

Accounting Bulletin #2001-01

SUBJECT: Account Code Changes for Revenues and Expenditures

Effective Beginning Fiscal Year 2001-02

Date: February 7, 2001

CHART OF ACCOUNT Updates (FY 2001-02 Budgets and Beyond)

The following chart of account changes should be implemented beginning with FY 2001-02 for budgeting, accounting and financial reporting purposes.

REVENUE CODE CHANGES:

LOCAL REVENUES

The following account code changes are required to comply with generally accepted accounting principles. Revenues currently recorded to the 9600, Transfers from Other LEAs, and 9500, Refund of Prior Year Expenditures as "Other Financing Sources" should be recorded as local revenues in account series 6940 and 6990 beginning July 1, 2001. The following new local revenue accounts have been created for these revenue types:

- 6944 – Receipts from Other LEAS in PA (formerly 9611)
- 6945 – Receipts from Out-of-State LEAs (formerly 9620)
- 6946 – Receipts from Member Districts – AVTS/Special Program Jointure (formerly 9640)
- 6947 – Receipts from Members of Intermediate Units for Education by Withholding (formerly 9631)
- 6948 – Receipts from Members of Intermediate Units for Direct Contributions (formerly 9632)
- 6961 – Transportation Services provided Other PA LEAS (formerly 9612)
- 6969 – All other Services Provided Other Governments and LEAs not Specified in the 6900 series

Revenues previously recorded as Other Financing Sources in account code 9500 - Refund of Prior Year Expenditures should now be recorded as local revenue in account 6991 - Refund of Expenditures. This account should be used for non-recurring refunds. Recurring refunds should be netted against the respective operating expenses each year.

The additional local revenue accounts listed below have also been added to help you account for Act 50 transactions beginning in Fiscal Year 2001-02:

- 6213 – Discounts taken on Act 50 Tax Reform
- 6214 – Discounts taken on Act 50 Homestead/Farmstead
- 6230 – Revenues forgone due to Homestead/Farmstead Exclusion
- 6231 – Homestead Exclusion

6232 – Farmstead Exclusion

And, Local revenue account 6920 – Contributions and Donations from Private Sources/Capital Contributions has been expanded to include Capital Contributions made to Proprietary Funds. These contributions will no longer be treated as direct additions to equity, and credited to an equity account, but rather as non-operating revenue sources in the Proprietary Funds.

STATE REVENUES

As previously announced, revenue account 7170 should now be used to account for Empowerment/School Improvement Grants.

FEDERAL REVENUES

There are several changes in the federal revenue account series.

Federal Revenue Account Codes were updated subsequent to this bulletin for use beginning in the 2003-04 fiscal year. Please refer to the most current chart of accounts for the proper revenue codes.

Federal revenue account 8516 - ESEA Title I, Program Improvement Applications, has been combined with federal revenue account 8514 - ESEA Title I, Education of the Disadvantaged. This change may require that you establish funding source code 415, if you are not already using a funding source or other mechanism to separately track your program improvement grants.

Also, a detailed review of federal program revenues has resulted in a requirement that we change the following Federal Revenue Codes beginning in the 2001-02 Fiscal Year:

	<u>Current Code</u>	<u>Change to</u>
STW-Planning	8521	8660
STW-Development	8521	8660
STW-Transition Grants	8521	8660
STW-Challenge Grants	8521	8660
Title I Charter Schools	8513	8514
" Philadelphia Program	8513	8514
" Low Income	8513	8514
" Lancaster Lebanon	8513	8514

Program Improvement	8516	8514
Chapter 1 Delinquent	8513	8514
Educationally Deprived Children	8513	8514
Migrant Ed Consort Incentive	8513	8514
Migrant Federal	8513	8514
Chapter 1 Delinquent	8513	8514
Chapter 1 Neglected	8513	8514
Emergency Immigrant	8690	8519
Even Start Family Literacy	8519	8514
Eisenhower MS Prof Development	8570	8519
Higher Ed. Eisenhower Reading	8570	8519
Outreach for Infants & Toddlers	8512	8519
Reading Excellence	8570	8519
Class Size Reduction	8560	8690
Violence Prevention	8620	8690

The 2001-02 grants for the programs listed above will reflect the new revenue codes when paid to your school next year. Please be sure to make these adjustments in your Fiscal Year 2001-02 budget.

EXPENDITURE ACCOUNT CHANGE

The following expenditure account addition is effective beginning July 1, 2001.

Account 5130 – Refund of Prior Year Revenues/Receipts. Record to this account amounts previously recorded to service area account 5110 – Debt Service, object 880 - Refunds of Prior Year Expenditures, where most of your non-cash deductions taken by the Pennsylvania Department of Education have been recorded in the past. This change is being made for the same reason that account 9500 was moved to a local revenue account. Refund of Prior Year Expenditures should not be recorded like debt as an "Other

Financing Uses." Account 5130 is an "Other Expenditure" not an Other Financing Use and should be reported accordingly on your financial statements.

Questions regarding this bulletin may be directed to the School Finance staff within the Office of Comptroller Operations at Ra-Schfin@state.pa.us