

SECTION H PRESCRIBED CODING SYSTEM

All school districts shall utilize the prescribed coding system as detailed in Sections H, I, J, K, L and M of this manual. This coding system must be uniformly complied with in order to met objectives of the Office of the State Auditor as well as that of the Mississippi Department of Education. This coding system will also provide financial comparability among school districts.

The overall account structure is designed to be efficient and effective and provide for a basic management tool for the individual school districts. It creates a common language for use in controlling, recording, accumulating and reporting the financial activities of the school district.

The prescribed coding system, consists of a minimum of sixteen (17) digits and a maximum of twenty (20) digits. The digits should be in the format as illustrated below:

	XXXX	XXX	XXXX	XXX	XXX	XXX
Fund or Account Group Code	XXXX					
General Ledger Code		XXX				
Function Code			XXXX			
Program Code (*)				XXX		
Object Code					XXX	
Operational Unit Code (**)						XXX

(*) The use of program codes is optional.

(**) The use of operational unit codes is mandatory for Expenditure Function Codes #1000 through #2490 and for all expenditures for Title I. The use of operational unit codes is optional for all other expenditures. (See Note #6 at the end of this section)

THE ONLY EXCEPTIONS TO THE PRESCRIBED CODES IN SECTIONS' I, J, K AND M, AS REPORTED IN THIS MANUAL, ARE AS FOLLOWS:

SECTION I

No additions or expansions of any Section I codes are allowed.

SECTION J

No additions are allowed. Expansions of any Section J codes would be per the discretion of the individual school district. For reporting purposes, all expanded Section J codes **must** be collapsed back into the code expanded from.

For example:

101 Cash and Other Deposits

The school district decides to expand this code to the following:

101 Cash and Other Deposits
 102 Petty Cash
 103 Cash for Athletics
 104 Cash for School Lunch Program

At the end of the fiscal year and before any reports are prepared the school district must collapse these expanded codes back into code 101. If they are **NOT** collapsed, the reports generated for MSIS will be rejected.

Expansions of Section J codes would require the school district's records to generate sub-totals for each expanded Section J codes and an overall total of the code expanded from. The school district's records must have the capability of generating an individual transaction history file for each Section J code used by the school district, whether expanded or not.

SECTION K

No additions or expansions of any Section K codes are allowed.

SECTION M

No additions are allowed. Expansions of any Section M codes would be per the discretion of the individual school district. For reporting purposes, all expanded Section M codes **must** be collapsed back into the code expanded from.

For example:

1120 Elementary Programs

The school district decides to expand this code to the following:

1121 Middle Elementary Programs
 1122 East Elementary Programs
 1123 South Elementary Programs
 1124 North Elementary Programs
 1125 West Elementary Programs

At the end of the fiscal year and before any reports are prepared the school district must collapse these expanded codes back into code 1120. If they are **NOT** collapsed, the reports generated for MSIS will be rejected.

Expansions of Section M codes would require the school district's records to generate sub-totals for each expanded Section M codes and an overall total of the code expanded from. The school district's records must have the capability of generating an individual transaction history file for each Section J code used by the school district, whether expanded or not.

1. FUND AND ACCOUNT GROUP CODE:

The first four digits will identify the fund or account group for which the transaction will be processed and recorded in. The individual fund and account group codes are detailed in Section I of this manual.

2. **GENERAL LEDGER CODES:**

The three digit general ledger codes identify the balance sheet accounts and the operation accounts for which the transaction will be processed and recorded in. The following listing illustrates the different ranges for the balance sheet and operation accounts codes.

Balance Sheet Accounts:

- 100's - Assets and Other Debits
- 200's - General Fixed Assets
- 300's - Budgetary - Revenues
- 400's - Liabilities - Current
- 500's - Liabilities - Long-term
- 600's - Budgetary - Appropriations/Encumbrances
- 700's - Fund Equity and Other Credits

The individual balance sheet account codes are detailed in Section J of this manual.

Operation Accounts:

- 800 - Revenues
- 900 - Expenditure/Expenses

[NOTE: The general ledger operation account codes precede the following four digit function codes for revenues and expenditures/expenses' transaction.]

3. **FUNCTION CODES:**

The four digit function codes identify revenue or expenditure/expense transactions. The revenue function codes are detailed in Section K of this manual. The expenditure/expense function codes are detailed in Section L of this manual. The following listing summarizes the major section ranges for revenues and expenditures/expense.

Revenue:

- 1000's- Local Sources
- 2000's - Intermediate Sources
- 3000's - State Sources
- 4000's - Federal Sources
- 5000's - Sixteenth Section Sources
- 6000's - Other Financing Sources
- 7000's - Direct Increases in Fund Equity

[NOTE: Please note that each revenue function code would be preceded by an 800 general ledger code as directed in section 2 above.]

Expenditures/Expenses:

- 1000's - Instruction
- 2000's - Support Services
- 3000's - Operation of Noninstructional Services
- 4000's - Sixteenth Section
- 5000's - Facilities Acquisition and Construction Services
- 6000's - Debt Service
- 7000's - Other Financing Uses
- 8000's - Direct Decreases in Fund Equity

[NOTE. Please note that each expenditure/ expense function code would be preceded by a 900 general ledger code as directed in section 2 above.]

4. PROGRAM CODES:

The three digit program codes are used to identify an organizational unit or activity for which financial information is to be accumulated. The use of the program code is optional. The school district will be responsible for establishing its own program codes, if utilized.

5. OBJECT CODES:

Revenue Object Codes:

The three digit revenue object codes are provided as an optional mean of implementing GASB 34 reporting requirements. The following optional revenue object code ranges should be used if your district decides there is a need to further detail the individual revenue function codes. These revenue object codes may expedite and enhance the fiscal year-end government wide reporting preparation.

- 100's Charges for Services
- 200's Operating Grants and Contributions
- 300's Capital Grants and Contributions
- 400's General Revenues

The revenue object codes are detailed and explained in Section K of this manual.

Expenditure/Expense Object Codes:

The following prescribed three digit expenditure/expense object codes further details' each expenditure/expense transaction.

- 100's Personal Services - Salaries
- 200's Personal Services - Employee Benefits
- 300's Purchased Professional and Technical Services
- 400's Purchased Property Services
- 500's Other Purchased Services
- 600's Supplies
- 700's Property
- 800's Other Objects
- 900's Other Uses of Funds

The expenditure/expense object codes are detailed in Section M of this manual.

6. OPERATIONAL UNIT CODES:

The three digit operational unit codes identify the specific school or cost centers of the school district. The operational unit codes to be used are the school numbers assigned by the Mississippi Department of Education for ADA and personnel reporting. The use of operational unit codes is **mandatory** for:

- a. Expenditures of every fund of the school district that are coded to expenditure function codes 1000 through 2490 for funds 1000 to 3999;
- b. All Title I expenditures, regardless of the expenditure function code.

The use of operational unit codes is **optional** for all other expenditures.