

# FAQ's Related to Coding for the Michigan Public School Accounting Manual

## Last Updated 07/05

Questions		Answers		Category
Q1	How do I track district-wide revenues and expenditures for reporting under GASB-34?	A1	<p>The 1022 Committee has not discussed any uniform method in the chart of accounts for categorizing GASB 34 revenues for the Statement of Activities. Most districts will have to break down revenues into the following categories for the audit:</p> <ol style="list-style-type: none"> <li>1. Charges for services, e.g.: <ul style="list-style-type: none"> <li>- Tuition</li> <li>- Fees</li> <li>- Gate receipts</li> <li>- School lunch receipts</li> </ul> </li> <li>2. Operating grants, e.g.: <ul style="list-style-type: none"> <li>- Title I</li> <li>- At Risk</li> <li>- Special Education IDEA</li> </ul> </li> <li>3. General Revenues, e.g.: <ul style="list-style-type: none"> <li>- Property taxes</li> <li>- State Aid, unrestricted</li> <li>- Investment (interest) income</li> </ul> </li> </ol> <p>In addition, there will be further breakdowns for Charges for services and Operating grants as to which program(s) they support, such as, Instruction, Support Services, Food Services, Athletics, or other programs.</p> <p>Districts who wish to use their General Ledger to distinguish the various Reporting categories may wish to use the Other segment of the chart of accounts to keep track of this detail.</p> <p>Revenues that are unique to GASB 34, i.e., that are reconciling items between full accrual and modified accrual can be accounted for in the long term assets in fund 91. For instance, property taxes that are collected more than 60 days after fiscal year end could be accrued for GASB 34 (along with the related allowance for doubtful accounts) and recorded as revenue in Fund 91.</p>	Category 13

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Questions	Answers	Category	
Q2	<p>1. Glenda talked about putting the Asst. Supt. for Business in function 252 not 232 but on pg. 36 of the Definition of Acct. Codes the object code for Asst. Supt. is 1120 and the "Allowable function" is 232?</p> <p>2. Would we use a different object and if so which one?</p> <p>3. Also, would function code 283 be used for assistant superintendent for personnel? 4. What object code should be used for assistant superintendent for personnel?</p>	<p>A2</p> <p>We will add "2XX" as allowable under object code "1120." This answer is for all four questions.</p>	<p>Category 1</p> <p>Category 2</p>
Q3	<p>From the ISD perspective, what is the appropriate classification for the distribution of Medicaid fee for service reimbursement from the ISD to the LEA ( I'm thinking 411 function, 8290 object)? What would be the appropriate LEA function and suffix codes to record the incoming reimbursement? Where should the Medicaid fee for service and administrative reimbursements be recorded?</p>	<p>A3</p> <p>Medicaid Funds – The medical services or “fee-for-service” component of the Medicaid School Based Services program is not subject to the Single Audit Act of 1996. The “fee-for-service” component should be recorded as local source revenue by the district; the appropriate major class code is “181” or “519” if received through another ISD, LEA or PSA. The Transportation and Medicaid Administrative Outreach components are subject to the Single Audit Act and should be recorded as federal revenues by the district; the appropriate major class code is either “412” or “418” depending on how the funds are received by the district. (See the Medicaid compliance supplement in the <i>Michigan School Auditing Manual</i> for further information.) Funds that flow from one school district to another have the potential to be double counted as revenues and expenditures by multiple districts. Currently we would ask the ISDs who receive the funds to record the “fee for service” revenues as major class code “181.” If the agreement with their local school districts is to distribute the funds to the districts, the payment to the school district would show as function code “411” and either object code “8290” or “8510” depending on whether the ISD considers the other school district a “vendor” or “sub-recipient.” The local school district receiving the funds should report the funds received from the “fee for service” as major class code “519.”</p>	<p>Category 1</p> <p>Category 5</p>
Q4	<p>In the future, is there a plan that would eliminate the need for us to file special and vocational education cost reports, etc? In other words can this information simply be obtained from the FID?</p>	<p>A4</p> <p>There is currently no plan to collect program and grant information in the FID. Program and grant costs cannot be distinguished in the function or object code currently proposed for collection in the FID. Many issues would need to be resolved before grant reporting could be done via the FID. Primarily, districts would need to follow a standard method for recording grant and program expenditures (i.e. the program and state codes would be made mandatory).</p>	<p>Category 3</p> <p>Category 4</p>
Q5	<p>What type of error check is going to be built into FID?</p>	<p>A5</p> <p>Districts will be able to view error and/or warning messages generated by the edit check. Error and/or warning messages may be printed by districts as well as summarized reports similar to “Form B”. Districts may accept files and submit their data when warning messages have been generated. When error messages have been generated, districts must first correct the error before re-uploading the file.</p> <p>Examples of Errors: “Specified fields transmitted do not match the appropriate version of the <i>Michigan Public</i></p>	<p>Category 9</p>

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			<p><i>School Accounting Manual</i> Chart of Accounts.”</p> <p>“The School Code transmitted does not match the School Code contained within the School Code Master (SCM).”</p> <p>“Missing or excessive fields were transmitted.”</p> <p>Examples of Warnings:</p> <p>“A Function Code has not been used appropriately with a Fund Code.”</p> <p>“An expenditure amount was uploaded as a negative amount.”</p> <p>“A revenue amount was uploaded as a positive amount.”</p>	
Q6	Long Range, wouldn't we all be better off if we all used the same accounting system?	A6	Yes, a standard accounting system could prove helpful, but not essential to comparable financial reporting. We have tried to develop an accounting structure that meets basic state and federal reporting requirements yet is flexible enough to allow districts discretion in choosing the complexity of the hardware and software they use to maintain financial records.	Category 9
Q7	What object code did you say to use for lawn service? I thought you stated 4130. When I look at 4130 it states Vehicle/Bus Repairs and Maintenance.	A7	The header record “4100” includes the upkeep of grounds. Use object code “4190- Other” for recording lawn services. Purchased services associated with lawn service should be coded to function “261” and object “4190.” Mail Service should be coded to function “2xx” and object “3430.” Election costs should be coded to function “231.”	Category 2
Q8	What function and object codes are suggested for the payment for services not considered performed by professionals (e.g., such as lawn service companies, mail service, election workers, etc.)?	A8	The header record “4100” includes the upkeep of grounds. Use object code “4190- Other” for recording lawn services. Purchased services associated with lawn service should be coded to function “261” and object “4190.” Mail Service should be coded to function “2xx” and object “3430.” Election costs should be coded to function “231.”	Category 2
Q9	Title I and At-Risk funds are federal and state dollars, respectively, and each requires a separated report, why are they lumped together in #125? What is coding is suggested for keeping the grant expenditures separate? Is it necessary to use the 125 function code for at risk and Title I? Currently I use 126 and 129. Can I use a function code that is not listed on the Account descriptions as long as it rolls up to the next position?	A9	Title I and At Risk are grants rather than functions. The state code dimension should be used for distinguishing grants. For example, expenditure for a classroom teacher salary funded by Title I would be coded 11-125-1240-000-6013 while expenditure for a classroom teacher salary funded by At-Risk funds would be coded 11-125-1240-000-3063. There are multiple other function and object code combinations that could also be used to meet the objectives of a Title I or At-Risk grant. For non-classroom instructional expenditures associated with these grants, use the appropriate function and then a state code to distinguish. Using the state code dimension allows much more flexibility in reporting by grant source.	Category 4
Q10	We run an off-site instructional program for our county's juvenile detention facility. The grades range from 6th - 12th. What function code would we use for this program (our special education director oversees the teacher in that classroom but the students are classified as general education? FTE's)?	A10	Programs may have multiple functions and object code designations. Expenditures for teachers in these programs will depend on how the teacher and students are classified (k-12/special education) in other core datasets (REP/SRSD). Use the same function to record associated salary and benefit expenditures. Costs associated with the special education director would be charged to function code “226.”	Category 10
Q11	Page 54 of Appendix shows that a teacher consultant is	A11	Teacher consultants as defined in Michigan Department of Education Special Education	Category 18

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	coded to instructional code 122. Is this accurate?		Administrative Rules should be recorded in function code "218."	
Q12	The handout indicates four positions for the "state code" for expenditures the appendix only give three positions? Is this a problem?	A12	The fourth position of the State Code may be used to designate fiscal year.	Category 4
Q13	Could you go into more detail of what should be coded to this object? Would we use this any time we are sending grant money to another school district or another non-profit organization? (i.e. community mental health, YMCA, etc)	A13	As discussed in the "Accounting Challenge" section of the teleconference, reporting payments between public schools is a problem area that is being addressed by the Bulletin 1022 and ISD finance committee. Funds that flow from one school district to another have the potential to be double counted as revenue and expenditures by multiple districts. Object Code "8290" is currently to be used for transits other than tuition, transportation, or sub-grantee payments made to other public schools (e.g., payments to another district for data processing, sub-teachers, etc.	Category 1 Category 3
Q14	Can we really use program codes to further define our object? A few days ago you strongly suggested we not use program codes for our internal reporting.	A14	We would discourage districts from using the program code dimension to further define expenditures unless the program code aligns with either the state or federal chart of accounts. There is no plan to collect program level expenditures, but no guarantee that it won't be collected in the future.	Category 3
Q15	Why are there two penalty and interest on taxes revenue class codes (119 & 124) recognizing we no longer keep track of current and delinquent taxes separately?	A15	Major class code "119" is used to record penalties and interest on delinquent property taxes assessed by the public school (as defined in Major Class Code Header 110), while major class code "124" is used to record penalties and interest on appropriations received from other local units of government (as defined in Major Class Code Header 120).	Category 5
Q16	What function code is used for alternative education expenditures?	A16	Alternative Education is a program rather than a function. Classroom Instruction costs associated with Alternative Education should be recorded in function code "112-Middle/Jr.High School" or "113-High School." For non-classroom instructional expenditures, use the appropriate function and then a program or state code.	Category 1 Category 3 Category 4
Q17	Could you state what function would be used for a technology coordinator (district-wide position)	A17	Use function code "284" for a district-wide technology coordinator.	Category 1
Q18	What object code would be used when staff travel to other districts for school visits? What object code would be used when staff attends meetings out of the district? These activities are not necessarily workshops.	A18	Use object code "3210-Cost of Travel" for recording costs associated with staff attending meetings out of the district.	Category 2
Q19	Our district codes all employee insurance expenditures under object 2100. What do you suggest we use as an object code for these expenditures if we don't need to separate them by Dental, Vision, Life, etc.?	A19	We encourage you to distribute the dental, vision, and life insurance expenditures into the appropriate object code categories within your internal accounting records. However the data will only be collected to the second position of the object code for reporting in the FID.	Category 2

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Questions		Answers		Category
Q20	We have classified gifted and talented under function code 129. These expenditures are not compensatory, what function codes should we use for these expenditures?	A20	“Gifted and Talented” is a program rather than a function. For classroom expenditures use a basic instruction function (111, 112, 113) and then a program or state code for distinguishing the expenditure as “Gifted and Talented”. For non-classroom instructional expenditures, use the appropriate function and then a program or state code to distinguish.	Category 1 Category 3 Category 4
Q21	Would Michigan Virtual University (MIVU) classes be coded as Function 112 or 113? What costs, if any, would be coded to other functions such as 224 or 225?	A21	Michigan Virtual University classes should be considered a program rather than a function. For classroom expenditures use a basic instruction function (111, 112,113) and then a program or state code for distinguishing the expenditure as MIVU. For non-classroom instructional expenditures, use the appropriate function and then a program or state code to distinguish.	Category 1 Category 3 Category 4
Q22	Could you clarify where we charge conferences and other professional and support staff training? Is it only the instructional staff that uses Function 221? When do we use the function indicating where the person is employed or charged?	A22	According to the federal manual, professional development and in-service training costs for instructional staff are to be charged to function code “221.” All other non-instructional staff professional development and in-service training costs should be coded to “283.” The <i>Michigan Public School Accounting Manual</i> is consistent with the federal manual.	Category 1
Q23	Could you please cover textbook purchases again? Wouldn't new text adoption that is not related to any "special" funding, and is being funded through our foundation allowance revenues, coded at the level of purchase (e.g., 111- elementary, 112- middle school, etc.)?	Q23	Textbooks should be recorded in the function code for instruction. Function 111-137. Bond proceeds may not be used to purchase textbooks	Category 1
Q24	We are concerned about the 26 digit account length. What is the minimum account length which meets the FID requirements?	A24	The minimum length necessary to meet current FID requirements is 14 positions. Fund, Function, Object, School Code XX XXX XXXX XXXXX Future reporting requirements may require the submission of additional fields, so districts' systems should follow the <i>Michigan School Accounting Manual</i> Chart of Accounts.	Category 9
Q25	Can I eliminate the transaction code (1 digit), the project (3 digits) and the state code (4 digits) and anything else? Is there some long term danger in eliminating these codes?	A25	We would recommend that districts maintain the standard program and state code information in their accounting systems. Although, not currently reported in the EDN or proposed FID, this information is used by districts to complete various other grant and program reporting (Special education cost reports, DS4044s, Transportation Cost Reports, etc.)	Category 9
Q26	Some Northern Michigan districts receive 2% gaming grant money from the Grand Traverse Band of Native Americans. Would you identify the function code to use for expenditures? The money is used for a variety of purposes (e.g., tutoring and student assistance for Native American students). This has to be accounted for separately from general funds similar to Chapter programs.	A26	2% Gaming Grants are an unrestricted revenue source. That means districts may use them in any of the function codes. We recommend that districts use major class code “211” for reporting the revenue. The function code used will depend on how the district expends the funds. If used for classroom instruction, the code would be in the 111-137 range. If used for support services, the codes would be in the 211-299 range.	Category 1 Category 5

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Q27	Are the district- wide "funds" going to be reported through FID?	A27	By the time FID is up and running, all districts should have implemented GASB 34. Districts may choose to report GASB 34 transactions in their general ledger in fund 91 (long term assets) or fund 92 (long term liabilities). Other districts may wish to keep these details on a separate system, such as, a spreadsheet or their capital asset software. The FID process will enable districts to either upload this data from their general ledgers or key enter it separately if not recorded in the general ledger.	Category 8 Category 9 Category 13
Q28	Our food service department generates revenue from: 1) catering events for general fund departments and meetings 2) catering events for special service funds such as lunches for child care or vending for athletic events 3) catering events for our ISD 4) catering events for our county government programs 5) catering events for private services What are the function codes?	A28	The Bulletin 1022 Committee is working on an accounting issue to add to Section II of the <i>Michigan Public School Accounting Manual</i> regarding food services as an "enterprise" type activity.	Category 1 Category 2
Q29	In coding sinking fund expenditures, should I use function code "261-Operations and Maintenance" or "452-Site Improvement Services?"	A29	We would recommend that districts use the "45X" series for recording activities associated with sinking funds. Function "261" is used for recording ongoing and routine custodial and janitorial services. Sinking funds may not be used for routine operations and maintenance.	Category 1
Q30	GL's should not need to round?	A30	General ledgers are not required to be rounded prior to district upload.	Category 9
Q31	Our school is looking into a "Foundation Program." What account or fund would this fall under? How detailed does a Foundation get? Do revenues break out in multiple Accts? Same for endowments?	A31	We would encourage districts to consult with their auditors as to the appropriate accounting for foundations.	Category 14
Q32	In the expenditure layout is the school code the state assigned five-digit number for the school or a building code?	A32	The school code is a five-digit state assigned code used to designate a particular building or administrative unit within the district. Also see Q71 and A71.	Category 10
Q33	With the dual submission, what will the materiality level be on any rounding issues?	A33	Rounding discrepancies will be taken into consideration for the dual submission.	Category 9
Q34	We are an ISD that has several services that will be	A34	Very few districts will have a true enterprise fund because most do not account for all costs of a	Category 14

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<p>classified in either an internal service fund or an enterprise fund. Most of these are services that we provide to both departments within our ISD as well as to other local districts (e.g., sub-calling, print shop, REMC, and S.E. transportation). Will these be considered enterprise-type fund activities?? Does the fact that we operate these on a break-even basis matter in whether or not they are classified as an enterprise fund vs. internal service fund? I had thought that I had heard at a prior conference somewhere that whether or not a service is meant to break-even is not a factor in whether it should be an enterprise fund and that how it is operated and who it offers the services to are the determining factor.... (i.e. - just because a service does not completely cover its expenses or only breaks even and doesn't make a profit will not preclude it from being classified as an enterprise fund).</p>	<p>program, including depreciation. However, districts who are considering using an enterprise fund for recording activities of a program should consider discussing this with their auditors before they establish such a fund.</p> <p>The reference book: "<i>Governmental Accounting, Auditing, and Financial Reporting</i>" (i.e., Blue Book), 2001 edition, states:</p> <p>"Enterprise funds and internal service funds each impose fees or charges on those who use their services. Enterprise funds are used in situations where a given fund provides services primarily to customers other than governments outside the (district) ... Conversely, internal service funds are used when a fund primarily provides benefits to "other funds, departments, or agencies of the primary (district) and its component units, or to other (districts)."</p> <p>"GAAP specifically state that internal service funds may be used to account for services provided to other governments outside the financial reporting (district). All the same, the use of internal service funds is not appropriate in situations where other governments are the predominant participants in a given activity."</p> <p>"GAAP mandates the use of an enterprise fund when legal requirements or management policy require that the full cost of providing services (including capital costs), be recovered through fees and charges."</p>	
<p>Q35 If CEPI is not going to collect the program and state codes and the expenditure account structure, what happens if we decide not to use them? Are there any long term disadvantages to not using those fields?</p>	<p>A35 The long term disadvantage to not using the program or state codes listed in the 1022 Manual may be that at some date in the future we may be reporting special education, vocational education, transportation, etc. reports electronically. In order to prepare these manual reports now, you must have some method of tracking these costs and revenues separately. We encourage districts to use the standard chart of accounts in the <i>Michigan Public School Accounting Manual</i> wherever practical.</p>	<p>Category 3 Category 4</p>
<p>Q36 Our Assistant Superintendent for Finance/Business function code 252 also performs duties as Assistant Superintendent for Personnel function code 283, where would we code functions and objects?</p>	<p>A36 You may want to divide the individual's salary between the two functions based on the amount of time spent on each function. Use either object code "1120" or "1310" depending on the position description of the employee.</p>	<p>Category 1 Category 2</p>
<p>Q37 The new fund structure designates only nine special revenue funds (21-29). Some of the fund numbers in that range are already designated by set funds (i.e. the school lunch fund is fund #25). Several of the funds are currently used by our district and several are not, like the bookstore fund. We have around seven or eight special revenue funds in our district. How can we designate those funds in the 21-29</p>	<p>A37 We can only accept fund codes that follow the standard definitions in the <i>Michigan Public School Accounting Manual</i>. Districts will need to report non-standard funds in one of the standard codes (general, special revenue, debt, capital project, trust, enterprise, or internal service) currently available in the manual. This is similar to what you do now for reporting in the EDN.</p>	<p>Category 14</p>

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	range if most of them are already used and there are not enough "free" fund numbers available?		
Q38	What function/object code do we use for indirect expense?	A38 We assume you are asking how to recover the costs of the indirect cost pool from grants, etc. since the actual costs for the administrative costs that make up the indirect cost pool have already been charged as expenditures in the business services, central service, and to a limited extent general administration and operations/maintenance functions. The Michigan Department of Education calculates the Indirect Cost Rate each year based on the expenditures reported on the prior year's FID. Districts should not be coding additional charges to the general ledger for recovering these costs. Here in MDE, we choose to use what we refer to as "memo" transactions that allow us to collect grant dollars for the grants fair share of the indirect charges but do not duplicate the expenditure or offset a function that will be used in a future year for calculating indirect pools. Whatever you do in terms of recovering indirect costs should not affect the information reported to the FID!! Administrative costs must be coded to the appropriate function and object code. See Section II, E.03 of the <i>Michigan Public School Accounting Manual</i> for Recommended Accounting for Indirect Costs.	Category 11
Q39	Our Headstart program requires local districts to have in-kind match. Where should these expenses and revenues be recorded?	A39 Expenditures should be recorded by the district that incurred them in the function and object for which they were spent. If an ISD/LEA is a sub-grantor, they may need to request additional grant expenditure reports from the sub-grantees documenting that match has been met. Districts may need to set up an additional dimension in their expenditure records to show match of a particular grant.	Category 1 Category 5
Q40	Where should the fiscal agent fees for PSAs be recorded?	A40 The fees PSAs pay to their chartering agency for oversight, should be recorded as an expenditure in General Administration, and then a purchased service object. Fees paid by a PSA to another public school for providing services, at this point should be charged to function "411" and object "8290." That may change when we finalize the discussion on payments/receipts between public schools discussed in the Classification Challenges Session.	Category 1
Q41	Please distinguish the difference between a transfer vs. a sub grantee situation for funds flowing from an ISD to a local district.	A41 Basically a sub-grantee's responsibility is to help the recipient meet the requirements of the grant and the sub-grantee's performance would be measured against the objectives of the grant. In a vendor (transfer) relationship, the vendor must simply meet the terms of the procurement contract. In a sub-grantee situation, the sub-grantee would provide the grantor with cost reports showing how the funds were spent to accomplish the grant objectives. The grantor would be responsible for monitoring that the funds were spent for that objective at the sub-grantee level by collecting costs reports. In a vendor situation, the vendor would simply send a bill saying you owe us this much according to the terms of a contract.	Category 11
Q42	Where should non-transportation field trip costs be recorded?	A42 If the field trip is related to instruction, code in the instructional function codes 111-137. Many districts desire to keep these costs separate by building or program. We recommend using the facility, program, or other dimension of the account structure to distinguish.	Category 1

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Q43	Where should the following tuition revenue be recorded- 1) driver's ed for our students only 2) band camp for our students only 3) summer school for our students only What is the function code... 131?	A43	Revenue collected from pupils as fees for these student activities should be recorded in the appropriate local revenue category. Tuition is recorded in major class code "131." Admissions, Dues and Fees are recorded in major class "17x." Driver's education programs that are considered community services should be recorded in major class code "181." Expenditures: Driver's education – If part of high school curriculum use function "113" If part of Summer School, use function "119". If part of community services, use function "3XX." Band Camp – Use function 111-113 for recording expenditures related to instruction. Summer School – The function code for recording summer school instruction is "119"	Category 1 Category 5
Q44	(1) What object code should be used for cash in lieu of health insurance?  (2) What object code should be used for early retirement benefits?  (3) What object code should be used for board paid annuities?	A44	(1) Use object "2920-Cash in Lieu of Benefits."  (2) The object code for Early Retirement Incentives in "2210."  (3) Use object code "2990" for board paid annuities.	Category 2
Q45	Are water/sewage costs moving to supply account numbers?	A45	No. The federal accounting manual continues to include water/sewage as a purchased service.	Category 2
Q46	What is the appropriate function and object code for summer tax collection fees?	A46	Use function code "259" for summer tax collection fees, object code "7410."	Category 1 Category 2
Q47	Is the short term compensated absence liability to be combined with the long term compensated absences liabilities in class code "581"?	A47	The short term portion of compensated absences should be recorded in major class code 462.	Category 11
Q48	Did I hear correctly that extra contractual pay for yearbook, etc., activities is to be recorded as fringe benefits? If so, does this apply to all payroll payments outside normal salary (e.g., longevity, vacation, etc.)?	A48	Extra-contract compensation should be charged to the function being performed then object code "19xx."	Category 1 Category 2
Q49	Currently long term debt (e.g., bus notes) is off balance sheet. Other financing sources and use codes designate debt proceeds and principal payments expended in the year paid. Are we now converting to recognition of the long-term note on the balance sheet w/principle payments being charged against that liability? (i.e., code 561)	A49	NO & YES. For purposes of fund accounting, budgeting, and reporting, there is basically NO change in the reporting, or lack thereof, for long term debt. Prior to GASB 34, long term obligations were not recorded in the fund level accounts instead they were reported on the financial statements in the long term debt group of accounts. With GASB 34, there is no change in the reporting of debt in the funds. Long term obligations will NOT be reported in general fund, school service funds, debt funds, or capital projects funds. However, there is one change. The long term debt group	Category 13

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			of accounts is no longer used. Instead, long term debt is recorded in the District-wide financial statements which are full accrual basis. The long term liabilities in major class code 500 through 591 are available for reporting these district-wide liabilities.	
Q50	What are the revenue suffix codes for funds received by an ISD from the Office of MI Works (e.g., employment service, workforce investment act, and welfare reform)?	A50	See the State Codes listed in the Appendix. If there isn't one for the particular grant you are looking for, contact Glenda Rader (517) 335-0524 to assign a new code. When calling, it would be helpful to include the CFDA number and name for the grant program.	Category 4
Q51	Will debits and credits be entered as positives and negatives? Will we be able to, for example, submit an expenditure with a credit balance?	A51	Yes, debits should be submitted as positive amounts and credits must be submitted as negative amounts. Warning messages will be generated by the edit check when expenditures are submitted as credit amounts or when revenues are submitted as positive amounts. See Q5 and A5.	Category 9
Q52	We have a unique situation where one district runs an Alternative High School (hires staff-all accounting). However, the building belongs to and is kept up (utilities-custodial-maintenance) by a different district. How would we report this? And, will the system allow the fiscal agent to report on a building code from a different district?	A52	Report the costs consistent with the way you report the employees for the REP and pupils for the SRSD.	Category 10
Q53	For shared time expenditures I am currently using the high school building code. Is this OK?	A53	Report the costs consistent with the way you report the employees for the REP and pupils for the SRSD.	Category 10
Q54	Why are separate suffix codes required for Title fund carry-over funds, but not for Special Ed IDEA carry-over funds?	A54	Title I and Title V carry-over grants require separate statewide reporting to the federal government. Apparently those amounts are needed for the calculation of future federal fund allocations to the State of Michigan. Special Education does not have that reporting requirement.	Category 6
Q55	Page 42 of the outline has an asterisk before Special Education, Vocational Education, and Cooperative Education. No explanation is given for the asterisk. Do the asterisks have a meaning?	A55	The asterisks indicate limited use of a fund. Vocational and Cooperative Education Funds are only used by intermediate school districts. Special Education Funds are used by intermediate school districts and ONLY those local school districts that operate a county-wide special education center program.	Category 14
Q56	Should food services for programs that are provided in a building that is not assigned a building number be included in "00000" for the facility code (i.e. latchkey, childcare and/or pre-school) or should they be included in another building?	A56	Only Instruction functions "1xx" and School Administration "241,249" are required to be reported at the building level. All other functions will use "00000" in the School Code.	Category 1 Category 10

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Questions	Answers	Category	
Q57	Function 249 - other admin. Expenditures include graduation expenses. Should senior class sponsor, rental of facility for commencement, diplomas, awards, etc. be coded to this function?	A57 A Senior Class sponsor would be coded as a co-curricular activity under function "113." Commencement costs, diplomas, awards, and other costs associated with graduation should be charged to function "249."	Category 1
Q58	We have many more expendable and non-expendable funds than 5. What do we do, or how do we present them?	A58 We suggest reporting the major or more significant expendable and non-expendable trust funds as a separate fund. Group the smaller funds together in one fund and use another segment of the chart of accounts, perhaps other, to keep track of the individual balances of these smaller funds.	Category 14
Q59	Please explain the state code. What is the difference between that and the program code?	A59 State Codes are used to distinguish grants (Title I, Title V, IDEA, State Aid Categoricals, Etc.) A program may include a group of grants to accomplish an allied set of objectives. Programs include: Special Education, Vocational Education, Gifted and Talented, Bilingual, etc.	Category 3 Category 4
Q60	If the number of scholarship funds exceed the fund numbers available what are the Options?	A60 If the other segment of the account is not convenient for this purpose, you may wish to consider using a program code from 001-099 or 500-999. At least at this time, only program codes from 100-499 are listed in the 1022 Manual. While we know of no plans to require additional program codes in the future, keep in mind that if you use the program code for this purpose you may have to change at some uncertain date in the future.	Category 14
Q61	We use quicken software to do our agency accounts. My understanding is we can continue this and CEPI will allow us to key in the total revenue, expense, fund balance manually. Is this true?	A61 Required Agency Fund financial data may be keyed or uploaded.	Category 9
Q62	In the expenditure area, function 411 is payments to other public schools... where do we budget expenditures to ISD's for services, such as e-schoolhouse, and other services from the ISD?	A62 Record the revenues for services in the appropriate local revenue source. When paying other Michigan public schools, use function "411" and the appropriate object code as described in the <i>Michigan Public School Accounting Manual</i> .	Category 1 Category 2 Category 5
Q63	In the revenue suffix, do we need to use the suffix numbers listed or can we use the expenditure State Codes that apply to Title I, Class Size Reduction, etc., to tie revenues and expenditures in related numbers?	A63 In recording revenues, we recommend that you use the suffix codes listed in <i>Michigan Public School Accounting Manual</i> . At this time, there are no plans to use suffix codes from 1000 to 9999. Thus, suffix codes 1000 – 9999 are available for local reporting options.	Category 6
Q64	In what function do we expend salaries and benefits for schedule B, i.e. club advisors, class advisors, expenditures for staff? Function 219 was used in the past.	A64 The federal accounting manual lists co-curricular activities in the instruction categories functions 111-137. To be consistent, The <i>Michigan Public School Accounting Manual</i> does the same.	Category 1

## FAQ's Related to Coding for the Michigan Public School Accounting Manual Last Updated 07/05

Questions		Answers		Category
Q65	What object code would you use for scholarships?	A65	A distinction should be made between admission fees paid on behalf of students, and scholarships paid through a trust fund for pupils to attend universities. For admission fees paid through a governmental fund, use object code "4910." For tuition to another public school, use "8210." Scholarships paid with Trust Funds should be recorded in a Trust Fund "51-59."	Category 1 Category 2
Q66	How can I acquire a new chart of accounts manual?	A66	The <i>Michigan Public School Accounting Manual</i> may be found at <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a> Under keywords choose " <i>Michigan Public School Accounting Manual</i> ." The manual may be printed from there or ordered from Fidler/Doubleday. The address for Fidler Doubleday is: Fidler Doubleday Inc., 6255 Technology, Kalamazoo, MI 49009 Phone: (269)544-3600	Category 11
Q67	Does the revised chart of accounts apply to charter schools?	A67	Yes, the Chart of Accounts applies to all Michigan Public Schools, including Public School Academies. The Michigan Revised School Code Section 380.1281 cites the entities that must comply with the manual.	Category 11
Q68	For the expenditure object code, if we use the fourth position and can not roll up to the third position, would you consider allowing districts to submit the fourth position?	A68	If districts or district vendors cannot roll up to the second or third position of the object code and there is a need for districts to use the fourth position of the object code, we would consider allowing districts to submit to the fourth position of the object code. Please e-mail <a href="mailto:CEPI-FID@michigan.gov">CEPI-FID@michigan.gov</a> as soon as possible, if your district or district vendor cannot roll up to the second or third position of the object code.	Category 10
Q69	Is the school code master for buildings using the same numbers as previously submitted in the Form B? If not, how have they changed?	A69	Yes, it is the same number, except with a leading zero. In order to accommodate future expansion, districts must submit a five-character School Code field based on the School Code Master (SCM). The School (Building) Codes that were used in Form B displayed as a four-character field in the School Code Master (SCM); the leading zero was not used consistently with State of Michigan applications.	Category 10
Q70	What function do you use for the revenue proceeds from the school bond loan in debt funds?	A70	Proceeds from School Bond Loan may be deposited in a Debt Retirement Fund, major class code "595."	Category 6
Q71	Under which Fund should a district code a REMC and Math/Science Centers? Are they a "required" separate fund or could they be coded in the general fund as a program or grant?	A71	Districts may keep these funds separate in their general ledger, but for reporting to the FID they should be recorded in one of the defined fund codes.	Category 14
Q72	What function and object codes should be used for student field trips (Fees, Travel, etc.)?	A72	If the field trips are related to instruction, the admission fees should be recorded in the instruction function object code "4910." The transportation costs associated with the trips fall under function code "271-Transportation." The object codes will depend on the type of service or commodity received.	Category 1 Category 2
Q73	Which function and object should be used for things like	A73	If part of the general fund, these activities should be coded to the instruction functions. The	Category 1

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Questions	Answers	Category
band/choir/debate team fees associated with competitions? Which object code should be used for non-technical services provided by non-payroll individuals for community/preschool events?	object code will be "7410-Dues and Fees." Non technical/non-payroll individuals should be charged to object code "4910."	Category 2
Q74 Is object code 1140 (a salary code) appropriate to use for coding stipends paid to board members?	A74 Yes, 1140 is appropriate for per diem and stipend payments paid to board members.	Category 2
Q75 Which object code should be used for payments to Michigan colleges for personnel recruiting fairs?	A75 Object code 3510	Category 2
Q76 Which object code should be used for travel and other costs associated with travel that is not related to workshops and conferences?	A76 Object code 3210	Category 2
Q77 Which Function code should be used for paying "agents" requesting reimbursement on behalf of pupils taking driver's education from an outside source? The driver's education course is not offered by the district; however, the district receives the revenue and passes it along to the entity that provides the training. How should the revenue for this be recorded?	A77 Basically it will depend on the district's role in the training. If they are acting in a fiduciary capacity, the funds would never hit the revenue major class code or expenditure functions; instead they will be handled as balance sheet accounts. The district would record the receipt of funds as a debit to cash and an offsetting accounts payable. Then when the liability is paid, reverse the entry.	Category 1 Category 2 Category 7 Category 11
Q78 Which function and object should be used for recording supplies used by a district food service department subsequently used for catered events servicing other functions or entities?	A78 If these activities are handled in the School Lunch Fund versus an Enterprise or Internal Service fund, we would recommend that districts use some other dimension of the account structure to indicate that food supplies are to be used for catering activities. Instead of using food supplies, perhaps use a general supply object. Or, you could use another dimension of the account structure to represent supplies used in proprietary functions (state code, or other). Some folks use the program codes, but caution should be used in that dimension is specifically defined in both the state and federal manuals. This may require the creation of an accounting issue and resolution for the manual.	Category 1 Category 2
Q79 Which object code should be used for recording actual unemployment payments?	A79 Object code "2850."	Category 2
Q80 Where should a district record "special assessments" (both function and object code)? Assessments paid to the townships for things like street lighting, fire, and curbs along with taxable property the districts hold.	A80 The committee consensus was that this is really a site improvement and should be coded to "452-Site Improvement Services." The object code would be "7410."	Category 1 Category 2
Q81 What function code should be used for NCA	A81 Consensus on this was that these fees are really an improvement of instruction function and	Category 1

## FAQ's Related to Coding for the Michigan Public School Accounting Manual Last Updated 07/05

Questions		Answers		Category
	Accreditation fees?		should be coded to function code "221."	
Q82	Question related to Compensated Absence Payments.	A82	See <i>Michigan Public School Accounting Manual</i> , Section II, E.01 for guidance on recognition and measurement of certain liabilities and expenditures.	Category 11
Q83	Should object codes for instruction be included for community service activities?	A83	Yes, however care should be taken when making the determination of whether an activity is community service or instructional in nature. A good rule of thumb would be to determine if the class counts toward hours of instruction as defined in the Michigan Department of Education Administrative Rules 340.10.	Category 1 Category 2
Q84	Should we consider In-School Suspension to be part of the instruction function?	A84	Yes.	Category 1
Q85	Which type of object code should be used for paying service credits for employees?	A85	It depends on the contract. Most likely it will fall into the "29xx" object.	Category 2
Q86	Is there a Depreciation Expense function and object for use in the district wide statements?	A86	Yes, We have assigned function code "711" for Depreciation Expense for use in the non-governmental funds. The object code is "7710."	Category 1
Q87	May we account for school buses in a capital projects fund?	A87	Yes, the Michigan School Accounting Manual allows you to record function code "271-Pupil Transportation" with the 4x- Capital Projects Fund.	Category 1 Category 14
Q88	Which object code should be used for recording uniforms?	A88	If you are renting the uniforms, use object "4290." If you are purchasing them, use "5990."	Category 2
Q89	Will the FID allow entry of objects with anything other than the functions shown as allowable in the <i>Michigan Public School Accounting Manual</i> .	A89	No. The FID will be programmed to align with the code combinations shown in the Manual.	Category 9
Q90	How should an individual who performs two/three different functions?	A90	We recommend splitting the employees costs between the functions relative to the time spent performing the various functions.	Category 1
Q91	How should you report schools reimbursing transportation fees for field trips?	A91	Transportation costs associated with field trips should always be recorded in function "271-Pupil Transportation." If your district keeps track of these expenditures by building or programs, we recommend using the facility, program, or other dimension of the account structure.	Category 1 Category 2
Q92	What is the proper coding for recording substitute teachers while regular teachers attend professional development?	A92	We recommend using the "221-Improvement of Instruction" function.	Category 1

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Questions		Answers		Category
Q93	Should administrative staff be charged to the same function as the professional staff they serve?	A93	Yes, for example the both the special education director and the special education director's secretary would be charged to function "226- Supervision and Direction of Instructional Staff."	Category 1 Category 2
Q94	How are district-wide classroom instruction expenditures to be reported in the FID?	A94	According to the FID FAQs document, Question 11, a portion of classroom costs may be reported as district-wide.	Category 9
Q95	Where can I find the federal accounting manual?	A95	The web address is: <a href="http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R">http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R</a> There is also a link to it from the MDE, State Aid and School Finance website.	Category 11
Q96	Where should we record fees collected from pupils for participation in various school activities?	A96	According to the <i>Michigan Public School Accounting Manual</i> , these should be recorded in one of the major class codes under the Header "170-Revenue from Student Activities." See question below for transportation fees collected from pupils.	Category 6
Q97	Where should we record fees collected from individuals for transportation?	A97	According to both the <i>Michigan Public School Accounting Manual</i> and the federal manual, transportation fees collected from pupils should be recorded in major class code "141-Transportation Fees."	Category 5
Q98	Please explain the difference between object codes "3120" and "3220?"	A98	Object Code "3120" is used when a district hires a trainer to come in and train district staff while "3220" is used to pay for expenditures to send an employee to conferences and workshops off site.	Category 2