



JANUARY 2004 AGENDA

SUBJECT <i>California School Accounting Manual: 2003 Revisions</i>	<input checked="" type="checkbox"/>	Action
	<input checked="" type="checkbox"/>	Information
	<input type="checkbox"/>	Public Hearing

Recommendation:

The proposed revisions to the *California School Accounting Manual* are presented for information and approval.

Summary of Previous State Board of Education Discussion and Action

The State Board of Education last approved revisions to the *California School Accounting Manual* in December of 2002.

Summary of Key Issue(s)

- *Education Code* Section 41010 provides that the accounting system used to record the financial affairs of school districts shall be in accordance with the *California School Accounting Manual* as approved by the State Board of Education.
- The California Department of Education (CDE) is responsible for providing clear and consistent advice and direction to school districts and county offices of education in the areas of budgeting, accounting, and financial reporting. Consequently, the *California School Accounting Manual* must be updated periodically to reflect not only ongoing coding changes for the new standardized account code structure (SACS), but also changes in accounting and reporting requirements due to new Governmental Accounting Standards Board (GASB) pronouncements, legislation, etc. It is the intention of the CDE to update any necessary sections of the *California School Accounting Manual* annually.
- The *California School Accounting Manual* is currently presented in two parts. Part I includes general guidance on local educational agencies' (LEAs) accounting policies and procedures. Part II reflects coding for those LEAs using SACS. With the statewide conversion of all LEAs to SACS nearing completion, CDE anticipates being able to issue one combined manual in 2004.

Summary of Key Issue(s)

- This update of the *California School Accounting Manual* includes the following changes and additions:
 - 1) Changes or additions to SACS account codes
 - 2) Changes to accounting guidance resulting from new accounting pronouncements, changes in program requirements, or legislative action, and clarification of existing guidance in response to questions from LEAs
 - 3) Ongoing changes relating to Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*

Fiscal Analysis (as appropriate)

The *California School Accounting Manual* revision will cost CDE approximately \$10,000 in editing costs. The complete *California School Accounting Manual* will be available on CDE’s Web site, and CDE Press will continue to have copies available for purchase.

Attachment(s)

While the *California School Accounting Manual* is not attached, the draft version is available on our CDE Web site: <http://www.cde.ca.gov/fiscal/sacs/csam2003>. A copy is available for viewing at the State Board of Education office. The Web site includes only the following procedures that are being revised this year:

Part I	201	The Accounting Cycle
	203	Allowable Funds
	204	The General Ledger and the Chart of Accounts
	209	Recording Encumbrances
	302	Revenue Recognition
	602	Accounting for Emergency Apportionments and Loans
	606	Accounting for Certificates of Participation
	608	Accounting and Financial Reporting for Educational Joint Powers Agreements/Agencies
	609	Liability for Compensated Absences in Governmental Funds
	610	Accounting for Special Education Programs
	802	Accounting for Fixed Assets
	803	Making an Initial Valuation of Property and Equipment
	804	Recording General Fixed Assets
	805	Accounting for Lease-Purchase Agreements (Capital Leases)
	806	Accounting for Capital Assets in Proprietary and Fiduciary Trust Funds
	808	General Long-Term Debt
	809	Accounting for Long-Term Debt in the Proprietary and Fiduciary Trust Funds
	901	Accounting for General Obligation Bonds
Part II	101	Fund
	102	Resource (Project/Reporting)

Attachment(s)

104	Goal
105	Function (Activity)
106	Object
202	Expenditures
204	Cafeteria
207	Forest Reserve
208	Regional Occupational Centers/Programs (ROC/Ps)
209	Special Education
212	Technology Expenditures
213	Transportation
300	Calculation of Approved Indirect Cost Rate in SACS
301	Program Cost Accounting in SACS