

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 meet objectives 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 at least seventeen (17) digits and a maximum of twenty-four (24) digits. The digits should be in the format as illustrated below:

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

1. FUND or ACCOUNT GROUP CODE (SECTION I):

The first four digits will identify the fund or account group in which the transaction will be recorded. The individual fund codes are detailed in Section I of this manual. No additions or expansions of any Section I codes are allowed. Some software systems allow for additional fund codes but **must** be reported as only the funds listed in Section I.

2. GENERAL LEDGER CODES:

The three-digit general ledger codes identify the balance sheet accounts and the operation accounts in which the transaction will be recorded. Balance Sheet Accounts are detailed

in Section J of this manual. The following list illustrates the different ranges for the balance sheet and operation accounts codes.

BALANCE SHEET ACCOUNTS

Balance Sheet Accounts:

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

No additions are allowed. Expansions of any balance sheet code would be per the discretion of the individual school district. For reporting purposes, all expanded balance sheet codes **must** be collapsed back into the code expanded from. An example is as follows:

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 do not collapse, the reports generated for FETS/MSIS will be rejected.

Expansions of balance sheet codes would require the school district's records to generate sub-totals for each expanded balance sheet code and an overall total of the code expanded from.

OPERATION ACCOUNTS

Operation account codes precede the four-digit function codes for revenues and expenditures described in the next section.

Operation Accounts:

- 800 - Revenues (precedes all revenue function codes)
- 900 - Expenditures (precedes all expenditure function codes)

3. FUNCTION CODES:

The four-digit function codes identify revenue or expenditure transactions. The revenue function codes are detailed in Section K of this manual. The expenditure function codes are detailed in Section M of this manual. The following lists summarize the major section ranges for revenues and expenditures.

Revenue Function Codes (Section K):

- 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

Each revenue function code would be preceded by an 800 operation account code. No additions or expansions of any revenue codes are allowed.

Expenditures Function Codes (Section M):

- 1000's - Instruction
- 2000's - Support Services
- 3000's - 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

Each expenditure function code would be preceded by a 900 operation account code. No additions are allowed. Expansions of any expenditure function codes would be per the discretion of the individual school district. For reporting purposes, all expanded expenditure function codes must be collapsed back into the code expanded from. An example is as follows:

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 function code 1120. If they are **NOT** collapsed, the reports generated for FETS/MSIS will be rejected.

Expansions of expenditure function codes would require the school district's records to generate sub-totals for each expanded expenditure function code and an overall total of the code expanded from.

4. PROGRAM CODES:

The three-digit program codes may be used to identify an organizational unit or activity or project year 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 financial 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 Object Codes:

The prescribed three-digit expenditure object codes further details each expenditure transaction. The following list summarizes the major section ranges of expenditure object codes:

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

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600's	Supplies
700's	Property
800's	Other Objects
900's	Other Uses of Funds

The expenditure 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 average daily attendance, personnel and other reporting purposes. The use of operational unit codes is **mandatory**. The district may choose to use additional unit codes for district purposes, but the codes must collapse back into the unit codes approved by the Mississippi Department of Education.

7. MODIFIER CODES:

The four-digit modifier codes are used to identify any activity for which financial information is to be accumulated. The use of the modifier code is optional. The school district will be responsible for establishing its own modifier codes, if utilized.

THERE ARE NO EXCEPTIONS TO THE PRESCRIBED CODES IN SECTIONS I, J, K AND M, AS REPORTED IN THIS MANUAL, OTHER THAN THOSE DESCRIBED IN THIS SECTION.