

Mansfield Independent School District
 Business Procedures Manual
 Section 4
 Accounting Codes

4. The Code Structure

199	11	6399	00	041	0	99	000
Fund	Function	Object	Sub Object	Org	Fiscal Year	Program Intent	Optional

4.1 Function – A mandatory 2 digit code applied to expenditures/expenses that identify the purpose of the transaction.

Object – A mandatory 4 digit code that identifies the nature and object of an account, transaction or source.

Organization – A mandatory 3 digit code that identifies the organization, i.e., High School, Middle School, Elementary School, Superintendent’s Office, etc.

Fiscal Year – A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Program Intent – A 2 digit code used to designate the intent of a program provided to students.

Optional Code (Local Owner Code) – An optional code that may be used by the District to further describe the transaction.

4.2 Financial Accountability System Basic System Code Composition

4.2.1 Fund codes are the first, second, and third digits in the code structure. The Fiscal Year (fourth digit in the code structure) identifies the current fiscal year or the year in which a grant began.

4.2.1.01 GENERAL OPERATING FUNDS (1XX) (State and locally funded)

4.2.1.01.01 199 General Fund - This fund classification is used to account for transactions in which the local governing board has wide discretion to use as provided by law. The majority of the transactions handled by the District are accounted for in this fund.

4.2.1.02 SPECIAL REVENUE FUNDS (2XX, 3XX, 4XX) (State, locally and federally funded)

4.2.1.03 211 Title I

- 224 B Formula
- 225 B Preschool Formula
- 240 Food Service
- 255 Title II, Part A Teacher/Principal Training
- 263 Title III, Part A LEP
- 289
- 461 Campus Activity

4.2.1.04 DEBT SERVICE FUND(Locally funded)

- 4.2.1.04.01 599 Debt Service Fund - This fund must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which an ad-valorem tax has been dedicated.

4.2.1.05 CAPITAL PROJECTS FUND (6XX) (Funded through bond proceeds)

- 4.2.1.05.01 606 CAPITAL PROJECT FUND
- 611 CAPITAL PROJECT FUND

4.2.1.06 TRUST AND AGENCY FUNDS (8XX) (Funded from various sources)

- 4.2.1.06.01 865 Activity Funds - These funds are held in a custodial capacity by a school district, and they consist of clearing accounts and funds that are the property of students or others. Locally raised revenues used for general operating purposes, such as certain principal's activity accounts, are not agency funds and are to be budgeted and accounted for in the General Fund.

4.3 Financial Accountability System Function Codes

- 4.3.1 Function code appears in the fifth and sixth digits of the code structure and represents a general operational area in a school district. It groups together related activities such as instruction or plant maintenance.

- 4.3.1.01 11 Instruction -- A function for which expenditures are for the purpose of directly instructing students including those enrolled in adult basic education programs.

- 4.3.1.02 12 Instructional Resources and Media Services -- A function for which expenditures are directly and exclusively for establishing and

maintaining libraries and other major facilities dealing with instructional materials and media.

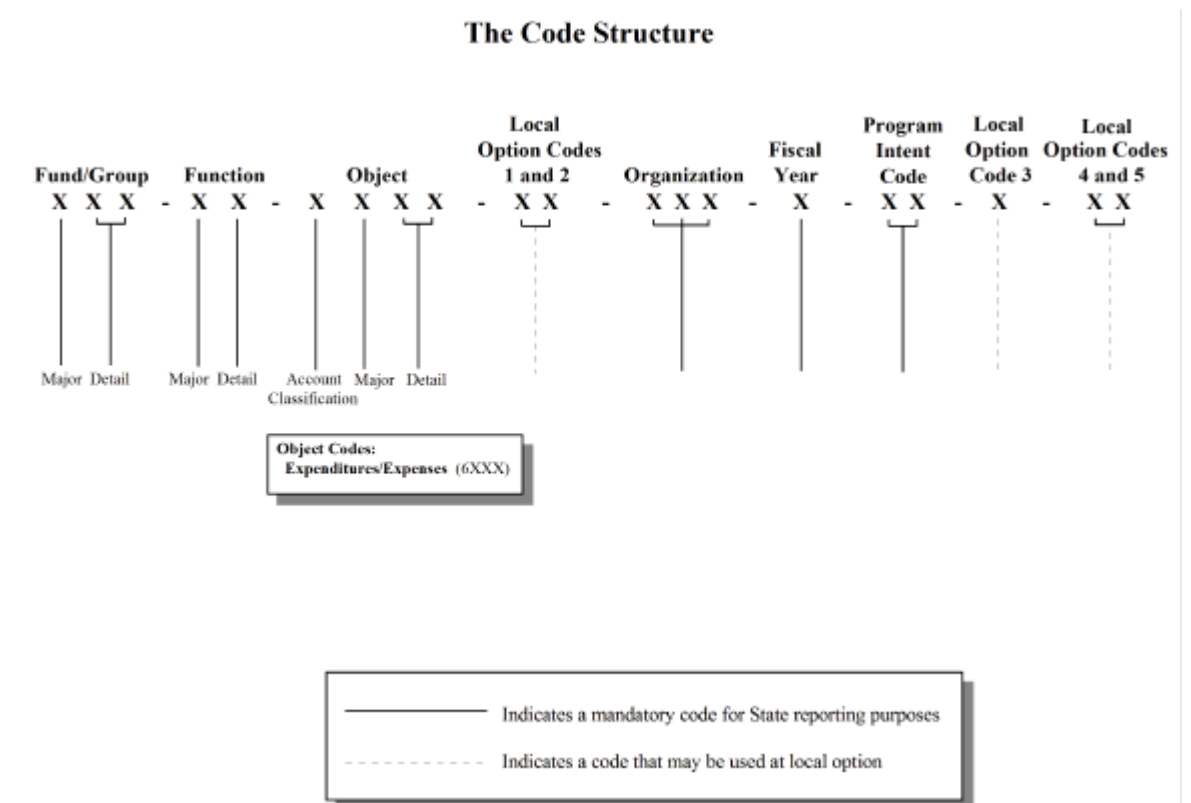
- 4.3.1.03 13 Curriculum and Instructional Staff Development -- A function for which expenditures are directly and exclusively for in-service training and other staff development involving instructional or instructional related personnel of the district.
- 4.3.1.04 21 Instructional Administration -- A function for which expenditures are directly for managing, directing and supervising general and specific instructional programs.
- 4.3.1.05 23 School Administration -- A function for which expenditures are for general administration of a school campus or similar type of organizational unit. In most cases, function code 23 costs are limited to operating a principal's office, and include all types of activities pertaining to the operation of that office.
- 4.3.1.06 31 Guidance and Counseling Services -- A function for which expenditures are directly and exclusively for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals.
- 4.3.1.07 32 Social Work Services -- A function for which expenditures are directly and exclusively for promoting and improving school attendance of students, including the promotion of positive student and parent attitudes toward attendance.
- 4.3.1.08 33 Health Services -- A function for which expenditures are directly and exclusively for providing health services to individuals. Expenditures for school nurses, other medical, dental and optical services, inoculations, etc., are function 33 costs.
- 4.3.1.09 34 Student (Pupil) Transportation -- A function for which expenditures are for providing transportation to students.
- 4.3.1.10 35 Food Services -- A function for food service operation expenditures, including the cost of food, labor, and other expenditures necessary for the preparation, transportation and storage of food.
- 4.3.1.11 36 Cocurricular/Extracurricular Activities -- A function for which expenditures are for extracurricular or other purposes that are not essential

in the delivery of services for function 11, function code 20 series, or other function code 30 series activities.

- 4.3.1.12 41 General Administration -- A function for which expenditures are for purposes of managing or governing the school district as an overall entity, and that cover multiple activities that are not directly and exclusively for costs applicable to specific functions.
- 4.3.1.13 51 Plant Maintenance and Operations -- A function for which expenditures are for activities to keep the physical plant open, clean, comfortable, safe for use, and keeping the grounds in an effective working condition and state of repair.
- 4.3.1.14 52 Security and Monitoring Services -- A function for expenditures related to keeping student and staff surroundings safe. Examples include police officers or security guards, school bus security monitors, crossing guards, security vehicles, telephones and radios, and drug detection dogs.
- 4.3.1.15 53 Data Processing Services -- A function for which expenditures are for noninstructional data processing services, whether in-house or contracted. Examples of function 75 costs are costs for computer facility management, computer processing, systems development, analysis and design, and those interfacing costs associated with general types of technical assistance to data users.
- 4.3.1.16 61 Community Services -- A function for which expenditures are for activities other than regular public education and adult basic education programs. These types of expenditures are for services or activities relating to the whole community or some segment of the community, including resources to non-public schools, institutions of higher education, and any proprietary types of services incurred for outside entities in the community.
- 4.3.1.17 71 Debt Services -- A function for which expenditures are for the retirement of service fees and for all debt interest.
- 4.3.1.18 81 Facilities Acquisition and Construction -- A function for which expenditures are for acquiring, equipping, and/or additions to real property.
- 4.3.1.19 Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained.

4.3.1.20 An expenditure/expense account identifies the nature and object of an account, or a transaction. The school district's accounting records are to reflect expenditures/expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenditures/expenses are reported to the second digit of detail (6100, 6200, etc.) If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used. These codes are distinguished from other types of object codes as they always begin with the digit "6." The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.

4.4 Exhibit 37. Expenditure/Expense Object Code Structure



4.4.1 Expenditures (Governmental Fund Types and Expendable Trust Funds) Expenditures are debited in the accounting period in which a measurable fund liability is incurred, except for un-matured principal and interest on

general long-term debt, prepaid items, and other long-term obligations which are recorded as a debit in the accounting period when due.

- 4.4.2 Expenses (Proprietary Fund Type, Nonexpendable Trust and Pension Trust Funds) Expenses are debited in the accounting period in which they are incurred. Expenditure/expense codes are four digit object codes, and are the sixth through ninth digits in the code structure.

4.5 6100 PAYROLL COSTS

- 4.5.1 This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The school district acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.

4.5.1.01 6110 Teachers and Other Professional Personnel

These account codes are to be used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by the school district to be a professional staff member. Substitute teachers and/or other professional personnel are also classified in these account codes.

4.5.1.02 R 6112 Salaries or Wages for Substitute Teachers

This code is used to classify the gross salary and wage expenditures/expenses for substitute teachers and may be used with Function 11 (Instruction) and Function 13 (Curriculum Development and Instructional Staff Development).

4.5.1.03 6117 Extra Duty Pay and Temporary Employees for Professional Personnel - (Convert to Object Code 6119 for PEIMS)

This code accounts for extra duty pay, overtime pay, tutoring, and temporary employees not budgeted within the Employee Management System.. For PEIMS reporting, these accounts are converted to Object Code 6119.

4.5.1.04 6118 Stipends and Extra Duty Days for Teachers and Other Professional Personnel - (Convert to Object Code 6119 for PEIMS)

This code accounts for Stipends and extra Duty Days within the Employee Management System and are assigned to specific employees in Salary Negotiation. This includes:

- wages paid to employees for performing duties beyond the normal working day
- Amounts above the school district's standard pay for additional certification requirements, such as a Bilingual teacher
- Amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring and department heads

For PEIMS reporting, these accounts are converted to Object Code 6119.

4.5.1.05 *R* 6119 Salaries or Wages - Teachers and Other Professional Personnel

This code is used to classify the gross salary and wage expenditures/expenses for teachers and other professional exempt personnel as defined by the Fair Labor Standards Act. This includes gross salary and wage expenditures/expenses as budgeted within the Employee Management System in Salary Negotiations.

4.5.1.06 6120 Support Personnel

This code is used to classify the gross salary and wage expenditures/expenses for support personnel.

4.5.1.07 *R* 6121 Extra Duty Pay/Overtime - Support Personnel

This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or for amounts above the school district's standard pay for additional qualifications.

4.5.1.08 6127 Extra Duty Pay and Temporary Employees for - Support Personnel- (Convert to Object Code 6129 for PEIMS)

This code accounts for extra duty pay, overtime pay, and temporary employees not budgeted within the Employee Management System.. For PEIMS reporting, these accounts are converted to Object Code 6129.

4.5.1.09 6128 Extra Duty Days for Other Support Personnel - (Convert to Object Code 6129 for PEIMS)

This code accounts for extra Duty Days within the Employee Management System and are assigned to specific employees in Salary Negotiation.

4.5.1.10 *R* 6129 Salaries or Wages for Support Personnel

This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff defined as non-exempt by the Fair Labor Standards Act. These are budgeted within the Employee Management System in Salary Negotiations. Any local option codes that are used at the local option are to be converted to account 6129 for PEIMS reporting.

4.5.1.11 6130 Employee Allowances

Employee allowances are amounts paid to employees for which the employee is not required to render a detailed accounting.

4.5.1.12 R 6132 Supplemental Compensation Under Article 3.50-8, Insurance Code

This code is used to classify the gross TRS supplemental compensation distributed to eligible employees in accordance with provisions of the Active Employee Health Insurance Coverage or Compensation Supplementation program. These payments are subject to federal withholding, social security, Medicare and other related payroll costs, if applicable. These payments are not subject to TRS.

4.5.1.13 R 6139 Employee Allowances

This code is used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting. Examples include:

Object 6139 Expenditures to Include:	Object 6139 Expenditures to Exclude:
<ul style="list-style-type: none"> • Automobile allowances • Housing allowances • Uniform and meal allowance • In-kind payments unless exempted under Internal Revenue Service (IRS) Code 	<ul style="list-style-type: none"> • Mileage reimbursement for travel for actual miles driven (Object 641X)

In-kind payments such as rent-free housing or employer-furnished automobiles are to be debited to this account and credited to the appropriate revenue account 5743, Rent or account 5749, Other Revenue from Local Sources.

Any local option codes that are used at the local option are to be converted to account 6139 for PEIMS reporting.

- 4.5.1.14 6140 Employee Benefits
Employee benefits are those amounts paid by the school district to provide benefits to employees. This does not include the amount deducted from the employee's salary or wages, which are considered employee contributions toward a benefit.

- 4.5.1.15 *R* 6141 Social Security/Medicare
This code is used to classify expenditures/expenses required to provide employee benefits under the Federal Social Security program. This excludes employee contributions.

- 4.5.1.16 *R* 6142 Group Health and Life Insurance
This code is used to classify expenditures/expenses made to provide personnel with group health and life insurance benefits. This excludes employee contributions but includes benefit amounts transferred to an Internal Service Fund.
 - 4.5.1.16.01 House Bill 3343 of the 77th Legislature requires an average expenditure of \$225 per eligible covered employee (see TRS guidelines for more information). Currently Mansfield contributes \$250.

- 4.5.1.17 *R* 6143 Workers' Compensation
This code is used to classify expenditures/expenses made to provide personnel with workers' compensation benefits. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

- 4.5.1.18 *R* 6144 Teacher Retirement/TRS Care - On-Behalf Payments
This code is used to classify expenditures/expenses from "On-Behalf" payments of matching teacher retirement paid for active members of the school district in accordance with GASB Statement No. 24. A school district contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The school district also provides certain employer contributions for the retired teachers' health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of school district contributions are to be recorded here. An equal revenue amount should be recorded in account 5831, Teacher Retirement - On-Behalf Payments.

- 4.5.1.19 *R* 6145 Unemployment Compensation
This code is used to classify expenditures/expenses made to

provide personnel with unemployment compensation. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

4.5.1.20 *R 6146 Teacher Retirement/TRS Care*

This code is used to classify expenditures/expenses made from local, state and federal program funds and/or private grants to pay state matching of teacher retirement on the above state minimum contribution or the required matching amount from federal funds. Also included in this account is any employer contribution for the retired teachers' health insurance plan.

4.5.1.21 *R 6149 Employee Benefits*

This code is used to classify expenditures/expenses made to provide personnel with other employee benefits not detailed above. This excludes employee contributions but includes any benefit amounts transferred to an Internal Service Fund. Any local option codes that are used at the local option are to be converted to account 6149 for PEIMS reporting.

4.6 6200 PROFESSIONAL AND CONTRACTED SERVICES

The major account classification is used to record expenditures/expenses for services rendered to the school district by firms, individuals and other organizations. This includes services provided by internal service funds unless the internal service fund is used to account for employee benefits. Internal service fund expenditures/expenses for employee benefits such as health insurance, are to be classified to the appropriate code in the 6100 series of accounts. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies.

4.6.1 6210 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the professional services contract.

4.6.2 *R 6211 Legal Services*

This code is used to classify fees, associated travel and other related costs for legal services. However, legal fees, associated travel and other costs related to the collection of taxes are to be classified in account 6213, Tax Appraisal and Collection. Delinquent tax collection fees that are charged as "costs" to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure.

4.6.3 *R 6212 Audit Services*

This code is used to classify fees, associated travel and other related costs for audit services.

4.6.4 R 6213 Tax Appraisal and Collection

This code is used to classify fees, associated travel, and other related costs for the appraisal of property and the collection of taxes, including attorney fees directly related to the collection of taxes. This account is also to be used by the school district to record its pro rata share of the administrative cost of the Consolidated Taxing District. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure. This code is only to be used in the General Fund.

4.6.5 R 6219 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. Professional/consulting services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures/expenses covered by a professional services contract, if the contracted service is not detailed above. Any local option codes that are used at the local option are to be converted to account 6219 for PEIMS reporting.

4.6.6 6220 Tuition and Transfer Payments

Tuition payments are made when the school district pays for tuition to institutions of higher education on behalf of a staff member or a student. Transfer payments are made when the school district pays for students to attend another school district, either private or public.

4.6.7 R 6223 Student Tuition - Other than to Public Schools

This code is used to classify expenditures/expenses for tuition if a school district is under contract with an institution of higher learning or with non-public schools to provide instructional services to students. This includes payments made to Juvenile Justice Alternative Education Programs (Function Code 95) and payments made to charter schools (Function Code 96).

4.6.8 R 6229 Tuition and Transfer Payments

This code is used to classify expenditures/expenses for tuition and transfer payments not detailed above. Any local option codes that are used at the local option are to be converted to account 6229 for PEIMS reporting.

4.6.9 6230 Education Service Center Services

Each school district is a member of an education service center that provides various services to the school districts. The function code in conjunction with the expenditure object code defines the type of service provided.

4.6.10 R 6239 Education Service Center Services

4.6.10.01 This code is used to classify all contracted services provided by the education service center. Included in this account are:

- Data processing services
- Media services
- Special education services
- Vocational education services
- Staff development
- Curriculum development
- Drug training
- Grant writing services, etc. that the education service center provides to school districts.

4.6.10.02 This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center, but does include a fee assessed for providing the service. Any local option codes that are used at the local option are to be converted to account 6239 for PEIMS reporting.

4.6.11 6240 Contracted Maintenance and Repair Services

These expenditure object codes are used to classify expenditures/expenses for maintenance and repair services rendered by firms, individuals, or other organizations, other than the school district. Maintenance and repair services are for normal upkeep, repair and minor restorations, but do not include such costs as new building construction, renovating and remodeling of buildings, etc. When contracted maintenance and repair services are rendered, the total cost of the service, including labor and parts, is to be included in the appropriate contracted services account. Maintenance contracts are to be included in the appropriate expenditure object codes defined below.

4.6.12 R 6249 Contracted Maintenance and Repair

This code is used to classify expenditures/expenses for normal contracted maintenance and repair of items.

Object 6249 Expenditures to Include:	Object 6249 Expenditures to Exclude:
This includes expenditures/expenses for normal contracted upkeep, repairs, maintenance and	• Purchase of furniture, technology equipment, software, and capital outlay items (Object

renovation of:	6399 or 66XX)
<ul style="list-style-type: none"> • Office equipment • Furniture • Computers • Copiers • District-owned telephone systems • Facsimile machines • Software upgrades • Maintenance agreement fees • Other equipment when the repairs are provided by an outside individual or firm • Buildings and grounds 	<ul style="list-style-type: none"> • Purchase of site licenses, single user software, etc. (Object 6399, or 6659)

4.6.12.01 For vehicles, this includes expenditures/expenses for normal upkeep and contracted repair of vehicles, including buses, maintenance vehicles, driver education vehicles and any other vehicles used by school district staff or students.

4.6.12.02 For buildings and grounds, this includes expenditures/expenses for normal upkeep of buildings and grounds. This includes contracted costs of maintenance for buildings including heating, ventilation, air conditioning, and any related maintenance agreements. Services may be provided on an on-call basis or within the terms of a maintenance agreement.

4.6.12.03 Any local option codes that are used at the local option are to be converted to account 6249 for PEIMS reporting.

4.6.13 6250 Utilities

Utilities are comprised of water, electricity, gas for heat, cooking and cooling, ongoing telephone (including telecommunications and cellular telephones) and facsimile charges.

4.6.14 R 6259 Utilities

This code is used to classify expenditures/expenses for utilities. This includes:

- Water, wastewater treatment, and sanitation (garbage disposal)
- Telephone services and telecommunication charges for cellular telephones, pagers, modem line charges, facsimile charges, etc.
- Electricity
- Natural gas, propane, coal and any other fuel used for the heating and cooling of buildings

4.6.14.01 Any local option codes that are used at the local option are to be converted to account 6259 for PEIMS reporting.

4.6.15 6260 Rentals - Operating Leases

These codes are used to record expenditures/expenses for renting or leasing either equipment or property under operating lease agreements. Refer to the Debt section (Other Types of Debt) for further guidance.

These accounts are converted to Object Code 6269.

4.6.16 R 6269 Rentals - Operating Leases

This code is used to classify expenditures/expenses for other rentals - operating leases. This includes, but is not limited to, rental or lease of:

- Furniture
- Computers
- Telecommunications equipment
- Audio-visual equipment
- Vehicles (including buses)
- Land
- Buildings
- Space in buildings
- Grounds

4.6.16.01 Any local option codes that are used at the local option are to be converted to account 6269 for PEIMS reporting.

4.6.17 R 6291 Consulting Services

These codes are used for consulting services for the betterment of processes and procedures.

4.6.18 R 6299 Miscellaneous Contracted Services

This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6299 for PEIMS reporting.

4.7 6300 SUPPLIES AND MATERIALS

This major classification includes all expenditures/expenses for supplies and materials.

4.7.1 6310 Supplies and Materials for Maintenance and/or Operations

This group of accounts is used to classify expenditures/expenses for supplies and materials necessary to maintain and/or operate furniture, computers, equipment (including telecommunications equipment), vehicles, grounds and facilities of the school district. Normally expenditures/expenses in this group of accounts arise when school district employees purchase supplies for use by the school district as opposed to supplies that are provided by a contractor as part of a contracted service.

4.7.2 R 6311 Gasoline and Other Fuels for Vehicles (Including Buses)

This code is used to classify expenditures/expenses for gasoline, motor oil and other fuels required for operating vehicles.

4.7.3 6312-6314 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

4.7.4 6315 Supplies for Vehicles (Convert to Object Code 6319 for PEIMS)

This code is used to classify supplies and materials for vehicles and buses. For PEIMS reporting, this account is converted to Object Code 6319.

4.7.5 R 6319 Supplies for Maintenance and/or Operations

This code is used to classify expenditures/expenses for supplies and materials necessary for maintenance and/or operations not detailed above. Expenditures/expenses in this account include, but are not limited to:

- Janitorial or custodian supplies
- Building maintenance supplies for minor repairs and upkeep by maintenance staff
- Supplies for upkeep of furniture and equipment

4.7.5.01 Any local option codes that are used at the local option are to be converted to account 6319 for PEIMS reporting.

4.7.6 6320 Textbooks and Other Reading Materials

This group of accounts is used to classify expenditures/expenses for textbooks purchased by the school district and magazines, periodicals, newspapers and reference books that are placed in the classroom or in an office. Expenditures/expenses in this group of accounts do not meet the capitalization criteria.

4.7.7 R 6321 Textbooks

This code is used to classify expenditures/expenses for textbooks purchased by the school district and furnished free to students, certain classes or grades.

4.7.8 R 6329 Reading Materials

This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. Additionally, this code also includes library books and media that do not meet the capitalization criteria of the school and have a per unit value of less than \$5,000 and/or a useful life of one year or less (Effective September 1, 2001). Any local option codes that are used at the local option are to be converted to account 6329 for PEIMS reporting.

4.7.9 6330 Testing Materials

This group of accounts is used to classify expenditures/expenses for testing materials such as test booklets. Test scoring is not to be classified here, but rather, in the 6200 series of accounts, Professional and Contracted Services.

4.7.10 R 6339 Testing Materials

This code is used to classify expenditures/expenses for testing materials including test booklets. Any local option codes that are used at the local option are to be converted to account 6339 for PEIMS reporting.

4.7.11 6340 Food Service

These expenditure object codes are used to classify supplies and materials for the operation of the food service program of the school district. Also included are items for sale through vending machines, school stores, etc., that are not related to the regular food service program. These items for resale are classified in Function 36, Cocurricular/Extracurricular Activities.

4.7.12 R 6341 Food

This code is used to classify expenditures/expenses for food, including related costs such as transportation, handling, processing, etc.

4.7.13 R 6342 Non-Food

This code is used to classify expenditures/expenses for non-food items such as napkins, straws, brooms, etc.

4.7.14 R 6343 Items for Sale

This code is used to classify expenditures/expenses for such items as soft drinks, food, or other goods to be sold through fundraising, vending machines, school stores, etc., not related to the regular food service program.

4.7.15 R 6344 USDA Commodities

This code is used to classify the costs of commodities. The portion of expenditures/expenses attributed to the USDA value of commodities in this account should agree with the revenue realized in account 5923, USDA commodities for school districts that utilize the General Fund or Special Revenue Fund.

- Purchased products for which you receive no USDA commodity equivalent. An example of products that a school would purchase commercially but would not receive as a USDA commodity would be condiments such as catsup and mustard. It is suggested that you base the inventory value for such items on the net purchase price for that item.
- USDA commodity products for which you purchase no commercial equivalent. Examples of USDA commodities that schools receive but usually do not purchase commercially include pouched salmon, frozen diced chicken and prune puree. TDHS will continue to provide you with the value of USDA commodities, which is based on the actual cost per pound.
- Products that you purchase as well as receive as commodities. Canned fruits and vegetables are examples of such products. You may base the value of these products on the net cost to purchase such products, on the commodity value provided by TDHS, or you could also use an average of weighted average of the two values.

4.7.16 R 6349 Food Service Supplies

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere. Any local option codes that are used at the local option are to be converted to account 6349 for PEIMS reporting.

4.7.17 6390 Supplies and Materials – General These
expenditure object codes are used to classify general supplies and materials.

4.7.18 6395 Furniture and equipment < \$5,000 (Convert to Object Code 6399 for PEIMS) This
code is used to classify purchases of furniture and equipment with a per unit

cost of less than \$5,000 and not meeting the fixed asset capitalization criteria. For PEIMS, these accounts are converted to Object Code 6399.

4.7.19 R 6399 General Supplies

This code is used to classify expenditures/expenses for those items of relatively low unit cost (even though used in large quantities) necessary for the instruction process and/or for administration.

Object 6399 Expenditures to Include:	Object 6399 Expenditures to Exclude:
<p>These items include:</p> <ul style="list-style-type: none"> • Consumable teaching and office items such as paper, pencils, forms, postage, etc. • Workbooks • Audio-visual aids such as filmstrips, VCR tapes, CD ROM disks, diskettes, computer tapes, software • Site licenses, single use software that has a per-unit cost of less than \$5,000 • Supplies for a satellite dish and other supplies for technology 	<ul style="list-style-type: none"> • Purchase of furniture, technology equipment, software, and capital outlay items having a per-unit cost of \$5,000 or more (Object 6639)

4.7.19.01 Any local option codes that are used at the local option are to be converted to account 6399 for PEIMS reporting.

4.8 6400 OTHER OPERATING COSTS

This major classification is used to classify expenditures/expenses for items other than Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Service and Capital Outlay that are necessary for the operation of the school district.

4.8.1 6410 Travel, Subsistence and Stipends

These expenditure object codes are to be used to classify travel, subsistence and stipends to both employees and non-employees.

4.8.2 R 6411 Travel and Subsistence - Employee Only

This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business. Travel expenses must conform to IRS and OMB Circular A-87 regulations. Any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act.

The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, inservice training, etc. Membership dues are classified in account 6495, Memberships and Dues.

4.8.3 R 6412 Travel and Subsistence – Students

This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events. (Do not use function 34)

4.8.4 R 6419 Travel and Subsistence - Non-Employees

This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. This includes expenditures/expenses for the following groups:

- Travel for individuals not employed by the school district
- This includes travel expenses incurred while traveling to school district authorized activities, including transportation expenditures/expenses paid:
 - To parents
 - For board member travel
 - For individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities
- Registration fees associated with attending conferences, including seminars, inservice training, etc. are also classified in this account.

- Travel expenses must conform to IRS and OMB Circular A-87 regulations and any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act. Any local option codes that are used at the local option are to be converted to account 6419 for PEIMS reporting.

4.8.5 6420 Insurance and Bonding Costs

This code is used to classify expenditures/expenses for insurance and bonding costs. Property insurance should be classified in Function 51, Plant Maintenance and Operations, including building insurance and property insurance for band and athletic/UIIL equipment. Other types of insurance are to be classified in the appropriate function. For example, insurance to cover student injuries that take place while participating in athletics are classified in Function 36, Cocurricular/Extracurricular Activities. Textbook custodian and administrative bonding expenses are classified in Function 41, General Administration. School bus driver bonding and liability insurance are classified in Function 34, Student (Pupil) Transportation.

4.8.6 R 6429 Insurance and Bonding Costs This

code is used to classify costs for insurance, including property insurance, liability insurance, bonding costs, athletic insurance, etc. Any local option codes that are used at the local option are to be converted to account 6429 for PEIMS reporting.

4.8.7 6430 Election Costs

This code is used to classify expenditures/expenses for conducting an election. The costs of printing ballots, election officials who are not school district employees and legal notices, etc., are to be charged to this classification.

4.8.8 R 6439 Election Costs

This code is used to classify expenditures/expenses to cover costs incurred in connection with elections, including election officials who are not school district employees, legal notices, etc. Any local option codes that are used at the local option are to be converted to account 6439 for PEIMS reporting.

4.8.9 6490 Miscellaneous Operating Costs

This code is used to classify expenditures/expenses for operating costs not mentioned above.

4.8.10 R 6492 Payments to Fiscal Agents of Shared Services Arrangements This

code is used to classify expenditures/expenses for amounts paid to a fiscal

agent of a shared services arrangement in which the school district is a participant. The expenditure is to be classified in Function 93, Payments to Fiscal Agent/Member Districts of Shared Services Arrangements.

4.8.11 R 6494 Reclassified Transportation Expenditures/Expenses This code is used to identify expenditures/expenses for transportation costs other than those incurred for the purpose of transporting students to and from school. Expenses from various expenditure object codes for salaries, fuel, etc. in Function 34 (Student Transportation) should be reclassified to this expenditure object code with the appropriate function assigned. Examples of such costs include those associated with field trips (Function 11) and cocurricular/extracurricular activities (Function 36). Identification of the costs of transporting students for any purpose other than to and from school is required under Section 34.010, TEC.

4.8.12 6495 Memberships and Dues
This code is used to record memberships and dues.

4.8.12.01 The district has designated dues for memberships in professional organizations that are not “district-owned”:

- One membership per campus administrator, one membership per counselor, one membership per librarian, recognizing that professional updates are valuable and will be shared.

4.8.13 R 6499 Miscellaneous Operating Costs This code is used to classify expenditures/expenses for all other operating costs not mentioned above. This account includes:

- Fees and dues (not associated with travel) This also includes webinars.
- Awards
- Bid notices
- Graduation expenses
- Food/refreshments for school-related meetings
- Newspaper advertisements, etc.

4.8.13.01 Any local option codes that are used at the local option are to be converted to account 6499 for PEIMS reporting.

4.9 6500 DEBT SERVICE

This major classification includes all expenditures for debt service. All debt service object codes must be used only with Function 71, Debt Service.

- 4.9.1 6510 Debt Principal
These expenditure object codes are used to classify all expenditures to retire debt principal in Function 71, Debt Service.
- 4.9.2 R 6511 Bond Principal
This code is used to classify expenditures to retire the principal of bonds.
- 4.9.3 R 6513 Long-Term Debt Principal
This code is used to classify expenditures to retire the principal of long-term debt (except bond and capital lease principal), using dedicated tax proceeds and other revenue. This includes non-voter approved debt repaid using tax proceeds dedicated to debt repayment. Long-term debt is defined as any debt that will not be paid with current available financial resources.
- 4.9.4 R 6521 Interest on Bonds
This code is used to classify expenditures/expenses to pay interest on bonds.
- 4.9.5 R 6524 Amortization of Bond and Other Debt Related Costs This code is used to classify expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds.
- 4.9.6 R 6525 Amortization of Premium and Discount on Issuance of Bonds
This code is used to classify expenses amortized as debt premium and/or discount in connection with the issuance of debt.
- 4.9.7 6590 Other Debt Service Expenditures/Expenses
These object codes are used to classify all debt service expenditures/expenses other than debt principal and interest in Function 71, Debt Service.
- 4.9.8 6591-6593 Reserved for Future State Definition
These code are reserved for future state designation and are not to be used by the school district.
- 4.9.9 6594-6598 Other Debt Service Expenditures/Expenses - Locally Defined (Convert to Object Code 6599 for PEIMS)
These codes are used, at the option of the school district, to record debt service expenditures/expenses, excluding principal and interest. For PEIMS, these accounts are converted to Object Code 6599.

4.9.10 *R* 6599 Other Debt Service Fees

This code is used to classify expenditures/expenses for issuance costs, and/or any allowable fees related to debt service activity, including fiscal agent fees and payment to an escrow agent from sources other than proceeds from the new debt. Any local option codes that are used at the local option are to be converted to account 6599 for PEIMS reporting.

4.10 6600 CAPITAL OUTLAY - LAND, BUILDINGS AND EQUIPMENT

This major classification is used to classify expenditures for capital assets. See Capital Assets section for capital asset requirements.

4.10.1 6610 Land Purchase and Improvement These
expenditure object codes are used to classify the acquisition or major improvement of a school district's land.

4.10.2 *R* 6619 Land Purchase and Improvement
This code is used to classify expenditures for the purchase of land, land improvements other than buildings and any associated fees. This includes any other costs necessary to alter the land for its intended purpose. Any local option codes that are used at the local option are to be converted to account 6619 for PEIMS reporting.

4.10.3 6620 Building Purchase, Construction or Improvements
These expenditure object codes are used to classify the purchase, construction, or substantial improvement of buildings, and any related fees, including architect fees.

4.10.4 *R* 6629 Building Purchase, Construction or Improvements This
code is used to classify expenditures to purchase buildings or for materials, labor, etc., to construct new buildings. This account also includes expenditures for substantial alteration or remodeling of existing buildings that materially increase building life and/or usefulness. All associated fees are included in this account. Any local option codes that are used at the local option are to be converted to account 6629 for PEIMS reporting.

4.10.5 6630 Furniture and Equipment This
code is used to classify expenditures for the purchase of furniture and equipment having a per-unit cost of \$5,000 or more and a useful life of more than one year as listed below. If the per-unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

4.10.6 R 6631 Vehicles per unit cost of \$5,000 or more

This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of \$5,000 or more and a useful life of more than one year. If the per-unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

4.10.7 R 6639 Furniture, Equipment and Software

This

code is used to classify expenditures for all equipment, furniture, technology equipment and capital outlay items having a per-unit cost of \$5,000 or more and a useful life of more than one year not classified elsewhere. Any local option codes that are used at the local option are to be converted to account 6639 for PEIMS reporting.

Object 6639 Expenditures to Include:	Object 6639 Expenditures to Exclude:
<ul style="list-style-type: none"> • Telephone systems • Intercommunication and telecommunication systems • Mainframe and mini-computers • High-capacity copy machines • Purchase of site licenses, single use software, etc., if more than \$5,000 or more per unit costs 	<ul style="list-style-type: none"> • Contract programming non-ownership (Object 6219) • Lease purchases with \$5,000 or more per unit costs (Object 6659) • Maintenance fees and/or upgrades (Object 6249) • Purchase of site licenses, single use software, network fees, etc. (Object 6399 or 6659)

4.10.8 6660 Library Books and Media

This account classification is used to account for the acquisition of library books and media that meet the capitalization criteria of the school. Library books and media such as CD ROM, software, learning diskettes and film may be recorded in a capital assets system as a block of items purchased;

however, the library should maintain an acquisition ledger that records the detailed cost of each book.

4.10.9 R 6669 Library Books and Media

This code is used to classify expenditures for books and film that meet the one year or more useful life criteria; and meets the capitalization criteria of the school or have a per unit value of equal to or greater than \$5,000 whichever is less; (Effective September 1, 2001); and are to be catalogued and controlled by the library. Any local option codes that are used at the local option are to be converted to account 6669 for PEIMS reporting.

4.11 Financial Accountability System Program Intent Codes

Program Intent codes (last five digits) are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The “intent” determines the program intent code, not the demographic makeup of the students served.

- 4.11.1 11 Basic Education Services -- The cost incurred to provide the primary level of education/instruction to students in grades K-12.
- 4.11.2 21 Gifted and Talented Education Program -- This code is used to identify costs for programs established for students who have been identified as functioning at a higher intellectual plane.
- 4.11.3 22 Career and Technology -- This code is used to identify costs that can be specifically identified with those vocational education programs approved by the Texas Education Agency.
- 4.11.4 23 Services to Students with Disabilities (Special Education) -- This code is used to identify costs that can be specifically identified with instruction and related services for those programs for handicapped children approved by the Texas Education Agency.
- 4.11.5 24 Accelerated Education -- The cost incurred to use instructional strategies to provide services in addition to those provided at the basic level of instruction, thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.
- 4.11.6 25 Bilingual Education and Special Language Programs -- The cost incurred to evaluate, place and provide educational or other services that are intended to make the students proficient in the English language.

- 4.11.7 26 Nondisciplinary Alternative Education Programs—AEP Supplemental State Compensatory Education Costs – The supplemental costs incurred to provide services to students who are separated from the classroom to a nondisciplinary alternative education program. These costs are supplemental costs to base level education resources and must be described in the campus improvement plan.
- 4.11.8 28 Disciplinary Alternative Education Program – DAEP Basic Services -- All costs incurred to provide the base line program (non supplemental) services to students who are separated from the regular classroom to a disciplinary alternative education program. Services must be described in the campus improvement plan.
- 4.11.9 29 Disciplinary Alternative Education Program - DAEP State Compensatory Education Supplement -- The supplemental costs incurred to provide services to students who are separated from the regular classroom to a disciplinary alternative education program. These costs are supplemental costs in relation to standards for base level education resource allocations and must be described in the campus improvement plan.
- 4.11.10 31 High School Allotment -- This program intent code is to be used to account for the \$275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12.
- 4.11.11 32 Pre-Kindergarten -- The costs incurred for prekindergarten programs designed to develop skills necessary for success in the regular public school curriculum, including language, mathematics, and social skills.
- 4.11.12 91 Athletics -- This code is used to identify costs for expenditure functions pertaining to athletics.
- 4.11.13 99 Undistributed -- This code is used to identify costs for expenditure functions not specifically identified with the major program areas listed above.
- 4.12 OPTIONAL—Locally assigned codes (Owner Codes)
- 4.12.1 Owner codes are used to designate the budget manager for the account codes. Departments have unique codes.

4.12.2 Owner codes for campuses are grouped by level, i.e. 310 for High School, 330 for Middle School, 350 for Intermediate School, and 370 for Elementary School. Campuses are controlled by a combination of their owner code and campus code.