

FID and Accounting Updates

MSBO School Finance Committee Meeting
September 24, 2021

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MDE – Office of Financial Management

FID – Reminders & Upcoming Changes

- Submission Deadline: November 1, 2021
 - November (and following) State Aid withholding required for late submission or data not matching audited financial statements
- Expenditure Object Codes
 - 19-20: Warning for invalid codes **(including third digit)**
 - **20-21 and following: error**
- Balance Sheet Major Class Codes
 - Previously checked and used only first two (of three) digits
 - 20-21: Warning for invalid codes **(including third digit)**
 - **21-22 and following: error**

Use “Other” coding dimension for internal tracking purposes



GASB #84 – Implementation Year (FY20 or FY21)

- GASB Statement #95 gave districts one additional year to implement (FY21)
 - Most districts already worked to analyze these accounts and reclassify as needed, so FY20 implementation was still encouraged
- In FID, Fund 29 opening balance will be zero
 - Revenue Prior Period Adjustment entry should be used to restate fund balance/"catch up" FID in this first year of implementation
 - Debit Cash, Credit Revenue Prior Period Adjustment (Major Class 551)
 - Revenue total will be inflated, but 551 is excluded from typical revenues
- (Previously) Agency Funds likely won't need to be "closed out" as net zero fund balance will carry over to FY21
 - Exception – districts keeping some activity in 6x and moving some to 29



Accounting Manual Change Notice #31

- Issued December 17, 2020
- Changes to be implemented for school fiscal year 2021-22 unless otherwise required
 - Earlier application is encouraged
- Clarification of distance learning/classroom technology coding
 - No other significant changes
 - New/updated Grant Codes



Financial Accounting Guidance During the COVID-19 Pandemic

http://www.michigan.gov/documents/mde/COVID-19_Accounting_Guidance_691616_7.pdf

- Recently updated to include:
 - Revenue recognition/reclassifying expenditures
 - Accounting for new school nutrition funds (Emergency Operations, Seamless Summer Option, etc.)
 - ARP and IDEA ARP coding
- Updates will continue as additional guidance is needed on new and existing funding sources, unique accounting situations, etc.



Reclassifying Expenditures

- Additional accounting entries required when revenue cannot be recognized in the same fiscal year as eligible expenditures may be incurred.
- Example: CRF expenditure period goes back to March 1, 2020 but revenue could not have been recognized in FY20
- This may also apply to other funding sources with similar revenue recognition/expenditure period “disconnects”
 - **Section 23b Summer School/Credit Recovery**
 - FY21 expenditures but no revenue until FY22
 - **Section 11r(4) ESSER (II) Per-Pupil Equalization**
 - Could cover both FY20 & FY21 exp.



Reclassifying Expenditures (cont.)

- **The Grant Code of a given funding source should not be used when recording expenditures until that revenue can be recognized.**
- Example: Reclassification of FY20 expenditures of Coronavirus Relief Funds (CRF) funds not yet assigned to Grant Code
 - Net zero expenditure entry to reclassify prior year expenditures to another funding source
 - \$10,000 of teacher salaries covered by CRF funding as example
 - Debit 11-113-1240-**7990** **\$10,000**
 - Credit 11-113-1240-**0000** **\$10,000**
- Reclassifies expenditures to CRF in FY21 without inflating totals while showing CRF expenditures in one fiscal year only (prevents double counting)



New School Nutrition Funds

CFDA#	MDE Program ID#	Grant Name	Grant Code
10.558	211925	Emergency Operations - CACFP Meals	853X
10.555	211965	Emergency Operations - SNP Meals	851X
10.555	211961/221961	Seamless Summer Option (SSO) - Lunch	851X
TBD	211971/221971	Seamless Summer Option (SSO) - Breakfast	TBD
TBD	211981/221981	Seamless Summer Option (SSO) - Snack	TBD
TBD	211951/221951	Seamless Summer Option (SSO) - Supper	TBD
10.555	211960/221960	National School Lunch Program	851X
10.553	211970/221970	School Breakfast Program	850X
10.555	211980/221980	NSLP - After School Snack	861X
10.556	211940/221940	Special Milk Program	852X

Accounting/ Coding Updates

- Our FAST Team is working on a coding chart for SY 2021/2022.
- The chart will be posted to our website soon and updated as more information is released
- Send coding questions to MDE-Fiscal@michigan.gov



Resources

[Financial Accounting Guidance During the COVID-19 Pandemic](#)

[Michigan Public School Accounting Manual](#)

- Chart of Accounts (Appendix) and other guidance
- Change Notices

[Accounting for State School Aid Revenues](#)

- Recently updated with new FY22 categoricals

[Program Allocations](#)

- All federal program allocations (incl. ESSER, GEER, etc.)



Contact Information

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**ESSER and other grant-related questions (applications,
budgets, eligibility, district status, etc.)**

MDE-CARES@michigan.gov

