

ACCOUNTING SYSTEM AND PAYROLL CODING

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LEA Fiscal Accountability

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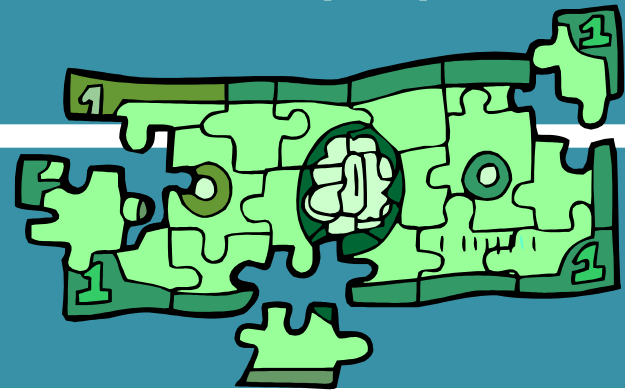
Overview

Accounting Code Components

- What is the meaning of all these numbers?
- How do you choose an account number?

Acceptable coding combinations for payroll object codes

Coding Errors



The Components of the System

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

27 digits

9 components

- Fund Type/ Account Code
- Account Type
- Account Code
- Object Code
- Cost Center
- Fund source
- Appropriation Year
- Program Code
- Special Use Code

1. Fund Types/Account Groups

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

Fund Types

- Governmental fund types
- Proprietary fund types
- Fiduciary fund types

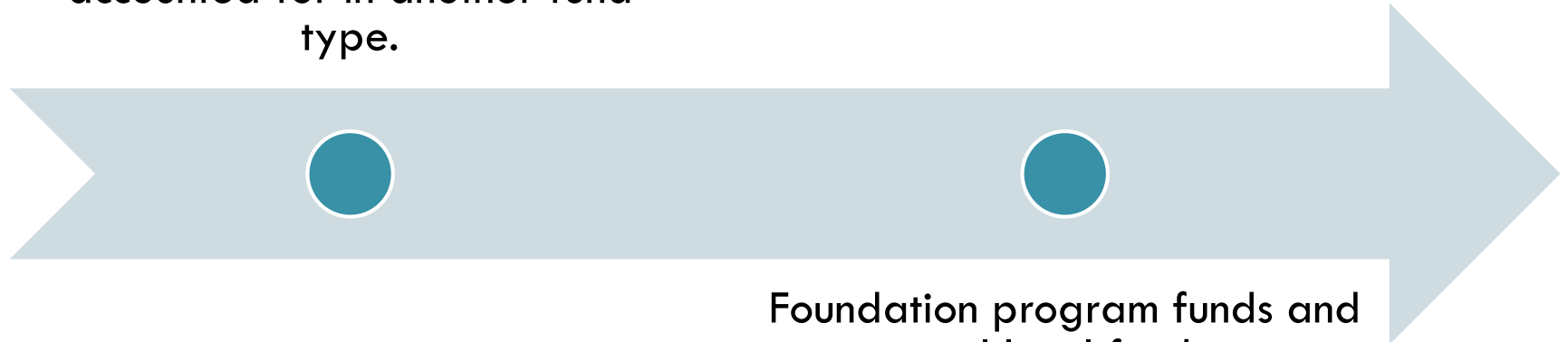
Account Groups

- General fixed assets
- General long-term debt

Governmental Fund Types

Fund Type 11 - General Fund -

Accounts for all financial resources of the school system except those required to be accounted for in another fund type.




Foundation program funds and general local funds are accounted for in Fund Type 11.

Governmental Fund Types

Fund Type 12 - Special Revenue

Fund - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes except those required to be accounted for in some other fund type, such as capital projects or debt service.



Local school public funds and most federal funds are accounted for in Fund Type 12.

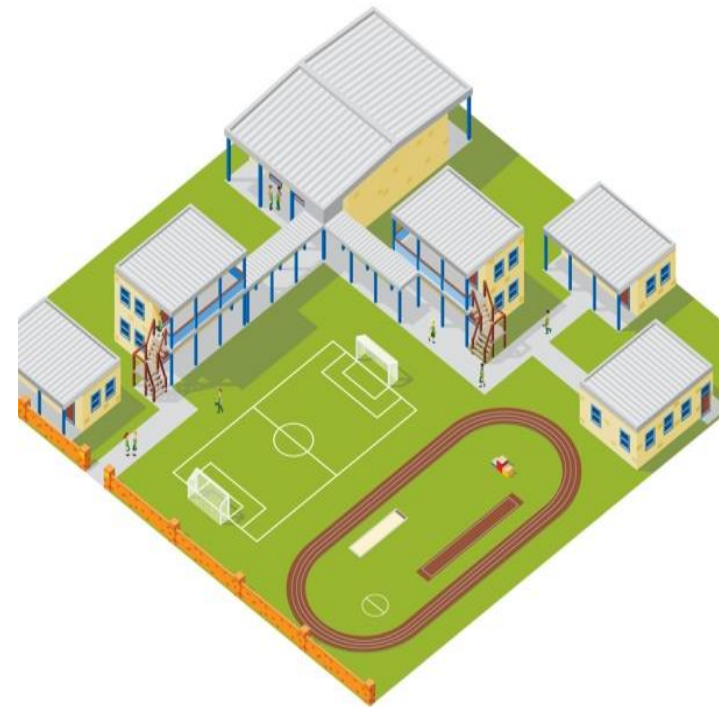
Governmental Fund Types

Fund Type 13 - Debt Service Fund -

Accounts for the accumulation of resources for the payment of general long term debt, both principal and interest.

Fund Type 14 - Capital Projects

Fund - accounts for the financial resources used to acquire or construct major capital facilities other than those of proprietary and trust funds.



Proprietary Fund Types

Proprietary funds are used to account for school system activities that are similar to business operations in the private sector.

The reporting focus is on determining net income, financial position and cash flows and when the activity is intended to be self supporting.

Fund Type 21 - Enterprise Fund

Fund Type 22 - Internal Service Fund

Fiduciary Fund Types

Accounts for assets held by the school system in a trustee capacity for individuals, private organizations, other governmental units and/or other fund types.

Includes non-expendable trust (31) and expendable trust (32) as well as agency funds such as clearing accounts.

Non-public local school funds are accounted for in Fund Type 32.

Account Groups



General fixed assets

General long term debt

These are not funds and do not report operations since they do not contain revenue and expenditure accounts.

2. Account Type Component

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

Used along with the account code to identify the five major account types

- Assets
- Liabilities
- Fund equity
- Revenues
- Expenditures

3. Account Code Component

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

Provides the ability to specify the specific balance sheet account, revenue source or function of expenditure.

Function of expenditure code is used when coding expenditures of funds to identify the service performed or the material acquired.

3. Account Code Component

Think of the function code as telling you what you are doing.

The emphasis should be on the activity being performed, not the program receiving the benefit

3. Account Code Component

Function of expenditure ranges

- Instructional Services (1100)
- Instructional Support Services (2110 – 2390)
- Operation & Maintenance Services (3100 – 3900)
- Auxiliary Services (4110 – 4290)
- General Administrative Services (6110 – 6910)
- Capital Outlay – Real Property (7100 – 7900)
- Debt Service – Long Term (8100 – 8900)
- Other Expenditures (9110 – 9800)
- Other Fund Uses (9910 – 9990)

4. Object Code Component

XX-X-XXXX-**XXX**-XXXX-XXXX-X-XXXX-XXXX

Object of expenditure code is used to identify the service or commodity obtained as the result of the expenditure.

Think of the object code as telling you what you are receiving.

4. Object Code Component

Object Code ranges

- Salaries (010 – 199)
 - Certified (010 – 099)
 - Support (101 – 199)
- Benefits (210 – 290)
- Purchased Services (310 – 399)
- Materials and supplies (410 – 499)
- Capital Outlay (511 – 590)
- Other Objects (611 – 704)
- Other Fund Uses (910 – 969)

5. Cost Center Component

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

The cost center code is used to identify specific units for budgeting revenues and expenditures, accumulating transactions, and identifying financial resources **designated for a particular unit.**

All school sites in the state have a state assigned cost center number.

When possible, school expenditures are to be charged directly to the appropriate cost center. If this is not feasible, cost center pools are available.

6. Fund Source Component

XX-X-XXXX-XXX-XXXX-**XXXX**-X-XXXX-XXXX

This is the component of the system that is used to maintain fund accounting.

The fund source tells you **where you are getting the funds** to finance the expenditure.

The fund source is also used to provide information regarding allowability of costs for various state and federal funds.

6. Fund Source Component

Fund Source Ranges

- State Sources(1 1 1 0 – 2901)
- Federal Sources(3210 – 5991)
- Local Sources(6001– 7910)
- Other Sources(8001– 8998)
- Other Financing Sources(9010–9910)

7. Appropriation Year Component

XX-X-XXXX-XXX-XXXX-XXXX-**X**-XXXX-XXXX

Used to identify the grant/appropriation year that applies to the transaction.

- 0 -Current year funds
- 1 -Carryover funds (Fund Source 4110/4137 only)
- 2 – July to September Federal Appropriations
- 9 – Prior Year State Appropriation Encumbrances

8. Program Code Component

XX-X-XXXX-XXX-XXXX-XXXX-X-**XXXX**-XXXX

This is one of the **most important components**.

Allows the charging of expenditures directly to the benefiting program, such as elementary, secondary, vocational, or special education.

If you consider the function as telling you what service you provided, then the program code tells you who or what you provided it to.

When it is impractical or impossible to identify the specific program(s) benefiting from a particular expenditure, program pools may be used.

8. Program Code Component

Program Code Ranges

- Instructional Programs (1 1 00 – 5900)
 - Regular Education (1 1 00 – 1 900)
 - Special Education (2200 – 2900)
 - Vocational/Technical Education (3500 – 3800)
 - Non-Regular Day School Instructional Programs (41 10 – 5900)
- Program Pools (8100 – 8699)
- Non-Instructional Programs (9100 – 9992)

8. Program Code Component

Examples:

- In a school which includes grades 6, 7, & 8, costs should be split, with the 6th grade charged to 1 200 and 2300, and the 7th & 8th charged to 1 500 and 2400.
- This is important in the preparation of excess cost and maintenance of effort reports because you must meet the requirements based on these grade levels.

8. Program Code Component

Example:

- The salaries for janitorial workers at a K-12 school. Since it would be impractical to charge the salaries to all the programs in this school, (kindergarten, elementary, secondary, special education, vocational education, and food services), the operations and maintenance program pool could be used.

8. Program Code Component

- When choosing a program code, remember that the program code should be logical when considering the function code used.
- You wouldn't use a non-instructional program code with the instruction function code.

9. Special Use Component

XX-X-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

The special use code is used when additional detail is needed.

Codes 0001 - 0099 are reserved by SDE to satisfy legal and reporting requirements of certain funds.

- compliance with classroom instructional support requirements of the foundation program
- identify matching expenditures for certain state and federal programs.

9. Special Use Component

0100 through 9999 are available as needed by your system to provide further information

- Suggested uses are to identify interfund receivables and payables, and for payroll deduction designators.

The default for this component is 0000, because it is the only one that is not required for expenditures.

Coding **Expenditure** Transactions

XX-5-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

All components are REQUIRED, except special use

First determine the fund source to use to pay the expense

This will determine the fund type

All expenditures are account type
5

Coding **Expenditure** Transactions

XX-5-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

The function code will be selected by asking “what service is being performed?”

- EX: instruction, administration, transportation, food service, etc.

Next choose the object code by asking “what is being received by this transaction?”

- EX: personnel costs, benefits, materials and supplies, equipment, etc.

Coding **Expenditure** Transactions

XX-5-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

Select the **cost center** receiving the benefit of this expenditure.

- If it is system-wide or non-instructional in nature, a cost center pool may be appropriate.

Choose the **appropriation year** based on which year's appropriation is being used.

Coding **Expenditure** Transactions

XX-5-XXXX-XXX-XXXX-XXXX-X-XXXX-XXXX

Determine the **program code** by asking “**who is receiving the service** being provided?”

- EX: grade level, special education, program pool, non-instructional

Use a **special use code** if necessary.

Remember to use special use codes to identify expenditures for classroom instructional support items, matching expenditures, and other detail not provided earlier.

Acceptable Coding Combinations



Object Code 010 (Regular Teacher)



Allowed with Functions 1100 (Instruction); 2180 (Speech Pathologist); 91xx (Adult / Continuing Education); 9200 (Non Public Schools); and 9390 (Other Community Services)

Should be used with salaries related to the teacher's contract duties, regarding the education of children

Additional duties performed by certified teachers should be coded with object 191 (Supplements), 197 (Head Athletic Coach), 198 (Assistant Athletic Coach) or 199 (Other Compensation)

Objects 021 – 035

(Principals & Assistant Principals)

Allowed with Functions 23xx (School Administration)

Can be used with 6xxx (General Administration), but an explanation will be required.

Objects 021 & 022 (Principals N-6 or N-12) can also be used with 9140 (Preschool), but an explanation will be required.

Object 041-045 (Counselor)

Allowed with Functions

2120 (Guidance & Counseling Services);

91xx (Adult/ Continuing Education);

9200 (Non Public Schools)

Object

041 (Counselor N-12)

2110 (Attendance Services), but an **explanation** will be required.

Object 061-063 (Superintendent & Staff)

Allowed only with
6xxx (General Administration)

Object 063 (Administrative Assistant) can also be used with Functions
23xx (School Administrative Services)
4110 (Transportation Administration)
4210 (CNP)

Object 071-074 (Librarians)

Allowed with
22xx (Instructional Staff Support);
91xx (Adult/Continuing Education);
9200 (Non Public Schools)



Object 101 (Instruction Assistant)

Allowed with

1 100 (Instruction)

91xxx (Adult/Community Education);

9200 (Non-Public Schools)

9390 (Other Community Services)

- Can also be used with Function 2160 (Work Study Services), but an explanation will be required

Object Code 109 (Other Assistant) is allowed with all function codes except 9800 (Other Expenditures).

- An explanation will be required if used with 1 100 (Instruction) or 42xx (Food Services)

Object 104

(Student Assistant / Student Tutor)

Allowed with Functions

1100-2390 3200 (Building Services);

3400 (Equipment Services);

41xx (Transportation);

4210 (CNP);

6xxx (General Administration);

91xx (Adult / Continuing Education);

9200 (Non Public Schools); and

9310 (Community Recreation)

Object 116

(Chief School Finance Officer)

- Allowed only with General Administrative Services (6xxx) function codes.
- Every system has a CSFO, but every system has only one CSFO.

Object 191 (Supplements) and 199 (Other Compensation)

Object 191 – Allowed with all codes except

- 9800 (Other Expenditures)
- 9910 (Interfund Operating Transfers Out)
- 9990 (Other Fund Uses)

Object 199 – Allowed with all codes except

- 9910 (Interfund Operating Transfers Out)
- 9990 (Other Fund Uses)

Object 192 (Stipends)

Allowed only with:

- 2120 (Guidance & Counseling)
- 22xx (Instructional Staff Support Services)
- 4210 (Child Nutrition)
- 6xxx (General Administration)
- 91xx (Adult / Continuing Education)
- 9200 (Non-public Schools)
- 93xx (Community Services)
- Please note that Stipends are NOT allowed with Function 1100 (Instruction)

Supplements & Other Compensation vs. Stipends

- Stipends (Object 192) are an **incentive** payment to participate in something, usually professional development
- Supplements (Object 191) and Other Compensation (Object 199) are payments for duties **in addition** to the employee's regular contract



General Administration vs. Instructional Services & Instructional Support Services

- Salaries coded to Function 6xxx (General Administration) are for “activities concerned with establishing and administering policies for operating the school system”.
- If the employee is working **with students or teachers**, their salary should be coded to Function 1100-2390

Purchased Services (Objects 300-399)

- ❑ Expenditures with these object codes **cannot be processed through payroll.**
- ❑ These expenditures should be paid through A/P, as the services should be retained through a vendor contract.
- ❑ Payments using these object codes will produce a 1099, not a W-2.
- ❑ If the additional payment is made to an employee of the school system, object code 191 or 199 should be used.

Coding Errors

 Invalid Components

 Object Code is not valid with Function Code

 Program Code is not valid with Function Code



Invalid Codes



- The following header codes were used
 - ▣ Object 040 (Counselor)
 - ▣ Object 140 (Clerical)
 - ▣ Object 190 (Other Compensation)
 - ▣ Program 2000 (Special Education)
- The following invalid codes were used
 - ▣ Account Code 4910, 6941
 - ▣ Cost Center 7100
 - ▣ Fund Sources 4275, 6008, 6941, 6979
 - ▣ Program Codes 4518 8200, 9998
 - ▣ Special Use Codes 0008, 0049

Object Code is not valid with Function Code

Object Code 010 (Regular Teacher)

Cannot be coded with

- 2140 (Health Services)
- 2190 (Other Student Support)

Allowed with Function Codes

- 1100 (Instruction),
- 2180 (Speech Pathology)
- 91xx (Adult/Continuing Education)

Object Code is not valid with Function Code

Object Code 032 (Assistant Principal
N-6)

Cannot be coded with

- 2120 (Guidance & Counselling)

Allowed with Function Codes

- 23xx (School Administration)
- 6xxx (General Administrative Services)
- 6xx requires an explanation

Object Code is not valid with Function Code

Object Code 041 (Counselor N-12)

Cannot be coded with

- 2170 (Psychological Services)

Allowed with Function Codes

- 2110 (Attendance Services),
- 2120 (Guidance & Counseling),
- 91xx (Adult/Continuing Education)
- 2110 requires an explanation

Object Code is not valid with Function Code

Object Code 081 (Coordinator/Director)

Cannot be coded with

- 1100 (Instruction)

Allowed with Function Codes

- 2xxx (Instructional Support)
- 41xx (Student Transportation Services)
- 4210 (CNP)
- 6xxx (General Administration)
- 91xx (Adult/Continuing Education)
- 4210 requires an explanation

Object Code is not valid with Function Code

Object Code 101 (Instruction Assistant)

Cannot be coded with

- 2190 (Other Student Support Services)

Allowed with Function Codes

- 1100 (Instruction)
- 2160 (Work Study Services) requires an explanation
- 91xx (Adult/Continuing Education)

Object Code is not valid with Function Code

Object Code 102 (Health Assistant)

Cannot be coded with

- 4130 (Special Education Transportation)

Allowed with Function Codes

- 21xx (Student Support Services) (except for 2120-Guidance & Counseling)
- 2290 (Other Instructional Staff Services) requires an explanation
- 91xx (Adult/Continuing Education)

Object Code is not valid with Function Code

Object Code 122 (Social Worker)

Cannot be coded with

- 2215 (Instructional Staff Development)

Allowed with Function Codes

- 21xx (Student Support Services)
- 91xx (Adult Continuing Ed)
- 9200 (Non-Public School Programs).

Object Code is not valid with Function Code

Object Code 133 (Bookkeeper)

Cannot be coded with

- 3200 (Building Services)

Allowed with Function Codes

- 21xx (Student Support Service, except 2120)
- 23x (School Administrative Services)
- 4110 (Transportation Administration)
- 6xxx (General Administrative Services)
- 9130 (Extended Day)
- 9140 (Preschool)
- 9340 (Summer Feeding Services)
- 9341 (CACFP At-Risk Supper)
 - 9130, 9340, 9341 require an explanations

Object Code is not valid with Function Code

Object Code 157 (Equipment Repair)

Cannot be coded with

- 2190 (Other Student Support Services)

Allowed with Function Codes

- 3xxx (Operation & Maintenance)
- 4210 (CNP)
- 7xxx (Capital Outlay-Real Property)
- 91xx (Adult/Continuing Education)
- 9340 (Summer Feeding Program)
- 9341 (CACFP At-Risk Supper)
 - 71xx, 91xx, 9340, & 9341 require an explanation

Object Code is not valid with Function Code

Object Code 177 (Worker)

Cannot be coded with

- 1100 (Instruction)

Allowed with all Function Codes except

- 1100 (Instruction)
- 2120 (Guidance & Counseling)
- 9800 (Other Expense)
- 99xx (Other Fund Uses)

Object Code is not valid with Function Code

Object Code 192 (Stipends)

Cannot be coded with

- 1100 (Instruction)
- 2130 (Testing Services)
- 2140 (Health Services)
- 2190 (Other Student Support Services) or
- 2310 (School Administration)

Allowed ONLY with

- 2120 (Guidance & Counseling Services)
- 22xx (Instructional Staff Support Services)
- 4210 (Child Nutrition)
- 6xxx (General Administration)
- 91xx (Adult / Continuing Education)
- 9200 (Non-Public Schools) and
- 93xx (Community Services)

Program Code is not valid with Function Code

Valid Pooled Program Codes

Function Code Range	Pooled Program Code	Program Description
1100	8100-8199	Instructional Services
2110-2190	8210-8219	Student Support Services
2210-2290	8220-8229	Instructional Staff Support
2310-2390	8230-8239	School Admin Services
3100-3900	8300-8399	Operation & Maintenance
4110-4190	8410	Student Transportation
4210-4290	8420	Food Service Operations
6110-6910	8600-8699	General Admin Services

Program Code is not valid with Function Code

- Most Regular Education Programs (1 xxx) cannot be used with Extended Day/Dependent Care Function Code (9130)
 - ▣ Can be coded with any Function, except
 - 7xxx (Capital Outlay)**
 - 8xxx (Debt Service) &**
 - 9xxx (Other Expenditures)**
 - ▣ Possible exception for Function 9130 with Program 1700 (Alternative School), 1750 (Homeless), 1810 (At-Risk) & 1850 (JAG), explanation required

Program Code is not valid with Function Code

Special Education program codes (2xxx)

-cannot be used with Transportation Function Codes (41 xx)

- exception 41 30 (Special Education Transportation)
- Possible exception with Program code 2800-Gifted & Talented (explanation required)
 - Function 41 20 (Regular Transportation)
 - Function 41 50 (Extra/Co-curricular Transportation)
 - Function 41 84 (Magnet School Transportation from Zoned School)

Program Code is not valid with Function Code

Vocational Career Guidance and Counseling (program 3500) use only with function codes:

- 21xx Student Support Services function codes
- 2215 Instructional Staff Development (with an explanation)

Vocational Administration (program 3600) use only with function codes:

- 23xx School Administrative Services Vocational
- 4140 Transportation
- 6xxx General Administrative Services

Other Vocational Programs (program 3800) use only with function codes:

- 1100 Instruction
- 21xx (Student Support Services) - except 2120 (Guidance & Counseling)
- 22xx (Instructional Staff Support Services), and
- Select Transportation Function Codes

Program Code is not valid with Function Code

Preschool program codes (4711 & 4712) cannot be used with Function 1100 (Instruction)

- These program codes are usually combined with Function 9140 (Preschool)

Program 5900 (Other Non Regular Day School Instructional Programs) cannot be coded with Function 1100 (Instruction)

- This program code is allowed with Function
- 2120 Guidance & Counseling
- 41xx Student Transportation
- 91xx Adult/Continuing Education
- 93xx Community Services), but an explanation will be required

Other Coding Suggestions

Summer School



- Program 4300 (Summer School) or 4301 (Summer School – Targeted Assistance) should be used to indicate summer school programs
- Function 1100 (Instruction) should be used with summer school activities for which the students receive **academic credit**.
- Function 9130 (Extended Day) should be used for summer school activities for which the students do **not receive academic credit** (usually tutoring).

New Codes

- Revenue / Fund Source
 - 1235 – Math Intervention
 - 1225- Math Coach
 - 6765 – CACFP Vending
 - 1134 – AL Summer and After School Program
 - 1761 –K-12 Capital Grant Program
 - 1722-Governor’s Turnaround Initiative
 - 1723 –Governor’s Turnaround Program-Underperforming
 - 4165- Stronger Connections Grant
 - 4307-GEER II School Safety
 - 4308- ESSER III LETRS
 - 5197 –USDA-Team Nutrition Grant
 - 5945 –DOD-Coast Guard ROTC
 - 1232 –Numeracy Act Assessment



New Codes

- Revenue / Fund Source Continued
 - 1763 –Charter School Supplemental (2023-378)
 - 1257 – Special Ed Teacher Supplement
 - 1258 – Speech Therapist Supplement
 - 1770 – School Safety Grants
 - 1769 – Summer Math Camps
 - 1768 – College and Career Readiness
 - 1767-Prefund CIS Student Materials
 - 1764- Advancement and Technology Plus
 - 1321-Fleet Renewal High Need



New Codes

- Object Code
 - 711 –Buildings-Constructed less than \$100,000.00
 - 712 –Buildings-Purchased, less than \$100,000.00
 - 713- Exhaustible Land Improvements less than \$100,000.00
 - 714- Building Improvements Costing less than \$100,000.00
 - 136-Certified Behavior Analyst

- Special Use Code
 - 0040 –Math Assessment 4-5
 - 0041 – Early Numeracy Screener K-2
 - 0042 – Fractional Reasoning Screener 4-5
 - 0043 – Math Assessment K-3
 - 0044- Reading Assessment K-3
 - 0019-Prefund CIS Student Materials



Changed Codes

- Revenue / Fund Source
 - ▣ 1722 – Governor’s Turnaround Program-Aux Teachers
 - ▣ 1280- Career Tech Initiative-Agriscience Grants
 - ▣ 1281 - CTI Expansion Grant/Middle Grade Innovation
 - ▣ 1283-CTI Equipment Grant
 - ▣ 1282-CTI Work Based Learning
 - ▣ 1240- High Hopes for Alabama Students



Where to Get More Information



- The Accounting Manual is located at www.alabamaachieves.org / Teachers & Administrators / LEA Accounting
 - ▣ A complete listing of coding components can be found in the **Accounting Manual**
 - ▣ An excel spreadsheet of coding combinations can be found in the **Coding Guidance**
- Certificated Personnel codes are defined by the Teacher Certification Department



Where to Get More Information

- [Alabama LEA Accounting - Alabama State Department of Education \(alabamaachieves.org\)](http://alabamaachieves.org)

ACCOUNTING MANUAL

Title	Description
Accounting Manual 	Accounting Manual
Accounting Manual Changes 	Accounting Manual Changes

ACCOUNTING MANUAL – VALID CODE / CODE COMBINATIONS

Title	Description
2022 Code Domain Tables 	2022 Code Domain Tables
2022 Combination Tables 	2022 Combination Tables
2021 Code Domain Tables 	2021 Code Domain Tables
2021 Combination Tables 	2021 Combination Tables
2020 Code Domain Tables 	2020 Code Domain Tables
2020 Combination Tables 	2020 Combination Tables

Where to Get More Information



- Ask your system's CSFO
- For additional information, contact your system's team accountant