

## GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all funds, centers, functions, objects, projects and programs. It is used to accumulate all financial transactions and is supported by detailed journal entries and subsidiary ledgers (Ex. Payroll and Accounts Payable). The general ledger is the foundation for the accumulation of data and production of reports.

### I. Chart of Accounts Overview

A. The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles.

B. Topeka Public School's (TPS) chart of accounts shall be comprised of following accounts:

1. Funds
2. General Ledger Codes
  - a. 110X Cash
  - b. 111X Investments
  - c. 112X Receivables
  - d. 113X Interfund Accounts Receivable
  - e. 114X Intergovernmental Accounts Receivable
  - f. 115X Receivables
  - g. 116X Bond Proceeds Receivable
  - h. 12XX Fixed Assets
  - i. 13XX Budgeted Revenue/Expenses
  - j. 2xxx Liabilities/Encumbrances
  - k. 27XX Fund Equity
3. Centers
4. Functions
5. Objects
6. Project
7. Programs

Each account number shall require a fund, general ledger code, center, function and object number. Project numbers and program numbers are optional. Project numbers are used to identify grants and maintenance projects, program numbers are used to identify specific programs within a fund/center/function area.

### II. Distribution of Chart of Accounts

All TPS employees involved with account coding or budgetary responsibilities will be issued a current chart of accounts, or the section of the chart of accounts applicable to their program.

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### III. Control of Chart of Accounts

The General Director of Fiscal Services and the Director of Budgets & Grant Accounting monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the General Director of Fiscal Services or the Director of Budgets & Grant Accounting, to ensure that the chart of accounts is consistent with the Organizational structure of TPS and meets the needs of each division and department.

### IV. Fiscal Year of Organization

TPS shall operate on a fiscal year that begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>, as dictated by Kansas state statute.

### V. Encumbrances

A. TPS utilizes estimated encumbrances and receivables for the annual financial statements. Some of those encumbrances and receivables include:

1. Accounts Receivables for federal or state funds, which may be required to be included in the current fiscal year even though they are received in the next fiscal year.
2. Encumbrances of vacation and/or sick leave for retirees.
3. Payroll expenses for time worked in a fiscal year, but paid out of the next fiscal year for grants ending in June.
4. Encumbrances for items approved in a June board meeting but not paid until the next fiscal year.
5. Travel and mileage expenses approved and received but not paid until the next fiscal year.

B. The General Director of Fiscal Services will reassess, review, and approve all encumbrances yearly. All conclusions, bases, and other elements associated with each encumbrance shall be documented in writing. All material encumbrances, and changes in encumbrances from one year to the next, shall be disclosed to the Finance Committee and the external audit firm.

### VI. Journal Entries

A. All general ledger entries shall be supported by documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Corrections of posting errors

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2. Budget Amendments
  3. Recording cash and noncash transactions
- B. Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:**
1. Inter-fund Transfers within a fiscal year
  2. KPERS (Kansas Public Employees Retirement System) Pass-Through
- C. Recurring journal entries shall be supported by a schedule associated with the transaction.**
- D. All journal entries not originating from subsidiary ledgers shall be authorized in writing by the General Director of Fiscal Services by initialing or signing the entries. Except, budget amendments within a center may be approved by that centers administrator.**