

University of Mississippi

eGrove

Individual and Corporate Publications

Accounting Archive

1924

Classification of accounts for state departments and institutions adopted October, 1, 1924

H. S. McCleskey

Mississippi. State Accounting Department

Follow this and additional works at: https://egrove.olemiss.edu/acct_corp



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

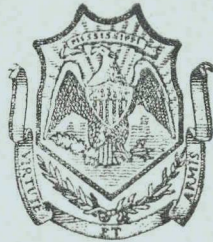
Recommended Citation

McCleskey, H. S. and Mississippi. State Accounting Department, "Classification of accounts for state departments and institutions adopted October, 1, 1924" (1924). *Individual and Corporate Publications*. 29. https://egrove.olemiss.edu/acct_corp/29

This Article is brought to you for free and open access by the Accounting Archive at eGrove. It has been accepted for inclusion in Individual and Corporate Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

CLASSIFICATION *of* ACCOUNTS

For State Departments and Institutions



ADOPTED OCTOBER 1, 1924
STATE ACCOUNTING DEPARTMENT

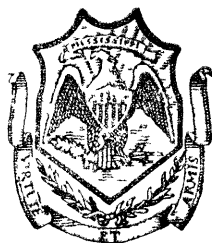


FORMULATED BY
H. S. McCLESKEY, C. P. A.
JACKSON, MISS.

1924

CLASSIFICATION *of* ACCOUNTS

For State Departments and Institutions



ADOPTED OCTOBER 1, 1924
STATE ACCOUNTING DEPARTMENT

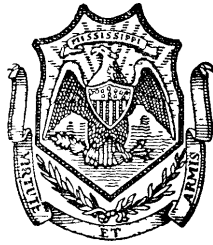


FORMULATED BY
H. S. McCLESKEY, C. P. A.
JACKSON, MISS.

1924

CLASSIFICATION *of* ACCOUNTS

For State Departments and Institutions



ADOPTED OCTOBER 1, 1924
STATE ACCOUNTING DEPARTMENT



FORMULATED BY
H. S. McCLESKEY, C. P. A.
JACKSON, MISS.
1924

FOREWORD

In accordance with the provisions of Chapter 325 of the 1924 Laws, and for the information and guidance of the State departments and institutions, we present this classification of accounts, which will be used on and after October 1st, 1924. This classification has been prepared after very thorough and careful study of the needs of Mississippi and after consultation with and assistance from the highest authorities in the United States.

We desire to acknowledge our indebtedness to Hon. Baxter Durham, State Auditor of North Carolina, and his able accountant, Mr. O. F. Goddard, and to Hon. W. F. Smyth, State Accountant of Virginia, and to Hon. W. F. Willoughby, Director of the Institute for Government Research, Washington, D. C., for their generous counsel.

GEORGE D. RILEY,

State Auditor and Chief Inspector.

H. S. McCLESKEY, C. P. A.,

Assistant Chief Inspector.

Jackson, Miss.

October, 1924.

CLASSIFICATION OF ACCOUNTS

PREFACE

The primary purpose of a state accounting classification is to furnish adequate information regarding expenditures to (1) The State Auditor as a means of fiscal control, (2) the budget authorities as a basis for appropriation schedules, and (3) the spending agency itself.

It is obvious that if accounts are classified in one way by the spending agency, and the Legislature or State Auditor desires information developed along an entirely different method, double work is thereby placed on the spending agency. Also, if each spending agency has a different classification or method of recording its expenditures, the value of comparison is entirely lost. Expenditures should be uniformly classified and recorded by every spending agency, so that the same account in each institution, for example, will contain the same kind of expenditures, though the amounts may vary. It therefore follows that a uniform classification for all State agencies spending public funds is absolutely essential if the State Auditor is to maintain the accounting control as charged under the law, and the Legislature is to make appropriations intelligently and in keeping with the requirements of the spending agency.

The following classification is for use both by departments and institutions, the distribution of expenditures by objects being for use by departments, and the distribution by functions for use by institutions.

Although, institutions make expenditures which a department would never make (and vice versa) two classifications would be confusing. Obviously, such departments and institutions will ignore those accounts which are unrelated to their own operations.

It is not presumed that this classification will completely satisfy the individual needs of all the departments and institutions which spend State money. Such a task would be hopeless and impossible, for if consideration were given to every problem of each of these agencies, the classification would fall of its own weight.

Rather, an effort has been made to set up a uniform classification which will reflect basic information required for a budget and by the legislative authorities, leaving with each department and institution the right to expand the classification as its needs dictate. Such expansion may be carried on indefinitely both with respect to budget making and detailed cost figures which have no place in a general classification. These detailed figures may then be posted in summary to the accounts here given and reported periodically to the State Auditor without additional work.

One of the chief accounting problems at each institution is the determination of the cost of a specific major function or activity. The question is not so much "How much are we spending?" but rather, "How much does it cost to operate our farm, for example, and each of the other activities in which we are engaged?"

Institutions are unlike departments, and whether educational, eleemosynary or correctional, they have certain functions in common. Several classes of institutions, such as hospitals for the insane, have identical functions since the organization and underlying purpose are the same. For that reason, it is possible to classify definitely the several activities of all the institutions.

There is no point in classifying the functions of departments since each bureau or division normally corresponds to a function. It is obvious that the functions of each department are unrelated. The list of institutional functions is set down arbitrarily and not in order of importance. For example, in the educational institutions, the cost of instruction (No. 9) is of outstanding importance; in the hospitals for the insane, however, the cost of subsistence (No. 2) doubtless receives first consideration, and so on for each class of institutions.

Some institutions will have certain of these functions while others will have different ones. No single institution will have all twelve functions; but they will, as stated, ignore those accounts which are unrelated to their own operations.

Classification of Accounts

GROUP HEADINGS.

1. ASSETS.

11. Cash.
12. Accounts Receivable.
13. Notes Receivable.
14. Inventory Accounts.
15. Investments.
16. Fixed Assets.
17. Deferred Expenses.
- 18.
- 19.

2. LIABILITIES.

21. Accounts Payable.
22. Notes Payable.
23. Accrued Expenses.
24. Deferred Liabilities.
25. Reserves.
26. Capital Accounts.
- 27.
- 28.
- 29.

GROUP HEADINGS.

3. REVENUES.

- 31. Sales.
- 32. Other Revenue.
- 33. Tuition and Fees.
- 34. Board.
- 35. Appropriations.
- 36.
- 37.
- 38.

4. OPERATING EXPENSE.

- 41. Personal Service (Salaries, Wages and Fees).
- 42. Supplies and Materials.
- 43. Postage, Telephone and Express.
- 44. Traveling Expense.
- 45. Printing, Binding and Publicity.
- 46. Autos and Trucks (Upkeep).
- 47. Light, Power and Water.
- 48. Repairs.
- 49. Interest.
- 50. Insurance and Bonding.
- 51. State Aid.
- 52. Miscellaneous Obligations.
- 53. General Expenses.
- 54.
- 55.

DETAILED CLASSIFICATION.

1. ASSETS.

11. CASH.

- 1101. Imprest Cash.
- 1102. General Cash, (Undeposited Funds).
- 1103. Depository.
- 1104. ----- Bank.
- 1105. ----- Bank.
- 1106.
- 1107.

12. ACCOUNTS RECEIVABLE.

- 1201. Accounts Receivable (Control).
- 1202. Sundry Debtors, Advances, etc.
- 1203. Deposits on Contract.
- 1204. Freight Adjustment Account.
- 1205.
- 1206.

13. NOTES RECEIVABLE.

- 1301. Notes Receivable (Control).
- 1302.
- 1303.

14. INVENTORY ACCOUNTS (At Cost).

- 1401. Supplies and Materials.
- 1402.
- 1403.

DETAILED CLASSIFICATION.

15. INVESTMENTS.

- 1501. Liberty Bonds.
- 1502. Victory Bonds.
- 1503. War Savings Stamps.
- 1504. Other Investments.
- 1505.
- 1506.

16. FIXED ASSETS.

- 1601. Land.
- 1602. Buildings.
- 1603. Machinery.
- 1604. Shop Equipment and Tools.
- 1605. Autos and Trucks.
- 1606. Office Furniture and Fixtures.
- 1607. Leasehold.
- 1608. Organization Expenses.
- 1609. Good Will.
- 1610. Institutional Furniture and Fixtures.
- 1611. Dining Room and Kitchen Equipment.
- 1612. Bedding and Linens.
- 1613. Laundry Equipment.
- 1614. Medical and Surgical Equipment.
- 1615. Laboratory Equipment.
- 1616. Class Room and Teachers Equipment.

DETAILED CLASSIFICATION.

FIXED ASSETS (Continued)

- 1617. Library Equipment and Stock.
- 1618. Museum Equipment and Stock.
- 1619. Recreational Equipment.
- 1620. Construction Equipment.
- 1621. Farm and Dairy Equipment.
- 1622. Livestock.
- 1623. Refrigeration Equipment.
- 1624. Power and Heating Plant Equipment.
- 1625. Plumbing Equipment.
- 1626. Electrical Equipment.
- 1627. General Equipment.
- 1628. Walks and Pavement—Construction.
- 1629. Sewers and Drains—Construction.
- 1630. Roads—Construction.
- 1631. Bridges—Construction.
- 1632.
- 1633.
- 1634.

17. DEFERRED EXPENSES.

- 1701. Prepaid Interest.
- 1702. Prepaid Rent.
- 1703. Prepaid Taxes.
- 1704. Prepaid Insurance.
- 1705. Other Prepaid Expenses.
- 1706.
- 1707.

DETAILED CLASSIFICATION.

2. LIABILITIES.

21. ACCOUNTS PAYABLE.

- 2101. Accounts Payable—Trade.
- 2102. Sundry Creditors.
- 2103. Deposits, Customers, Students, etc.
- 2104.
- 2105.

22. NOTES PAYABLE.

- 2201. Notes Payable—Banks.
- 2202. Notes Payable—Trade.
- 2203. Notes Payable—Sundry.
- 2204. Trade Acceptances.
- 2205. Notes Receivable Discounted.
- 2206.
- 2207.

23. ACCRUED EXPENSES.

- 2301. Accrued Taxes.
- 2302. Accrued Rent.
- 2303. Accrued Interest.
- 2304. Accrued Pay Roll and Salaries.
- 2305. Accrued Commissions.
- 2306. Accrued Insurance.
- 2307. Accrued Expenses, Misc.
- 2308.
- 2309.

DETAILED CLASSIFICATION.

24. DEFERRED LIABILITIES.

- 2401. Notes Payable—Long Time.
- 2402. Land Contracts Payable.
- 2403. Mortgages Payable.
- 2404. Bonds—(specify issue).
- 2405.
- 2406.

25. RESERVES.

- 2501. Reserve for Bad Debts.
- 2502. Reserve for Depreciation—Buildings.
- 2503. " " " —Machinery.
- 2504. " " " —Shop Equipment
and Tools.
- 2505. Reserve for Depreciation—Autos and Trucks.
- 2506. " " " —Office Furniture
and Fixtures.
- 2507.
- 2508.

26. CAPITAL ACCOUNTS.

- 2601. Capital Stock—Common.
- 2602. Capital Stock—Preferred.
- 2603. Partnership Account.
- 2604. Partnership Account.
- 2605. Endowment.
- 2606. Endowment.
- 2607. Profit and Loss—(Current).
- 2608.
- 2609. Surplus or Net Worth.
- 2610.
- 2611.

DETAILED CLASSIFICATION.

3. REVENUES.

31. SALES.

- 3101. Cotton.
- 3102. Cotton Seed.
- 3103. Other Farm Products.
- 3104. Dairy Products.
- 3105. Other Products.
- 3106.
- 3107.

32. OTHER REVENUES.

- 3201. Interest Earned.
- 3202. Discount Earned.
- 3203. Charged-off Accounts Collected.
- 3204. Junk Sold.
- 3205.
- 3206.

33. TUITION AND FEES.

- 3301. Tuition Students, etc.
- 3302. Fees, Students, etc.
- 3303.
- 3304.

34. BOARD.

- 3401. Board, Students, etc.
- 3402.
- 3403.

DETAILED CLASSIFICATION.

35. APPROPRIATIONS.

3501. State Appropriations.

3502.

3503. Gifts and Donations.

3504.

3505. Federal Grant.

3506.

DETAILED CLASSIFICATION.

4. OPERATING EXPENSES.

(Distribution of Accounts by Objects.)

41. PERSONAL SERVICE (Salaries, Wages and Fees.)

- 4101. Executive Salaries.
- 4102. Professional and Technical Salaries.
- 4103. Clerical Salaries.
- 4104. Inspectional Salaries.
- 4105. Supervisors Salaries.
- 4106. Auditing.
- 4107. Skilled Labor.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4110. Per Diems and Fees.
- 4111.
- 4112.

42. SUPPLIES AND MATERIALS (Consumable).

- 4201. Office Supplies.
- 4202. Cleaning and Household Supplies.
- 4203. Food, (including freight).
- 4204. Sewing Supplies and Dry Goods.
- 4205. Laundry Supplies.
- 4206. Medical and Surgical Supplies.
- 4207. Drugs and Medicines.
- 4208. Laboratory Supplies and Materials.
- 4209. Class Room and Teachers Supplies.
- 4210. Library Supplies.
- 4211. Museum Supplies.
- 4212. Recreational Supplies.
- 4213. Botanical and Grounds Supplies.

DETAILED CLASSIFICATION.

SUPPLIES AND MATERIALS (Continued).

- 4214. Farm and Dairy Supplies.
- 4215. Forage and Supplies for Animals.
- 4216. Shop Supplies and Materials.
- 4217. Ice and other Refrigeration Supplies.
- 4218. Power and Heating Plant Supplies.
- 4219. Plumbing Supplies and Materials.
- 4220. Electrical Supplies and Materials.
- 4221. General Supplies and Materials.
- 4222. Wearing Apparel (Purchased).
- 4223. Fuel (Gas, Wood, Kindling, Coke).
- 4224. Coal (including freight).
- 4225. Dining Room and Kitchen Supplies.
- 4226.
- 4227.

43. POSTAGE, TELEPHONE AND EXPRESS.

- 4301. Postage.
- 4302. Telephone and Telegraph.
- 4303. Express, Drayage and Freight.

44. TRAVELING EXPENSE.

- 4401. Hotel and Meal.
- 4402. Railroad and other Fares.
- 4403. Mileage Allowance.
- 4404.
- 4405.

45. PRINTING, BINDING AND PUBLICITY.

- 4501. Printing—Stationery, Office Forms, and Small Jobs.
- 4502. Printing—Annual Reports, Catalogues, Bul-tins, etc.

DETAILED CLASSIFICATION.

PRINTING, BINDING AND PUBLICITY. (Continued).

- 4503. Printing—Public Laws, Decisions and Legal Reports.
- 4504. Multigraphing and Mimeographing.
- 4505. Photographing and Blue-Printing.
- 4506. Engraving, Lithographing and Embossing.
- 4507. Binding—Reports, Publications, etc.
- 4508. Publication of Notices and Advertising.
- 4509.

46. AUTOS AND TRUCKS.

- 4601. Autos and Trucks, Upkeep.
- 4602. Autos and Trucks, Tires.
- 4603. Autos and Trucks, Gas and Oil.

47. LIGHT, POWER AND WATER.

- 4701. Light, Power and Water, (Furnished Under Contract).
- 4702.

48. REPAIRS.

- 4801. Repairs to Equipment and Fixtures.
- 4802. Repairs to Building and Structures.
- 4803.
- 4804.

49. INTEREST.

- 4901. Interest on Temporary Loans.
- 4902. Interest on Public Debt.
- 4903.
- 4904.

DETAILED CLASSIFICATION.

50. INSURANCE AND BONDING.

- 5001. Fire Insurance.
- 5002. Casualty Insurance.
- 5003. Bond Premiums.
- 5004.
- 5005.

51. STATE AID.

- 5101. Subsidies and Contributions (specify each).
- 5102.

52. MISCELLANEOUS OBLIGATIONS.

- 5201. Pensions and Retirement Salaries.
- 5202. Indemnities and Awards.
- 5203. Refunds.
- 5204. Rewards.
- 5205.
- 5206.

53. GENERAL EXPENSES.

- 5301. Office Service, (Towels, Drinking Water, etc.)
- 5302. Rent, Buildings, Offices and Land.
- 5303. Rent of Equipment.
- 5304. Outside Laundering and Cleaning.
- 5305. Miscellaneous Expense.
- 5306.
- 5307.

DISTRIBUTION OF ACCOUNTS UNDER INSTITUTIONAL FUNCTIONS

GROUP HEADINGS.

1. OFFICE AND ADMINISTRATION.
2. SUBSISTENCE.
3. HOUSEKEEPING.
4. LAUNDERING.
5. MEDICAL AND SURGICAL CARE.
6. NURSING AND ATTENDANCE.
7. LIGHT, HEAT, POWER AND WATER.
8. CARE OF BUILDINGS, GROUNDS AND EQUIP-
MENT.
9. INSTRUCTIONAL.
10. RECREATIONAL.
11. AGRICULTURAL.
12. MANUFACTURING.

DISTRIBUTION OF ACCOUNTS BY FUNCTIONS.

1. OFFICE AND ADMINISTRATION.

- 4101. Executive Salaries.
- 4103. Clerical Salaries.
- 4104. Inspectional Salaries.
- 4106. Auditing.
- 4109. Commutation.
- 4110. Per Diem and Fees.
- 4201. Office Supplies.
- 4301. Postage.
- 4302. Telephone and Telegraph.
- 4303. Express, Drayage and Freight.
- 4401. Hotels and Meals.
- 4402. Railroad and other Fares.
- 4403. Mileage Allowance.
- 4501. Printing—Stationery and Office forms.
- 4502. Printing—Reports, Bulletins, etc.
- 4504. Multigraphing and Mimeographing.
- 4505. Photographing and Blue-Printing.
- 4507. Binding—Publications, Reports, etc.
- 4508. Publication of Notices and Advertising.
- 4601. Motor Vehicles—Upkeep.
- 4901. Interest on Temporary Loans.
- 5002. Casualty Insurance.
- 5003. Premiums on Official Bonds.
- 5201. Pensions and Retirement Salaries.
- 5203. Refunds.
- 5302. Rent of Buildings, Offices and Lands.
- 5303. Rent of Equipment.
- 5305. Miscellaneous Expense.

DISTRIBUTION OF ACCOUNTS BY FUNCTIONS.

2. SUBSISTENCE.

- 4105. Supervisors Salaries.
- 4107. Skilled Labor.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4203. Food.
- 4225. Dining Room and Kitchen Supplies.

3. HOUSEKEEPING.

- 4105. Supervisors Salaries (Matrons, etc.)
- 4108. Unskilled Labor (Maids, etc.)
- 4109. Commutation.
- 4202. Cleaning and Household Supplies.
- 4204. Sewing Supplies and Dry Goods.
- 4217. Ice and other Refrigeration Supplies.
- 4219. Plumbing Supplies and Materials.
- 4220. Electrical Supplies and Materials.
- 4221. General Supplies and Materials.
- 4222. Wearing Apparel.
- 4223. Fuel (Gas, Wood, Coke and Kindling).

4. LAUNDERING.

- 4105. Supervisors Salaries.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4205. Laundry Supplies.
- 5304. Outside Laundering and Cleaning.

5. MEDICAL AND SURGICAL CARE.

- 4102. Professional and Technical Salaries.
- 4109. Commutation.
- 4206. Medical and Surgical Supplies.
- 4207. Drugs and Medicines.
- 4208. Laboratory Supplies and Materials.

DISTRIBUTION OF ACCOUNTS BY FUNCTIONS.

6. NURSING AND ATTENDANCE.

- 4102. Professional and Technical Salaries (Nurses.)
- 4105. Supervisors Salaries (Matrons).
- 4108. Unskilled Labor (Attendants, Janitors, etc.)
- 4109. Commutation.

7. LIGHT, HEAT, POWER AND WATER.

- 4107. Skilled Labor (Engineers).
- 4108. Unskilled Labor (Laborers).
- 4109. Commutation.
- 4218. Power and Heating Plant Supplies.
- 4224. Coal (including freight).
- 4701. Light, Power and Water (Furnished under Contract).

8. CARE OF BUILDINGS, GROUNDS & EQUIPMENT.

- 4105. Supervisors Salaries.
- 4107. Skilled Labor.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4213. Botanical and Grounds Supplies.
- 4219. Plumbing Supplies and Materials.
- 4220. Electrical Supplies and Materials.
- 4221. General Supplies and Materials.
- 4801. Repairs to Equipment and Fixtures.
- 4802. Repairs to Buildings and Structures.

9. INSTRUCTIONAL.

- 4102. Professional and Technical Salaries.
- 4103. Clerical Salaries.
- 4109. Commutation.
- 4110. Per Diem and Fees.
- 4204. Sewing Supplies and Dry Goods.

DISTRIBUTION OF ACCOUNTS BY FUNCTIONS.

INSTRUCTIONAL. (Continued).

- 4208. Laboratory Supplies and Materials.
- 4209. Class Room and Teachers Supplies.
- 4210. Library Supplies.
- 4211. Museum Supplies.
- 4216. Shop Supplies and **Materials.**

10. RECREATIONAL.

- 4105. Supervisors Salaries.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4212. Recreational Supplies.

11. AGRICULTURAL.

- 4105. Supervisors Salaries.
- 4107. Skilled Labor.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4214. Farm and Dairy Supplies.
- 4215. Forage and Supplies for **Animals.**
- 4601. Motor Vehicles—Upkeep.
- 4602. Motor Vehicles—Tires.
- 4603. Motor Vehicles—Gas and Oil.
- 4801. Repairs to Equipment and Fixtures.
- 4802. Repairs to Buildings and Structures.

12. MANUFACTURING.

- 4105. Supervisors Salaries.
- 4107. Skilled Labor.
- 4108. Unskilled Labor.
- 4109. Commutation.
- 4216. Shop Supplies and **Materials.**
- 4801. Repairs to Equipment and **Fixtures.**