



*Section 3.16C Expenditure Object Dimension  
from the*

# Chart of Accounts

Chapter 3 of the School Accounting Manual

School Finance Division – June 2023





**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. leases for long term use are also included here.
  - 451 **Rental of Land and Buildings.** Expenditures for 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 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 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).
- 564 **Educational Fees to In-State Treatment Facilities.** Fees paid to In-State Children’s Psychiatric Hospitals or Residential Treatment Facilities under §20-7-435, MCA.
- 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) per GASB statement 96. Please see the guidance on the School Finance website under [GASB](#).*

- 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 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 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, 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, 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 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 Sub fund (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 Sub Fund.** For transfers relating to the permissive sub-fund of the Building Reserve Fund (61) Permissive Levy Sub fund (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.
- 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.**