OTHER CATEGORIES IN THE BUDGET

Presented to: NMCUSD Budget / Program Review Committee
A Superintendent's Advisory Committee
January 17, 2018

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Director of Fiscal Services

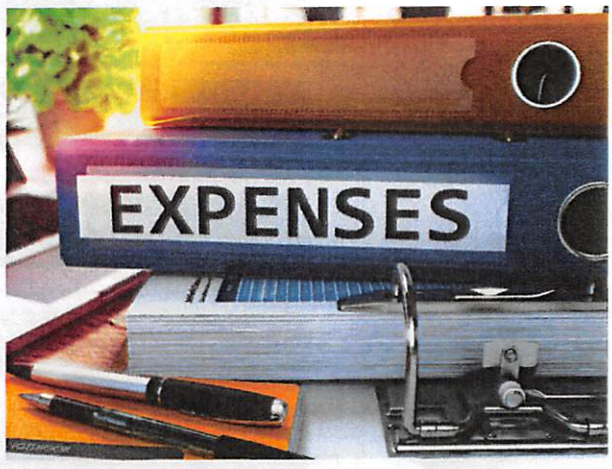
Other Expense Categories

From CSAM:

The object field classifies expenditures according to the types of items purchased or services obtained.

LEAs are required to code transactions to at least the minimum object level required by CDE.

So, the state determines how District expenditures are coded for easy identification & state-wide compilation and comparison.

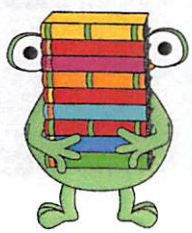


Object Categories

These major object categories are further broken down to provide additional detail on District expenditures.

- Books and Supplies
  Objects 4000-4999
- Services and Other Operating Expenditures
  Objects 5000-5999
- Capital Outlay
  Objects 6000-6999
- Other Outgo
  Objects 7000-7999

Object Classification 4000 – 4999 Books and Supplies



- 4100 Approved Textbooks and Core Curricula Materials – requires approval from Ed Services
- 4200 Books and Other Reference Materials
- 4300 Materials and Supplies – ($500 or less)
- 4400 Non Capitalized Equipment (cost $500 - $5,000 each)
- 4700 Food (Child Nutrition Resources Only)

A little more about objects 4000 - 4999

Object	Description	Example	Further explanation
4100	Approved Textbooks and Core Curricula	Basic curriculum adopted by the State Board of Education or the district board for required subject matter	Requires Ed Services approval prior to purchase
4200	Books and Reference Materials	Library Books Supplemental Reading Material	Books and other reference materials used by district personnel
4253	Classroom Software	Stand-alone software (ie: CDs)	NOT software licenses such as Accelerated Reader
4300	Materials & Supplies	Consumables; pencils; paper; Office Supplies; Custodial Supplies; Grounds	Cost less than $500 per item
4310	Gasoline		Used primarily by Maintenance / Transportation (FMOTS)
4311	Tires		Used primarily by Maintenance / Transportation (FMOTS)
4400	Non Capitalized Equipment	Kitchen / Cafeteria equipment; Furniture	Useful life greater than one year; Cost between $500-$5,000
4451	Computers & Peripherals	Laptop computers; ipads	Requires IT approval prior to purchase
4452	Network Servers & Routers		Requires IT approval prior to purchase

Object Classification 5000-5999 Services and Operating Expenditures



- 5100 Sub agreements for Services
- 5200 Travel and Conferences
- 5300 Dues and Memberships
- 5400 Insurance (for the District)
- 5500 Operations and Housekeeping Services
- 5600 Rentals, Leases, Repairs
- 5700 Transfers of Direct Costs
- 5800 Professional / Consulting Services and Operating Expenditures
- 5900 Communications

A little more about objects 5000 – 5999

Object	Description	Example	Further Explanation
5100	Sub agreements for Services / Contracted Services	Contracts with nonpublic schools for services to Spec Ed students	Requires CBO or Superintendent & Board approval prior to commencing Limited to $25,000 per sub agreement
5200	Travel & Conferences	Fees paid for employees to attend conferences	May require approved Travel Request Form
5300	Dues & Memberships	ACSA or CASBO dues	Fees for membership in any society, association, or organization that benefits the District.
5400	Insurance	Property / Liability Insurance	All forms of insurance OTHER THAN employee benefits
5500	Utilities 5510-30: Gas, Electricity, Water 5540-70: Sewer, Garbage, Pest		
5600	Rentals, Leases, & Repairs 5610 – Maintenance Agreements 5620 – Repairs 5630 – Leases & Rentals		
5700	Direct Cost for Transfer of Service 5710 – Field Trips 5712 – Printing / Copies 575x – Direct costs for Interfund Services (*services* provided internally, between funds. Example: Child Nutrition Catering is fund 13.	Transportation department provides field trip transportation for school sites	***Services*** provided internally, by other departments

A little more about objects 5000 – 5999

continued

Object	Description	Example	Further Explanation
5800	Professional / Consulting Services 5810 – Legal 5820 – Transportation 5830 – Printing 5840 – Advertising		Services rendered by personnel who are not district employees. Requires CBO or Superintendent and Board Approval prior to commencing. Services typically provided by independent contractor that offers services to the public.
	5850 – Software Licenses	Accelerated Reader	Requires IT approval prior to purchasing
	5860 – Fingerprinting / Background 5870 – TB Testing 5881 – County Costs	Required for volunteers & employees	
5900	Communications 5910 – Phone 5920 – Internet 5930 – Postage 5940 – Cell Phone		

A little more about object 5800

Object	Description	2017-18 Revised Budget As of Today Fund 01, Combined
5800	**Professional / Consulting Services**	$1,978,225
	5810 – Legal	$600,418
	5820 – Transportation	$18,750
	5830 – Printing	$35,000
	5840 – Advertising	$11,500
	5850 – Software Licenses	$340,162
	5860 – Fingerprinting / Background	$14,258
	5870 – TB Testing	$1,000
	5881 – County Costs	$272,000
	TOTAL	$3,271,313

Because the 5800's are under the major category heading of Professional/Consulting Services, some people may think that strictly means costs for "consultants". While most professional development costs are incurred for consultants, here you can see what the revised budget is for all the categories that roll up to Professional/Consulting Services

Object Classification 6000-6999 Capital Outlay

Object codes beginning with 6xxx are used to record tangible assets such as land, buildings, and equipment.

For use with the government wide accounting statements, object 6900 Depreciation Expense is recorded.



- 6100 Land
  Land acquisition and additions to existing sites
- 6170 Land Improvements
  Improvements that meet capitalization threshold
- 6200 Buildings and Improvements of Buildings
- 6300 Books and Media for New School Libraries or Major Expansion of School Libraries
- 6400 Equipment – over $5,000
- 6500 Equipment Replacement
- 6900 Depreciation Expense (proprietary & fiduciary funds only)

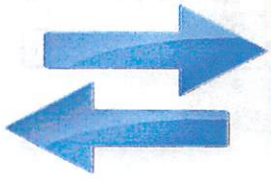
Object Classification 7000-7999 Other Outgo

Tuition?? Yes, tuition. This is tuition paid on behalf of our students who are served by other agencies or districts. Examples include students served by MCOE & MPUSD Special Ed departments.



- 71xx Tuition for Instruction — TUITION
  - 7130 State Special Schools
  - 7141 Tuition paid to other Districts
  - 7142 Tuition paid to County Offices
- 72xx Interagency Transfers Out – Not used by NMCUSD in FY 1718
- 73xx Transfers of Indirect Costs – Indirect costs reimbursed to General Fund by resources / programs
- 74xx Debt Service – lease payments & COPs payments
- 76xx Other Financing Uses – not used by NMCUSD in FY 1718

Object Classification 8000 Revenue



- 8010-8099 LCFF Sources
  - 8011-12 State Aid & EPA State Aid
  - 80XX Local Property Taxes/Transfers
- 81xx-82xx Federal Revenue
- 83xx-85xx Other State Revenue — Lottery, Mandate Reimbursements, Misc other state
- 86xx-87xx Other Local Revenue
- 89xx-89xx Other Financing Sources –Transfers in, between funds and Contributions to Programs

JUST WHEN YOU THOUGHT IT WAS SAFE TO ASK….

- So far we've covered the expense and income categories of the Account Codes.
- The income and expense categories produce the Income Statement or Profit and Loss Statement in a non-educational setting.
- Since education is "not for profit", this information is used to calculate the increase/decrease to Fund Balance.
- Like a traditional Income Statement, the statement is temporary in nature, and exists for one year only.

Object Classification 9000 Balance Sheet



- 91xx-94xx Assets
  Cash, Accounts Receivable, Prepaid Expense, Land, Bldgs, Equipment
- 95xx-96xx Liabilities
  Accounts Payable, Unearned Revenue
- 97xx Fund Balance

JUST WHEN YOU THOUGHT IT WAS SAFE TO ASK….

- Balance Sheet accounts measure the on-going, long term health of every organization
- Just like a traditional business, the Balance Sheet is considered perpetual and any increases or decreases calculated from the annual statements are, at the end of the year, added to or subtracted from the Ending Fund Balance.

Any questions??

