

# BUDGET PREP MANUAL

FY 2022-2023



Pharr-San Juan-Alamo Independent School District  
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**PHARR-SAN JUAN-ALAMO I.S.D.  
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FISCAL YEAR 2022-2023**

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**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**BUDGET TRANSMITTAL LETTER AND SCHOOL BASED BUDGETING GUIDELINES**

From the Superintendent...

The District continues to be committed to site-based decision making as a vehicle to increase students achievement. With these resources, come responsibility **and** accountability for schools and central office staff. Schools are responsible for making informed decisions which support increased student achievement and are accountable for outcomes. Central office staff is responsible for providing technical assistance, resources and expertise in support of the site-based decision making process.

Over the next few months, we will be working to increase the quality of decisions related to the allocation of these funds.

Teacher, principals, central office staff, and parent and community representatives will need to be working to: assess the current level of site-based decision making and develop indicators of quality; plan for, develop, and implement a budget that reflects a quality educational program. As a result of the efforts of your participation and support, site-based decisions making will result in increased levels of student achievement.

Information in this manual is intended to assist you and site-based decision making teams in the development of site-based budgets.

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**BUDGET TRANSMITTAL LETTER AND SCHOOL BASED BUDGETING GUIDELINES**

## Overview

The materials in this manual represent of the concept of localized (site-based) decision making to include sit-based budgeting. The general intent of site-based budgeting is to provide greater flexibility and choice to schools in the allocation and utilization of the districts' financial resources.

As always in the budget process, many question remain to be answered. Each of us is aware of the uncertainty surrounding the financing of public education. It is too early to determine with any degree of certainty the level of funding that will be available; however, budget planning must proceed. If funds do not flow as anticipated, some needs may have to be deferred for future consideration. The task before each of us, then, is to match prioritized needs to projected financial resources.

Financial resources which were decentralized in last year's budget will remain decentralized. The following premises apply:

- With school-level funding comes the responsibility for ensuring that the programs in which monies have been decentralized receive appropriate funding at the school level to meet students' needs and school and district goals.
- Input from members of the school community, including department/grade level personnel, management teams, support staff and others is essential in making the most informed decisions.
- Central office staff should be utilized as instructional resources and to provide technical assistance where appropriate.
- In addition to the budget handbook, the district's curriculum should be utilized as references when making decisions about instructional materials and supplies.
- The budget should be closely aligned to and support campus and district-level goals, objectives and priorities as identified through the campus and district planning processes.

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**BUDGET TRANSMITTAL LETTER AND SCHOOL BASED BUDGETING GUIDELINES**

**Budget Decentralization**

Budget decentralization places the authority to make decisions related to the allocation of resources at the school level. This process gives each school the opportunity to identify and target the varied resources. Decisions about use of resources involve more than financial resources. These decisions also include considerations relating to the use of people, time, information and technology. Simply stated, a decentralized system of budgeting allows schools to select the resources they need to meet the needs of their specific student population.

**Parameters for Decentralization**

School level personnel must have a clear understanding of the limitations, constraints, and opportunities which govern decision-making under decentralization. Therefore, the following parameters have been established to provide schools with a framework within which to develop their campus level improvement plans and budgets.

1. School must comply with all board policies and procedures, as well as all federal, state and local laws pertaining to public school operation, unless a waiver has been obtained.
2. School must comply with all accreditation standards and state regulations related to public school education, unless a waiver has been obtained.
3. School personnel should make use of listing of recommended resource materials in each of the decentralized program areas (contained in a separate document) and district curriculum guides in making budget decisions.
4. Some program areas do not have decentralized monies. Program areas which do not have decentralized monies will operate, for 2022-2023, as in previous years.

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**BUDGET TRANSMITTAL LETTER AND SCHOOL BASED BUDGETING GUIDELINES**

5. Although schools receive funds based on a per student allocation, schools have some flexibility in the manner in which these funds are spent. These per student allocations (including monies from central program area budgets) provide resources to address the school's needs for materials, equipment and supplies. Schools are expected to provide the appropriate educational programs for each student within their allocated resources. Schools remain accountable for the manner in which resources are used.
6. The Campus *Improvement Plan* provides the basis for the school's budget and financial expenditures priorities.

## **PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**

### **SITE-BASED BUDGETING GUIDELINES**

#### **The District Budget Process**

The budget process is designed to allow schools and central office departments to plan future operations in a manner which best serves the needs of students. The budget is a financial translation of the district's goal and objectives and is based upon campus and district-level planning processes.

The budget process includes five basic steps:

1. The establishment of an overall district revenue projection.
2. The establishment of school allocations based on projected enrollments and resources.
3. The development of budgets or expenditure plans for each school and central office department.
4. The compilation of individual budgets or expenditure plans into a comprehensive budget in accordance with anticipated revenues.
5. Review and approval of the district budget by the Board of Education.

#### **Budgeting for Fixed Assets**

Fixed assets requests will be considered by appropriate supervisor personnel when not a part of a local (site-based) allocation. Approval of these requests will be on an item-by-item basis; therefore, an accurate estimate of cost is important. Overestimating the cost of fixed asset items DOES NOT provide the flexibility of receiving more equipment, and MAY reduce the total number of items approved. Underestimating may keep a requested item from being purchased even if approved. Be sure to include DELIVERY, ASSEMBLY, INSTALLATION, and WIRING AND OTHER RELATED COSTS in estimates for fixed assets if necessary.

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**SITE-BASED BUDGETING GUIDLEINES**

Coding

All monies must be allocated and spent according to STATE DEFINED codes, including program intent codes.

Submission of Budget Document

All budget materials must be returned as a SINGLE UNIT (not in pieces) to the budget office. Once initial review and input of the budget documents is completed, the Finance Director will receive the appropriate sections for review.

Budget documents are due in the budget office (**no later than**) June 3, 2022 for initial review input.

School and central office budgets will be reviewed and compiled into a comprehensive district budget and presented to the Board of Education for review in July and August annually. Since allocations are based on projected revenues, some adjustments may be required if these revenues change during the budget process. Budget allocations and school budgets will be adjusted based on the number and types of students enrolled.

District and school budgets are open records information.





BUDGET TIPS  
FOR COMPLETION

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT**  
**BUDGET TIPS FOR COMPLETION**

- Remember to make copies of your budget for your use.
- Round of fall figures to the nearest dollar. Do not show cents. You do not need to type in .00 for cents. Total budget must agree with campus or department allocation amount not including 6256.
- Completed budget worksheets are due into the Business Office no Later than June 3, 2022.
- Justify all expenditures for travel, feeds and dues, fixed assets and all other account groups of \$500 or more.
- Refer to the inserted “Example” for quick reference.
- If you have any question, please call Minerva Rodriguez or Becky Gonzales at 354-2000.
- Remember that federal budgets must budget indirect costs.
- Campuses can only budget 15% of their total regular student allocation in Function 23 (School Leadership).

## **OTHER BUDGET REQUIREMENTS**

The item below are the accounts that you may have budgeted last year. You will need to decide how much to put in each account. You will also need to budget your copier expenditure.

Instructional Student Travel-District Bus Request 199-11-ORG-311-000 – 649400  
(District Bus) Attach Justification (See Appendix A)

Instructional Student Travel-Other 199-11-ORG-311-000 – 641200  
Attach Justification (See Appendix A)

Special Ed. Student Travel-District Bus Request 199-11-ORG-323-000 – 649400  
Attach Justification (See Appendix A)

Special Ed. Student Travel-Other 199-11-ORG-323-000 – 641200  
Attach Justification (See Appendix A)

Regular Co-Curricular Travel-Athletic Related 181-36-ORG-391-000 – 649400  
(District Bus) Attach Justification (See Appendix A)

Special Ed. Co-Curricular Travel 181-36-ORG-323-000 – 649400  
(District Bus) Attach Justification (See Appendix A)

Instructional Supplies 199-11-ORG-311-000 – 639900

Administrative Supplies 199-23-ORG-399-000 – 639900

Equipment (Instructional) 199-11-ORG-311-000 - 639500  
If more than \$5,000, Attach Justification (See Appendix A)

Software (Instructional) 199-11-ORG-311-000 – 639700  
If more than \$5,000, Attach Justification (See Appendix A)

Computer Equipment (Instructional) 199-11-ORG-311-000 – 639800  
If more than \$5,000, Attach Justification (See Appendix A)

Please remember to include money for PE, Music, Science, Mathematics, Social Studies, and English Language Arts supplies.

Also, remember that you can only budget up to \$500 annually for food, snacks, coffee or other non-alcoholic beverages for in-service meetings and other school related activities which are held at the school. If more than \$500, Attach Justification (See Appendix A).

Each campus and/or department should budget for any supplemental pay and any overtime. This includes after school tutoring.



## FRINGE BENEFIT INFORMATION



## **PHARR-SAN JUAN-ALAMO I.S.D.**

**FRINGES FOR THE**

**2022—2023**

**SCHOOL YEAR**

**Federal TRS - 8.0%**

*(All federally funded employees and Supplemental pay for professionals.)*

**Federal TRS CARE - 1.25%**

*(All federally funded employees and Supplemental pay for professionals.)*

**TRS Care Entity Contribution - .75%**

*(All employees and all Supplemental Pay.)*

**TRS Employer Contribution - 1.80%**

*(All employees and all Supplemental Pay.)*

**FICA Medicare - 1.45%**

*(Teacher hired after March 31, 1986, paraprofessionals, auxiliary employees, and professional that do not have a teaching certificate.)*

**Social Security - 6.20%**

*(All paraprofessionals, auxiliary employees, and professionals that do not have a teaching certificate.)*

**Health Insurance / Dental / Life - \$7,857** *(annually)*

*(Per Employee)*

**Unemployment Insurance - \$90**

*(Per Employee)*

**Worker's Compensation - .50%**

*(All Employees)*

**Note:** *Fringe benefit information is included for the benefit of Departments and schools that need then for salary projections. If the Business Office determines that any of them change, they will contact you.*



ESTIMATED STUDENT COUNTS  
AND BUDGET ALLOCATION

PHARR-SAN JUAN-ALAMO ISD  
REGULAR STUDENT ALLOCATIONS  
2022-2023

LOC.	CAMPUS	PROJECTED ENROLLMENT		PER STUDENT ALLOCATION	TOTAL ALLOCATION
101	McKeever Elementary		650	\$80	\$ 52,000
106	Doedyns Elementary		419	\$80	\$ 33,520
107	Palmer Elementary		596	\$80	\$ 47,680
108	Ford Elementary		556	\$80	\$ 44,480
110	Farias Elementary		520	\$80	\$ 41,600
112	Sorensen Elementary		526	\$80	\$ 42,080
113	Escobar Elementary		592	\$80	\$ 47,360
115	Longoria Elementary		535	\$80	\$ 42,800
116	Ramirez Elementary		447	\$80	\$ 35,760
117	Kelly-Pharr Elementary		634	\$80	\$ 50,720
118	Garza-Pena Elementary		482	\$80	\$ 38,560
119	Carman Elementary		555	\$80	\$ 44,400
120	Cantu Elementary		547	\$80	\$ 43,760
121	Santos Livas Elementary		498	\$80	\$ 39,840
122	Reed & Mock Elementary		486	\$80	\$ 38,880
123	Cesar Chavez Elementary		328	\$80	\$ 26,240
124	Dr. Long Elementary		742	\$80	\$ 59,360
125	Clover Elementary		376	\$80	\$ 30,080
126	Guerra Elementary		548	\$80	\$ 43,840
127	Garcia Elementary		345	\$80	\$ 27,600
128	Carmen Anaya Elementary		429	\$80	\$ 34,320
129	Trevino Elementary		419	\$80	\$ 33,520
130	Arnold Elementary		534	\$80	\$ 42,720
131	Early Start		655	\$80	\$ 52,400
134	Marcia Garza Elementary		504	\$80	\$ 40,320
136	Palacios Elementary		529	\$80	\$ 42,320
		Totals:	<b>13,452</b>	\$80	\$ <b>1,076,160</b>
041	Austin Middle School		941	\$80	\$ 75,280
042	Alamo Middle School		720	\$80	\$ 57,600
043	LBJ Middle School		1,043	\$80	\$ 83,440
044	Liberty Middle School		748	\$80	\$ 59,840
045	Yzaguirre Middle School		764	\$80	\$ 61,120
046	Kennedy Middle School		625	\$80	\$ 50,000
047	Escalante Middle School		518	\$80	\$ 41,440
048	Audie Murphy Middle School		774	\$80	\$ 61,920
		Totals:	<b>6,133</b>	\$80	\$ <b>490,640</b>
001	PSJA High School		2,345	\$85	\$ 199,325
002	Memorial High School		1,816	\$85	\$ 154,360
003	North High School		2,100	\$85	\$ 178,500
007	Southwest High School		1,643	\$85	\$ 139,655
005	Sotomayor High School		36	\$85	\$ 3,060
006	Elvis Ballew High School		68	\$85	\$ 5,780
009	Thomas Jefferson Early College		495	\$85	\$ 42,075
011	DEAP/Buell Central High School		37	\$85	\$ 3,145
016	PSJA Collegiate High School		317	\$85	\$ 26,945
		Totals:	<b>8,857</b>	\$85	\$ <b>752,845</b>
		Totals:	<b>19,585</b>	\$80	\$ <b>1,566,800</b>
		Totals:	<b>8,857</b>	\$85	\$ <b>752,845</b>

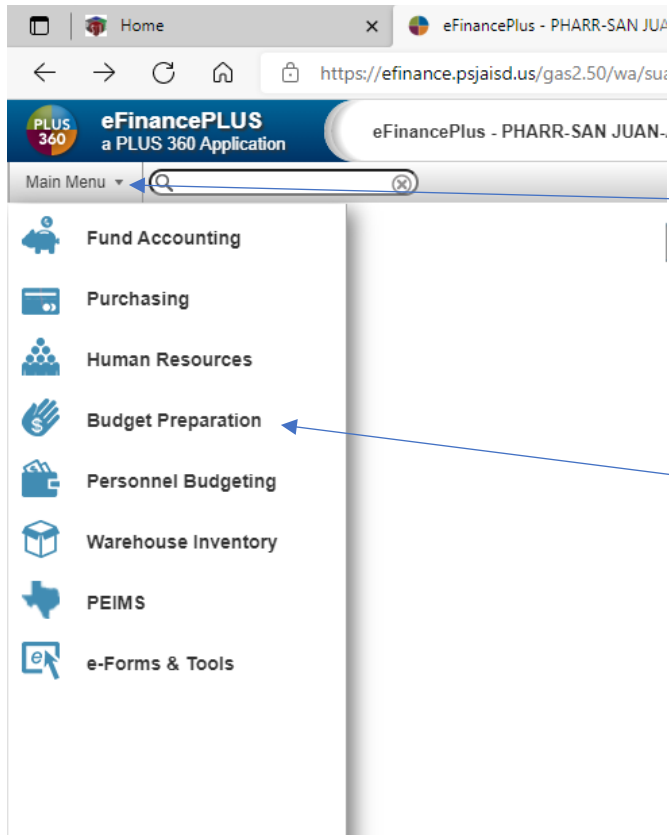
PHARR-SAN JUAN-ALAMO ISD  
CO-CURRICULAR STUDENT ALLOCATIONS  
2022-2023

LOC.	CAMPUS	PROJECTED ENROLLMENT		PER STUDENT ALLOCATION	TOTAL ALLOCATION	
041	Austin Middle School		941	\$10	\$	9,410
042	Alamo Middle School		720	\$10	\$	7,200
043	LBJ Middle School		1,043	\$10	\$	10,430
044	Liberty Middle School		748	\$10	\$	7,480
045	Yzaguirre Middle School		764	\$10	\$	7,640
046	Kennedy Middle School		625	\$10	\$	6,250
047	Escalante Middle School		518	\$10	\$	5,180
048	Audie Murphy Middle School		774	\$10	\$	7,740
Totals:			<b>6,133</b>	\$10	\$	<b>61,330</b>
001	PSJA High School		2,345	\$10	\$	23,450
002	Memorial High School		1,816	\$10	\$	18,160
003	North High School		2,100	\$10	\$	21,000
007	Southwest High School		1,643	\$10	\$	16,430
Totals:			<b>7,904</b>	\$10	\$	<b>79,040</b>
		Totals:	<b>14,037</b>	\$10	\$	<b>140,370</b>





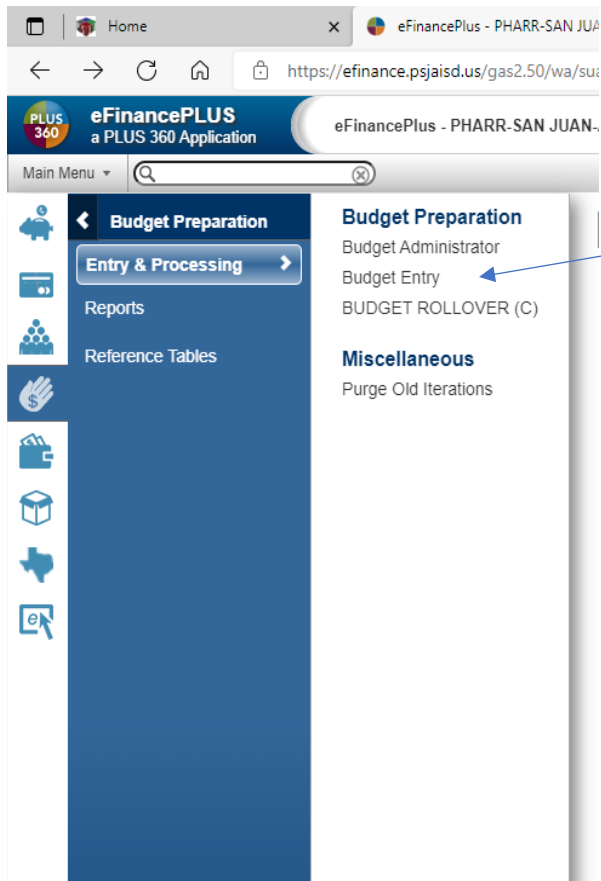
BUDGET INPUT EXAMPLES  
AND  
PRINT BUDGET



## Screen 1

- Start with **Main Menu**

- Click on **Budget Preparation**



## Screen 2


- Click on **Budget Entry**

### 5.1



- ## Screen 4

[illegible]

- Click on **Account Number** and key your budget account number or 199??\_\_\*000 to see all your accounts. 

Type your location number here.

Expenditure Budget Process - Requested - Pharr-San Juan-Alamo ISD- eFp19.4 -Live

https://efinance194.pgaisd.us/gas19.4/wa/sua/?o0595ca2/80a54140cobf18440M42e2/5

**eFinancePlus** Expenditure Budget Process - Requested - Pharr-San Juan-Alamo ISD- eFp19.4 -Live

**Search Criteria**

ACCOUNT NUMBER  ORGANIZATION   
 Account  FISCAL YEAR   
 Budget ACCOUNT NUMBER  PROGRAM   
 Budget Account  EDUCATION SPAN   
 Freeze  PROJECT   
 FUND   
 FUNCTION

ACCOUNT NUMBER	Account	FY21 Actual	FY22 Budget	FY22 YTD Actual	FY22 Est to Complete	FY23 Requested Base	FY23 Requested New	FY23 Requested New
----------------	---------	-------------	-------------	-----------------	----------------------	---------------------	--------------------	--------------------

## Screen 5

- Your changes will be made in **Requested Base** column. Be sure to save your changes once you are finished.

Expenditure Budget Process - Requested - PHARR-SAN JUAN-ALAMO L.S.D. V5.1 - Work - Microsoft Edge

https://efinance.pgaisd.us/gas2.50/wa/sua/5bc0dd8a3b924ef655ec8aca8cea022d/2

**eFinancePLUS**  
a PLUS 360 Application

Expenditure Budget Process - Requested - PHARR-SAN JUAN-ALAMO L.S.D. V5.1

**Details**

**Search Criteria**

ACCOUNT NUMBER  ORGANIZATION   
 Account  FISCAL YEAR   
 Budget ACCOUNT NUMBER  PROGRAM   
 Budget Account  EDUCATION SPAN   
 Freeze  PROJECT   
 FUND   
 FUNCTION

ACCOUNT NUMBER	Account	Requested Base	Requested New	Current YTD Actual	Current Year Estimate	Current Year Budget
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## Screen 6

- When finished click on **Print** on top.

Print - PHARR-SAN JUAN-ALAMO I.S.D. V5.1

EXPENDITURE BUDGET REQUEST LIST

Destination	File Options
<input type="radio"/> File <input checked="" type="radio"/> <b>Screen</b> <input type="radio"/> Excel	File Name <input type="text" value="H:/rpt/request_list.rpt"/>
	<b>Excel Options</b>
	Data Option <input type="text" value="No Totals"/>
	<input type="checkbox"/> Run in the Background

OK Back

## Screen 7

- Select **Screen** and then **OK**

### NOTES:

With new updates on eFinance, reports will look a bit different.

When printed, please have school principal/director sign and date at the bottom.

Please email to [Minerva.rodriguez1@psjaisd.us](mailto:Minerva.rodriguez1@psjaisd.us) when finished.

Thank You



FUNCTION CODES

## A.3 Function Codes

A function represents a general operational area in a school district. It includes a group of related activities. Most school districts use all functions in educating students or organizing the resources to educate students. For example, to provide an appropriate environment for learning, a school district transports students to school, teaches them, feeds them, and provides them health services. Each of these activities is a function.

An **R** by a function indicates that the function is required for reporting purposes (Public Education Information Management System [PEIMS], annual financial and compliance report, or both) if your district used that function.

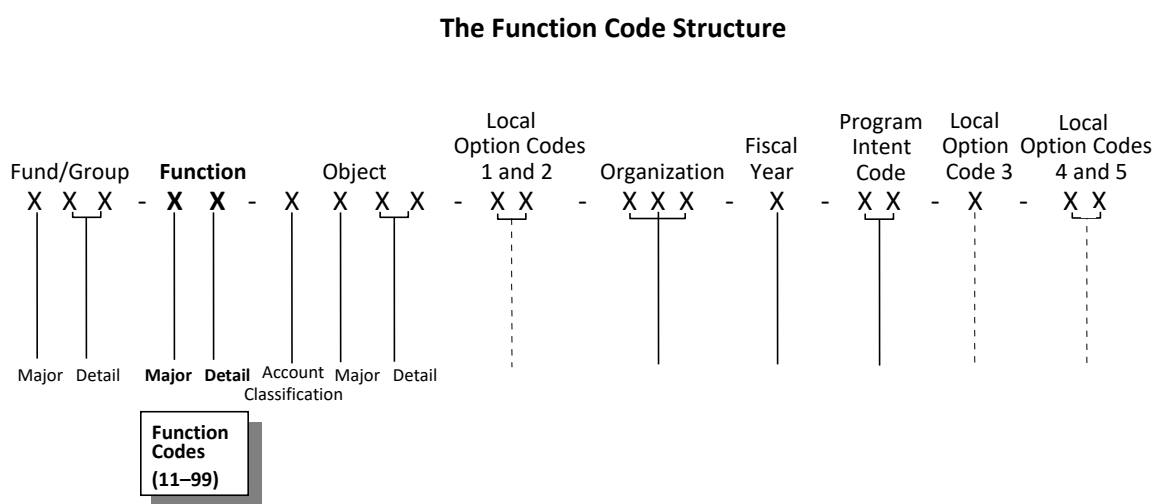
**Note:** “Costs” means “expenditures” or “expenses” in this appendix.

Exhibit A.3 illustrates the position of the function codes in the accounting code system.

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### Exhibit A.3      Function Code Structure

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- Indicates a mandatory code for state reporting purposes.

----- Indicates a code that may be used at local option.

Function codes are grouped in the following major areas according to related activities:

- 10 Instruction and Instruction-Related Services
- 20 Instructional and School Leadership
- 30 Student Support Services
- 40 Administrative Support Services
- 50 Support Services
- 60 Ancillary Services
- 70 Debt Service
- 80 Capital Outlay
- 90 Intergovernmental Charges

Each of these major areas includes specific function codes.

#### **Organization Codes and Program Intent Codes**

Certain costs must be accounted for by organization code and program intent code (PIC). See [A.6 Organizational Codes](#) and [A.8 Program Intent Codes](#) for information about which costs must be accounted for with these codes.

Your school district is encouraged to also use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent, organization, or both. However, your district should weigh the benefits to district management against the effort required to allocate costs before allocating costs that are not required to be allocated.

If your school district does not use specific PICs for costs that do not require them, it must use program intent code 99 (Undistributed) for those costs. If your district does not use specific organization codes for costs that do not require them, it must use organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option) for those costs.



## INSTRUCTION AND INSTRUCTION-RELATED SERVICES

This function code series is for costs for services that:

- provide direct interaction between staff members and students to achieve student learning or
- provide staff members with the appropriate materials or development to achieve student learning.

### **R11**

#### **Instruction**

This code is for costs for activities that deal directly with instruction (the interaction between teachers and students). Instruction may be provided to students in a school classroom or in another location, such as a home or hospital, and in other learning situations. It may be provided through face-to-face interaction or **an approved** medium such as television, radio, telephone, telecommunications, multimedia, correspondence, computer, internet, or online. This code includes costs for direct classroom instruction, other instruction, and activities that enhance or direct the delivery of instruction to students.

Function Code 11—Costs to Include:	Function Code 11—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ classroom teachers</li> <li>○ teacher aides</li> <li>○ classroom assistants</li> <li>○ graders</li> <li>○ employees working in the classroom on a dedicated basis</li> <li>○ adult basic education teachers</li> <li>○ substitute teachers</li> <li>○ substitute teachers who provide instruction while instructional staff members attend staff development or in-service training</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ department heads (function code 13)</li> <li>○ curriculum writers (function code 13)</li> <li>○ program directors (function code 21)</li> <li>○ school leadership, such as principals and assistant principals, and their staffs (function code 23)</li> <li>○ network managers for noninstructional networks (function code 53)</li> <li>○ webmasters (excluding costs attributable to instructional settings) (function code 53)</li> </ul> </li> </ul>

Function Code 11—Costs to Include:	Function Code 11—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>○ teachers who deliver instruction through telecommunications, television, satellite, etc.</li> <li>○ school bus aides for special education</li> <li>○ teachers for computer labs used for instruction</li> <li>○ webmasters in an instructional setting</li> <li>○ technology coordinators for instructional networks</li> <li>○ network managers for instructional networks</li> <li>• instruction, including that part of the regular school day that is for teaching physical education courses for credit and during which athletic activities or athletic practices occur</li> <li>• distance learning</li> <li>• classes taught to students by regional education service centers</li> <li>• adult basic education</li> <li>• special education instructional and related services, including speech, occupational, and physical therapy</li> <li>• health instruction</li> <li>• food used to instruct students on food preparation</li> <li>• field trips</li> <li>• encyclopedias and other reference books in the classroom</li> </ul>	<ul style="list-style-type: none"> <li>○ management information services (MIS) directors (function code 53)</li> <li>○ information technology (IT) developers, programmers, testers, or systems analysts (excluding costs attributable to instructional settings) (function code 53)</li> <li>• curriculum development (function code 13)</li> <li>• IT networks; electronic equipment, including personal computers, servers, and mainframes; hardware; and software, including student and general administrative software, that are used for multiple functions, including license fees and maintenance for these hardware and software (function code 53)</li> <li>• security for technology networks, data, or systems (excluding costs attributable to instructional settings) (function code 53)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• tuition for students attending classes in another district because the resident district does not offer certain grade levels (function code 99)</li> </ul>

Function Code 11—Costs to Include:	Function Code 11—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• instructional materials</li> <li>• upkeep and repairs to instructional materials and equipment in the classroom</li> <li>• band instruments purchased by the district or donated by band boosters or other groups</li> <li>• networks, software, licensing fees, maintenance, supplies, and staffs for computers used for instruction</li> <li>• testing materials for tests developed and administered by teachers</li> <li>• instructional supplies, including but not limited to classroom supplies, grade books, grade book software, report cards, and student handbooks</li> <li>• graduation</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>• purchase of vehicles for instructional purposes, including driver's education</li> <li>• insurance for driver's education vehicles</li> <li>• after-hours tutorials and enrichment</li> <li>• tuition paid by the school district for students to attend college during the regular school day</li> </ul>	<ul style="list-style-type: none"> <li>• purchase of weighted average daily attendance (WADA) from either the state or other school districts under the Texas Education Code, Chapter 49 (function code 91)</li> <li>• testing materials for standardized tests (function code 31)</li> <li>• band uniforms (function code 36)</li> <li>• property insurance on band instruments, uniforms, and equipment (function code 51)</li> <li>• additional costs associated with serving as a coach; athletic director; band director; sponsor for a University Interscholastic League (UIL) speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

**R.12****Instructional Resources and Media Services**

This code is for direct costs for resource centers and direct costs for establishing and maintaining libraries and other major facilities dealing with educational resources and media.

<b>Function Code 12—Costs to Include:</b>	<b>Function Code 12—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"><li>• salaries for the following:<ul style="list-style-type: none"><li>○ librarians and library aides</li><li>○ staff members who work in a media, resource, or audiovisual center; television studio; or similar work-study area</li><li>○ substitute library staff members who work in the library while library staff members attend staff development or in-service training</li><li>○ studio crews that record educational programs or program segments for broadcast</li></ul></li><li>• selecting, preparing, cataloging, and circulating books and other printed materials</li><li>• planning the use of the library by students and by teachers and other members of the instructional staff</li><li>• building individuals' ability to use library books and materials</li><li>• selecting, preparing, maintaining, and making available to the instructional staff equipment, films, transparencies, tapes, television programs, software, CDs, DVDs, and similar materials</li></ul>	<ul style="list-style-type: none"><li>• salaries for following:<ul style="list-style-type: none"><li>○ staff members who conduct in-service training on the use of technology (function code 13)</li><li>○ network managers for noninstructional networks (function code 53)</li><li>○ network managers for instructional networks (function code 11)</li><li>○ technology coordinators for instructional networks (function code 11)</li></ul></li><li>• encyclopedias and other reference books in the classroom (function code 11)</li><li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li><li>• instructional materials (function code 11)</li><li>• instructional supplies (function code 11)</li></ul>

Function Code 12—Costs to Include:	Function Code 12—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• planning, programming, writing, and presenting educational programs or program segments for broadcast</li> <li>• books, films, videocassettes, CDs, DVDs, and other media that are maintained by a resource center or library</li> <li>• library system software and software licenses, including stand-alone and networked software</li> <li>• supplies for binding and repairing books or other media contained in the library or resource center</li> <li>• upkeep of and repairs to library or resource center media, materials, and equipment</li> <li>• media and living science services provided by a regional ESC</li> <li>• pre- and postemployment physicals or drug testing for personnel classified with this function code</li> <li>• purchase of vehicles for instructional resources and media purposes</li> </ul>	<ul style="list-style-type: none"> <li>• additional costs associated with serving as a coach; athletic director; band director; sponsor for a UIL speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

### ***R*13**

#### **Curriculum Development and Instructional Staff Development**

This code is for direct costs for services to help instructional staff members plan, develop, and evaluate the process of providing learning experiences for students. These services include in-service training and other staff development for the school district's instructional staff members or members of instruction-related staffs (function codes 11, 12, and 13). This code is also for costs related to researching, developing, and modifying instruction.

Function Code 13—Costs to Include:	Function Code 13—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ staff members who research, develop, and modify instructional methods, techniques, and procedures</li> <li>○ staff members who prepare or conduct in-service training or staff development for instructional staff members and members of instruction-related staffs (includes training on use of technology)</li> <li>○ curriculum coordinators (not responsible for supervising instructional staff members)</li> <li>○ subject area or grade level department heads and related support staffs</li> <li>○ assistant or deputy superintendents for curriculum</li> <li>○ department heads and curriculum writers</li> </ul> </li> <li>• curriculum development</li> <li>• fees for outside consultants conducting in-service training or staff development for instructional staff members and members of instruction-related staffs</li> </ul>	<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ technology coordinators for instructional networks (function code 11)</li> <li>○ substitute teachers who provide instruction while instructional staff members attend staff development or in-service training (function code 11)</li> <li>○ substitute library staff members who work in the library while library staff members attend staff development or in-service training (function code 12)</li> <li>○ assistant or deputy superintendents for instruction (function code 21)</li> <li>○ instructional supervisors (function code 21)</li> </ul> </li> <li>• salaries of instructional- and library staff members for the period when they attend in-service training or staff development (function code 11 or 12, as applicable)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• in-service training or staff development for staff members who are not classified with function code 11, 12, or 13 (applicable function code)</li> </ul>

Function Code 13—Costs to Include:	Function Code 13—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• travel and travel-related costs for instructional staff members and members of instruction-related staffs to attend in-service training or staff development</li> <li>• tuition and fees paid by the school district for instructional staff members to attend an institution of higher education for additional hours of credit</li> <li>• supplies, materials, and equipment for curriculum development or in-service training</li> <li>• upkeep of and repairs to equipment used for curriculum development or in-service training</li> <li>• paid sabbaticals for instructional staff members</li> <li>• staff development or in-service training provided by a regional education service center</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>• purchase of vehicles for instructional staff development or curriculum development</li> </ul>	<ul style="list-style-type: none"> <li>• additional costs associated with serving as a coach; athletic director; band director; sponsor for a UIL speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

## 20

### INSTRUCTIONAL AND SCHOOL LEADERSHIP

This function code series is for costs related to managing, directing, supervising, and leading staff members who provide instruction or instruction-related services. This function code series is also for costs related to the general management and leadership of a school campus.

**R21****Instructional Leadership**

This code is for direct costs for managing, directing, supervising, and leading staff members who provide instruction or instruction-related services.

<b>Function Code 21—Costs to Include:</b>	<b>Function Code 21—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"><li>• salaries for the following:<ul style="list-style-type: none"><li>○ instructional supervisors</li><li>○ coordinators or directors for special populations or educational programs (Title I, special education, career and technical education, etc.) and related support staffs</li><li>○ assistant or deputy superintendents for instruction, instructional supervisors, or program directors or administrators for instruction</li></ul></li><li>• upkeep of and repairs to materials and equipment related to instructional leadership</li><li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li><li>• purchase of vehicles for instructional leadership purposes</li></ul>	<ul style="list-style-type: none"><li>• salaries for the following:<ul style="list-style-type: none"><li>○ principals, assistant principals, and related staffs (function code 23)</li><li>○ staff members who perform accounting, personnel, or other administrative functions (function code 41)</li><li>○ staff members who provide staff development and in-service training (function code 13)</li><li>○ assistant or deputy superintendents for curriculum (function code 13)</li><li>○ curriculum coordinators who are not responsible for supervising instructional staff (function code 13)</li></ul></li><li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li></ul>



Function Code 21—Costs to Include:	Function Code 21—Costs to Exclude (correct function code appears in parentheses):
	<ul style="list-style-type: none"> <li>additional costs associated with serving as a coach; athletic director; band director; sponsor for a UIL speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

## **R23**

### **School Leadership**

This code is for costs for managing a school campus. Managing a campus includes the activities performed by the principal, assistant principals, and other assistants while they do the following:

- supervise all operations of the campus
- evaluate staff members of the campus
- assign duties to staff members who maintain student records for the campus

Function Code 23—Costs to Include:	Function Code 23—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>salaries for the following: <ul style="list-style-type: none"> <li>principals, assistant principals, and related staffs</li> <li>staff members who record, compile, and report student attendance data, including enrollment records</li> <li>campus staff members who maintain a principal's activity fund or student activity fund</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>salaries for staff members who compile the superintendent's annual report (function code 41)</li> <li>electronic devices, personal computers, servers, or mainframe computers that are used for multiple functions, for example, general administration and school leadership (function code 53)</li> </ul>

Function Code 23—Costs to Include:	Function Code 23—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>teacher appraisal (even if appraisals are conducted by a teacher peer group)</li> <li>upkeep of and repairs to equipment related to school leadership</li> <li>electronic devices, including personal computers, that are used exclusively by the school leadership staff, whether the computers are networked or stand-alone</li> <li>purchase of vehicles for school leadership purposes</li> <li>pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>design of campus improvement plans</li> </ul>	<ul style="list-style-type: none"> <li>supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>additional costs associated with serving as a coach; athletic director; band director; sponsor for a University Interscholastic League speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

## 30

### STUDENT SUPPORT SERVICES

This function code series is for costs that directly support students.

#### **R 31**

#### **Guidance, Counseling, and Evaluation Services**

This code is for direct costs for assessing students' abilities, aptitudes, and interests; counseling students about career and educational opportunities; and helping students set realistic goals. These costs include the costs of providing psychological services, educational counseling, and occupational counseling; identifying individual characteristics; and testing and evaluating students.

Function Code 31—Costs to Include:	Function Code 31—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ counselors and related staffs, including career and technical education or occupational counselors</li> <li>○ staff members who evaluate student performance using assessment instruments</li> <li>○ psychologists</li> <li>○ psychiatrists</li> <li>○ diagnosticians</li> <li>○ assistant or deputy superintendents for guidance and counseling</li> </ul> </li> <li>• mental health screening</li> <li>• student appraisal services</li> <li>• maintaining information on a student's home and family background, standardized test results, and school performance</li> <li>• maintaining information on each student's course of study</li> <li>• placement services</li> <li>• testing materials for standardized tests</li> <li>• contracted testing services for standardized tests</li> <li>• student or parent counseling</li> <li>• upkeep of and repairs to equipment related to guidance and counseling services</li> <li>• purchase of vehicles for guidance, counseling, and evaluation personnel</li> </ul>	<ul style="list-style-type: none"> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• costs for providing physical health services to students (function code 33)</li> <li>• testing materials for student tests developed and administered by teachers (function code 11)</li> </ul>

<b>Function Code 31—Costs to Include:</b>	<b>Function Code 31—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• supplies for guidance, counseling, and evaluation services</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	

## **R32**

### **Social Work Services**

This code is for direct costs that are exclusively for activities such as the following:

- investigating and diagnosing student social needs arising out of the home, school, or community
- providing casework and group work services for the child, parent, or both
- interpreting the social needs of students for other staff members
- promoting change in an individual student's circumstances related to his or her social needs, including providing referrals to and interacting with other governmental agencies

<b>Function Code 32—Costs to Include:</b>	<b>Function Code 32—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ social workers</li> <li>○ truancy or attendance officers</li> <li>○ staff members who transfer records of migrant students</li> <li>○ assistant or deputy superintendents for social services</li> <li>○ purchase of vehicles for social work services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ staff members who record, compile, and report student attendance data (function code 23)</li> <li>○ staff members who record and compile the superintendent's report on attendance (function code 41)</li> </ul> </li> </ul>

<b>Function Code 32—Costs to Include:</b>	<b>Function Code 32—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>○ upkeep of and repairs to materials and equipment related to social work services</li> <li>○ supplies for social work services</li> <li>○ pre- or postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	<ul style="list-style-type: none"> <li>○ liaisons or coordinators for parent education and involvement (function code 61)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• additional costs associated with serving as a coach; athletic director; band director; sponsor for a University Interscholastic League speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> </ul>

### **R33**

#### **Health Services**

This code is for direct costs that are exclusively for providing physical health services to students or for direct costs for inoculations for staff members. Physical health services include medical, dental, and nursing services.

<b>Function Code 33—Costs to Include:</b>	<b>Function Code 33—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• salaries for the following:</li> </ul>	<ul style="list-style-type: none"> <li>• medical and health supplies to be used for athletics (function code 36, program intent code 91)</li> <li>• instruction in health (function code 11)</li> </ul>

Function Code 33—Costs to Include:	Function Code 33—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>○ school physicians (including ophthalmologists), dentists, optometrists, physician’s assistants, nurses, and nurse’s aides who maintain the health of students or provide health services to students</li> <li>○ industrial nurses</li> <li>• contracted medical services, including doctor visits, dentist visits, vision services, and nurse services</li> <li>• inoculations for staff members and students</li> <li>• medical and health supplies for the use of students to assist in health care</li> <li>• Medicaid administrative expenditures</li> <li>• physical health services, screenings, and referrals for students</li> <li>• upkeep of and repairs to materials and equipment related to health services</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>• purchase of vehicles for health services</li> </ul>	<ul style="list-style-type: none"> <li>• speech, health, physical, and occupational therapy to assist special education students in the learning process (function code 11)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with other function codes (applicable function code)</li> <li>• physical examinations for purposes of athletics (function code 36)</li> </ul>

### **R 34**

### **Student Transportation**

This code is for costs incurred in transporting students to and from school. It is also for costs that are exclusively for student transportation

that is related to career and technical education (CTE) services, special education services, or other special program services.

Your school district must record costs for regular bus routes to and from school, or for bus passes for transportation to and from school, using program intent code 99 (Undistributed) and organization code 999 (Undistributed) or 998 (Unallocated, Local Option).

Your district must record costs that are exclusively for transportation of students related to CTE services, special education services, or other special educational services using the applicable PIC.

Function Code 34—Costs to Include:	Function Code 34—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>salaries for the following: <ul style="list-style-type: none"> <li>transportation supervisors and directors, bus drivers, and bus maintenance personnel</li> <li>assistant or deputy superintendents for transportation</li> </ul> </li> <li>transportation specifically for students who participate in special programs as defined in the PICs, for example, special education (services to students with disabilities), CTE, etc. (Applicable program intent code must be used.)</li> <li>Expenditures/expenses for regular bus routes to and from school for <b>eligible regular program students</b></li> <li>fuel, tires, etc., for buses</li> <li>contracted repair of buses</li> <li>bus driver training and certification</li> <li>fleet insurance for buses</li> <li>surety bonds for bus drivers</li> </ul>	<ul style="list-style-type: none"> <li>field trips (function code 11)</li> <li>trips for members of student organizations, for example, Future Farmers of America (FFA), National Honor Society, etc. (function code 36)</li> <li>additional costs associated with serving as a coach; athletic director; band director; sponsor for a University Interscholastic League speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (function code 36)</li> <li>financing costs, for example, principal and interest for acquisition of buses (function code 71)</li> <li>principal and interest on school bus loans and capital leases (function code 71)</li> </ul>

<b>Function Code 34—Costs to Include:</b>	<b>Function Code 34—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• bus passes</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>• initial purchase of school buses</li> </ul>	<ul style="list-style-type: none"> <li>• vehicles other than those used for student transportation (applicable function code)</li> </ul>

### **R 35**

#### **Food Services**

This code is for direct costs that are exclusively for supervising or maintaining a food service operation. These costs include those for food, labor, and other goods and services needed to prepare, transport, and store food for students and staff members.

<b>Function Code 35—Costs to Include:</b>	<b>Function Code 35—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ food service supervisors or directors and related staffs</li> <li>○ cooks</li> <li>○ snack bar staff members</li> </ul> </li> <li>• Summer Food Service Program</li> <li>• food</li> <li>• nonfood items such as plates, silverware, and napkins that are essential to providing food services to students</li> <li>• commodities</li> <li>• vehicles for transporting food from central locations to satellite locations and related costs</li> </ul>	<ul style="list-style-type: none"> <li>• food used to instruct students on food preparation (function code 11)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• concession stands at athletic events (function code 36)</li> <li>• snacks, food, and drinks for resale in an activity fund (function code 36)</li> </ul>



Function Code 35—Costs to Include:	Function Code 35—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• food service equipment (Contact the Food and Nutrition Division at the TDA [<a href="http://www.squaremeals.org/About/ContactFoodandNutrition.aspx">http://www.squaremeals.org/About/ContactFoodandNutrition.aspx</a>] to find out which equipment is eligible under the food service program.)</li> <li>• pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>• vehicles used for food services</li> </ul>	

## **36**

### **Extracurricular Activities**

This code is for costs for school-sponsored activities outside of the school day (extracurricular activities). These activities are generally ones designed to motivate students and provide them with enjoyment and skill improvement. The activities may be competitive or noncompetitive.

Extracurricular activities include athletics and other activities that normally involve competition between schools (and frequently involve offsetting gate receipts or fees), such as football, baseball, volleyball, track, and tennis. They include related activities, such as drill team, pep squad, and cheerleading. They also include University Interscholastic League (UIL) competition, such as one-act plays, speech, or debate; band; Future Farmers of America (FFA); National Honor Society; and similar activities.

If your school district has activity funds, it must classify the goods purchased for resale with this function code and record the gross sale of goods with revenue object code 5755 (Results from Enterprising Activities, Activity Funds, and Clearing Accounts).

Function Code 36—Costs to Include:	Function Code 36—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ athletic directors, assistants, and trainers (program intent code 91)</li> <li>○ game officials (program intent code 91)</li> <li>○ gatekeepers, timers, and scorekeepers at athletic events (program intent code 91)</li> </ul> </li> <li>• athletic salary supplements paid exclusively for coaching, directing, or sponsoring extracurricular athletics, drill team, pep squad, or cheerleading (program intent code 91)</li> <li>• <b>insurance</b> to cover student injuries that occur while students participate in athletics (program intent code 91)</li> <li>• physical examinations for purposes of athletics (program intent code 91)</li> <li>• medical and health supplies to be used for athletics (program intent code 91)</li> <li>• athletic supplies and equipment, including uniforms (program intent code 91)</li> <li>• travel for coaches, trainers, sponsors, and students, including meals and lodging (program intent code 91)</li> <li>• travel for band directors, sponsors of debate and other activities, and student</li> </ul>	<ul style="list-style-type: none"> <li>• instruction, including that part of the regular school day that is for teaching physical education courses for credit and during which athletic activities or athletic practices occur (function code 11)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• property insurance for band uniforms, instruments, and other equipment (function code 51)</li> <li>• band instruments purchased by the school district or donated by band boosters or other groups (function code 11)</li> <li>• security for extracurricular events (function code 52)</li> <li>• property insurance for athletic uniforms and equipment (function code 51)</li> </ul>

<p>participants in extracurricular activities, including meals and lodging for student competition and extracurricular activities (program intent code 99)</p> <ul style="list-style-type: none"> <li>trips for members of student organizations, for example, FFA, National Honor Society, etc.</li> <li>membership fees and dues for coaches (program intent code 91)</li> <li>additional costs associated with serving as a coach; athletic director; band director; sponsor for a UIL speech, debate, or science competition; class sponsor; or student organization sponsor. These costs include those for additional days of employment, reduction of class load or length of day, etc. (program intent code 91 or 99)</li> <li>band uniforms (program intent code 99)</li> <li>items (snacks, food, drinks, pencils, pens, paper, etc.) for resale in an activity fund (program intent code 99)</li> <li>concession stands at athletic events</li> <li>pre- or postemployment physicals or drug testing for personnel classified with this function code</li> <li>vehicles for extracurricular purposes</li> </ul>	
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## ADMINISTRATIVE SUPPORT SERVICES

This function code series is for costs related to the overall general administrative support services of your school district.

### ***R*41**

#### **General Administration**

This code is for costs to manage or govern the school district as an overall entity, including some activities that do not apply directly and exclusively to specific functions. General administration costs are indirect costs that apply to other expenditure functions of a school district.

For all costs that your district records with function code 41, your district must use:

- program intent code 99 and
- the organization codes in the 700 organization code group. (The organization codes in that group may not be used with any other function code, other than specific costs in function code 53 [Data Processing] that relate to the functions of the business office.)

<b>Function Code 41—Costs to Include:</b>	<b>Function Code 41—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• salaries for the following:               <ul style="list-style-type: none"> <li>○ staff members who perform accounting, personnel, or other administrative functions</li> <li>○ staff members who compile the superintendent's annual report</li> </ul> </li> <li>• costs for the board of trustees, including travel, training, and legal fees</li> <li>• portion of superintendent's salary associated with performing administrative duties directly related to the superintendency</li> </ul>	<ul style="list-style-type: none"> <li>• portion of superintendent's salary associated with other functions, such as instruction, campus leadership, and support services (applicable function code)</li> <li>• incremental costs of tax collection due to purchase of weighted average daily attendance (WADA) from either the state or other school districts (function code 92)</li> <li>• building and property insurance (function code 51)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> </ul>

Function Code 41—Costs to Include:	Function Code 41—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• other salaries and costs related to the office of the superintendent</li> <li>• salaries and other costs related to the following: <ul style="list-style-type: none"> <li>○ budgeting, accounting, and fiscal affairs, including payroll and internal auditing costs, property accounting (capital assets), inventory, and purchasing</li> <li>○ human resources (personnel services)</li> <li>○ tax office services for the school district</li> <li>○ the instructional materials custodian</li> <li>○ support services for aggregating attendance reports to the superintendent’s report on attendance and for compiling that report</li> <li>○ legal and risk management issues, including analysis of tax value limitation agreements</li> <li>○ planning and research</li> <li>○ community and public relations</li> </ul> </li> <li>• electronic devices, including personal computers and stand-alone or networked computers, used primarily by function code 41 personnel for administrative purposes</li> <li>• vehicles (including acquisition, maintenance, and supplies) for administrative personnel</li> </ul>	<ul style="list-style-type: none"> <li>• salaries and other costs related to a warehouse operation (function code 51)</li> <li>• IT networks; electronic equipment, including personal computers, servers, and mainframes; hardware; and software, including student and general administrative software, that are used for multiple functions, including license fees and maintenance for these hardware and software (function code 53)</li> <li>• MIS directors (function code 53)</li> <li>• amounts collected as “costs” from a taxpayer and subsequently paid to an attorney for collecting delinquent taxes (liability object code 2110, Accounts Payable)</li> <li>• amounts paid to other governmental entities, such as county appraisal districts, for costs related to appraising property (function code 99)</li> </ul>

Function Code 41—Costs to Include:	Function Code 41—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• insurance for administrative automobiles</li> <li>• surety bonds for administrative personnel</li> <li>• costs related to records management</li> <li>• liability insurance for the board of trustees and administrative personnel</li> <li>• design of the district improvement plan</li> <li>• pre- and postemployment physicals or drug testing for personnel classified with this function code</li> <li>• fees, travel, and other costs related to appraising property and collecting taxes when no other governmental entities are involved</li> <li>• amounts paid to other governmental entities, such as county appraisal districts, for costs related to collecting taxes</li> <li>• amounts paid for monitors, conservators, or management teams required by TEA</li> <li>• normal tax collection costs of the school district</li> <li>• normal legal and election costs of the school district</li> </ul>	

**SUPPORT SERVICES<sup>21</sup>**

This function code series is for costs for non-student-based school district support services. That is, support services that do not directly support students. See the [30 function code series](#) for information on costs for student support services.

**R 51****Facilities Maintenance and Operations**

This code is for costs to maintain and operate the physical facilities, including costs for keeping the facilities and grounds open, clean, comfortable, insured, and in an effective working condition and state of repair. This code is also for costs associated with warehousing items and receiving services.

<b>Function Code 51—Costs to Include:</b>	<b>Function Code 51—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• salaries for supervisors, directors, and assistant or deputy superintendents for facilities maintenance and operations</li> <li>• salaries and other costs related to a warehouse operation</li> <li>• custodian services</li> <li>• building and appliance maintenance</li> <li>• equipment for maintenance and operation of facilities</li> <li>• property and casualty insurance</li> <li>• premiums for blanket casualty insurance for physical facilities, including food service operations</li> <li>• building and property insurance</li> </ul>	<ul style="list-style-type: none"> <li>• acquisition or purchase of land and buildings (function code 81)</li> <li>• remodeling or construction of buildings (function code 81)</li> <li>• major improvements to a site (function code 81)</li> <li>• initial installation or extension of service systems or other equipment (function code 81)</li> <li>• security and monitoring (function code 52)</li> </ul>

<sup>21</sup> Before September 1, 2005, this series was titled "Support Services: Non-student-based."

Function Code 51—Costs to Include:	Function Code 51—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>property insurance for band instruments, uniforms, and equipment</li> <li>property insurance for athletic uniforms and equipment</li> <li>property insurance for other equipment</li> <li>vehicles purchased for facilities maintenance and operations</li> <li>supplies and contracted maintenance for vehicles used for facilities maintenance and operations, including food service operations</li> <li>utilities for the entire school district, including for food service operations</li> <li>supplies and services for maintaining buildings and grounds</li> <li>pre- and postemployment physicals or drug testing for personnel classified with this function code</li> <li>security systems that are part of a smoke detector system</li> </ul>	

## **R52**

### **Security and Monitoring Services**

This code is for costs for activities to keep the surroundings of students and staff members safe, whether students and staff members are in transit to or from school, on a campus, or at a school-sponsored event at another location.



Function Code 52—Costs to Include:	Function Code 52—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ security guards</li> <li>○ hall monitors for security purposes</li> <li>○ school bus security monitors</li> <li>○ school crossing guards</li> <li>○ campus police</li> </ul> </li> <li>• security and monitoring</li> <li>• security at school-sponsored events, including extracurricular events</li> <li>• communication devices for personnel classified with this function code</li> <li>• vehicles used for security and monitoring</li> <li>• supplies, equipment, and contracted services for the safekeeping of students and staff members, including metal detectors, drug dogs, surveillance devices, etc.</li> <li>• emergency management</li> <li>• pre- and postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ truancy or attendance officers (function code 32)</li> <li>○ social workers (function code 32)</li> <li>○ liaisons or coordinators for parent education and involvement (function code 61)</li> <li>○ school bus aides for special education (function code 11)</li> </ul> </li> <li>• security systems that are part of a smoke detector system (function code 51)</li> </ul>

## **R53**

### **Data Processing Services**

This code is for costs for data processing services, whether in-house or contracted.

For data-processing costs associated with business office functions, such as accounting and payroll, your district must use organization code 750.

Function Code 53—Costs to Include:	Function Code 53—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ network managers for noninstructional networks</li> <li>○ management information services (MIS) directors</li> <li>○ webmasters (excluding costs attributable to instructional settings)</li> <li>○ information technology developers, programmers, testers, and systems analysts (excluding costs attributable to instructional settings)</li> </ul> </li> <li>• information technology networks; hardware; and software, including student and general administrative software, that are used for multiple functions, including license fees, development, and maintenance for these hardware and software</li> <li>• networked or stand-alone mainframes, servers, computers, or other electronic equipment that is used for multiple functions</li> <li>• applications such as the following: <ul style="list-style-type: none"> <li>○ student information systems</li> <li>○ financial accounting systems</li> <li>○ human resources or personnel systems</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ technology coordinators for instructional networks (function code 11)</li> <li>○ webmasters in instructional settings (function code 11)</li> <li>○ staff members who prepare or conduct in-service training or staff development for instructional and instruction-related staffs (includes instructional technology) (function code 13)</li> </ul> </li> <li>• stand-alone or networked electronic devices used by a specific functional area (applicable function code)</li> <li>• peripheral devices, including monitors and printers (applicable function code)</li> <li>• networks, software, licensing fees, maintenance, supplies, and staffs, including computer lab teachers, for computers used for instruction (function code 11)</li> <li>• library system software and software licenses, including stand-alone and networked applications (function code 12)</li> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> </ul>

Function Code 53—Costs to Include:	Function Code 53—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• management of facilities that house computers, servers, or network equipment</li> <li>• computer processing</li> <li>• systems development</li> <li>• analysis of workflows, processes, and requirements</li> <li>• coding, testing, debugging, and documentation</li> <li>• systems integration</li> <li>• design of applications supporting IT infrastructure</li> <li>• interfacing costs associated with general types of technical assistance to data users</li> <li>• security for technology networks, data, or systems (excluding costs attributable to instructional settings)</li> <li>• vehicles used by personnel classified with this function code</li> <li>• pre- and postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	

60

## ANCILLARY SERVICES

This function code series is for costs for school district support services that supplement the operation of the district.

**R61**

### Community Services

This code is for costs of activities other than regular public education and adult basic education services. These activities include services to the whole community or some segment of the community, such as providing resources to nonpublic schools or institutions of higher

education and any proprietary services for outside entities in the community.

Function Code 61—Costs to Include:	Function Code 61—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>• salaries for the following: <ul style="list-style-type: none"> <li>○ liaisons or coordinators for parent education and involvement</li> <li>○ staff members providing child care for teachers or working parents</li> <li>○ individuals providing child care for teen parents attending school</li> </ul> </li> <li>• salaries and related costs for community recreation services, such as the operation of a school library, swimming pool, or playground for the public</li> <li>• parenting programs</li> <li>• parental involvement programs</li> <li>• parental and education services for adults other than adult basic education</li> <li>• child care for teen parents attending school</li> <li>• after-hours babysitting and after-school daycare</li> <li>• salaries and related costs for amnesty programs</li> <li>• salaries and related costs for civic centers</li> <li>• salaries and related costs for public health programs</li> <li>• salaries and related costs for conducting meetings with parental advisory committees</li> </ul>	<ul style="list-style-type: none"> <li>• supplies and services for maintaining buildings and grounds, including utilities (function code 51)</li> <li>• Summer Food Service Program (function code 35)</li> <li>• after-hours tutorials and enrichment (function code 11)</li> <li>• adult basic education (function code 11)</li> </ul>

Function Code 61—Costs to Include:	Function Code 61—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>vehicles used by personnel classified with this function code</li> <li>pre- and postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	

## **R62**

### **School District Administrative Support Services (for Use by Regional Education Service Centers Only)**

This code is used exclusively by regional education service centers (ESCs) for costs related to performing certain administrative services for school districts. These services include:

- indirect instructional services for students, such as guidance and counseling, social work, health services, and food services, and
- general administrative services, such as budget management, accounting, joint purchasing, tax administration, and preparing program applications.

This code includes costs for region-wide in-service education and development activities that ESCs provide to school district professional staff members classified with function codes **other than** 11, 12, and 13.

Function Code 62—Costs to Include:	Function Code 62—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>salaries for the following: <ul style="list-style-type: none"> <li>guidance and counseling staff members who provide services to students</li> <li>social workers who provide services to students</li> <li>health staff members who provide services to students</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>salaries for staff members who provide instructional services to students (function code 11)</li> </ul>

Function Code 62—Costs to Include:	Function Code 62—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>○ staff members who provide administrative services to students</li> <li>• administrative support services for school district personnel</li> <li>• vehicles used by personnel classified with this function code</li> <li>• pre- and postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	

70

## DEBT SERVICE

This function code series is for costs for the payment of debt principal and interest.

**R71**

### Debt Service

This code is for costs to pay the following:

- principal and interest on debt and
- related debt service costs

For costs classified with this function code, your school district must use program intent code 99 (Undistributed) and either organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option).

**Note:** For financial reporting purposes, only, principal, interest, and related debt service costs are broken down further by more specific accounting codes. Refer to the sample annual financial and compliance report (AFR) in [Appendix F](#) and to the *AFR Data Feed Standards*, available on the Financial Compliance Division's [Electronic Submissions](#) web page.

<b>Function 71—Costs to Include:</b>	<b>Function 71—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• principal and interest on: <ul style="list-style-type: none"> <li>○ bonds</li> <li>○ capital leases</li> <li>○ long-term debt</li> <li>○ school bus loans that exceed one year in duration</li> </ul> </li> <li>• interest on short-term debt</li> <li>• debt service costs and fees</li> </ul>	<ul style="list-style-type: none"> <li>• principal on short-term (12 months or less) debt (liability object code 2122, Loans Payable—Current Year) (record initial liability as a credit in notes payable liability account; record repayment as a debit in notes payable liability account)</li> <li>• acquisition or purchase of land and buildings financed with debt (function code 81)</li> </ul>

**80**

## **CAPITAL OUTLAY**

This function code series is for costs for the acquisition, construction, or major renovation of school district facilities.

**R81**

### **Facilities Acquisition and Construction**

This code is for costs to acquire, equip, or make additions to real property and sites, including capital lease transactions.

<b>Function Code 81—Costs to Include:</b>	<b>Function Code 81—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>• acquisition or purchase of land, buildings, or both</li> <li>• remodeling or construction of buildings</li> <li>• major improvements to a site</li> <li>• initial installation or extension of service systems or other equipment</li> <li>• initial capital outlay to equip new facilities</li> <li>• capital outlays under capital leases (these outlays do not include lease payments)</li> </ul>	<ul style="list-style-type: none"> <li>• debt service costs associated with debt to finance capital construction (function code 71)</li> <li>• debt service costs associated with capital leases to finance capital items (function code 71)</li> <li>• capital expenditures that do not relate to major renovation or construction (applicable function code)</li> </ul>

Function Code 81—Costs to Include:	Function Code 81—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>pre- and postemployment physicals or drug testing for personnel classified with this function code</li> </ul>	<ul style="list-style-type: none"> <li>equipment for maintenance and operation of facilities (function code 51)</li> </ul>

90

## INTERGOVERNMENTAL CHARGES

“Intergovernmental” is a classification for circumstances in which one governmental unit transfers resources to another. Examples of intergovernmental charges are:

- the purchase of weighted average daily attendance (WADA) under the [TEC, Chapter 49](#), and
- payment by one school district to another school district for educating students.

**91**

## Contracted Instructional Services between Public Schools

This code is used exclusively for the purchase of weighted average daily attendance (WADA) from either the state or other school districts.

The code is for costs for the following:

- purchasing attendance credits from the state under the [TEC, Chapter 49, Subchapter D](#)
- providing financial resources for services in another public school through a contract for education of nonresident students under the [TEC, Chapter 49, Subchapter E](#)

For costs classified with this function code, your school district must use program intent code 99 (Undistributed) and organization code 999 (Undistributed).

Function Code 91—Costs to Include:	Function Code 91—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>purchase of WADA from other school districts</li> <li>purchase of WADA from the state</li> </ul>	<ul style="list-style-type: none"> <li>tuition paid by the school district for students to attend college during the regular school day (function code 11)</li> </ul>



Function Code 91—Costs to Include:	Function Code 91—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>technology consortium costs under Option 4</li> <li>career and technical education programs under the <a href="#">TEC, §49.205</a></li> </ul>	<ul style="list-style-type: none"> <li>tuition paid by the school district for students attending classes in another school district because the resident school district does not offer certain grade levels (function code 99)</li> </ul>

## **92**

### **Incremental Costs Associated with the Purchase of WADA under the Texas Education Code, Chapter 49**

This code is for costs to position a school district with excess wealth per student in weighted average daily attendance (WADA) to purchase attendance credits either from the state or from another school district.

For costs classified with this function code, your school district must use program intent code 99 (Undistributed) and organization code 999 (Undistributed).

Function Code 92—Costs to Include:	Function Code 92—Costs to Exclude (correct function code appears in parentheses):
<ul style="list-style-type: none"> <li>salaries and expenditures related to the cost of collecting excess taxes to purchase WADA</li> <li>salaries and expenditures related to the cost of legal fees or election expenses incurred to purchase WADA</li> </ul>	<ul style="list-style-type: none"> <li>normal tax collection costs of the school district (function code 41)</li> <li>normal legal and election costs of the school district (function code 41)</li> <li>amounts collected as “costs” from a taxpayer and subsequently paid to an attorney for collecting delinquent taxes (liability object code 2110, Accounts Payable)</li> </ul>

**R 93****Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements**

This code is for costs for the following:

- payments from a member district to a fiscal agent of a shared services arrangement (SSA)
- payments from a fiscal agent to a member district of an SSA

For costs classified with this function code, your school district must use either organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option), as applicable.

Function Code 93—Costs to Include:	Function Code 93—Costs to Exclude:
<ul style="list-style-type: none"><li>• payments from a member district to a fiscal agent of an SSA in circumstances in which the fiscal agent expends funds on behalf of the member district (expenditure object code 6492)</li><li>• payments from a fiscal agent to member districts of an SSA under circumstances in which member districts expend funds (expenditure object code 6493)</li></ul>	<ul style="list-style-type: none"><li>• No other costs may be classified with this function code.</li></ul>

**R 95****Payments to Juvenile Justice Alternative Education Programs**

This code is for costs to provide financial resources for juvenile justice alternative education programs (JJAEPs) under the [TEC, Chapter 37](#).

This code is used to account for payments from your school district to a JJAEP in connection with students who are placed in discretionary or mandatory JJAEP settings.

For costs classified with this function code, your school district must use either organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option), as applicable.

Function Code 95 - Costs to Include:	Function Code 95 - Costs to Exclude:
<ul style="list-style-type: none"> <li>payments from the school district in which a student resides to a JJAEP (expenditure object code 6223)</li> </ul>	<ul style="list-style-type: none"> <li>No other costs may be classified with this function code.</li> </ul>

## ***R*97**

### **Payments to Tax Increment Fund**

This code is for costs to provide financial resources paid into a tax increment fund under the [Texas Tax Code, Chapter 311](#). Revenues are recorded under fund code 199, object code 5746. Costs are recorded under fund code 199, object code 6499.

For costs classified with this function code, your school district must use either organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option), as applicable.

Function Code 97—Costs to Include:	Function Code 97—Costs to Exclude:
<ul style="list-style-type: none"> <li>payments into a tax increment fund under the <a href="#">Texas Tax Code, Chapter 311</a> (expenditure object code 6499)</li> </ul>	<ul style="list-style-type: none"> <li>No other costs may be classified with this function code.</li> </ul>

## ***R*99**

### **Other Intergovernmental Charges**

This code is for recording intergovernmental charges not defined by any of the preceding codes. Costs classified with this code include the following:

- costs to obtain instructional services from another public school for grade levels not offered by your school district<sup>22</sup>
- set-aside amounts for private school services

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<sup>22</sup> [TEC, §25.039](#)

<b>Function Code 99—Costs to Include:</b>	<b>Function Code 99—Costs to Exclude (correct function code appears in parentheses):</b>
<ul style="list-style-type: none"> <li>salaries and related expenditures, including tuition, to obtain instructional services from another school district for grade levels not provided by the sending school district (expenditure object code 6222)</li> <li>amounts paid to other governmental entities such as county appraisal districts for costs related to appraising property (expenditure object code 6213)</li> <li>tuition paid by the school district for students attending classes in another school district because the resident school district does not offer certain grade levels</li> <li>set-aside amounts for private school services</li> </ul>	<ul style="list-style-type: none"> <li>tuition paid by the school district for students to attend college during the regular school day (function code 11)</li> <li>fees, travel, and other related costs for the appraisal of property and the collection of taxes when no other governmental entities are involved (function code 41)</li> </ul>

### ***A.3.1 Unavailable or Reserved Function Codes***

The following table lists codes that are unavailable or reserved for future state definition. When a code is no longer being used, it is placed in “unavailable” status for 10 years to prevent its being used with two different meanings. After it has been unavailable for 10 years, its status is changed to “reserved for future state definition,” which means that it may be assigned to a new use as the need arises.

<b>Category of Funds</b>	<b>Unavailable</b>	<b>Reserved for Future State Definition</b>
<b>Function Codes</b>		
	98	14-19 22 24-29 37-39 42-49 54-59 63-69

		72-79 82-89 94 96
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ORGANIZATION CODES

## A.6 Organization Codes

An organization is a group of employees who are assigned a specific responsibility within a school district.

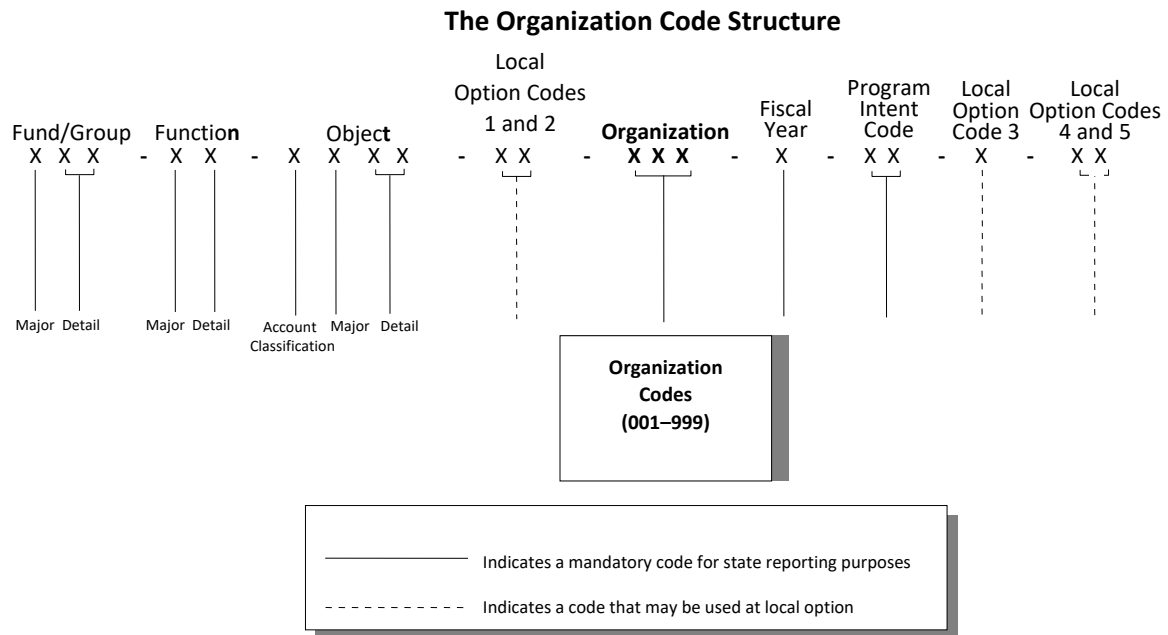
The two types of organizations include:

- a campus organization, which usually is responsible for services to a set of students, including:
  - teaching,
  - supporting the teaching, or
  - providing other necessary services (such as social and health services); and
- an administrative or other organization, which performs specific responsibilities for the school district, such as those related to:
  - the superintendent's office,
  - the school board, or
  - other business functions.

An organization does not necessarily correspond to a physical location. The activity performed, not the location, defines the organization. For example, a high school computer science class might be taught at the central administration office, in which case the appropriate high school organization code would be assigned. Exhibit A.6.a illustrates the location of the organization code in the accounting code structure.

Accurate use of organization codes is essential for payroll under function 11, Instruction. School districts are to use organization codes in all functions when a cost is *clearly attributable* to a specific organization. For those costs that are not clearly attributable to specific organization codes, districts will use organization codes 998 (Unallocated, Local Option) or 999 (Undistributed).

## Exhibit A.6 Organization Code Structure



The **R** by a code indicates that the code is required for reporting purposes (PEIMS and/or annual financial and compliance report (AFR) if the code applies to your school district.



### A.6.1 Using Organization Codes

Your district must use:

- campus organization codes, which are defined in the Texas School Directory<sup>38</sup>, for all costs clearly attributable to a specific organization using one of two methods. Your district may either:
  - code all costs clearly attributed to a specific organization or
  - allow the PEIMS to allocate costs that are charged to organization code 999 (Undistributed); and
- administrative organization codes (701–751):
  - for all costs under function code 41, General Administration,
  - for all costs under function code 53, Data Processing, that apply to the business office of the district, and
  - for all costs under function code 99, Other Intergovernmental Charges.

**Note:** The Texas School Directory identifies a campus using a 9-digit number. The first three digits are the county code, the second three digits are the district code, and the last three digits are the campus code. Use only the last three digits as the campus organization code.

For costs that are not clearly attributable to specific organization codes, your district may use organization codes 998 (Unallocated, Local Option) or 999 (Undistributed).

For more information about calculating indirect cost rate, see

- TEA rule<sup>39</sup> regarding indirect cost rates and
- the [Indirect Cost Handbook](#) attached in subsection (d) of the rule.

For a chart depicting required organization accounting by expenditure object code and function code, see [B-1.0 Account Code Matrices](#).

For information on methods of allocating costs other than direct recording, see *FASRG* Module 1 section 1.4 Cost Accounting.

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<sup>38</sup> [Texas School Directory](#)

<sup>39</sup> [19 TAC §109.3003](#)

### ***A.6.2 Campus Accounting and Coding***

Site-based decision making, and campus accountability require school districts to provide financial information at all levels of the decision-making process. Districts provide information on the use of public resources by campus and program to facilitate legislative budgetary decisions.

Your district must record payroll costs by campus level for educational personnel, including professional and paraprofessional personnel, when the cost is clearly attributable to a specific campus or organization. The criteria to determine if the payroll costs of such personnel should be recorded to a particular campus or organization are as follows:

- The person must be dedicated to the day-to-day operations of the campus (partially or fully) and be under the direct or indirect supervision of the campus principal. Personnel costs that would be recorded to a campus would generally include costs for:
  - classroom teachers,
  - teacher aides,
  - classroom assistants,
  - librarians,
  - principals,
  - counselors, and
  - social workers.

**Note:** This list is not all-inclusive.

- Payroll costs for substitute teachers may be coded either to a campus or to the Undistributed Organization Unit (999)
- On-Behalf Teacher Retirement System payments may be coded either to a campus or to the Undistributed Organization Unit (999)

#### **A.6.2.1 Compliance Monitoring—Organization Codes**

In the PEIMS data collection process, the TEA provides software that contains a formula to allocate costs recorded in organization code 999 (Undistributed). The costs are allocated according to:

- instructional FTEs assigned to organization codes (as reported in PEIMS) and
- campus organizations for functions specified in State Board of Education (SBOE) rules relating to indirect costs.

The allocation process:

- populates a report template and does not change transaction information within the general ledger system; and
- uses payroll and staff data for instructional FTEs, as recorded under function code 11, Instruction, as a basis to allocate costs.

The formula-based allocation is used for state and federal compliance monitoring purposes, such as monitoring indirect costs, maintenance of effort, and comparability requirements.

Costs that are classified in organization code 998 (Unallocated, Local Option) are not allocated by the formula; therefore, those costs must not be considered for compliance purposes unless charged to a specific enhanced program intent code.

## 001–699

### ORGANIZATION UNITS—CAMPUSES

The campus numbers are defined in the [Texas School Directory](#) for the school district. As your district opens a new campus, it must notify TEA, and TEA will assign a new campus number.

**Note:** Juvenile Justice Alternative Education Program (JJAEP) Campuses

There are two types JJAEPs:

- (1) The [TEC, Chapter 37](#), authorizes assignment of students to a JJAEP approved by the Texas Juvenile Probation Commission (TJPC) if the school district is located in a county with a population of greater than 125,000.
- (2) The second type of JJAEP is any arrangement that is not approved by the TJPC but that relates to placement of students who are expelled under the [TEC, §37.007\(a\)–\(f\)](#).

All JJAEP campuses must be registered in the [Texas School Directory](#) and AskTED. The campus number assigned to the JJAEP must be used to account for all expenditures that are attributed to JJAEP-related activities. This includes costs attributed to resources provided by school districts, such as special education teachers employed by school districts and assigned to work in a JJAEP.

#### **JJAEP Reported as a Discrete Component in the Annual Financial and Compliance Report (AFR)**

In a few instances, a memorandum of understanding between a county government and a school district authorizes the district to administer and operate the JJAEP on behalf of the county government and to provide services to school districts located in the county. In this case, the school district responsible to administer the JJAEP must report the JJAEP as a discrete component of the school district in its AFR. Financial accounting records must provide a separate accounting for all transactions that are attributable to the JJAEP administered by the school district.

<b>R001–040</b>	<b>High School Campuses</b>  The campus numbers are assigned to high school campuses for the school district in the <a href="#">Texas School Directory</a> .
<b>R041–100</b>	<b>Junior High or Middle School Campuses</b>  The campus numbers are assigned to junior high or middle school campuses for the school district in the <a href="#">Texas School Directory</a> .
<b>R101–698</b>	<b>Elementary School Campuses</b>  The campus numbers are assigned to elementary school campuses for the school district in the <a href="#">Texas School Directory</a> .
<b>699</b>	<b>ORGANIZATION UNIT—SUMMER SCHOOL</b>  <b>R699</b> <b>Summer School Organization</b>  Your district must use this organization code for any summer school and intersession program that your district provides.
<b>700</b>	<b>ORGANIZATION UNITS—ADMINISTRATIVE</b>  Your district must use this organization code series for all expenditures related to function code 41, General Administration. Organization units 701 through 749 must be used only with function code 41.  Organization code 750 must be used only with function codes: <ul style="list-style-type: none"> <li>• 41, General Administration, and</li> <li>• 53, Data Processing (for data processing costs that are related to the business functions of the school district).</li> </ul> Administrative personnel (principals, assistant principals, etc.) classified using function code 23, School Leadership, must be charged to the appropriate campus number, organization codes 001–698, or to 699, Summer School Organization.
<b>R701</b>	<b>Organization Unit—Superintendent’s Office</b>  Your district must use this organization code for all expenditures related to the superintendent’s office (function code 41, General Administration, only).

**R702      Organization Unit—School Board**

Your district must use this organization code for all expenditures related to the school board (function code 41, General Administration, only).

**R703      Organization Unit—Tax Costs**

Your district must use this organization code for all expenditures related to the cost of levying and collecting taxes (function codes 41, General Administration, and 99, Other Intergovernmental Charges, only).

**709–719      ORGANIZATION UNIT—DIRECT COSTS—LOCALLY DEFINED**

These codes are used, at the option of your district, to define administrative organizational units that are considered direct costs. For a definitions of direct costs, see the **ICRP Additional Costs Workbook Instruction Manual** on the [Indirect Cost Rates](#) web page on the TEA website.

For PEIMS, these codes are converted to organization code 720.

**R720      Organization Unit—Direct Costs Using Function Code 41, General Administration**

This organization code is used for all expenditures related to direct costs not attributed to the superintendent, school board, or tax office organization units. For a definition of direct costs, see [Indirect Cost Rates](#).

**726–749      ORGANIZATION UNIT—INDIRECT COSTS—LOCALLY DEFINED**

Your school district has the option to use these codes to account for costs of administrative organizational units that are considered indirect costs when calculating indirect cost rates. For a definition of indirect costs, see [Indirect Cost Rates](#).

**Note:** For PEIMS, these codes are converted to organization code 750.

**R750      Organization Units—Indirect Costs Using Function Code 41, General Administration (including Business Office, Personnel, Payroll, Human Resources, and Purchasing), and Function Code 53, Data Processing Services**

Use this organization code for all expenditures related to your district's costs attributed to business office, personnel, payroll, human

resources, and purchasing using function code 41, General Administration.

These costs are considered indirect costs when calculating the indirect cost rates. Your district may, at the local option, use codes 726–749 to account for these areas separately.

Data processing charges that relate to administrative applications and are classified using function code 53, Data Processing, should use this organization code as well. For more information on calculating indirect cost rates, see the cost rates, see the Indirect Cost Handbook which is attached to TEA rules.<sup>40</sup>

**R751**

**Fiscal Agent of a Shared Services Arrangement**

This organization unit code may be used to account for fiscal agent expenditures in a shared services arrangement at the school district's option.

**800–997**

**ORGANIZATION UNITS—LOCALLY DEFINED**

These organization units may be used, at the option of your district, to provide further accountability for organization units.

**Note:** For PEIMS, these codes are converted to organization code 999.

**R998**

**Unallocated Organization Unit**

This organization code may be used, at the option of your district, for any costs that the district does not wish to be allocated according to the formula developed by TEA; that is, costs that should not be allocated to various campus organizations and program intents based upon instructional FTEs.

Those costs may be charged to a specific program intent; however, if they are charged to program intent code 99, Undistributed, they will not be allocated. Since these costs will not be distributed to campus organizations or program intents, they will not be considered in monitoring compliance for indirect costs, maintenance of effort, and comparability requirements, unless charged to a specific Enhanced Program Intent Code.

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<sup>40</sup> [19 TAC §190.3003](#)

**R999**

**Undistributed Organization Unit**

Use this organization code for any undistributed costs; that is, costs that are not a campus or summer school or an administrative unit under function code 41, General Administration.

### ***A.6.3 Unavailable or Reserved Organization Codes***

The following table shows codes that may not be used by school districts.

Category of Codes	Unavailable	Reserved for Future State Definition
<b>Organization Codes</b>		
		<b>704–708</b> <b>721–725</b> <b>752–799</b>





FISCAL YEAR CODES

## A.7 Fiscal Year Codes

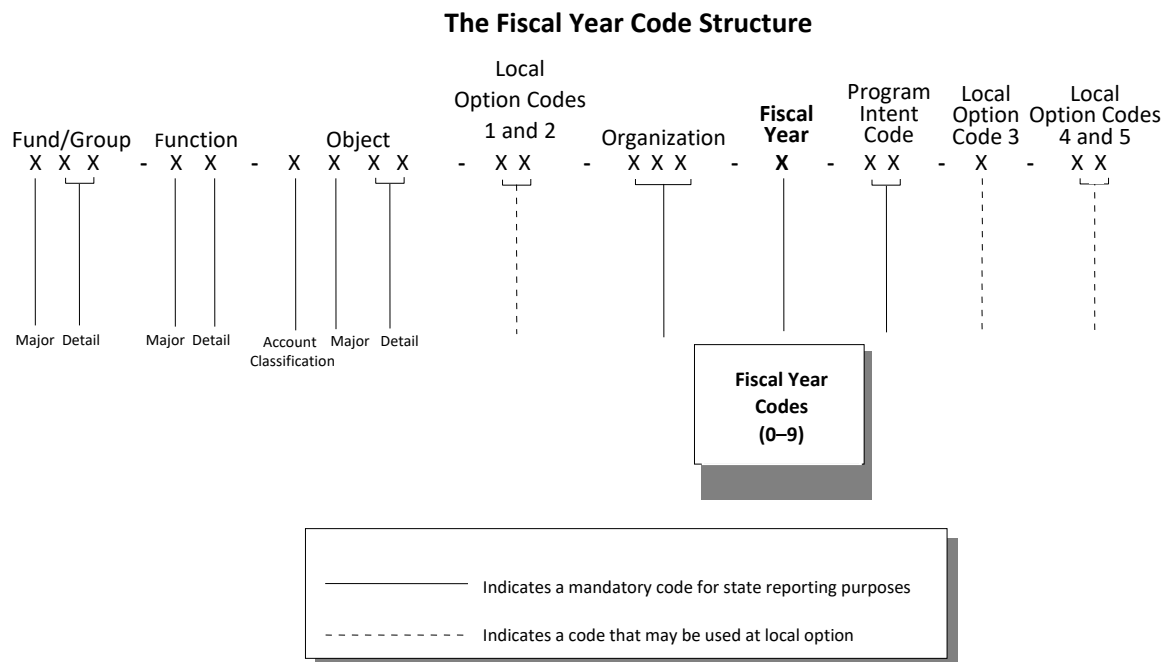
The fiscal year code is a mandatory code for all school districts. For your school district's fiscal year, the district must use the last digit of the fiscal year. For example, the fiscal year that begins in 2014 and ends in 2015 (referred to as "fiscal year 2015") is represented by a "5."

Exhibit A.7.a illustrates the location of the fiscal year code in the accounting code structure.

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### Exhibit A.7.a Fiscal Year Code Structure

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The following are examples of fiscal year codes:

Code	Fiscal Year Beginning	Fiscal Year Ending	Code	Fiscal Year Beginning	Fiscal Year Ending
0	2009	2010	5	2014	2015
1	2010	2011	6	2015	2016
2	2011	2012	7	2016	2017
3	2012	2013	8	2017	2018
4	2013	2014	9	2018	2019

Determining the fiscal year code is different for certain locally funded or state-funded projects as opposed to federal or state grant-funded projects. Your district must use the last digit of its current fiscal year as the fiscal year code for projects funded by:

- local grants,
- debt service funds, or
- construction funds.

For federal or state grant-funded projects accounted for as special revenue funds, the fiscal year code corresponds with the second digit of the notice of grant award (NOGA) ID number.

For example, for a federal grant with NOGA ID number 146101XXXXXXXXXX, the fiscal year code is 4 for 2014, as identified in the second digit of the NOGA ID number. Your district must use the same fiscal year code for the entire duration of the grant. For any unused amounts that roll forward to a subsequent grant, the district must use the NOGA ID of the new grant to determine the fiscal year code.

Exhibit A.7.b illustrates how to determine a fiscal year code for a federal grant that covers more than one district fiscal year. As shown in the graphic, grants A and B both start on July 1, 2013. Grant A lasts for one year, and Grant B lasts for two years. The NOGA for each grant has 4 as the second digit, and both grants are accounted for with fiscal year code 4.

Grant C begins on July 1, 2014, and lasts one year, ending on June 30, 2015; it uses fiscal year code 5, which is derived from the second digit of its NOGA.

The graphic also illustrates how grants that cover more than one district fiscal year must be accounted for in the district's AFR:

- Grant A begins July 1, 2013, and ends June 30, 2014 (a one-year grant). The start date is two months before the start of the district's fiscal year, so the district must account for
  - 2 months of the grant in its AFR for 2013 and
  - 10 months of the grant in its AFR for 2014.
- Grant B begins July 1, 2013, and ends June 30, 2015 (a two-year grant), so the district must account for
  - 2 months of the grant in its AFR for 2013,
  - 12 months of the grant in its AFR for 2014, and
  - 10 months of the grant in the AFR for 2015.
- Grant C begins July 1, 2014, and ends June 30, 2015 (a one-year grant), so the district must account for:
  - 2 months of the grant in its AFR for 2014 and
  - 10 months of the grant in its AFR for 2015.

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**Exhibit A.7.b Determining Fiscal Year Codes for Federal Grants**

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Grants A & C	Grant B	AFR Reporting	District FY	Calendar
Begin Grant A NOGA 1411...	Begin Grant B NOGA 1412...	Show 2 mo. Grants A & B in 2013 AFR	District FYE 13	Jul 1, 2013 Aug 31, 2013
FY code: 4	FY code: 4	Show 10 mo. Grant A and 12 mo. Grant B in the 2014 AFR		
End Grant A				Jun 30, 2013
Begin Grant C NOGA 1511...		Show 2 mo. Grant C in 2014 AFR	District FYE 14	Jul 1, 2014 Aug 31, 2014
FY code: 5				Sep 1, 2014
		Show 12 mo. Grant B and 10 mo. Grant C in the 2015 AFR		

<b>End Grant C</b>	<b>End Grant B</b>				<b>Jun 30, 2015</b>
			<b>District FYE 15</b>		<b>Aug 31, 2015</b>



PROGRAM INTENT CODES

## A.8 Program Intent Codes

Your district must use program intent codes (PICs) 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 (the instructional content and desired outcome toward which the instructional or other service is directed) determines the PIC, not the demographic makeup of the students served. For state programs:

- state law may determine the intent and the permissible use of allotments and
- your district must consider the limits on the amount of allotments that may be used for indirect costs.

Your district must use PICs in all functions in which a cost is *clearly attributable* to a specific program intent.

The **R** by a code indicates that the code is required for reporting purposes (PEIMS and/or AFR) if the code applies to your school district.

Your district must monitor expenditures to ensure that the limit on indirect costs is observed and must take necessary steps to meet this requirement. For additional guidance in the areas of direct and indirect costs, your district may consult the State Board of Education (SBOE) rules.<sup>41</sup> TEA policy provides maximum flexibility to school districts by averaging costs up to three years. As the TEA reviews state special program expenditures, your district will have the opportunity to address any issues that may arise. Your district must consider the implications of some federal requirements (for example, maintenance of effort) when determining local policies on the minimum level of coding expenditures.

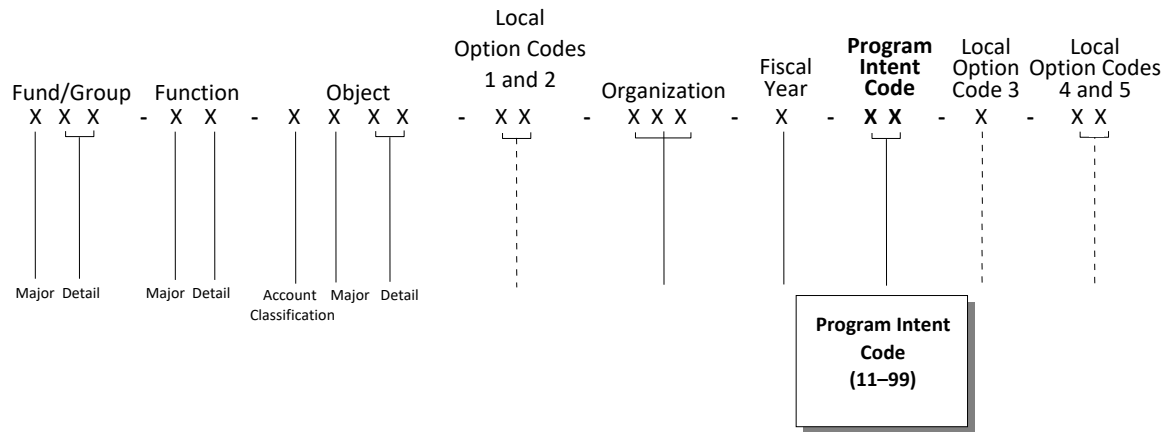
Exhibit A.8 illustrates the position of the PICs in the accounting code system.

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<sup>41</sup> [19 TAC §105.11](#)

## Exhibit A.8 Program Intent Code Structure

### The Program Intent Code Structure



————— Indicates a mandatory code for state reporting purposes  
 - - - - - Indicates a code that may be used at local option



The following table provides a summary of the program intent codes for quick reference.

<b>Code No.</b>	<b>Name</b>	<b>Description</b>
<b>Basic Services</b>		
11	Basic Education Services	Costs to provide basic instruction
26	Nondisciplinary Alternative Education Programs (AEP)—Basic Services	Costs for programs to serve students at risk of dropping out
28	Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services	Costs for baseline program for students who are separated from the regular classroom for disciplinary reasons but otherwise similar to PIC 26
<b>Enhanced Services</b>		
21	Gifted and Talented	Costs to assess students and provide instruction
22	Career and Technical	Costs to evaluate and prepare students for gainful employment and to provide advanced technical training, homemaking, apprenticeship, and job training
23	Services to Students with Disabilities (Special Education)	Costs of special education such as homebound, hospital class, speech therapy, resource room, self-contained classroom, residential care, etc.
24	Accelerated Instruction	Costs of supplemental education for students at risk of dropping out of school
25	Bilingual Education and Special Language Programs	Costs to help students transition to the English language for academic instruction
26	Nondisciplinary Alternative Education Programs (AEP)—Supplemental Services	Costs for programs to serve students, such as supervision, parental involvement, security, dyslexia, and accelerated reading instruction
29	Disciplinary Alternative Education Program—DAEP SC Supplemental Costs	Supplemental costs for PIC 28

<b>Code No.</b>	<b>Name</b>	<b>Description</b>
30	Title I, Part A, School-Wide Activities Related to State Compensatory Education and Other Costs on Campuses with 40 Percent or More Educationally Disadvantaged Students ("School-wide Campuses")	For school-wide campuses with at least 40 percent economically disadvantaged students; costs for comprehensive school needs assessments, school-wide reform strategies, other NCLB-allowed items
32	Prekindergarten (pre-K)	Costs to help pre-K students develop skills needed for success in the public school curriculum
33	Prekindergarten (pre-K)–Special Education	For costs incurred to evaluate, place and provide educational and/or other services to pre-K students that require special education services.
34	Prekindergarten (pre-K)–Compensatory Education	For costs incurred to provide compensatory education to pre-K students based on strategies outlined in the district's campus and/or district improvement plan(s). Compensatory education costs are supplemental costs that are in addition to the basic instruction services that the district is required provide.
35	Prekindergarten (pre-K) – Bilingual Education	Costs incurred to evaluate, place, and provide educational and/or other services for LEP pre-K students to increase proficiency in the English language.
36	Early Education Allotment	This code is used for the costs incurred for programs and services designed to improve student performance in reading and mathematics in prekindergarten through third grade, including programs and services designed to assist a school district in achieving the goals set in the school district's early childhood literacy and mathematics proficiency plans adopted under the <a href="#">TEC, §11.185</a> .
37	Dyslexia	This code is used for the costs incurred for each student that a school district serves who has been identified as having dyslexia or a related

Code No.	Name	Description
		<p>disorder under the <a href="#">TEC, §48.103</a>, and the services are not funded from the dyslexia state allotment.</p> <p>Costs incurred for dyslexia or dyslexia related disorders coded to this PIC <b>will not be included</b> in the calculation for Every Student Succeeds Act (ESSA) maintenance of effort calculation.</p>
38	College, Career, and Military Readiness	This code is used for the costs incurred to improve college, career, and military readiness outcomes as described by the <a href="#">TEC, §48.110(f)</a> . At least 55 percent of the funds allocated must be used in grades eight through 12.
43	Dyslexia – Special Education	<p>This code is used for the costs incurred for each student that it serves who has been identified as having dyslexia or a related disorder under the <a href="#">TEC, §48.103</a>, and who has an Individualized Education Plan (IEP) that specifically states that dyslexia services are required and the school district uses the state allotment to serve that student.</p> <p>Costs incurred for dyslexia or dyslexia related disorders coded to this PIC <b>will be included</b> in the calculation for ESSA maintenance of effort calculation.</p>
71–89	Reserved for use by Education Service Centers	Costs for bus driver training and driver education provided by ESCs
<b>Other Services</b>		
91	Athletics and Related Activities	Costs for participation in competitive athletic activities and certain support activities not including band
99	Undistributed	Costs not easily identified with other codes used here, such as certain substitute teachers, teacher on-behalf payments, salaries for band, etc.

### ***A.8.1 Program Intent Codes—Basic Services and Enhanced Services***

The term basic services refer to services in which basic instruction (curriculum available to all students) is provided. These services use PICs such as the following:

- 11, Basic Educational Services
- 26, Nondisciplinary Alternative Education Programs (AEP)
- 28, Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services

Enhanced services are services to students who receive more than basic services, such as special education, bilingual/ESL instruction, or gifted and talented education.

Refer to [Appendix B](#) for guidance on program intent accounting.

### ***A.8.2 Program Intent Code—Athletics and Related Activities***

The program intent code 91, Athletics and Related Activities, is required for payroll costs that use:

- function code 36, Extracurricular Activities; and
- other function codes attributable to athletics and related activities.

But there are exceptions: the following expenditure object codes use program intent code 99:

- 6112, Salaries or Wages for Substitute Teachers and Other Professionals
- 6144, Teacher Retirement or TRS Care—On-Behalf Payments

### ***A.8.3 Program Intent Codes—Undistributed***

In some cases, your district may have to allocate costs among several PICs. But the costs should be allocated only when, in the judgment of your district's management, the effect would be immaterial to the financial records of either an individual transaction or the total amount of a certain type of transaction.

In some cases, costs may not be clearly attributable (or not attributable in a cost-effective manner) to specific programs but may be overhead and administrative costs shared by several or all programs. If your district elects not to allocate costs to basic or enhanced PICs or the athletics and related activities PIC, the district must use program intent code 99, Undistributed.

### ***A.8.4 Program Intent Codes—Compliance Monitoring***

The TEA provides software in PEIMS containing a formula to allocate costs recorded in program intent code 99, Undistributed, according to instructional FTEs (as reported in PEIMS) assigned to PICs for basic and enhanced services. The formula-based allocation is used for state and federal compliance monitoring purposes, such as monitoring indirect costs and maintenance of effort.

The TEA uses allocated cost information in PEIMS to monitor compliance with indirect cost requirements. This information includes costs assigned to specific PICs and costs that are allocated by the formula to specific PICs for functions specified in SBOE rules<sup>42</sup> relating to indirect costs.

The allocation process uses a report template and does not change transaction information within the general ledger system. The allocation process uses payroll and staff data for instructional FTEs, as recorded under function code 11, Instruction, as a basis to allocate costs. Accordingly, full use of specific PICs in function code 11 is essential for the optimum functionality of the allocation process.

Shared services arrangements cost information, which is submitted on a special PEIMS record, is also included in the compliance monitoring calculations. The total costs that will be considered for compliance monitoring purposes are represented by the following formula.

Expenditures coded by the school district to specific PICs	+	Allocations of expenditures to PICs from the Undistributed PIC (99) based upon instructional FTEs	+	Expenditures associated with a school district as a member of a shared services arrangement that are coded to specific PICs	=	Total expenditures used for monitoring purposes, such as maintenance of effort, and compliance with SBOE rules on indirect costs
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<sup>42</sup> [19 TAC §105.11](#)

**BASIC SERVICES****R11****Basic Educational Services**

This code is used for the costs incurred to provide the basic services for education or instruction to students in grades prekindergarten (Pre–K) Pre-K–12 prescribed by state law as well as adult basic and secondary education services.

Basic services are defined as the instruction provided for students who do not need special services, such as special education, bilingual/ESL, or accelerated instruction. Costs for basic educational services include the costs to evaluate, place, and provide educational services to students in honors, college preparatory, and advanced placement courses.

<b>Program Intent Code 11—Costs to Include:</b>	<b>Program Intent Code 11—Costs to Exclude (with Correct Program Intent Code):</b>
<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Basic services for education or instruction (pre-K–12) prescribed by Texas law, including a regular education program for limited English proficiency students</li> <li>• Pre-K funded from basic education allotment during one-half of a full day program</li> <li>• District or campus improvement plan</li> <li>• Honors and college preparatory courses</li> <li>• Advanced placement courses not designated as part of a gifted and talented program</li> <li>• Adult basic and secondary education services</li> <li>• Section 504 students</li> <li>• Physical education (PE) classes when athletic activities take place, but PE or PE equivalent credit is issued</li> </ul>	<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Gifted and talented services (PIC 21)</li> <li>• Advanced placement services designated as part of a gifted and talented program (PIC 21)</li> <li>• Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs, (for example, National Honor Society [NHS], Beta Club, Letterman’s Club) (PIC 99)</li> </ul>

Program Intent Code 11—Costs to Include:	Program Intent Code 11—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Foreign language courses</li> <li>• TEKS for foundation curriculum and electives in enrichment curriculum as needed for high school graduation</li> <li>• Day care</li> <li>• In-school suspension programs</li> <li>• Parenting classes</li> <li>• Services for an elective AEP for students not at risk of dropping out of school</li> </ul>	<ul style="list-style-type: none"> <li>• Additional salaries and related expenditures or expenses associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (for example, additional days employed, reduction of class load, length of day, etc.) (PIC 91)</li> <li>• Basic services for DAEPs (PIC 28)</li> <li>• Services for alternative education programs (nondisciplinary) that do not represent costs for providing services to students at risk of dropping out of school, as defined under the <a href="#">TEC, §29.081</a></li> <li>• Costs for nondisciplinary alternative education programs (PIC 26)</li> <li>• AEP costs (Basic and Supplemental)</li> <li>• State Compensatory Education (SCE) costs incurred in support of Title I, Part A, school-wide campuses with 40 percent or greater educationally disadvantaged students (PIC 30)</li> <li>• SCE costs incurred to provide supplemental services in support of a Title I, Part A, targeted assistance program. (PIC 24)</li> <li>• Title I, Part A services</li> </ul>

**2X****ENHANCED SERVICES**

Enhanced services are services to students who receive more than basic services, such as special education, bilingual/ESL instruction, or gifted and talented education.

**R21****Gifted and Talented**

The costs incurred to assess students for program placement and provide instructional services that are beyond the basic educational program and that are designed to meet the needs of students in gifted and talented programs.

<b>Program Intent Code 21—Costs to Include:</b>	<b>Program Intent Code 21—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Gifted and talented programs</li> <li>• Advanced placement courses designated as part of a gifted and talented program</li> </ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Honors, college preparatory courses (PIC 11)</li> <li>• Advanced placement courses not designated as part of a gifted and talented program (PIC 11)</li> <li>• Summer camps, summer schools, field trips, or other summer enrichment programs (PIC 11)</li> <li>• All DAEP-related activities (PIC 28 and 29)</li> </ul>

**R22****Career and Technical**

This code is used for the costs incurred to evaluate and place students and to provide educational and/or other services to prepare students for gainful employment, advanced technical training, or homemaking. This may include apprenticeship and job training activities.

<b>Program Intent Code 22—Costs to Include:</b>	<b>Program Intent Code 2—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b>	<b>Costs incurred relating to:</b>



Program Intent Code 22—Costs to Include:	Program Intent Code 2—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Career and technical for persons with disabilities (CTED)</li> <li>• Employment preparation services</li> <li>• Apprenticeship and job training activities</li> <li>• All career and technical courses (grades 9–12 and CTED for grades 7–8)</li> <li>• Career and technical supervisor or director</li> <li>• Career and technical counselors</li> <li>• Programs that follow the <a href="#">State Plan for Career and Technical Education</a></li> </ul>	<ul style="list-style-type: none"> <li>• Vocational adjustment classes (VAC) (PIC 23)</li> <li>• Quasi-vocational classes in middle school and junior high (PIC 11)</li> <li>• Career and technical courses that do not meet the state guidelines (PIC 11)</li> <li>• All DAEP-related activities (PICs 28 and 29)</li> </ul>

## R23

### Services to Students with Disabilities (Special Education)

This code is used for the costs incurred to evaluate and place students and to provide educational or other services to students who have Individualized Educational Plans (IEPs) approved by Admission, Review, and Dismissal (ARD) committees. These plans are based on students' disabilities and learning needs.

Program Intent Code 23—Costs to Include:	Program Intent Code 23—Costs to Exclude (with Correct Program Intent Code):
<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Students who are served in the special education program under identified instructional settings such as: <ul style="list-style-type: none"> <li>○ Homebound</li> <li>○ Hospital class</li> <li>○ Speech therapy</li> <li>○ Resource room</li> </ul> </li> </ul>	<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Services to Section 504 students (PIC 11)</li> <li>• Career and technical for persons with disabilities (VEH) (PIC 22)</li> <li>• Regular education services in the basic educational program, including the salaries of regular education personnel (PIC 11)</li> </ul>

Program Intent Code 23—Costs to Include:	Program Intent Code 23—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>○ “Self-contained, mild, moderate, or severe” classroom</li> <li>○ Off home campus setting (multidistrict, community class, and self-contained separate campus)</li> <li>○ Residential care and treatment facility</li> <li>○ Residential facility</li> <li>○ Nonpublic contract</li> <li>○ VAC</li> <li>○ Mainstream (support for students in inclusive setting)</li> <li>• Students with identified disabilities under the Individuals with Disabilities Education Act and TEC</li> <li>• Special education directors, coordinators, or supervisors</li> <li>• State-funded special education extended year program</li> <li>• Services to preschool students with disabilities (ages below five)</li> </ul>	<ul style="list-style-type: none"> <li>• All DAEP-related activities (PICs 28 and 29)</li> </ul>

## **24**

### **Accelerated Instruction—Supplemental Services**

Accelerated instruction seeks to reduce the disparity between students at risk of dropping out of school and all other district students in:

- performance on assessment instruments administered under statutory requirements,<sup>43</sup> or
- rates of high school completion.

<sup>43</sup> [TEC, Chapter 39, Subchapter B](#)

State Compensatory Education (SCE) expenditures are attributable to program intent code 24, Accelerated Instruction, only when:

- the expenditures are supplemental to the basic, or regular, education program;
- students served meet statutory at-risk criteria;<sup>44</sup> and
- services are specifically designed to enable at-risk students to be performing at grade level at the end of the next regular school term.

All services must be described in the campus or district improvement plan and comply with statutory requirements<sup>45</sup> to:

- evaluate the program's effectiveness and
- hold an annual public hearing to consider the program evaluation results.

Program Intent Code 24—Costs to Include:	Program Intent Code 24—Costs to Exclude (with Correct Program Intent Code):
<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Intensive or accelerated instructional education programs and activities</li> <li>• Concentrated instruction</li> <li>• Smaller class size</li> <li>• Salary for instructional staff members and instructional staff assistants</li> <li>• Staff development activities for the instructional staff that add new competencies specific to the instructional needs of students at risk of dropping out of school</li> <li>• Extending the instructional day, week, or year</li> </ul>	<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Basic education program (PIC 11)</li> <li>• Any activities for nondisciplinary alternative education program services (PIC 26)</li> <li>• Any DAEP-related activities (PICs 28 and 29)</li> <li>• Any services provided in support of Title I, Part A, school-wide campuses (PIC 30)</li> <li>• Day care, in-school suspension programs, and parenting classes (PIC 11)</li> </ul>

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<sup>44</sup> [TEC, §29.081](#)

<sup>45</sup> [TEC, §29.081](#)

<ul style="list-style-type: none"> <li>• Implementing new or additional individual and small group tutorials</li> <li>• Implementing new or additional individual and small group project-based learning</li> <li>• Specialized computer-assisted and blended instruction</li> <li>• Instructional and specialized instructional materials, equipment, and supplies required for quality instruction</li> <li>• State assessment remediation</li> <li>• Dropout recovery, prevention, and intervention services for middle and high school students</li> <li>• School reform programs</li> <li>• Individualized instruction programs</li> <li>• Summer or intersession programs</li> <li>• Visiting teachers</li> <li>• Supplemental LEP programs</li> <li>• Mentoring programs</li> <li>• Residential placement programs</li> <li>• Modified curriculum services</li> <li>• School social workers</li> <li>• Program and student evaluation</li> <li>• Programs for treatment of dyslexia or a related disorder as required by law,<sup>46</sup> in proportion to the percent of students served by the program who are at risk of</li> </ul>	
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<sup>46</sup> [TEC, §38.003](#)

dropping out of school as defined by law <sup>47</sup> <ul style="list-style-type: none"> <li>Accelerated reading instruction program as required by law<sup>48</sup> in proportion to the percent of students served by the program who are at risk of dropping out of school as defined by law<sup>49</sup></li> </ul>	
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## R25

### Bilingual Education and Special Language Programs

This code is used for the costs incurred to evaluate and place students and to provide educational or other services that are intended to make the students proficient in:

- the English language,
- primary language literacy,
- composition, and
- academic language related to required courses.

These services include the bilingual basic program of instruction and special assistance to increase cognitive academic language proficiencies in English.

Program Intent Code 25—Costs to Include:	Program Intent Code 25—Costs to Exclude (with Correct Program Intent Code):
<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Services intended to make students proficient in English</li> <li>Provision of a bilingual program</li> <li>Provision of ESL instruction</li> <li>Instruction in primary language</li> <li>Increase in cognitive academic language proficiencies</li> </ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Foreign language courses (PIC 11)</li> <li>All DAEP-related activities</li> <li>Full salary of bilingual/ESL instructors</li> </ul>

<sup>47</sup> [TEC, §29.081](#)

<sup>48</sup> [TEC, §28.006\(g\)](#)

<sup>49</sup> [TEC, §29.081](#)

Program Intent Code 25—Costs to Include:	Program Intent Code 25—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Bilingual services to immigrant students</li> <li>• Program and student evaluation</li> <li>• Instructional materials and equipment</li> <li>• Staff development</li> <li>• Supplemental staff expenses (paraprofessional and teacher aids)</li> <li>• Salary supplements for teachers</li> <li>• Supplies required for quality instruction and smaller class size</li> <li>• Salaries for paraprofessional and teacher aides required for smaller class size</li> </ul>	

## ***R*26**

### **Nondisciplinary Alternative Education Programs—Basic and Supplemental Services**

SCE costs may be incurred to provide basic and supplemental services to students who:

- meet the statutory criteria for being at risk of dropping out of school<sup>50</sup> and
- are separated from the regular classroom into a nondisciplinary alternative education program (AEP).

An AEP may include a private or public community-based dropout recovery education program that provides alternative education programs for students at risk of dropping out of school.

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<sup>50</sup> [TEC, §29.081](#)

SCE expenditures are attributable to the program intent code 26, Nondisciplinary AEP Programs, only when students served meet statutory criteria.<sup>51</sup>

All services must be described in the campus or district improvement plan and comply with statutory requirements<sup>52</sup> to:

- evaluate the program’s effectiveness and
- hold an annual public hearing to consider the program evaluation results.

Program Intent Code 26—Costs to Include:	Program Intent Code 26—Costs to Exclude (with Correct Program Intent Code):
<p><b>PIC 26 costs may include SCE basic and supplemental expenditures in proportion to the percent of students served by the program who are at risk of dropping out of school related to:</b><sup>53</sup></p> <ul style="list-style-type: none"> <li>• Instructional programs specifically serving students who meet statutory at-risk criteria<sup>54</sup></li> <li>• Costs for compensatory, accelerated and intensive education services these services are provided in a non-disciplinary AEP instructional setting (PIC 24)</li> <li>• English language arts, mathematics, science, history, social-emotional learning and self-discipline instructional programs and activities</li> <li>• Educational and behavioral resources</li> </ul>	<p><b>PIC 26 costs may not include SCE expenditures related to:</b></p> <ul style="list-style-type: none"> <li>• SCE costs to provide services supplemented by Title I, Part A, school-wide campuses with 40 percent or greater educationally disadvantaged students (PIC 30)</li> <li>• Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24)</li> <li>• Services provided under Title I, Part A, school-wide campuses (PIC 30)</li> <li>• Day care, in-school suspension programs, and parenting classes (PIC 11)</li> <li>• Programs or services funded with Title I, Part A (PIC 24 or 30)</li> </ul>

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<sup>51</sup> [TEC, §29.081](#)

<sup>52</sup> [TEC, §29.081](#)

<sup>53</sup> [TEC, §29.081](#)

<sup>54</sup> [TEC, §29.081](#)

Program Intent Code 26—Costs to Include:	Program Intent Code 26—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Salaries for classroom supervision and teacher assistants</li> <li>• Counseling services</li> <li>• Parental involvement programs and activities</li> <li>• Security and safety</li> <li>• Mentoring programs</li> <li>• Specialized computer-assisted and blended instruction</li> <li>• Credit recovery instructional programs</li> <li>• Project-based learning instructional programs</li> <li>• Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school</li> <li>• Treatment of dyslexia or a related disorder as required by law,<sup>55</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school as defined by law<sup>56</sup></li> <li>• Accelerated reading instruction program as required by law<sup>57</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school as defined by law<sup>58</sup></li> </ul>	

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<sup>55</sup> [TEC, §38.003](#)

<sup>56</sup> [TEC, §29.081](#)

<sup>57</sup> [TEC, §28.006\(g\)](#)

<sup>58</sup> [TEC, §29.081](#)



<b>Program Intent Code 26—Costs to Include:</b>	<b>Program Intent Code 26—Costs to Exclude (with Correct Program Intent Code):</b>
<ul style="list-style-type: none"> <li>Private or public community-based dropout recovery education program<sup>59</sup></li> </ul>	

## **R28**

### **Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services**

SCE costs may be incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP. All services must be described in the campus or district improvement plan.

<b>Program Intent Code 28—Costs to Include:</b>	<b>Program Intent Code 28—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Basic DAEP SCE costs related to:</b> <ul style="list-style-type: none"> <li>DAEP basic education program costs</li> <li>English language arts, mathematics, science, history, social-emotional learning, and self-discipline instructional programs and activities</li> <li>Educational and behavioral resources</li> <li>Salaries for classroom supervision or teacher assistants</li> <li>Counseling services</li> <li>Parental involvement programs and activities</li> <li>Security and safety</li> <li>Mentoring programs</li> <li>Specialized computer-assisted and blended instruction</li> </ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Supplemental DAEP services (PIC 29)</li> <li>Nondisciplinary AEP costs, basic or supplemental (PIC 26)</li> <li>SCE costs to provide services in support of Title I, Part A, school-wide campuses (PIC 30)</li> <li>Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24)</li> <li>Day care, in-school suspension programs, parenting classes (PIC 11)</li> </ul>

<sup>59</sup> [TEC, §29.081\(e\)](#)

Program Intent Code 28—Costs to Include:	Program Intent Code 28—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Credit recovery instructional programs</li> <li>• Project-based learning instructional programs</li> <li>• Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school</li> <li>• Treatment of dyslexia or a related disorder as required by law<sup>60</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school as defined by law<sup>61</sup></li> <li>• Accelerated reading instruction program as required by law<sup>62</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school as defined by law<sup>63</sup></li> </ul>	

## **R29**

### **Disciplinary Alternative Education Program—DAEP State Compensatory Education Supplemental Costs**

SCE costs may be incurred to supplement the general, or basic, education services provided to students who are moved from the regular classroom into a DAEP. All services must be described in the campus or district improvement plan and must comply with requirements<sup>64</sup> for an:

- evaluation of program effectiveness and

<sup>60</sup> [TEC, 38.003](#)

<sup>61</sup> [TEC, §29.081](#)

<sup>62</sup> [TEC, 28.006\(g\)](#)

<sup>63</sup> [TEC, §29.081](#)

<sup>64</sup> [TEC, §29.081](#)

- annual public hearing to consider the program evaluation results.

Program Intent Code 29—Costs to Include:	Program Intent Code 29—Costs to Exclude (with Correct Program Intent Code):
<p><b>SCE supplemental costs related to:</b></p> <ul style="list-style-type: none"> <li>• English language arts, mathematics, science, history, social-emotional learning, and self-discipline instructional programs and activities</li> <li>• Educational and behavioral resources</li> <li>• Salaries for classroom supervision and teacher assistants</li> <li>• Counseling services</li> <li>• Parental involvement programs and activities</li> <li>• Security and safety</li> <li>• Mentoring programs</li> <li>• Specialized computer-assisted and blended instruction</li> <li>• Credit recovery instructional programs</li> <li>• Project-based learning instructional programs</li> <li>• Treatment of dyslexia or a related disorder as required by law<sup>65</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school<sup>66</sup></li> </ul>	<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Basic DAEP services (PIC 28)</li> <li>• Nondisciplinary AEP costs, basic or supplemental (PIC 26)</li> <li>• SCE costs to provide services in support of Title I, Part A, school-wide campuses (PIC 30)</li> <li>• Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24)</li> <li>• Day care, in-school suspension programs, and parenting classes (PIC 11)</li> </ul>

<sup>65</sup> [TEC, §38.003](#)

<sup>66</sup> [TEC, §29.081\(d\) and \(g\)](#)

Program Intent Code 29—Costs to Include:	Program Intent Code 29—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Accelerated reading instruction program as required by law<sup>67</sup> in proportion to the percent of students served by the program that are at risk of dropping out of school as defined by law<sup>68</sup></li> </ul>	

### **R30**

#### **Title I, Part A, School-Wide Activities Related to State Compensatory Education and Other Costs on Campuses with 40 Percent or More Educationally Disadvantaged Students (“School-wide Campuses”)**

Your district may incur SCE costs to support supplemental programs provided by federal funds at a designated Title I, Part A, school-wide campus. To determine your campus’s poverty percentage, use the same auditable poverty data as that used for Title I, Part A in the NCLB Consolidated Application for Federal Funding. All SCE services must be described in the campus or district improvement plan.

SCE funds must be part of the campus budget, and all SCE expenditures must track back to the SCE fund code. School-wide campuses must continue to receive state and local funds for conducting the regular, or basic, education program. SCE expenditures must enhance, or supplement, the basic educational program and must support programs that are eligible under Title I, Part A (P.L. 103-382 as amended).

In addition, SCE expenditures must support the intent and purpose of the SCE program, which is to reduce the disparity between students at risk of dropping out of school and all other district students in:

- performance on assessment instruments administered under the [TEC, Chapter 39, Subchapter B](#), or
- rates of high school completion.

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<sup>67</sup> [TEC, §28.006\(g\)](#)

<sup>68</sup> [TEC, §29.081\(d\) and \(g\)](#)

Program Intent Code 30—Costs to Include:	Program Intent Code 30—Costs to Exclude (with Correct Program Intent Code):
<p><b>Basic or supplemental SCE expenditures related to:</b></p> <ul style="list-style-type: none"> <li>• A comprehensive needs assessment of the entire school, including the needs of any migratory children in attendance. This assessment: <ul style="list-style-type: none"> <li>○ is based on information about the achievement of students in relation to state assessments administered as required by law.<sup>69</sup></li> <li>○ should identify gaps and provide solutions and targets specific to student achievement and other key indicators.</li> <li>○ yields data to provide the foundation for the goals, strategies, and activities of the district and campus improvement plan</li> </ul> </li> <li>• School-wide reform strategies that provide opportunities to meet state academic standards, particularly addressing the needs of low-achieving students</li> <li>• Instruction by highly qualified teachers</li> <li>• High quality and ongoing professional development for teachers, principals, and paraprofessionals, and if appropriate, pupil services personnel, parents, and other staff members</li> </ul>	<p><b>Costs incurred relate to:</b></p> <ul style="list-style-type: none"> <li>• Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29)</li> <li>• Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24)</li> <li>• SCE supplemental services provided on campuses that are <i>not</i> Title 1, Part A school-wide or targeted assistance, AEP, or DAEP campuses (PIC 24)</li> <li>• Day care, in-school suspension programs, and parenting classes (PIC 11)</li> </ul>

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<sup>69</sup> [TEC, 39.023\(c\)](#)

Program Intent Code 30—Costs to Include:	Program Intent Code 30—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Strategies to attract excellent, highly qualified teachers</li> <li>• Increased parental involvement programs and activities</li> <li>• Assistance for preschool children in the transition from early childhood programs</li> <li>• Including teachers in decisions about using academic assessments to provide information on and improve the achievement of individual students and the overall instructional program</li> <li>• Providing effective, timely additional assistance and activities to students who have difficulty mastering the proficient or advanced levels of academic achievement standards. This includes measures to ensure that students' difficulties are identified on a timely basis and to provide enough information on which to base effective assistance</li> <li>• Coordinating and integrating federal, state, and local services and programs</li> </ul>	

### ***R*32**

#### **Prekindergarten (Pre-K)**

Your district must use this PIC to account for expenditures made to help Pre-K students develop skills necessary for success in the regular public school curriculum, including language, mathematics, and social and school readiness skills<sup>70</sup> that are aligned with the [Texas Prekindergarten Guidelines](#).

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<sup>70</sup> [TEC, §29.1532](#)

This code is used with any funds for which there are specifically identifiable prekindergarten funds.

Pre-K basic services are defined as the instruction provided for students ages below five who do not need special services, such as special education, bilingual/ESL, or accelerated instruction.

The types of expenditures to be recorded using this code include payroll costs, professional and contracted services, supplies and materials, other operating expenses, certification costs, and capital outlay directly related to Pre-K basic services.

Program Intent Code 32—Costs to Include:	Program Intent Code 32—Costs to Exclude (with Correct Program Intent Code):
<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Basic services for education or instruction (pre-K) prescribed by Texas law (ages below five)</li> <li>• Pre-K funded from basic education allotment during one-half of full day program (ages below five)</li> <li>• Pre-K funded from High Quality Pre-K Grant (ages below five)</li> </ul>	<p><b>Costs incurred related to:</b></p> <ul style="list-style-type: none"> <li>• Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29)</li> <li>• Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24)</li> <li>• SCE supplemental services provided on campuses that are <i>not</i> Title 1, Part A school-wide or targeted assistance, AEP, or DAEP campuses (PIC 24)</li> <li>• Services to Prekindergarten (Pre-K) Students—Special Education (ages below five) (PIC 33)</li> <li>• Services to Prekindergarten (Pre-K) Students—SCE (ages below five) (PIC 34)</li> <li>• Services to Prekindergarten (Pre-K) Students—Bilingual Education (ages below five) (PIC 35)</li> </ul>

**R33****Services to Prekindergarten (Pre-K) Students—Special Education**

This code is used for the costs incurred to evaluate and place Pre-K students and to provide educational or other services to Pre-K students who have Individualized Educational Plans (IEP) approved by the Admission, Review, and Dismissal (ARD) committees. These plans are based on the Pre-K students' disabilities and/or learning needs.

<b>Program Intent Code 33—Costs to Include:</b>	<b>Program Intent Code 33—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b> <ul style="list-style-type: none"><li>• Services to preschool students with disabilities (ages below 5)</li><li>• Pre-K students with identified disabilities under the Individuals with Disabilities Education Act and TEC</li><li>• Pre-K students who are served in the special education program under identified instructional settings such as:<ul style="list-style-type: none"><li>○ Homebound</li><li>○ Hospital class</li><li>○ Speech therapy</li><li>○ Resource room</li><li>○ “Self-contained, mild, moderate, or severe” classroom</li><li>○ Off home campus setting (multidistrict, community class, and self-contained separate campus)</li><li>○ Residential care and treatment facility</li><li>○ Residential facility</li><li>○ Nonpublic contract</li><li>○ Mainstream (support for students in inclusive setting)</li></ul></li></ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"><li>• Services to Section 504 students (PIC 11)</li><li>• Career and technical for persons with disabilities (VEH) (PIC 22)</li><li>• Regular education services in the basic educational program, including the salaries of regular education personnel (PIC 11)</li><li>• All DAEP-related activities (PICs 28 and 29)</li><li>• Prekindergarten Basic Education Services (ages below 5) (PIC 32)</li><li>• Services to Prekindergarten (Pre-K) Students – State Compensatory Education (SCE) (ages below 5) (PIC 34)</li><li>• Services to Prekindergarten (Pre-K) Students – Bilingual Education (ages below 5) (PIC 35)</li></ul>



Program Intent Code 33—Costs to Include:	Program Intent Code 33—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Special education directors, coordinators, or supervisors</li> </ul>	

### R34

#### Services to Prekindergarten (Pre-K) Students – State Compensatory Education (SCE)

Your district may incur SCE costs to support supplemental programs for Pre-K students. All SCE services must be described in the campus or district improvement plan(s). SCE funds must be part of the campus budget. SCE expenditures must enhance, or supplement, the basic educational program for Pre-K students.

In addition, SCE expenditures must support the intent and purpose of the SCE program, which is to reduce the disparity between students at risk of dropping out of school and all other district students in:

- performance on assessment instruments administered under the [TEC, Chapter 39, Subchapter B](#), or
- rates of high school completion.

Program Intent Code 34—Costs to Include:	Program Intent Code 34—Costs to Exclude (with Correct Program Intent Code):
<p><b>SCE expenditures related to:</b></p> <ul style="list-style-type: none"> <li>A comprehensive needs assessment of Pre-K students including the needs of any Pre-K migratory children in attendance. This assessment: <ul style="list-style-type: none"> <li>should identify gaps and provide solutions and targets specific to pre-K student achievement and other key indicators.</li> <li>yields data to provide the foundation for the goals, strategies, and activities of the district and campus improvement plan.</li> </ul> </li> </ul>	<p><b>Costs incurred relate to:</b></p> <ul style="list-style-type: none"> <li>Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29)</li> <li>Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24)</li> <li>SCE supplemental services provided on campuses that are <i>not</i> Title 1, Part A school-wide or targeted assistance, AEP, or DAEP campuses (PIC 24)</li> </ul>

Program Intent Code 34—Costs to Include:	Program Intent Code 34—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Assistance for preschool children in the transition from early childhood programs</li> <li>• Instruction by highly qualified teachers (see <a href="#">Highly Qualified Teachers</a>)</li> <li>• Strategies to attract excellent, <a href="#">highly qualified teachers</a></li> <li>• High quality and ongoing professional development for teachers, principals, and paraprofessionals, and if appropriate, pupil services personnel, parents, and other staff members</li> <li>• Increased parental involvement programs and activities</li> <li>• Including teachers in decisions about using academic assessments to provide information on and improve the achievement of individual students and the overall instructional program</li> <li>• Providing effective, timely additional assistance and activities to students who have difficulty mastering the proficient or advanced levels of academic achievement standards. This includes measures to ensure that students' difficulties are identified on a timely basis and to provide enough information on which to base effective assistance</li> <li>• Coordinating and integrating federal, state, and local services and programs</li> </ul>	<ul style="list-style-type: none"> <li>• Day care, in-school suspension programs, and parenting classes (PIC 11)</li> <li>• Prekindergarten Basic Education Services (ages below 5) (PIC 32)</li> <li>• Services to Prekindergarten (Pre-K) Students – Special Education (ages below 5) (PIC 33)</li> <li>• Services to Prekindergarten (Pre-K) Students–Bilingual Education (ages below five) (PIC 35)</li> </ul>

**R35****Services to Prekindergarten (Pre-K) Students—Bilingual Education**

This code is used for the costs incurred to evaluate and place limited English proficient (LEP) Pre-K students and to provide educational or other services that are intended to make the LEP Pre-K students proficient in:

- the English language,
- primary language literacy,
- composition, and
- academic language related to required courses.

These services include the bilingual basic program of instruction and special assistance to increase cognitive academic language proficiencies in English.

<b>Program Intent Code 35—Costs to Include:</b>	<b>Program Intent Code 35—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b> <ul style="list-style-type: none"><li>• Services intended to make students proficient in English</li><li>• Provision of a bilingual program</li><li>• Provision of ESL instruction</li><li>• Instruction in primary language</li><li>• Increase in cognitive academic language proficiencies</li><li>• Bilingual services to immigrant students</li><li>• Program and student evaluation</li><li>• Instructional materials and equipment</li><li>• Staff development</li><li>• Supplemental staff expenses</li><li>• Salary supplements for teachers</li></ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"><li>• Foreign language courses (PIC 11)</li><li>• All DAEP-related activities</li><li>• Full salary of bilingual/ESL instructors</li><li>• Prekindergarten Basic Education Services (ages below 5) (PIC 32)</li><li>• Services to Prekindergarten (Pre-K) Students – Special Education (ages below 5) (PIC 33)</li><li>• Services to Prekindergarten (Pre-K) Students – State Compensatory Education (SCE) (ages below 5) (PIC 34)</li></ul>

**Early Education Allotment**

This code is used for the costs incurred for programs and services designed to improve student performance in reading and mathematics in prekindergarten through third grade, including programs and services designed to assist the school district in achieving the goals set in the school district’s early childhood literacy and mathematics proficiency plans adopted under the [TEC, §11.185](#).

Program Intent Code 36 Costs to Include:	Program Intent Code 36 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• <b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Intensive reading classes for prekindergarten through third grade students</li> <li>• Intensive math classes for prekindergarten through third grade students</li> <li>• Reading or math specialist</li> <li>• Reduction in class size</li> <li>• Extra time given for a double blocked period for math and reading</li> <li>• Recruitment of prekindergarten teachers that are needed to implement a full-day prekindergarten program</li> <li>• Stipends for teachers attending reading academies</li> <li>• Devices for reading or math programs for prekindergarten through third grade students</li> <li>• Supplies and desks for prekindergarten classrooms</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Expenditures that are for prekindergarten and are counted toward the 55 percent direct services requirements to students served under SCE funds (PIC 34)</li> <li>• Expenditures relevant to the SCE program that are not for prekindergarten (PIC 24)</li> <li>• Construction of buildings for prekindergarten services (PIC 99)</li> </ul> </li> </ul>

Program Intent Code 36 Costs to Include:	Program Intent Code 36 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Second half of prekindergarten program to implement full day prekindergarten program</li> </ul>	

### ***R*37**

#### **Dyslexia – Regular Education**

This code is used for the costs incurred for each student that a school district serves who has been identified as having dyslexia or a related disorder under the [TEC, §48.103](#), and the services are not funded from the dyslexia state allotment.

Costs incurred for dyslexia or dyslexia related disorders coded to this PIC **will not be included** in the calculation for Every Student Succeeds Act (ESSA) maintenance of effort calculation.

Program Intent Code 37 Costs to Include:	Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li><b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Services for dyslexia or a related disorder</li> <li>Instruction by a person with specific training in providing that instruction for a student that has been identified as having dyslexia or a related disorder under the <a href="#">TEC, §48.103</a></li> <li>Modifications in the classroom or accommodations in the administration of assessment instruments under the <a href="#">TEC, §39.023</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Services to a student who has an Individualized Education Plan (IEP) that specifically states that dyslexia services are required, and the school district uses the state allotment to serve that student (PIC 43)</li> </ul> </li> </ul>

Program Intent Code 37 Costs to Include:	Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Contracts with private providers (not to exceed 20 percent of the allotment for student with dyslexia or related disorder) to provide supplemental academic services to the student that are recommended under the student's program or plan</li> <li>• Salary for personnel providing dyslexia intervention or instruction to identified students</li> <li>• Dyslexia therapist positions and/or stipends for dyslexia therapists</li> <li>• Dyslexia specialists</li> <li>• Dyslexia therapist training for teachers</li> <li>• Dyslexia screening, progress monitoring, and/or evaluation tools</li> <li>• Evidence-based dyslexia intervention materials and/or curriculum</li> <li>• Dyslexia identification training for evaluation personnel</li> <li>• Evidence-based early intervention programs in reading</li> <li>• Professional development in the science of teaching reading</li> </ul>	

**R38****College, Career, and Military Readiness**

This code is used for the costs incurred to improve college, career, and military readiness outcomes as described by the [TEC, §48.110\(f\)](#). At least 55 percent of the funds allocated must be used in grades eight through 12.

Program Intent Code 38 Costs to Include:	Program Intent Code 38 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Costs incurred related to:               <ul style="list-style-type: none"> <li>Tuition for dual credit courses for that meet the eligibility criteria to receive dual credit</li> <li>Preparation for the ACT, the SAT, or an assessment instrument designated by the Texas Higher Education Coordinating Board under the <a href="#">TEC, §51.334</a></li> <li>Preparation to achieve a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Costs incurred related to:               <ul style="list-style-type: none"> <li>Reimbursements for test exam fees (PIC 99)</li> </ul> </li> </ul>

**R43****Dyslexia – Special Education**

This code is used for the costs incurred for each student that a school serves who has been identified as having dyslexia or a related disorder under the [TEC, §48.103](#), and who has an Individualized Education Plan (IEP) that specifically states that dyslexia services are required and the school district uses the state allotment to serve that student.

Costs incurred for dyslexia or dyslexia related disorders coded to this PIC **will be included** in the calculation for ESSA maintenance of effort calculation.

Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Costs incurred related to:</li> </ul>	<ul style="list-style-type: none"> <li>Costs incurred related to:</li> </ul>

Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Services for dyslexia or a related disorder</li> <li>• Instruction by a person with specific training in providing that instruction for a student that has been identified as having dyslexia or a related disorder under the TEC, §48.103</li> <li>• Modifications in the classroom or accommodations in the administration of assessment instruments under the <a href="#">TEC, §39.023</a></li> <li>• Contracts with private providers (not to exceed 20 percent of the allotment for student with dyslexia or related disorder) to provide supplemental academic services to the student that are recommended under the student's program or plan</li> <li>• Salary for personnel providing dyslexia intervention or instruction to identified students</li> <li>• Dyslexia therapist positions and/or stipends for dyslexia therapists</li> <li>• Dyslexia specialist</li> <li>• Dyslexia therapist training for teachers</li> <li>• Dyslexia screening, progress monitoring, and/or evaluation tools</li> </ul>	<ul style="list-style-type: none"> <li>• Services to a student who has been identified as having dyslexia or a related disorder under TEC, Section 48.103 and the state allotment is not used for the services (PIC 37).</li> </ul>



Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>Evidence-based dyslexia intervention materials and/or curriculum</li> <li>Dyslexia identification training for evaluation personnel</li> <li>Evidence-based early intervention programs in reading</li> <li>Professional development in the science of teaching reading</li> </ul>	

## 71–89

### Reserved for use by Education Service Centers

This group of PICs is reserved for use by education service centers to provide special accountability in areas such as bus driver training and driver education. These codes must not be used by school districts.

Program Intent Code 71–89—Costs to Include:	Program Intent Code 71–89—Costs to Exclude (with Correct Program Intent Code):
<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Bus driver training and driver education provided by education service centers</li> <li>Other services as designated by education service centers</li> </ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>Services not provided by educational service centers</li> </ul>

## 90–99

### OTHER SERVICES

For information about requirements to use program intent code 91 for certain payroll costs, see [A.8.2 Program Intent Code—Athletics and Related Activities](#).

## 91

### Athletics and Related Activities

This code is used for the costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf,

swimming, wrestling, gymnastics, baseball, tennis, track, and volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad, or any other organized activity to support athletics. This code does not include band.

<b>Program Intent Code 91—Costs to Include:</b>	<b>Program Intent Code 91—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Payroll costs, (Exceptions: Object codes 6144, Teacher Retirement, or TRS Care—On-Behalf Payments, and 6112, Salaries or Wages for Substitute Teachers and Other Professionals)</li> <li>• Object codes 61XX (Exceptions: for object codes 6112 and 6144, use program intent code 99)</li> <li>• Additional salaries associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (for example, additional days employed, reduction of class load, length of day, etc.)</li> </ul>	<b>Costs incurred related to:</b> <ul style="list-style-type: none"> <li>• Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs (such as NHS or Beta Club) (PIC 99)</li> </ul>

## ***R*99**

### **Undistributed**

All charges that are not readily distributed to PICs are classified using program intent code 99. Your district may use this code when recording substitute teachers and on-behalf teacher retirement payments in all function codes. This code may be used for costs not clearly attributable to a specific program intent.

<b>Program Intent Code 99—Costs to Include:</b>	<b>Program Intent Code 99—Costs to Exclude (with Correct Program Intent Code):</b>
<b>Costs incurred related to:</b>	<b>Costs incurred related to:</b>

Program Intent Code 99—Costs to Include:	Program Intent Code 99—Costs to Exclude (with Correct Program Intent Code):
<ul style="list-style-type: none"> <li>• Substitute teachers (if not allocated to specific PICs)</li> <li>• Teacher retirement on-behalf payment (if not allocated to specific PICs)</li> <li>• Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs (such as NHS or Beta Club)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional salaries associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activities to support athletics (such as additional days employed, reduction of class load, length of day, etc.) (PIC 91)</li> </ul>

### ***A.8.5 Unavailable or Reserved Program Intent Codes***

The following table lists codes that are unavailable or reserved for future state definition. When a code is no longer being used, it is placed in “unavailable” status for 10 years to prevent its being used with two different meanings. After it has been unavailable for 10 years, its status is changed to “reserved for future state definition,” which means that it may be assigned to a new use as the need arises.

<b>Category of Funds</b>	<b>Unavailable</b>	<b>Reserved for Future State Definition</b>
<b>Program Intent Codes</b>		
	<b>31</b>	39, 41 – 42, 44 – 49, 54 – 59, 63–69



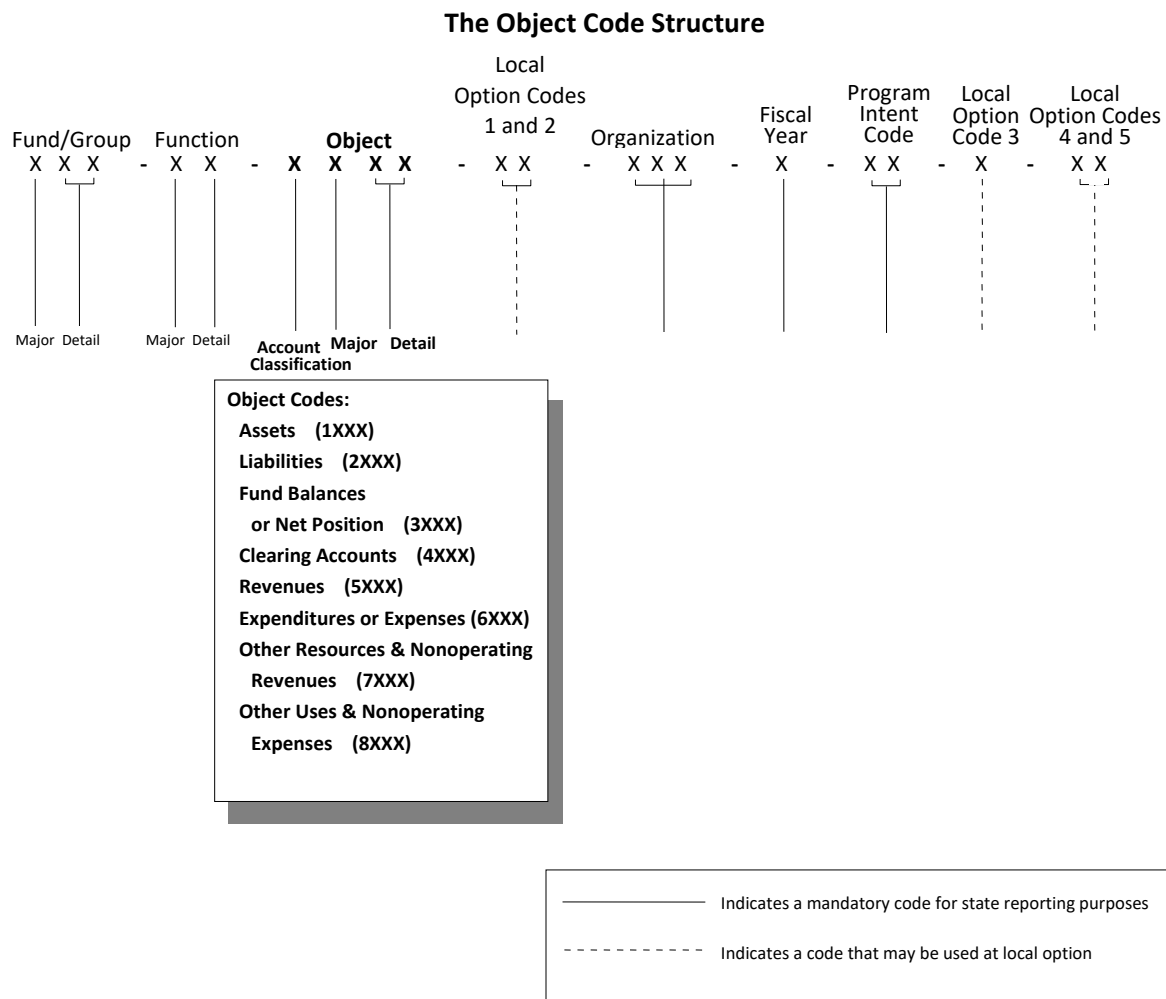
## EXPENDITURE OBJECT CODES

## A.4 Object Codes

An object code is a required four-digit code that identifies the purpose of an account, a transaction, or a source. Object codes are grouped into eight categories.

Exhibit A.4 illustrates the position of the object codes in the accounting code system.

**Exhibit A.4      Object Code Structure**



The **R** by a code indicates that the code is required for the following reporting purposes if the code applies to your district:

- Public Education Information Management System (**PEIMS**)

- Annual Financial and Compliance Report (AFR).

### ***A.4.1 Asset Object Codes***

An asset is a probable future economic benefit obtained or controlled by your school district as a result of a past transaction or event.

An asset object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in [A.1 Accounting Code Structure and Definitions](#). These codes begin with the digit “1,” which distinguishes them from other types of object codes.

Your school district may choose to account for transactions at a more detailed level than the level indicated.

## **1000**

### **ASSETS AND OTHER DEBITS**

Assets are recorded as debits in three categories:

- current assets
- capital assets
- restricted assets

Other debits are recorded as debits in two categories:

- amounts to be provided for payment of debt principal
- amounts available for payment of debt principal

## **1100**

### **CASH AND CASH EQUIVALENTS**

Cash includes currency on hand and in demand deposits with banks or other financial institutions. Cash equivalents are short-term, highly liquid investments (such as certificates of deposit or treasury bills) that can readily be converted to cash and are near their maturity.

Cash and cash equivalents of your school district are recorded in accounts using the 1110 series of codes.



**1101–1109 Cash and Cash Equivalents (These codes are converted to object code 1110 for financial statement purposes.)**

Your school district may choose to use codes in this series to maintain separate accounts for various types of cash and cash equivalents.

Accounts for cash and cash equivalents include the following:

- **Cash in Banks**—This account is debited with all cash receipts, the corresponding entry being a credit to an account for receivables, revenues, inflows of resources (revenues), nonoperating revenues, or other uses. Credits to this account arise from disbursements or return of checks previously deposited.
- **Cash in Office**—This account is debited on the last day of the fiscal year with any receipts attributable to the fiscal year then ending because a lack of time prevented the receipts from being processed and deposited before the end of the fiscal year. This account is cleared on the first day of the new fiscal year.
- **Cash with Fiscal or Paying Agent**—This account, which is used for fiscal or paying agents of debt service, is debited as deposits are made with the coupon paying agents. As coupons and bonds are presented, the entries result in a credit to this account and a debit to either coupons or bonds payable.
- **Payroll Bank Account**—This account is debited with the amount of the net payroll (gross payroll less employee deductions) or the gross payroll depending on which method of payroll accounting your district chooses. Credits to this account arise from issuing payroll checks.
- **Imprest Funds or Petty Cash**—This account represents the amount of cash and evidence of cash disbursements that are held on an imprest basis (petty cash).
- **Short-term investments**—This account represents an investment that matures in 12 months or less.

***R*1110 Cash and Cash Equivalents**

This code is used to record your district's cash on deposit and cash on hand as well as cash equivalents. Your district may choose to use the

preceding codes (1101–1109) to identify separately different cash and cash equivalents.

***R*1120**

**Investments—Current**

This code is used to record all securities that your district expects to hold for less than one year and that generate revenue in the form of interest or dividends. This account includes certain items (for example, most certificates of deposit) that are classified as deposits in the notes to the financial statements to disclose custodial credit risk.

See code 1910 for long-term investments.

**1200–1290**

**RECEIVABLES**

The codes in this series are used for:

- receivables due for outlays made and
- expected receipts.

The credit entry is made to

- deferred inflow of resources (revenues) (in the instance of property taxes receivable),
- a revenue account,
- an allowance for uncollectible taxes, or
- a fund balance.

When money is received, the appropriate receivable account is credited, and a cash account is debited. The series includes the following accounts.

***R*1210**

**Property Taxes—Current**

This code is used to debit an account with the current year tax levy that is due.

***R*1220**

**Property Taxes—Delinquent**

This code is used to record past due taxes for the current year's tax levy and for previous years' levies.

***R*1230**

**Allowance for Uncollectible Taxes (Credit)**

This code is used to record a credit against taxes, penalties, and tax interest receivable based on historical tax collection data.

**1241–1249 Due from Other Governments**

The codes in this series are used to record amounts receivable from other governmental entities.

***R*1241 Due from State**

This code is used to record amounts earned or allocated to your school district from state sources, including federal funds received from state sources, that exceed amounts received during the fiscal year.

***R*1242 Due from Federal Agencies**

This code is used to record amounts that:

- were earned by your school district under a federal financial assistance program and
- exceed cash receipts during the fiscal year.

***R*1243 Due from Other Governmental Entities**

This code is used to record amounts receivable from other governmental entities, including counties, councils of government, cities, and other school districts.

***R*1250 Accrued Interest**

This code is used to record the amount of interest earned and measurable through month end or fiscal year-end on all interest-bearing cash accounts and investments outstanding at that date.

**1261–1268 Due from Other Funds**

The codes in this series are used to record amounts due from other funds. This series includes the following accounts.

***R*1261 General Fund**

This code is used to record amounts due from the general fund to other funds of your school district.

***R*1262 Special Revenue Fund**

This code is used to record amounts due from the special revenue fund to other funds of your school district.

<b>R1263</b>	<b>Debt Service Fund</b>
	This code is used to record amounts due from the debt service fund to other funds of your school district.
<b>R1264</b>	<b>Capital Projects Fund</b>
	This code is used to record amounts due from the capital projects fund to other funds of your school district.
<b>R1265</b>	<b>Enterprise Fund</b>
	This code is used to record amounts due from the enterprise fund to other funds of your school district.
<b>R1266</b>	<b>Internal Service Fund</b>
	This code is used to record amounts due from the internal service fund to other funds of your school district.
<b>R1267</b>	<b>Trust and Custodial Funds<sup>23</sup></b>
	This code is used to record amounts due from the trust and custodial funds to other funds of your school district.
<b>R1268</b>	<b>Permanent Funds</b>
	This code is used to record amounts due from the permanent funds to other funds of your school district.
<b>R1290</b>	<b>Other Receivables</b>
	This code is used to record all other accounts receivable not specifically identified above, such as amounts due from the following: <ul style="list-style-type: none"> <li>• employees</li> <li>• external sources (other than from other governments)</li> <li>• rents</li> <li>• fees</li> <li>• self-insurance recoveries</li> </ul>

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<sup>23</sup> Custodial funds are funds used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

## 1300

### INVENTORIES

The 1300 series of codes includes value, at cost, of stored noncapital goods on hand that will be charged as expenditures or expenses when issued for use (consumption method of accounting for inventory items). Inventories are sometimes controlled through a central location.

If your district uses the purchases method, the district

- should record an immediate charge for inventory costs under the appropriate supply expenditure code and
- should not report inventories on the balance sheet unless there is a significant amount at the fiscal year-end.

An amount reported for inventories under the purchases method on the balance sheet is not available to finance current or future governmental fund expenditures or expenses because it has been recorded as an expenditure or expense in a prior year. As a result, the amount reported as inventories, excluding commodities, on the balance sheet is also reported as a credit to object code 3410, Reserve for Investment in Inventories.

#### ***R*1310**

#### **Inventories—Supplies and Materials**

This code is used to record inventories of supplies and materials for school districts using the consumption method of accounting for inventories.

## 1400

### OTHER CURRENT ASSETS

The 1400 series of codes are used to debit accounts with any items that are properly chargeable to the operations of future periods, the corresponding entry being a credit to cash, a liability account, or—in the case of an adjustment—an expenditure account.

Credits to these accounts arise from journal entries recording period charges, the corresponding entry being a debit to an expenditure or expense account.

#### ***R*1410**

#### **Deferred Expenditures or Expenses (Deferred Outflows of Resources for Expenditures or Expenses)**

This code is used to record certain disbursements that may need to be made in one period but are more accurately reflected in part as an expenditure or expense of the next fiscal year. The credit entry is made to cash. This entry is reversed in a subsequent fiscal period with a credit

entry to this account and a debit entry to the appropriate expenditure or expense account.

**R1420 Capitalized Bond and Other Debt Issuance Costs**

This code is used to record certain bond and other debt issuance costs, including lease-purchase debt issuance costs that are capitalized.

**R1490 Other Current Assets**

This code is used to record all other current assets not specifically identified above.

**1500 LAND, BUILDINGS, AND EQUIPMENT**

This series of codes is used to record the value of land, buildings, furniture, and equipment. School districts record capital assets at cost or estimated cost at the time of acquisition. If capital assets are donated to the district, they are recorded at estimated fair market value at the time of acquisition.

Capital assets of governmental fund types and expendable trust funds are recorded in the general capital asset account group, and capital assets of proprietary fund types and similar trust funds are recorded in those fund types.

**R1510 Land Purchase and Improvements**

This code is used to record the value of land that is owned outright, whether purchased or donated. Included in the value of land are capital improvements other than buildings, acquisition costs, and other costs necessary to alter the land for its intended purpose.

**R1520 Buildings and Improvements**

This code is used to record the value of buildings that are owned outright, whether purchased, constructed, or donated. Included in the value of buildings are capital improvements, permanently attached furniture and equipment, and any costs incurred in acquisition.

**1530–1539 Furniture and Equipment**

The codes in this series are used to record the value of furniture and equipment meeting the following capital outlay criteria:

\$5,000 cost per unit or more and

a useful life of more than one year (see the 6600 series of expenditure or expense object codes).

These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as expenditures or expenses for freight and installation and other costs necessary to render the item operable.

***R*1531 Vehicles**

***R*1539 Furniture and Equipment**

**1540–1549 Capital Assets—District Defined**

This code is used at the discretion of your school district if district policy requires the capitalization of items that individually or, as a group,

- are less than the \$5,000 criterion identified in the 1530 series of accounts (see the 6600 series of expenditure or expense object codes), or
- meet local criteria for grouped assets.

These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as expenditures or expenses for freight and installation and other costs necessary to render the item operable.

***R*1541 Vehicles**

***R*1549 Furniture and Equipment**

**1550–1559 Assets Purchased under Capital Leases**

The codes in this series are used to record capital lease transactions, which are authorized by law.<sup>24</sup> These transactions include the total value of items under long-term capital leases. These types of lease agreements may include a purchase provision. At the inception of the capital lease, the appropriate capital asset account using one of the codes shown below is debited in the amount of the net present value of the capital lease payments. Assets purchased under capital leases by governmental fund types and expendable trust funds are recorded in the general capital asset accounts, while those for proprietary fund

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<sup>24</sup> [Local Government Code, Chapter 271, Subchapter A](#)

types and similar trust funds are accounted for through the appropriate fund. The following types of capital assets may be under capital lease.

**R1551      Buildings**

**R1552      Vehicles**

Your district can purchase a fleet of vehicles, such as buses, under a capital lease.

**R1559      Furniture and Equipment**

**1560      Library Books and Media**

The 1560 code series is used to record the value of library books and media. Library books and media, such as CDs, DVDs, software, subscriptions, and videos, 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 or media item.

**R1569      Library Books and Media**

**1570      Accumulated Depreciation**

Accumulated depreciation is the sum of depreciation expenses for the current and past years for existing depreciable assets, as a corresponding asset account. Full accrual financial statements have major line items to present both depreciable assets and less accumulated depreciation. When a depreciable capital asset is disposed of, its corresponding accumulated depreciation is removed as well.

The codes in this series are used in proprietary and trust funds in which capital maintenance must be measured.



<b>R1571</b>	<b>Accumulated Depreciation—Buildings</b>
<b>R1572</b>	<b>Accumulated Depreciation—Vehicles</b>
<b>R1573</b>	<b>Accumulated Depreciation—Furniture and Equipment</b>
<b>R1574</b>	<b>Accumulated Depreciation—Library Books and Media</b>
<b>R1576</b>	<b>Accumulated Depreciation—Capital Leases</b>
<b>R1577</b>	<b>Accumulated Depreciation—Infrastructure</b>
<b>R1578</b>	<b>Accumulated Depreciation—Art, Collections, and Historical Treasures</b>
<b>R1580</b>	<b>Construction in Progress</b> <p>This code is used to record expenses or expenditures as they are incurred. The capital projects fund or appropriate fund is debited with the value of construction that has been accepted by your district and for which a contractor has been or will be paid. When construction is complete, this account is credited, and the appropriate capital asset account is debited for the cost of the asset.</p>
<b>1590</b>	<b>Other Capital Assets—Infrastructure, Art, Historical Treasures, and Collections</b> <p>The codes in this series are used to record the value of infrastructure assets, art, historical treasures, collections, and similar assets. Capital assets of your district are recorded at cost or estimated cost at the time of acquisition. If infrastructure assets, art, collections, or historical treasures are donated, these assets are recorded at estimated fair market value at the time of acquisition or donation. Capitalization of collections is encouraged, but is not required if certain conditions are met as prescribed in <a href="#">GASB Statement No. 34</a>. If items are not capitalized, then depreciation will not be recorded, as is common for inexhaustible assets such as artwork, historical treasures, and collections of either.</p>

<b>R1591</b>	<b>Infrastructure Assets—Roads</b>
<b>R1592</b>	<b>Infrastructure Assets—Drainage Systems</b>
<b>R1593</b>	<b>Infrastructure Assets—Water Systems</b>
<b>R1594</b>	<b>Infrastructure Assets—Sewer Systems</b>
<b>R1595</b>	<b>Infrastructure Assets—Lighting Systems</b>
<b>R1596</b>	<b>Infrastructure Assets—Other</b>
<b>R1597</b>	<b>Infrastructure Assets—Network or Subsystems of a Network</b>
<b>R1598</b>	<b>Art and Collections</b>
<b>R1599</b>	<b>Historical Treasures</b>
<b>1700</b>	<p><b>DEFERRED OUTFLOWS OF RESOURCES</b></p> <p>A deferred outflow of resources is an outflow related to a future period</p> <p>Deferred outflows of resources of a school district are recorded in the 1700 series of accounts.</p>
<b>1701–1799</b>	<p><b>Deferred Outflows of Resources (These codes are converted to object code 1700 for financial statement purposes.)</b></p> <p>Deferred outflows of resources, like expenses, decrease net position, but the increase applies to a future period, not to the current period. This account has a positive effect on net position similar to assets. A key point is that the outflow of resources has already occurred but applies a future period; hence it is deferred. The following formula applies:</p> <p>Net Position = assets + deferred outflows of resources – liabilities – deferred inflows of resources.</p> <p><a href="#">GASB Concepts Statement No. 4</a> indicates that recognition of deferrals should be limited to items specifically identified by GASB. See <a href="#">GASB Statement No. 65</a> paragraphs 5 through 33. Some examples of deferred outflows of resources are:</p> <ul style="list-style-type: none"> <li>• grants paid in advance of meeting timing requirements</li> <li>• taxes received in advance</li> <li>• deferred amounts from refunding of debt</li> </ul>

- costs to purchase future revenues
- deferred loss from sale-leaseback
- debt issuance costs (not insurance)
- initial costs incurred in an operating lease by lessor
- acquisition costs for risk pools
- loan origination costs

## **1800**

### **RESTRICTED ASSETS**

Restricted assets are assets that are set aside for specific purposes. Restrictions on assets generally occur in proprietary and fiduciary fund types. An example is a scholarship fund that must be used for a specific purpose.

#### ***R*1810**

#### **Cash and Cash Equivalents**

This code is used to account for cash and cash equivalents that are restricted to specific uses.

#### ***R*1890**

#### **Other Restricted Assets**

This code is used to account for assets, other than cash and cash equivalents, that are restricted to specific uses.

## **1900**

### **OTHER ASSETS**

The codes in this series are used to account for other assets not specified above.

#### ***R*1910**

#### **Long-Term Investments**

This code is used to account for long-term investments, which are investments that are expected to be held for more than a year or the current operating cycle, whichever is longer. In governmental funds, the long-term investment balance is reflected under object code 3490, Other Restrictions of Fund Balance.

See object code 1110, Cash and Cash Equivalents.

#### ***R*1920**

#### **Net Pension Assets**

This code is used to account for the district's net pension assets, which are the plan assets that are available to pay the retiree benefits.

**R1990**

**Other Assets**

This code is used to account for other assets not specified in the 1100–1800 series of codes or object code 1910 above.

### **A.4.2 Liability Object Codes**

A liability is an amount a district is obligated to pay to persons or groups outside the district.

A liability object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in [A. 1 Accounting Code Structure and Definitions](#). These codes begin with the digit “2,” which distinguishes them from other types of object codes.

Your district may choose to account for transactions at a more detailed level than the level indicated.

#### **2000**

#### **LIABILITIES**

Liabilities are recorded as credits in two broad categories:

- current liabilities
- long-term debts

#### **2100**

#### **CURRENT LIABILITIES**

A current liability is one that is due now or is expected to be due within one year.

#### **℞2110**

#### **Accounts Payable**

This code is used for credit entries for actual liabilities for goods and services received, with the debit entry being to an expenditure account. The following types of payables are Included in this account:

- Trade payable—amounts due to outside entities, such as vendors, resulting from goods or services received that have not been paid at the end of an accounting period.
- Judgments payable—amounts currently due to claimants or plaintiffs as a result of self-insurance claims, settlements, court judgments, etc.
- Attorney fees payable for collecting delinquent taxes—amounts collected as “costs” from a taxpayer and subsequently paid to an attorney for collecting delinquent taxes.
- Refund of overpaid taxes.

#### **2120**

#### **BONDS AND LOANS PAYABLE—CURRENT YEAR**

For information on bonds and loans payable, see *FASRG* Module 1 1.2.6 Debt.

**R2121 Bonds Payable—Current Year**

This code is used to record amounts due for current bond coupons or other bond principal payments. Since payments are considered as recurring transactions by generally accepted accounting principles, the corresponding debits are made to an expenditure account that uses code 6511, Bond Principal in the Debt Service Fund. Under the modified accrual accounting method, this code is used in the financial statements only if the payment is overdue.

**R2122 Loans Payable—Current Year**

This code is used to record amounts due for the current year on notes, warrants, or other evidence of nonbonded indebtedness. For the accounting treatment for short-term debt (debt to be repaid within 12 months), see Module 1 section 1.2.6 Debt.

**R2123 Other Liabilities—Current**

This code is used to record amounts due (recognized as accrued current liabilities) within one year for miscellaneous liabilities, including the following:

- compensated absences
- workers' compensation
- self-funded insurance
- legal claims and judgments
- certain pension plan liabilities
- other current liabilities (debt to be repaid within twelve months)

**R2130 Capital Leases Payable—Current Year**

This code is used to record amounts due as a result of a capital lease agreement. In governmental fund types, the principal payment is recorded in the fund in which the lease proceeds amount was recorded. Under the modified accrual accounting method, this code is used in the financial statements only if the payment is outstanding.

**2140 INTEREST PAYABLE**

These codes are used to credit accounts as interest becomes currently payable. The corresponding entries are debits to the respective interest expense accounts (series [6520, Interest Expenditures or Expenses](#)). Under the modified accrual accounting method, this code is used in the financial statements only if the payment is outstanding.

<b>R 2141</b>	<b>Bond Interest Payable</b>
<b>R 2142</b>	<b>Loan Interest Payable</b>
<b>R 2143</b>	<b>Capital Lease Interest Payable</b>
<b>2150</b>	<b>PAYROLL DEDUCTIONS AND WITHHOLDINGS</b>  These codes are used when the net payroll check is issued to an employee, appropriate accounts are credited to cash, and appropriate accounts are debited.
<b>R 2151</b>	<b>Federal Income Taxes</b>
<b>R 2152</b>	<b>FICA and Medicare Taxes</b>
<b>R 2153</b>	<b>Group Health and Life Insurance</b>
<b>R 2154</b>	<b>Financial Institution—Payments to Financial Institutions for Deposit into Employee-designated Accounts</b>
<b>R 2155</b>	<b>Teacher Retirement</b>
<b>R 2159</b>	<b>Other</b>
<b>R 2160</b>	<b>Accrued Wages Payable</b>  This code is used to record amounts earned by employees, but not yet paid.
<b>2170</b>	<b>DUE TO OTHER FUNDS</b>  These codes are used to record amounts owed to one fund by another fund. The following types of accounts are included in this series:

<b>R2171</b>	<b>General Fund</b>
<b>R2172</b>	<b>Special Revenue Fund</b>
<b>R2173</b>	<b>Debt Service Fund</b>
<b>R2174</b>	<b>Capital Projects Fund</b>
<b>R2175</b>	<b>Enterprise Fund</b>
<b>R2176</b>	<b>Internal Service Fund</b>
<b>R2177</b>	<b>Trust and Custodial Funds</b>
<b>R2178</b>	<b>Permanent Funds</b>
<b>2180</b>	<b>DUE TO OTHER GOVERNMENTS</b>
	These codes are used to record amounts owed to other governmental entities.
<b>R2181</b>	<b>Due to State</b>
<b>R2182</b>	<b>Due to Federal Agencies</b>
<b>R2183</b>	<b>Due to Other Governments</b>
	This code is used to record amounts owed to governmental entities, including counties, councils of government, cities, and other school districts.
<b>R2184</b>	<b>Due to Government Unit—Taxes</b>
	This code is used to record amounts owed to government units as a result of one governmental entity's collecting ad valorem tax revenues for another.
<b>R2190</b>	<b>Due to Student Groups</b>
	These codes are used to record amounts owed to student groups within the custodial funds. <sup>25</sup> Amounts recorded as Due to Student Groups

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<sup>25</sup> Custodial funds should be used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.



equal the difference between amounts recorded as assets and any recorded liabilities of student groups, such as accounts payable (no amount may be reported under custodial funds as fund balance pertaining to student groups).

## **2200                      ACCRUED EXPENDITURES OR EXPENSES**

### ***R*2210                      Accrued Expenditures or Expenses**

This code is used to record other liabilities or obligations incurred in the current period that are payable with current financial resources and are not appropriately recorded under another account, such as accounts payable. The corresponding entry is to the appropriate expenditure or expense account. The accrued expenditures or expenses account is debited when the expense is paid.

## **2300                      UNAVAILABLE REVENUE (INFLOWS OF RESOURCES)**

### ***R*2310                      Unavailable Revenue**

This code is used to credit an account for the amount of receipts not properly recognized at the time as revenues. For the general fund at the fiscal year-end, this amount is usually calculated as follows:

Unavailable Revenue = Beginning Unavailable Revenue + Current Year Tax Levied – Current Year Tax Uncollectable – Tax Collections.

<b>Object Code 2310—Unavailable Revenue to Include:</b>	<b>Object Code 2310—Unavailable Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>• advance payment of tuition</li> <li>• cash advance for a federally funded grant not yet expended</li> <li>• preseason football ticket sales</li> <li>• prepayment of long-term vendor contracts</li> <li>• current and delinquent property taxes due</li> <li>• overpayment of property taxes (current or delinquent) to be applied to future years</li> </ul>	<ul style="list-style-type: none"> <li>• all receipts recognized as revenues</li> </ul>

**2400****PAYABLE FROM RESTRICTED ASSETS**

These codes are used to record liabilities that relate to restricted assets. Liabilities from restricted assets generally are the result of operations from proprietary and fiduciary fund types. An example is a payment due as a result of a scholarship grant.

**R 2410****Construction Contract****R 2420****Fiscal Agent****R 2430****Accrued Interest****R 2440****Other****2500****BONDS AND LOANS PAYABLE—LONG-TERM****R 2510****Bonds Payable—Long-Term**

This code is used to record amounts of outstanding bonded indebtedness to be retired in future accounting periods. These amounts are recorded as credits in the general long-term debt fund. Whenever bonds become due, this account is debited and object code 2121, Bonds Payable—Current Year, is used to credit the debt service fund.

**R 2511****Deferred Gain or Loss on Defeasance of Bonds**

This code is used to record deferred gain or loss in connection with the defeasance of bonds.<sup>26</sup>

**R 2512****Accumulated Accretion on Capital Appreciation Bonds (CABs)**

This code is used to record the accumulated interest on each individual CAB. These bonds are a form of zero coupon bonds and do not require periodic interest payments. The bonds are issued at a significant discount of the face value. At the maturity of a CAB, the accreted amount of interest for the CAB plus the discounted value recorded (amount for which the bond was issued) for the CAB debt will equal the face value of the debt instrument.

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<sup>26</sup> Debt defeasance is satisfying or voiding a debt without its being repaid. Debt defeasance can be:

- legal, in which a debt is satisfied according to legal requirements in the debt instrument, or
- in-substance, in which a school district places funds in an irrevocable trust to be used to repay all interest and principal on a debt.

**R 2516      Premium and Discount on Issuance of Bonds**

This code is used to record amounts to be amortized as debt premium or discount or both in connection with the issuance of debt.

**R 2520      Loans Payable—Long-Term**

This code is used to record the liability for long-term loans. As installments become currently payable, this code is used to record a debit, and object code 2122, Loans Payable—Current Year, is used to record a credit.

This code is used to record long-term loans payable by proprietary fund types and similar trust funds (long-term loans of governmental fund types, and expendable trust funds are recorded in the general long-term debt fund).

**2530      OTHER LONG-TERM DEBT PAYABLE**

**R 2531      Capital Leases Payable—Long-Term**

This code is used to record an amount due in future accounting periods as the result of a capital lease agreement. These amounts are recorded as credits in the general long-term debt fund for governmental fund types and expendable trust funds and in the appropriate fund for proprietary fund types and similar trust funds. The amount recorded for a capital lease is the current value of the future lease payments.

**R 2532      Vested Vacation Benefits Payable**

This code is used to record vested vacation benefits. As the benefits accumulate, this account is credited for amounts that will not be liquidated during the current fiscal year upon the retirement or resignation of personnel.

**R 2540      Net Pension Liabilities**

This code is used to account for the district's net pension liabilities, which is the amount by which the total pension liability exceeds the pension plan's net position (formerly known as the plan net assets).

**R 2545      Net Other Post-Employment Benefits Liabilities (OPEB) (Other than pensions)**

This code is used to account for the district's net OPEB liabilities (other than pension plans), which is the district's proportionate share of the collective net OPEB liability, as reported by TRS.

**R 2590****Other Long-Term Liabilities**

This code is used to record long-term liabilities not defined elsewhere. This code represents amounts due after more than one year from the balance sheet date (recognized as accrued long-term liabilities) for miscellaneous liabilities, including compensated absences, workers' compensation, self-funded insurance, legal claims and judgments, certain pension plan liabilities, and other long-term liabilities (debt to be repaid beyond the following 12-month period).

**2600****DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of a school district are recorded using the 2600 series of codes.

Deferred inflows, like revenues, increase net position, but the increase applies to a future period, not to the current period. This account has a negative effect on net position similar to that of liabilities. A key point is that the inflow of resources has already occurred but applies to a future period; hence it is deferred. The following formula applies:

Net Position = assets + deferred outflows – liabilities – deferred inflows.

[GASB Concepts Statement No. 4](#) indicates that recognition of deferrals should be limited to items specifically identified by GASB. See [GASB Statement No. 65](#) paragraphs 5 through 33. Some examples of deferred inflows of resources are as follows:

- grants received in advance of meeting timing requirements
- taxes received in advance
- deferred amounts from refunding of debt (credit entries – cr)
- proceeds from sales of future revenues
- deferred gain from sale-leaseback
- unavailable revenue in governmental funds (deferred revenue)
- loan origination fees not including points
- commitment fees related to exercise or expiration of contract options
- fees for sale of loans

**2601–2699 Deferred Inflows of Resources (These codes are converted to object code 2600 for financial statement purposes.)**

These codes are used, at the option of the school district, to record the district's deferred inflows of resources. A school district may elect to use these codes to separately identify different deferred inflows of resources. School districts may elect to maintain separate accounts for various deferred inflow types. Deferred inflows of resources include the following (the list is not all-inclusive):

Operating activities

- receipts from customers
- interest received
- dividends received
- income tax refunds
- refunds from supplies
- receipts from lawsuits
- other income producing activities

Investing activities

- plant asset sales
- sales of real estate
- proceeds from sales and maturities of debt and equity
- securities not classified as cash equivalent

Financing activities

- proceeds from stock issuance
- proceeds from bond issuance
- proceeds from loans from financial institutions
- proceeds from debt for specific investing activities

### ***A.4.3 Fund Balances and Net Position Object Codes***

A fund balance or net position represents the difference between the assets and liabilities of a fund.

A fund balance or net position code is a four-digit object code that comprises the sixth through ninth digits in the code structure described in [A.1 Accounting Code Structure and Definitions](#). These codes begin with the digit “3,” which distinguishes them from other types of object codes.

Your school district may choose to account for transactions at a more detailed level than the level indicated.

#### **3000**

#### **FUND BALANCES AND NET POSITION**

Fund balances and net position are recorded as credits to eight categories since the implementation of [GASB Statement No. 54](#) and [GASB Statement No. 63](#):

- net investment in capital assets
- restricted net position
- unrestricted net position
- nonspendable fund balance
- restricted fund balance
- committed fund balance
- assigned fund balance
- unassigned fund balance

The first three categories apply to the government-wide financial statements, while the last five categories apply to governmental fund financial statements.

#### **3200**

#### **NET INVESTMENT IN CAPITAL ASSETS**

This code is used to record the net position component—invested in capital assets—which represents total capital assets less accumulated depreciation less debt directly related to capital assets. This code is reported in the government-wide financial statements and in financial statements for proprietary fund types or fiduciary funds of a school district or both.

#### **3400–3600**

#### **FUND BALANCE**

#### **3400**

#### **NONSPENDABLE OR RESTRICTED FUND BALANCE**

These codes are used to record nonspendable or restricted fund balances. A restricted or nonspendable fund balance is that portion of

fund balance that is not available for appropriation. A restricted fund balance is that portion of fund balance that has been legally separated for a specific purpose.

***R*3410      Nonspendable Inventories**

This code is used to record the nonspendable portion for investment in inventories, which must agree with the inventory balance recorded using object code 1310, Inventories—Supplies and Materials, except for commodity inventories. Commodity inventories received through the US Department of Agriculture are offset with unavailable revenue and not nonspendable inventories.

***R*3415      Nonspendable Long-Term Loans or Notes Receivable**

This code is used to record the nonspendable amount of long-term loans or notes receivable.

***R*3425      Nonspendable Endowment Principal**

This code is used to record the nonspendable principal amount of a permanent fund.

***R*3430      Nonspendable Prepaid Items**

This code is used to record the nonspendable portion of a fund balance to indicate that prepaid items included in assets do not represent expendable available financial resources.

***R*3445      Nonspendable Other**

This code is used to account for any other items meeting the definition of nonspendable.

***R*3450      Restricted for Food Service or for Federal or State Grants Balances**

This code is used to record the amount available for the food service program under the mandates of the National School Lunch Program and the Breakfast Program. This code reflects restrictions for any federal or state grant balances.

***R*3460      Restricted for Fund Balances of Consolidated School Districts**

This code is used to record restricted fund balances of school districts that were consolidated under the [TEC, §§41.351—41.357](#).<sup>27</sup> Amounts

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<sup>27</sup> [TEC, Chapter 49, Subchapter H, Consolidation by Commissioner](#)

restricted under this statute may be used only for the benefit of the schools of the previously existing individual school districts that generate the funds.

***R*3470**

**Restricted for Capital Acquisitions and Contractual Obligations**

This code is used to record the restriction for contractual obligations issued, representing funds available to purchase personal property items under the district's Resolution or Order Authorizing the Sale of Contractual Obligations. Examples include contractual obligations issued directly by a district, or those issued through participation in a program such as the Capital Acquisition Program (CAP).

***R*3480**

**Restricted for Retirement of Long-Term Debt**

This code is used to record the restriction of the debt service fund for retirement of long-term debt, which represents the amounts necessary to retire long-term debt principal.

***R*3490**

**Other Restrictions of Fund Balance**

This code is used to record other restrictions of fund balance not described above.

**3500**

**COMMITTED OR ASSIGNED FUND BALANCE**

This series of codes is used to report the committed or assigned fund balance, which represents tentative plans for the future use of financial resources. Commitments require board action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period. Assignments do not require approval in the board minutes and can also be made by an official or body to which the board has delegated authority. For funds, other than the general fund, the remainder fund balance is reported when assigned.

***R*3510**

**Committed Fund Balance—Construction**

This code is used to record the commitment for construction plans by your school district for construction projects not funded by bonded debt.

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<sup>28</sup> GASB Codification Section 1600.106



- R3520 Committed Fund Balance—Claims and Judgments**  
This code is used to record the commitment for claims and judgments and represents funds earmarked for payment for such purposes.
- R3525 Committed Fund Balance—Retirement of Loans and Notes Payable**  
This code is used to record the commitment for loans and notes payable and represents funds earmarked for payment for such purposes. This code relates to loans and notes payable committed by the board rather than the restrictive terms of the bond.
- R3530 Committed Fund Balance—Capital Expenditures for Equipment**  
This code is used to record the commitment for planned major capital expenditures for equipment not funded by bonded debt or CAP funds.
- R3540 Committed Fund Balance—Self-Insurance**  
This code is used to record the commitment for self-insurance representing funds set aside by your district for actuarial liabilities of self-insurance programs.
- R3545 Other Committed Fund Balance**  
This code is used to record other commitments of fund balance not described above.
- R3550 Assigned Fund Balance—Construction**  
This code is used to record the assignment for planned construction by your district for construction projects not funded by bonded debt.
- R3560 Assigned Fund Balance—Claims and Judgments**  
This code is used to record the assignment for claims and judgments and represents funds earmarked for payment for such purposes.
- R3565 Assigned Fund Balance—Retirement of Loans and Notes Payable**  
This code is used to record the assignment for loans and notes payable and represents funds earmarked for payment for such purposes.
- R3570 Assigned Fund Balance—Capital Expenditures for Equipment**  
This code is used to record the assignment for planned major capital expenditures for equipment not funded by bonded debt or CAP funds.

**R3580 Assigned Fund Balance—Self-Insurance**

This code is used to record the assignment for self-insurance representing funds set aside by your district for actuarial liabilities of self-insurance programs.

**R3590 Assigned Fund Balance**

This code is used to record other assignments of fund balance not described above.

**R3600 Unassigned Fund Balance**

This code is used to record unassigned fund balance, which represents that portion of fund balance that is currently available to finance expenditures or expenses not already approved by the board of trustees or described under [GASB Statement No. 54](#) as the amount in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).

**3700 BUDGETARY FUND BALANCE—LOCALLY DEFINED**

The budgetary fund balance code may be used to offset the following object codes:

- 5010, Estimated Revenues—Control—Locally Defined
- 6010, Appropriated Expenditures and Expenses—Control—Locally Defined
- 7010, Estimated Other Resources and Nonoperating Revenues—Control—Local Option
- 8010, Appropriated Other Uses and Nonoperating Expenses—Control —Locally Defined

This account will have a zero balance at fiscal year-end.

**R3800 Restricted Net Position**

This code is used to record the net position component—restricted net position—which represents net resources restricted by a source external to the district. This account is reported in your district’s financial statements for government-wide funds, proprietary funds, and fiduciary funds.

**R3900 Unrestricted Net Position**

This code is used to record the net position component—unrestricted net position—which is reported in your district’s financial statements

for government-wide funds, proprietary funds, and fiduciary funds. Unrestricted net position represents any resources not classified in accounts 3200, Invested in Net Investment in Capital Assets, and 3800, Restricted Net Position.

#### ***A.4.4 Clearing Account Object Codes***

A clearing account is one that is used to balance the accounting records during interim periods. They are closed to other accounts at the end of the fiscal year and are not shown on your district's financial statements.

A clearing account object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit "4," which distinguishes them from other types of object codes.

#### **4000**

#### **CLEARING ACCOUNTS**

Your school district may choose to account for transactions at a more detailed level than the level indicated and may use additional clearing accounts as needed.

#### **4301–4310**

#### **ENCUMBRANCE RESERVES**

Governmental Accounting Standards Board (GASB) defines an encumbrance as an amount set aside to pay for goods and services your district contracted for but did not receive before the end of the fiscal year.

#### **4310**

#### **Reserve for Encumbrances—Locally Defined**

This code is used to record a credit entry when an encumbrance, such as making a purchase order, is incurred. The corresponding debit entry account is 6020, Encumbrances—Control—Locally Defined (or 8020, Encumbered Other Uses and Nonoperating Expenses—Control—Locally Defined for an encumbrance for other uses). To liquidate an encumbrance, this account is debited, and 6020 or 8020 is credited, as appropriate. Any remaining balance is closed, and an entry for assigned fund balance reduces unassigned fund balance. An unliquidated encumbrance may be reopened in the following fiscal year.

### ***A.4.5 Revenue Object Codes***

Revenue is an increase in a school district's current financial resources.

A revenue object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit "5," which distinguishes them from other types of object codes.

Your school district's accounting records must reflect revenue at the most detailed level (four digits) for purposes of

- accounting and
- PEIMS reporting:
  - actual data and
  - budget data.

If your district needs to use codes in addition to the mandatory codes for managerial purposes, the district should use the optional codes provided for local use in the code structure.

GASB states that revenues and other governmental fund financial resource increments are recognized when they are susceptible to accrual, which means they must be both measurable and available. Revenues are measurable when the amount of the revenues is subject to reasonable estimation. To be available, revenues must be subject to collection within the current period, or after the end of the period but in time to pay liabilities outstanding at the end of the current period.<sup>28</sup>

Revenues recorded in the proprietary fund type and similar trust funds are recognized when earned in essentially the same manner as in commercial accounting.

School districts must account for a variety of revenues, including property taxes, foundation fund entitlements, user charges, and grants.

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<sup>28</sup> GASB Codification Section 1600.106

## **5000**

### **REVENUE CONTROL ACCOUNTS**

These codes are used for accounts that summarize estimated (budgeted) and actual (realized) revenues. These are optional codes and accounts that your district may use in financial accounting applications.

#### **5010      Estimated Revenues—Control—Locally Defined**

This code is used to debit an account at the beginning of the period for the amount of revenues anticipated. The credit entry is to the object code 3700, Budgetary Fund Balance—Locally Defined, and this account is closed at year-end. This control account is used at the option of your district.

#### **5020      Realized Revenues—Control—Locally Defined**

This code is used to credit an account for the total revenues realized, including any accrued amounts, during the period. The postings to the revenue ledger (detailed revenue accounts) must be equal to this total realized revenue control account. The debit entry is to cash or a receivable account. At the end of the period, this account is closed to fund balance. This control account is used at the option of your district.

## **5700–5900      REVENUES**

**Revenues are credited in the accounting period in which they become available and measurable.**

### **5700      REVENUES FROM LOCAL AND INTERMEDIATE SOURCES**

#### **5710      Local Real and Personal Property Taxes**

All revenues from local real and personal property taxes are recorded in this code class. Your district should carefully classify tax (actual levy) and other tax revenues, such as penalties and interest, because tax collections affect state funding. This code class applies to school districts, including component school districts of a consolidated taxing district.

#### **℞5711      Taxes, Current Year Levy**

This code is used to classify revenues realized as a result of collecting taxes for real and personal property as levied for the current year. This code is also used to classify revenues that are the current year component share of taxes from a consolidated taxing district. This includes past due, current delinquent, and supplemental taxes for the

current year levy. Taxes collected from current year assessments are prorated between the general and debt service funds as applicable. School districts that elect to provide separate accounting for past due, current delinquent, and supplemental taxes for the current year levy may use local option codes to do so.

<b>Object Code 5711—Revenue to Include:</b>	<b>Object Code 5711—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>• taxes collected for the current year levy, October 1 to January 31</li> <li>• current delinquent taxes collected (for the current year levy) between February 1 and the district's fiscal year-end</li> <li>• supplemental taxes, taxes from litigation, taxes under protest, or other taxes not certified on the original approved roll</li> <li>• current delinquent taxes accrued for the 60 days beginning September 1 and ending October 30 or July 1 and ending August 29, depending on the district's fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>• prior year taxes (taxes levied in prior years, object code 5712)</li> <li>• all taxes collected other than current year tax levy (object code 5712)</li> <li>• penalties and interest (object code 5719)</li> <li>• delinquent tax collection fees charged to taxpayer and paid to an attorney (object code 2110)</li> <li>• overpayment of taxes for current year levy (object code 2310 for unavailable revenue or object code 2110 for refund of overpaid taxes)</li> </ul>

## ***R*5712**

### **Taxes, Prior Years**

This code is used to classify revenues realized as a result of collecting taxes for real and personal property as levied for prior years, including taxes that may have previously been determined to be uncollectible. This code includes supplements to the prior year tax rolls. Taxes collected from prior year assessments are prorated between the general and debt service funds according to the tax rates of the year of levy, as applicable.

<b>Object Code 5712—Revenue to Include:</b>	<b>Object Code 5712—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>• all taxes collected for prior year levies</li> </ul>	<ul style="list-style-type: none"> <li>• all taxes collected for current year levy (object code 5711)</li> <li>• penalties and interest (object code 5719)</li> </ul>

Object Code 5712—Revenue to Include:	Object Code 5712—Revenue to Exclude:
<ul style="list-style-type: none"> <li>taxes collected against county education district receivables purchased from successor in interest</li> <li>prior year delinquent taxes accrued for 60 days beginning September 1 through October 30 or July 1 through August 29 depending on the district's fiscal year-end</li> <li>local revenue received from former successor-in-interest entity of a former county education district</li> </ul>	<ul style="list-style-type: none"> <li>delinquent tax collection fees charged to taxpayer and paid to an attorney (object code 2110)</li> <li>overpayment of taxes for current year levy (object code 2310 for unavailable revenue or object code 2110 for refund of overpaid taxes)</li> </ul>

#### **5716–5718 Penalties, Interest, and Other Tax Revenues—Locally Defined**

These codes are used, at the option of your district, to classify tax revenues not defined elsewhere. These accounts should not include any tax levy, all of which is classified in either object code 5711, Taxes, Current Year Levy, or 5712, Taxes, Prior Years.

**Note:** For PEIMS reporting, these codes are converted to object code 5719.

#### ***R*5719 Penalties, Interest, and Other Tax Revenues—School Districts or Local Property Taxes Passed Through by School Districts**

This code is used to classify revenues realized as a result of collecting tax revenues other than those specified above, including penalties and interest.

**Note:** Any locally defined codes that your district uses must be converted to object code 5719 for **PEIMS** reporting.

Delinquent tax collection fees that are charged as costs to the taxpayer and paid to an attorney are treated as a liability using object code 2110, Accounts Payable, and not classified as revenues.



Object Code 5719—Revenue to Include:	Object Code 5719—Revenue to Exclude:
<ul style="list-style-type: none"> <li>all penalties and interest for tax collection</li> <li>payments in lieu of taxes</li> </ul>	<ul style="list-style-type: none"> <li>current year taxes (object code 5711)</li> <li>prior year delinquent taxes (object code 5712)</li> <li>delinquent tax collection fees charged to taxpayer and paid to an attorney (object code 2110)</li> </ul>

**5720 Local Revenues Realized as a Result of Services Rendered to Other School Districts**

***R*5721 Local Revenues Resulting from Sale of Weighted Average Daily Attendance (WADA) to Other School Districts**

This code is used to classify revenues realized from the sale of WADA to other school districts. This account is used only for any amount in excess of what your district would normally receive from the Foundation School Program Act.

Object Code 5721—Revenue to Include:	Object Code 5721—Revenue to Exclude:
<ul style="list-style-type: none"> <li>revenues in excess of what the district would normally receive from the FSP Act</li> </ul>	<ul style="list-style-type: none"> <li>all other revenues</li> </ul>

***R*5722 Shared Services Arrangements—Local Revenues from Member Districts**

This code is used to classify local revenues realized by a fiscal agent from member districts of a shared services arrangement. The revenues realized by fiscal agents in this account should agree with the member districts' expenditures in object code 6492, Payments to Fiscal Agents of Shared Services Arrangements.

Object Code 5722—Revenue to Include:	Object Code 5722—Revenue to Exclude:
<ul style="list-style-type: none"> <li>local revenue from member districts of shared services arrangements</li> </ul>	<ul style="list-style-type: none"> <li>state-funded revenue from shared service arrangements (object code 5841)</li> </ul>

<b>Object Code 5722—Revenue to Include:</b>	<b>Object Code 5722—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>all or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local or state special education funds for sharing personnel, such as program directors, counselors, diagnosticians, and speech therapists</li> <li>local funds for sharing personnel, such as librarians, counselors, and nurses</li> </ul>	<ul style="list-style-type: none"> <li>federal revenue from shared service arrangements (object code 5951)</li> </ul>

## **R5723**

### **Shared Services Arrangements—Local Revenues from Fiscal Agent**

This code is used to classify local revenues realized by a member district from the fiscal agent of a shared services arrangement. The revenues realized by member districts in this account should agree with the fiscal agent's expenditures in object code 6493, Payments to Member Districts of Shared Services Arrangements.

<b>Object Code 5723—Revenue to Include:</b>	<b>Object Code 5723—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>local revenues received from the fiscal agent of a shared service arrangement</li> <li>all or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local or state special education funds for sharing personnel, such as program directors, counselors, diagnosticians, and speech therapists</li> </ul>	<ul style="list-style-type: none"> <li>state revenues received from the fiscal agent of a shared service arrangement (object code 5842)</li> <li>federal revenue received from the fiscal agent of a shared service arrangement (object code 5952)</li> </ul>

Object Code 5723—Revenue to Include:	Object Code 5723—Revenue to Exclude:
<ul style="list-style-type: none"> <li>local or state funds for sharing program personnel, such as librarians, counselors, and nurses</li> </ul>	

#### **5727–5728 Local Revenues Resulting from Services Rendered to Other School Districts—Locally Defined**

These codes are used, at the option of your district, to classify revenues resulting from services rendered to other districts not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5729.

#### ***R*5729 Local Revenues Resulting from Services Rendered to Other School Districts**

This code is used to classify revenues realized from services rendered to other school districts not specified above.

**Note:** Any locally defined codes that your district uses must be converted to object code 5729 for PEIMS reporting.

Object Code 5729—Revenue to Include:	Object Code 5729—Revenue to Exclude:
<ul style="list-style-type: none"> <li>revenue for services to other districts, such as transportation, maintenance services, and printing</li> <li>tuition from other districts</li> <li>revenue received from other districts as registration fees for staff development</li> </ul>	<ul style="list-style-type: none"> <li>tuition from local sources (object code 5739)</li> <li>sales of instructional materials and technological equipment to other entities<sup>30</sup></li> </ul>

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<sup>30</sup> [TEC, §31.105](#)

Object Code 5729—Revenue to Include:	Object Code 5729—Revenue to Exclude:
<ul style="list-style-type: none"> <li>tuition paid from one district to another resulting in entire grades of students being transferred to provide grade levels not taught by the sending district</li> <li>tuition paid for an enhanced service for specific students not offered by the sending district</li> <li>tuition paid for students being transferred under the Public Education Grant Program<sup>29</sup></li> </ul>	

## 5730

### TUITION AND FEES

#### 5735–5738 Tuition and Fees—Locally Defined

These codes are used, at the option of your district, to classify tuition and fees not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5739.

#### *R*5739

#### Tuition and Fees from Local Sources

This code is used to classify revenues realized for tuition and fees from local sources.

**Note:** Any locally defined codes that your district uses must be converted to object code 5739 for PEIMS reporting.

Object Code 5739—Revenue to Include:	Object Code 5739—Revenue to Exclude:
<ul style="list-style-type: none"> <li>driver education tuition</li> <li>tuition from local sources</li> <li>tuition from out-of-district patrons—regular day school</li> </ul>	<ul style="list-style-type: none"> <li>tuition from other school districts (object code 5729)</li> </ul>

<sup>29</sup> [TEC, §29.201](#)

Object Code 5739—Revenue to Include:	Object Code 5739—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• tuition from overage students</li> <li>• tuition for summer school</li> <li>• tuition from early childhood programs</li> </ul>	

## 5740

### OTHER REVENUES FROM LOCAL SOURCES

#### *R*5741

#### Earnings from Permanent Funds and Endowments

This code is used to classify revenues realized as a result of earnings from local permanent school funds and endowments, including net earnings from rentals and leases of property purchased from or set aside as part of the local permanent funds.

Object Code 5741—Revenue to Include:	Object Code 5741—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• earnings from local permanent school funds and endowments</li> </ul>	<ul style="list-style-type: none"> <li>• all other revenues</li> </ul>

#### *R*5742

#### Earnings from Temporary Deposits and Investments

This code is used to classify revenues realized as a result of earnings from deposits and investments. Market losses are reflected as a debt entry to 5742 and gains as a credit entry to 5742.

Object Code 5742—Revenue to Include:	Object Code 5742—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• interest from: <ul style="list-style-type: none"> <li>○ market gains</li> <li>○ US government agency securities</li> <li>○ commercial paper</li> <li>○ sweep accounts</li> <li>○ certificates of deposit</li> <li>○ Texas local governments (Texas municipalities)</li> <li>○ investment pools</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• earnings from local permanent funds and endowments (object code 5741)</li> </ul>

**R5743****Rent**

This code is used to classify revenues realized from rental of facilities or other property.

<b>Object Code 5743—Revenue to Include:</b>	<b>Object Code 5743—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>rent of a stadium, activity center, gym, school, or other district-owned facility</li> </ul>	<ul style="list-style-type: none"> <li>ticket sales to athletic events (object code 5752)</li> <li>revenue from extracurricular activities other than athletics (object code 5753)</li> </ul>

**R5744****Revenue from Foundations, Other Nonprofit Organizations, Gifts, and Bequests**

This code is used to classify revenue from foundations, other nonprofit organizations, gifts, and bequests received from philanthropic or private organizations or individuals. Contributed services and items are recorded at market value at the time of donation.

<b>Object Code 5744—Revenue to Include:</b>	<b>Object Code 5744—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>donations of cash or the value of items donated</li> </ul>	<ul style="list-style-type: none"> <li>state and federal grants (object code 58XX or 59XX)</li> </ul>

**R5745****Insurance Recovery**

This code is used to classify amounts received from insurance companies for the repair or replacement of the insured property for assets of governmental fund types and expendable trust funds. But insurance payments for assets of proprietary funds and similar trust funds are recorded using object code 7956, Insurance Recovery.

<b>Object Code 5745—Revenue to Include:</b>	<b>Object Code 5745—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>gross proceeds from insurance companies for the repair or replacement of insured property</li> </ul>	<ul style="list-style-type: none"> <li>all other revenue</li> </ul>

**R5746****Property Taxes Collected for Tax Increment Fund (TIF)**

This code is used to classify amounts received for financing a tax increment fund. The fund is used as an investment in the tax increment reinvestment zone. The expenditures associated with these revenues should be recorded in the general fund, under function code 97.

Payments to Tax Increment Fund, and should be disbursed using object code 6499, Miscellaneous Operating Costs.

<b>Object Code 5746—Revenue to Include:</b>	<b>Object Code 5746—Revenue to Exclude:</b>
<ul style="list-style-type: none"><li>property taxes collected for Tax Increment Fund</li></ul>	<ul style="list-style-type: none"><li>taxes collected for the current year levy, October 1 to January 31 (object code 5711)</li><li>current delinquent taxes collected (for the current year levy) between February 1 and August 31 or June 30 depending on the district's fiscal year (object code 5711)</li><li>supplemental taxes, taxes from litigation, taxes under protest, or other taxes not certified on the original approved roll (object code 5711)</li><li>current delinquent taxes accrued for the 60 days beginning September 1 and ending October 30, or July 1 and ending August 29, depending on the district's fiscal year (object code 5711)</li><li>all taxes collected for prior year levies (object code 5712)</li><li>taxes collected against county education district receivables purchased from successor in interest (object code 5712)</li></ul>

Object Code 5746—Revenue to Include:	Object Code 5746—Revenue to Exclude:
	<ul style="list-style-type: none"> <li>• prior year delinquent taxes accrued for 60 days beginning September 1 through October 30, or July 1 through August 29, depending on the district's fiscal year end (object code 5712)</li> <li>• local revenue received from a former successor-in-interest entity of a former county education district (object code 5712)</li> </ul>

#### **5748 Other Revenues from Local Sources—Locally Defined**

This code is used, at the option of your district, to classify revenues realized from local sources not defined elsewhere.

**Note:** For PEIMS reporting, this code is converted to object code 5749.

#### ***R*5749 Other Revenues from Local Sources**

This code is used to classify other revenues realized from local sources not specified above.

**Note:** Any locally defined codes that your district uses must be converted to object code 5749 for PEIMS reporting.

Object Code 5749—Revenue to Include:	Object Code 5749—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• miscellaneous revenue not identified in other revenue coding 57XX. For example: <ul style="list-style-type: none"> <li>○ library fines</li> <li>○ revenue from sale of materials requested under open records</li> <li>○ sale of instructional materials and technological equipment</li> <li>○ revenue from copy machines usage</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• concession sales specifically attributable to athletics (in accordance with local policy; object code 5752)</li> </ul>



Object Code 5749—Revenue to Include:	Object Code 5749—Revenue to Exclude:
<ul style="list-style-type: none"> <li>○ concession sales not specifically attributable to athletics (in accordance with local policy)</li> <li>○ application fees for tax value limitation agreements (example: <a href="#">Tax Code, Chapter 313</a>)</li> <li>○ oil and gas lease payments and royalties</li> </ul>	

**5750**

## **REVENUES FROM COCURRICULAR, ENTERPRISING SERVICES, OR ACTIVITIES**

***R*5751**

### **Food Service Activity**

This code is used to classify revenues realized from food service activities, including payments for meals from students and adults.

For a district that accounts for food service operations in the general or special revenue fund, this code does not include revenues realized from participation in the national school lunch and breakfast programs or USDA commodities, which are classified with the following object codes:

- 5921, School Breakfast Program
- 5922, National School Lunch Program
- 5923, USDA Commodities

Districts that use an enterprise fund to account for food service operations should use the following object codes:

- 7952, School Breakfast Program
- 7953, National School Lunch Program
- 7954, USDA Commodities

Object Code 5751—Revenue to Include:	Object Code 5751—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• full price payments for student and adult meals including: <ul style="list-style-type: none"> <li>○ sale of milk</li> <li>○ catering fees</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• in the general and special revenue funds: <ul style="list-style-type: none"> <li>○ federal School Breakfast Program (object code 5921)</li> </ul> </li> </ul>

<b>Object Code 5751—Revenue to Include:</b>	<b>Object Code 5751—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>○ reduced meal prices paid by students</li> <li>○ sale of à la carte items</li> </ul>	<ul style="list-style-type: none"> <li>○ National School Lunch Program (object code 5922)</li> <li>○ Department of Agriculture (USDA) Commodities (object code 5923)</li> <li>• in the enterprise fund: <ul style="list-style-type: none"> <li>○ School Breakfast Program (object code 7952)</li> <li>○ National School Lunch Program (object code 7953)</li> <li>○ USDA Commodities (object code 7954)</li> </ul> </li> </ul>

## ***R*5752**

### **Athletic Activities**

This code is used to classify revenues realized from athletic activities, including admission and gate receipts.

<b>Object Code 5752—Revenue to Include:</b>	<b>Object Code 5752—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>• ticket sales to athletic events</li> <li>• concession sales specifically attributable to athletics (in accordance with local policy)</li> </ul>	<ul style="list-style-type: none"> <li>• rental of a stadium, activity center, gym, or other athletic facility (object code 5743)</li> <li>• concession sales not specifically attributable to athletics (in accordance with local policy; object code 5749)</li> </ul>

## ***R*5753**

### **Extracurricular Activities Other than Athletics**

This code is used to classify revenues realized from extracurricular activities other than athletics.

Object Code 5753—Revenue to Include:	Object Code 5753—Revenue to Exclude:
<ul style="list-style-type: none"> <li>ticket sales or entry fees for extracurricular events when recorded by the district rather than by a student activity fund, according to local policy</li> </ul>	<ul style="list-style-type: none"> <li>ticket sales to athletic events or athletic event gate receipts (object code 5752)</li> </ul>

## **R5754**

### **Internal Service Fund and Interfund Transactions**

This code is used to classify revenues realized from fees charged to users and recorded in an internal service fund.

Object Code 5754—Revenue to Include:	Object Code 5754—Revenue to Exclude:
<ul style="list-style-type: none"> <li>fees charged by a printing department accounted for in an internal service fund</li> <li>health insurance or workers' compensation premiums charged for insurance programs operated on a self-funded basis and accounted for in an internal service fund</li> </ul>	<ul style="list-style-type: none"> <li>interest earned on deposits accounted for in the internal service fund (code object 7955)</li> </ul>

## **R5755**

### **Enterprising Services Revenue**

This code is used to classify gross revenues realized from vending machines, school stores, coke machines, etc., not related to the regular food service program. Items purchased for resale are classified in the appropriate expenditure object code in function code 36, Extracurricular Activities.

### **5757–5758 Cocurricular, Enterprising Services, or Activities—Locally Defined**

These codes are used, at the option of your district, to classify revenues realized from cocurricular or enterprising services or activities not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5759.

**R5759**      **Cocurricular, Enterprising Services, or Activities**

This code is used to classify revenues realized from cocurricular, enterprising services, or activities not defined elsewhere.

**Note:** Any locally defined codes that your district uses must be converted to object code 5759 for PEIMS reporting.

**5760**      **REVENUES FROM INTERMEDIATE SOURCES**

**5766–5768**      **Revenues from Intermediate Sources—Locally Defined**

These codes are used, at the option of your district, to classify revenues realized from intermediate sources not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5769.

**R5769**      **Miscellaneous Revenues from Intermediate Sources**

This code is used to classify revenues realized from administrative units or political subdivisions (for example, counties, municipalities, utility districts, etc.), excluding state and federal governmental entities.

**Note:** Any locally defined codes that your district uses must be converted to object code 5769 for PEIMS reporting.

<b>Object Code 5769—Revenue to Include:</b>	<b>Object Code 5769—Revenue to Exclude:</b>
<ul style="list-style-type: none"><li>revenue from the city, county, or other non-school district local government or administrative unit</li></ul>	<ul style="list-style-type: none"><li>revenue from other school districts (object code 5729)</li><li>revenue from state government entity (object code 58XX)</li><li>revenue from federal governmental entities (object code 59XX)</li></ul>

**5800**      **STATE PROGRAM REVENUES**

**5810**      **Per Capita and Foundation School Program (FSP) Revenues**

This code is used to classify revenues realized from the Texas Education Agency, allocated on the basis of state law relating to the FSP Act.

**R5811****Per Capita Apportionment**

This code is used to classify revenues realized from the state Available School Fund (ASF).

<b>Object Code 5811—Revenue to Include:</b>	<b>Object Code 5811—Revenue to Exclude:</b>
<ul style="list-style-type: none"><li>• ASF revenues</li></ul>	<ul style="list-style-type: none"><li>• state instructional materials allotment (object code 5829)</li><li>• Foundation School Fund revenues (object code 5812)</li><li>• Public Education Grant (object code 5812)</li><li>• Optional Extended Year (object code 5812)</li><li>• State Supplemental Visually Impaired or Regional Day School for the Deaf (object code 5812)</li></ul>

**R5812****Foundation School Program (FSP) Entitlements**

This code is used to classify revenues realized for public schools participating in, and eligible for, benefits under the FSP Act.

Object Code 5812—Revenue to Include:	Object Code 5812—Revenue to Exclude:
<ul style="list-style-type: none"> <li>the portion of a Chapter 49 receipt received from a Chapter 49 district that corresponds to the reduction in state aid of a Chapter 48 district</li> <li>Foundation School Fund Chapter 48 revenues</li> <li>Optional Extended Year</li> <li>State Supplemental Visually Impaired or Regional Day School for the Deaf</li> <li>Public Education Grant</li> <li>High School Allotment</li> </ul>	<ul style="list-style-type: none"> <li>state instructional materials allotment (object code 5829)</li> <li>Available School Fund (ASF) revenues (object code 5811)</li> <li>federal revenue passed through a state agency (object code 5939)</li> </ul>

### ***R*5813**

#### **Foundation School Program Act Incentive Aid**

This code is used to classify revenues realized to assist eligible school districts under the Incentive Aid Payments program.<sup>31</sup>

#### **5817–5818 Foundation School Program Act Revenues—Locally Defined**

These codes are used, at the option of your district, to classify revenues realized from the foundation fund not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5819.

### ***R*5819**

#### **Other Foundation School Program Act Revenues**

This code is used to classify revenues realized from the foundation school program not specified above.

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<sup>31</sup> [TEC, §§13.281–13.285](#)

**Note:** Any locally defined codes that your district uses must be converted to object code 5819 for PEIMS reporting.

**5820 State Program Revenues Distributed by Texas Education Agency**

This code is used to classify revenues realized from the Texas Education Agency for state programs that may be funded through appropriations other than from the FSP.

**5826-5828 Revenues from Other State Programs—Locally Defined**

These codes are used, at the option of your district, to classify revenues realized from other state programs not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5829, State Program Revenues Distributed by Texas Education Agency.

***R*5829 State Program Revenues Distributed by Texas Education Agency**

This code is used to classify revenues realized from the Texas Education Agency for programs not specified above.

**Note:** Any locally defined codes that your district uses must be converted to object code 5829 for PEIMS reporting.

Object Code 5829—Revenue to Include:	Object Code 5829—Revenue to Exclude:
<ul style="list-style-type: none"><li>state instructional materials allotment</li><li>facilities grant</li><li>revenues realized from the Texas Education Agency for programs not specified above</li></ul>	<ul style="list-style-type: none"><li>federal revenue passed through a state agency (object code 5939)</li><li>Available School Fund revenues (object code 5811)</li><li>the portion of a Chapter 49 receipt received from a Chapter 49 district that corresponds to the reduction in state aid of a Chapter 48 district (object code 5812)</li><li>Foundation School Fund Chapter 48 revenues (object code 5812)</li><li>Optional Extended Year (object code 5812)</li></ul>

Object Code 5829—Revenue to Include:	Object Code 5829—Revenue to Exclude:
	<ul style="list-style-type: none"> <li>• State Supplemental Visually Impaired or Regional Day School for the Deaf (object code 5812)</li> <li>• Public Education Grant (object code 5812)</li> </ul>

**5830 State Revenues from State of Texas Government Agencies**

This code is used to classify state revenues from state agencies other than the Texas Education Agency, including those directly from the Comptroller of Public Accounts for tax refunds.

***R*5831 Teacher Retirement or TRS Care—On-Behalf Payments and Medicare Part D Payments**

This code is used to classify revenues 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 is recorded here. An equal expenditure amount should be recorded using code 6144, Teacher Retirement—On-Behalf Payments.

Medicare Part D payments made by the federal government to the Teacher Retirement System are also recorded using this code with an equal expenditure amount to code 6144, Teacher Retirement—On-Behalf Payments. For more information, see Module 1, sections 1.2.5.1 Payroll Liabilities and 1.3.3 On-Behalf Teacher Retirement System Payments.

**5836–5838 State Revenues from State of Texas Government Agencies (Other than the Texas Education Agency)—Locally Defined**

These codes are used, at the option of your district, to classify state revenues realized from other Texas government agencies not defined elsewhere.



**Note:** For PEIMS reporting, these codes are converted to object code 5839, State Revenues from State of Texas Government Agencies (Other than the Texas Education Agency).

***R*5839      State Revenues from State of Texas Government Agencies (Other than the Texas Education Agency)**

This code is used to classify state revenues from Texas government agencies, other than the Texas Education Agency, not defined elsewhere.

**Note:** Any locally defined codes that your district uses must be converted to object code 5839 for PEIMS reporting.

**5840      Shared Services Arrangements—State Revenues**

State revenues from shared services arrangements are state funds received from either:

- a member district by a fiscal agent or
- a fiscal agent by a member district.

For purposes of these revenue object codes, state revenues are defined as state funds granted through an application where the entire grant is funded through the state. Examples of state funds included in these revenue object codes are:

- state-funded Adult Basic Education programs
- Regional Day School for the Deaf
- State Supplemental Visually Impaired

***R*5841      Shared Services Arrangements—State Revenues from Member Districts**

This code is used to classify state revenues realized from member districts by a fiscal agent of a shared services arrangement. The revenues realized by fiscal agents in this code should agree with the member districts' expenditures in object code 6492, Payments to Fiscal Agents of Shared Services Arrangements.

<b>Object Code 5841—Revenue to Include:</b>	<b>Object Code 5841—Revenue to Exclude:</b>
<ul style="list-style-type: none"> <li>• state revenues realized from member districts of a shared services arrangement</li> </ul>	<ul style="list-style-type: none"> <li>• locally funded revenue from member districts of a shared services arrangement (object code 5722)</li> </ul>

Object Code 5841—Revenue to Include:	Object Code 5841—Revenue to Exclude:
	<ul style="list-style-type: none"> <li>• federal revenues from members of a shared services arrangement (object code 5951)</li> <li>• all or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local or state special education funds for sharing of personnel such as program directors, counselors, diagnosticians, and speech therapists (object code 5722)</li> </ul>

## ***R*5842**

### **Shared Services Arrangements—State Revenues from Fiscal Agent**

This code is used to classify state revenues realized by a member district from the fiscal agent of a shared services arrangement. The revenues realized by member districts in this code should agree with the fiscal agent's expenditures in code 6493, Payments to Member Districts of Shared Services Arrangements.

Object Code 5842—Revenue to Include:	Object Code 5842—Revenue to Exclude:
<ul style="list-style-type: none"> <li>• state revenues realized from a fiscal agent of a shared service arrangement</li> </ul>	<ul style="list-style-type: none"> <li>• locally funded revenues from a shared services arrangement (object code 5723)</li> <li>• federally funded revenues from a shared services arrangement (object code 5952)</li> <li>• all or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local or state special education funds for sharing of personnel such as program directors, counselors, diagnosticians, and speech therapists (object code 5723)</li> </ul>

**5846-5848 Shared Services Arrangements—State Revenues Locally Defined**

These codes are used, at the option of your district, to classify state revenues realized through a Shared Services Arrangement not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5849, Shared Services Arrangements—State Revenues.

***R*5849 Shared Services Arrangements—State Revenues**

This code is used to classify state revenues through Shared Services Arrangements not defined elsewhere.

**Note:** Any locally defined codes that your district uses must be converted to object code 5849 for PEIMS reporting.

**5900 FEDERAL PROGRAM REVENUES**

Federal program revenues are recognized after an allowable expenditure has been incurred. Each federal grant has a unique Catalog of Federal Domestic Assistance (CFDA) identification number that can be found listed with the fund definitions, except for the School Health and Related Services Program (see code 5931).

**5910 Federal Revenues Distributed through Government Entities Other than State or Federal Agencies**

This code is used to classify revenues realized from entities of the federal government passed through a city, education service center, council of government, etc., and not received directly from a state or federal agency.

**5916–5918 Federal Revenues Distributed through Government Entities Other than State or Federal Agencies—Locally Defined**

These codes are used, at the option of your district, to classify federal revenues realized from a government agency other than a state or federal agency not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5919, Federal Revenues Distributed through Government Entities Other than State or Federal Agencies.

**R5919 Federal Revenues Distributed through Government Entities Other than State or Federal Agencies**

This code is used to classify revenues realized for federal programs passed through another governmental entity, such as cities, education service centers, councils of government, etc.

**Note:** Any locally defined codes that your district uses must be converted to object code 5919 for PEIMS reporting.

**5920 Federal Revenues Distributed by the Texas Education Agency**

This code is used to classify revenues realized from entities of the federal government that are passed through the Texas Education Agency.

**R5921 School Breakfast Program**

This code is used to classify revenues realized as the result of the federally funded breakfast program administered by the Texas Department of Agriculture. (CFDA 10.553)

For school districts that use the enterprise fund to account for the school breakfast program, school breakfast program funds must be recorded in the nonoperating revenue object code 7952, School Breakfast Program.

**R5922 National School Lunch Program**

This code is used to classify revenues realized as a result of the federally funded lunch program administered by the Texas Department of Agriculture. (CFDA 10.555)

For school districts that use the enterprise fund to account for the food service program, national school lunch funds are recorded in the nonoperating revenue object code 7953, National School Lunch Program (NSLP). (CFDA 10.555)

Object Code 5922—Revenue to Include:	Object Code 5922—Revenue to Exclude:
<ul style="list-style-type: none"><li>National School Lunch Program revenues</li></ul>	<ul style="list-style-type: none"><li>revenues received for a Summer Feeding Program (object code 5939)</li><li>revenues from School Breakfast Program (object code 5921)</li></ul>

**R5923****United States Department of Agriculture (USDA) Commodities**

This code is used to classify revenues realized from USDA commodities used in the school lunch program. Under the consumption method, revenues are realized when commodities are used whereas under the purchase method, revenues are realized when commodities are received. Since actual cash is not received, a debit entry is made simultaneously either to:

- expenditure object code 6344, USDA Commodities (purchase method), or
- asset object code 1310, Inventories—Supplies and Materials (consumption method).

For school districts that use the enterprise fund to account for the food service program, commodities are recorded in the nonoperating revenue object code 7954, USDA Commodities. (CFDA 10.555)

**5927–5928 Federal Revenues Distributed by the Texas Education Agency—Locally Defined**

These codes are used, at the option of your district, to classify federal revenues realized from Texas Education Agency not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5929, Federal Revenues Distributed by the Texas Education Agency.

**R5929****Federal Revenues Distributed by the Texas Education Agency**

This code is used to classify revenues realized for federal programs passed through the Texas Education Agency and not defined elsewhere.

**Note:** Any locally defined codes that your district uses must be converted to object code 5929 for PEIMS reporting.

**5930****Federal Revenues Distributed by Other State of Texas Government Agencies (Other than the Texas Education Agency)**

This code is used to classify revenues realized from entities of the federal government, passed through state agencies other than the Texas Education Agency.

**R5931****School Health and Related Services (SHARS)**

This code is used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services,

which are provided to special education students enrolled in the Medicaid Program. These receipts are not considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. In addition, the expenditures associated with SHARS reimbursements will be subtracted from special education expenditures for maintenance of effort purposes.

***R*5932      Medicaid Administrative Claiming Program—MAC**

This code is used to account for funds received from the Texas Health and Human Services Commission (HHSC) that are awarded to reimburse school districts for administrative activities they perform to help the state implement the Medicaid state plan (outreach, explaining various health programs, helping students and their families to complete paperwork to become eligible for Medicaid and other federal programs, helping students secure doctor appointments, explaining the side effects of a medication, etc.). The reimbursement for school districts is based on the overall district Medicaid eligibility, not on specific students. These receipts are considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. (CFDA 93.778)

**5936–5938      Federal Revenues Distributed by State of Texas Government Agencies (Other than the Texas Education Agency)—Locally Defined**

These codes are used, at the option of your district, to classify federal revenues realized from state government agencies other than Texas Education Agency not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5939, Federal Revenues Distributed by State of Texas Government Agencies (Other than the Texas Education Agency).

***R*5939      Federal Revenues Distributed by State of Texas Government Agencies (Other than the Texas Education Agency)**

This code is used to classify revenues realized for federal programs passed through state agencies other than the Texas Education Agency not defined elsewhere.

**Note:** Any locally defined codes that your district uses must be converted to object code 5939 for PEIMS reporting.

**5940 Federal Revenues Distributed Directly from the Federal Government**

This code is used to classify revenues realized directly from agencies of the federal government.

***R*5941 Impact Aid**

This code is used to classify revenues realized for payments in lieu of taxes, to be used for current general operating expenditures. (CFDA 84.041)

**5946–5948 Federal Revenues Distributed Directly from the Federal Government—Locally Defined**

These codes are used, at the option of your district, to classify revenues realized directly from federal agencies not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5949, Federal Revenues Distributed Directly from the Federal Government.

***R*5949 Federal Revenues Distributed Directly from the Federal Government**

This code is used to classify revenues that are:

- realized for federal programs.
- received directly from the federal government, and
- not otherwise listed above.

**Note:** Any locally defined codes that your district uses must be converted to object code 5949 for PEIMS reporting.

**5950 SHARED SERVICES ARRANGEMENTS—FEDERAL REVENUES**

Federal revenues from shared services arrangements are federal funds received from either:

- a member district by a fiscal agent or
- a fiscal agent by a member district.

For purposes of these revenue object codes, federal revenues are defined as federal funds granted through an application where the entire grant is funded by the federal government, even though a state government may distribute the funds. Examples of federal funds included in these revenue object codes are:

- Federally funded Adult Basic Education programs
- ESEA, Title I, Part A—Improving Basic Programs
- ESEA Title I, Part C—Education of Migratory Children

**R5951****Shared Services Arrangements—Federal Revenues from Member Districts**

This code is used to classify federal revenues realized from member districts by a fiscal agent of a shared services arrangement. The revenues realized by fiscal agents in this account should agree with the member districts' expenditures in code 6492, Payments to Fiscal Agents of Shared Services Arrangements.

**R5952****Shared Services Arrangement—Federal Revenues from Fiscal Agent**

This code is used to classify federal revenues realized by a member district from the fiscal agent of a shared services arrangement. The revenues realized by member districts in this code should agree with the fiscal agent's expenditures in code 6493, Payments to Member Districts of Shared Services Arrangements.

**5956–5958 Shared Services Arrangements—Federal Revenues—Locally Defined**

These codes are used, at the option of your district, to classify federal revenues realized from shared services arrangements not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 5959, Shared Services Arrangements—Federal Revenues.

**R5959****Shared Services Arrangements—Federal Revenues**

This code is used to classify revenues realized for federal programs received through a shared services arrangement not otherwise listed above.

**Note:** Any locally defined codes that your district uses must be converted to object code 5959 for PEIMS reporting.



#### ***A.4.6 Expenditure and Expense Object Codes***

An **expenditure** is an outflow of cash, a promise to pay, or other financial resource in return for goods and services that have been received.

An **expense** is a decrease in net position resulting from a using up or an outflow of assets in the course of operating your district.

An expenditure and expense object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit “6,” which distinguishes them from other types of object codes.

An expenditure or expense object code identifies the nature and object of an account or a transaction.

Expenditures and expenses should be classified by the major object classes according to the types of items purchased or services obtained. Your district’s accounting records must reflect expenditures and expenses:

- at the most detailed level (four digits) for reporting (actual data) for:
  - accounting and
  - PEIMS; and
- to the second digit of detail (6100, 6200, etc.) for PEIMS budget reporting.

If your school district needs to use codes in addition to the mandatory codes for managerial purposes, your district should use the optional codes provided for local use.

The following table summarizes the major categories of operating expense object codes. See the following pages for the detailed codes for posting transactions.

<b>Summary of Expenditure or Expense Object Codes</b>	
<b>6100</b>	<b>Payroll Costs</b>
6110	Teachers and Other Professional Personnel
6120	Support Personnel
6130	Employee Allowances
6140	Employee Benefits
<b>6200</b>	<b>Professional and Contracted Services</b>
6210	Professional Services
6220	Tuition and Transfer Payments
6230	Education Service Center Services
6240	Contracted Maintenance and Repair Services
6250	Utilities

6260	Rentals—Operating Leases
6290	Miscellaneous Contracted Services
<b>6300</b>	<b>Supplies and Materials</b>
6310	Supplies and Materials for Maintenance and Operations
6320	Instructional Materials
6330	Testing Materials
6340	Food Service and Other Resale Items
6390	Supplies and Materials—General
<b>6400</b>	<b>Other Operating Expenses</b>
6410	Travel, Subsistence, and Stipends
6420	Insurance and Bonding Costs
6430	Election Costs
6440	Depreciation Expense of Proprietary and Nonexpendable Trust Funds
6490	Miscellaneous Operating Costs
<b>6500</b>	<b>Debt Service</b>
6510	Debt Principal
6520	Interest Expenditures or Expenses
6590	Other Debt Service Expenditures or Expenses
<b>6600</b>	<b>Capital Outlay—Land, Buildings, and Equipment</b>
6610	Land Purchase and Improvement
6620	Building Purchase, Construction, or Improvements
6630	Furniture and Equipment
6640	Capital Assets—District Defined
6650	Capital Assets under Capital Leases
6660	Library Books and Media

### **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 unmatured 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.

### **Expenses (Proprietary Fund Type, Nonexpendable Trust, and Pension Trust Funds)**

Expenses are debited in the accounting period in which they are incurred.

## **6000**

### **EXPENDITURE AND EXPENSE OBJECT CODES**

These codes are used to account for expenditures and expenses.

## **6010–6030**

### **EXPENDITURE AND EXPENSE CONTROL ACCOUNTS**

These codes are used for accounts that summarize appropriated (budgeted) and actual (realized) expenditures and expenses. These are optional codes and accounts that may be used in financial accounting applications for school districts.

Districts using subsidiary ledgers may, at the local option, use control accounts as listed in the general ledger to reflect the summarized balances of the subsidiary ledgers.

#### **6010      Appropriated Expenditures and Expenses—Control—Locally Defined**

This code is used to credit an account at the beginning of the fiscal year for the amount of budgeted expenditures or expenses. The debit entry uses the object code 3700, Budgetary Fund Balance—Locally Defined. At the end of the fiscal year, this code is debited and closed to the appropriate fund balance accounts.

#### **6020      Encumbrances—Control—Locally Defined**

This code is used to debit an account for amounts encumbered and to credit the account for encumbrances liquidated during the fiscal year. The amounts encumbered (debits) and liquidated (credits) in the subsidiary ledger detail must equal the total debits and credits to this Encumbrances—Control account. At the end of the fiscal year, this account is closed to code 4310, Reserve for Encumbrances—Locally Defined.

#### **6030      Expenditures and Expenses—Control—Locally Defined**

This code is used to debit an account for the total actual expenditures and expenses (including any accrued amounts) during the fiscal year. The postings of the expenditures and expenses in the detail subsidiary ledger accounts for actual expenditures and expenses and must be equal to this Expenditures and Expenses—Control account. At the end of the fiscal year, this account is closed to the appropriate fund balance accounts.

## **6100**

### **PAYROLL COSTS**

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 or approves the working area and usually the equipment and materials needed to perform a task or service. Although an employee may work with more than one supervisor before, during, or after the normal employment 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.

#### **6110–6119 Teachers and Other Professional Personnel**

This series of codes is used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by your district to be a professional staff member. Substitute teachers or other professional personnel are also classified using this code.

#### ***R*6112 Salaries or Wages for Substitute Teachers and Other Professionals**

This code is used to classify the gross salary and wage expenditures or expenses for substitute teachers and is primarily used with function code 11, Instruction. Substitutes for other professionals should be coded to the same function code as the payroll record of the professional being replaced.

#### **6116–6118 Salaries or Wages for Teachers and Other Professional Personnel—Locally Defined**

These codes are used, at the option of your district, to classify salaries or wages not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6119.

#### ***R*6119 Salaries or Wages—Teachers and Other Professional Personnel**

This code is used to classify the gross salary and wage expenditures or expenses for teachers and other professional exempt personnel as defined by the [Fair Labor Standards Act](#).<sup>32</sup> This includes:

- gross salary and wage expenditures or expenses;
- wages paid to employees for performing duties beyond the normal working day;

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<sup>32</sup> [Fair Labor Standards Act](#)

- amounts above the school district’s standard pay for additional certification requirements, such as a bilingual teacher; and
- amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring, and department heads.

**Note:** Any local option codes that your district uses must be converted to object code 6119 for PEIMS reporting.

**6120 Support Personnel**

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

**℞6121 Extra Duty Pay or 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.

**℞6122 Salaries or Wages for Substitute Support Personnel**

This code is used to classify the gross salary and wage expenditures or expenses for substitute support personnel and should be used with the function code being used for payroll record purposes.

**6125–6128 Salaries or Wages for Support Personnel—Locally Defined**

These codes are used, at the option of your district, to classify salaries or wages not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6129.

**℞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 nonexempt by the [Fair Labor Standards Act](#).

**Note:** Any local option codes that your district uses must be converted to object code 6129 for PEIMS reporting.

**6130 Employee Allowances**

This code is used to classify an employee allowance, which is an amount paid to an employee for which the employee is not required to render a detailed accounting.

**R 6131 Contract Buyouts**

This code is used to identify expenditures or expenses for employee contract buyouts. Such expenditures may include direct payments made by a school district as severance and any other benefits extended as part of a contract buyout agreement. Such costs should be recorded in the function codes in which the person was classified. These payments are subject to federal withholding, social security (if applicable), and Medicare (if applicable). These payments are not subject to the TRS.

**6134–6138 Employee Allowances—Locally Defined**

These codes are used, at the option of your district, to classify employee allowances not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6139.

**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.

<b>Object Code 6139—Expenditures and Expenses to Include:</b>	<b>Object Code 6139—Expenditures and Expenses to Exclude:</b>
<ul style="list-style-type: none"><li>• automobile allowances</li><li>• housing allowances</li><li>• cell phone allowance</li><li>• uniform and meal allowance</li><li>• in-kind payments unless exempted under Internal Revenue Service (IRS) Code</li></ul>	<ul style="list-style-type: none"><li>• mileage reimbursement for travel for actual miles driven (object code 641X)</li></ul>

In-kind payments such as rent-free housing or employer-furnished automobiles are debited to an account with this code and credited to the appropriate revenue account using the following code:

- 5743, Rent, or
- 5749, Other Revenues from Local Sources.

**Note:** Any local option codes that your district uses are converted to object code 6139 for PEIMS reporting.

Questions regarding taxable income for the employee for these allowances should be directed to the Internal Revenue Service. See Module 1, section 1.8, Tax Concerns and Obligations for further guidance.

**6140 Employee Benefits**

This code is used to classify employee benefits, which 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.

**R 6141 Social Security or Medicare**

This code is used to classify expenditures or expenses required to provide employee benefits under the federal Social Security program. This excludes employee contributions.

**R 6142 Group Health and Life Insurance**

This code is used to classify expenditures or 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.

**R 6143 Workers' Compensation**

This code is used to classify expenditures or expenses made to provide personnel with workers' compensation benefits. This includes benefit amounts transferred to an internal service fund. There are no employee contributions.

**R6144      Teacher Retirement or TRS Care—On-Behalf Payments and Medicare Part D Payments**

This code is used to classify expenditures or 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 recorded here. An equal revenue amount should be recorded using code 5831, Teacher Retirement or TRS Care—On-Behalf Payments.

Medicare Part D payments made by the federal government to the TRS are also recorded to this account with an equal revenue amount to object code 5831, Teacher Retirement or TRS Care—On-Behalf Payments. For more information, see Module 1, sections 1.2.5.1 Payroll Liabilities and 1.3.3 On-Behalf Teacher Retirement System Payments.

**R6145      Unemployment Compensation**

This code is used to classify expenditures or expenses made to provide personnel with unemployment compensation. This includes benefit amounts transferred to an internal service fund. There are no employee contributions.

**R6146      Teacher Retirement or TRS Care**

This code is used to classify the following:

- expenditures or expenses made from local, state, and federal program funds
- private grants to pay state matching of teacher retirement on the state minimum contribution
- the required matching amount from federal funds
- any employer contribution for the retired teachers' health insurance plan

**R6147      Pension Expense**

This code is used to account for the district's costs associated with maintaining the employee pension plan(s) that the district offers to its employees.



**6148 Employee Benefits—Locally Defined**

This code is used, at the option of your district, to classify employee benefits not defined elsewhere.

**Note:** For PEIMS reporting, this code is converted to object code 6149.

**R 6149 Employee Benefits**

This code is used to classify expenditures or 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.

**Note:** Any local option codes that your district uses must be converted to object code 6149 for PEIMS reporting.

**6200 PROFESSIONAL AND CONTRACTED SERVICES**

The major code series is used to classify expenditures or expenses for services rendered to your 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 or expenses for employee benefits, such as health insurance, are classified to the appropriate code in the 6100 series of codes. 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.

**6210 Professional Services**

This code is used to classify expenditures or 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.

**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 classified using object code 6213, Tax Appraisal and Collection. Delinquent tax collection fees that are charged as costs to the taxpayer and paid to an attorney are treated as a liability in code 2110, Accounts Payable, not as an expenditure. All expenditures or expenses coded to object code 6211 use function code 41, General Administration.

**R 6212****Audit Services**

This code is used to classify fees, associated travel, and other related costs for audit services. All expenditures or expenses coded to object code 6212 use function code 41, General Administration.

**R 6213****Tax Appraisal and Collection**

This code is used to classify fees, associated travel, and other related costs for appraising property and collecting taxes, including attorney fees directly related to the collection of taxes. This account is also 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 treated as a liability using code 2110, Accounts Payable, not as an expenditure. This code is used only in the general fund.

Payments made to another governmental entity for appraisal costs only should be coded to function code 99, Other Intergovernmental Charges; otherwise, function code 41, General Administration, should be used for the collection of taxes.

**R 6214****Lobbying**

This code is used to classify fees, associated travel, and other related costs for lobbying services. Refer to the [Texas Ethics Commission](#) for guidelines regarding what is considered lobbying.

**6216–6218 Professional Services—Locally Defined**

These codes are used, at the option of your district, to classify professional fees and related costs not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6219.

**R 6219****Professional Services**

This code is used to classify expenditures or expenses for professional services rendered by personnel who are not on the payroll of the school district. The law<sup>33</sup> defines professional services to be the following:

Architecture

Optometry

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<sup>33</sup> [TEC, §2254.002\(2\)](#)

Landscape architecture	Professional engineering
Land surveying	Real estate appraising
Medicine	Professional nursing

Accounting (audit services belong in object code 6212)

These professionals are required to be licensed or registered with the state. Professional 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 or expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

This does not include any costs required to be capitalized as ancillary charges necessary to place the asset into service. Those costs should be recorded in the appropriate 6600 series capital outlay object codes.

#### **6220 Tuition and Transfer Payments**

This code is used to classify the following:

- tuition payments made when the school district pays for tuition to an institution of higher education on behalf of a staff member or a student
- transfer payments made when the school district pays for students to attend another school district, either private or public

#### ***R*6221 Staff Tuition and Related Fees—Higher Education**

This code is used to classify expenditures or expenses for services rendered by institutions of higher learning for the benefit of school district personnel. Expenditures or expenses classified in this account are excluded from the calculation of indirect cost rates.

## ***R*6222      Student Tuition—Public Schools**

This code is used to classify expenditures or expenses for tuition if a school district is under contract with a public school to provide instructional services to students. This includes payments made:

- for transferring entire grades of students from one district to another district<sup>34</sup> or
- for additional tuition to transfer a child to a district in a contiguous state under an agreement by both school districts.<sup>35</sup>

## ***R*6223      Student Tuition—Other than to Public Schools**

This code is used to classify expenditures or expenses for tuition if a school district is under contract with an institution of higher learning or with a nonpublic school to provide instructional services to students. This includes payments made to juvenile justice alternative education programs (function code 95, Payments to Juvenile Justice Alternative Education Programs).

## ***R*6224      Student Attendance Credits—School Districts Only**

This code is used to classify expenditures or expenses for the purchase of attendance credits from the state or from other school districts under the TEC, Chapter 49, [Subchapter D](#) or [E](#), or both, including career and technology education programs.<sup>36</sup> This code may be used only with function code 91, Contracted Instructional Services between Public Schools.

## **6227–6228      Tuition—Locally Defined**

These codes are used, at the option of your district, to classify expenditures or expenses for tuition not specifically defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6229.

## ***R*6229      Tuition and Transfer Payments**

This code is used to classify expenditures or expenses for tuition and transfer payments not detailed above.

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<sup>34</sup> [TEC, §25.039](#)

<sup>35</sup> [TEC, §25.040](#)

<sup>36</sup> [TEC, §49.205](#)

**Note:** Any local option codes that your district uses are converted to object code 6229 for PEIMS reporting.

**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.

**6234–6238 Education Service Center Services—Locally Defined**

These codes are used, at the option of your district, to classify services provided by an education service center not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6239.

***R*6239 Education Service Center Services**

This code is used to classify all contracted services provided by the regional education service center. Included in this account services such as the following:

- data processing services
- accounting services
- media services
- special education services
- career and technical education services
- staff development
- curriculum development
- drug training
- grant writing services

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.

**Note:** Any local option codes that your district uses must be converted to object code 6239 for PEIMS reporting.

**6240–6249 CONTRACTED MAINTENANCE AND REPAIR SERVICES**

These expenditure object codes are used to classify expenditures or 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 included in the appropriate contracted services account. Maintenance contracts are included in the appropriate expenditure object codes defined below.

**6244–6248 Contracted Maintenance and Repair—Locally Defined**

These codes are used, at the option of your district, to classify expenditures or expenses for contracted maintenance and repair not specifically defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6249.

***R*6249 Contracted Maintenance and Repair**

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

Object Code 6249—Expenditures and Expenses to Include:	Object Code 6249—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> <li>• expenditures or expenses for normal contracted upkeep, repairs, maintenance, and renovation of:               <ul style="list-style-type: none"> <li>○ office equipment</li> <li>○ furniture</li> <li>○ computers and electronic equipment</li> </ul> </li> <li>• copiers</li> <li>• district-owned telephone systems</li> <li>• fax machines</li> <li>• software upgrades</li> <li>• maintenance agreement fees</li> <li>• other equipment when the repairs are provided by an outside individual or firm</li> </ul>	<ul style="list-style-type: none"> <li>• purchase of furniture, technology equipment, software, and capital outlay items (object code 6399 or 66XX)</li> <li>• purchase of site licenses, single user software, such as apps for tablets, etc. (object code 6399, or 6659)</li> </ul>

Object Code 6249—Expenditures and Expenses to Include:	Object Code 6249—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> <li>buildings and grounds (janitorial or landscaping, etc.)</li> </ul>	

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

For buildings and grounds, this code includes expenditures or expenses such as the following:

- normal upkeep of buildings and grounds
- contracted costs of maintenance for buildings including:
  - heating
  - ventilation
  - air conditioning
- any related maintenance agreements

Services may be provided on an on-call basis or within the terms of a maintenance agreement.

Any local option codes that your district uses are converted to object code 6249 for PEIMS reporting.

## 6250

### UTILITIES

Utilities comprise charges for water; electricity; gas for heat, cooking, and cooling; ongoing telephone (including telecommunications and cell phones); and faxes.

#### 6255–6258 Utilities—Locally Defined

These codes are used, at the option of your district, to classify expenditures or expenses for utilities not specifically defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6259.

## **R 6259**

### **Utilities**

This code is used to classify expenditures or expenses, including fees, for utilities. This includes the following:

- water, wastewater treatment, and sanitation (garbage disposal)
- telephone and telecommunication services for cell phones, pagers, internet connections, faxes, etc.
- electricity
- natural gas, propane, coal, and any other fuel used for heating and cooling buildings

**Note:** Any local option codes that your district uses must be converted to object code 6259 for PEIMS reporting.

All expenditures or expenses coded to object code 6259 must be coded to either function code 51, Facilities Maintenance and Operations, or 81, Facilities Acquisition and Construction. Your district may code a cellular telephone or pager to the function code of its user.

## **6260**

### **RENTALS—OPERATING LEASES**

These codes are used to record expenditures or expenses for renting or leasing either equipment or property under operating lease agreements. Refer to the Debt section (Other Types of Debt) in *FASRG* Module 1 for further guidance.

#### **6264–6268 Rentals—Operating Leases—Locally Defined**

These codes are used, at the option of your district, to classify expenditures or expenses for rentals under operating leases not specifically defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6269.

## **R 6269**

### **Rentals—Operating Leases**

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

- furniture
- computers
- telecommunications equipment
- audio-visual equipment



- vehicles (including buses)
- land
- buildings
- space in buildings
- grounds

**Note:** Any local option codes that your district uses must be converted to object code 6269 for PEIMS reporting.

## **6290**

### **MISCELLANEOUS CONTRACTED SERVICES**

These expenditure object codes are used to classify expenditures or expenses for miscellaneous contracted services not included above.

#### ***R*6291**

#### **Consulting Services**

This code is used to classify expenditures or expenses for consulting services. “Consulting services” refers to the practice of helping districts by analyzing existing problems and developing plans to improve performance. Consulting may involve the identification and interchange of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration.

Consulting does not include a routine service or activity that is necessary to the functioning of a school district’s programs, such as hiring additional people on contract to supplement the present staff. It also does not apply to services provided to conduct organized activities, such as training or other similar educational activities.

#### **6294–6298 Miscellaneous Contracted Services—Locally Defined**

These codes are used, at the option of your district, to classify contracted services not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6299.

**R 6299      Miscellaneous Contracted Services**

This code is used to classify expenditures or expenses for miscellaneous contracted services not specified elsewhere.

**Note:** Any local option codes that your district uses are converted to object code 6299 for PEIMS reporting.

**6300      SUPPLIES AND MATERIALS**

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

**6310–6319      Supplies and Materials for Maintenance and Operations**

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

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

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

**6315–6318      Supplies for Maintenance and Operations—Locally Defined**

These codes are used, at the option of your district, to classify supplies and materials for maintenance or operations not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6319.

**R 6319      Supplies for Maintenance and Operations**

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

- janitorial or custodian supplies
- building maintenance supplies for minor repairs and upkeep by the maintenance staff
- supplies for upkeep of furniture and equipment

**Note:** Any local option codes that your district uses are converted to object code 6319 for PEIMS reporting.

## **6320–6329 INSTRUCTIONAL MATERIALS**

This group of codes is used to classify expenditures or expenses for instructional materials purchased by the school district; magazines, periodicals, newspapers, and reference books, in print or electronic format; and technological equipment that are placed in the classroom or in an office. Expenditures or expenses in this group of codes do not meet the capitalization criteria.

### ***R*6321 Instructional Materials**

This code is used to classify expenditures or expenses for instructional materials purchased by your district and furnished free to students, certain classes, or grades.

## **6325–6328 Reading Materials—Locally Defined**

These codes are used, at the option of your district, to classify reading materials that do not meet the capitalization criteria.

**Note:** For PEIMS reporting, these codes are converted to object code 6329.

### ***R*6329 Reading Materials**

This code is used to classify all expenditures or expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices, or libraries, whether in print or electronic format. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. 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 or a useful life of one year or less.

**Note:** Any local option codes that your district uses are converted to object code 6329 for PEIMS reporting.

## **6330 TESTING MATERIALS**

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

**6334–6338 Testing Materials—Locally Defined Note:**

These codes are used, at the option of the school district, to classify testing materials.

**Note:** For PEIMS reporting, these codes are converted to object code 6339.

***R*6339 Testing Materials**

This code is used to classify expenditures or expenses for testing materials, including test booklets and study materials related to those tests.

**Note:** Any local option codes that your district uses must be converted to object code 6339 for PEIMS reporting.

**6340 FOOD SERVICE AND OTHER RESALE ITEMS**

These expenditure object codes are used to classify supplies and materials for operating 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 code 36, Extracurricular Activities.

***R*6341 Food**

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

***R*6342 Nonfood**

This code is used to classify expenditures or expenses for nonfood items such as napkins, straws, brooms, etc.

***R*6343 Items for Sale**

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

**R 6344****USDA Commodities**

**This code is used to classify the costs of commodities. Expenses in this code should agree with the revenue realized in code 5923, USDA Commodities.**

For school districts using an enterprise fund, nonoperating revenue code 7954, USDA Commodities, must be used for items such as the following:

- purchased products for which your district receives no USDA commodity equivalent; for example, condiments such as catsup and mustard. The inventory value for these items should be based on the net purchase price for that item.
- USDA commodity products for which your district purchases no commercial equivalent; for example, frozen diced chicken.
- products that your district purchases as well as receives as commodities. Canned fruits and vegetables are examples of such products.

**6348****Food Supplies—Locally Defined**

This code is used, at the option of your district, to classify food supplies not defined above.

**Note:** For PEIMS reporting, this code is converted to object code 6349.

**R 6349****Food Service Supplies**

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere.

**Note:** Any local option codes that your district uses must be converted to object code 6349 for PEIMS reporting.

**6390****SUPPLIES AND MATERIALS—GENERAL**

These codes are used to classify general supplies and materials not specified in other supplies and materials accounts.

**6395–6398 Supplies and Materials—Locally Defined**

These codes are used, at the option of your district, to classify supplies and materials.

**Note:** For PEIMS reporting, these codes are converted to object code 6399.

## **6399**

### **General Supplies**

This code is used to classify expenditures or expenses for those items of relatively low unit cost (cost less than the capitalization rate, which may not exceed \$5,000, even though used in large quantities) necessary for the instruction process or for administration.

<b>Object Code 6399—Expenditures to Include:</b>	<b>Object Code 6399—Expenditures to Exclude:</b>
<ul style="list-style-type: none"><li>• consumable teaching and office items such as paper, pencils, forms, postage, etc.</li><li>• workbooks</li><li>• audio-visual aids such as video, CD, or DVD disks; flash drives, software</li><li>• site licenses, single or limited use software, such as apps for tablets, etc. that have a per unit cost of less than \$5,000</li><li>• supplies for a satellite dish and other supplies for technology</li></ul>	<ul style="list-style-type: none"><li>• purchase of furniture, technology equipment, software, and capital outlay items having a per unit cost of \$5,000 or more (object code 6639)</li><li>• items that do not meet the individual \$5,000 capital asset criterion, but by district policy, are defined to be capital assets or aggregated items that equal or exceed \$5,000 (for example, library books) (object code 6649 or 6669)</li><li>• site licenses, single or limited use software, such as apps for tablets, etc. that have a per unit cost that is equal to or exceeds \$5,000 (object code 6639 or 6659)</li></ul>

**Note:** Any local option codes that your district uses must be converted to object code 6399 for PEIMS reporting.

Certain items, such as software, mentioned in this definition may be recorded under the 666X account series according to local policies for capitalization. For more clarification, see *FASRG* Module 1 1.2.4 Capital Assets.

## **6400**

### **OTHER OPERATING COSTS**

This major classification is used for expenditures or expenses for items that are necessary for operating the school district other than the following:

- payroll costs

- professional and contracted services
- supplies and materials
- debt service
- capital outlay

**6410 Travel, Subsistence, and Stipends**

These expenditure object codes must be used to classify travel, subsistence, and stipends to both employees and nonemployees.

***R*6411 Travel, Training, and Subsistence—Employee Only**

This code is used to classify the cost of: transportation; meals; room; registration fees associated with virtual and in-person trainings, conferences, seminars, and in-service trainings; and other expenses associated with professional development and traveling on official school business.

Travel expenses must conform to IRS and [2 CFR Part 475](#) 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.

Membership dues are classified in object code 6495, Dues.

***R*6412 Travel, Training, and Subsistence—Students**

This code is used to classify the cost of: transportation (rental of vans, buses, and other vehicles); meals; participation fees; room; registration and participation fees associated with virtual and in-person conferences and events; and other expenses associated with students' traveling for school-sponsored events. (Do not use function code 34, Student Transportation.)

***R*6413 Stipends—Nonemployees**

This code is used to classify stipends paid to persons not employed by your district for allowances related to participating in district-controlled or district-directed activities.

Expenditures or expenses relating to travel for persons not employed by your district should be classified using object code 6419, Travel and Subsistence—Nonemployees. Expenditures or expenses classified in this account are excluded from the calculation of indirect cost.

## **6417–6418 Travel and Subsistence—Locally Defined**

These codes are used, at the option of your district, to classify travel and subsistence not specifically defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6419.

## **6419**

### **Travel and Subsistence—Nonemployees**

This code is used to classify the costs of travel and subsistence that are:

- associated with traveling on official school business and
- incurred by persons who are participating in district-controlled or district-directed activities and who are not employed by the district, including:
  - parents
  - board members
  - other nonemployees

Expenditures or expenses classified in this object code include:

- transportation, meals, room, and other travel costs not specified elsewhere;
- registration fees associated with attending conferences, seminars, in-service training, etc.; and
- allowances related to participating in district-controlled or district-directed activities.

Travel expenses must conform to IRS and [2 CFR §200.475](#) 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.

**Note:** Any local option codes that your district uses must be converted to object code 6419 for PEIMS reporting.

## **6420**

### **INSURANCE AND BONDING COSTS**

This code is used to classify expenditures or expenses for insurance and bonding costs. Property insurance should be classified in function code 51, Facilities Maintenance and Operations, including building insurance and property insurance for band and athletic or UIL equipment. Other types of insurance are classified in the appropriate function. For example, insurance to cover student athletic injuries are classified in function code 36, Extracurricular Activities. Instructional materials custodian and administrative bonding expenses are classified in function code 41, General Administration. School bus driver bonding,



and liability insurance are classified in function code 34, Student Transportation.

**6425–6428 Insurance and Bonding Costs—Locally Defined**

These codes are used, at the option of your district, to classify insurance and bonding costs.

**Note:** For PEIMS reporting, these codes are converted to object code 6429.

***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.

**Note:** Any local option codes that your district uses are converted to object code 6429 for PEIMS reporting.

**6430 ELECTION COSTS**

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

**6434–6438 Election Costs—Locally Defined**

These codes are used, at the option of your district, to classify election costs.

**Note:** For PEIMS reporting, these codes are converted to object code 6439.

***R* 6439 Election Costs**

This code is used to classify expenditures or expenses to cover costs incurred for elections, including election officials who are not school district employees, legal notices, etc.

**Note:** Any local option codes that your district uses are converted to object code 6439 for PEIMS reporting.

**6440 DEPRECIATION EXPENSE OF PROPRIETARY AND NONEXPENDABLE TRUST FUNDS**

This series of codes is used to classify depreciation expense of capital assets in the proprietary fund types or nonexpendable trust funds of a

school district. Capital assets of the governmental fund types and expendable trust funds are not depreciated.

**6444–6448 Depreciation Expense—Locally Defined**

These codes are used, at the option of your district, to classify depreciation expense.

**Note:** For PEIMS reporting, these codes are converted to object code 6449.

***R*6449 Depreciation Expense**

This code is used to classify depreciation expense of capital assets owned by proprietary fund types or nonexpendable trust funds.

**Note:** Any local option codes that your district uses are converted to object code 6449 for PEIMS reporting.

**6490 Miscellaneous Operating Costs**

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

***R*6491 Statutorily Required Public Notices**

This code is used to classify budgeted and actual expenditures for amounts paid by the school district or its representative to publish statutorily required public notices in a newspaper in accordance with [Texas Local Government Code §140.0045](#).

***R*6492 Payments to Fiscal Agents of Shared Services Arrangements**

This code is used to classify expenditures or expenses for amounts paid to a fiscal agent of a shared services arrangement in which your school district is a participant. The expenditure is classified in function code 93, Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements.

***R*6493 Payments to Member Districts of Shared Services Arrangements**

This code is used to classify expenditures or expenses for amounts paid to a member district of a shared services arrangement in which your school district is a participant. The expenditure is classified in function code 93, Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements.

**R 6494****Reclassified Transportation Expenditures or Expenses**

This code can be used as an option to identify expenditures or expenses for transportation costs other than those incurred in transporting students to and from school. Expenses from various expenditure object codes for salaries, fuel, etc., in function code 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 code 11, Instruction) and extracurricular activities (function code 36, Extracurricular Activities). Identification of the costs of transporting students for any purpose other than to and from school is required by law.<sup>37</sup>

**R 6495****Dues**

This code is used to classify expenditures or expenses for dues paid to clubs, committees, or other organizations. Examples of organizations include the Texas Association of School Administrators (TASA), Texas Association of School Psychologists (TASP), Texas Association of School Boards (TASB), Lions Club, Rotary Club, and local chambers of commerce, and other associations. This does not include any registration fees associated with attending conferences or seminars, which are classified in object code 6411, Travel and Subsistence—Employee Only. Dues paid on behalf of an employee should be coded to that employee's function code; dues paid on behalf of the district should be coded to function code 41.

**6497–6498 Miscellaneous Operating Costs—Locally Defined**

These codes are used, at the option of your district, to classify miscellaneous operating costs.

**Note:** For PEIMS reporting, these codes are converted to object code 6499.

**R 6499****Miscellaneous Operating Costs**

This code is used to classify expenditures or expenses for all other operating costs not mentioned above. This account includes:

- fees (not associated with professional development or travel)
- awards
- graduation expenses
- food or refreshments for school-related meetings

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<sup>37</sup> [TEC, §34.010](#)

- newspaper advertisements, etc.
- expenditures for a tax increment fund (TIF)

**Note:** Any local option codes that your district uses are converted to object code 6499 for PEIMS reporting.

## **6500 DEBT SERVICE**

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

### **6510–6519 Debt Principal**

These expenditure object codes are used to classify all expenditures to retire debt principal in function code 71, Debt Service.

#### ***R*6511 Bond Principal in the Debt Service Fund**

This code is used to classify expenditures to retire the principal of bonds.

#### ***R*6512 Capital Lease Principal**

This code is used to classify expenditures to retire the principal of long-term capital leases.

#### ***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 currently available financial resources.

### **6517–6518 Debt Service—Locally Defined**

These codes are used, at the option of the school district, to classify principal on debt service not defined above.

**Note:** For PEIMS reporting, these codes are converted to object code 6519.

#### ***R*6519 Debt Principal**

This code is used to classify expenditures to retire the principal of debt not specified elsewhere.

**Note:** Any local option codes that your district uses are converted to object code 6519 for PEIMS reporting.

**6520**

**INTEREST EXPENDITURES OR EXPENSES**

These expenditure object codes are used to classify all interest expenditures or expenses in function code 71, Debt Service.

**R6521**

**Interest on Bonds**

This code is used to classify expenditures or expenses to pay interest on bonds.

**R6522**

**Capital Lease Interest**

This code is used to classify expenditures or expenses to pay interest on capital leases.

**R6523**

**Interest on Debt**

This code is used to classify expenditures or expenses to pay interest on debt.

**R6524**

**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.

**R6525**

**Amortization of Premium and Discount on Issuance of Bonds**

This code is used to classify expenses amortized as debt premium or discount in connection with the issuance of debt.

**6527–6528 Interest Expenditures or Expenses—Locally Defined**

These codes are used, at the option of your district, to classify interest expenditures or expenses not specified elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 6529.

**R6529**

**Interest Expenditures or Expenses**

This code is used to classify expenditures or expenses to pay interest not specified elsewhere.

**Note:** Any local option codes that your district uses are converted to object code 6529 for PEIMS reporting.

**6590 Other Debt Service Expenditures or Expenses**

These object codes are used to classify all debt service expenditures or expenses other than debt principal and interest in function code 71, Debt Service.

**6594–6598 Other Debt Service Expenditures or Expenses—Locally Defined**

These codes are used, at the option of your district, to record debt service expenditures or expenses, excluding principal and interest.

**Note:** For PEIMS reporting, these codes are converted to object code 6599.

***R*6599 Other Debt Service Fees**

This code is used to classify expenditures or expenses for issuance costs, and 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.

**Note:** Any local option codes that your district uses must be converted to object code 6599 for PEIMS reporting.

**6600 CAPITAL OUTLAY—LAND, BUILDINGS, AND EQUIPMENT**

This major classification is used to classify expenditures for capital assets. See *FASRG* Module 1 section 1.2.4 Capital Assets for capital asset requirements.

**6610–6619 Land Purchase and Improvement**

These expenditure object codes are used to classify the acquisition or major improvement of a school district's land.

**6614–6618 Land Purchase and Improvements—Locally Defined**

These codes are used, at the option of your district, to classify expenditures for land purchases and improvements.

**Note:** For PEIMS reporting, these codes are converted to object code 6619.

**R6619 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.

**Note:** Any local option codes that your district uses must be converted to object code 6619 for PEIMS reporting.

**6620–6629 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.

**6624–6628 Building Purchase, Construction, or Improvements—Locally Defined**

These codes are used, at the option of your district, to classify expenditures for building purchases, construction, or improvements.

**Note:** For PEIMS reporting, these codes are converted to object code 6629.

**R6629 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.

**Note:** Any local option codes that your district uses must be converted to object code 6629 for PEIMS reporting.

**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 district should use the code series 6640, Capital Assets—District Defined.

**R6631 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 district should use the code series 6640, Capital Assets—District Defined.

#### **6635–6638 Furniture and Equipment—Locally Defined**

These codes are used, at the option of your district, to classify expenditures for furniture and equipment.

**Note:** For PEIMS reporting, these codes are converted to object code 6639.

#### ***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.

**Note:** Any local option codes that your district uses must be converted to object code 6639 for PEIMS reporting.

<b>Object Code 6639—Expenditures to Include:</b>	<b>Object Code 6639—Expenditures to Exclude:</b>
<ul style="list-style-type: none"> <li>• telephone systems</li> <li>• intercommunication and telecommunication systems</li> <li>• mainframes, servers, and other computer or network equipment</li> <li>• high capacity copy machines</li> <li>• purchase of site licenses, single use software, software applications (apps), such as apps for tablets, etc., if more than \$5,000 or more per unit costs</li> </ul>	<ul style="list-style-type: none"> <li>• contract programming non-ownership (object code 6219)</li> <li>• lease-purchases with \$5,000 or more per unit costs (object code 6659)</li> <li>• maintenance fees and/or upgrades (object code 6249)</li> <li>• purchase of site licenses, single use software, apps for tablets, network fees, etc. under \$5,000 per unit cost (object code 6399 or 6659)</li> <li>• items that do not meet the individual \$5,000 capital asset criterion, but by school district policy are defined to be a capital asset or aggregated items that equal or exceed \$5,000 (example: library books) (object code 6649 or 6669)</li> </ul>



**6640****CAPITAL ASSETS—DISTRICT DEFINED**

These expenditure object codes are used to classify any items that do not meet the individual \$5,000 capital asset criterion, but by school district policy, are required to be recorded as capital assets either:

- when your district policy requires an item costing less than \$5,000 to be defined as a capital asset; or,
- when aggregate amounts purchased equal or exceed \$5,000.

***R*6641****Vehicles Per-Unit Cost of Less than \$5,000**

This code is used to classify expenditures for the purchase of vehicles having:

- a per unit cost of less than \$5,000 and
- a useful life of more than one year.

**6644–6648 Capital Assets—Locally Defined**

These codes are used, at the option of the school district, to classify expenditures for capital assets groupings.

**Note:** For PEIMS reporting, these codes are converted to object code 6649.

***R*6649****Capital Assets—Other—Locally Defined Groupings**

This code is used at the discretion of your district if the district policy requires the capitalization of items that individually, or as a group, are less than the \$5,000 criterion identified in the 6630 series of accounts. If a school district does not account for these items under object code 6649, then the items must be classified under object code 6399, General Supplies.

**Note:** Any local option codes that your district uses must be converted to object code 6649 for PEIMS reporting.

**6650–6659****CAPITAL ASSETS UNDER CAPITAL LEASES**

These expenditure object codes are used to classify capital assets under capital leases.

***R*6651****Capital Lease of Buildings**

This code is used to classify capitalization of movable buildings and major repairs to buildings under a capital lease arrangement. The corresponding entry is to other resources.

**6654–6658      Capital Assets Under Capital Lease—Locally Defined**

These codes are used, at the option of your district, to classify expenditures for capital assets under capital leases.

**Note:** For PEIMS reporting, these codes are converted to object code 6659.

**℞6659      Capital Lease of Furniture, Equipment and Software**

This code is used to classify capitalization of furniture, equipment, and software under a capital lease arrangement. The corresponding entry is to other resources.

**Note:** Any local option codes that your district uses must be converted to object code 6659 for PEIMS reporting.

Object Code 6659—Expenditures and Expenses to Include:	Object Code 6659—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"><li>• lease-purchase of:<ul style="list-style-type: none"><li>○ telephone systems</li><li>○ intercommunication and telecommunication systems</li><li>○ mainframes, servers, and other computer hardware or network equipment</li><li>○ high capacity copy machines</li></ul></li><li>• site licenses and single use software purchase, software applications, such as apps for tablets, etc., if a lease-purchase for \$5,000 or more per unit</li></ul>	<ul style="list-style-type: none"><li>• contract programming nonownership (object code 6219)</li><li>• maintenance fees and/or upgrades (object code 6249)</li><li>• purchase of site licenses, single use software, such as apps for tablets, network fees, etc. (object code 6399 if less than \$5,000, or code 6669, if in the library)</li></ul>

**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 CDs, DVDs, software, and videos 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 or other media item.

**6665–6668 Library Books and Media—Locally Defined**

These codes are used, at the option of your district, to classify expenditures for library books and media.

**Note:** For PEIMS reporting, these codes are converted to object code 6669.

**℞6669 Library Books and Media**

This code is used to classify expenditures for books and videos that meet one or more of the following criteria:

- have one year or more useful life and
- meet the capitalization criteria of the school, or
- have a per unit value of equal to or greater than \$5,000 and
- are catalogued and controlled by the library.

All expenditures or expenses coded to object code 6669 must be coded to function code 12, Instructional Resources and Media Services.

**Note:** Any local option codes that your district uses must be converted to object code 6669 for PEIMS reporting.

### ***A.4.7 Other Resource and Nonoperating Revenue Object Codes***

Other resource is a resource such as proceeds from

- the sale of bonds or real and personal property,
- capital leases, and
- operating transfers in.

Nonoperating revenue is revenue from activities outside the regular course of operations of your district, such as insurance payments for losses of insured property.

Other resource and nonoperating revenue object code is a four-digit object code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit “7,” which distinguishes them from other types of object codes.

Your district’s accounting records must reflect other resources and nonoperating revenue at the most detailed level (four digits) for purposes of:

- accounting and
- Public Education Information Management System (PEIMS) reporting:
  - budgeted data and
  - actual data.

If your district needs to use codes in addition to the mandatory codes for managerial purposes, the district should use the optional codes provided for local use in the code structure.

## **7000**

### **OTHER RESOURCES AND NONOPERATING REVENUES**

These detail codes reflect estimated (budgeted) and incurred (actual) other resources or nonoperating revenues. School districts using subsidiary ledgers may, at the local option, use these codes to identify control accounts listed in the general ledger that reflect the summarized balances of the subsidiary ledgers.

## **7010**

### **Estimated Other Resources and Nonoperating Revenues—Control—Local Option**

This code is used to classify an account that is debited at the beginning of the period for the amount of other resources or nonoperating revenues anticipated (for example, National School Lunch Program and earnings from temporary investments for proprietary fund types and similar trust funds). The credit entry is to the object code 3700, Budgetary Fund Balance—Locally Defined.

At the end of the period, the 7010 account is credited when the fund balance is debited. This control account is used at the option of your school district.

**7020      Realized Other Resources and Nonoperating Revenues—Control—  
Local Option**

This code identifies an account that is credited for the total actual other resources or nonoperating revenues received or receivable during the period (for example, National School Lunch Programs and earnings from temporary investments for proprietary fund types and similar trust funds). The postings to the subsidiary ledger detail accounts must be equal to these total other resources or nonoperating revenues control account. The debit entry is to cash or an accounts receivable account. At the end of the period, this account is closed to fund balance. This control account is used at the option of your school district.

**7911–7949      OTHER RESOURCES**

Other resources include sale of bonds, sale of real and personal property, proceeds from capital leases, operating transfers in, etc. These amounts are classified separately from:

- revenues on the statement,
- revenues and expenditures, and
- changes of fund balance of governmental fund types and expendable trust funds.

***R*7911      Issuance of Bonds**

This code is used to record the face amount of bonds that are issued.

***R*7912      Sale of Real and Personal Property**

This code is used to classify amounts received from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through governmental fund types and expendable trust funds.

***R*7913      Proceeds from Capital Leases**

This code is used to classify amounts paid (net of initial or down payments) on contracts for capital leases. This code represents the remaining balance to be paid at the time the capital lease is entered into. These amounts are classified as other resources and not as revenue.

**R7914****Loan Proceeds—Governmental Fund Types and Expendable Trust Funds Only (Noncurrent)**

This code is used to classify amounts of proceeds from long-term loans that will not be repaid during the current year. The entire amount of loan proceeds is recorded in this code at the time of receipt. These receipts are classified as other resources and not as revenue.

**R7915****Operating Transfers In**

This code is used to classify operating transfers from other funds of the school district.

An asset or liability must be debited when this account is credited for transfer of fund balance from one fund to another fund. Transferring revenues, expenditures, and expenses does not conform with generally accepted accounting principles (GAAP).

**R7916****Premium or Discount on Issuance of Bonds**

This code is used to classify the premium or discount on the issuance of bonds.

**R7917****Prepaid Interest**

This code is used to classify prepaid interest in connection with the issuance or defeasance of bonds.

**R7918****Special Items**

This code is used to classify special items in accordance with [GASB Statement No. 34](#). Included are transactions or events within the control of district administration that are either unusual or infrequent, including:

- sale of certain general governmental capital assets,
- sale or lease of mineral rights, including oil and gas,
- sale of infrastructure assets,
- significant forgiveness of debt by a financial institution, or
- revenue generated once every 25 years when it is a district's turn to host the state performing arts competition.

Any significant transaction that is either unusual or infrequent, but is outside the control of the district, is not a special item. But it should be disclosed in the notes to the financial statements.

## ***R*7919      Extraordinary Items**

This code is used to classify extraordinary items in accordance with [GASB Statement No. 34](#). Included are transactions or events that are both unusual and infrequent, including:

- insurance proceeds to cover significant costs related to
  - a natural disaster caused by fire, flood, tornado, hurricane, or hailstorm; or
  - an environmental disaster; or
- a large bequest to a small government by a private citizen.

## **7940–7948    Other Resources—Locally Defined**

These codes are used, at the option of your district, to classify other resources not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 7949.

## ***R*7949      Other Resources**

This code is used to record other resources not classified above.

## **7951–7989    Nonoperating Revenues (Proprietary Fund Types and Similar Trust Funds Only)**

These codes are used to classify nonoperating revenues that are recorded as credits in the accounting period in which they are earned and become measurable. These accounts are closed to fund balance at the end of the accounting period.

## ***R*7951      Gain on Sale of Real and Personal Property**

This code is used to classify the net gains from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through proprietary fund types and similar trust funds.

## ***R*7952      School Breakfast Program**

This code is used to record nonoperating revenues in the enterprise fund for the federally funded breakfast programs administered by the Texas Department of Agriculture.

For districts that use the general or special revenue fund to account for the school breakfast program, the amounts are recorded using object code 5921, School Breakfast Program. (CFDA 10.553)

**R7953****National School Lunch Program**

This code is used to record nonoperating revenues in the enterprise fund for federally funded lunch program administered by the Texas Department of Agriculture.

For school districts that use the general or special revenue fund to account for the National School Lunch Program, the amounts are recorded using object code 5922, National School Lunch Program. (CFDA 10.555)

**R7954****United States Department of Agriculture (USDA) Commodities**

For school districts that use the enterprise fund to account for the food service program, this code is used to record USDA commodities used in the school lunch program as nonoperating revenues.

Under the consumption method, revenue is realized when commodities are used, whereas under the purchase method, revenues are realized when commodities are received. Since actual cash is not received, a debit entry is made to either:

- expenditure object code 6344, USDA Commodities (purchase method), or
- asset object code 1310, Inventory—Supplies and Materials (consumption method).

**R7955****Earnings from Temporary Deposits and Investments**

This code is used to record nonoperating revenues in the enterprise fund for earnings from temporary deposits and investments. Earnings from investments in the general or special revenue fund are recorded using the revenue object code 5742, Earnings from Temporary Deposits and Investments.

**R7956****Insurance Recovery**

This code is used to record amounts received from insurance companies for the repair or replacement of the insured property for assets of proprietary fund types and similar trust funds. But insurance payments for assets of government funds and expendable trust funds are recorded using object code 5745, Insurance Recovery.

**R7957****Contributed Capital**

This code is used to record amounts for transactions involving the “net investment in capital assets (net of related debt)” component of net



position, including transactions to record additional capital assets that are transferred to an enterprise fund.

**7980–7988 Nonoperating Revenues—Locally Defined**

These codes are used, at the option of your district, to classify nonoperating revenues not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 7989.

***R*7989 Other Nonoperating Revenues**

This code is used to classify amounts received from other nonoperating revenue sources.

#### ***A.4.8 Other Uses and Nonoperating Expenses Object Codes***

Other uses are outflows that decrease fund balance, but do not decrease the net position of the overall entity. Transfer of assets to other funds as an operating transfer out is the most common form of other uses.

Nonoperating expenses are expenses incurred through activities outside your district's normal course of operations, such as losses on sales of capital assets and expenses directly attributable to nonoperating revenue.

An other uses and nonoperating expenses object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit "8," which distinguishes them from other types of object codes.

Your district's accounting records must reflect other uses and nonoperating expenses at the most detailed level, (4 digits) for purposes of:

- accounting and
- Public Education Information Management System ([PEIMS](#)) reporting (actual data) purposes.

For PEIMS budget reporting purposes, other uses or nonoperating expenses are reported to the fourth digit of detail (89XX).

If your district needs to use codes in addition to the mandatory codes for managerial purposes, the district should use the optional codes provided for local use in the code structure.

## **8000**

### **OTHER USES AND NONOPERATING EXPENSES**

#### **8010      Appropriated Other Uses and Nonoperating Expenses—Control — Locally Defined**

This code is used to credit an account at the beginning of the fiscal year for the amounts of budgeted other uses or nonoperating expenses, and the fund balance is credited. The debit entry is to the object code 3700, Budgetary Fund Balance—Locally Defined. At the end of the fiscal year, fund balance is credited when this account is debited. This control account is used at the option of your district.

#### **8020      Encumbered Other Uses and Nonoperating Expenses—Control— Locally Defined**

This code is used to debit an account for the amounts encumbered and credited for encumbrances liquidated during the fiscal year. The amounts encumbered (debits) and liquidated (credits) in the subsidiary ledger detail must equal the total debits and credits to this Encumbered Other Uses and Nonoperating Expenses—Control account. At the end of the fiscal year, this account is closed to account 4310, Reserve for Encumbrances—Locally Defined.

#### **8030      Actual Other Uses and Nonoperating Expenses—Control—Locally Defined**

This code is used to debit an account for the total actual other uses and nonoperating expenses during the fiscal year, with the corresponding entry being to cash or liabilities. The postings to the detail subsidiary ledger Other Uses or Nonoperating Expenses accounts must be equal to this Actual Other Uses and Nonoperating Expenses—Control account. At the end of the fiscal year, this account is closed to fund balance. This control account is e used at the option of the school district.

## **8900      OTHER USES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND NONOPERATING EXPENSES**

#### **8911–8949    Other Uses**

These codes are used to debit other uses in the accounting period in which a measurable fund liability is incurred. Credit entries are to a liability or an asset account.

#### ***R*8911      Operating Transfers Out**

This code is used to classify operating transfers to other funds of the school district.

An asset or liability must be debited when this account is credited for transfer of fund balance from one fund to another fund. Transferring revenues, expenditures, and expenses does not conform with generally accepted accounting principles (GAAP).

#### ***R*8912      Special Items**

This code is used to classify special items in accordance with [GASB Statement No. 34](#). Included are transactions or events within the control of school district administration that are either unusual or infrequent, including:

- special termination benefits resulting from workforce reductions, or
- costs in connection with an early retirement program offered to all employees represented in one or more classes of employees.

#### ***R*8913      Extraordinary Items**

This code is used to classify extraordinary items in accordance with [GASB Statement No. 34](#). These transactions or events are both unusual and infrequent, and may include significant costs related to:

- a natural disaster caused by fire, flood, tornado, hurricane, or hailstorm; or
- costs related to an environmental disaster.

#### **8940–8948      Other Uses—Locally Defined**

These codes are used, at the option of your district, to classify other uses not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 8949.

#### ***R*8949      Other Uses**

This object code is used to record other uses not provided for above.

This object code is also used to record amounts refunded to taxpayers as a result of court decisions involving tax rates, taxable values, or levies, if the decisions are rendered after the fiscal year of disputed property tax collections, including related penalties and interest.

Refunds occurring during the same fiscal year that disputed property taxes, including related penalties and interest, were collected are

recorded as a debit to the appropriate property tax-related revenue object code:

- 5711, Taxes, Current Year Levy;
- 5712, Taxes, Prior Years; or
- 5719, Penalties, Interest, and Other Tax Revenues—School Districts or Local Property Taxes Passed Through by School Districts.

These refunds are recorded as a credit to:

- a cash and temporary investments object code or
- an accounts payable object code.

## **8951–8989      NONOPERATING EXPENSES**

Nonoperating expenses are debited in the accounting period in which a measurable fund liability is incurred. Credit entries are made to a liability or an asset account.

### ***R* 8951      Loss on Sale of Real and Personal Property**

This code is used to classify the net loss from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through proprietary fund types and similar trust funds.

### **8960–8988      Nonoperating Expenses—Locally Defined**

These codes are used, at the option of your district, to classify nonoperating expenses not defined elsewhere.

**Note:** For PEIMS reporting, these codes are converted to object code 8989.

### ***R* 8989      Nonoperating Expenses**

This code is used to record nonoperating expenses not provided for above.

#### A.4.9 Unavailable or Reserved Object Codes

The following table lists codes that are unavailable or reserved for future state definition. When a code is no longer being used, it is placed in “unavailable” status for 10 years to prevent its being used with two different meanings. After it has been unavailable for 10 years, its status is changed to “reserved for future state definition,” which means that it may be assigned to a new use as the need arises.

Category of Object Codes	Unavailable	Reserved for Future State Definition
<b>Asset Object Codes</b>		
	1430	1600–1790
<b>Fund Balance or Net Position Object Codes</b>		
	3420	3100
	3440	3300
<b>Revenue Object Codes</b>		
	5832	5713–5715
	5747	5724–5726
		5731–5734
		5756
		5761–5765
		5770–5790
		5814–5816
		5821–5825
		5833–5835
		5843–5845
		5850–5890
		5911–5915
		5924–5926
		5933–5935
		5942–5945
		5953–5955
		5960–5990
<b>Expenditure and Expense Object Codes</b>		
	6132	6111
		6113–6115
		6123–6124
		6133
		6150–6190
		6215
		6225–6226
		6231–6233
		6241–6243

Category of Object Codes	Unavailable	Reserved for Future State Definition
		6251–6254 6261–6263 6270–6289 6292–6293 6312–6314 6322–6324 6331–6333 6345–6347 6350–6380 6391–6394 6414–6416 6421–6424 6431–6433 6441–6443 6450–6480 6496 6514–6516 6526 6530–6580 6591–6593 6611–6613 6621–6623 6632–6634 6642–6643 6652–6653 6661–6664
<b>Other Resources and Nonoperating Revenues Object Codes</b>		
		7920–7939 7958–7979 7990 7991–7999
<b>Other Uses and Nonoperating Expenses Object Codes</b>		
		8914–8939 8952–8959 8990 8991–8999