

December 2005

Dear Business Manager:

The purpose of this correspondence is to transmit *Michigan Public School Accounting Manual* Change Notice 13. This document will replace the Appendix with changes as described in the attached change 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 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.

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 of Michigan public school district accounting transactions via updates to this manual. **The changes listed in Change Notice #13 are to be implemented for fiscal year 2006-07 with early implementation allowed.**

**The following page contains information related to accounting transactions that occur because of funds that pass between Michigan public schools. Please review the document carefully for the appropriate account codes to use for recording revenues received from and payments made to another Michigan public school.**

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

Sincerely,

Revenue		Payments From Other Public Schools Within in Michigan:	
Current Code	Current Name	New Code	New Name
317	State Restricted – Received through another Public School	317	No Change
318	State Unrestricted – Received through another Public School	318	No Change
417	Federal Restricted – Received through another Public School	417	No Change
418	Federal Unrestricted - Received through another Public School	418	No Change
510	Payments Received from Other Public School Districts Within the State (ISD, LEA, PSA)		Local Revenue Received from Another Public School Within the State. (ISD, LEA, PSA)
511	Tuition	511	Tuition Fees From Other Public Schools in State (ISDs, LEAs, PSAs) Distinguish type of tuition by the suffix code.
512	Transportation	512	Transportation Fees From Other Public Schools in State (ISDs, LEAs, PSAs)
513	County Special Education Taxes	513	ISD Collected Millage. (ISDs, LEAs, PSAs)
514	Summer School Tuition	511	Remove major class code 514, use 511. Tuition Fees From Other Public Schools in State – Add Suffix Code for Summer School “0200”
518	Cooperative Ed Programs and Services		Revenues from Services Provided to Other Public School Districts. (ISDs, LEAs, PSAs)
519	Other Received from Other Public Schools (LEA, ISD, PSA)	519	Other Distributions Received from Other Public School Districts (ISDs, LEAs, PSAs)

Expenditures		Payments to Other Public Schools Within Michigan:	
Current Code	Current Name	New Code	
411	<b>Payments to Other Public Schools</b>		Payments to Other K-12 Public Schools Within the State Currently use objects: 82xx- Payments to Other Public Schools <b>Districts are to use the actual function they are purchasing. For example: Classroom Instruction (1xx), Pupil support services (21x), Instructional Staff Support (22x), Business Services (25x), Transportation (27x), etc.</b>
	<b>Problem: Distinguishing the function of the service purchased from the other district. Also these costs are often thought of as below the line rather than as part of current operating expenditures.</b>		<b>This will allow the district receiving the service to report the expenditures in current operating expenditures.</b>
411	<b>Payments to Other Public Schools Sub-grantee Disbursements</b>	411	<b>8510 - Sub-grantee Disbursements NO Change!</b>
420	Payments to Other K-12 Public Schools OUTSIDE the State of Michigan.	421	<b>Payments to Other K-12 Public Schools OUTSIDE the State of Michigan.</b> Currently use objects: 8310 – Payments to Other Public Schools 8510- Sub-grantee Disbursements

**MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL CHANGE NOTICE**  
**Change Notice Number: 13**                      **Date: December, 2005 for Implementation in FY 2006-07**

Section	Sub-Section	Title	Discard Page #	Add Page #
Acknowledgments		Michigan School Accounting Manual Referent Group		
Section II	E.10	<b>Delete Section-</b> Sale of School Property	45-51	45-51
Section II	E.12	Transactions for recording Energy Conservation Improvement Construction Projects	53-54	53-54
Section III	A	Coding Structure	1-6	1-6
Appendix	Balance Sheet	Budgeting and Other Debits – <b>Don't Report to FID.</b> Major Class Codes 301-302.	9-10	9-10
Appendix	Balance Sheet	Due to Other Govt. Units Major Class 421 Add Agency Fund (6x).	9-10	9-10
Appendix	Balance Sheet	Change Name of Major Class Code 431 From "Due to Student Activities" to "Due to Agency Funds"	11-12	11-12
Appendix	Balance Sheet	Budgeting and Other Credits – <b>Don't Report to FID.</b> Major Class Codes 601-603.	13-14	13-14
Appendix	Balance Sheet	Fund Balance Major Class Code 706 - Added Qualifier – <b>Don't Report to FID</b>	13-14	13-14
Appendix	Revenue	51x – Local Revenues Received through Another ISD, LEA, or PSA – Definition Changes. Added Major Class 518.	19-20	20-20
Appendix	Revenue	Suffix Codes – Added Allowable Major Class Codes.	21-24	21-24
Appendix	Expenditure Function	Added fund 23 as allowable with function 119	23-24	23-24
Appendix	Expenditure Function	Added fund 23 as allowable with function 211-219.	25-26	25-26
Appendix	Expenditure Function	Added fund 7x as allowable with function 227.	27-28	27-28
Appendix	Expenditure Function	Added fund 23 as allowable with functions 241-249	27-28	27-28
Appendix	Expenditure Function	Removed fund 3x as allowable with function 252	27-28	27-28
Appendix	Expenditure Function	Revised Allowable Funds with Function 291 & 294.	29-30	29-30
Appendix	Expenditure Function	Revised Definition Function 411 Payments to Other Public Schools will now be reported in the actual function being provided.	31-32	31-32
Appendix	Expenditure Object	Add function 219 as allowable with object 1250.	33-34	33-34
Appendix	Expenditure Object	Change Allowable Functions with Object 1330.	35-36	35-36

Appendix	Expenditure Object	Change Allowable Functions with object 3160.	39-40	39-40
Appendix	Expenditures Object	Change Allowable Functions with object 64xx.	43-44	43-44
Appendix	Expenditure Object	Change Allowable Functions with object 7410. Change Definitions for Object Code 82xx.	45-46	45-46
Appendix	Expenditure Object	Change Allowable Functions with object 7910	45-46	45-46
Appendix	Expenditure Object	Remove Function 44x with object 8910.	45-46	45-46
Appendix	Expenditure State Codes	Updated	49-58	49-58

**After reviewing the attachments, please insert the changes in your manual. Please contact Glenda Rader with any questions or comments at (517) 335-0524.**