**OUTLINE OF THE ACCOUNTING MANUAL**

**(**[**www.alsde.edu**](http://www.alsde.edu)**, Department Offices, LEA Accounting, Accounting Manual)**

The accounting system outlined in the accounting manual provides a tool for the school systems in the State of Alabama to provide an accounting and financial reporting framework which will satisfy the requirements of fiscal integrity and accountability. (LEA Accounting Manual, Introduction, Section A)

The school systems are required to use the accounting component structure (coding) in order to provide comparability between schools. The system component structure is a 27-digit structure designed to serve as a flexible tool to meet the needs of all school systems in the State of Alabama. It creates a common means of communication to be used in planning, recording, accumulating, controlling, and reporting the financial activities of the school systems. (LEA Accounting Manual, Accounting Component Systems, Section B)

The nine major components:

1. Fund Type & Account Group – A two-digit component to identify fund types and account groups used to record all related financial transactions.
2. Account Type – A one-digit component to identify five major account types (assets, liabilities, fund equity, revenues, and expenditures).
3. Account Code – A four-digit component used in conjunction with the account type component to identify specific balance sheet, revenue and function of expenditure accounts and transactions in the accounting system.
4. Object – A three-digit component to identify, in detail, services or commodities bought from the financial resources in the fund source from which the expenditure is being made. Object of expenditure codes are required to be used with function of expenditure codes when recording expenditure transactions.
5. Cost Center – A four-digit component to identify specific units for budgeting revenue and expenditures; accumulating transactions; and identifying financial resources designated for a particular unit.
6. Fund Source – A four-digit component to identify a fiscal and accounting entity with a self-balancing set of accounts recording financial resources, related liabilities, fund equity, and changes caused by the receipt of revenues and expenditures of funds.
7. Appropriation Year – A one-digit component to identify and classify balance sheet, revenue and expenditure accounts by the grant and (or) appropriation year within the current fiscal year.
8. Program – A four-digit component to identify a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives
9. Special Use – A four-digit component to identify specific identification not provided within other components and allow for a further breakdown or subdivision.

The school systems are required to upload budget and financial data to the State of Alabama Department of Education.

1. The budget data uploads correspond to the submission of the following:
2. school’s original systemwide budget for the school year – containing all budgeted data for the year as approved by the local school board of education.
3. any systemwide budget amendment for the school year – containing all budgeted and corrected budgeted data as approved by the local school board of education.
4. The financial data uploads correspond to the submission of the following:
5. school’s system wide monthly financial – containing all actual cumulative monthly financial data as approved by the local school board of education
6. school’s system wide year-end financial – containing all actual financial data for the year as approved by the local school board of education

The file upload is required to be formatted as follows:USE THE EXCEL SPREADSHEET

|  |  |  |
| --- | --- | --- |
| GENERAL:  |  |  |
|  Format - ASCII  |  |  |
|  Record/Block Length - 98 bytes  |  |
|  Fixed Record Length  |  |  |
|  No Packed Data  |  |  |
|  End of Line Marker  |  |  |
|  End of File Marker  |  |  |
|  **Field**  |  **Length**  |  **Description**  |
|  Record Type  | 1 |  B=Budget; F=Financial  |
|  |  |  |
|  Fiscal Period  | 2 |  i.e. Oct.=01; Nov.=02; Dec.=03…Sept.=12  |
|  |  |  |
|  Fiscal Year  | 4 |  i.e. 2018; 2019…2021  |
|  |  |  |
|  System Code  | 3 |  Assigned code by State  |
|  |  |  |
|  Account Number  |  |  |
|  Fund  | 2 |  Valid number defined in LEA Accounting Manual  |
|  Account Type  | 1 |  Valid number defined in LEA Accounting Manual  |
|  Account Code  | 4 |  Valid number defined in LEA Accounting Manual  |
|  Object of Expenditure  | 3 |  Valid number defined in LEA Accounting Manual  |
|  Cost Center  | 4 |  Valid number defined in LEA Accounting Manual  |
|  Fund Source  | 4 |  Valid number defined in LEA Accounting Manual  |
|  Appropriation Year  | 1 |  Valid number defined in LEA Accounting Manual  |
|  Program  | 4 |  Valid number defined in LEA Accounting Manual  |
|  Special Use  | 4 |  Valid number defined in LEA Accounting Manual  |
|  |  |  |
|  Type  | 1 |  D=Debit; C=Credit  |
|  |  |  |
|  Last Approved Budget Amount  | 13 |  Implied two decimal numeric, signed  |
|  |  |  i.e. 999999999999+ = 999999999.99  |
|  |  |  999999999999- = 999999999.99-  |
|  |  |  |
|  Amended Budget Amount  | 13 |  Implied two decimal numeric, signed  |
|  |  |  i.e. 999999999999+ = 999999999.99  |
|  |  |  999999999999- = 999999999.99-  |
|  |  |  |
|  Account Balance  | 13 |  Implied two decimal numeric, signed  |
|  |  |  i.e. 999999999999+ = 999999999.99  |
|  |  |  999999999999- = 999999999.99-  |
|  |  |  |
|  Encumbrance  | 13 |  Implied two decimal numeric, signed  |
|  |  |  i.e. 999999999999+ = 999999999.99  |
|  |  |  999999999999- = 999999999.99-  |
|  |  |  |
|  Creation Date  | 8 |  YYYYMMDD  |

**FILE UPLOAD BASICS –**

1. The file upload will not upload if not formatted correctly.
2. There are two file upload options –
3. Pre-process – automatically checks file upload for coding rules and does not permanently transmit data to State of Alabama Department of Education.
4. Process – automatically checks file upload for coding and business rules and permanently transmits data to State of Alabama Department of Education.
5. The coding rules return either a critical or warning on the error report.
6. Critical coding errors result from the following and have to be corrected for the file to be accepted:
7. Invalid accounts (using a number not listed in the accounting manual in any one of the nine major component fields). Code Domain tables are published on the ALSDE website which reflects the valid accounts listed in accounting manual.
8. Incorrect function of expenditure and object of expenditure combination. Code Combination tables are published on the ALSDE website which reflects the **critical** coding combinations.
9. Incorrect function of expenditure and program code combination. Code Combination tables are published on the ALSDE website which reflects the **critical** coding combinations.
10. Warnings result from the following and may or may not need correcting depending on the explanation provided by the school system.
11. Incorrect function of expenditure and object of expenditure combination. Code Combination tables are published on the ALSDE website which reflects the **warning** coding combinations.
12. Incorrect function of expenditure and program code combination. Code Combination tables are

tables are published on the ALSDE website which reflects the **warning** coding combinations.