

AFR/MFR Standard Journal Entries

- **Federal Accrual Entry & Reversal**
- **State Accrual Entry & Reversal (under development)**
- **Sales Tax Refunds**
- **Child Nutrition**
- **Textbooks**
- **Transfers to Charter Schools**
- **Special Issues**

These are standard journal entries that must be used when each LEA posts selected types of transactions to their general ledger. DPI uses these general ledger entries to ensure that these transactions are being recorded uniformly for reporting and statistical purposes. This is especially relevant in determining the per pupil expenditures. Review the codes and make sure all applicable journal entries follow these standards. If you have any questions, please contact Roxane Bernard by e-mail at rbernard@dpi.state.nc.us or call her at 919-807-3725.

AFR/MFR STANDARD JOURNAL ENTRIES

Posted to the LEA's General Ledger

A. Accrual Entry and Reversal – State and Federal Funds

June Entries:

DR	Revenue	1-3100-000-000 / 3-3600-ZZZ-000
CR	Receivable	1-1100-001-000 / 3-1100-ZZZ-000
To reverse the receivable from the prior year, if applicable.		

DR	Various P/R Expense Account Codes	X-YYYY-ZZZ-121, 135, etc. X-YYYY-ZZZ-211 (FICA) X-YYYY-ZZZ-221 (Retirement)
CR	P/R Liability Account Codes	X-2160-001-120 (Salaries) X-2212-001-210 (FICA) X-2242-001-220 (Retirement)
To record 11 th & 12 th Installments Payable.		

DR	Receivable – Due from NCDPI	1-1100-001-000 / 3-1100-ZZZ-000
CR	Revenue	1-3100-000-000 / 3-3600-ZZZ-000
To record 11 th & 12 th Installments Receivable (use the total payable amount for each fund).		

July and August Entries:

DR	Cash	1-1050-000-000 / 3-1050-000-000
CR	Revenue	1-3100-000-000 / 3-3600-ZZZ-000
To record cash request for 11 th & 12 th Installment payments		

DR	Various P/R Expense Account Codes	X-YYYY-ZZZ-121, 135, etc. X-YYYY-ZZZ-211 (FICA) X-YYYY-ZZZ-221 (Retirement)
CR	Cash	1-1050-000-000 / 3-1050-000-000
To record payment of 11 th & 12 th Installments		

DR	P/R Liability Account Codes	X-2160-001-120 (Salaries) X-2212-001-210 (FICA) X-2242-001-220 (Retirement)
CR	Various P/R Expense Account Codes	X-YYYY-ZZZ-121, 135, etc. X-YYYY-ZZZ-211 (FICA) X-YYYY-ZZZ-221 (Retirement)

To reverse the accrual entry (use the accrual amount).

Any difference between the actual voucher amounts and the accrual amounts will be treated as **current** year expenses for the month in which the vouchers are written. Reversals for the installment accruals will be handled by NCDPI on the September JHA305EG and JHA351EG reports.

B. Sales Tax Refunds

June (Year End Entry):

DR	Receivable – Due from NC Dept. of Revenue	2-1100
CR	Deferred Revenue	2-2410
To record the Sales Tax Refund Receivable		

When Refund is Received:

DR	Cash	2-1010
CR	Sales and Use Tax Revenue	2-3250
To record receipt of Sales Tax Refund		

DR	Deferred Revenue	2-2410
CR	Receivable – Due from NC Dept. of Revenue	2-1100
To reverse the Sales Tax Refund Receivable		

DR	Transfer to State Public School Fund (PRC 015) Transfer to Federal Grant Fund	2-8100-ZZZ-711 2-8100-ZZZ-713
CR	Cash	2-1010
To record the payment of the Sales Tax refund to School Technology and Federal Grant Funds and in the Local Current Expense Fund.		

DR	Cash	1-1050-000-000
CR	Contra-Expense Account for Sales Tax Refunds	1-8100-015-472
To record Sales Tax Refund that pertains to School Technology funds.		

DR	Cash	3-1050-000-000
CR	Contra-Expense Account for Sales Tax Refunds	3-8100-ZZZ-472
To record Sales Tax Refunds that pertain to the Federal Grants Fund (ZZZ = applicable PRC)		

C. Child Nutrition

NOTE: The Child Nutrition/School Food Service revenue and expenditure transactions MUST be recorded on your General Ledger in Fund 5, PRC 035.

1. We do not recommend that any entries be made on your General Ledger to transfer the Child Nutrition expenditures paid from Fund 1 – State Public School Fund to Fund 5, PRC 035. Any entries made by your auditors to transfer these expenditures should only be reflected on your audited financial statements, for presentation purposes.

2. If you transfer Child Nutrition expenditures paid from Fund 1 to Fund 5, PRC 035, the following entries must be used:

DR	Transfer to the Child Nutrition Fund	1-8400-002-715
CR	Cash	1-1050-000-000
To record the transfer of Child Nutrition expenditures from Fund 1 – State Public School Fund. NOTE: 1-7200-002-113, 1-7200-002-176, 1-7200-002-211, 1-7200-002-221, and 1-7200-002-231 should <u>not</u> be adjusted during this transfer.		

DR	Applicable Expenditure Codes	5-7200-035-113 5-7200-035-176 5-7200-035-211 5-7200-035-221 5-7200-035-231
CR	Transfer from the State Public School Fund	5-4921-035-000
To record the transfer of Child Nutrition expenditures to Fund 5, PRC 035.		

D. Textbooks

NOTE: The value of the State Textbook Funds expended MUST be recorded on your General Ledger in Fund 1 – State Public School as a Revenue and Expenditure.

NOTE: The object code “412” is to be used only for the value of the State Textbook Funds expended. Object code “413” should be used for other textbook purchases.

DR	State Textbook Fund Expenditures	1-5110-130-412
CR	State Textbook Fund Revenue	1-3211-130-000

E. Transfers to Charter Schools

DR	County Appropriation	2-4110-000-000
CR	County Appropriation - Charter School	2-4110-036-000
To record portion of County Appropriation to be transferred to Charter Schools		

DR	Transfers for Charter Schools	2-8100-036-717
CR	Cash	2-1010
To record the transfer of Local Current Expense Funds to Charter Schools		

F. Special Issues

1. For any PRC that is assigned a specific revenue code, the PRC should always be used with that revenue code. Revenue codes 3100 and 4110 are not required to have a specific PRC.

Revenue Code	Program Name	PRC
3200	Smart Start Programs (flag as State)	401-409
3400	Critical School Facility Needs Fund (flag as State)	075
3400	Public School Building Capital Fund (flag as State)	074
3700	Impact Area Grants	308
3700	Head Start Grants	309
3700	Medicaid Direct Services Reimbursement Program	306
4210	Tuition and Fees - Before & After School Care	701
4210	Tuition and Fees – Community Schools	704

2. Before and After School Care (PRC 701) and Community Schools (PRC 704) expenditures should be recorded using a 7XXX purpose code so that Per Pupil Expenditures will not be affected.

3. Revenue code 3100 is used in Fund 1 only. Revenue code 3600 is used in Fund 3 only. Revenue code 3690 is for Local use only.

4. If purpose code 4120 is used, DPI will report it as supplemental taxes (current year)

5. DPI will not move posted journal entries, but will report data exactly as it is submitted.