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DEPARTMENT OF TREASURY
LANSING

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DATE: September 24, 2020

TO: Local Units of Government and
Other Users of the Uniform Chart of Accounts (UCA)

FROM: Community Engagement and Finance Division

SUBJECT: Uniform Chart of Accounts Revisions –
Revisions to Version 202001 Exposure Draft

If one examines the marked-up version of the new exposure draft for the Uniform Chart of Accounts (UCA), it looks like much has been revised. In reality, very little has been changed to the structure and to the accounts themselves. This version attempts to make the manual more readable and understandable in its terminology and layout. Consequently, much of the verbiage and formatting has been changed. Again, very little has been changed to the accounts themselves from the last exposure draft.

1. Structural changes are being made in this version. The major sections in this version are in the following order: Introductory; Creating an Account; Table of Funds, Activities, and Account Numbers; and Descriptions for Funds, Activities, and Account Numbers. Overall, the new version is a little shorter than the old one.
2. The description of Local Units of Government has been removed.
3. Changes are being made in the Creating an Account section. The major parts are 1) the explanation of fund, activity, and account numbers; and 2) examples of creating an account. This would be the only place to explain fund, activity numbers, and account numbers. Before, the information was scattered in several places in the UCA.
4. In the explanation of fund, activity, and account numbers under the Creating an Account section, the summary tables for fund and categories, balance sheet/statement of net position accounts, and expenditures have been added, respectively. Before, there were only summary tables for activity numbers and revenue accounts available. Changes mostly in formatting have been made to the existing summary tables for activity numbers and revenue accounts to better reflect the big picture.
5. Classifying some accounts with the terms, mandatory, optional, primary, and secondary have been removed to reduce confusion. We have merely defined those accounts with the applicable description.

6. Some changes at the fund level are being made:
 - a. The name of fund 242 has been changed to Local Brownfield Revolving fund to stay in compliance with updated legislation (MCL 125.2658). Before, the name was Local Site Remediation Revolving fund.

7. Changes at the account level:
 - a. The word “control” for receivable accounts 018 (receivable), 019 (receivable), and 101 (inventory) were removed to keep consistent with other balance sheet/statement of net position accounts.
 - b. The definition for expenditure/expense control account 700 has been changed to be the balance of all expenditure/expense accounts including Other Financing Uses. Before, the balance of 700 was the total balance of Personal Services (702-725) and Supplies only (727-799). It did not include the balance for Other Services and Charges (801-969), Capital Outlay (971-989), Debt Service (991-994), Other Financing Uses (995-997), Special Items (998), and Extraordinary Items (999).
 - c. Accounts have been added for GASB 87 – Leases
 - d. Added 671-Leases Revenue
 - e. Changed Other Revenue from 671 to 672