



# Chart of Accounts

Chapter 3 of the School  
Accounting Manual

School Finance Division – December 2020

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11/2/2020

The Office of Public Instruction is releasing the following Montana State Chart of Accounts affective beginning fiscal year 2021. This work could not have been completed without the valued input from many clerks, business managers, accountants, special interest supporting groups and internal OPI staff.

Although the release of this version of the chart of accounts is official it remains incomplete in the following ways:

1. The Montana OPI models its chart of accounts as closely as possible to the federal chart of accounts. We are awaiting the release of the updated federal chart of accounts to determine if there needs to be additional changes. One focus is final guidance for the handling of student activities fund 84. The Montana OPI has re-designated this fund as a special revenue fund in the state's interpretation of the GASB 84 statement. Additionally, the OPI questions whether the interlocal agreement fund 82 with permitting, what is termed Multi-District Agreements, should continue this fund's designation as a Trust Fund.
2. Although the use of revenue code 5111 Premium on Bonds remains in the chart of accounts it has been questioned as to if this is needed by a bond council representative stating that the claimed use is contained within revenue source code 5110. We ask that your use of this account be limited as we struggle with retaining this code. If you have insight on its need please contact the school finance division of the OPI.
3. The definition of revenue code 5400 Proceeds from Long-Term Liabilities has been questioned by bond council as well and an alternate definition has been suggested. The OPI has allowed the suggested alternative definition to remain in this new chart of accounts as we await the new federal chart of accounts release and also further input from those who have a greater breadth of knowledge in this area. Again, if you have better insight on its need please contact the school finance division of the OPI.
4. The definition of object code Technology Supplies 682 has been broadened with guidance from NCES staff to include cloud computing and software licensing fees. However, the NCES has indicated that these may be re-defined as Subscription-Based Information Technology Arrangements (SBITAs) and a subsequent GASB statement may be issued for its account handling.

Finally, you may have noticed dramatic changes to the chart of accounts from its last version. We have worked tirelessly to provide the most up-to-date information however we value your input. Should you have comment or suggestions please contact the school finance division anytime. Looking toward the future, the OPI would like to release a new chart of accounts annually. For quick reference, our intent is to modify this cover page annually with a listing of annual updates to inform you of changes that have taken place within this document.

Thank you,

OPI School Finance

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## Chapter 3: Montana Chart of Accounts

The chart of accounts and definitions continue to be in substantial conformity to those provided in [Financial Accounting for Local and State School Systems](#) published by the National Center for Education Statistics of the U.S. Department of Education.

### **3.1 Fund Accounting System**

Legal and accounting requirements of school districts make it necessary to establish several separate accounting entities. This is accomplished by organizing and operating a school district accounting system on a fund basis. A fund is defined in GASB Statement No. 54. “as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.” Funds are properly segregated when the accounts are kept separate and the resources of one fund are not used to meet the obligations of another without proper authorization and recording of interfund transactions.

#### **3.1A Types of Funds**

There are three categories of funds:

- **Governmental funds** are the funds where most governmental functions are accounted for. The acquisition, use, and balances of the government’s expendable financial resources and related current liabilities—except those accounted for in proprietary funds—are accounted for through governmental funds (general, special revenue, capital project, debt service, and permanent funds).
- **Proprietary funds** are used to account for a government’s ongoing activities that are like those often found in the private sector. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and transfers relating to the government’s business and quasi-business activities in which changes in net position or cost recovery are measured are accounted for through proprietary funds (enterprise and internal service funds). Generally Accepted Accounting Principles (GAAP) for proprietary funds are like those applicable to private-sector businesses; the measurement focus is on determining operating income, financial position, and cash flows.
- **Fiduciary funds** are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. The fiduciary fund category includes pension (and other employee benefits, as well as other postemployment benefits) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

The funds required by law and sound administration should be included within the following account group categories:

#### **3.1B Governmental Fund Types**

1. **General Fund.** This fund is the chief operating fund of the school district. It is used to account for all financial resources of the school district except for those required to be accounted for in another fund. A district may have only one general fund.

2. **Special Revenue Funds.** These funds account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. Unless specifically required by GAAP or other requirements, restricted revenues may also be accounted for in the general fund. One or more ongoing and specific restricted or committed revenues should be the foundation for a special revenue fund. Some examples of special revenue funds are:

- Restricted state or federal grants-in-aid
- Expendable trusts that benefit or support the governmental entity
- Restricted tax levies

In some cases, a separate fund is used for each identified restricted source. In other cases, one fund is used, supplemented by the classification Project Reporter Code (PRC).

3. **Capital Projects Funds.** These funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those of proprietary funds and trust funds). The most common source of capital projects funding is the sale of bonds or other capital financing instruments. Multiple capital projects are identified in a single fund using the classification PRC.
4. **Debt Service Fund.** This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest and Special Improvement Districts (SIDs). Debt service funds should be used if legally mandated, as well as for the accumulation of resources for, and the payment of, general long-term debt principal and interest maturing in future years.
5. **Permanent Fund.** This fund is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district's programs. These are sometimes referred to as non-expendable endowments.

### **3.1C Proprietary Fund Types**

1. **Enterprise Funds.** These funds may be used to account for any activity for which a fee is charged to external users for goods and services. Enterprise funds are required to be used to account for an activity whose principal revenue sources meet any of the following criteria:
  - Debt backed solely by revenues from fees and charges (thus, not debt that is backed by the full faith and credit of the school district)
  - Legal requirement to recover costs through fees and charges
  - Policy decision of the governing board of management to recover the costs of providing services through fees or charges

Some examples of typical enterprise activities are day care, the bookstore operation, the athletic stadium, or the community swimming pool.

2. **Internal Service Funds.** These funds may be used to account for any activity within the school district that provides goods or services to other funds, departments, component units, or other governments on a cost-reimbursement basis. The use of an internal service fund is appropriate only for activities in which the school district is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund. Examples of internal service funds are such activities as central warehousing and purchasing, central data processing, and central printing and duplicating.

### **3.1D Fiduciary Fund Types**

1. **Trust Funds.** These funds account for assets held by a school district in a trustee capacity for others—e.g., members and beneficiaries of pension plans and other postemployment benefit (OPEB) plans, investment pools, or private-purpose trust arrangements— and therefore cannot be used to support the school district’s own programs. Trust funds are generally accounted for using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment health care plans; refer to GASB Statements 26, 27, 43, 45, 67, and 68 for guidance on the recognition of these liabilities). Trust funds include pension trust funds (including OPEB plans), investment trust funds, and private-purpose trust funds.
  - **Pension Trust Funds.** These funds are used to account for resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans (OPEB), or other benefit plans. Typically, these funds are used to account for local pension and other employee benefit funds that are provided by a school district in lieu of or in addition to any state retirement system.
  - **Investment Trust Funds.** These funds are used to account for the external portion (the portion that does not belong to the school district) of investment pools operated by the school district.
  - **Private-Purpose Trust Funds.** These funds are used to account for other trust arrangements under which the principal and income benefit individuals, private organizations, or other governments. For example, a trust that provides college scholarships to graduating high school students would be classified here.
2. **Custodial Funds.** These funds account for funds that are held in a custodial capacity by a school district for individuals, private organizations, or other governments. Custodial funds may include those used to account for taxes collected for another government.

### **3.2 Number of Funds**

Funds may be established as authorized by law or as approved by the Office of Public Instruction (OPI) as provided in Administrative Rules of Montana (ARM) 10.10.406. Since financial administration becomes more complex and rigid with each additional fund, it is desirable to have as few funds as legal and sound administrative requirements make possible.

### **3.3 Budgeted and Non-Budgeted Funds**

Section 20-9-201, Montana Code Annotated (MCA), provides that a formal budget be adopted for the following “budgeted funds” to expend any money from these eleven funds:

<b>Fund Number</b>	<b>Fund Name</b>
<b>01</b>	General Fund
<b>10</b>	Transportation Fund
<b>11</b>	Bus Depreciation Reserve Fund
<b>13</b>	Tuition Fund
<b>14</b>	Retirement Fund
<b>17</b>	Adult Education Fund
<b>19</b>	Nonoperating Fund
<b>28</b>	Technology Fund
<b>29</b>	Flexibility Fund
<b>50</b>	Debt Service Fund
<b>61</b>	Building Reserve Fund

All other funds are classified as “nonbudgeted funds”. Section 20-9-210, MCA, limits expenditures from these funds to the amount of the cash balance in a fund.

### **3.4 School Fund Account Structure**

The fund account structure consists of a three-digit number. The first digit designates whether the fund is used in a (1) elementary district, (2) high school or K-12 district, or (3) special education cooperative. The first digit is also referred to as “level.” The next two digits identify the fund.

Fund Number Account Structure: **X X X**

**X** indicates if the fund is designated as an elementary or high school/K-12 district or a special education cooperative.

- **1XX** - elementary district (e.g. 101 Elementary General Fund)
- **2XX** - high school/K-12 district (e.g. 211 High School Bus Depreciation Fund)
- **3XX** - special education cooperative (e.g. 382 Cooperative Interlocal Agreement Fund)



### 3.5 School Fund Classification

#### 3.5A Governmental Funds

There are five types of governmental funds:

1. General Fund Fund Number 01
2. Special Revenue Funds Fund Numbers 10 – 29 & 84\*
3. Permanent Funds Fund Numbers 45 – 49
4. Debt Service Funds Fund Numbers 50 – 59
5. Capital Projects Funds Fund Numbers 60 – 69

Please see the chart below for a list of Governmental Funds:

Fund Number & Name	Budget Non-Budgeted	Fund Type	Legal Authority
01 – General Fund	Budgeted	General fund	20-9-308
10 – Transportation Fund	Budgeted	Special Revenue	20-10-143
11 – Bus Depreciation Reserve Fund	Budgeted	Special Revenue	20-10-147
12 – School Food Services Fund	Non-Budgeted	Special Revenue	20-10-207
13 – Tuition Fund	Budgeted	Special Revenue	20-5-323 / 20-5-324
14 – Retirement Fund	Budgeted	Special Revenue	20-9-501
15 – Miscellaneous Programs Fund	Non-Budgeted	Special Revenue	20-9-507
17 – Adult Education Fund	Budgeted	Special Revenue	20-7-705
18 – Traffic Education Fund	Non-Budgeted	Special Revenue	20-9-510
19 – Nonoperating Fund	Budgeted	Special Revenue	20-9-505
20 – Lease or Rental Agreement Fund	Non-Budgeted	Special Revenue	20-9-509
21 – Compensated Absence Liability Fund	Non-Budgeted	Special Revenue	20-9-512
24 – Metal Mine Tax Reserve Fund	Non-Budgeted	Special Revenue	20-9-231
25 – State Mining Impact Fund	Non-Budgeted	Special Revenue	90-6-307(10)
26 – Impact Aid Fund	Non-Budgeted	Special Revenue	20-9-514
27 – Litigation Reserve Fund	Non-Budgeted	Special Revenue	20-9-515
28 – Technology Fund	Budgeted	Special Revenue	20-9-533
29 – Flexibility Fund	Budgeted	Special Revenue	20-9-543
84 – Student Extracurricular Activities Fund*	Non-Budgeted	Special Revenue	20-9-504
45 – Permanent Endowment Fund	Non-Budgeted	Permanent	20-9-604
50 – Debt Service Fund	Budgeted	Debt Service	20-9-438
60 – Building Fund	Non-Budgeted	Capital Projects	20-9-508
61 – Building Reserve Fund	Budgeted	Capital Projects	20-9-502

\* Fund 84 reclassified FY2020 due to required changes in [GASB statement 84](#).

**3.5B Proprietary Funds**

There are two types of proprietary funds:

1. **Enterprise Fund** Fund Numbers 70 – 72
2. **Internal Service Funds** Fund Numbers 73 – 79

Please see the chart below for a list of Proprietary Funds:

Fund Number & Name	Budget Non-Budgeted	Fund Type	MCA
70 – Day Care Fund	Non-Budgeted	Enterprise	OPI Approved
71 – Industrial Arts Fund	Non-Budgeted	Enterprise	OPI Approved
72 – Enterprise Fund	Non-Budgeted	Enterprise	OPI Approved
73 – Data Processing Fund	Non-Budgeted	Internal Service	OPI Approved
74 – Purchasing Fund	Non-Budgeted	Internal Service	OPI Approved
75 – Central Transportation Fund	Non-Budgeted	Internal Service	OPI Approved
76 – Instructional Materials Fund	Non-Budgeted	Internal Service	OPI Approved
77 – Miscellaneous Internal Service Fund	Non-Budgeted	Internal Service	OPI Approved
78 – Self Insurance Health Fund	Non-Budgeted	Internal Service	20-3-331
79 – Self Insurance Liability Fund	Non-Budgeted	Internal Service	20-3-331

**3.5C Fiduciary Funds**

There are two types of fiduciary funds:

1. **Trust Funds** Fund Numbers 81 – 83 & 85
2. **Custodial Funds** Fund Numbers 86 – 95

Please see the chart below for a list of Fiduciary Funds:

Fund Number & Name	Budget Non-Budgeted	Fund Type	MCA
81 – Private Purpose Trust Fund	Non-Budgeted	Trust	OPI Approved
82 – Interlocal Agreement Fund	Non-Budgeted	Trust	20-9-511 / 20-7-457 / 20-9-903
83 – Investment Trust Fund	Non-Budgeted	Trust	OPI Approved
85 – Private Purpose Trust Fund	Non-Budgeted	Trust	OPI Approved
86 – Payroll Clearing Fund	Non-Budgeted	Custodial	20-9-220
87 – Claims Clearing Fund	Non-Budgeted	Custodial	20-9-220
89 – COBRA / Retirement Fund	Non-Budgeted	Custodial	2-18-704
90 – Custodial – A Fund	Non-Budgeted	Custodial	OPI Approved
91 – Custodial – B Fund	Non-Budgeted	Custodial	OPI Approved
95 – Cafeteria / Flex Plan Fund	Non-Budgeted	Custodial	OPI Approved

### **3.6 School Fund Definitions**

#### **3.6A Governmental Funds**

**01 GENERAL FUND** - Authorized by §20-9-308, MCA to finance general maintenance and operational costs of a district not financed by other funds.

#### **Budgeted Special Revenue Funds**

**10 TRANSPORTATION FUND** - Authorized by §20-10-143, MCA to finance the administration, maintenance and operation of district owned school buses, contracts with private carriers for school bus service, individual transportation contracts, and any amount necessary for the purchase, rental, or insurance of yellow school buses or operation of the pupil transportation program. The fund may be used only to support costs of home-to-school transportation.

**11 BUS DEPRECIATION RESERVE FUND** - Authorized by §20-10-147, MCA for financing the replacement of buses and communication system or safety devices owned by a school district. Fund may be used to replace district route buses or athletics/activities buses and to purchase additional yellow school buses for home-to-school bus routes. However, the Bus Depreciation Fund **may not** be used to purchase **additional** athletics/activities buses.

**13 TUITION FUND** - Authorized by §20-5-323 and §20-5-324, MCA to finance tuition costs for elementary and high school district pupils attending schools or detention centers outside their district. A school district may levy to pay for the full costs of providing a free appropriate public education to any child with a disability who lives in the district as defined in §20-7-401, MCA.

**14 RETIREMENT FUND** - Authorized by §20-9-501, MCA for financing the employer's contribution to the Teachers' Retirement System (TRS), the Public Employees' Retirement System (PERS), Unemployment Compensation, Social Security and Medicare funded by a countywide levy for retirement. School districts may only charge the Retirement Fund for retirement benefits associated with employees whose salaries and health-related benefits, if any, are paid from state and local funds, the School Food Services Fund (12), or Impact Aid Fund (26). Cooperatives may only charge the Retirement Fund (14) for retirement benefits associated with employees whose salaries are paid from the cooperative's Interlocal Agreement Fund (82) if the interlocal agreement fund is supported solely from districts' general funds and state special education allowable cost payments.

**17 ADULT EDUCATION FUND** - Authorized by §20-7-705, MCA for financing adult education with student fees and district mill levies and the provisions of "advanced opportunities" to qualified pupils in districts receiving funding through the Advanced Opportunity Aid program starting in FY 2021. See §20-7-1506, MCA. Activities related to adult basic education programs financed by state appropriations and federal grants must be accounted for in Miscellaneous Programs Fund (15).

**19 NONOPERATING FUND** - Authorized by §20-9-505, MCA to account for activities of a district in non-operating status. The fund is established through residual equity transfers from all other funds except for the Debt Service Fund (50) and the Miscellaneous Programs Fund (15).

**28 TECHNOLOGY FUND** - Authorized by §20-9-533, MCA to purchase, rent, repair, and maintain technological equipment and to provide technical training for district personnel. Funded by a state grant authorized by §20-9-534, MCA, and a voted levy.

**29 FLEXIBILITY FUND** - Authorized by §20-9-543, MCA for paying salaries, operating expenses, building expenses, and purchasing supplies and equipment. Additionally, the following programs are accounted for in this fund: Innovative Education programs defined in §20-9-902, MCA

Transformational Learning Aid program provided for in §20-7-1602, MCA and the Advanced Opportunity Act program provided for in §20-7-1506, MCA.

**Non-Budgeted Special Revenue Funds**

- 12 SCHOOL FOOD SERVICES FUND** - Authorized by §20-10-201, MCA to account for school food service operations, including state and federal reimbursements.
- 15 MISCELLANEOUS PROGRAMS FUND** - Authorized by §20-9-507, MCA to account for local, state, or federal grants and reimbursements. Donations that allow the expenditure of both principal and interest for support of district programs are deposited in this fund.
- 18 TRAFFIC EDUCATION FUND** - Authorized by §20-7-507 and §20-9-510, MCA to account for traffic education activities.
- 20 LEASE OR RENTAL AGREEMENT FUND** - Authorized by §20-9-509, MCA to account for revenues and expenditures related to lease or rental of school property. End of year fund balance is limited to \$10,000 for elementary / high school districts or \$20,000 for a K-12 district. The excess must be transferred to the General Fund (01).
- 21 COMPENSATED ABSENCE LIABILITY FUND** - Authorized by §20-9-512, MCA for financing the accumulated sick leave and vacation pay that a non-teaching or administrative school district employee is entitled to upon termination of employment. Funded using budgeted General Fund transfers. Funds in excess of 30% of the total school district liability must be returned to the General Fund (01).
- 24 METAL MINES TAX RESERVE FUND** - Authorized by §20-9-231, MCA to account for revenues collected under §15-37-117(1), MCA, related to hard rock mining. Money may be expended from this fund for any purpose provided by law.
- 25 STATE MINING IMPACT FUND** - Authorized by §90-6-307 and §90-6-309, MCA to account for property tax prepayments from a mineral developer. Receipts and subsequent expenditures of the tax prepayments must be tracked separately from other receipts in the fund using PRCs (ARM 8.104.211(2)). The district must provide tax credits in later years to the company making prepayment, according to written agreements.
- 26 IMPACT AID FUND** - Authorized by §20-9-514, MCA for the receipt and expenditure of the [US Department of Education Impact Aid Program](#).
- 27 LITIGATION RESERVE FUND** - Authorized by §20-9-515, MCA for the purpose of paying legal settlements and court judgments ordered against the district. There must be budget authority in the General Fund (01) for a transfer to this fund. Funds remaining after settlement/judgment must be returned to the General Fund (01).
- 84 STUDENT EXTRACURRICULAR ACTIVITIES FUND** - The Student Extracurricular Activities Fund is authorized by §20-9-504, MCA to account for various student activities, such as athletics, clubs, classes, student government organizations, student publications and other such activities. Separate fund accounts within the Extracurricular Fund are maintained to account for these various activities. Unlike other district funds, the money for these activities may be maintained in bank accounts outside the control of the County Treasurer. The fund is administered by school district administrators, faculty members, and student organizations under the guidelines and policies established by the Board of Trustees and in accordance with the “Student Activity Fund Accounting” guidelines. Required guidelines are available from the Montana Association of School Business Officials (MASBO) [MASBO Guidance](#) or from the OPI [OPI Guidance](#).

**Permanent Funds**

- 45 PERMANENT ENDOWMENT FUND** - Authorized by §20-9-604, MCA to account for endowments that only allow use of investment earnings only (not principal) to support the district's programs. If principal cannot be spent and the endowment benefits individuals, outside groups, or other governments, use the Private Purpose Trust Fund (81). If principal and interest can be spent and the endowment benefits individuals, outside groups, or other governments (scholarships, etc.), use the Private Purpose Trust Fund (85). For donations that allow both principal and interest to be spent in support of the district's programs use the Miscellaneous Programs Fund (15).

**Debt Service Funds**

- 50 DEBT SERVICE FUND** - Authorized by §20-9-438, MCA to pay interest and principal on outstanding bonds and SID assessments. This fund is also used to account for the proceeds of bonds sold for the purposes provided in §20-9-403, MCA.

**Capital Project Funds**

- 60 BUILDING FUND** - Authorized by §20-9-508, MCA to account for the proceeds of bonds sold for the purposes provided in §20-9-403, MCA. The fund is also used to account for insurance proceeds for damaged property as provided in §20-6-608, MCA or the sale or rental of property as provided in §20-6-604 and §20-6-607, MCA.
- 61 BUILDING RESERVE FUND** - Authorized by §20-9-502, MCA and is made up of four sub-funds described below:

**BUILDING RESERVE SUBFUNDS**

- 611 Safety Subfund** – Used for the transfer of funds for school and student safety and security. An optional voted levy is permitted as defined in §20-9-502(5)(b), MCA.
- 612 Voted Levy Subfund** – Used for voter approved levies to raise money for future construction, equipping, or enlarging of school buildings, for the purchase of land, or funding of INTERCAP loans for school purposes as defined in §20-9-502(2)(a), MCA.
- 613 Permissive Levy Subfund** – Allows for a permissive (non-voted) levy for school facility maintenance and repair, not to exceed 10.00 mills (or 20.00 mills for a K-12 district) per fiscal year as defined in §20-9-502(3), MCA. Also allows for deposits and transfers and is limited to the “school major maintenance amount” as defined in statute. Additionally, state payments of School Major Maintenance Aid are deposited to this fund. Permissible projects are defined in §20-9-525, MCA.
- 614 Transition Levy Subfund** – Used for voter approved levies for transition costs associated with opening, closing, replacing, consolidating, annexing, or expanding a district as defined in §20-9-502(4), MCA.

### **3.6B Proprietary Funds**

#### **Enterprise Funds**

- 70 DAYCARE ENTERPRISE FUND** - Used to account for day care services operated on a commercial basis with little or no financial support from federal or state sources. This fund may be used when approved by the OPI.
- 71 INDUSTRIAL ARTS FUND** - Used to account for major industrial arts programs operated on a commercial basis with little or no financial support from federal or state sources. Such programs include recurring construction of residential housing, fabrication or manufacture of furniture, tools, or other similar items, or service-oriented activities such as engine rebuilding, welding, or drafting. This fund may be used when approved by the OPI.
- 72 MISCELLANEOUS ENTERPRISE FUND** - Used to account for programs operated on a commercial basis with little or no financial support from federal or state sources. This fund may be used when approved by the OPI.

#### **Internal Service Funds**

- 73 DATA PROCESSING INTERNAL SERVICE FUND** – Used to account for data processing services provided to schools or other departments of the district on a cost-reimbursement basis. This fund may be used when approved by the OPI.
- 74 PURCHASING INTERNAL SERVICE FUND** – Used to account for purchasing services provided to in-district schools or other departments on a cost-reimbursement basis. This fund may be used when approved by the OPI.
- 75 CENTRAL TRANSPORTATION INTERNAL SERVICE FUND** - Used to account for transportation services provided to in-district elementary and high school districts and other programs such as student extracurricular activities on a cost-reimbursement basis. This fund may be used when approved by the OPI.
- 76 INSTRUCTIONAL MATERIALS CENTER INTERNAL SERVICE FUND** – Used to account for instructional material services provided to elementary and high schools in the district on a cost reimbursement basis. This fund may be used when approved by the OPI.
- 77 MISCELLANEOUS INTERNAL SERVICE FUND** – Used to account for miscellaneous activities operated on a cost-reimbursement basis. This fund may be used when approved by the OPI.
- 78 SELF INSURANCE - HEALTH** - Used to account for financial activities for health plans maintained under §20-3-331, MCA, on a self-insurance basis. Self-insurance funds must be maintained on an actuarially-sound basis in accordance with §2-18-702(5), MCA. This fund may be used when approved by the OPI.
- 79 SELF INSURANCE - LIABILITY** - Used to account for financial activities for liability insurance maintained under §20-3-331, MCA, on a self-insurance basis. Self-insurance funds must be maintained on an actuarially-sound basis in accordance with §2-18-702(5), MCA. This fund may be used when approved by the OPI.



### **3.6C Fiduciary Funds**

#### **Trust Funds**

- 81 PRIVATE PURPOSE TRUST FUND** - (Non-expendable trusts benefitting non-district operations). This fund is used to account for gifts, legacies, and devises received by the school district when the trust agreement specifies that funds (interest only) may be expended for non-district operating purposes, such as student scholarships.
- 82 INTERLOCAL AGREEMENT FUND** - Authorized by §20-3-363, §20-7-457, §20-9-511, and §20-9-703, MCA to account for revenues and expenditures related to an interlocal agreement between two or more school districts or other local governments.
- 83 INVESTMENT TRUST FUND** - This fund is used to account for the external portion (the portion that does not belong to the school district) of investment pools operated by the school district.
- 85 PRIVATE PURPOSE TRUST FUND** - (Expendable trusts benefitting non-district operations). Used to account for revenues and expenditures related to other miscellaneous trust-type activities where the trust agreement allows both principal and interest to be used for purposes that do not support district programs. This fund may be used when approved by the OPI.

#### **Custodial Funds**

- 86 PAYROLL CLEARING FUND** - Authorized by §20-9-220, MCA for reducing bookkeeping requirements associated with the issuing of warrants. Rather than issuing several warrants on a fund by fund basis to a single payee and maintaining a separate list of unpaid outstanding warrants for each fund, a school district may issue one warrant from the Payroll Clearing Fund to a single payee and maintain only one list of unpaid outstanding warrants. A cash transfer letter is prepared monthly to the County Treasurer which transfers cash from the various operating funds for the appropriate amount to the Payroll Clearing Fund in an amount equal to unremitted payroll liabilities (if the “gross pay method” is used in the Payroll Clearing Fund) and warrants issued against the Payroll Clearing Fund.
- 87 CLAIMS CLEARING FUND** - Authorized by §20-9-220, MCA for reducing bookkeeping requirements associated with the issuing of warrants. Rather than issuing several warrants on a fund by fund basis to a single payee and maintaining a separate list of unpaid outstanding warrants for each fund, a school district may issue one warrant from the Claims Fund to a single payee and maintain only one list of unpaid outstanding warrants. A cash transfer letter is prepared monthly to the County Treasurer which transfers cash from the various operating funds for the appropriate amount to the Claims Fund in an amount equal to warrants issued against the Claims Clearing Fund.
- 89 RETIREMENT/COBRA INSURANCE FUND** - Authorized by §2-18-704, MCA to account for the receipt and disbursement of premium payments received from former district employees who have retired or terminated employment and elected to continue to participate in the district’s health insurance program.
- 90-94 MISCELLANEOUS CUSTODIAL FUNDS** - Used to account for miscellaneous receipts and disbursements of payments received by a school district which are remitted to some third party. These funds may be used when approved by the OPI.
- 95 CAFETERIA/FLEX PLAN FUND** - Used for cafeteria plans under Internal Revenue Code Section 125 administered by a third party. The assets in Fund 95 should correspond to an equal liability amount owed to employee participants of the plan plus accumulated net earnings.

**3.7 Account Structure**

An account is defined as a descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source. The classification and structure of accounts is the framework around which an accounting and reporting system is developed. The test for adequacy of an account structure is, “Does it provide the information necessary for administrative decision making and reporting purposes?”

The account structure will be a master classification of balance sheet, revenue, and expenditure accounts from which selections can be made for reporting comparable transactions on a uniform basis. To facilitate meaningful cost data comparisons with national educational statistics and meet reporting requirements of various federal revenue sources, the account structure will be based on the structure proposed in Financial Accounting for Local and State School Systems, published by the U.S. Department of Education. The structure is flexible and will allow for expansion to meet increased reporting needs as well as unique needs of the individual user. [Financial Accounting for Local and State School Systems](#).

**3.8 Balance Sheet Account Structure**

Balance sheet accounts, consisting of assets, liabilities, and fund equity, are referred to as real accounts and continue from year to year. Revenue and expenditure accounts are referred to as nominal accounts since these accounts accumulate activity for one accounting period only. The phrase “close the books” means that all nominal account balances have been transferred to the fund equity accounts. Nominal accounts always begin the new accounting period with a zero balance. Collectively, balance sheet accounts are referred to as the “general ledger” or “GL.” Revenue and expenditure accounts are referred to as the “subsidiary ledger” or “SL.”

The account structure for balance sheet accounts consists of a three-digit fund number and a three-digit balance sheet account number.

Balance Sheet Account Structure:

X X X	X X X	X X X
District/Fund	Balance Sheet Account	Project Reporter Code-Optional (Not in MAEFAIRS)

Balance sheet accounts are based upon five principal groups, which are:

- (1) Accounts 100 - 399 Assets and Other Debits
- (2) Accounts 400 - 499 Budgeting/Nominal Accounts-Revenue Control
- (3) Accounts 600 - 699 Liabilities, Deferred Inflow, and Other Credits
- (4) Accounts 800 - 899 Budgeting/Nominal Accounts-Expenditure Control
- (5) Accounts 900 - 999 Equity

Within each group, the accounts are arranged in the order in which they normally appear on the balance sheet. The Budgeting/Nominal Accounts-Revenue and Expenditure Control classifications are for interim report purposes only. These accounts are not included with balance sheet accounts on year-end financial statements because they are nominal accounts; that is, they are closed to fund balance at the end of a fiscal period and relate only to that period. Their inclusion on interim financial statements is recommended.



### **3.9 Revenue/Other Financing Account Structure**

The account structure for revenue and other financing sources accounts consists of a three-digit fund number and a four-digit source account. A three-digit project reporter code (PRC) is also used for special accounting and reporting purposes for state and federal grants or other special reporting projects.

X X X	X X X X	X X X
<u>District/Fund</u>	<u>Subsidiary Source</u>	<u>Project Reporter Code -Optional (For most funds)</u>

The first digit of the subsidiary source account number designates the first level of reporting for one of the following six broad categories of revenue sources. The next three digits provide additional summary levels within one of the six categories.

<u>Current or Recurring</u>	<u>Non-Current or Non-Recurring</u>
1000 – Revenue from Local Sources	5000 – Other Financing Sources
2000 – Revenue from County Sources	6000 – Adjustments to Beginning Fund Balance
3000 – Revenue from State Sources	7000 – Emergency Federal Sources
4000 – Revenue from Federal Sources	

### **3.10 Expenditure Account Structure**

The accounting structure is designed to give the desired informational breakdown of expenditures and other financing sources. This structure includes the following dimensions to be reported into the state MAEFAIRS system. Alterations of local accounting structures should be discussed with software vendors to assure compliance with reporting into the MAEFAIRS system.

- |                          |   |
|--------------------------|---|
| 1. Fund                  | Three Digits (Two digits in MAEFAIRS)                       |
| 2. Subfund               | Three Digits (Only applicable to the Building Reserve Fund) |
| 3. School Code           | Four Digits   |
| 4. Program               | Three Digits  |
| 5. Function              | Four Digits   |
| 6. Object                | Three Digits  |
| 7. Project Reporter Code | Three Digits  |

X X X	X X X	X X X X	X X X	X X X X	X X X	X X X
Fund	Subfund	School Code	Program	Function	Object	Project Reporter Code

1. **Fund** - The fund numbers are described in detail [3.6 School Fund Account Structure](#).
2. **Subfund (beginning FY 2018)** – This field is used only for the Building Reserve Fund (61). A subfund code is required to differentiate the four different subfunds.
3. **School Code (beginning FY 2018)** – This field is used to denote an individual school unit. This field is necessary for school districts who are required to report a school code level expenditures per ESSA guidelines. This four-digit field utilizes the OPI assigned school code.
4. **Program** - A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The program dimension provides the school district the framework to classify expenditures by program for cost determination purposes.

5. **Function** – This field refers to the purpose of an activity or program. It includes the area subfunctions, activities, and sub-activities performed to accomplish general objectives. Expenditures are classified by function to provide comparability between communities and states and to assist in decision making.
6. **Object** – An object further defines the good or service.
7. **Project Reporter Code (PRC)** - The project reporter code permits a school district to separately track expenditures to meet a variety of specialized reporting requirements at local, state, and federal levels. A unique project reporter code should be assigned to the revenue and expenditure accounts used to account for each grant or project. This code permits the user to relate expenditures to a specific revenue source. It is designed specifically for state and federal grants but may be used to track local projects within a fund. The PRC is required in the Miscellaneous Fund (15).

The following shows uses for project reporter codes:

- 001 - 899 To be assigned by districts as needed. For federal grants, the OPI recommends using the OPI “money type” as the first two digits to designate the funding source, authority, or expenditure purpose. Refer to the OPI’s Grants Handbook for a list of these money type codes. The third digit may be used to designate a special project or fiscal year.
- 910 - 949 Assigned by the OPI for budget amendments under §20-9-161, MCA.
- 950 - 959 Assigned by the OPI for budget transfers under §20-9-208, MCA.

**3.11 Account Structure Summary**

The underlined type in each account category represents the level of detail that will usually be required for reporting to the OPI on the Trustees Financial Summary (TFS). For example, a school district may use several function codes within 2300 General Administration, such as 2314 Election Services, 2315 Audit Services, and 2321 Office of the Superintendent Services. The account balances in these functions beginning with 23 would be “rolled up” or subtotaled to the 23XX level (X is used here to indicate the level to roll up the account balances) for TFS purposes. Full account information at all levels may be requested for federal annual reports or as supplemental information to be attached to the TFS using the Detailed Expenditure Report.

The “X” in each block represents a summary level for reporting purposes.

**Balance Sheet Accounts:**

Assets, Liabilities, and Fund Equity Accounts:

X X X	X X X	X X X
District/Fund	Balance Sheet Account	Project Reporter Code-Optional ( <i>Not used in MAEFAIRS</i> )

**Statement of Operational Accounts (Revenues and Expenditures):**

Revenue Accounts:

X X X	X X X X	X X X
District/Fund	Subsidiary Source	Project Reporter Code-Optional For Most Funds

Expenditure Accounts:

X X X	X X X	X X X X	X X X	X X X X	X X X	X X X
District/Fund	Subfund	School Code	Program	Function	Object	PRC

**3.12 Balance Sheet Account Definitions**

**3.12A Assets & Other Debits - Budgeting/Nominal Accounts**

Assets and Other Debits include what is owned and other items not owned as of the date of the balance sheet but expected to become fully owned at some future date. Budgeting/Nominal Accounts include control accounts 401 Estimated Revenues and other Financing Sources Control Account and 402 Revenue and Other Financing Sources Control Account which are used for interim reporting purposes only.

- 101 **Cash and Cash Equivalents.** All currency, coin, checks, money orders, and bank drafts on hand or on deposit with the county treasurer normally in non-interest-bearing accounts. Include extracurricular savings accounts and certificate of deposits or other interest-bearing instruments maturing within 90 days. See §20-9-212(1), MCA.
- 103 **Petty Cash.** A sum of money set aside to pay for small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming.
- 104 **Change Cash.** A sum of money kept on hand to provide change.
- 105 **Cash with Fiscal Agents.** Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
- 110 **Investment Accounts Outside County Treasurer.** See §20-9-235, MCA.
- 111 **Investments.** A security or other asset that a government holds primarily for the purpose of income or profit and has present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments should be presented at fair value as of the reporting date. Gains from changes in the fair value of investments are recorded using revenue account 1530. Losses from changes in the fair value of investments are recorded using expenditure object code 930. Alternatively, gains and losses may be netted and recorded in revenue account 1530. The account does not include capital assets used in school district operations. Separate accounts may be maintained for each category of investments. See §20-9-213(4), MCA. Includes equity in shared investment pools under §20-9-213(4), MCA.
- 112 **Increases and Decreases in the Fair Value of Investments.** To report gains or losses on investments at market or fair value per GASB 31.
- 113 **Unamortized Discounts on Investments (Normal Credit Balance).** The excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.
- 114 **Interest Receivable on Investments.** The amount of interest earned on investments but not yet received in cash. This amount is usually calculated at the end of each fiscal year. Accrued interest on investments purchased should be recorded in 115 Accrued Interest on Investments Purchased.
- 115 **Accrued Interest on Investments Purchased.** Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. Upon receipt and deposit of the interest, an entry is recorded debiting cash and crediting the Purchased account for interest purchased and crediting the 1510 Interest Earnings revenue account for the balance.
- 120 **Taxes Receivable-Real Property.** The uncollected portion of real property taxes which a school district has levied, and which has become due. Separate accounts may be maintained based on tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting 680 Deferred Inflow for the same amount.

- 130 **Taxes Receivable—Personal Property.** The uncollected portion of personal property taxes (including mobile homes) which a school district has levied, and which has become due. Separate accounts may be maintained based on tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting 680 Deferred Inflow for the same amount.
- 140 **Taxes Receivable-Other.** The uncollected portion of other taxes which a school district has levied, and which has become due. Separate accounts may be maintained based on tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting 680 Deferred Inflow for the same amount.
- 150 **Taxes Receivable—Protested Taxes.** The undistributed portion of taxes paid under protest maintained in the County Protested Tax Fund pending final court disposition or settlement. Separate accounts may be maintained based on tax roll year, current and delinquent, and type of tax. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting 680 Deferred Inflow for the same amount.
- 160 **Interfund/Loan Receivable from Other Funds.** An asset account used to record an amount owed by one fund to another fund in the same school district. This account has the same balance as 601 Interfund/Loan Payable to Other Funds.
- 170 **Due from Other Funds.** An asset account used to indicate amounts receivable for goods or services provided to one fund by another fund in the same school district. This account has the same balance as 606 Due to other Funds.
- 180 **Due from Other Governments.** Amounts due to the reporting school district from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, tuition, and charges for services rendered by the reporting district for another governmental entity.
- 190 **Accounts Receivable.** Amounts owing on open accounts from private persons, firms, or corporations for goods and services furnished by a school district (not including amounts due from other funds or from other governmental units). See §2-18-704, §20-6-607, §20-7-507, §20-7-704, §20-9-214, §20-9-509, §20-10-122, §20-10-123, and §20-10-204, MCA.
- 210 **Bond Proceeds Receivable.** An account used to designate the amount receivable upon sale of bonds.
- 220 **Inventories for Consumption - Materials and Supplies.** The cost of supplies and materials on hand for future distribution to and consumption by requisitioning units.
- 230 **Inventories for Resale.** The value of goods held by a school district for resale rather than for use in its own operations.
- 240 **Prepaid Items.** Expenses entered in the accounts for benefits not yet received. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums.
- 250 **Deposits.** Funds deposited by the school district as a prerequisite to receiving services and/or goods.
- 501 **Deferred Outflows.** A consumption of net assets by the government that is applicable to a future reporting period.

**3.12B Non-Current Assets**

Those tangible assets which the school district intends to hold or continue in use over a long period of time greater than one year. Non-current assets include long-term receivables which are expected to be collected after one year or longer and capital assets such as land, buildings, improvements, and equipment. Capital asset accounts are used in proprietary and fiduciary funds.

- 311 **Land.** A capital asset account which reflects the acquisition value of land owned by a school district. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at time of acquisition. Land is not depreciated.
  
- 321 **Land Improvements.** A capital asset account which reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition. By definition, “infrastructure assets” are immovable and of value only to the governmental unit (e.g., sidewalks, gutters, bridges). Land improvements are generally considered non-exhaustible assets because of their significantly long expected useful life. Therefore, land improvements are not normally depreciated.
  
- 331 **Buildings and Building Improvements.** A capital asset account which reflects the acquisition value of permanent structures used to house persons and property owned by the school district. If buildings are purchased or constructed, this account includes the purchase or contract price of all permanent buildings and fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements. If buildings are acquired by gift, the account reflects their appraised value at time of acquisition.
  
- 332 **Allowance for Depreciation of Buildings and Building Improvements (Normal Credit Balance).** Accumulated amounts for depreciation of buildings and building improvements. The recording of depreciation is required in proprietary and fiduciary funds.
  
- 341 **Machinery and Equipment.** Tangible property of a permanent nature, other than land and buildings. Examples include machinery, tools, trucks, cars, buses, furniture, and furnishings. This account includes costs incurred in acquisition of machinery and equipment such as installation costs, freight, etc. If textbooks are considered capital assets under Board policy, record their cost here.
  
- 342 **Allowance for Depreciation of Machinery and Equipment (Normal Credit Balance).** Accumulated amounts for depreciation of machinery and equipment. The recording of depreciation is required in proprietary and fiduciary funds.
  
- 351 **Construction Work in Progress.** The cost of construction work undertaken but not yet completed. This account is closed to 321 Land Improvements, 331 Buildings and Building Improvements, or 341 Machinery and Equipment as appropriate upon completion of construction. Construction work in progress is not normally depreciated.
  
- 370 **Long-Term Receivables.** The long-term portion on amounts due to the school district from contracts, leases, or other long-term receivables. When initially established, long-term receivables are usually offset by crediting the 680 Deferred Inflows account for the same amount.

### **3.12C Budgeting Accounts & Other Debits**

The 401 Estimated Revenues and Other Financing Sources Control Account is a budget control account and has a debit balance. The 402 Revenue and Other Financing Sources Control Account has a credit balance and is compared to 401 Estimated Revenues and Other Financing Sources Control Account to determine the status of actual revenues collected or accrued. These nominal accounts are used for interim reporting purposes only. The 402 Revenue and Other Financing Sources Control Account is closed to the 970 Fund Balance and 401 Estimated Revenues and Other Financing Sources Control Account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

- 401 **Estimated Revenues and Other Financing Sources Control Account (Normal Debit Balance/Budget Account).** This account normally has a debit balance and is used in conjunction with 801 Appropriations and 972 Fund Balance for Budget. The total amount of estimated revenues and other financing sources to be received during the fiscal year is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Fund Balance for Budget and does not appear in the year-end balance sheet.
- 402 **Revenue and Other Financing Sources Control Account (Normal Credit Balance).** The total of all revenues and other financing sources recognized during a fiscal year. This represents the increases in net current assets of governmental type funds and net total assets for proprietary funds. On balance sheets prepared during the year for budgeted funds, this account is compared to 401 Estimated Revenues and Other Financing Sources Control Account to determine the status of actual revenues collected or accrued. At the end of the fiscal period, this account is closed to 970 Unreserved Fund Balance and does not appear in a balance sheet prepared at the close of the fiscal period.
- 490 **Non-Budgeted Revenues - GAAP Purposes.** This account is offset by 890 Non-Budgeted Expenditures and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the capital lease is made. 490 Non-Budgeted Revenues and 890 Non-Budgeted Expenditures are used to prepare GAAP financial statements and do not appear on the TFS which is prepared on the budgetary basis.

### **3.12D Liabilities & Other Credits, Deferred Inflow, Budgeting/Nominal Accounts & Fund Equity Accounts**

Liability accounts are used to record debts or other amounts owed by the school district.

#### **3.12E Current Liabilities**

Liabilities or debts the school district expects to pay within a short period of time, usually within a year or less.

- 601 **Interfund/Loan Payable to Other Funds.** A liability account used to record a debt owed by one fund to another fund in the same school district. This account has the same balance as 160 Interfund/Loan Receivable from Other Funds account.
- 606 **Due to other Funds.** A liability account used to indicate amounts owed for goods or services provided to one fund by another fund in the same school district. This account has the same balance as 170 Due from Other Funds account.
- 611 **Due to other Governments.** Reported amounts owed by a school district to another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected by the reporting unit for another unit, loans, and charges for services rendered to the reporting district by another governmental entity.
- 620 **Warrants Payable.** Amounts owed for warrants issued but unredeemed by the county treasurer. See §20-9-212, §20-9-220, §20-9-221, and §20-9-223, MCA. The balance in the warrants payable account should equal the total of the monthly list of outstanding unpaid warrants and is the reconciling item between the district and county treasurer. See ARM 10.10.501(3). The amount reported as Cash & Investments on the TFS should be the total less warrants payable.
- 621 **Accounts Payable.** Amounts owed to private persons, firms, or corporations for goods and services received by a school district (not including amounts due to other funds of the same school district or to other governmental units). See §20-9-207, §20-9-209, §20-9-210, §20-9-221, and §20-9-226, MCA.
- 622 **Judgments Payable.** Amounts due to be paid by a school district as the result of court decisions, including condemnation awards in payment for private property taken for public use. See §15-1-402(6), §20-9-161(3), and §20-9-403(1)(e), MCA.
- 623 **Registered Warrants Payable.** Amounts owed for unredeemed warrants which have been registered for payment by the county treasurer. See §7-6-2604 and §20-9-212, MCA.
- 630 **Contracts Payable/Lease Obligations - Current.** Amounts due on contracts or leases for assets, goods, and services received by a school district. See §20-6-609, §20-6-625 and §20-10-110, MCA.
- 631 **Construction Contract Retainage Payable.** Amounts due on construction contracts pending final inspection, or the lapse of a specified time or both. The unpaid amount is usually a stated percentage of the contract price.
- 632 **Construction Contracts Payable.** Amounts due on contracts for construction of buildings, structures, and other improvements.
- 640 **Matured Bonds Payable.** Unpaid bonds which have reached or passed their maturity date.
- 641 **Bonds Payable - Current.** Bonds which have not reached or passed their maturity date but are due within one year or less.
- 642 **Unamortized Premiums on Bonds Sold.** This account is used only in Proprietary Funds. An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds. For premiums received on general obligation bonds refer to the revenue account 5110 Sale of Bonds.



- 650 **Notes or Loans Payable - Current.** Short-term tax anticipation notes or the current portion of long-term notes (see 720 Notes Payable–Non-Current) made with Board of Investments as provided by §7-6-1101 through §7-6-1116 and §20-9-471, MCA.
- 655 **Matured Interest Payable.** Unpaid interest on notes or bonds which have reached maturity date.
- 656 **Accrued Interest Payable - Current.** Accrued interest on registered warrants or notes and bonds which have not reached their maturity date but are due within one year or less. Occasionally bonds are sold in between interest payment dates. Accordingly, accrued interest is paid by the bondholders at the time of the initial bond sale and then returned when the first interest payment is made. This accrued interest is recorded here.
- 660 **Accrued Operating Expenses Payable.** Operating expenses incurred in the current accounting period which are not payable until a subsequent accounting period.
- 661 **Accrued Salaries and Benefits Payable.** Salary and fringe benefit costs incurred during the current accounting period, but which are not paid until a subsequent accounting period.
- 670 **Payroll Deductions and Withholdings Payable.** Amounts deducted from employees’ salaries for withholding taxes and other purposes. A separate liability account may be used for each type of deduction. Includes a liability for unexpended cash balances from a flex plan from the Cafeteria/Flex Plan Fund (95).
- 680 **Deferred Inflows.** The deferred inflow account is used to account for amounts which have met asset recognition criteria but not revenue recognition criteria of “measurable and available.” Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the deferred inflow account for the same amount. Rent or fees received in advance and long-term receivables such as the lease-sale of a building are other examples of deferred inflow.
- 690 **Deposits Payable.** Liability for deposits received as a prerequisite to receiving services and/or goods such as cash bid bonds or cash performance bonds. See §18-2-201, MCA.
- 695 **Due to Fiscal Agent.** Amounts due to fiscal agencies, such as commercial banks, for servicing a school district’s matured indebtedness.

### **3.12F Long-Term Liabilities**

The remaining portion of debt that is not due within the current year.

- 710 **Bonds Payable - Non-Current.** The remaining principal on bonds which are not due within the current year.
- 720 **Notes Payable - Non-Current.** The non-current balance remaining due on notes made with the Board of Investments as provided in §20-9-471, MCA or notes sold in anticipation of federal or state revenue as provided in §7-7-109, MCA.
- 730 **Lease Obligations - Non-Current.** Principal remaining to be paid on lease purchase agreements and capital leases. See §20-6-609, §20-6-625, and §20-10-110, MCA.
- 740 **Contracts Payable.** Amounts remaining unpaid on contractual agreements including mortgages.
- 750 **Judgments Payable.** Long-term portion of judgments remaining unpaid. See §15-1-402(6)(c), §20-9-161(3), and §20-9-403(1)(e), MCA.
- 760 **Compensated Absences Payable.** Accumulated liabilities for vacation and sick leave pay due to teaching or non-teaching personnel upon termination.
- 770 **Special Assessments Payable.** The remaining principal portion due on special assessments.



### **3.12G Budgeting/Nominal Accounts**

The 801 Appropriations account is a budget control account and has normal a credit balance. The 802 Expenditures and Other Uses Control Account and 803 Encumbrances Control Account have normal debit balances. On balance sheets prepared during the fiscal year, the 802 Expenditure and Other Uses Control Account and 803 Encumbrances Control Account are shown as deductions from 801 Appropriations to arrive at the total unexpended balance of appropriations. These accounts are used only for interim reporting purposes during the year. The 802 Expenditure and Other Uses Control Account and 803 Encumbrance Control Account are closed to 970 Fund Balance. The 801 Appropriations account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

- 801 **Appropriations (Normal Credit Balance/Budget Account).** This account normally has a credit balance and is used in conjunction with 401 Estimated Revenues and Other Financing Sources Control Account and 972 Fund Balance for Budget. The total amount of estimated expenditures and other financing uses is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Fund Balance for Budget and does not appear in the year-end balance sheet.
  
- 802 **Expenditures and Other Uses Control Account (Normal Debit Balance).** This account designates the total of expenditures paid or accrued in a fiscal year. On balance sheets prepared during the year for budgeted funds, this account is shown as a deduction from 801 Appropriations to arrive at the total unexpended and unencumbered balance of appropriations. This account is closed to 970 Unreserved Fund Balance and does not appear in the year-end balance sheet.
  
- 803 **Encumbrances Control Account (Normal Debit Balance/Budget Account).** This account designates obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. On interim balance sheets, encumbrances are deducted along with the expenditures from the Appropriations account to arrive at the unencumbered balance of appropriations. At the end of the fiscal year, the balance in this account is usually transferred to 802 Expenditures and Other Uses Control Account. This account usually does not appear in the year-end balance sheet.
  
- 890 **Non-Budgeted Expenditures - GAAP Purposes.** This account is offset by 490 Non-Budgeted Revenues and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the lease is entered. The 490 Non-Budgeted Revenues and 890 Non-Budgeted Expenditures accounts are used to prepare GAAP financial statements and do not appear on the TFS which is prepared on the budgetary basis.

### **3.12H Fund Equity Accounts**

These accounts show the difference between fund assets and fund liabilities. Custodial funds do not have fund equity accounts. In governmental type funds, the reserved fund balance accounts indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. The 970 Unreserved Fund Balance account represents the amount which is available for reappropriation.

#### **Proprietary Funds / Accounts 920 - 940**

- 921 **Capital Assets - Net of Related Debt.** This account is used to record the net asset component invested in capital assets, net of related debt, which represents total capital assets less accumulated depreciation less debt directly related to capital assets. This account is to be used in proprietary funds only.
- 930 **Restricted Net Assets.**
- 940 **Unrestricted Net Assets.** This account is used to record the net asset component — unrestricted net assets — which represents net assets not classified in 921 Capital Assets – Net of Related Debt and 930 Restricted Net Assets. This account is to be used in proprietary funds only.

#### **Governmental Funds / Accounts 950-972**

- 951 **Fund Balance - Reserve for Inventories.** A reserve established equal to the balance in the related asset accounts 220 Inventories for Consumption – Materials and Supplies and 230 Inventories for Resale when the purchase method of accounting for inventories is used. This account may not be used if the consumption method of accounting is used.
- 953 **Fund Balance - Reserve for Encumbrances.** A reserve which segregates a portion of a fund balance for commitments related to purchases of personal property or construction in progress.
- 954 **Fund Balance - Reserve for Endowments.** A reserve representing the amount of endowment principal that is legally restricted for endowment purposes. Use only in Permanent Endowment Fund (45), Miscellaneous Internal Service Fund (77), Private Purpose Trust Fund (81) and the Miscellaneous Trust Fund (85).
- 960 **Fund Balance - Reserve for Non-Current Assets.** A reserve which segregates a portion of a fund balance to indicate that non-current assets are not available for appropriation. The balance in this account must be equal to the balances in the related non-current asset accounts.
- 961 **Fund Balance - Reserve for Operations.** A reserve established by the Board of Trustees which segregates a portion of a fund balance to provide operating reserves in accordance with §20-9-104, §20-10-144, §20-9-501(3), and §20-7-713, MCA. See reserve limits specified in those MCA sections.
- 963 **Reserve for Unused Protested/Delinquent Taxes.** A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in §20-9-104, MCA for the unused receipts of taxes protested in a prior fiscal school year and unused receipts of delinquent taxes. Penalties and interest received with delinquent and protested taxes may be included in the reserve. However, interest earned on the reserve itself once it is retained by the district may not be included in the reserve.
- 964 **Reserve for Unused Tax Audit Receipts.** A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in §20-9-104(5-6), MCA for unused receipts from a Department of Revenue tax audit. Penalties and interest received from the tax audit may also be included. However, interest earned on the reserve itself once it is retained by the district may not be included in the reserve.
- 970 **Unreserved Fund Balance.** The excess of the assets of a fund over its liabilities and reserves. The Unreserved Fund Balance account represents the amount which is available for reappropriation.

972 **Budgetary Fund Balance.** This account is used to record the difference between 401 Estimated Revenues and Other Financing Sources Control Account and 801 Appropriations. This difference should equal the amount of fund balance reappropriated or the anticipated increase to operating reserves. The balance in this account must be zero after 401 Estimated Revenues and Other Financing Sources Control Account and 801 Appropriations are closed to this account at fiscal year-end.

Note: For OPI Staff - Balance code 972 is used in the MAEFAIRS system as *Non-Materialized ANB – Excess Levy*, however the code is used only on tables and is not seen on reports or data entry screens.

973 **TIF Fund Balance for Budget.** Districts that receive Tax Increment Finance (TIF) remittances and record them under revenue account 1291 TIF Distribution Post 5/5/2015 will carry 973 TIF Fund Balance for Budget as a portion of 972 Budgetary Fund Balance, but is recorded separately from 972 Budgetary Fund Balance to identify this fund balance on the district’s ensuing year budget. In §20-9-141 and §7-15-4291, MCA a district is required to use these funds to reduce property taxes or designate them as operating reserve pursuant to §20-9-104, MCA for the fiscal year following the fiscal year in which the remittance was received.

980 **Assets Held in Trust** This account represents the net assets for fiduciary funds. The balance in this account is the difference between the total assets and total liabilities of the fund. The title of the account depends on the type of fiduciary fund

- Pension Funds: Assets Held in Trust for Pension Benefits
- Investments Funds: Assets Held in Trust for Pool Participants
- Private Purpose Trust Funds: Assets Held in Trust for Other Purposes

**3.13 Revenue & Other Financing Accounts**

Revenue and other financing sources accounts have a normal credit balance and are used to describe all the financial resources recognized during a fiscal year. These accounts represent the increases in net current assets of governmental type funds and net total assets for proprietary funds.

Revenue subsidiary source accounts are nominal accounts and always begin each fiscal year with a zero balance. During the fiscal year, school districts have the option of recording the total debits and credits in these accounts monthly to 402 Revenue and Other Financing Sources Control Account or recording debits and credits directly to each revenue subsidiary source account. When 402 Revenue and Other Financing Sources Control Account is used the total of all subsidiary revenue and other financing sources account balances must equal the balance in the 402 Revenue and Other Financing Sources Control Account. This is usually checked monthly.

At the end of the fiscal year, the subsidiary accounts or the 402 Revenue and Other Financing Sources Control Account are transferred (closed) to 970 Unreserved Fund Balance. Revenue and other financing sources accounts appear in the operating statement prepared at the close of the fiscal year.

**3.13A Revenue & Other Financing Account Structure**

The account structure for revenue and other financing sources accounts consists of a three-digit fund number and a four-digit source account. A three-digit project reporter code (PRC) is also used for special accounting and reporting purposes for state and federal grants or other special reporting projects.

X X X	X X X X	X X X
District/Fund	Subsidiary Source	Project Reporter Code-Optional for Most Funds

The first digit of the subsidiary source account number designates the first level of reporting for one of the following six broad categories of revenue sources. The next three digits provide additional summary levels within one of the six categories.

**Current or Recurring**

- 1000 – Revenue from Local Sources
- 2000 – Revenue from County Sources
- 3000 – Revenue from State Sources
- 4000 – Revenue from Federal Sources

**Non-Current or Non-Recurring**

- 5000 – Other Financing Sources
- 6000 – Adjustments to Beginning Fund Balance
- 7000 – Emergency Federal Sources

**3.14 Project Reporter Code**

The PRC permits a school district to accumulate revenues and expenditures to meet a variety of specialized reporting requirements. It is designed specifically for state and federal grants but may be used for other special reporting purposes. The PRC may be configured in any manner to meet individual user needs. It is optional except when expenditures must be reported by funding source such as federal and state grants. Any three-digit number may be assigned as PRC except that codes in the range 910-999 are reserved for assignment by the Office of Public Instruction (OPI). When a PRC is used it should be defined on the second page of the Trustees Financial Summary (TFS).

### **3.14A Local, State and Federal Grants**

A unique PRC must be assigned to the revenue and expenditure accounts used to account for each local, state, or federal grant. The first two digits may be used to designate a specific funding source, authority, the OPI money type, or expenditure purpose and the third digit may be used to designate a specific project or fiscal year. This code permits the user to relate expenditures to a specific revenue source when the same PRC is assigned to the expenditure and revenue accounts used to account for a state or federal grant.

For example, the first two digits could be used as follows:

- ✓ 77 = Federal IDEA, Part B, Children with Disabilities
- ✓ The third digit could be used to designate the fiscal period.
  - 8= 2018
  - 9= 2019

1. 778 = 2018 Federal IDEA, Part B, Children with Disabilities  
Revenue: X15-4560-778  
Expenditure: X15-456-1000-112-778
2. 779 = 2019 Federal IDEA, Part B, Children with Disabilities  
Revenue: X15-4560-779  
Expenditure: X15-456-1000-112-779

Note: The OPI money type can be found in the OPI Grants Handbook

### **3.14B Project Reporter Numbers**

- |           |   |
|-----------|---|
| 001 - 899 | To be assigned by districts.  |
| 9XX       | Reserved by the OPI – the assigned codes in the 900 series are listed next. |
| 910 - 949 | Assigned by the OPI for budget amendments under §20-9-161, MCA.             |
| 950 - 959 | Assigned by the OPI for budget transfers under §20-9-208, MCA.              |

### **3.14C Special Reporting Purposes**

The PRC must also be used to track emergency/budget amendment expenditures. The OPI will assign a project reporter for each budget amendment.

For example:

- |       |                               |  |
|-------|-------------------------------|--|
| 910 - | General Fund Budget Amendment | Expenditure: 101-100-1000-112- <b><u>910</u></b> |
|-------|-------------------------------|--|

A PRC could also be used to meet specialized reporting requirements. For example, a district may wish to track special education expenditures by state sources and district sources:

- |       |                                      |  |
|-------|--------------------------------------|--|
| 111 - | Special Education - State Sources    | Expenditure: 101-280-1000-610- <b><u>111</u></b> |
| 112 - | Special Education - District sources | Expenditure: 101-280-1000-610- <b><u>112</u></b> |

### **3.15 Operating Statement Revenue Account Definitions**

#### **3.15A Revenue from Local Sources (1000 Level)**

- 1100 **Taxes.** Compulsory charges levied by a school district to finance services performed for the statutorily allowed purpose. **Ad valorem** means “based on the assessed value”.
- 1110 **District Tax Levy.** Taxes levied on property within the school district.
- 1111 **District Levy — Real Property.** Includes voted and permissive amounts levied ad valorem on the real property in the school district. Record current and current year delinquent and/or protested collections here.
- 1112 **District Levy — Personal Property.** Includes voted and permissive amounts levied ad valorem on the personal property in the school district. Record current and current year delinquent collections here.
- 1113 **District Levy — Special Mobile Equipment.** Includes voted and permissive amounts levied ad valorem on personal property taxes on special mobile equipment. See §61-3-431, MCA. Record current and current year delinquent collections here.
- 1114 **District Levy—Personal Property/Mobile Homes.** Includes voted and permissive amounts levied ad valorem on the mobile homes in the school district. Record current and current year delinquent and/or protested collections here.
- 1116 **District Levy—Net and Gross Proceeds.** Includes voted and permissive amounts levied ad valorem on mine net proceeds §15-23-502, MCA and gross proceeds on metal mines §15-23-802, MCA. Record current and current year delinquent collections here.
- 1117 **District Levy—Distribution of Prior Year’s Protested/Delinquent Taxes.** Distributions from the county protested tax fund based upon settlement of protested taxes of a prior year and/or distribution of delinquent taxes of a prior year. Investment earnings included with the initial distribution should be reported here. Subsequent investment earnings should be recorded using 1510 Interest Earnings. In the General Fund (01) only, prior year collections that are in excess of the operating reserve limit may be identified as excess reserves. See §20-9-104 (6), MCA.
- 1118 **District Levy—Department of Revenue Tax Audit Receipts.** Distributions of additional ad valorem taxes, penalties and interest resulting from an audit by the Department of Revenue. In the General Fund (01) only, amounts in excess of the operating reserve limit may be identified as excess reserves. See §20-9-104 (6), MCA.
- 1123 **Coal Gross Proceeds.** A flat tax on the value of coal production. This tax is not a part of the taxable valuation and should be budgeted for as non-tax revenue. See §15-23-703, MCA.
- 1130 **Tax Title and Property Sales.** Amounts collected from the sale of real property sold to collect the property taxes owed against it. See §7-8-2306, MCA.
- 1190 **Penalties and Interest on Taxes.** Amounts collected as penalties for the payment of taxes after the due date and the interest charged on delinquent taxes from the due date to the date of actual payment. Do not use 1110 District Tax Levy to record penalties and interest on taxes.

- 1200 **Revenue from the appropriations of another local governmental unit.** The school district is not the final authority, within legal limits, in determining the amount of money to be received if the money is raised by taxes or other means that are not earmarked for school purposes.
- 1291 **TIF Distribution Post 5/5/2015.** See §20-9-104, MCA. Amounts received from Tax Increment Financing (TIF) district remittances and have not executed an agreement with a local government before the effective date, May 5, 2015, for the preparation of a transition plan, which outlines the paying of contractual obligations that were incurred prior to the effective date.
- 1292 **TIF Distribution Pre 5/5/2015 or Exempt.** See §20-9-104, MCA. Amounts received from TIF district remittances before the effective date, May 5, 2015, or amounts received that have been identified in a transition plan, which are dedicated to the paying of contractual obligations that were incurred prior to the effective date, May 5, 2015. If the increment was anticipated as a funding source for a contract when the contract was executed, the remittance may be used to pay the contractual obligation. To qualify as an obligation, there must be a written signed contract meeting all elements of §28-2-102, MCA between a school district and a third party. Evidence of a contract does not include the listing of a capital project on a list or plan. If the obligation relates to paying bonded indebtedness, a district may utilize the remittance for the life of the bond issue. If the obligation relates to other contracts, a district may utilize the increment to pay for the contracted project until the end of the contract. See §7-15-4291 and §20-9-104, MCA.
- 1300 **Tuition and Fees.** Revenue from outside sources for education provided by the local school.
- 1310 **Individual Tuition.** Revenue from individuals for students attending daytime sessions during regular school term. See §20-5-320, §20-5-324, and §20-9-141, MCA.
- 1311 **Driver’s Education Fees.** Fees from individuals for students attending driver’s education sessions during the regular school term. Fees collected for the summer session should be recorded using 1982 Summer Session – Driver’s Education Fees. See §20-7-507, MCA.
- 1320 **School Tuition from Other School Districts Within State.** Revenue from other school districts or counties within the state for students attending day school sessions during the regular term. See §20-5-320, §20-5-324, and §20-9-141, MCA.
- 1330 **School Tuition from Other School Districts Outside State.** Revenue from other school districts outside the state for students attending day school sessions during the regular term. See §20-5-320, §20-5-324, and §20-9-141, MCA.
- 1340 **Fees for Adult Education.** Revenue for students attending adult education courses. See §20-7-704, MCA.
- 1400 **Transportation Fees.** Revenue from transporting students to and from school and school activities.
- 1410 **Individual Transportation Fees.** Revenue from individuals for transporting ineligible or non-public students to and from daytime sessions during the regular school term. See §20-10-122 and §20-10-123, MCA.
- 1420 **Transportation Fees from Other School Districts Within the State.** See §20-10-144, MCA.
- 1430 **Transportation Fees from Other School Districts Outside the State.** See §20-10-144, MCA.
- 1440 **Other Transportation Fees.** Revenue from transporting students to school activities. See §20-9-214, MCA.



- 1500 **Earnings on Investments.** Revenue from holdings invested for earning purposes.
- 1510 **Interest Earnings.** Interest revenue on investments in United States obligations, saving accounts, time certificates of deposit, Short Term Investment Pool (STIP), or other interest-bearing investments. Interest on capital leases and dividends on investments are also included here. See §20-9-213 and §20-6-607, MCA.
- 1520 **Dividends on Investments.** Payments made to shareholders of stock.
- 1530 **Net Increase (Decrease) in the Fair Value of Investments.** To report gains or losses on investments from market or fair value changes in accordance with GASB. Gains realized from the sale of U.S. Treasury Bills represent investment income and should be credited to 1510 Interest Earnings.
- 1600 **School Nutrition.** Revenue from school nutrition sales to students and adults. See §20-10-207, MCA.
- Daily Sales—Reimbursable.** Revenue from students for the sale of meals, snacks and milk which are considered reimbursable by the United States Department of Agriculture.
- 1611 **School Nutrition National School Lunch Program.** Revenue from students for the sale of reimbursable lunches as part of the National School Lunch Program (NSLP).
- 1612 **School Nutrition School Breakfast Program.** Revenue from students for the sale of reimbursable breakfasts as part of the School Breakfast Program (SBP).
- 1613 **School Nutrition Special Milk Program.** Revenue from students for the sale of reimbursable milk as part of the Special Milk Program (SMP) and Kindergarten Milk Program.
- Daily Sales—Non-Reimbursable Programs.** Revenue from students or adults for the sale of non-reimbursable meals, snacks.
- 1621 **School Nutrition Lunch Sales.** Revenue from students for the sale of lunches that are not reimbursable by the NSLP.
- 1622 **School Nutrition Breakfast Sales.** Revenue from students for the sale of breakfasts that are not reimbursable as a part of the SBP.
- 1623 **School Nutrition Milk Sales.** Revenue from students for the sale of milk that is not reimbursable as a part of the SMP and Kindergarten Milk Program.
- 1624 **School Nutrition Snack Sales.** Revenue from students for the sale of snacks that are not reimbursable as a part of the School Snack Program.
- 1630 **School Nutrition Catering Sales.** Revenue from students, adults, or organizations for the sale of food products and services considered special functions. Some examples include potlucks, PTA-sponsored functions, and athletic banquets.
- 1632 **School Nutrition Daily Adult Sales.** Revenue from adults for the sale of meals, snacks, and milk.
- 1634 **School Nutrition Daily Ala Carte Sales.** Revenue from students or adults for ala carte sales (these include breakfast, lunch, milk and snack sales).
- 1636 **School Nutrition Summer Program - Adult Sales.**
- 1700 **Student Extracurricular Activity Receipts.** Revenue resulting from co-curricular and extracurricular activities controlled and administered by the school district. Student activity revenues should be reported here as well, but school districts should have methods internally to track student activity revenue separately by each activity group. See §20-9-214 and §20-9-504, MCA.



- 1800 **Revenue from Community Services Activities.** Revenue from community services activities operated by a school. For example, revenue received from operation of a skating facility by a school as a community service would be recorded here.
- 1900 **Other Revenue from Local Sources.** Other revenue from local sources which is not classified above. Canceled prior period outstanding warrants should be recorded using 6100 Material Prior Period Revenue Adjustments. Other miscellaneous revenue would include library fines, photocopy fees, dividends from telephone and electric cooperatives, etc.
- 1910 **Rentals.** Revenue from the rental or lease of either real or personal property owned by the school. See §20-6-607, §20-6-625, and §20-9-509, MCA.
- 1911 **Private Insurance - Audiological.** Revenue relating to audiological reimbursements received from private insurance companies. See 3351 for Medicaid - Audiological reimbursements.
- 1912 **Private Insurance - Physical Therapy.** Revenue relating to physical therapy reimbursements received from private insurance companies. See 3352 for Medicaid - Physical Therapy reimbursements.
- 1913 **Private Insurance - Occupational Therapy.** Revenue relating to occupational therapy reimbursements received from private insurance companies. See 3353 for Medicaid - Occupational Therapy reimbursements.
- 1914 **Private Insurance - Speech Therapy.** Revenue relating to speech therapy reimbursements received from private insurance companies. See 3354 for Medicaid – Speech Therapy reimbursements.
- 1915 **Dormitory Charges.** Revenue from student or teacher dormitories. See §20-9-509, MCA.
- 1920 **Contributions and Donations from Private Sources.** Revenue from philanthropic foundations, private individuals, or private organizations for which no repayment or special service to the contributor is expected. These organizations include, but are not limited to, educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals. May include one-time private grants or on-behalf payments made by private organizations to school district personnel (e.g., stipends paid to teachers or other school district staff). Usually deposited in the Permanent Endowment Fund (45), Private Purpose Trust (81), Miscellaneous Trust Fund (85), or Miscellaneous Programs Fund (15). See §20-9-604, MCA.
- Voluntary rural residential impact payments from developers must be deposited to the Building Fund (60). See §20-9-615, MCA. Property Tax Prepayments from a mineral developer under §90-6-309, MCA must be deposited in the State Mining Impact Fund (25). Receipts and subsequent expenditures of the tax prepayments must be tracked separately from other receipts in this fund using a PRC (ARM 8.104.211(2)). The district must provide tax credits in later years to the company making prepayment, according to written agreements.
- 1925 **Innovative Education Payment. - Expires FY 2024** Revenue from supplemental private contributions through tax replacement programs. See §20-9-902, MCA for a definition of Innovative Programs.
- 1940 **Textbook Sales and Rentals.** Revenue from the rental or sale of textbooks. See §20-9-214 and §20-6-607, MCA.

- 1945 **User Fees/Resale of Supplies.** Fees charged to pupils for breakage or excessive supplies used in commercial, industrial arts, music, science, or agricultural courses. Includes other fees charged for any course or activity not related to the graduation or activities conducted outside the normal school functions. See §20-9-214, MCA. Include charges for preschool or daycare services. See 1340 Fees for Adult Education, 1311 Driver’s Education Fees, and 1410 Individual Transportation Fees.
- 1950 **Services Provided Other School Districts or Cooperatives.** Revenue from services provided other school districts or cooperatives, other than for tuition and transportation services. These services could include data processing, purchasing, maintenance, cleaning, consulting, guidance, in-service training, speech, and physical therapy. See expenditure object code 350 Contracted Services with Other School Districts or Cooperatives. Also see 5700 Resource Transfers from Other School Districts or Cooperatives and 5710 Special Education Resources Transferred from Other School Districts or Cooperatives.
- 1960 **Services Provided Other Local Governmental Units.** Revenue from services provided other local governmental units other than school districts or cooperatives. These services could include transportation, data processing, purchasing, maintenance, cleaning, cash management and consulting.
- 1970 **Services Provided Other Funds.** Services provided other funds for services such as printing or data processing. This account should only be used with an Internal Service Fund. Includes the actuarially determined insurance premiums paid from other funds to a self-insurance fund.
- 1981 **Summer School - Fees.** Revenue from tuition paid by students for summer school. Transportation fees should be recorded using the 1400 series as appropriate.
- 1982 **Summer Session - Driver’s Education Fees.** Fees from individuals for students attending driver’s education sessions during the summer. Fees collected during the regular school term should be recorded using 1311 Driver’s Education Fees. See §20-7-507, MCA.

**3.15B Revenue from County Sources (2000 Level).**

Revenues distributed by the county treasurer to the school district upon authorization by the county superintendent of schools.

- 2114 **County Metal Mines License Taxes.** Proceeds from metal mine license taxes distributed by the county treasurer to the Metal Mines Tax Reserve Fund (24). Only districts with metal mines receive this revenue. See §15-37-111, MCA.
- 2115 **County Hard Rock Mining Impact Trust Reserve Proceeds.** Proceeds from hard rock mine taxes distributed by the county treasurer to the Metal Mines Tax Reserve Fund (24). Only districts with hard rock mines receive this revenue. See §7-6-2225, MCA.
- 2220 **County Transportation Reimbursement.** Revenue distributed as authorized by the county superintendent to the Transportation Fund (10), for the county’s share of on-schedule transportation reimbursement. See §20-10-146, MCA.
- 2240 **County Retirement Distribution.** Revenue distributed to the elementary or high school Retirement Fund (14) as authorized by the county superintendent. See §20-3-205 and §20-9-501, MCA.

**3.15C Revenue from State Sources (3000 Level).**

**Unrestricted Grants-in-Aid.** Revenues received as grants which can be used for any legal purpose desired without restriction.

- 3110 **Direct State Aid.** State and county equalization aid in support of the General Fund (01) BASE funding program. Proceeds of the current years' countywide 33 mill elementary levy and 22 mill high school levy collected at the county level are forwarded to the state. The state and county equalization aid are then sent to the school district by the state. Also use this code in the Tuition Fund (13) to record the receipt of state ANB reimbursements for tuition paid by the district to schools out of state. See §20-9-331 and §20-9-344, MCA.
- 3111 **Quality Educator Payment.** The quality educator payment is a component of the General Fund (01) BASE budget of the district supported by state and county equalization aid. Each district and special education cooperative receives funding for each full-time equivalent licensed educator and for other licensed professionals employed by the school district or cooperative, including registered nurses, licensed practical nurses, physical therapists, speech language professionals, psychologists, licensed social workers, counselors, occupational therapists and nutritionists. See §20-9-306 and §20-9-327, MCA.
- 3112 **At-Risk Student Payment.** The at-risk student payment is a component of the General Fund (01) BASE budget of the district supported by state and county equalization aid to address the needs of at-risk students defined in §20-9-101, MCA and referred to in §20-9-309, MCA. The available appropriation is distributed in the same manner as Title I monies are distributed to schools. See §20-9-328, MCA.
- 3113 **Indian Education for All Payment.** The Indian education for all payment is a component of the General Fund (01) BASE budget of the district supported by state and county equalization aid to implement the provisions of the Montana constitution (Article X, section 1(2)) and the statutory requirements for the recognition of American Indian cultural heritage, §20-1-501, MCA. A public-school district that receives an Indian Education for All payment may not divert the funds to any purpose other than curriculum development, providing curriculum and materials to students, and providing training to teachers about the curriculum and materials. Expenditures for Indian Education for All should be coded using expenditure program code 365. See §20-9-329 and §20-9-306, MCA.
- 3114 **American Indian Achievement Gap Payment.** The American Indian achievement gap payment is a component of the General Fund (01) BASE budget of the district supported by state and county equalization aid for closing the educational achievement gap that exists between American Indian students and non-Indian students. The payment is calculated using the number of American Indian students included in the district's fall student count for ANB in the prior school year. See §20-9-330 and §20-9-306, MCA.
- 3115 **State Special Education Allowable Cost Payment to District.** To be used by districts to record state special education block grants and reimbursement revenue per §20-9-321, MCA. See 3233 State Special Education – Direct Payments to Cooperatives for recording direct state payment to cooperatives for member district related services block grants.
- 3116 **Data for Achievement.** The data for achievement payment is a component of the General Fund (01) BASE budget of the district supported by state and county equalization aid for access fees or other costs associated with use of or participation in the statewide data system administered by the OPI or a comparable data system provided by a private vendor, including data entry and staff training on use of the systems. See §20-9-306(13), MCA.

- 3117 **State Tuition for State Placement.** Tuition payment for eligible students attending school in a non-resident district. See §20-5-323 and §20-5-324, MCA.
- 3120 **State Guaranteed Tax Base Aid (GTB) - General Fund (01) or State Debt Service Facilities Acquisition Reimbursement and Advance - Debt Service Fund (50).** State payment to support a district’s BASE mills in the General Fund (01) when the district’s mill value to BASE budget ratio is less than the statewide ratio. Also used to record facilities acquisition reimbursements or advances paid by the state to a district’s Debt Service Fund (50). See §20-3-106(29), §20-9-366 through §20-9-369, and §20-9-371, MCA.

Note: The GTB subsidy in support of the Retirement Fund (14) is not recorded by a district, since it is included in the distribution by the county superintendent discussed in 2240 County Retirement Distribution.

**Restricted Grants-in-Aid.** Revenue received as grants by the school district which must be used for a categorical or specific purpose.

- 3210 **State On-Schedule Transportation Reimbursement.** State’s share of the on-schedule costs of bus routes and individual transportation contracts, not to exceed one half of the total on-schedule costs. See §20-10-145, MCA.
- 3220 **State School Nutrition Match.** See §20-10-201, MCA.
- 3221 **Miscellaneous School Nutrition Grants.** Grants periodically distributed through the School Nutrition Program of the OPI.
- 3233 **State Special Education - Direct Payments to Cooperatives.** To be used only by special education cooperatives to record state special education allowable cost revenue. This includes the related services block grants received on behalf of member districts. See §20-7-451, §20-7-457, §20-9-321, MCA and 3115 State Special Education Allowable Cost Payment to District.
- 3234 **State Quality Educator Payment to Cooperatives.** See §20-9-327, MCA. See 3111 Quality Educator Payment.
- 3235 **State Audiology Contracts.** See §20-7-403(12), MCA.
- 3245 **Professional Stipend** To be used by districts to record the stipend for teachers certified by the National Board for Professional Teaching Standards. See §20-4-134, MCA.
- 3250 **Montana Digital Academy** See §20-7-1202, MCA
- 3260 **State Driver’s Education Reimbursement.** See §20-7-506, MCA.
- 3270 **State Advancing Agriculture Education.** See §20-7-334, MCA.
- 3281 **State Technology Aid.** See §20-9-534, MCA. Deposit in Technology Fund (28).
- 3283 **State School Major Maintenance Aid (SMMA).** See § 20-9-525, MCA. Deposit in Building Reserve Fund (61), Building Reserve Permissive Subfund (613).
- 3290 **State - Other State Grants.** Grants directly from the OPI or various state agencies which are usually accounted for in the Miscellaneous Programs Fund (15). If federal grants are received from state agencies other than the OPI, record these grants in 4700 Miscellaneous Federal Grants Passed through State Agencies Other Than OPI. Example: Jobs for Montana Graduates (JMG), from the MT Dept. of Labor.

**Revenue in Lieu of Taxes.** Payments made from general revenues by the state to the school district in lieu of taxes it would have had to pay had its property or tax base been subject to the taxation by the school district on the same basis as is privately-owned property or other tax base. It would include payments made for privately owned property which is not subject to taxation on the same basis as other privately-owned property due to action by the state.

- 3302 **State Payment In Lieu of Taxes - Fish, Wildlife and Parks.** Revenue received as provided by §87-1-604, MCA and distributed at the discretion of the county commissioners.
- 3330 **State Hard Rock Mining Impact Aid** See §90-6-307, MCA. Deposits are made to the State Mining Impact Fund (25).
- 3340 **State Coal Board Grants.** State grants to the school district as determined by the Coal Board to offset startup costs due to new mining operations. See §90-6-208, MCA.
- 3351 **Medicaid - Audiological.** Revenue received from Department of Public Health and Human Services (DPHHS) for Medicaid reimbursements. See 1911 Private Insurance - Audiological for revenue received from private insurance companies for audiological reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3352 **Medicaid - Physical Therapy.** Revenue received from DPHHS for Medicaid reimbursements. See 1912 Private Insurance – Physical Therapy for revenue received from private insurance companies for physical therapy reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3353 **Medicaid - Occupational Therapy.** Revenue received from DPHHS for Medicaid reimbursements. See 1913 Private Insurance - Occupational Therapy for revenue received from private insurance companies for occupational therapy reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3354 **Medicaid - Speech Therapy.** Revenue received from DPHHS for Medicaid reimbursements. See 1914 Private Insurance – Speech Therapy for revenue received from private insurance companies for speech therapy reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3355 **Medicaid - Miscellaneous.** Revenue received from DPHHS for Medicaid reimbursements. See 1900 Other Revenue from Local Sources for revenue received from private insurance companies for miscellaneous reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3356 **Medicaid - CSCT - Comprehensive School and Community Treatment.** Services relating to mental health. Revenue received from DPHHS for Medicaid reimbursements. See 1900 Other Revenue from Local Sources for revenue received from private insurance companies for miscellaneous reimbursements. Deposit in the Miscellaneous Programs Fund (15).
- 3357 **Medicaid – Montana Administrative Claiming (MAC) Reimbursement.** Revenue received from DPHHS for Medicaid reimbursable services for administrative claiming. Deposit in the Miscellaneous Programs Fund (15).
- 3358 **Medicaid – Paraprofessionals.** Revenue received from DPHHS for Medicaid for reimbursable services. Deposit in the Miscellaneous Programs Fund (15).

**State Shared Revenues.** Revenues levied by state government which are shared with the school district based on a predetermined formula.

- 3448 **School Block Grant State Lands. Expires FY 2021** The state land reimbursement block grant shall be deposited into the General Fund (01) of the district. See §20-9-640, MCA.
- 3449 **School Block Grant Coal Mitigation.** The school block grant coal mitigation amount shall be deposited into the General Fund (01) of the district. See §20-9-638, MCA.
- 3460 **Montana Oil and Gas Tax.** The revenue is distributed in accordance with §15-36-332(4)(a), MCA. The trustees shall budget and allocate the oil and natural gas production taxes anticipated by the district in any budgeted fund at the discretion of the trustees. See §20-9-310(4)(a), MCA.
- 3470 **Montana Bentonite Tax.** See distribution of taxes in §15-39-110, MCA.
- 3600 **State Gifted and Talented Reimbursement.** See §20-7-903, MCA.
- 3610 **State In-State Day Treatment Funds.** Paid by the OPI when funds are available.
- 3620 **State Adult Education Reimbursement.** See §20-7-712, MCA.
- 3720 **Delivering Local Assistance Program Grant** (Department of Commerce). See § 90-6-701, MCA.
- 3740 **Indian Language Immersion Program. Expires FY 2023** See §20-7-1401 through §20-7-1404 and §20-9-537, MCA.
- 3760 **State Transformational Learning Aid. Expires FY 2028** §20-7-1602, MCA.
- 3770 **State Advanced Opportunity Act.** §20-7-1506, MCA.
- 3900 **State Career and Technical Education (CTE).** See §20-7-306, MCA.

**3.15D Revenue from Federal Sources (4000 Level).**

4100 **Federal Miscellaneous Grants – Direct from Federal Government.** Revenues received directly from the federal government as grants which can be used for any legal purpose desired without restriction.

**Restricted Grants-in-Aid Received Directly from the Federal Agencies or Indian Tribes.** Revenues received directly from the federal government as grants which must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the governmental unit.

- 4110 **Head Start** CFDA # 93.600
- 4120 **Title V, Part B, Subpart 1, Small Rural Schools Achievement (SRSA)** CFDA # 84.358A
- 4130 **Title VI, Part A, Indian Education** CFDA # 84.060
- 4140 **Johnson O’Malley Indian Education (JOM)** CFDA # 15.130

**Restricted Grants-in-Aid Received from the Federal Government Through the OPI.** Revenues received on a recurring basis from the federal government through the OPI as grants which must be used for a categorical or specific purpose.

- 4200 **Title I, Part A, Improving Basic Programs** CFDA # 84.010
- 4220 **Title I, Part A, Improvement Grants** CFDA # 84.010A
- 4230 **Title II, Part E, Comprehensive Literacy Development (Striving Readers)** CFDA # 84.371



4250	<b>Title I, Part C</b> , Migrant Education	CFDA # 84.011
4270	<b>Title I, Part D</b> , Neglected, Delinquent & At-Risk Youth	CFDA # 84.013
4300	<b>Title II, Part A</b> , Supporting Effective Instruction (Improving Teacher Quality)	CFDA # 84.367
4320	<b>Title III, Part A</b> , English Language Acquisition and Language Enhancement	CFDA # 84.365
4340	<b>Title IV, Part B</b> , 21st Century Community Learning Centers	CFDA # 84.287
4370	<b>Title V, Part B</b> , Subpart 2, Rural Low-Income Schools (RLIS)	CFDA # 84.358B
4380	<b>Title IX, Part A</b> , Education for Homeless Children & Youth	CFDA # 84.196
4390	<b>Title I, School Improvement</b> section 1003g	CFDA # 84.377A
4510	<b>Carl Perkins</b> (Federal Career and Technical Education (CTE))	CFDA # 84.048A
4540	<b>Adult Basic and Literacy Education</b> (ABLE)	CFDA # 84.002
4550	<b>Federal School Nutrition Reimbursement</b>	
	CFDA #10.553 <b>School Nutrition School Breakfast Program</b>	
	CFDA #10.555 <b>School Nutrition National School Lunch Program and Afterschool Snack Program</b>	
	CFDA #10.556 <b>School Nutrition Special Milk Program</b>	
4552	<b>School Nutrition Fresh Fruit and Vegetable Program</b>	CFDA # 10.582
4555	<b>School Nutrition Summer Food Service Program</b>	CFDA # 10.559
4556	<b>Adult and Child Care Food Program</b> DPHHS	CFDA # 10.558
4560	<b>IDEA, Part B</b> , Special Education	CFDA # 84.027
4570	<b>IDEA</b> , Special Education Preschool	CFDA # 84.173
4580	<b>IDEA</b> , Special Education State Personnel Development	CFDA # 84.323
4590	<b>Title IV, Part A</b> , Student Support & Academic Enrichment	CFDA # 84.424
4610	<b>School Nutrition Child Nutrition Discretionary Grant</b> (Direct Certification, ART, Equipment)	CFDA # 10.579
4650	<b>Miscellaneous Federal Grants</b> , Passed Through the OPI for Federal grants received from the OPI and are not listed elsewhere.	

**Passthrough grants from Other State Agencies (not OPI).** Revenues received from the federal government through state agencies, other than the OPI, as grants that must be used for a categorical or specific purpose.

4700	<b>Miscellaneous Federal Grants</b> , Passed Through State Agencies Other Than OPI	
4710	<b>GEAR UP</b> (MT Commissioner of Higher Education)	CFDA # 84.334
4740	<b>Pre-Employment Transition Services</b> (DPHHS)	CFDA # 84.126A

**Revenue in Lieu of Taxes.** Commitments or payments made from general revenues by the federal government unit to the school district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the school district on the same basis as privately-owned property or other tax base. It would include payment made for privately owned property which is not subject to taxation on the same basis as other privately-owned property due to action by the federal governmental unit.

4800	<b>Federal Revenue In lieu of Taxes</b> (Dept. of the Interior)	CFDA # 15.226
4820	<b>Federal Impact Aid</b> Title VII (Section 7003)	CFDA # 84.041
4821	<b>Federal Impact Aid Discretionary Construction</b> Title VII (Section 7007(B))	CFDA # 84.041C
4822	<b>Federal Impact Aid Formulary Construction</b> Title VII (Section 7007(A))	CFDA # 84.041

**Federal Other Revenue on Behalf of District.**

4930 **Federal Indirect Cost Recoveries/Aggregate of Reimbursements** §20-9-507, MCA. See object code 940 Indirect Costs.

**Continuation of: Restricted Grants-in-Aid Received from the Federal Government Through the Office of Public Instruction.**

4940 **Title I, ESEA, Schoolwide Program.** Activities pertaining to the use of funds from Title I, Part A and other Federal education program fund and resources with local and state resources to upgrade the entire education program of the school to raise academic achievement for all the students.

**3.15E Other Financing Sources (5000 Level).**

5110 **Sale of Bonds.** Bond proceeds are all monies realized from the sale of bonds. Proceeds from the sale of bonds other than refunding bonds are deposited in the Building Fund (60), unless a portion of the proceeds is used to pay interest on the bonds during construction, in which case only such portion is deposited in the Debt Service Fund (50). Premium on bonds sold, also known as original issue premium, is that portion of the sale price of bonds in excess of their principal amount. Premium on bonds forms a part of bond proceeds. Bond premium is deposited in the Building Fund, unless a portion of the bond premium is expressly designated to pay interest on the bonds, in which case such portion is deposited in the Debt Service Fund (50). Amounts used to pay interest accrued on the bonds, if any, from the dated date to the issue date of the bonds (i.e., accrued interest) should be deposited to the Debt Service Fund (50) and recorded using balance sheet account 656 Accrued Interest Payable. See §20-9-401 and §20-9-435, MCA.

5111 **Premium on Bonds.** The portion of the sale price of bonds in excess of their par value. The premium represents an adjustment of the interest rate. In the absence of legal authority to include bond premium with the bond proceeds, premium on bonds sold should be credited to the Debt Service Fund (50). If the district has legal authority, the premium can be deposited in the Building Fund (60). Accrued interest paid by the bondholder at the time the bonds are sold should be deposited to the Debt Service Fund (50) and recorded using balance sheet account 656 Accrued Interest Payable. This interest should be returned to the bondholder when the first interest payment is made. See §20-9-401 and §20-9-435, MCA.



- 5120 **Proceeds of Refunding Bonds.** Proceeds of refunding bonds used to pay, refund, or redeem outstanding bonds are deposited to the Debt Service Fund (50) or may be deposited in a suitable escrow account and disbursed therefrom to pay, refund, or redeem outstanding bonds. Proceeds of refunding bonds used to pay costs of issuance may be deposited in a subaccount designated for paying costs of issuance in the Debt Service Fund (50) or may be deposited in another suitable fund until disbursed therefrom to pay costs of issuance. See §20-9-401, §20-9-412, and §20-9-435, MCA.
- 5200 **Sale or Compensation for Loss of Assets.** Revenues from sale of school property or revenues from individuals or insurance companies for the loss of school property. Per §20-6-604, proceeds from the sale of district property may be deposited the General Fund (01), Building Fund (60), Debt Service Fund (50), or other appropriate fund (e.g., sale of a bus may be deposited to the Transportation Fund (10)) at the discretion of the trustees. Losses on the sale of fixed assets held by proprietary funds should also be recorded here. See §20-6-608.
- 5300 **Operating Transfers from Other Funds.** Used to record the receipt of the operating transfer from the General Fund (01) to the Compensated Absences Fund (21), or from the General Fund (01) to the Litigation Reserve Fund (27), transfers to the Debt Service Fund (50) from the Impact Aid Fund (26), or transfers within the prime agency of a multidistrict cooperative. Residual equity transfers to close old funds are recorded using 9710 Residual Equity Transfers In. Transfers to correct current period errors in recording revenues or expenditures are known as reimbursements and should be recorded using appropriate accounts affected by the error. Use this revenue in conjunction with expenditure account XXX-999-6100-910 to record transfers between the Compensated Absences Liability Fund (21) or the Litigation Reserve Fund (27) and the General Fund (01). See §20-9-208, MCA
- 5301 **Transfers for School Safety & Security to/from Building Reserve SubFund (611).** Used to record the receipt of the school and student safety and security transfer from any budgeted or nonbudgeted fund, other than the Debt Service Fund (50) or Retirement Fund (14) to the Building Reserve Fund (61), Building Reserve Safety Subfund (611). The amount of transfer must not exceed the school district’s estimated cost of improvements to school safety and security, as defined in §20-9-236, MCA. Transfers that are not encumbered or spent within 2 full school fiscal years after the funds are transferred must be transferred back to the original fund from which the revenue was transferred. Use this revenue in conjunction with expenditure account XXX-998-6100-911 to record school safety transfers between any budgeted or nonbudgeted fund.
- 5302 **Transfers for the Building Reserve Permissive SubFund (613)** Used to record the receipt of building reserve operating transfers authorized by §20-9-502 (3), MCA, and only in cases where the district has levied the full 10 mills (20 mills for a K-12) and the calculated School Major Maintenance Amount (SMMA) “Box” amount has not been met. Use this revenue in conjunction with expenditure account XXX-999-6100-912 to record transfers between any budgeted or nonbudgeted fund. See §20-9-502, MCA.
- 5303 **Transfers for Transportation Levy Requirements. Expires FY 2021** Used to record the receipt of the state or local revenue from any budgeted or nonbudgeted fund, other than the Debt Service Fund (50) or Retirement Fund (14) to the Transportation Fund (10). The amount of transfer must not exceed an amount estimated by the school district to be necessary to eliminate an increase in school district property taxes resulting from eliminating Transportation Fund Block Grants. Use this revenue in conjunction with expenditure account XXX-997-6100-913 to record property tax reduction operating transfers between any budgeted or nonbudgeted fund. See SB 2 section 10 (2017 Special Session).

- 5304 **Transfers for Transformational Learning. Expires FY 2028** Used to record receipt of the state or local revenue from any budgeted or nonbudgeted fund, other than the Retirement Fund (14) or Debt Service Fund (50), to the district's Flexibility Fund (29) for the purposes of implementing the district's approved transformational learning plan. Use this revenue in conjunction with expenditure account XXX-996-61XX-914 to record transfers between any budgeted or nonbudgeted fund. The originating fund and the destination fund must identify the original source of money using a PRC. Transfers that are not encumbered or spent within 2 full school fiscal years after the funds are transferred must be transferred back to the original fund from which the revenue was transferred. If transfers of funds are made from funds supported by a non-voted levy, the district may not increase its non-voted levy to restore the amount of funds transferred.
- 5400 **Proceeds from Long-Term Liabilities.** Proceeds from long-term notes made with the Board of Investments as provided by §20-9-471, MCA or long-term notes sold in anticipation of federal or state revenue as provided in §7-7-109, MCA. Proceeds from capital leases should be recorded using balance sheet account 490 Non-Budgeted Revenues - GAAP Purposes. Proceeds from short-term notes made with the Board of Investments are recorded using balance sheet account 650 Notes or Loans Payable - Current and are not recorded as revenue or as other financing sources.

Or suggested **Proceeds of Short-Term Liabilities.** Proceeds of short-term notes purchased by the Board of Investments are recorded using balance sheet account 650 Notes or Loans Payable - Current and are not recorded as revenue or as other financing sources.

When preparing financial statements in accordance with GAAP, 5700 Resources Transferred from Other School Districts or Cooperatives and 5710 Special Education Resources Transferred from Other School Districts or Cooperatives may be classified as local, state, or federal revenues, as appropriate.

- 5700 **Resources Transferred from Other School Districts or Cooperatives.** Used to record lump sum payments (other than for local/state special education) received from another school district or cooperative. Examples of such transfers are lump sum contributions to a host district for a prorated share of a program budget. This also includes payments between school districts and cooperatives for grants, including payments relating to each participant's share of IDEA Part B federal funds. The receiving district must identify the original source of money on the records using project reporter codes. See function code 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool and object codes 920 Resources Transferred to Other School Districts or Cooperatives and 930 Federal or State Grant Resources Transferred to Other Schools or Cooperatives.

General Fund (01) revenue from special education allowable cost services provided other school districts or cooperatives (other than for tuition and transportation services) should be recorded using 5710 Special Education Resources Transferred from Other School Districts or Cooperatives. See §20-7-431, MCA. Payments from other school districts or cooperatives for specific services provided beyond the interlocal agreement should be coded to 1950 Services Provided to Other School Districts or Cooperatives if a payment is for specific services.

5710 **Special Education Resources Transferred from Other School Districts or Cooperatives.** Used to record lump sum payments received from another school district or cooperative for the provision of special education services. This revenue code is reserved exclusively for state, district, and cooperative transfers from the General Fund (01) for the provision of special education services that are allowable under §20-7-431, MCA. Examples of such transfers include lump sum contributions to a cooperative for the match of the related services block grant or a district's prorated share of the allowable cost of a special education program. When used in Miscellaneous Programs Fund (15) for resource transfers allowed under ARM 10.16.3815, the expenditures coded with the same PRC are counted toward maintenance of effort for the IDEA grant.

This revenue should not be used with the same PRC as tuition in Miscellaneous Programs Fund (15) since unused revenue must be returned to the sending district and unused tuition should be receipted (transferred) to the General Fund (01).

See program code 280 Special Education, function code 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool, and object codes 920 Resources Transferred to Other School Districts or Cooperatives and 930 Federal or State Grant Resources Transferred to Other School Districts or Special Education Cooperatives. See §20-7-431, MCA. Payments from other school districts or cooperatives for specific services provided beyond the interlocal agreement should be coded to 1950 Services Provided to Other School Districts or Cooperatives if a payment is for specific services.

### **3.15F Adjustments to Beginning Fund Balance (6000 Level).**

6100 **Material Prior Period Revenue Adjustments.** This account is used to account for unanticipated adjustments related to a prior period which would inaccurately change current year revenues if credited to the current year accounts. Examples include canceled warrants, distribution errors relating to property taxes, state, or county equalization adjustments, etc. This account is used for special reporting purposes to show prior period adjustments as adjustments to beginning fund balance on the operating statement.

MAEFAIRS does not accept prior period expenditure adjustments in the Miscellaneous Programs Fund (15). Prior period expenditure adjustments in the Miscellaneous Programs Fund (15) must be entered as a negative revenue.

**3.15G Coronavirus Aid, Relief, and Economic Security Act (CARES) (7000 Level).**

- |      |  |  |                |
|------|--|--|----------------|
| 7650 | <b>CARES - State School Emergency Relief Fund</b>                | Federal distribution for Covid-19 school emergency relief passed through the OPI based mainly on the distribution of Title I Funding as directed by the federal government. (Also referred to as ESSER Funds) Deposit to the Miscellaneous Programs Fund (15)                              | CFDA # 84.425D |
| 7700 | <b>CARES - Governor's Coronavirus Relief Fund Per-ANB</b>        | to provide school and special education cooperatives funding for pandemic related impacts distributed through the Office of the Governor on a Per-ANB basis. Deposit to the Miscellaneous Programs Fund (15)<br>No, indirect costs recoveries are permitted for this financial assistance. | CFDA # 21.019  |
| 7710 | <b>CARES - Governor's Coronavirus Relief Fund Transportation</b> | to provide school funding for pandemic related impacts distributed through the Office of the Governor for student transportation. Deposit to the Transportation Fund (10)  | CFDA # 21.019  |
| 7720 | <b>CARES – Governor’s Coronavirus Relief Fund Technology</b>     | to provide school funding for pandemic related impacts distributed through the Office of the Governor for acquiring computers and similar digital devices. Deposit to the Miscellaneous Programs Fund (15)   | CFDA # 21.019  |
| 7730 | <b>CARES – DPHHS/Governor’s Coronavirus Relief Fund</b>          | grants received from the DPHHS through the governor’s CRF funds for nutrition grants. Deposit to the Miscellaneous Programs Fund (15)  | CFDA # 21.019  |

**3.15H Equity Transfers In (9000 Level).**

- 9710 **Residual Equity Transfers In.** This account is used to record nonrecurring or nonroutine transfers of equity between funds, including residual balances of discontinued funds which are transferred to the general fund and transfers allowed under §20-9-208, MCA. Use expenditure account XXX-999-9999-971 for recording residual equity transfers out. This revenue for all funds must equal total residual equity transfers out (XXX-999-9999-971) for all funds.

### **3.16 Expenditure and Other Financing Uses**

Expenditure and other financing use accounts have a normal debit balance and are used to describe all the financial resources used during a fiscal year.

These accounts are nominal accounts and always begin each fiscal year with a zero balance. During the fiscal year, school districts have the option of recording the total debits and credits in these accounts monthly to the balance sheet account 802 Expenditure and Other Financing Uses Control. When the balance sheet account 802 Expenditure and Other Financing Uses Control is used, the total of all subsidiary expenditure and other financing uses account balances must equal the balance in this account. This is usually checked monthly.

At the end of the fiscal period, the subsidiary expenditure and other financing uses accounts, or the 802 Expenditure and Other Financing Uses Control account, are transferred (closed out) to 970 Unreserved Fund Balance. Expenditure and other financing use accounts appearing in the operating statement prepared at the close of the fiscal year.

**Program Dimension** - A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. This dimension provides the school district the framework to classify expenditures by program for cost determination purposes. Programs are classified in the following broad categories:

- 100 Regular Programs
- 200 Special Programs
- 300 State Grants
- 400 Federal Grants
- 500 Non-Public School Programs
- 600 Adult Education Programs
- 700 Extracurricular Programs
- 760 Emergency Federal Programs
- 800 Community Services Programs
- 900 Enterprise Programs

**Function Dimension** - The function dimension describes the type of activity within a fund and program. It includes the area sub functions, activities, and sub activities performed to accomplish general objectives. Expenditures are classified by function to provide comparability between communities and states and to assist in decision making.

Functions are classified in the following broad categories:

1. Current Expenditures / Functions 1000 – 3000

- 1000 Instruction
- 2100 Support Services – Students
- 2200 Support Services - Instructional Staff
- 2300 Support Services - General Administration
- 2400 Support Services - School Administration
- 2500 Support Services - Business Services
- 258X Support Services – Administrative Technology Services
- 2600 Support Services - Operations and Maintenance of Plant Services
- 2700 Support Services - Student Transportation Services
- 3100 Non-Educational Services - Food Services
- 3200 Non-Educational Services - Other Enterprise Services
- 3300 Non-Educational Services - Community Services
- 3400 Non-Educational Services - Extracurricular Activities
- 3500 Non-Educational Services - Extracurricular Athletics

2. Facilities Acquisitions, Debt Service, and Other Financing Uses / Functions 4000 - 6000

- 4000 Facilities Acquisitions
- 5000 Debt Service
- 6000 Other Financing Uses

**Object Code Dimension** - The object code refers to the good or service obtained. Objects are classified in the following broad categories:

1. Current Expenditures:

- 100 Personal Services—Salaries
- 200 Personal Services—Employee Benefits
- 300 Purchased Professional and Technical Services
- 400 Purchased Property Services
- 500 Other Purchased Services
- 600 Supplies and Materials
- 700 Property and Equipment Acquisition
- 800 Other Expenditures

2. Adjustments to Beginning Fund Balance:

- 892 Material Prior Period Expenditure Adjustments

3. Other Uses of Funds:

- 900 Other Uses of Funds

**3.16A Expenditure Program Definitions**

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. Nine broad program areas are identified in this manual: regular education, special programs, non-public school, adult/continuing education, extracurricular activities, community services, and enterprises programs. Federal and state grants are also included within the various broad program areas.

**100 Regular Education Programs - Elementary/Secondary.** Activities that provide students in prekindergarten (prekindergarten refers to all programs and ages preceding kindergarten, including infant and early childhood programs) through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers. Use 100, or use Optional Programs:

- 1XX Regular Education Programs - Elementary/Secondary
- 110 Kindergarten
- 120 Elementary
- 130 Middle School
- 140 Junior High (Grades 7-9)
- 150 Secondary
- 160 District-wide
- 170 Distance Learning
- 180 Summer School
- 190 School Safety Projects
- 192 Innovative Education

**200 Special Programs.** Special programs include activities for elementary and secondary students (prekindergarten through grade 12) with special education needs. This section also includes aggregate of indirect costs.

- 210 **Non-Federal Alternative Education**
- 260 **Non-Grant Bilingual Education**
- 271 **State and Federal Aggregate of Reimbursements/Indirect Costs** See § 20-9-507, MCA
- 274 **State Audiology Contracted Services**
- 280 **Special Education** - Local and State. Special Education services for students who qualify under the Federal IDEA definition of special education. Services to 504 students who do not meet the federal IDEA definition should be coded to expenditure program 1XX.

**300 State Grants.**

- 316 **Data for Achievement**
- 322 **School Nutrition Program Grant**
- 324 **Graduation Matters Montana**
- 325 **Montana Digital Academy**
- 327 **State Advancing Agriculture Education**
- 329 **State - Other State Grants.** Grants from the OPI and various state agencies which are usually accounted for in the Miscellaneous Programs Fund (15).
- 360 **State Gifted and Talented Reimbursement**
- 361 **Services for Significant Needs Students**
- 362 **State Adult Education Reimbursement**
- 365 **Indian Education for All**
- 367 **State One Time Only Full-Time Kindergarten Start-up Cost**
- 368 **K-12 Education Data Systems**
- 372 **Delivering Local Assistance Program Grant** (Department of Commerce)
- 374 **Indian Language Immersion Program**
- 375 **Oil and Gas Impact Grant**
- 376 **State Transformational Learning Aid**
- 377 **State Advanced Opportunity Act**
- 390 **State Career and Technical Education (CTE) - Undistributed**  
(Use 390, or optional programs below)
  - 391 **State Career and Technical Education** - Agriculture
  - 392 **State Career and Technical Education** - Business
  - 393 **State Career and Technical Education** - Health Occupations
  - 394 **State Career and Technical Education** - Family and Consumer Sciences
  - 395 **State Career and Technical Education** - Technology Education/Industrial Arts
  - 397 **State Career and Technical Education** - Trades and Industry

**400 Federal Grants.**

**Restricted Grants-in-Aid Received Directly from the Federal Agencies or Indian Tribes** - Funds received directly from the federal government as grants which must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the governmental unit.

- 410 **Federal Miscellaneous Grants - Direct from Federal Government**
- 411 **Head Start**
- 412 **Title V, Part B, Subpart 1, Small Rural Schools Achievement (SRSA)**
- 413 **Title VI, Part A, Indian Education**
- 414 **Johnson O'Malley Indian Education (JOM)**



**Restricted Grants-in-Aid Received from the Federal Government Through the Office of Public**

**Instruction (OPI)** - Funds received on a recurring basis from the federal government through the OPI as grants which must be used for a categorical or specific purpose.

- 420 **Title I, Part A**, Improving Basic Programs
- 422 **Title I, Part A**, Improvement Grants
- 423 **Title II, Part E** Comprehensive Literacy Development (Striving Readers)
- 425 **Title I, Part C**, Migrant Education
- 427 **Title I, Part D**, Neglected, Delinquent & At-Risk Youth
- 430 **Title II, Part A**, Supporting Effective Instruction (Improving Teacher Quality)
- 432 **Title III, Part A**, English Language Acquisition and Language Enhancement
- 434 **Title IV, Part B**, 21st Century Community Learning Centers
- 437 **Title V, Part B**, Subpart 2, Rural Low-Income Schools (RLIS)
- 438 **Title IX, Part A**, Education for Homeless Children & Youth
- 439 **Title I, School Improvement**, Section 1003(g)
- 451 **Carl Perkins** (Federal Career and Technical Education (CTE)) – Basic Grant
- 454 **Adult Basic and Literacy Education (ABLE)**
- 455 **School Nutrition Mini Grants**
- 456 **IDEA, Part B**, Special Education
- 457 **IDEA**, Special Education Preschool
- 458 **IDEA**, Special Education State Personnel Development
- 459 **Title IV, Part A**, Student Support & Academic Enrichment
- 460 **School Nutrition Fresh Fruit and Vegetable Program**
- 461 **School Nutrition Child Nutrition Discretionary Grant** (Direct Certification, ART, Equipment)
- 465 **Miscellaneous Federal Grants**, Passed Through the OPI

**Restricted Grants-in-Aid Received from the Federal Government Through State Agencies Other than**

**the OPI** - Funds received from the federal government through state agencies other than the OPI as grants that must be used for a categorical or specific purpose.

- 470 **Miscellaneous Federal Grants**, Passed Through State Agencies Other Than OPI
- 471 **GEAR UP** (MT Commissioner of Higher Education)
- 473 **Public Health Emergency Preparedness**
- 474 **Pre-Employment Transition Services** (DPHHS)

**Continuation of: Restricted Grants-in-Aid Received Directly from the Federal Agencies or Indian Tribes**

- 481 **Federal Impact Aid Discretionary Construction** Title VII (Section 7007(B))
- 482 **Federal Impact Aid Formulary Construction** Title VII (Section 7007(A))

**Continuation of: Restricted Grants-in-Aid Received from the Federal Government Through the OPI**

494 **Title I, ESEA, Schoolwide Program**

**500 Non-Public School Programs.** Activities for students attending a school established by an agency other than the state, a subdivision of the state, or the federal government, which usually is supported primarily by other than public funds. The services consist of such activities as those involved in providing instructional services, attendance and social work services, health services, and transportation services for non-public school students.

**600 Adult Continuing Education Programs & Adult Basic Education Programs.**

610 **Adult Continuing Education Programs.** Activities designed to develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning; prepare students for a postsecondary career; prepare students for postsecondary education programs; upgrade occupational competence, prepare students for a new or different career; develop skills and appreciations for special interests; or to enrich the aesthetic qualities of life. Federal adult education programs should be coded to 454 Adult Basic and Literacy Education.

650 **Adult Education General Equivalency Diploma (GED) Programs**

**700 Extracurricular Activities and Athletics.** Activities outside of the instructional program for which do not receive educational credits.

710 **School Sponsored Extracurricular Activities.** School sponsored activities, under the guidance and supervision of school district staff, designed to provide such experiences as motivation, enjoyment, and improvement of skills. Extracurricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, and debate. Also included are student financed and managed activities, such as: Class of 20XX, Chess Club, Senior Prom, and Future Farmers of America. Used with 3400 Extracurricular - Activities.

720 **School Sponsored Athletics.** School sponsored athletics under the guidance and supervision of school district staff, designed to provide opportunities to pupils to pursue various aspects of physical education. Used with 3500 Extracurricular - Athletics.

**760 Restricted Grants-in-Aid Received from the Federal Government Through the Office of Public Instruction (OPI)**

765 **CARES – State School Emergency Relief Fund.** Federal distribution for school emergency relief passed through the OPI based on the distribution of Title I funding, as directed by the federal government. (Also referred to as ESSER Funds)

770 **CARES - Governor's Coronavirus Relief Fund Per-ANB** to provide school funding for pandemic related impacts distributed through the Office of the Governor on a per-ANB basis.

771 **CARES - Governor's Coronavirus Relief Fund Transportation** to provide school funding for pandemic related impacts distributed through the Office of the Governor for transportation.

772 **CARES – Governor’s Coronavirus Relief Fund Technology** funding for pandemic related impacts through the Office of the Governor for acquiring computers and similar digital devices.

773 **CARES – DPHHS/Governor’s Coronavirus Relief Fund** funding received from the DPHHS through the governor’s CRF funds for nutrition grants.

- 800 Community Services Programs.** Activities which are not directly related to the provision of education services in a school district. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by the school district for the community or some segment of the community.
- 810 **Community Recreation.** Activities concerned with providing recreation for the community, or for some segment of the community. Included are such staff activities as organizing and supervising playgrounds, swimming pools, and other recreation programs for the community.
- 820 **Civic Services.** Activities concerned with providing services to civic affairs or organizations. This program area includes services to parent-teacher association meetings, public forums, lectures, and civil defense planning.
- 830 **Public Library Services.** Activities pertaining to the operation of public libraries by a school district, or the provision of library services to the public through the school library. Included are such activities as budgeting, planning, and augmenting the library's collection in relation to the community and informing the community of public library resources and services.
- 840 **Custody and Child Care Services.** Activities pertaining to the provision of programs for the custodial care of children in residential day schools, or child-care centers which are not part of, or directly related to the instructional program, and where the attendance of the children is not included in the attendance figures for the school district.
- 850 **Welfare Activities.** Activities pertaining to the provision of personal needs of individuals who have been designated as disadvantaged by an appropriate governmental entity. These needs include stipends for school attendance, salaries paid to students for work performed whether for the school district or for an outside concern, and for clothing, food, or other personal needs.
- 860 **Community Drug Free Programs.** Activities pertaining to community and local school districts drug free programs.
- 890 **Other Community Services.** Activities provided to the community which cannot be classified under any specific 800 Community Service Programs codes.
- 900 Enterprise Programs.** Programs which are intended to be self-supporting. The activity for this program category would usually be used with proprietary funds.
- 910 **Food Services.** Activities concerned with providing food service to students and adults. Used with 3100 Food Services.
- 920 **Enterprise or Internal Service Programs.** Activities concerned with enterprise operations or internal service fund activities such as data processing, purchasing, central transportation, etc. These activities are operated on a commercial basis with little or no financial support from federal or state sources. Food service activities should be charged to 910 Food Services.
- 996 **Transfers for Transformational Learning.** For transfers relating to the implementation of the district's approved transformational learning plan (XXX-996-61XX-914). Use revenue account X29-5304 to record the revenue received into the Flexibility Fund (29). A unique project reporter code (PRC) is required for each expenditure and revenue transfer.

- 997 **Transfers for Transportation Levy Requirements. Expires FY 2021** For transfers relating to requirements set forth in SB 2 (special session 2017) requiring districts to transfer funds due to the elimination of the transportation block grant (XXX-997-61XX-913). Use revenue account X10-5303 to record the revenue received into the Transportation Fund (10). A unique PRC is required for each expenditure and revenue transfer.
- 998 **Transfers for School Safety and Security to/from Building Reserve Fund** For transfers relating to the Building Reserve Fund (61) School Safety Subfund (611), (XXX-998-61XX-911). Use revenue account X61-611-5301 to record the revenue received into the Building Reserve Fund
- 999 **Undistributed -- Use for:**
- ✓ Residual Equity Transfers Out (XXX-999-9999-971)  
For closing obsolete funds to the General Fund (01) or transferring an excess balance from the Lease Rental Fund (20) or Compensated Absences Fund (21) back into the General Fund (01). Use revenue account 9710 Residual Equity Transfers In in the receiving fund.
  - ✓ Operating Transfers to Other Funds (X01-999-61XX-910)  
Use for the General Fund (01) transfer to the Litigation Reserve Fund (27) or Compensated Absences Fund (21) as well as other legally permissible interfund transfers. Use revenue account 5300 Operating Transfers from Other Funds in the receiving fund.
  - ✓ Transfers for Building Reserve Permissive Sub-Fund (XXX-999-61XX-912)  
For transfers relating to the Building Reserve Fund (61) Permissive Subfund (613). Use revenue account X61-613-5302 to record the revenue received into the Building Reserve Fund (61).
  - ✓ Resources Transferred to Other School Districts or Special Education Cooperatives (XXX-999-62XX-920 or 930) Used to account for resources recorded as revenue by one district or cooperative but transferred to another for district or cooperative for expenditure.
  - ✓ Material Prior Period Expenditure Adjustments (XXX-999-9999-892)  
For the purposes of reporting to the OPI, this account is never negative. Negative prior period adjustments are credited to revenues so budget authority limits are not changed.
  - ✓ Undistributed Benefits (X14-999-9999-2XX)/(X01-999-9999-2XX)  
For Retirement Fund (14) benefits or workers' compensation benefits in the General Fund (01).

**3.16B Expenditure Function Definitions**

The function dimension describes the type of activity within fund and program using a four-digit code. The first two digits of the function code designate one of the following six broad areas: Instruction, Support Services, Operation of Non-Educational Services, Facilities Acquisition and Construction Services, Debt Service, and Other Financing Uses. The next two digits provide two additional levels of detail descriptions for a specific function. Following are definitions of the functions and sub functions.

**1000 Instruction.** Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities. It may also be provided through some other approved medium, such as: television, radio, computer, internet, multimedia, telephone, and correspondence, and is delivered inside or outside the classroom or in other teacher/student settings. Included here are the activities of aides or classroom assistants of any type who assist in the instructional process. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Expenditures for full-time department chairpersons should be reported in 2490 Other Support Services – School Administration.

- 1110 **Agriculture**
- 1140 **Arts**
- 1170 **Business**
- 1210 **Marketing (Distributive) Education**
- 1240 **English Language**
- 1270 **Foreign Language**
- 1310 **Health Occupations**
- 1340 **Physical Education**
- 1370 **Consumer Homemaking Education**
- 1410 **Principles of Technology/Industrial Arts**
- 1440 **Mathematics**
- 1450 **Computer Science**
- 1470 **Music**
- 1510 **Natural Science**
- 1540 **Office Occupations**
- 1570 **Social Sciences**
- 1610 **Public Service**
- 1640 **Vocational Trades**
- 1660 **Preschool**
- 1670 **General Elementary Education**
- 1710 **Occupational Home Economics**
- 1740 **Military Science**
- 1770 **Driver Education**
- 1800 **Distance Learning**

**2000 Support Services.** Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.

**2100 Support Services - Students.** Activities designed to assess and improve the wellbeing of students and to supplement the teaching process. This function includes aides for day care, playground, study hall, student escorts, and crosswalk guards. Bus aide positions required by the Individualized Education Program (IEP) for special education students should be recorded here.

- 2110 **Attendance and Social Work Services.** Activities designed to improve student attendance at school and that attempt to prevent or solve student problems involving the home, the school, and the community. Registration activities for adult education programs are included here. Some examples of other services to be reported within this function code are supervision services, attendance services, and student accounting services.
- 2111 **Supervision of Attendance and Social Work Services.** The activities associated with directing, managing, and supervising attendance and social work.
- 2112 **Attendance Services.** Activities such as prompt identification of patterns of nonattendance, promotion of improved attitudes toward attendance, analysis of causes of non-attendance, early action on problems of non-attendance, and enforcement of compulsory attendance laws. Include recruiters here.
- 2113 **Social Work Services.** Activities such as investigating and diagnosing student challenges arising out of the home, school, or community; casework and group work services for the child, parent, or both, interpreting the challenges of students for other staff members, and promoting modification of the circumstances surrounding the individual student.
- 2114 **Student Accounting Services.** Activities of acquiring and maintaining records of school attendance, location of home, family characteristics, and census data. Portions of these records become a part of the cumulative record which is sorted and stored for teacher and guidance information. Pertinent statistical reports are prepared under this function as well.
- 2115 **Parental Involvement Services.** Used for Title grants only. Activities involving parents as classroom volunteers, aides, and tutors. Includes activities after school such as parental involvement meetings and training programs to address challenges between home and school.
- 2120 **Guidance Services.** Activities involving counseling with students and parent, consulting with other staff members on learning problems, evaluating the abilities of students, assisting students as they make their own educational and career plans and choices, assisting students in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for students. Guidance services may include supervision services, counseling services, appraisal services, student record services, and placement services.
- 2121 **Supervision of Guidance Services.** Activities associated with directing, managing, and supervising guidance services.

- 2122 **Counseling Services.** Activities involving the relationship between one or more counselor(s) and one or more student(s) as counselee(s), students and students, and counselors and other staff members, all for the purpose of assisting the student to understand the student’s educational, personal, and occupational strengths and limitations, relate to the student’s abilities, emotions and aptitudes to educational and career opportunities, utilize the student’s abilities in formulating realistic plans, and achieve satisfying personal and social development.
- 2123 **Testing Services.** Activities involving an assessment of student characteristics, which are used in administration, instruction, guidance assisting the student in assessing the student’s purposes and progress in career and personality development.
- 2124 **Information Services.** Activities involving the dissemination of educational, occupational, and personal social information to help acquaint students, with the curriculum and with educational and vocational opportunities and requirements. Such information might be provided directly to students through activities such as group or individual guidance, or it might be provided indirectly to students, through staff members or parents.
- 2125 **Record Maintenance Services.** Activities organized for the compilation, maintenance, and interpretation of cumulative records of individual students, including systematic consideration of factors such as the following: Home and family background, physical and medical status, standardized test results, personal and social development, and school performance.
- 2126 **Placement Services.** Activities involved with help placing students in appropriate educational situations while they are in school, in appropriate part-time employment while they are in school, and in appropriate educational and in occupational situations after they leave school. These activities can help facilitate the student’s transition from one educational experience to another. This may include, for example, admissions counseling, referral services, assistance with records, and follow-up communications with employers.
- 2130 **Health Services.** Physical and mental health services that are not direct instruction. Include activities provided to students with appropriate medical, dental, and nursing services.
- 2131 **Medical Services.** Activities involving the physical and mental health of students, such as health appraisal, including screening for vision, communicable diseases, and hearing deficiencies, screening for psychiatric services, periodic health examinations, emergency injury and illness care, and communications with parents and medical officials.
- 2132 **Dental Services.** Activities associated with dental screening, dental care, and orthodontic activities.
- 2134 **Nursing Services.** Activities associated with nursing such as health inspections, treatment of minor injuries, and referrals for other health services.



- 2140 **Psychological Services.** Activities involving administering psychological tests and interpreting the results, gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the needs of students as indicated by psychological tests and behavioral evaluation, and planning and managing a program of psychological services, including psychological counseling for students, staff, and parents. This function includes the supervision of psychological services, related testing and counseling services, and psychotherapy services.
- 2141 **Supervision of Psychological Services.** Directing, managing, and supervising the activities associated with psychological services.
- 2142 **Psychological Testing Services.** Activities involving administering psychological tests, standardized tests, and inventory assessments of ability, aptitude, achievement, interests and personality and their interpretation for students, school personnel, and parents.
- 2143 **Psychological Counseling Services.** Activities that take place between a school psychologist or other qualified person as counselor and one or more students as counselees in which the students receive counseling services.
- 2144 **Psychotherapy Services.** Activities that provide a therapeutic relationship between a qualified mental health professional and one or more students, in which the students receive services.
- 2150 **Speech Pathology and Audiology Services.** Activities that identify, assess, and treat children with speech, hearing, and language impairments.
- 2151 **Supervision of Speech Pathology and Audiology Services.** Activities associated with directing, managing, and supervising speech pathology and audiology services.
- 2152 **Speech Pathology Services.** Activities involving the identification of children with speech and language disorders, diagnosis and appraisal of specific speech and language disorders, referral for medical or other professional attention necessary to the habilitation of speech and language disorders, provision of required speech habilitation services, and counseling and guidance of children, parents, and teachers.
- 2153 **Audiology Services.** Activities involving the identification of children with hearing loss, determination of the range, nature, and degree of hearing function, referral for medical or other professional attention as appropriate to the habilitation of hearing, language habilitation, auditory training, speech reading (lip-reading), and speech conversation as necessary, creation and administration of programs or hearing conservation, and counseling and guidance of children, parents, and teachers.
- 2160 **Occupational and Physical Therapy Services.** Activities that assess, diagnose, or treat students for all conditions requiring the services of an occupational therapist or physical therapist.
- 2180 **Visually Impaired/Vision Services.** Activities that assess, diagnose, or treat students for all conditions requiring the services of a vision services therapist.
- 2190 **Other Student Support Services.** Other support services to students not classified elsewhere in the 2100 series.

**2200 Support Services - Instructional Staff.** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This function is not available for coding in the MAEFAIRS system. Use 221X Improvement of Instruction Services or 222X Educational Media Services.

**2210 Improvement of Instruction Services.** Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, and staff training.

2211 **Supervision of Improvement of Instruction Services.** Activities associated with directing, managing, and supervising the improvement of instruction services.

2212 **Instruction and Curriculum Development Services.** Activities that aid teachers in developing the curriculum, preparing, and using special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students.

2213 **Instructional Staff Training.** Activities associated with the professional development and training of instructional personnel. These include such activities as in-service training (including mentor teachers), workshops, conferences, demonstrations, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of instructional personnel. Training that supports the use of technology for instruction should be included in this. The incremental costs associated with providing substitute teachers in the classroom (while regular teachers attend training) should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors. It should be noted that the salary of a teacher who is attending training would still be reported in 1000 Instruction.

2219 **Other Improvements of Instructional Services.** Activities for improving instruction other than those classified above.

**2220 Educational Media Services.** Activities involving the use of teaching and learning resources, including hardware, and content materials excluding library services. Educational media are defined as any devices, content materials, methods, or experiences used for teaching and learning purposes. These include printed and non-printed sensory materials.

2221 **Supervision of Educational Media Services.** Activities involving directing, managing, and supervising educational media services.

2222 **Audiovisual Services.** Activities such as selecting, preparing, and caring for, videos, transparencies, tapes, TV programs, and other similar materials, whether maintained separately or as part of an instructional materials center for instructional uses. Included are activities in the audiovisual center, TV studio, and related work-study areas, and the services provided by audiovisual personnel. Used with 440 Repair and Maintenance Services or 615 Replacement Supplies and Parts.

2223 **Educational Television Services.** Activities involving planning, programming, writing, and presenting educational programs or segments of programs by way of closed circuit or broadcast television. Instruction by way of closed circuit or broadcast television should be coded to 1000 Instruction or 1800 Distance Learning.

- 2224 **Computer-Assisted Instruction Services.** Activities involving planning, programming, writing, and presenting electronic educational projects. Instruction by way of electronic medium should be coded using 1000 Instruction or 1800 Distance Learning.
- 2225 **School Library Services.** Activities such as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials, planning for the use of the library by students, teachers, and other members of the instructional staff, and guiding individuals in their use of library books, reference guides and materials, catalog materials, special collections, and other materials, whether maintained separately or as a part of an instructional materials center. These activities include developing and acquiring library materials and operating library facilities. Textbooks should be coded to 1000 Instruction.

**2300 Support Services - General Administration.** Activities involving establishing policy by the Board of Trustees and administering policy by the superintendent about operating the school district. The chief business official should be coded to 2500 Support Services - Business.

- 2310 **Board of Trustees Services.** The activities of the elected body which has been created according to state law and vested with responsibilities for educational activities in each administrative unit.
- 2311 **Supervision of Board of Trustees Services.** Those activities concerned with directing and managing the general operation of the Board of Trustees. This includes the activities of the members of the Board of Trustees but does not include any special activities defined in the other areas of responsibility described below. It also includes any activities of the district performed in support of the school district meeting.
- 2312 **Board Secretary/Clerk Services.** Those activities required to perform the duties of the Clerk of the Board of Trustees. If proration of expenditures is not possible for board clerk services, include these expenditures under 2500 Support Services -Business.
- 2313 **Legal Services.** Activities required to perform legal services for the Board of Trustees. Includes lump sum settlement or judgment payments paid from the Litigation Reserve Fund (27), or any other allowed fund. If judgments/settlements are specifically identified in legal orders as salaries, benefits, etc., charge the payments to specific functions.
- 2314 **Election Services.** Services rendered regarding any school system election, including elections of officers and bond elections. Include payments to election judges and assistants here.
- 2315 **Audit Services.** Services rendered regarding external audit of school financial records.
- 2316 **Staff Relations Services.** Activities concerned with staff relations school system wide.
- 2317 **Negotiations Services.** Activities concerned with contractual negotiations with both instructional and non-instructional personnel.

- 2320 **Executive Administration Services.** Activities associated with the overall general administration or executive responsibility of the entire school district.
- 2321 **Office of the Superintendent Services.** The activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents in general direction and management of all affairs of the school district. This includes all personnel and materials in the office of the chief executive officer. Activities of the offices of the deputy superintendents should be charged here unless the activities can be placed into a service area. If principal services are also provided by the superintendent, expenditures may be prorated to 2400 Support Services – Administration, based on assigned duties.
- 2322 **Community Relations Services.** The activities and programs developed and operated system wide for betterment of school/community relations.
- 2323 **State and Federal Relations Services.** Those activities associated with developing and maintaining good relationships with state and federal officials.
- 2400 Support Service - School Administration.** Those activities concerned with overall administrative responsibility for a single school or a group of schools.
- 2410 **Office of the Principal Services.** Activities concerned with directing and managing the operation of a school. They include the activities performed by the principal, assistant principals, and other assistants while they supervise all operations of the school, evaluate the staff members of the school, assign duties to staff members, supervise and maintain the records of the school, and coordinate school instructional activities with those of the school district. These activities also include the work of clerical staff in support of teaching and administrative duties at the school building level.
- 2490 **Other Support Services - School Administration.** This function includes graduation expenditures and all expenses involved with full-time department chairpersons.
- 2500 Support Services - Business.** Activities concerned with paying for, transporting, exchanging, and maintaining goods and services for the school district. Included are the fiscal and internal services necessary for operating the school district. Include the chief business official here. Also include all costs of warrants, purchase order/requisition forms, and other materials and supplies used by the business office. Charge costs of the district superintendent to 2300 Support Services – General Administration.
- 2510 **Fiscal Services.** Those activities concerned with the fiscal operations of the school district. This function includes budgeting, receipting and payments of district funds, financial and property accounting, payroll, inventory control, internal auditing, investing and funds management.
- 2511 **Supervision of Fiscal Services.** The activities of directing, managing, and supervising the fiscal services area. It includes the activities of the assistant superintendent, director, or school business official whose efforts are devoted to directing and managing fiscal activities.
- 2512 **Budgeting Services.** The activities concerned with supervising budget planning, formulation, control, and analysis.
- 2513 **Receiving and Disbursing Funds Services.** The activities concerned with depositing and issuing district funds. It includes the current audit, the pre-audit of requisitions, purchase orders to determine whether the amounts are within the budgetary allowances and determining that such disbursements are lawful expenditures of the school or a school district, and the overall management of school funds.

- 2514 **Payroll Services.** Those activities concerned with issuing payroll to district staff. This includes payments made for payroll-associated costs such as federal income tax withholding, retirement, and social security.
- 2516 **Financial Accounting Services.** Those activities concerned with maintaining records of the financial operations and transactions of the school system. It includes such activities as accounting, interpreting financial transactions and account records.
- 2517 **Property Accounting Services.** Those activities concerned with preparing and maintaining current inventory records of land, buildings, and equipment. These records are to be used in equipment control and facilities planning.
- 2520 **Purchasing Warehousing and Distributing Services.** Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment, and materials, and mail used in schools or school system operations. It includes the pickup and transport of funds from school facilities to the central administration office or bank for control and/or deposit.
- 2530 **Printing, Publishing, and Duplicating Services.** The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities here include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices. Duplicating services directly related to instruction should be coded to 1000 Instruction.)
- 2540 **Planning, Research, Development, and Evaluation Services.** Activities associated with conducting and managing systemwide programs of planning, research, development, and evaluation for a school system.
  - 2541 **Planning services** include activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization or program. This also includes formulating various courses of action needed to achieve these goals by identifying needs and the relative costs and benefits of each course of action.
  - 2542 **Research services** include activities concerned with the systematic study and analysis of the various aspects of education, undertaken to establish facts and principles.
  - 2543 **Development services** include activities in the deliberate, evolving process of improving educational programs.
  - 2544 **Evaluation services** include activities concerned with ascertaining or judging the value or amount of an action or an outcome.
- 2560 **Public Information Services.** Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, and the public through direct mailing, the various news media, e-mail, the internet and websites, and personal contact. This function code includes related supervision and internal and public information services. Technology that supports this code is included in 2580 Administrative Technology Services.
- 2570 **Personnel Services.** Activities concerned with maintaining personnel for the school system. This code includes such activities as recruitment and placement, non-instructional staff training, staff transfers, in-service training, health services, and staff accounting.
  - 2571 **Supervision of Personnel Services.** The activities of directing, managing, and supervising staff services.

- 2572 **Recruitment and Placement.** Activities concerned with employing and assigning personnel for the school district.
- 2573 **Personnel Information.** Services rendered regarding the systematic recording and summarizing of personnel information relating to staff members employed by the school district
- 2574 **Non-instructional Personnel Training.** Activities associated with the professional development and training of non-instructional personnel. These include such activities as in-service training, seminars, and conferences, continuing professional education, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of non-instructional personnel. The incremental costs associated with providing temporary employees to perform job duties while regular employees attend training should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors.
- 2575 **Health Services.** Activities concerned with medical, dental, and nursing services provided for school district employees. Included are physical examinations, referrals, and emergency care outside of employee's health insurance.
- 2580 Administrative Technology Services.** Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities include expenditures for internal technology support, as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application and development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs.
- 2581 **Technology Service Supervision and Administration.** Activities concerned with directing, managing, and supervising data processing services.
- 2582 **Systems Analysis and Planning.** Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data-processing equipment.
- 2583 **Systems Application Development.** Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.
- 2584 **Systems Operations.** Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data-processing machines.
- 2585 **Network Support Services.**
- 2586 **Hardware Maintenance and Support Services.**
- 2587 **Professional Development Costs for Administrative Technology Personnel.**



- 2600 Operation and Maintenance of Plant Services.** Activities concerned with keeping the physical plant open, comfortable, and safe for use and with keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and near schools. In-service training related to operations and maintenance, including safety and security, should be reported in 2570 Personnel Services.
- 2610 **Supervision of Operation and Maintenance of Plant Services.** The activities of directing, managing, and supervising the operation and maintenance of school plant facilities.
- 2620 **Operation of Buildings Services.** Activities concerned with keeping the physical plant clean and ready for daily use. This includes operating lighting and heating, ventilating, and air conditioning (HVAC) systems and doing minor repairs, and the costs of building rental and property insurance.
- 2630 **Care and Upkeep of Grounds Services.** Activities involved in maintaining and improving the land (not the buildings). This includes snow removal, landscaping, and grounds maintenance.
- 2640 **Care and Upkeep of Equipment Services.** Activities involved in maintaining equipment owned or used by the school district. This includes activities such as servicing and repairing furniture, machines, and movable equipment.
- 2650 **Vehicle Operation and Maintenance Services** (other than student transportation vehicles). Activities involved in maintaining general-purpose vehicles such as trucks, tractors, graders, and staff vehicles. This includes activities such as repairing vehicles, replacing vehicle parts, and cleaning, painting, greasing, fueling, and inspecting vehicles for safety (e.g., preventive maintenance). Expenditures for driver’s education programs should be coded to 1000 Instruction.
- 2660 **Security Services.** Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, on a campus or in an administrative facility, or participating in school-sponsored events. This includes costs associated with security plan development and implementation, installation of security monitoring devices (e.g., cameras, metal detectors), security personnel (e.g., campus police, security guards), purchase of security vehicles and communication equipment, and related costs.
- 2670 **Safety.** Activities concerned with maintaining a safe environment for students and staff, whether they are in transit to or from school, on a campus or in an administrative facility, or participating in school-sponsored events. This includes costs associated with installing and monitoring school fire alarm systems and providing school crossing guards, as well as other costs incurred to ensure the basic safety of students and staff.
- 2700 Student Transportation Services.** Those activities concerned with the conveyance of students to and from school, as provided by state and federal law. It includes trips between home and school, and extracurricular activities or athletics.
- 2710 **Supervision of Student Transportation Services.** The activities pertaining to directing and managing student transportation services. Charge transportation supervisor’s salary here.
- 2720 **Vehicle Operation Services.** Activities involving operating vehicles for student transportation, this includes driving buses or other student transportation vehicles.



**2730 Monitoring Services.** Activities concerned with supervising students in the process of being transported between home to school and between school to school activities. Such supervision can occur while students are in transit and while they are being loaded and unloaded, and it includes directing traffic at the loading stations. Bus aides required by an IEP should be coded to 2100 Support Services – Students.

**2740 Vehicle Servicing and Maintenance Services.** Activities involved in maintaining student transportation vehicles. These include repairing vehicle parts, replacing vehicle parts, and cleaning, painting, fueling, and inspecting vehicles for safety.

**3000 Operation of Non-Educational Services.** Activities concerned with providing noneducational services to students, staff, or the community.

**3100 Food Services.** Activities concerned with providing food to students and staff in a school or school district. This service area includes preparing and serving meals or snacks relating to school activities and food delivery. This function is usually used with Program 910.

**3110 School Nutrition Daily Ala Carte Sales.** Expenditures related to ala carte services. (These sales include Lunch Sales, Breakfast Sales, Milk Sales and Snack Sales).

**3120 School Nutrition Milk Sales.** Costs of the Special Milk Program and Kindergarten Milk Program.

**3130 Catering.** Expenditures related to the costs of catering.

**3140 Summer Food Service Program - Operating.** Expenditures for operating a summer nutrition program.

**3200 Enterprise Services.** Activities that are financed and operated in a manner like private business enterprises, where the stated intent is to finance or recover the costs primarily through user charges. The school district bookstore, for example, could be charged to this code. Instruction should not be charged here, but rather to 1000 Instruction. Food services should not be charged here, but rather to 3100 Food Services.

**3300 Community Services.** Activities concerned with providing services to the community. Examples of this function would be offering parental training or operating a community swimming pool, a recreation program for the elderly, or a childcare center for working parents. Counseling for the parents of students, where the objective is to improve the education and well-being of the student, should be reported in 2120 Guidance Services. This function is used only with Program 800.

**3400 Extracurricular - Activities.** School sponsored activities for students who are not part of the regular instructional programs and for which students do not receive educational credit. Use with programs 280, 390 & 710 only. Expenditures for athletic programs should be recorded using 3500 Extracurricular - Athletics. Use program 710 and 2700 Student Transportation Services for extracurricular travel.

**3500 Extracurricular - Athletics.** School sponsored athletics that allow student participation in sports programs, normally involving competition between schools. Use with programs 280, 390 & 720 only. Expenditures for non-athletic activities should be recorded using 3400 Extracurricular - Activities. Use program 720 and 2700 Student Transportation Services for extracurricular travel.

**4000 Facilities Acquisition and Construction Services.** Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites. All expenditures charged to the 4000 series except for land improvement are to be capitalized. GAAP allows governments the option of not recording “infrastructure” assets such as sidewalks, streets, parking lots, fences, etc. as fixed assets.

4100 **Land Acquisition Services.** Activities concerned with the initial acquisition of sites and the improvements existing thereon.

4200 **Land Improvement Services.** Activities concerned with making permanent improvements to land, such as grading, fill, and environmental remediation.

4300 **Architecture and Engineering Services.** The activities of architects and engineers related to acquiring and improving sites and improving buildings. Charges are made to this function only for those preliminary activities that may or may not result in additions to the school district’s property. Otherwise, charge these services to function 4100, 4200, 4500, or 4600, as appropriate.

4400 **Educational Specifications Development Services.** Activities concerned with preparing and interpreting descriptions of specific space requirements to be accommodated in a building. These specifications are interpreted to the architects and engineers in the early stages of blueprint development.

4500 **Building Acquisition and Construction Services.** Activities concerned with buying or constructing buildings.

4600 **Building Improvements Services.** Activities concerned with building additions, reconstruction, and remodeling, as well as with installing or extending service systems and other built-in equipment.

4900 **Other Facilities.** Acquisition and construction services.

**5000 Debt Service.** Expenditures from governmental funds to retire long-term debt (obligations in excess of one year) of the school district including payments of both principal and interest. Repayment of principal on short-term notes or loans due within one year with the Board of Investments should be recorded using balance sheet account 650 Loans Payable. Interest on these short-term notes or loans should be charged to Function 2500 or 2513, Receiving and Disbursing Funds Services. Repayment of short-term notes or loans should not be recorded as an expenditure, only interest should be recorded as an expenditure. See function 6300 for refunding bonds.

**5100 General Obligation Bonds, Special Assessments, SIDs, and Interest.**

**5200 Capital Leases or Long-Term Notes with the Board of Investments.**

**5300 Interest on Registered Warrants.**

**6000 Other Financing Uses.** Includes any outlays of the governmental funds that are not properly classified as expenditures but may require budgetary and accounting control.

**6100 Operating Transfers to Other Funds.** Used to record the operating transfer from the General Fund to the Compensated Absences Fund or from the General Fund (01) to the Litigation Reserve Fund (27). Used only with program 999 and object 910. See discussion of legally authorized transfers.

Transfers between funds which are quasi-external transactions, reimbursements to correct errors, residual equity transfers, and interfund loans are not recorded here. [Unless state law prohibits, revenues should be allocated or distributed between funds when received and recorded in the funds to which they belong, rather than recording these revenues in the General Fund (01) and later transferring the revenue to other funds.] Interfund loans are not recorded here but are recorded through the balance sheet accounts 160 Interfund Loans Receivable and 601 Interfund Loans Payable in the funds affected.

**6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool.** Used to account for transfers to another district or cooperative. Examples of such transfers are lump sum contributions to a host district for a prorated share of a program budget or payments between school districts and special education cooperatives relating to each participant's share of IDEA Part B federal funds. See revenue 5700 Resources Transferred from Other School Districts or Cooperatives and 5710 Special Education Resources Transferred from Other School Districts or Cooperatives. Used with object 920 or 930.

**Resources Transferred for a Multi-District Cooperative Agreement** to the Interlocal Agreement Fund (82) as described in section 20-3-363, MCA. Used with object code 910 within the same district and object 920 for transfers to another district.

**Resources transferred from grants to Indirect Cost Pool:** Used to record the transfer of indirect cost recoveries from grants to the indirect cost pool in Miscellaneous Programs Fund (15). Also used to record indirect cost recoveries, object 940.

**6300 Refunding Bonds.** This account is used to record the fiscal agent activity and payment of bond issuance costs. See revenue 5120 Proceeds from Refunding Bonds to record the proceeds from refunding bonds.

**9999 Undistributed.** Used for:

- ✓ Residual Equity Transfers Out (XXX-999-9999-971)  
For closing obsolete funds to legally allowable fund(s) or transferring an excess balance from the Lease Rental Fund (20) or Compensated Absences Fund (21) back into the General Fund (01).  
Use revenue 9710 Residual Equity Transfers In in the receiving fund.
  
- ✓ Material Prior Period Expenditure Adjustments (XXX-999-9999-892)  
For recording prior year adjustments. These transfers should never be negative, as negative prior period adjustments are credited to revenues so budget authority limits are not changed by negative adjustments.  
  
MAEFAIRS does not accept prior period expenditure adjustments in the Miscellaneous Programs Fund (15). Prior period expenditure adjustments in Fund 15 must be entered as a negative revenue.
  
- ✓ Undistributed Benefits (X14-999-9999-2XX) for Retirement Fund (14) benefits and X01-999-9999-2XX for General Fund (01) workers' comp. benefits.

### **3.16C Expenditure Object Dimension**

This classification is used to describe the service or commodity obtained as the result of a specific expenditure. Each classification is presented by a code number followed by a description. The nine major object categories are further subdivided.

Current Expenditures:

- 1XX Personal Services—Salaries
- 2XX Personal Services—Employee Benefits
- 3XX Purchased Professional and Technical Services
- 4XX Purchased Property Services
- 5XX Other Purchased Services
- 6XX Supplies and Materials
- 7XX Property and Equipment Acquisition
- 8XX Other Expenditures (Except 892)

Adjustments to Beginning Fund Balance:

- 892 Material Prior Period Expenditure Adjustments

Other Uses of Funds:

- 9XX Other Uses of Funds

**100 Personal Services - Salaries.** Amounts paid to employees of the school district who are in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the school district.

110 **Regular Salaries.** Full-time, part-time, and prorated portions of the costs for work performed by employees of the school district who are in positions of a permanent nature. Amounts paid to employees for holidays, sick leave, vacation leave, and personal leave should be included as regular salary. Amounts paid for unused sick or vacation leave upon termination of employment should be coded to object codes 160 or 170, respectively. References: Certified Staff - Title 20 Chapter 4 MCA, School Clerk/Business Manager §20-3-325, MCA, Classified Staff- Title 39, MCA, Holiday and Vacation and Sick Leave Pay §2-18-611, and §2-18-603, MCA.

- 111 **Administrative – Certified** (School Clerk/Business Manager if duties are considered administrative)
- 112 **Professional — Educational** (Certified Staff)
- 113 **Professional — Other Certified Staff** (Librarians, Counselors, Psychologists, Physical and Speech Therapists)
- 114 **Custodial/Maintenance**
- 115 **Office/Clerical/Technology**
- 116 **Cooks**
- 117 **Para Educators**
- 118 **Bus Drivers**
- 119 **Other Supervisory Salaries - Transportation, Food, or Building Supervisor or Activities Director**

- 120 **Temporary Salaries.** Full-time, part-time, and prorated portions of the costs for work performed by employees of the school district who are hired on a temporary or substitute basis to perform work in positions of either a temporary or permanent nature. Athletic referees and judges for music or speech activities who are not regular district employees should be recorded using 340 Technical Services. Also see 150 Stipends.
- 121 **Official/Administrative**
  - 122 **Professional/Educational/Substitute Teachers**
  - 123 **Professional/Other**
  - 124 **Technical**
  - 125 **Office/Clerical**
  - 126 **Service Work**
  - 127 **Para Educators**
  - 128 **Bus Drivers**
- 130 **Overtime Salaries.** Amounts paid to employees of the school district in positions of either a temporary or permanent nature for work performed in addition to the normal work period for which the employee is compensated under regular salaries and temporary salaries above.
- 131 **Official/Administrative**
  - 132 **Professional/Educational**
  - 133 **Professional/Other**
  - 134 **Technical**
  - 135 **Office/Clerical**
  - 136 **Service Work**
- 140 **Sabbatical Leave.** Amounts paid by the school district to employees on sabbatical leave.
- 141 **Official/Administrative**
  - 142 **Professional/Educational**
  - 143 **Professional/Other**
  - 144 **Technical**
  - 145 **Office/Clerical**
  - 146 **Service Work**
- 150 **Stipends.** An additional salary paid for additional duties such as curriculum development, coaching athletics, or directing activities such as the school yearbook or newspaper, sponsoring clubs, etc. Stipends are usually limited to teaching personnel. Additional hours worked by non-teaching personnel more than 40 hours in a workweek should be recorded and paid as overtime.
- 151 **Official/Administrative**
  - 152 **Professional/Educational**
  - 153 **Professional/Other**
  - 154 **Technical**
  - 155 **Office/Clerical**
  - 156 **Service Work**
- 160 **Sick Leave Termination Pay.** Amounts paid an employee for termination sick leave pay as provided by §2-18-618 and §20-9-512, MCA. Includes annual sick leave “buy outs” or “sell backs” provided in collective bargaining agreements with certified staff.
- 170 **Vacation Leave.** Amounts paid an employee for termination vacation pay as provided by §2-18-611, MCA.

- 180 **Bonuses.** Amounts paid to employees for hiring, retention, or retirement bonuses, or severance pay.
- 200 Personal Services—Employee Benefits.** Amounts paid by the school district on behalf of employees (amounts not included in gross salary, but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services.
- 210 **Social Security and Medicare Contributions.** Employer’s share of social security and Medicare paid by the school district. See Title 19 Chapter 1, MCA. Beginning in 1991, separate records must be kept for employee and employer social security and Medicare contributions. For accounting and budgeting purposes, these amounts should be combined and recorded using this account.
- 220 **Teachers’ Retirement.** The employer’s contribution to the state Teachers’ Retirement System (TRS) for an employee. Refer to Title 19 Chapter 20, MCA.
- 230 **PERS.** Employer’s contributions to the state Public Employee’s Retirement System (PERS) for non-teaching employees. Refer to Title 19 Chapter 3, MCA.
- 240 **Unemployment Compensation.** Amounts paid by the school district to provide unemployment compensation for its employees. These charges should be distributed to the appropriate functions in accordance with the salary expenditures. Refer to Title 39 Chapter 51, MCA.
- 250 **Workers’ Compensation.** Amounts paid by the school district to provide workers’ compensation insurance for its employees. These charges should be distributed to the appropriate functions in accordance with the salary expenditures. Refer to Title 39 Chapter 71, MCA.
- 260 **Health Insurance.** That portion of premiums for health insurance for employees which is paid for by the school district. Refer to §2-18-703, MCA. Payments to an employee in lieu of health insurance should be recorded as 1XX Personal Services - Salaries and may be subject to federal and state payroll withholding liabilities and employer paid contributions.
- 261 **Retiree Health Insurance/ Post-Employment Benefits** -The portion of premiums for health insurance for retirees which is paid for by the school district.
- 262 **Dental Insurance Benefits.** The portion of premiums paid by the district for dental insurance for employees which is paid for by the school district.
- 270 **Life and Disability Insurance.** The portion of premiums for life and disability insurance for employees which is paid for by the school district.
- 280 **Other Employee Benefits.** Payments for other employee benefits such as moving expenses, car, and housing allowances, etc. if the item is not subject to federal and state payroll withholdings. If these payments are compensation subject to federal and state payroll withholding liabilities and employer paid contributions, use 1XX Personal Services – Salaries, instead of 280 Other Employee Benefits. Include administrative costs of cafeteria plans in this object.



- 300 Purchased Professional and Technical Services (Contracted).** Services performed by contracting with persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason is the services provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants.
- 310 **Official/Administrative Services.** Contracted services in support of the various policymaking and managerial activities of the school district. Included are management consulting activities oriented to general governance or business and financial management of the school district; school management support activities; and election services and tax assessing and collecting services. This object is usually used with 2300 Support Services – General Administration and 2400 Support Service – School Administration.
- 320 **Professional/Educational Services.** Contracted services supporting the instructional program and its administration. Included are curriculum improvement services, assessment, counseling and guidance services, library, and media support, and contracted instructional services. This object is usually used with 1000 Instruction, 2100 Support Services - Students, 2200 Support Services – Instructional Staff, 2220 Educational Media Services, and 2225 School Library Services.
- 321 **Distant Learning Professional—Educational Services.** Contracted services in support of distance learning programs.
- 330 **Other Professional Services.** Contracted professional services other than educational in support of the operation of the school district. Included are medical doctors, lawyers, non-capitalized architects’ fees, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, systems analysts, planners, drug testing, etc.
- 340 **Technical Services.** Contracted services to the school district which are not regarded as professional but require basic scientific knowledge and/or manual skills. Included are referees for athletic events, judges for music or speech activities, data processing services, purchasing, and warehousing services, graphic arts, etc.
- 350 **Contracted Services with Other Districts or Cooperatives.**
- 351 **Contracted Services with Other School Districts Within the State.** Includes contracts for specific services such as graphic arts, data processing, purchasing, and warehousing from other school districts rather than private contractors. Do not code transfer payments to flow funds from one school district for expenditure by another school district here; those transfers should be recorded using 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool and Object 920 Resources Transferred to Other School Districts or Cooperatives or 930 Federal or State Grant Resources Transferred to Other School Districts or Cooperatives. An example would be a lump sum contribution to a host district for a prorated share of a program budget. See revenue accounts 5700 Resources Transferred from Other School Districts or Cooperatives and 5710 Special Education Resources Transferred from Other School Districts or Cooperatives.
- 352 **Contracted Services with Other School Districts Outside the State.**

- 354 **Contracted Services with Cooperatives.** Includes contracts for services such as audiologists and speech or physical therapy from cooperatives rather than private contractors to school districts. Do not code transfer payments to flow funds from a school district for expenditure by the cooperative here; those transfers should be recorded using 280 Special Education, 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool and 920 Resources Transferred to Other School Districts or Cooperatives or 930 Federal or State Grant Resources Transferred to Other School Districts or Cooperatives. Examples would be lump sum contributions to a cooperative for a prorated share of a program budget. See revenue account 5700 Resources Transferred from Other School Districts or Cooperatives.
- 355 **Technology Contracted Services.** Contracted services to the school district for computer services, such as consulting and planning as well as ongoing or annual maintenance agreements for software.
- 400 Purchased Property Services.** Services purchased to operate, repair, maintain, and rent property owned or used by the school district. These services are performed by persons other than school district employees. Although a product may or may not result from the transaction, the primary reason is the service provided.
- 410 **Energy Utility Services.** Expenditures for energy services supplied by public or private utilities, including electricity and gas. Used only with 2600 Operation and Maintenance of Plant Services.
- 411 **Gas.** Expenditures for gas utility services from a private or public utility company.
- 412 **Electricity.** Expenditures for electric utility services from a private or public utility company.
- 420 **Other Utility Services.** Expenditures for utility services other than energy services supplied by public or private organizations. Water and sewer are included here. Telephone and telegraph are not included here but are classified under 530 Communications.
- 421 **Water/Sewage.** Expenditures for water/sewage utility services from a private or public utility company including bottled water and rental of portable sewage facilities.
- 430 **Cleaning Services.** Services purchased to clean buildings, other than such services provided by school district employees. Used only with 2600 Operation and Maintenance of Plant Services.
- 431 **Disposal Services.** Expenditures for the pick-up and handling of garbage, other than such services provided by school district personnel.
- 432 **Snow Plowing Services.** Expenditures for snow removal, other than such services provided by school district personnel.
- 433 **Custodial Services.** Expenditures for custodial services contracted with an outside contractor.

- 440 **Repair and Maintenance Services.** Expenditures for repairs and maintenance services not provided directly by school district personnel. This includes contracts and maintenance agreements covering the instructional and other equipment, upkeep of grounds, buildings, electrical, auto mechanics, and plumbing repairs; asbestos abatement; underground storage tank removal; roof, water well, and septic system replacement; and radon, asbestos, and water testing. Costs for renovating and remodeling are not included here but are classified under 460 Minor Construction Services or 725 Major Construction Services. Replacement supplies and parts used by district personnel to repair and maintain grounds, buildings, and equipment should be recorded using 615 Replacement Supplies and Parts.
- 450 **Rentals.** Costs for rental of land, buildings, equipment, and vehicles. Operating leases for long term use are also included here.
- 451 **Rental of Land and Buildings.** Expenditures for operating leases or renting land and buildings for both temporary and long-range use by the school district. Used with 2620 Operation of Building Services. Long-term capital leases for acquiring buildings should be recorded using 4500 Building Acquisition and Construction Services and 720 Purchase of Existing Buildings.
- 452 **Rental of Equipment and Vehicles.** Expenditures for operating leases or renting of equipment or vehicles for both temporary and long-range use of the school district. Lease-purchase contracts which result in acquisition of equipment or vehicles should be recorded using the appropriate 700 Capital Outlay objects.
- 455 **Repairs & Maintenance- Technology Equipment.** Includes ongoing service agreements for technology hardware (e.g., personal computers and servers) and for the costs for renting or leasing technological equipment.
- 460 **Minor Construction Services.** Amounts for minor renovating and remodeling paid to contractors. Used with 2620 Operation of Building Services or 2630 Care and Upkeep of Grounds Services. Major renovating and remodeling should be recorded using 725 Major Construction Services. Materials or replacement supplies and parts used by district personnel for minor renovating and remodeling should be recorded using 615 Replacement Supplies and Parts.
- 500 Other Purchased Services.** Amounts paid for services rendered by organizations or personnel not on the payroll of the school district (separate from professional and technical services or property services). Although a product may or may not result from the transaction, the primary reason is the service provided.
- 510 **Student Transportation Services.** Expenditures for transporting students to and from school. Student transportation for extracurricular activities or athletics should be recorded using program 710 School Sponsored Extracurricular Activities and 720 School Sponsored Athletics, and 2700 Student Transportation Services.
- 511 **Student Transportation Services from another School District within the State.** Amounts paid to other school districts within the state to transport children to and from school. These include payments to individuals who transport themselves or their own children or for reimbursement of transportation expenses using a public carrier. Expenditures for the rental of buses which are operated by school district personnel are not recorded here; they are recorded under 452 Rental of Equipment and Vehicles. Used only with 2700 Student Transportation Services.

- 512 **Student Transportation Services from another School District outside the State.** Payments to other school districts outside the state for transporting students to and from school. Used only with 2700 Student Transportation Services.
- 513 **Student Transportation Services from Private Bus Contractors.** Payments to private bus contractors for transporting students to and from school. Used only with 2700 Student Transportation Services.
- 514 **Student Transportation Services from Individuals.** Payments to individuals for transporting students to and from school or for reimbursing parents for correspondence courses offered in lieu of transportation on a TR-4. Used only with 2700 Student Transportation Services.
- 515 **Student Transportation Services Contingency.** Payments to districts for transporting newly enrolled students to and from school. These are students who enrolled after the budget has been adopted. Used only with 2700 Student Transportation Services. See §20-10-143(2), MCA.
- 516 **Instructional Field Trips.** Payments to private contractors or individuals for transporting students on instructional field trips. Usually used in General Fund (01) and 1000 Instruction.
- 520 **Insurance (other than employee benefits).** Expenditures for all types of insurance coverage including property, liability, fidelity, and student insurance. Insurance for group employee health is not charged here but is recorded under object 260 Personal Services — Employee Benefits. Used with 2100 Support Services - Students, 2310 Board of Trustees Services, 2620 Operation of Building Services, 2700 Student Transportation, 3400 Extracurricular - Activities and 3500 Extracurricular - Athletics.
- 530 **Communications.** Services provided by persons or businesses to assist in electronic communications. This category includes telephone and voice communication services; data communication services to establish or maintain computer- based communications, networking, and internet services; video communications services to establish or maintain one-way or two-way video communications via satellite, cable, or other devices; and postal communications services to establish or maintain postage machine rentals, postage, express delivery services, and couriers. Includes licenses and fees for services such as subscriptions to research materials (downloads) over the Internet. Usually used with 2300 Support Services – General Administration, 2400 Support Service – School Administration, and 2500 Support Services – Business but may be charged to other functions.
- 531 **Telephone.** Expenditures for telephone services. Used with 2300, Support Services – General Administration, 2400 Support Service – School Administration, 2500 Support Services – Business, 3400 Extracurricular-Activities and 3500 Extracurricular – Athletics. Do not charge 2600 Operation and Maintenance of Plant Services. Expenditures for internet services used in instructional programs should be recorded under 1000 Instruction.
- 532 **Postage.** Expenditures for postage and postage machine rental. Used with 2300 Support Services – General Administration, 2400 Support Service – School Administration, and 2500 Support Services – Business.

- 535 **Technology Communication Services.** Services provided by persons or businesses to assist in electronic communication services, to establish or maintain computer-based communications, networking, and Internet services; video communications services to establish or maintain one-way or two-way video communications via satellite.
- 540 **Advertising.** Expenditures for all forms of paid advertising except parent-student associations and professional fees. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional fees for advertising or public relations services are not recorded here but are charged to 330 Other Professional Services. Usually used with 2300 Support Services – General Administration, 2400 Support Service – School Administration or 2500 Support Services – Business.
- 545 **Recruitment.** Expenditures involving recruiting students for special programs. Used with function 2100 Support Services - Students.
- 550 **Printing, Binding and Duplication.** Expenditures for printing services. This includes the design and printing of forms and posters as well as printing and binding of school district publications. Preprinted standard forms are not charged here but are recorded under 600 Supplies and Materials. Usually used with function 2530 Printing, Publishing, and Duplicating Services, but may be charged to other functions.
- 560 **Tuition.** Expenditures to reimburse other educational agencies for instructional services rendered to students residing in the legal boundaries described for the paying school district. Used only with 1000 Instruction.
- 561 **Tuition to Other School Districts within the State.** Tuition paid to other school districts within the state. Used only with 1000 Instruction.
- 562 **Tuition to Other School Districts outside the State.** Tuition paid to other school districts outside the state. Used only with 1000 Instruction.
- 563 **Educational Fees to Detention Facilities.** Fees paid to Regional and County Youth Detention Facilities under §41-5-1807, MCA. Usually paid using Tuition Fund (13).
- 570 **Food Services.** Expenditures for contracting for non-employee food services. Also included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by the school district for food, supplies, labor and/or equipment would not be charged here. Used only with 3100 Food Service.
- 580 **Travel.** Expenditures for transportation, meals, hotel, and other expenditures/expenses associated with staff travel for the school district. Payments for per diem in lieu of reimbursements for subsistence (room & board) also are charges here. Used with all functions except 5000 Debt Service.
- 581 **Travel In-District.** Expenditures for mileage, transportation, meals, per diem, and other expenses associated with staff travel within the school district or cooperative service area. Travel within the school district related to student extracurricular activities and athletics is included here.
- 582 **Travel Out-of-District/In-service Training.** Expenditures for transportation, airfare, meals, per diem, hotel, registration fees, and other expenses associated with staff travel outside the school district for in-service training or other professional development activities such as serving on an advisory committee. Travel outside the school district related to student extracurricular activities and athletics is included here. Expenditures for in-service training conducted by the district are also recorded here. These

expenditures include room rentals, supplies, name badges, printing, postage, coffee, and refreshments. Fees, honorariums, and related expenses such as travel, motel, etc. for speakers are included here. This object should be used with 2213 Instructional Staff Development Services or other functions as appropriate. An internal service fund should be used to account for in-service training conducted by a host district for other school districts which reimburse the host district for costs relating to the in-service.

- 590 **Miscellaneous Purchased Services.** Other services not more appropriately accounted for under objects 501-589.
  - 591 **Miscellaneous services purchased locally.**
  - 594 **Student Room and Board - In State.** Expenditures for student room and board in state as required by state or federal regulations. Usually used with 456 IDEA, Part B and 2100 Support Services – Students.
  - 595 **Student Room and Board - Out of State.** Expenditures for student room and board out of state as required by state or federal regulations. Usually used with 456 IDEA, Part B and 2100 Support Services – Students.
- 600 Supplies and Materials.** Amounts paid for consumable supplies.
  - 610 **Supplies.** Expenditures for all supplies (other than those listed below) for the operation of a school district, including freight and cartage. Instructional materials and manipulative devices are included here. A more thorough classification of supply expenditures is achieved by identifying the object with the function, for example, audiovisual supplies or classroom teaching supplies. Used with all functions, except 4000 Facility Acquisition and Construction Services and 5000 Debt Service.
    - 615 **Replacement Supplies and Parts.** Replacement supplies and parts used by district personnel to repair and maintain grounds, buildings, and equipment. Materials or replacement supplies and parts used by district personnel for minor renovating and remodeling under the district’s capitalization threshold (usually \$5,000 or the district’s current capitalization threshold, if lower) should be included here.
  - 620 **Energy Supplies.** Expenditures for bulk gas, oil, coal, and gasoline. Services received from public or private utility companies are classified under 410 Energy Utility Services.
    - 621 **Bottled Gas.** Expenditures for bottled gas, such as propane gas received in tanks. Natural gas received through a utility company should be charged to 411 Gas. Used with 2620 Operation of Building Services. Bottled gas used in instructional programs should be coded to 610 Supplies.
    - 622 **Oil.** Expenditures for bulk oil used for heating. Used with 2620 Operation of Building Services.
    - 623 **Coal.** Expenditures for raw coal used for heating. Used with 2620 Operation of Building Services.
    - 624 **Vehicle/Equipment Fuel.** Expenditures for gasoline, diesel, and propane purchased in bulk or periodically from a supplier. Usually used with 2650 Vehicle Operation and Maintenance Services and 2720 Vehicle Operation Services. Gasoline used in instructional programs should be coded to 610 Supplies.

- 630 **Food.** Expenditures for food to operate the school food service program. Usually used with 3100 Food Services.
- 640 **Books.** Expenditures for textbooks, workbooks, reference books, sheet music, encyclopedias, and library books prescribed and available for general use by students. This category includes the costs of binding or other repairs to textbooks or school library books.
- 650 **Periodicals.** Expenditures for periodicals and newspapers for general use.
- 660 **Minor Equipment—New.** Expenditures for new equipment, the cost of which does not meet the capitalization policy of the district (usually under \$5,000).
- 670 **Minor Equipment—Replacement.** Replacement equipment may be recorded using 660 Minor Equipment—New unless the board determines it must track replacement costs (not required by the OPI). Expenditures for replacement equipment, the cost of which does not meet the capitalization policy of the district (usually under \$5,000).
- 682 **Technology Supplies.** Technology-related supplies include supplies that are typically used in conjunction with technology-related hardware or software not exceeding the capitalization threshold. Online textbooks/E-books, Kindles and iPads which fall below the capitalization threshold should be reported here and includes licenses and fees for services such as subscriptions to research materials over the internet. Used primarily with 1000 Instruction and 2580 Administrative Technology Services. Audio-visual supplies previously reported here are now reported under 610 Supplies. *Current NCES guidance (8/19/2020) recommends cloud computing and software licensing fees are coded in this object code but may change with the new federal chart of accounts to be released in the future and may fall under objects as Subscription-Based Information Technology Arrangements (SBITAs). A subsequent GASB statement may be issued.*



**700 Capital Outlay.** Expenditures for the acquisition of fixed assets, such as land, buildings, building improvements, and equipment should be charged to the following object accounts. Expenditures charged to these objects should parallel the district’s capitalization policies for fixed assets. If the district does not have a capitalization policy for threshold amounts, assets purchased from federal funds costing \$5,000 or more must be coded using one of the following appropriate 700 series object codes. Assets purchased from local or state funds should be coded to those object codes if the cost is within the district’s capitalization policy.

710 **Land.** Expenditures for the purchase of land and existing improvements thereon. Purchases of air rights, mineral rights, and the cost to prepare the land for use are included here. This object is used only with 4100 Land Acquisition Services. At the end of the fiscal year, the balance in this account should be recorded on the Fixed Asset Schedule under balance sheet account 311 Land.

715 **Land Improvements.** Expenditures for contracted construction of land improvements should be recorded here. Land improvements include: grading, landscaping, sod, seeding, and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains; installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; furnishing and installing fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; and demolition work. If district employees construct land improvements, charge 1XX Salaries, 2XX Benefits, and 610 Supplies, etc. to 2600 Operations and Maintenance of Plant Services. Charges for materials should only be used with 4200 Land Improvement Services. Infrastructure assets, such as sidewalks, curbs, gutters, etc. are not normally recorded on the Fixed Asset Schedule. If these costs are recorded as fixed assets, the balance in this account at the end of the fiscal year should be recorded on the Fixed Asset Schedule under balance sheet account 321 Land Improvements. If the district does not record these costs as fixed assets, the expenditures for capital outlay in a fiscal year will not agree with the net increase in the value of the district’s total fixed assets as shown on the Fixed Asset Schedule that year.

720 **Purchase of Existing Buildings.** Use only with 4500 Building Acquisition and Construction Services. For costs of acquiring existing buildings, including payment of the total principal portion of capital leases (excluding interest) used to purchase existing buildings. For construction of buildings, use 725 Major Construction Services.

725 **Major Construction Services.** Use with 4500 Building Acquisition and Construction Services or 4600 Building Improvements Services. Includes expenditures for constructing new buildings and major renovating and remodeling paid to contractors for major permanent structural alterations, initial or additional installation of heating and ventilating systems, electrical systems, plumbing systems, fire protection systems, other service systems in existing buildings, and architect fees to be capitalized as part of the cost of the building. Improvements to buildings (such as replacement of worn carpeting, flooring, ceiling tiles, etc.) must be classified either as repairs/maintenance or as betterments increasing the value of the building. Betterments should be charged to expenditure account XXX-XXX-46XX-725. Maintenance/repairs should be charged to expenditure account XXX-XXX-26XX-440 Repairs or 460 Minor Construction Services. At the end of the fiscal year, the balance should be recorded on the Fixed Asset Schedule under balance sheet account 331 Buildings and Building Improvements, if the project is complete, or balance sheet account 351 Construction Work in Progress.

New Buildings Constructed by Contractors: Expenditures for building new buildings or building improvements by contractors should be charged to 725 Major Construction Services.

New Buildings Constructed by District Employees: When buildings or building improvements are constructed by district employees, expenditures for 1XX Salaries, 2XX Benefits, and 6XX Supplies should be recorded under 2600 Operations and Maintenance of Plant. Materials should be recorded under 725 Buildings and Building Improvements. Building materials include carpet, drapes, built-in shelving, chalkboards, floor and ceiling tile, wood, sheet rock, etc.

- 730 **Major Equipment - New.** Expenditures for the purchase of equipment, machinery, furniture, and vehicles.
- 731 **New Machinery.** Expenditures for machinery usually composed of a complex combination of parts (excluding vehicles). Examples are lathes, drill press, printing press, etc. Usually used with 1000 Instruction and 2600 Operation and Maintenance of Plant Services.
- 732 **New Vehicles.** Expenditures for vehicles used to transport persons or objects. Examples include automobiles, trucks, buses, station wagons, and vans. Usually used with 2650 Vehicle Operation and Maintenance Services and 2700 Student Transportation Services (school buses).
- 733 **New Furniture.** Expenditures for new furniture. Furniture includes desks, chairs, moveable shelving, etc. Usually used with all functions, except 5000 Debt Service.
- 734 **Other New Equipment.** Expenditures for all other new equipment not classified elsewhere in the 730 object series.
- 735 **Major Technology Equipment and Software.** Expenditures that exceed the capitalization threshold for computer hardware and purchased software used for educational or administrative purposes, monitors, overhead projection devices for computers, and computer packages.
- 740 **Major Equipment - Replacement.** Expenditures for the replacement of equipment, machinery, furniture, and vehicles. Replacement equipment may be recorded using 730 Major Equipment-New unless the board determines it must track replacement costs (not required by the OPI).
- 741 **Replacement Machinery.** Expenditures for replacement machinery usually composed of a complex combination of parts (excluding vehicles). Examples are lathes, drill press, printing press, etc. Usually used with 1000 Instruction and 2600 Operation and Maintenance of Plant Services.
- 742 **Replacement Vehicles.** Expenditures for replacement vehicles used to transport persons or objects. Examples include automobiles, trucks, buses, station wagons, and vans. Usually used with functions 2650 Vehicle Operation and Maintenance Services and 2700 Student Transportation Services (school buses).
- 743 **Replacement Furniture.** Expenditures for replacement furniture. Furniture includes desks, chairs, moveable shelving, etc. Usually used with all functions, except 5000 Debt Service.
- 744 **Other Replacement Equipment.** Expenditures for all other replacement equipment not classified elsewhere in the 740 object series.

- 750 **Depreciation.** The portion of the cost of a fixed asset, except for land, which is charged as an expense during a period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is allocated over the estimated service life of the asset, and each accounting period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense. Depreciation expense is generally recorded for governmental activities only at year end on the Fixed Asset Schedule of the TFS. For fixed assets of enterprise funds, the depreciation expense should be recorded as an expenditure in the district’s accounting records. Land is never depreciated.
- 800 Other Objects.** Amounts paid for goods and services not otherwise classified above. May not be used with functions 5100 General Obligation Bonds, Special Assessments, SIDs and Interest, 5200 Capital Leases or Long-term Notes with the Board of Investments, 5300 Interest on Registered Warrants, 6100 Operating Transfers to Other Funds, 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pool or 6300 Refunding Bonds. Use objects below wherever appropriate.
- 810 **Dues and Fees.** Expenditures or assessments for membership in professional or other organizations.
- 820 **Judgments Against the School District.** Expenditures from current funds for all judgments against the school district that are not covered by liability insurance but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the school district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due. Only used with 2310 Board of Trustees Services.
- 830 **Special Assessments.** Expenditures to repay long term debt related to sidewalks, curbs, and storm sewers projects levied against school district property. Special assessments for maintenance fees, such as, street lighting, landfill, or garbage services, etc. should be coded to 440 Repairs and Maintenance Services or any other appropriate object.
- 840 **Principal on Debt.** Outlays from current funds to retire bonds, capital leases, and long-term loans with the Board of Investments. Include outlays from refunding bonds to retire old issues. Repayment of short-term notes or loans with the Board of Investments should not be recorded as an expenditure but recorded using balance sheet account 650 Loans Payable. Only interest on short term notes should be recorded as an expenditure.
- 850 **Interest on Debt.** Expenditures for interest on bonds, capital leases, loans with the Board of Investments, and registered warrants.
- 860 **Agent Fees.** Expenditures for a fiscal agent who handles bond and coupon redemption (5100 General Obligation Bonds, Special Assessments, SIDs, and Interest or 6300 Refunding Bonds), long term loans, or investments, commitment fees or loan origination fees charged by the Board of Investments for INTERCAP loans (5200 Capital Leases or Long-Term Notes with the Board of Investments), or fees charged by the county treasurer for administering investments in a county investment (2510 Fiscal Services).
- 865 **Bond Issuance Costs.** Use with 4600 Building Improvement Services. Debt issuance costs should be capitalized as fixed assets when bond proceeds are used to build or remodel school structures.

- 870 **Student Scholarships.** Expenditures to colleges or universities for students’ scholarships. Usually paid from the Endowment Fund (45), Private Purpose Trust Fund (81) or Miscellaneous Trust Fund (85). Usually used with 800 Community Services Programs and 3300 Community Services.
- 880 **Other Vocational Education Related Costs.** Expenditures for vocational education costs relating to student organizations, dues, registration fees, official clothing, etc.
- 892 **Material Prior Period Expenditure Adjustments.** Use with expenditure account XXX-999-9999-892. Includes expenditure adjustments relating to a prior fiscal year including adjustments for material accrual understatements, subject to the total budget limitations of the fund. Includes audit findings which result in material refunds of state or federal funds. As provided in ARM 10.10.305(2), a budget transfer may be made from other appropriations to provide budget authority for transactions recorded in this account. In the MAEFAIRS system this object is never negative, as negative prior period adjustments are credited to revenues so budget authority limits are not changed by negative adjustments.
- 900 Other Uses of Funds.** Includes transactions which are not properly recorded as expenditures by the school district but require budgetary or accounting control. Usually used with governmental type funds or expendable trust funds.

When preparing GAAP financial statements, 920 Resources Transferred to Other School Districts or Cooperatives, 930 Federal or State Grant Resources Transferred to Other School Districts or Cooperatives and 940 Indirect Costs may be classified under an appropriate function other than 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pools. The OPI uses these accounts from the TFS to eliminate duplicate reporting of expenditures on a statewide basis. They are not “Other Financing Uses” as defined by GAAP.

- 910 **Operating Transfers to Other Funds.** Used to account for the operating transfer from the General Fund (01) to Compensated Absence Fund (21), or the General Fund (01) to the Litigation Reserve Fund (27). In the General Fund (01), use 910 Operating Transfers to Other Funds to record a transfer to the Self-Insurance - Health Fund (78) to fund costs of the self-insurance fund which exceed the actuarially determined premium. Do not use 910 Operating Transfers to Other Funds to record transfers between funds which are quasi-external transactions, reimbursements to correct coding errors, residual equity transfers, or interfund loans.
- 911 **Transfers for School Safety & Security to/from Building Reserve Fund.** For transfers relating to the Building Reserve Fund (61), School Safety Subfund (611), (XXX-998-61XX-911) as permitted by §20-9-236, MCA. Use revenue account X61-611-5301 to record the revenue received. A unique PRC is required for the expenditure and revenue transfer.
- 912 **Transfers for the Building Reserve Permissive SubFund.** For transfers relating to the permissive sub-fund of the Building Reserve Fund (61) Permissive Levy Subfund (613), (XXX-999-61XX-912). Use revenue account X61-613-5302 to record the revenue received. A unique PRC is required for the expenditure and revenue transfer.
- 913 **Transfers for Transportation Levy Requirements. Expires FY 2021** For transfers relating to requirements set forth in SB 2 (special session 2017) requiring districts to transfer funds due to the elimination of the transportation block grant (XXX-997-61XX-913). Use revenue account X10-5303 to record the revenue received into the Transportation Fund (10). A unique PRC is required for the expenditure and revenue transfer.

- 914 **Transfers for Transformational Learning.** For transfers relating to the implementation of the district’s approved transformational learning plan (XXX-996-61XX-914). Use revenue account X29-5304 to record the revenue received into the Flexibility Fund (29). A unique PRC is required for the expenditure and revenue transfer.
- 920 **Resources Transferred to Other School Districts or Cooperatives.** Used to account for resources recorded as revenue by one district or cooperative but transferred to another district or cooperative for expenditure. For example, a lump sum payment or contribution to a special education cooperative for a member’s prorated share of the cooperative’s budget. The paying district or cooperative must identify the original source of the money transferred to the receiving district or cooperative. See revenue account 5700 Resources Transferred to Other School Districts or Cooperatives and 5710 Special Education Resources Transferred to Other School Districts or Cooperatives. Used with 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pools only.
- Contracts for specific services such as graphic arts, data processing, purchasing, and warehousing received from other school districts, rather than private contractors, should be recorded using code 351 Contracted Services with Other School Districts Within the State. Contracts for services, such as audiologists, speech, or physical therapy, provided by cooperatives rather than private contractors, should be recorded using 354 Contracted Services with Cooperatives. Used for transferring non-grant money to other districts or cooperatives.
- 930 **Federal or State Grant Resources Transferred to Other School Districts or Cooperatives.** Used to record the transfer of grant money received by one district or cooperative and transferred to another district or cooperative for expenditure. The paying district or cooperative must identify the original source of the money being transferred by using a PRC with the expenditure code for the transfer. See revenue account 5700 Resources Transferred to Other School Districts or Cooperatives. Use with 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pools only. Use 930 Federal or State Grant Resources Transferred to Other School Districts or Cooperatives for transferring grant money to other districts or cooperatives.
- 940 **Indirect Costs.** Used to record the transfer of indirect cost recoveries or balances under \$10 from grants to the indirect cost pool in Miscellaneous Programs Fund (15). Use with 6200 Resources Transferred to Other School Districts or Special Education Cooperatives/Indirect Cost Pools only.
- 971 **Residual Equity Transfers Out.** This account is used to record nonrecurring or nonroutine transfers of equity between funds (e.g., residual balances of discontinued funds which are transferred to the General Fund (01)). Used with 999 Undistributed and 9999 Undistributed. See revenue account 9710 Residual Equity Transfers In for recording residual equity transfers in. Total residual equity transfers out for all funds must equal total residual equity transfers in for all funds. See §20-9-208, MCA.
- 999 **Undistributed.**