

**Michigan School  
Accounting Manual  
(Bulletin 1022)  
Know the Numbers and  
Account Structure**

Rhonda Kribs  
Grand Rapids Public Schools

MSBO  
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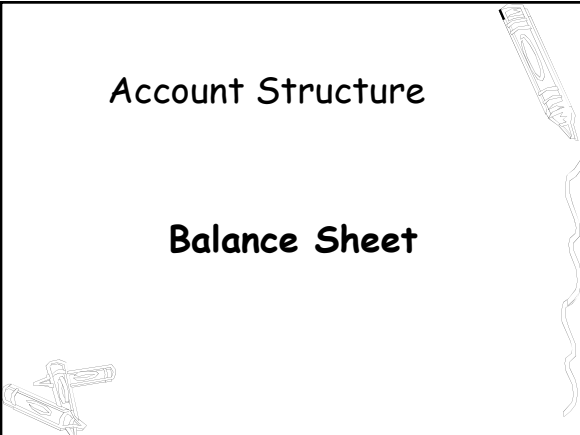
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**Account Structure**

**Balance Sheet**




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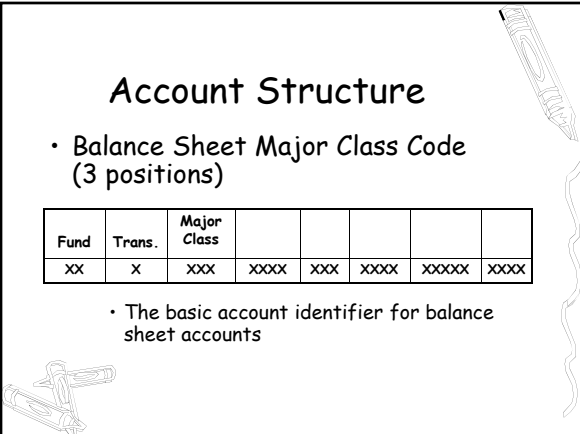
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**Account Structure**

- Balance Sheet Major Class Code (3 positions)

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

- The basic account identifier for balance sheet accounts




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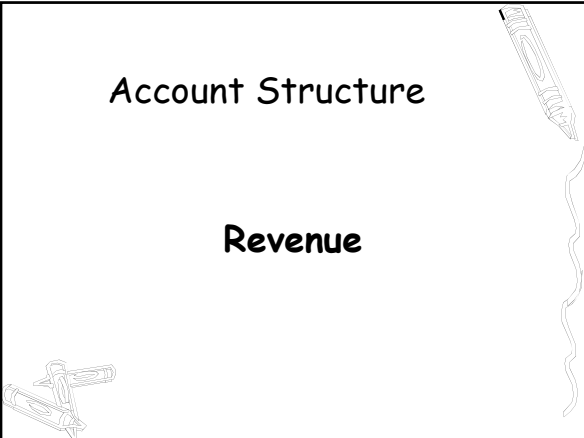
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## Account Structure

### Revenue




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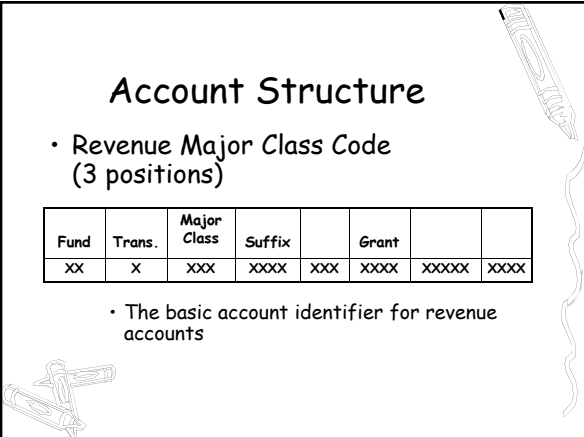
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## Account Structure

- Revenue Major Class Code (3 positions)

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

- The basic account identifier for revenue accounts




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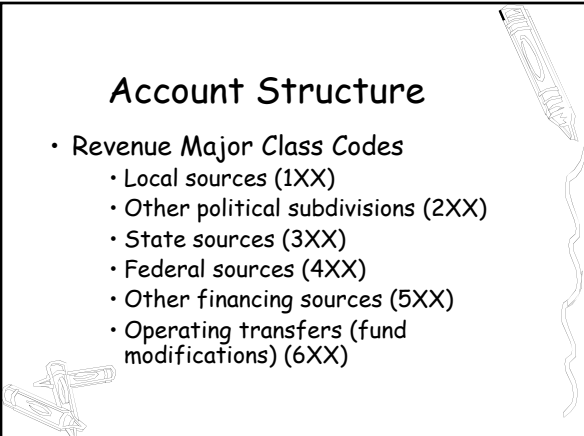
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## Account Structure

- 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)




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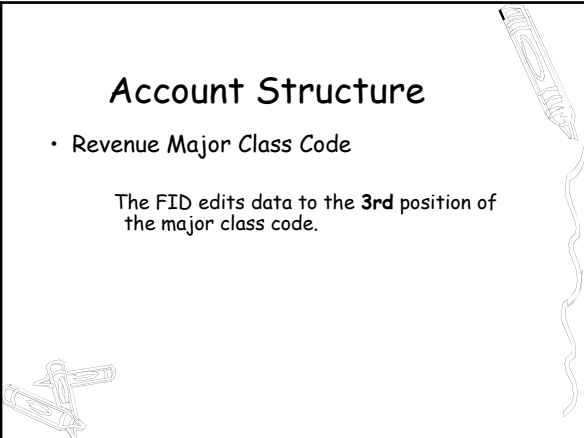
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## Account Structure

- Revenue Major Class Code

The FID edits data to the **3rd** position of the major class code.




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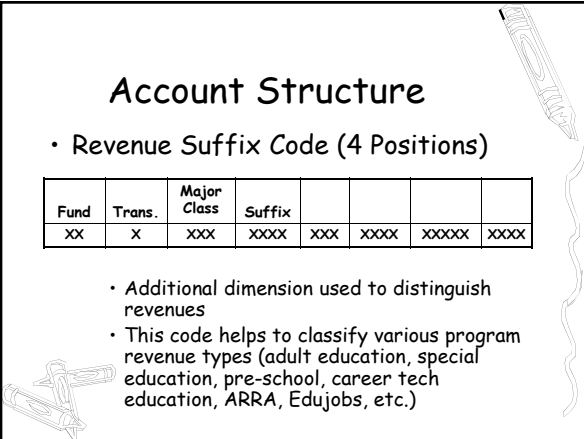
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## Account Structure

- Revenue Suffix Code (4 Positions)

Fund	Trans.	Major Class	Suffix				
XX	X	XXX	XXXX	XXX	XXXX	XXXXX	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.)




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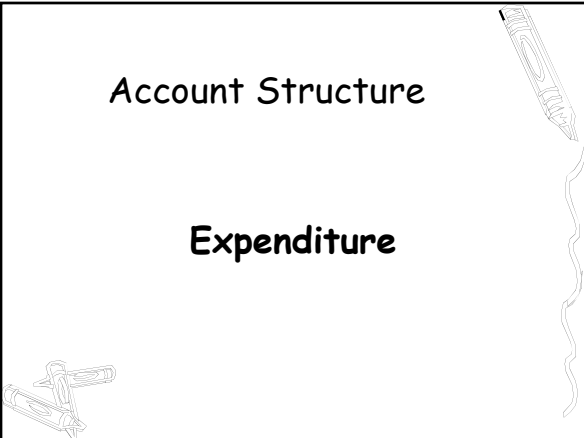
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## Account Structure

### Expenditure




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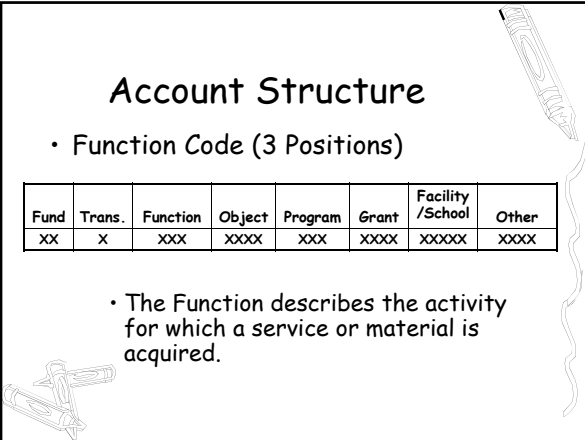
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## Account Structure

- Function Code (3 Positions)

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

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




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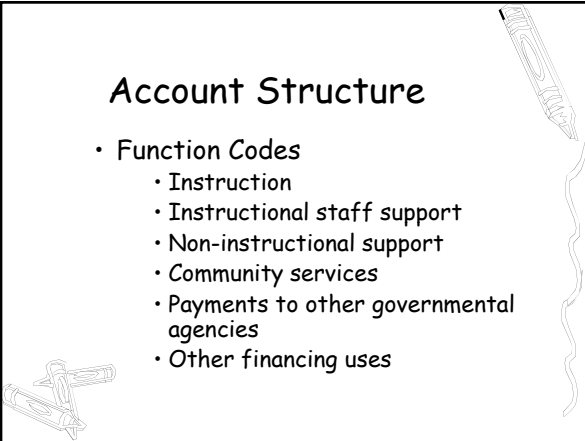
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## Account Structure

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




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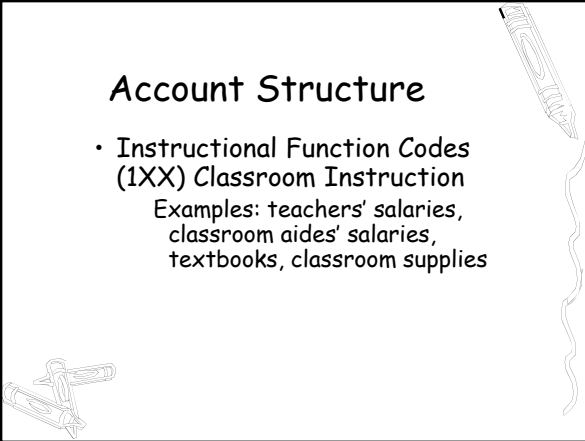
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## Account Structure

- Instructional Function Codes (1XX) Classroom Instruction
  - Examples: teachers' salaries, classroom aides' salaries, textbooks, classroom supplies




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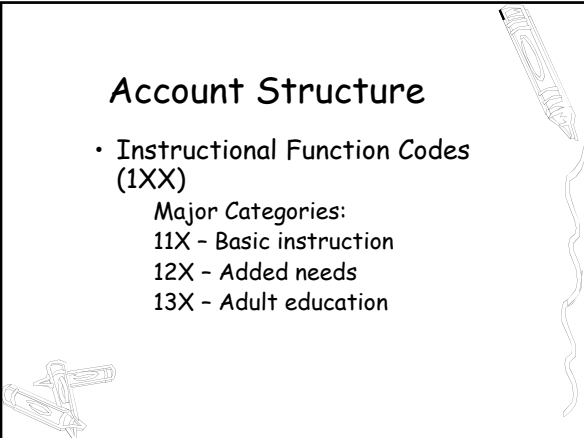
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**Account Structure**

- **Instructional Function Codes (1XX)**
  - Major Categories:
    - 11X - Basic instruction
    - 12X - Added needs
    - 13X - Adult education



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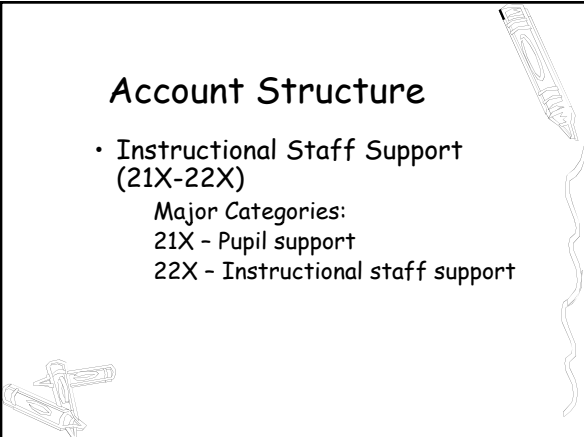
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**Account Structure**

- **Instructional Staff Support (21X-22X)**
  - Major Categories:
    - 21X - Pupil support
    - 22X - Instructional staff support



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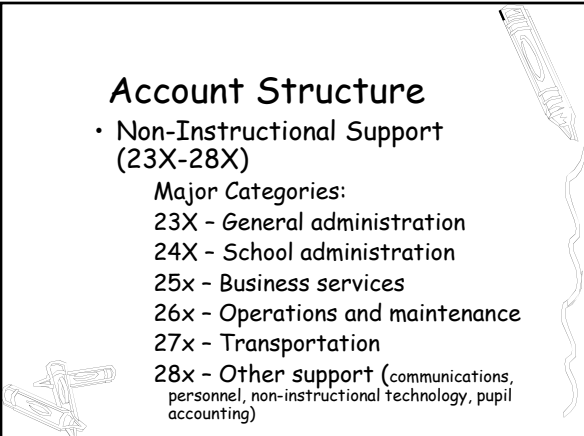
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**Account Structure**

- **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)



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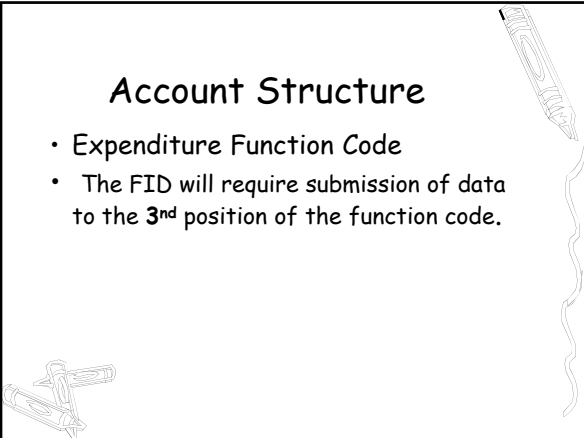
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## Account Structure

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




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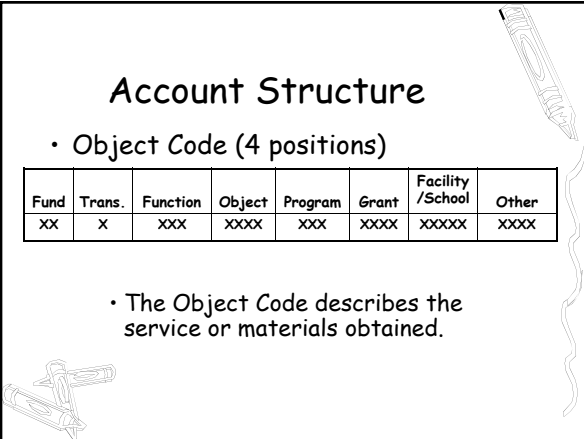
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## Account Structure

- Object Code (4 positions)

Fund	Trans.	Function	Object	Program	Grant	Facility /School	Other
xx	x	xxx	xxxx	xxx	xxxx	xxxxx	xxxx

- The Object Code describes the service or materials obtained.




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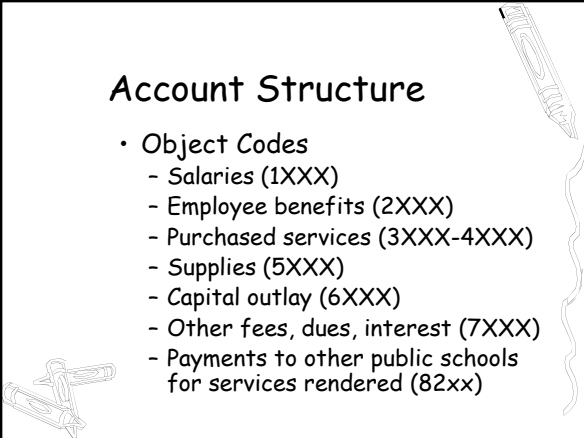
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## Account Structure

- 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)




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## 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.




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## Account Structure

- Program (3 Positions)

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

- The Program Code is currently used to further describe special education expenditures.
- The current FID will not edit the program code.




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## Account Structure

- Grant Code (4 Positions)

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

- The Grant Code is used to further describe expenditures by grant type.
- **Beginning in 2010 FID - The Grant Code is edited to the 3<sup>rd</sup> position. This facilitates the State's federal grant reporting.**




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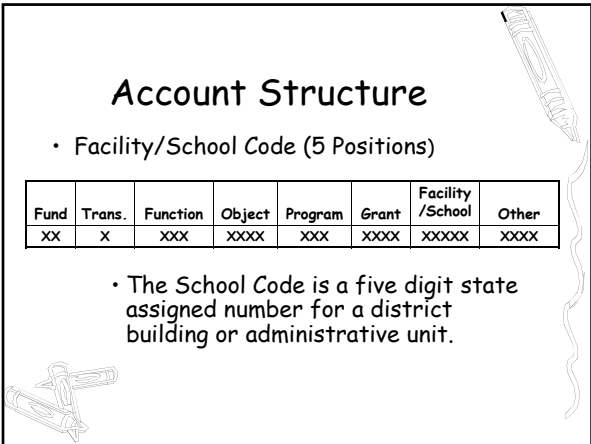
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## Account Structure

- Facility/School Code (5 Positions)

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

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




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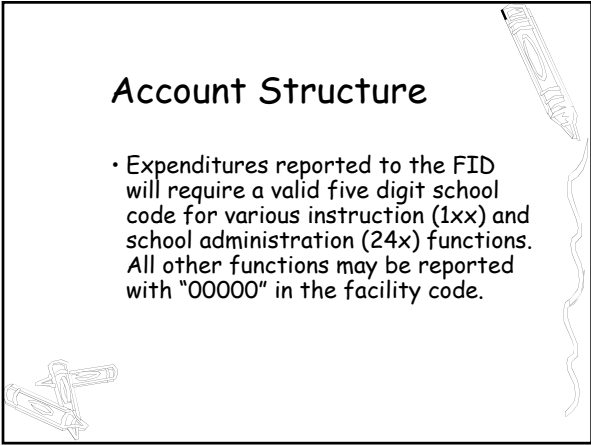
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## Account Structure

- 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.




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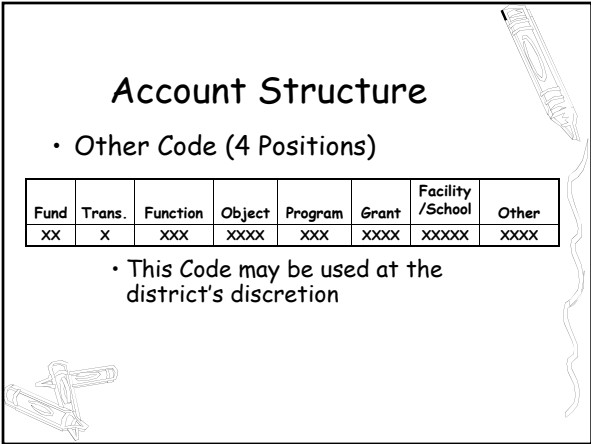
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## Account Structure

- Other Code (4 Positions)

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

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




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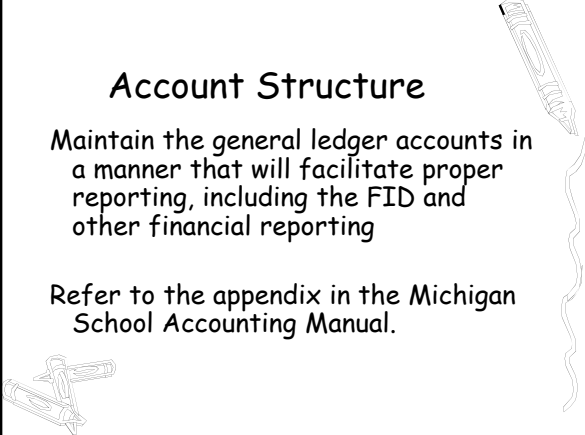
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**Account Structure**

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.



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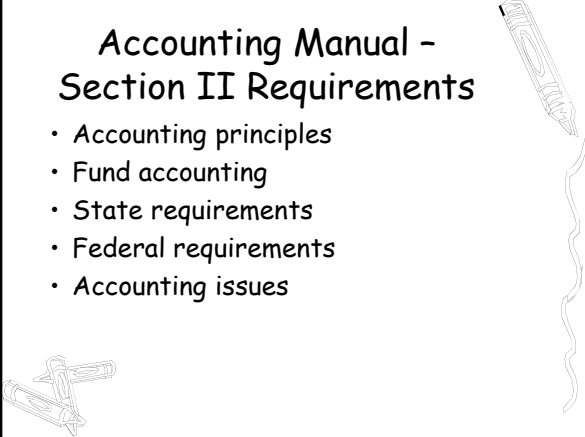
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**Accounting Manual - Section II Requirements**

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



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**MDE Website**

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

- Michigan Public School Accounting Manual
- Budget and Compensation Transparency Reporting
- Best Practices
- Service Consolidation Plans
- Indirect Cost Rate



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## Contact Information

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