and 93xx (Community Services
- Please note that Stipends are NOT allowed with Function 1100 (Instruction)

Supplements & Other Compensation vs. Stipends

- Stipends (Object 192) are an incentive payment to participate in something, usually professional development
- Supplements (Object 191) and Other Compensation (Object 199) are payments for duties in addition to the employee's regular contract

General Administration vs. Instructional Services & Instructional Support Services

- Salaries coded to Function 6xxx (General Administration) are for "activities concerned with establishing and administering policies for operating the school system".
- If the employee is working with students or teachers, their salary should be coded to Function 1100-2390

NOTE: Your system's Federal Program coordinators should be coded here.

Purchased Services (Objects 300-399)

- Expenditures with these object codes cannot be processed through payroll.
- These expenditures should be paid through A/P, as the services should be retained through a vendor contract.
- Payments using these object codes will produce a 1099, not a W-2.
- If the additional payment is made to an employee of the school system, object code 191 or 199 should be used.

Coding Errors

- Invalid Components
- Object Code is not valid with Function Code
- Program Code is not valid with Function Code

Invalid Codes

- The following header codes were used
  - 080 (Other Certificated Personnel)
  - 160 (Operative)
  - 170 (Service)
- The following invalid codes were used
  - Account Code 0236, 4910
  - Fund Sources 2902, 5996, 6923
  - Program Codes 2100, 4100, 8200

Object Code is not valid with Function Code

- Object Code 010 (Regular Teacher)
  - Cannot be coded with
    - 2210 (Instructional Improvement & Curriculum Development
    - 2215 (Instructional Staff Development)
  - Allowed with Function Codes 1100 (Instruction), 2180 (Speech Pathology) & 91xx (Adult/Continuing Education)
- Object Code 044 (Counselor 7-12)
  - Cannot be coded with 2190 (Other Student Support)
  - Allowed with Function Codes 2120 (Guidance & Counseling) & 91xx (Adult/Continuing Education)

Object Code is not valid with Function Code

- Object Code 052 (Supervisor of Instruction)
  - Cannot be coded with 2215 (Instructional Staff Development)
  - Allowed with Function Codes 1100 (Instruction), 2210 (Instructional Improvement & Curriculum Development), 2220 (Education Media Services), 6xxx (General Administration), & 91xx (Adult/Continuing Education).

Object Code is not valid with Function Code

- Object Code 081 (Coordinator/Director)
  - Cannot be coded with 1100 (Instruction)
  - Allowed with Function Codes 2xxx (Instructional Support), 41xx (Student Transportation Services), 4210 (CNP), 6xxx (General Administration), & 91xx (Adult/Continuing Education).

Object Code is not valid with Function Code

- Object Code 102 (Health Assistant)
  - Cannot be coded with 1100 (Instruction)
  - Allowed with Function Codes 21xx (Student Support Services) (except for 2120-Guidance & Counseling), 2290 (Other Instructional Staff Services), & 91xx (Adult/Continuing Education)
    - 2290 requires an explanation
- Object Code 111 (Coordinator/Asst Coordinator)
  - Cannot be coded with 1100 (Instruction)
  - Allowed with Function Codes 2xxx (Instructional Support Services), 3xxx (Operation & Maintenance), 4110 (Transportation Administration), 4130 (Special Education Transportation), 6xxx (General Administrative Services), 7200 (Building Acquisition & Improvement), & 91xx (Adult/Continuing Education)
    - 7200 requires an explanation

Object Code is not valid with Function Code

- Object Code 131 (Practical Nurse)
  - Cannot be coded with 2310 (Office of School Administrator)
  - Allowed with Function Codes 21xx (Student Support Services) (except for 2120-Guidance & Counseling), 4110 (Transportation Administration), 4130 (Special Ed Transportation), 4150 (Extra/Co-Curricular Transportation), 91xx (Adult Continuing Ed), and 9200 (Non-Public School Programs).
    - 4110 requires an explanation

Object Code is not valid with Function Code

- Object Code 168 (Other Support-Retired)
  - Cannot be coded with 2310 (Office of School Administrator)
  - Allowed with Function Codes 1100 (Instruction), 3xxx (Operation & Maintenance), 4xxx (Auxiliary Services), & 6xxx (General Administrative Services).
- Object Code 171 (Custodial)
  - Cannot be coded with 2310 (Office of School Administrator)
  - Allowed with Function Codes 3xxx (Operation & Maintenance), 4xxx (Auxiliary Services), 6xxx (General Administrative Services), & 91xx (Adult Continuing Ed).

Object Code is not valid with Function Code

- Object Code 192 (Stipends)
  - Cannot be coded with 1100 (Instruction), 2110 (Attendance Services), 2130 (Testing Services), 2140 (Health Services), 2190 (Other Student Support Services), or 2310 (School Administration)
  - allowed ONLY with 2120 (Guidance & Counseling Services); 22xx (Instructional Staff Support Services); 4210 (Child Nutrition); 6xxx (General Administration); 91xx (Adult / Continuing Education); 9200 (Non-Public Schools); and 93xx (Community Services)

Program Code is not valid with Function Code

Valid Pooled Program Codes

Function Code Range	Pooled Program Code	Description
1100	8100-8199	Instructional Services
2110-2190	8210-8219	Student Support Services
2210-2290	8220-8229	Instructional Staff Support
2310-2390	8230-8239	School Admin Services
3100-3900	8300-8399	Operation & Maintenance
4110-4190	8410	Student Transportation
4210-4290	8420	Food Service Operations
6110-6910	8600-8699	General Admin Services

Program Code is not valid with Function Code

- Most Regular Education Programs (1xxx) cannot be used with Extended Day/Dependent Care Function Code (9130)
  - Can be coded with any Function, except 7xxx (Capital Outlay), 8xxx (Debt Service), & 9xxx (Other Expenditures)
  - Explanation required for Function 9130 with Program 1700 (Alternative School), 1750 (Homeless), 1810 (At-Risk) & 1850 (JAG)

Program Code is not valid with Function Code

- Special Education program codes (2xxx) cannot be used with Transportation Function Codes, except 4130 (Special Education Transportation).
  - Function Code 4130 cannot be used with Program Code 8410 (Student Transportation-Pool)
  - Explanation required for Program 2800 (Gifted & Talented Program) with Functions 4120 (Regular Transportation), 4150 Extra/Co-curricular Transportation), & 4184 (Magnet School Transportation from Zoned School)

Program Code is not valid with Function Code

- Vocational Career Guidance and Counseling (program 3500) can ONLY be used with Student Support Services function codes (21xx) & 2215 (Instructional Staff Development)
  - Explanation required with 2215
- Vocational Administration (program 3600) can ONLY be used with School Administrative Services (23xx), Vocational Transportation (function 4140) and General Administrative Services function codes (6xxx)
- Other Vocational Programs (program 3800) can only be coded with 1100 (Instruction) & 2xxx (Instructional Support) (except 2120-Guidance & Counseling)
  - Cannot be coded with 2310 (Office of School Administration)

Program Code is not valid with Function Code

- Preschool program codes (4711 & 4712) cannot be used with Function 1100 (Instruction.
  - These program codes are usually combined with Function 9140 (Preschool).

Other Coding Suggestions Summer School

- Program 4300 (Summer School) or 4301 (Summer School – Targeted Assistance) should be used to indicate summer school programs
- Function 1100 (Instruction) should be used with summer school activities for which the students receive academic credit.
- Function 9130 (Extended Day) should be used for summer school activities for which the students do not receive academic credit (usually tutoring).

New Revenue & Fund Sources

- 1284 – Career Tech Initiative Career Coaches Program
- 1412 – AAA Failing School 20% COA
- 2258 – Educator Effectiveness Pilot
- 2259 – Penny Trust Fund Disease Prevention
- 3211 – IDEA Discretionary Grant
- 3212 – IDEA SSIP Discretionary Grant
- 3324 – CT Model Middle School
- 4151 – Title III Unaccompanied Children
- 4164 – Title IV, Part A, Subpart 2 School Safety Planning
- 5195 – ESDA Meal Pattern Grant
- 8411 – GAP Coverage Act 2014-261

Changed Revenue & Fund Sources

- 2227 – Act 2013-381 Career Tech Bond Issue Formula
- 2228 – Act 2013-381 Career Tech Bond Issue Competitive
- 5161 – USDA Donated Foods Rebates/SAE

Where to Get More Information

- The Accounting Manual is located at www.alsde.edu Offices / Office of Financial Management / LEA Accounting
  - A complete listing of coding components can be found in the Accounting Manual
  - An excel spreadsheet of coding combinations can be found in the Coding Guidance
- Certificated Personnel codes are defined by the Teacher Certification Department

Where to Get More Information

- Ask your system's CSFO
- For additional information, contact your system's team accountant
- 1-800-831-8823