STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

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MICHIGAN Department of Education

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

February 25, 2010

MEMORANDUM

TO: Local and Intermediate School District Superintendents, Public School Academy Directors and Business Office Managers

FROM: Carol Wolenberg, Deputy Superintendent Carol

SUBJECT: **BULLETIN 1022 – CHANGE NOTICE #17**

The purpose of this correspondence is to transmit *Michigan Public School Accounting Manual Change Notice 17.*

The following page gives the detail for pages in the manual that have been changed. You may print those pages from our website. Please communicate these changes to others in your district that may be in possession of the *Michigan Public School Accounting Manual* to assure that all school district accounting manuals remain current. The entire manual along with this change notice is also available electronically on our website at:

http://www.michigan.gov/mde
(Look under Keywords, Michigan Public School Accounting Manual)

The *Michigan Public School Accounting Manual* contains the state prescribed chart of accounts to be used by all public school districts in Michigan. According to the Revised School Code, Section 380.1281

1) The state board shall:
   a) Require each board, each public school academy board of directors, each intermediate school board, and the officers of each of those boards to observe the laws relating to schools... prescribe appropriate uniform pupil and financial accounting records for use in school districts, public school academies, and intermediate school districts and promulgate rules for their adoption.

   The state board may examine and audit the official records and accounts of school districts, public school academies, and intermediate school districts, and may compel proper accounting by legal action instituted by direction of the attorney general.

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Michigan Department of Education staff and members of the *Michigan Public School Accounting Manual* referent group will continue their efforts to ensure uniformity in the recording and reporting of Michigan public school district accounting transactions via updates to this manual. **The changes listed in Change Notice #17 are to be implemented for fiscal year 2010-11. In attempt to retain comparability, we ask that districts do not early implement the changes related to GASB #54 in fiscal year 2009-10.**

If you have questions concerning the *Michigan Public School Accounting Manual*, please contact Glenda Rader at (517) 335-0524.

Change Notice 17

Section	Sub-Section	Change	Discard Page #	Add Page #
Acknowledgements		Acknowledgements – Updated with Member Information	Old	New
Section II Table of Contents		Added New C.05- MDE Guidelines for Budget and Salary/Compensation Reporting. Updated Name on E.11- Use of Special Revenue Funds	1-2	1-2
Section II, B.02	Types of Funds	Revised description of Special Revenue Fund	7-10	7-10
Section II, C.01	State Requirements	Districts must post certain financial data on the district website	13-14	13-14
Section II, C.05	State Requirements	New Section – MDE Guidelines for Budget and Salary/Compensation Transparency Reporting	NEW	22-64
Section II, D.02	Overview of Single Audit Requirements	Financial Audits now must be submitted to MDE electronically	25-26	27-28
Section II, E.03	Accounting for the Recovery of Indirect Costs	May record the transaction to FID	34	36-37
Section II, E.04	Reporting Requirements for Deficit Fund Balance	Updated to be consistent with GASB #54 new fund balance reporting categories	35-36	38-39
Section II, E.05	Fund Balance	Updated to be consistent with GASB #54 new fund balance reporting categories	37-38	40-41
Section II, E.06-E.14		Changed Title on E.11- Fund Balance Reporting Requirements- Renumbered the rest of the sections	41-62	50-64
Section IV	Budgets are to be posted to District's website	New Reporting Requirements as mandated by MCL 388.1618(2) and GASB #54	7-8, 11-14	7-8, 11-14
Appendix	Balance Sheet Major Class Codes	Change Fund Balance Codes to be consistent with GASB #54 Definitions	13-14	13-14
Appendix	Revenue Suffix	Add 0230- ARRA	23-24	23-24
Appendix	Expenditure Function	Allow Fund 11 with Function 293	29-30	29-30
Appendix	Expenditure Program	Corrected Program Code 270 for use with Function 218	47-48	47-48
Appendix	Expenditure State Codes	Spelled out Acronym for CIP and Added Various State Codes. Districts will be required to report State Codes to the FID for FY 2009-10	49-58	49-58