

October 24, 2006

Dear School District Superintendent:

The purpose of this correspondence is to transmit *Michigan Public School Accounting Manual Change Notice 14*.

The attached document will replace sections of the manual as indicated in the notice. Please communicate these changes to others in your district that may be in possession of the *Michigan Public School Accounting Manual* to assure that the 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.
- 2) 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.

We would like to highlight Section B.02(c) of this change notice. It communicates a change to the 2006-07 State School Aid Act which now requires Michigan public schools to post budgets to a district website. The Act reads as follows:

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Within 30 days after the board or intermediate board adopts its annual operating budget for the following school fiscal year, or after a board or intermediate board adopts a subsequent revision to that budget, the district or intermediate shall make the budget and subsequent budget revisions available on its website, or a district may make the information available on its intermediate district's website in a form and manner prescribed by the department. MCL 388.1618(2)

This law takes effect October 1st, 2006. Only those amendments to 2006-07 budgets that take place after that date will require posting under this statute. However, we would encourage districts to publish the 2006-07 budgets as soon as possible.

To meet this requirement districts must publish the General Appropriation Resolution as adopted by the board (sample in the enclosure) or a budget in the minimum level of detail listed in the *Michigan School Accounting Manual* along with notation of the date the board adopted that budget. A budget must be posted for all funds for which the local school board adopts a budget. It should be noted that the level of detail the board adopts in the general appropriations act determines the minimum level of detail the administration must monitor for compliance with that appropriation.

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 #14 are to be implemented for fiscal year 2006-07.**

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

Sincerely,

Daniel M. Hanrahan, Director
Office of State Aid and School Finance

Change Notice 14

Section	Current Name	Discard Page #	New Name
IV	Budget Preparation and Management	1-54	Replace with new Section IV pages 1-26
Appendix Object Codes	8220 and 8290 – Allow Function Code 45x	45-46	Replace with new Appendix pages 45-46
Appendix State Codes	Update with Changes since Change Notice #13	49-58	Replace with new Appendix pages 49-58