

AFR/MFR Recommendations

For Consistent “Per Pupil” Reporting

DPI is responsible for the presentation of total LEA expenditure and financial information to the General Assembly, Federal Government, and other interested parties. After reviewing the MFR/AFR data over the last several years, DPI has identified some inconsistencies in the LEA data that could lead to an unintentional misrepresentation of the accounting data. The following are new guidelines to help ensure that LEAs' report their accounting data consistently to allow for a more accurate reflection of your data. This is especially relevant to all parties in determining “Per Pupil” expenditures.

- For consistent reporting, expenditure and revenue totals for State and Federal funds must equal. Please be sure to book the Period 12 zero-out entry back to June.
- All valid Revenue codes are defined in the Uniform Chart of Accounts.
 - ❖ **3100 - 3460** State sources
 - **3100** is for use for the State Public School Fund and **should only be used in Fund 1.**
 - **3200** is to be used for other state sources.
 - ❖ **3590 - 3850** Federal sources
 - **3600** is for use for Federal Grant Funds received from NCDPI and **should only be used in Fund 3.**
 - **3700** is to be used for other Federal Sources received directly by the LEA.
 - ❖ **4100 to 4926** Local sources
 - **4120** and **4130** are to be used for Supplemental Taxes.
 - ❖ Record Local revenue transferred to Charter Schools using **4110-036**, so it is not included in your county appropriation. Use **8100-036-717** to record the transfer to the Charter School. **Recording the transfer of funds to Charter Schools in any other manner will affect your “Per Pupil” calculation.**

For any PRC that is assigned a specific revenue code, using the PRC with the revenue code will enable NCDPI to consistently match revenues and expenditures. When any of the following PRCs are used in any fund, NCDPI will report them as defined in the Uniform Chart of Accounts.

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
3400	State of North Carolina Public School Building Bonds (flag as State)	078
3460	Public School Capital Fund - Lottery	076
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

- The value of the State Textbook Funds expended should be recorded in your State Public School Fund using revenue code **3211**. Failure to record these funds or recording them in any other manner will affect your “Per Pupil” calculation.
 - ❖ Use Object code **412** to record the value of the State Textbook Funds expended.
 - ❖ Use Object code **413** for other textbook purchases.
- **Only PURPOSE and OBJECT codes defined in the Uniform Chart of Accounts are available for use.** However, you may use the last digit of the purpose code for more detailed reporting. We will replace the last digit of your code with a zero (0) for NCDPI reporting purposes. We will interpret these codes as they are defined in the Uniform Chart of Accounts; therefore, the definition of your code must be consistent with the primary code.
 - ❖ **5110-5220, 5240-5330, 5350-6950 and 7200** are included in your “Per Pupil” calculation
 - ❖ **5230, 5340 and 6951-9999** are **not** included in your “Per Pupil” calculation.
 - ❖ Use **71XX** purpose codes for Before and After School Care (PRC 701), Community Schools (PRC 704) and Pre-School (PRC 705) expenditures so they are **not** included in your “Per Pupil” expenditures.
 - ❖ **830, 840, 850 and 860** - Location Codes are not included in your “Per Pupil” calculation.
 - ❖ Use of PRC **309** Head Start, PRCs **401-409** Smart Start and PRC **413** More at Four expenditures will **not** be included in your “Per Pupil” expenditures.
 - ❖ Use of **1-6610-036-381** and **1-6610-036-382** are excluded in the Charter Schools “Per Pupil” calculation.
 - ❖ If the purpose code is **5000-9999**, then object codes **000** or **999** and **PRC 000** are **not** valid. If expenditures are recorded using these codes, DPI will drop the records. See report **PGA10RP1** – Monthly Financial Report – Records Dropped Due to Invalid Data. This will affect your “Per Pupil” calculation.
 - ❖ **81XX** is the only valid purpose code category to be used with objects **700-799**. If expenditures are recorded using other combinations, this will affect your “Per Pupil” calculation.
- Fund 2, Fund 4, & Miscellaneous Funds that are from other state or federal sources should be flagged on your general ledger with an **S** or **F** to ensure accurate “Per Pupil” reporting.
- The only valid installment accrual codes are:
 - 2160-120 – Salaries Payable**
 - 2220-210 – Matching Social Security Payable**
 - 2260-220 – Matching Retirement Payable**

If expenditures are recorded using other combinations, they will be reported as unidentifiable and could affect your “Per Pupil” calculation.
- Use account code **8200-399** to record Federal budgets and prior year overspent programs. **You should not use this account to record expenditures.** Using this code to record expenditures will affect your “Per Pupil” calculation.
- **4-9999-078-888** is a dummy account set up for LEAs to report their Public-School Building Bond expenditures through the BUD system when the county is writing the checks instead of the LEA. **This is not a valid code in the Uniform Chart of Accounts.** If the LEA chooses to interface the BUD transaction to their General Ledger, then a correcting journal entry should be made to move the **4-9999-078-888** amount to the Public-School Building Bond revenue code.
- Code Child Nutrition/School Food Service revenues and expenditures to Fund **5**, PRC **035** on your General Ledger for NCDPI to accurately report “Per Pupil” expenditures.
- **You must correct ALL** items on the “MFR Error Messages Issued” report (**PGA10RP4-E**) by the 13th month. **THIS INCLUDES ALL FUNDS**, even LOCAL funds (Funds other than 1 or 3). These errors can affect your “Per Pupil” calculation.
- Items on the “MFR Verification Messages Issued” report (**PGA10RP4-V**) do not have to be corrected if they represent valid transactions.