



MEMORANDUM

TO: School District Administrators; County School Superintendents

FROM: Laura Miller, Office of the Auditor General
Stacey Morley, Arizona Department of Education (ADE)

DATE: July 15, 2011

SUBJECT: *Uniform System of Financial Records (USFR) Chart of Accounts and Fund Accounting Revisions*

The enclosed USFR Section III, Chart of Accounts, and Section V, Fund Accounting, dated 7/11, supersede the previous sections. Revisions to these sections were made to incorporate provisions of Governmental Accounting Standards Board Statement No. 54. Other revisions to the Chart were made to incorporate changes to the federal chart and legislation during the past several years, and recommendations received from school districts and county school offices.

The revised governmental fund balance descriptions in the Chart and the revised Fund Accounting section are effective for districts' audited financial statements for the year ended June 30, 2011. The following revisions to the Chart will be effective July 1, 2012; however, districts are encouraged to implement these revisions for the current year.

1. Specific fund numbers were assigned to account for National Forest Fees—349, Taylor Grazing Fees—353, E-Rate—374, and Impact Aid—378 monies.
2. Fund balance codes were renumbered to provide specific codes for governmental fund balance and proprietary net assets.
3. Revenue object codes for Tuition from Individuals Excluding Summer School—1311 and Tuition from Individuals for Summer School—1312 were added to separately account for summer school tuition.
4. Expenditure object codes Current Year Insurance—6521 and Prepaid Insurance—6522 were added to separately account for current year and prepaid insurance coverage.
5. Expenditure object code 6626 was limited to unleaded fuel and expenditure object code Diesel Fuel—6627 was added to separately account for the type of fuel purchased for district vehicles.
6. Expenditure object codes Bonds—6841 and Other—6842 were added to separately account for interest paid on loans and capital leases.

Remaining revisions to the Chart are clarifications of existing guidance or changes that were previously communicated to districts that were effective July 1, 2011, or earlier and should be followed in the current year. The enclosed Chart of Account Changes document details significant changes to the Chart such as old codes compared to new codes and descriptions of changes for each section of the Chart.

School District Administrators; County School Superintendents

July 15, 2011

Page 2

The revised Chart and Fund Accounting sections will soon be incorporated into the downloadable version of the USFR available from the Auditor General's Web site at www.azauditor.gov/manuals_schooldistrict.htm.

If you have any questions on these revisions, please call the Office of the Auditor General, Accounting Services Division, at (602) 553-0333, or ADE School Finance at (602) 542-5695.

Chart of Account Changes in 7/11 Revision

The tables below present codes that were added or deleted as well as changes to existing codes that change how a transaction should be coded. All substantive changes are highlighted in the attached copy of the Chart of Accounts.

Funds		
Old Code	New Code	Description of Change
060		Full-Day Kindergarten Fund was deleted.
065		Full-Day Kindergarten Capital Fund was deleted.
100-399	100-399	Federal Projects Funds' description was updated to address other funds not assigned.
	349	A specific fund number for National Forest Fees Fund was added.
	353	A specific fund number for Taylor Grazing Fees Fund was added.
	374	A specific fund number for E-Rate Fund was added.
	378	A specific fund number for Impact Aid Fund was added.
400-499	400-499	State Projects Funds' description was updated to address other funds not assigned.
445		At-Risk Pupil Dropout Prevention Project Fund was deleted.
595	595	School Bus Advertisement Fund was changed to Advertisement Fund and the use was updated.
610	610	Removed repayment of School Capital Equity Funds from the uses of this fund.
625	625	Soft Capital Allocation Fund description was updated to agree with Laws 2011, Ch. 195, Sec. 1.
	665	Energy and Water Savings Fund was added.
670		Capital Equity Fund was deleted.
685		Deficiencies Correction Fund was deleted.
	691	Building Renewal Grant Fund was added.
800-849	800-849	Updated to include OPEB Trust Fund.
950-989	950-989	Updated to include OPEB Fund.

Balance Sheet Object Codes		
Old Code	New Code	Description of Change
0206		Loans Payable has been deleted.
0300-0330	0300 and <i>0310-0350</i>	Governmental Fund balance codes updated for GASB Statement No. 54 and detailed codes were made optional.
0350-0379	0400 and <i>0410-0430</i>	Proprietary Net Assets code was changed and detailed codes were made optional.
	0500	Trust Fund Net Assets was added.

Revenues and Other Financing Sources Object Codes		
Old Code	New Code	Description of Change
	1311	Tuition from Individuals Excluding Summer School was added.
	1312	Tuition from Individuals for Summer School was added.
1970	1970 1990	Operating Revenues was changed to Revenues from Other Departments in a District and description was updated.
1990	1990	School Bus Advertising Fees was changed to Advertising Fees.

Expenditures and Other Financing Uses Program Codes		
Old Code	New Code	Description of Change
<i>210</i>	<i>210</i>	Preschool Moderate Delay was changed to Developmental Delay.
<i>212</i>		Preschool Speech/Language Delay was deleted.
<i>310</i>	<i>310</i>	Preschool Moderate Delay was changed to Developmental Delay.
<i>312</i>		Preschool Speech/Language Delay was deleted.

Expenditures and Other Financing Uses Object Codes		
Old Code	New Code	Description of Change
6580	6290	Other Employee Benefits description was updated to include taxable meal reimbursements.
6450	6450	Construction Services description was updated to include permanent improvements.
6520	6521	Current Year Insurance was added.

Chart of Account Changes in 7/11 Revision

Expenditures and Other Financing Uses Object Codes-Cont'd		
6520	6522	Prepaid Insurance was added.
6531	6531	Telephone was changed to Telecommunications and description was updated.
6621	6621	Natural Gas description was updated to include fuel for vehicles.
6623	6623	Bottled Gas description was updated to include fuel for vehicles.
6626	6626 6627	Gasoline was split into Unleaded and Diesel Fuel and the descriptions were updated.
	6633	Other Food description was updated to include processing charges for USDA commodities.
	6634	Storage Costs for USDA Commodities was added.
6820	6820	Judgments Against the District function code was updated.
6840	6841	Bonds and description was added.
6850	6842	Other was added for interest on long-term loans and capital leases.
6850	6850	Other Interest was changed to Interest on Short-Term Debt and the description was updated.

Authorized Transfers	
Description of Change	
Condemnation to School Plant deleted Fund 500 from description.	
Energy and Water Savings to M&O was added.	
Impact Aid to M&O was added.	
M&O to Teacherage was changed to Impact Aid to Teacherage.	
Impact Aid Revenue Bond Building to Impact Aid was added.	
Impact Aid Revenue Bond Debt Service to Impact Aid was added.	
M&O to Energy and Water Savings was added.	
M&O to UCO description was updated to eliminate transfers related to federal impact aid.	
Other Postemployment Benefits to M&O was added.	
School Plant—Special Construction to School Plant deleted Fund 500 from description.	

CONTENTS

<u>Topic</u>	<u>Page</u>
INTRODUCTION.....	III-A-1
Account Code Structure.....	III-A-1
Account Code Format.....	III-A-3
Cost Allocation.....	III-A-4
FUNDS.....	III-B-1
Governmental Funds.....	III-B-1
Fiduciary Funds.....	III-B-8
Proprietary Funds.....	III-B-9
BALANCE SHEET OBJECT CODES.....	III-C-1
Assets.....	III-C-1
Liabilities.....	III-C-4
Fund Balance/Fund Net Position.....	III-C-6
REVENUES AND OTHER FINANCING SOURCES OBJECT CODES.....	III-D-1
EXPENDITURES AND OTHER FINANCING USES.....	III-E-1.1
Program Codes.....	III-E-1.1
Function Codes.....	III-E-2.1
Object Codes.....	III-E-3.1
Unit Codes.....	III-E-4
AUTHORIZED TRANSFERS.....	III-F-1
EXAMPLE ENTRIES.....	III-G-1

This Chart of Accounts prescribed for school districts provides for the establishment of a complete fund accounting system, including the recording of assets, liabilities, fund balance/fund net position, revenues, and expenditures.

The standardized account code structure for use by districts and county school superintendents has been developed to accomplish several key objectives:

- To ensure districts comply with U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) in its *Codification of Governmental Accounting and Financial Reporting Standards*.
- To establish a uniform, comprehensive, minimum chart of accounts state-wide to improve financial data collection, reporting, transmission, accuracy, and comparability among Arizona districts and nationally. The *Uniform System of Financial Records* (USFR) Chart of Accounts meets the requirements of the U.S. Department of Education's account classifications.
- To reduce the administrative burden on districts in preparing required financial reports.
- To create a logical framework that can be used to determine where monies for education originate and how they are used.
- To provide better information for administrators, parents, board members, legislators, and other interested parties.

ACCOUNT CODE STRUCTURE

The account code structure provides a basis for financial reporting and budgeting and consists of the following required elements:

1. **FUND**—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 separated to carry on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. District accounting systems must be organized and operated on a fund basis. Individual funds are first classified by category and then by fund type within each category. See §V, Fund Accounting, for information on fund types for financial reporting purposes. There are three fund categories:
 - Governmental Funds**—Funds used to account for most of a district's financial resources based on the purposes for which these resources may or must be used.
 - Fiduciary Funds**—Funds used to account for assets a district holds in a trustee capacity or as an agent for individuals, private organizations, and other governmental entities.
 - Proprietary Funds**—Funds used to account for a district's ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds are generally self-sustaining with the primary source of revenues being user charges.
2. **BALANCE SHEET CLASSIFICATIONS**—Corresponds to items normally appearing on the balance sheet. The primary account classifications are Assets, Liabilities, and Fund Balance/Fund Net Position. (III-C)

3. **REVENUES AND OTHER FINANCING SOURCES CLASSIFICATIONS**—Separates revenues by source. The source classifications are Local, Intermediate (County), State, and Federal. Other Financing Sources and Other Items are also coded here. (III-D)

4. **EXPENDITURES AND OTHER FINANCING USES CLASSIFICATIONS:**

Program—A plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. This element provides the framework for classifying expenditures by objective to determine cost. The primary program classifications are Regular Education; Special Education; Special Education Disability ESEA, Title VIII; Pupil Transportation; Programs Requiring Separate Budgets; Other Instructional; Adult/Continuing Education; Community College Education; and Community Services. (III-E-1)

Function—Describes the activity for which a service or material is acquired. The function classifications are Instruction, Support Services, Operation of Noninstructional Services, Facilities Acquisition and Construction, Debt Service, and Other Financing Uses. (III-E-2)

Object—Describes the service or material obtained as the result of a specific expenditure. The object classifications are Personal Services—Salaries, Personal Services—Employee Benefits, Purchased Professional and Technical Services, Purchased Property Services, Other Purchased Services, Supplies, Property, and Debt Service and Miscellaneous. Other Financing Uses and Other Items are also coded here. (III-E-3)

Unit—Separates expenditures by instructional level, such as elementary, high school, and district-wide and individual schools. Districts with some of their schools operating on an alternative calendar must separately budget for such schools within the district. (III-E-4)

Optional Elements—Each required element of the account code contains a specified number of digits in a specific configuration as illustrated on the next page. However, for internal management purposes, districts may assign additional, nonrequired elements, such as course or job classification. If such elements are used, they should be added after the unit code element in the account code.

Course—To accumulate costs of providing instruction in particular courses or subject groups, such as English, math, and science. As an alternative to using a separate optional element for course codes, districts may establish course codes under function 1000—Instruction.

Job Classification—To further break down expenditures for salaries and benefits by purpose, bargaining unit, or otherwise, such as office/clerical, administrative, professional-education, technical, and laborer.

Besides Course and Job Classification, districts may choose to categorize transactions by time of year, bus route, construction project, or any other method useful to the district.

ACCOUNT CODE FORMAT

The table below illustrates the required account code format. Each required element must contain the specified number of digits and must be in the specified location in the account code structure. Balance sheet and revenues and other financing sources accounts consist of fund and object code elements only. Other elements are generally zero filled. However, a district may choose to use program, function, and unit codes to better track revenues. Expenditures and other financing uses accounts consist of fund, program, function, object, and unit code elements.

Required account code numbers are shown in the Chart of Accounts in bold type. Optional numbers are italicized and not bolded. Districts are required to record transactions to the most detailed bold level for all areas.

BALANCE SHEET:					
<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXX	000	0000	0XXX	000	
REVENUES AND OTHER FINANCING SOURCES:					
<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXX	000	0000	1XXX	000	Revenue from local sources
XXX	000	0000	2XXX	000	Revenue from intermediate sources
XXX	000	0000	3XXX	000	Revenue from state sources
XXX	000	0000	4XXX	000	Revenue from federal sources
XXX	000	0000	5XXX	000	Other financing sources and other items
EXPENDITURES AND OTHER FINANCING USES:					
<u>Fund</u>	<u>Program</u>	<u>Function</u> ¹	<u>Object</u>	<u>Unit</u>	
XXX	XXX	XXXX	6XXX	XXX	(place optional elements here)
¹ The first and second digits are required. Generally, the third and fourth digits may be used at a district's option to provide additional function detail. An exception is 2330—Lobbying, which is required down to the third digit.					

COST ALLOCATION

Expenditures specifically assignable to two or more programs, functions, or units must be allocated among those programs, functions, or units. For example, the salary of a teacher who teaches both regular education and special education must be allocated among programs 100, 200, and, if applicable, 300; the salary of an individual who works in a district warehouse and also drives a school bus must be allocated between functions 2500 and 2700; and the salary of a maintenance worker who works at two schools must be allocated between the applicable school unit codes.

Districts may use an allocation base to allocate specifically assignable expenditures for which actual cost apportionment is not easily determinable. Commonly used allocation bases include average daily membership, time spent, full-time equivalent teaching staff, number of transactions, floor space occupied, labor hours, meals served, miles driven, and driver hours. The allocation base used can greatly affect the accuracy of cost allocation; therefore, districts should choose an allocation base that will most closely approximate actual costs incurred. Costs requiring allocation that are not allocated when incurred must be allocated by journal entries before the accounting records are closed at fiscal year-end.

Indirect costs such as utilities and building rent are not allocated among the various programs or functions but must be allocated at the unit code level (i.e., district-wide expenditures must be allocated among individual schools and instructional levels by year-end). However, this allocation is required only for a district's annual report cards in accordance with Arizona Revised Statutes (A.R.S.) §15-746 and is not required to be recorded in a district's accounting records.

GOVERNMENTAL FUNDS

- 001 Maintenance and Operation**—Accounts for all of a district’s financial resources except those required to be accounted for in another fund.
- 010 Classroom Site (Total)**—Classroom Site Funds 011, 012, and 013 account for the portion of state sales tax collections and permanent state school fund earnings districts receive as approved by the voters in 2000 as part of Proposition 301. Classroom Site Fund monies should be allocated to the individual funds using the percentages below. Interest revenue should be allocated to the individual funds based on the cash balance in the respective fund. Expenditures should be recorded directly in the individual funds. The monies in the three funds must be used to supplement, rather than supplant, existing monies and must not be used for administrative purposes.
- 011 Classroom Site (Base Salary)**—Accounts for 20 percent of the Classroom Site Fund monies and any prior years’ unused budget balance and interest earned for the fund. Monies are to be used for teacher base salary increases, employment-related expenses, and registered warrant expenses for the fund. A.R.S. §15-977
- 012 Classroom Site (Performance Pay)**—Accounts for 40 percent of the Classroom Site Fund monies and any prior years’ unused budget balance and interest earned for the fund. Monies are to be used for performance-based teacher compensation increases, employment-related expenses, and registered warrant expenses for the fund. A.R.S. §15-977
- 013 Classroom Site (Other)**—Accounts for 40 percent of the Classroom Site Fund monies and any prior years’ unused budget balance and interest earned for the fund. Monies are to be used for any of the following maintenance and operation purposes: class size reduction, AIMS intervention, dropout prevention, teacher compensation increases, teacher development, teacher liability insurance premiums, and registered warrant expenses for the fund. Expenditures for class size reduction, AIMS intervention, and dropout prevention programs must be appropriate expenditures under function **1000—Instruction**, excluding athletics. A.R.S. §15-977
- 020 Instructional Improvement**—Accounts for monies received from gaming revenue. Up to 50 percent of the monies received may be used for teacher compensation increases and class size reduction as provided in A.R.S. §15-977. The expenditures for class size reduction, if any, must be appropriate expenditures under function 1000—Instruction, excluding athletics. The remaining monies must be used for the following maintenance and operation purposes: dropout prevention programs and instructional improvement programs, including programs to develop minimum reading skills for students by the end of the third grade. The monies in the fund may not be used to supplant existing state and local monies. A.R.S. §15-979
- 050 County, City, and Town Grants**—Accounts for monies received from county, city, and town grants.

- 071 **Structured English Immersion**—Accounts for monies received to provide for the incremental cost of instruction to English language learners (ELLs) and must be used to supplement existing programs. In accordance with A.R.S. §15-756.03, monies must not be used to supplant federal, state, or local monies, including desegregation monies, previously used for ELLs, or used to pay for the normal costs of conducting programs for English-proficient students. As defined in A.R.S. §15-756.01, incremental costs are the costs that are associated with a structured English immersion program pursuant to A.R.S. §15-752 or a program pursuant to A.R.S. §15-753 and that are in addition to the normal costs of conducting programs for English-proficient students. Incremental costs do not include costs that replace the same types of services provided to English-proficient students or compensatory instruction. A.R.S. §15-756.04

- 072 **Compensatory Instruction**—Accounts for monies received to be used for compensatory instruction for programs in addition to normal classroom instruction that may include individual or small group instruction, extended day classes, summer school, or intersession school. These programs are limited to improving the English proficiency of current ELLs and students who have been reclassified from ELL to English-proficient within the previous 2 years. Monies must not be used to supplant federal, state, or local monies, including desegregation monies, previously used for ELLs. A.R.S. §15-756.11

- 100-399 **Federal Projects**—A group of funds used to account for revenues and expenditures of federally funded projects. A separate fund should be established for each individual program. **If a federal project is not specifically listed below, an unassigned fund number in the 300-399 range should be assigned for that project.**
 - 100-130 **ESEA Title I—Helping Disadvantaged Children Meet High Standards**
 - 140-150 **ESEA Title II—Professional Development and Technology**
 - 160 **ESEA Title IV—21st Century Schools**
 - 170-180 **ESEA Title V—Promote Informed Parent Choice**
 - 190 **ESEA Title III—Limited English & Immigrant Students**
 - 200 **ESEA Title VII—Indian Education**
 - 210 **ESEA Title VI—Flexibility and Accountability**
 - 220 **IDEA Part B**
 - 230 **Johnson-O’Malley**
 - 240 **Workforce Investment Act**
 - 250 **AEA—Adult Education**
 - 260-270 **Vocational Education—Basic Grants**
 - 280 **ESEA Title X—Homeless Education**
 - 290 **Medicaid Reimbursement**
 - 349 **National Forest Fees**
 - 353 **Taylor Grazing Fees**

- 374** E-Rate (A.R.S. §15-1261)
- 378** Impact Aid [A.R.S. §15-905(R)]
- 300-399** Other Federal Projects
- 400-499** **State Projects**—A group of funds used to account for revenues and expenditures of state-funded projects. If a state project is not specifically listed below, an unassigned fund number in the 465-499 range should be assigned for that project.
 - 400** Vocational Education
 - 410** Early Childhood Block Grant
 - 420** Ext. School Yr.—Pupils with Disabilities (A.R.S. §15-881)
 - 425** Adult Basic Education (A.R.S. §15-234)
 - 430** Chemical Abuse Prevention Programs (A.R.S. §15-712)
 - 435** Academic Contests (A.R.S. §15-1241)
 - 450** Gifted (A.R.S. §15-779.03)
 - 455** Family Literacy Program (A.R.S. §15-191.01)
 - 460** Environmental Special Plate (A.R.S. §37-1015)
 - 484** Failing Schools Tutoring Grant (A.R.S. §15-241)
- 465-499** Other State Projects
- 500** **School Plant (Lease Over 1 Year)**—Accounts for monies received from the sale of school property before July 1, 1998, or lease of school property for more than 1 year and used for the payment of outstanding bonded indebtedness, the reduction of district taxes, maintenance and operation, or capital outlay under criteria specified in A.R.S. §15-1102.
- 505** **School Plant (Lease 1 Year or Less)**—Accounts for monies received from the lease of school property for 1 year or less and used for the payment of outstanding bonded indebtedness, the reduction of district taxes, maintenance and operation, or capital outlay under criteria specified in A.R.S. §15-1102.
- 506** **School Plant (Sale)**—Accounts for monies received from the sale of school property after June 30, 1998, and used for the payment of outstanding bonded indebtedness, the reduction of district taxes, or capital outlay under criteria specified in A.R.S. §15-1102. However, monies received from the sale of land originally purchased with School Facilities Board monies must be returned to the State in accordance with A.R.S. §15-2041(F).
- 510** **Food Service**—Accounts for the financial operations of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions. A.R.S. §15-1154
- 515** **Civic Center**—The district’s governing board may permit the use of school facilities under its direction for civic activities as defined in A.R.S. §15-1105, such as parent-teacher association meetings, public forums, lectures, and clubs. Monies received for use of school facilities and the related expenditures must be accounted for in this fund. In accordance with A.R.S. §15-342(29), if program needs are met, excess monies may be used for maintenance

- and operation or unrestricted capital outlay purposes. Upon termination of the civic center school program, any unused monies must be transferred to the School Plant Fund (500 or 505).
- 520 Community School**—Accounts for revenues and expenditures for purposes of academic and skill development for all citizens in accordance with A.R.S. §15-1141 et seq. In accordance with A.R.S. §15-342(30), if program needs are met, excess monies may be used for maintenance and operation or unrestricted capital outlay purposes. Upon termination of a community school program, any unused monies must be transferred to the Maintenance and Operation Fund. A.R.S. §15-1143
- 525 Auxiliary Operations**—Accounts for revenues and expenditures arising from bookstore operations, athletic operations, and miscellaneous district-related operations. Revenues may include the sale or rental of books, supplies and materials; course fees; fees for optional, noncredit, educational, or recreational activities; deposits for the use of district supplies; athletic gate receipts and concession sales; and other miscellaneous receipts. This fund may also be used to account for revenues and expenditures of monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01 and spent on the activities for which they are collected. Districts must maintain detailed records to ensure that tax credit monies are used only for allowable expenditures and in support of both the school and purpose designated by the taxpayer.
- 526 Extracurricular Activities Fees Tax Credit**—Accounts for revenues and expenditures of monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01. Amounts in this fund should be spent on the activities for which they are collected and districts must maintain detailed records to ensure that tax credit monies are used only for allowable expenditures and in support of both the school and purpose designated by the taxpayer. Districts may choose to account for these monies in the Auxiliary Operations Fund rather than this fund.
- 530 Gifts and Donations**—Accounts for the revenues and expenditures of gifts, donations, bequests, and private grants made to a district. A.R.S. §15-341(A)(14)
- 535 Career and Technical Education and Vocational Education Projects**—Accounts for revenues and expenditures relating to the production and subsequent sale of items produced in an instructional program by career and technical education and vocational education pupils. Monies in the fund in excess of \$100,000 at fiscal year-end must be transferred to the School Plant Fund (506). A.R.S. §15-1231
- 540 Fingerprint**—Accounts for revenues and expenditures related to fingerprinting employees. A.R.S. §15-512
- 545 School Opening**—Accounts for monies transferred in from the Maintenance and Operation Fund ending cash balance to be used for maintenance and operation purposes incurred in the first year of operation of a new school within a district. At the end of 5 years without any activity in the fund, any remaining monies must be transferred to the Maintenance and Operation Fund. A.R.S. §15-943.01

- 550 Insurance Proceeds**—Accounts for the monies received from insurance claims. Districts may use such proceeds to pay outstanding bonded indebtedness or to construct, acquire, improve, repair, or furnish school buildings after notice and a hearing. A.R.S. §15-1103
- 555 Textbooks**—Accounts for monies received from students to replace or repair lost or damaged textbooks, subject matter materials, supplementary books, or instructional computer software in accordance with A.R.S. §15-729. Additionally, monies received from students to replace or repair lost or damaged library books may be accounted for here or in the Unrestricted Capital Outlay or Soft Capital Allocation Fund. Monies received from the sale of books and other printed materials should be accounted for in the Auxiliary Operations Fund.
- 565 Litigation Recovery**—Accounts for monies received for and derived from the settlement of legal controversies or from the recovery of costs, attorney fees, or damages in litigation by or against a district in accordance with A.R.S. §15-1107. Expenditures from the fund may be made to procure legal services or for the costs of litigation. However, if monies are received specifically for the purpose of replacing or repairing school buildings or other school property, the monies may only be used to:
1. Pay any outstanding bonded indebtedness of a district that is payable from the levy of taxes on property within a district.
 2. Construct, acquire, improve, repair, or furnish school buildings after notice and a hearing.
 3. Replace or repair school property other than school buildings.
- 570 Indirect Costs**—Accounts for monies received from federal projects, including the Food Service Fund, for administrative costs. A district may use this fund only when it has obtained an indirect cost rate approved by the Arizona Department of Education.
- 575 Unemployment Insurance**—Used by districts using the reimbursement method of accounting for unemployment insurance contributions. Deposits to this fund consist of contributions from other funds. Expenditures consist of reimbursement payments to the Department of Economic Security. When the governing board determines that monies accumulated are in excess of insurance needs, the excess must be used to reduce district taxes for the budget year. A.R.S. §15-1104
- 580 Teacherage**—Accounts for the operations of district housing facilities provided for district employees that the governing board determined necessary for district operation. Revenues consist of lease and rental receipts. Disbursements consist of payments for maintenance, operation, and debt service related to teacherages. Also, districts located on Indian and federal lands may purchase houses, including mobile and modular housing, to be used exclusively as teacherages. A.R.S. §§15-342(6) and 15-1106
- 585 Insurance Refund**—Accounts for insurance premium payments that are refunded to a district at the end of a fiscal year. The monies may be used for insurance premium payments; placed into a trust to be used for payments of uninsured losses, claims, defense costs, and other related expenses as provided in A.R.S. §15-382; or used for reduction of district taxes in the budget year. A.R.S. §15-386

590 **Grants and Gifts to Teachers**—Accounts for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes. A.R.S §15-1224

595 **Advertisement**—Accounts for monies received from the sale of advertising that may be used for any district purpose. A.R.S. §15-342(27)(c)

596 **Joint Technical Education**—Accounts for monies received by member districts from Joint Technical Education Districts for vocational education programs. A.R.S. §15-393

610 **Unrestricted Capital Outlay**—Accounts for transactions relating to the acquisition of items by purchase, lease-purchase, or lease as prescribed by A.R.S. §15-903(C). Revenues include equalization assistance, tuition, property taxes, and interest on investments. Expenditures include:

1. Land, buildings, and improvements to land and buildings, including labor and related employee benefits costs and material costs if the work is performed by district employees
2. Furniture, furnishings, athletic equipment, and other equipment, including computer software
3. Pupil and nonpupil transportation vehicles and equipment, including all capital expenditures within a contract if a district contracts for pupil transportation
4. Textbooks and related printed subject matter materials adopted by the governing board
5. Instructional aids
6. Library books
7. Payment of principal and interest on bonds
8. District administration emergency needs that are directly related to pupils

620 **Adjacent Ways**—Accounts for transactions relating to special assessments to finance the improvement of public ways adjacent to school property, in accordance with A.R.S. §15-995.

625 **Soft Capital Allocation**—Accounts for the district’s soft capital allocation in accordance with A.R.S. §15-962. Monies in the fund may be used for short-term capital items that are required to meet academic adequacy standards such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture, and equipment.

630 **Bond Building**—Accounts for proceeds from district bond issues that are used for acquiring or leasing school sites; constructing or renovating school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; purchasing pupil transportation vehicles; or paying existing bonded indebtedness in accordance with A.R.S. §15-491(A)(3). Interest earned on investments must be used to reduce outstanding bonded indebtedness, unless a district requests the monies be deposited in the Bond Building Fund (if federal laws or rules require the interest to be used for capital expenditures) or the voters authorized the interest to be credited to the Bond Building Fund in a separate question

in a bond election. If there is no outstanding bonded indebtedness, such interest should be transferred to the Maintenance and Operation Fund. A.R.S. §15-1024

- 639 Impact Aid Revenue Bond Building**—Accounts for proceeds from impact aid revenue bond issuances that are used for capital projects authorized in accordance with A.R.S. §15-491. The proceeds may also be used for bond-related expenses and other costs as allowed by A.R.S. §15-2102. Interest earned on investment of these monies must be credited to the Impact Aid Revenue Bond Debt Service Fund. After the acquisition or construction of facilities for which the bonds were issued is completed, and after the payment of other related costs, the remaining balance must be transferred to the Impact Aid Fund. A.R.S. §§15-905(R), 15-2104, 15-2107, and 15-2108
- 640 School Plant—Special Construction**—Accounts for proceeds from the sale of school property to be used for the purchase of school sites or for the construction, improvement, or furnishing of school buildings, as approved by district electors. After 10 years, any unused monies must be transferred to the School Plant Fund (506). A.R.S. §15-1102(F)
- 650 Gifts and Donations—Capital**—Accounts for gifts and donations to be used for capital acquisitions. A.R.S. §15-341(A)(14)
- 660 Condemnation**—Used for the following purposes. A.R.S. §15-1102(G) and (H)
1. Proceeds from sales by condemnation or threat of condemnation may be accounted for in this fund. If accounted for in this fund, these proceeds must be used either:
 - a. For the payment of a district’s outstanding bonded indebtedness that is payable from the levy of taxes upon the property within the district, or
 - b. To construct, acquire, improve, repair, or furnish school buildings or sites after notice and a hearing.
 2. Proceeds from a right-of-way settlement must be accounted for in this fund. These proceeds must be used to construct, acquire, improve, repair, or furnish school buildings or sites after notice and a hearing.
- After 10 years, any unused monies must be transferred to the School Plant Fund (506).
- 665 Energy and Water Savings (EWS)**—Accounts for capital investment monies, energy-related rebate or grant monies, and monies from other funding sources, including clean renewable energy bonds, to fund energy or water saving projects in school facilities in accordance with A.R.S. §15-910.02. This fund also accounts for monthly payment amounts transferred to the EWS Fund from the Maintenance and Operation Fund. Any monies associated with an energy or water savings project remaining in the fund after capital investment monies are repaid in full may also be transferred to the Maintenance and Operation Fund.
- 686 Emergency Deficiencies Correction**—Accounts for monies received from the School Facilities Board to correct emergency deficiencies. A.R.S. §15-2022

- 690 Building Renewal**—Accounts for monies received from the School Facilities Board to be used for major renovation and repairs of buildings; upgrading systems and areas that will maintain or extend buildings’ useful lives; infrastructure costs; and the relocation and placement of portable and modular buildings as prescribed by A.R.S. §15-2031. These monies may not be used for new construction; remodeling interior space for aesthetic or preferential reasons; exterior beautification; demolition; soft capital items; or routine maintenance except as provided for in A.R.S. §§15-2002(K) and 15-2031(L) and (M). For detailed guidance on the use of these monies, refer to the School Facilities Board guidelines.
- 691 Building Renewal Grant**—Accounts for building renewal grant monies that districts may request from the School Facilities Board. These monies may be used for major renovations and repairs to buildings, upgrading systems and areas that will maintain or extend buildings’ useful lives, and infrastructure costs. These monies may not be used for new construction; remodeling interior space for aesthetic or preferential reasons; exterior beautification; demolition; soft capital items; or routine preventative maintenance. A.R.S. §15-2032
- 695 New School Facilities**—Accounts for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites as prescribed by A.R.S. §15-2041. Any surplus monies received from the School Facilities Board may be used only for capital purposes for the project up to 1 year after completion of the project. Any surplus monies remaining after 1 year must be returned to the School Facilities Board.
- 699 Federal Impact Aid (Construction)**—Accounts for impact aid monies that are received specifically for construction.
- 700 DEBT SERVICE FUNDS**—Account for the accumulation of resources and the payment of principal and interest on bonds. A.R.S. §15-1022
- 720 Impact Aid Revenue Bond Debt Service**—Accounts for impact aid monies received and interest earned that is used for the payment of impact aid revenue bond principal and interest payments. Any surplus monies remaining in the fund must be transferred to the Impact Aid Fund. A.R.S. §§15-905(R), 15-2104, 15-2107, 15-2108, and 15-2109
- 750 PERMANENT FUNDS**—Accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support district programs.

FIDUCIARY FUNDS

800-849 Trust Funds

Pension Trust Funds—Accounts 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, or other benefit plans. Typically, these funds are used to account for local pension and other employee benefit funds that are provided by a district in lieu of or in addition to any state retirement system.

Monies to fund other postemployment benefits (OPEB) that are deposited in a trust account in accordance with A.R.S. §15-1225 should be included as a Pension Trust Fund (OPEB Trust Fund). The OPEB Trust Fund accounts for monies accumulated to pay for postemployment benefits offered to district employees or their spouses and dependents. This fund may be used for administrative and management costs and payment of benefits. Postemployment benefits do not include benefits provided by the Arizona State Retirement System. If monies to fund other postemployment benefits are not deposited in a trust account, they should be accounted for in an Internal Service Fund.

Investment Trust Funds—Accounts for the external portion (i.e., the portion that does not belong to a district) of investment pools operated by a district.

Private-Purpose Trust Funds—Accounts for other trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

850-899 Agency Funds

850 Student Activities—Accounts for all monies raised with the approval of the governing board by the effort of students in pursuance of or in connection with all activities of student organizations, clubs, school plays, or other student entertainment other than Auxiliary Operations Fund monies. A.R.S. §15-1121

855 Employee Insurance Program Withholdings—Accounts for monies received from employees, monies contributed by a district, and monies received from former employees, current and former board members, and board members' surviving spouses and dependents, to be used for the payment of insurance premiums. Disbursements may only be made to insurance carriers or to make refunds of insurance premiums to individuals. The governing board must transfer any interest at fiscal year-end to the Maintenance and Operation Fund. A.R.S. §15-1223

865 State Income Tax Withholdings—Accounts for monies withheld from employees for state income tax until remitted to the Arizona Department of Revenue. Disbursements may be made only to the Department of Revenue. The governing board must transfer any interest at fiscal year-end to the Maintenance and Operation Fund. A.R.S. §15-1222

PROPRIETARY FUNDS

900-949 Enterprise Funds—Accounts for activities that provide goods or services to external users for a fee. Enterprise funds are required to be used to account for any activity whose principal revenue sources meet any of the following criteria: (1) debt backed solely by revenues from fees and charges (thus, not debt that is backed by the full faith and credit of a district); (2) legal requirement to recover costs through fees and charges; (3) policy decision of the governing board or management to recover the costs of providing services through fees or charges.

950-989 Internal Service Funds—Accounts for activities that provide goods or services to other funds, departments, component units, or other governmental entities on a cost-reimbursement basis. The use of an internal service fund is appropriate only for activities in which a district is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund. Examples of internal service funds are activities such as central data processing, central printing and duplicating, and self-insurance.

District Services Funds established in accordance with A.R.S. §15-1108 should be accounted for as Internal Service Funds.

Monies to fund other postemployment benefits (OPEB) that are not deposited in a trust account in accordance with A.R.S. §15-1225 should be accounted for as an Internal Service Fund (OPEB Fund). The OPEB Fund accounts for monies accumulated to pay for postemployment benefits offered to district employees or their spouses and dependents. This fund may be used for administrative and management costs and payment of benefits. At the end of 5 years of no activity in the fund, any remaining monies must be transferred to the Maintenance and Operation Fund. Postemployment benefits do not include benefits provided by the Arizona State Retirement System. A.R.S. §15-1225

955 Intergovernmental Agreements—Used by a fiscal agent to account for monies of an intergovernmental agreement (IGA). Revenues include amounts received from participants. Expenditures include salaries, supplies, etc. (Depending on specific provisions of the agreement, IGAs may also be accounted for in a Trust or Agency Fund.) A.R.S. §15-342(13)

ASSETS

- 0100 CASH**—Currency, coins, checks, warrants, postal and express money orders, and bank drafts on hand, in transit, on deposit in a financial institution, or on deposit with an official or agency designated as custodian of cash and bank deposits.
- 0101 Cash on Hand**—Cash physically located at a district or in the possession of its representative, such as cash from sales of student lunches that has not been deposited in the bank.
- 0102 Cash in Bank**—All funds on deposit with a bank or savings and loan institution, including time certificates of deposit. Revolving fund monies should be recorded here.
- 0103 Cash on Deposit with County Treasurer**
- 0105 Cash with Fiscal Agent**—Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest.
- 0110 INVESTMENTS**—U.S. government securities and other investments held for the earning of income in the form of interest or dividends. Investments should be presented at fair value as of the reporting date. Gains and losses from changes in the fair value of investments should be coded to revenue object code 1530.
- 0111 Unamortized Premiums**
- 0112 Unamortized Discounts (Credit)**
- 0120 TAXES RECEIVABLE**—The uncollected portion of the tax levy that has become due, including interest or penalties that may be accrued. Separate accounts should be maintained on the basis of tax type (real or personal) and collection status (current or delinquent).
- 0121 Personal Property Taxes—Current Year**
- 0122 Personal Property Taxes—Back (prior years)**
- 0123 Real Property Taxes—Current Year**
- 0124 Real Property Taxes—Back (prior years)**
- 0130 OTHER RECEIVABLES**—Amounts due (other than property taxes) from individuals or business entities for goods or services furnished by a district.
- 0131 Revenue in Lieu of Taxes**—For example, payments from Salt River Project.
- 0132 Accounts Receivable**—Amounts due on open account from individuals or other entities.
- 0134 Interest Receivable**—Amount of interest receivable on investments.
- 0135 Refundable Deposits**—District monies held by business entities or individuals as security or as a prerequisite to receiving goods or services.

CHART OF ACCOUNTS

BALANCE SHEET OBJECT CODES

- 0136** **Notes Receivable**—Amounts due from a note or mortgage received from the sale of district buildings or property.
- 0140** **DUE FROM OTHER FUNDS AND GOVERNMENTAL ENTITIES**—Amounts due from another fund within a district or from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for a district by another governmental unit, charges for goods or services rendered, and monies held by other governmental units as security.
- 0141** **Other Funds**
- 0142** **Other Districts**
- 0143** **County**
- 0144** **State**
- 0145** **Federal**
- 0150** **PREPAID ITEMS**—Cash outlays for benefits that have not been received.
- 0151* **Insurance**—Amounts paid for insurance coverage not yet received, such as fire insurance and property insurance paid in advance.
- 0160** **INVENTORY OF SUPPLIES FOR CONSUMPTION**—Supplies on hand, valued at cost, that will be used for district operations.
- 0161* **Supplies**—General supplies used in district operations.
- 0162* **Fuel and Oil**—Supplies used for transportation activities.
- 0170** **INVENTORY OF SUPPLIES FOR SALE OR RENTAL**—Inventory on hand, valued at cost or market, that will be sold or rented.
- 0171* **Bookstore**—Inventory sold or rented by the bookstore.
- 0172* **Food and Milk**—Food service inventory, including USDA commodities.
- 0180** **OTHER CURRENT ASSETS**
- 0181** **Capitalized Bond and Other Debt Issuance Costs**—Represents certain bond and other debt issuance costs, including lease-purchase debt issuance costs, that are capitalized for the purpose of accounting for the cost/valuation basis of capital assets.
- 0182** **Premium and Discount on Issuance of Bonds**—Represents amounts to be amortized as debt premium/discount in connection with the issuance of bonds.
- 0190** **CAPITAL ASSETS**—District assets such as land and land improvements, buildings and building improvements, and equipment. For discussion of capital asset valuations, see §VI-E. The following criteria must be met for an item to be included in this account.
1. The useful life of the item must equal or exceed 1 year.

2. The unit cost or value assigned must meet the capitalization thresholds established by a district. Thresholds may not exceed \$5,000 for land, buildings, and related improvements, and equipment.
3. Improvements do not include repairs or maintenance performed on assets to restore them to operating condition.
4. If a lease agreement's terms meet certain criteria as outlined in §VI-E, the lease should be considered in substance a purchase of an asset, and the item being leased should be capitalized.

0191 Land and Land Improvements—Land owned by a district, including legal fees, razing, filling, excavation, and other associated costs that are incurred to put the land in condition for its intended use. Further, permanent improvements to land, such as grading and fill, should be accounted for in this account. Land and land improvements are considered nonexhaustible assets owing to their significantly long expected useful life and should not be depreciated. Therefore, these assets will not result in a depreciation expense.

0192 Site Improvements—Account that reflects the value of nonpermanent improvements to building sites, other than buildings, that add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. Because these improvements decrease in their value/usefulness over time, it is appropriate to depreciate these assets. Therefore, all capitalized site improvements should be depreciated over their expected useful life.

0193 Accumulated Depreciation on Site Improvements—Accumulated amounts for the depreciation of site improvements.

0194 Buildings and Building Improvements—Account that reflects the acquisition value of permanent and relocatable structures used to house persons and property owned by a district. This account includes the value of all permanent buildings and the fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements, including upgrades made to building wiring for technology.

0195 Accumulated Depreciation on Buildings and Building Improvements—Accumulated amounts for the depreciation of buildings and building improvements.

0196 Equipment—Account that reflects the value of machinery, vehicles, computers, software, furniture, and other equipment, including specialized electronic and athletic equipment.

0197 Accumulated Depreciation on Equipment—Accumulated amounts for the depreciation of equipment.

0198 Construction in Progress—Account that reflects the value of construction undertaken but not yet completed. When completed, the cost must be transferred to the appropriate asset account.

LIABILITIES

0200 NONPAYROLL PAYABLES—Amounts owed for goods or services received and monies borrowed; also, refundable deposits held by a district.

0201 Accounts Payable—Amounts owed on open accounts for goods or services received, such as maintenance agreements, professional services, rentals, and operating leases.

0202 Refundable Deposits—Liability for amounts received as a prerequisite to providing goods or services, such as deposits made by students on textbooks and lab deposits.

0203 Bank Revolving Line of Credit Payable—Liability for monies borrowed through a revolving line of credit as authorized by A.R.S. §11-604.01.

0204 Overdraft of Cash on Deposit with County Treasurer—Outstanding warrants for which cash is unavailable at fiscal year-end, including district warrants registered by the County Treasurer pursuant to A.R.S. §15-996(3).

0205 Tax Anticipation Notes Payable—Amounts owed on tax anticipation notes issued by a district pursuant to A.R.S. §35-465.01.

0210 DUE TO OTHER FUNDS, GOVERNMENTAL ENTITIES, STUDENT GROUPS, AND OTHERS—Amounts due to another fund, another governmental unit, student group within a district, or another entity.

- 0211 Other Funds**
- 0212 Other Districts**
- 0213 County**
- 0214 State**
- 0215 Federal**
- 0216 Student Groups**
- 0217 Others**

0220 ACCRUED PAYROLL AND RELATED BENEFITS—Salary and fringe benefit costs incurred but not yet paid during the current accounting period.

0221 Salaries and Wages (Gross)—Gross amount of salaries and wages earned by employees but not due until a later date.

0222 Social Security—OASDI (Employer’s Portion)—Amount of matching social security taxes incurred as a result of salaries and wages earned by employees.

CHART OF ACCOUNTS

BALANCE SHEET OBJECT CODES

- 0223 Medicare—Hospital Insurance (Employer’s Portion)**—Amount of matching Medicare taxes incurred as a result of salaries and wages earned by employees.
- 0224 State Retirement System Contributions (Employer’s Portion)**—Amount of matching state retirement contributions incurred as a result of salaries and wages earned by employees. Include both state retirement and related long-term disability contributions.
- 0225 Employee Insurance**—Amount incurred for premiums on insurance for employees (health and accident, medical, life, etc.) provided by a district.
- 0226 Unemployment Insurance**—Amount incurred for unemployment insurance taxes.
- 0227 Workers’ Compensation**—Amount incurred for workers’ compensation premiums.
- 0228 Self-Insurance Employee Claims Payable**—Amount owed to employees for insurance claims from the Self-Insurance Fund.
- 0229 Compensated Absences**—Liability for accrued vacation and sick leave benefits.
- 0230 OTHER ACCRUED ITEMS**—Costs incurred but not yet paid during the current accounting period.
- 0231 Interest Payable (Other than Bond Interest)**—Interest costs incurred but not yet paid during the current accounting period, including interest on tax anticipation notes.
- 0232 Bond Interest Payable**—The current portion of the liability for interest on bonds issued. Includes interest expense incurred but not yet paid.
- 0233 Self-Insurance Claims Payable**—Amounts owed from an Internal Service Fund (Self-Insurance) for claims and judgments payable to other than employees.
- 0240 PAYROLL DEDUCTIONS AND WITHHOLDINGS (EMPLOYEES)**—Amounts deducted from employees’ salaries that have not yet been paid to the respective agencies.
- 0241 Federal Income Taxes**
- 0242 State Income Taxes**
- 0243 Social Security—OASDI**
- 0244 Medicare—Hospital Insurance**
- 0245 State Retirement Contributions**—Amounts deducted from employees’ salaries for state retirement contributions. The portion representing long-term disability contributions should be recorded under balance sheet object code 0246.
- 0246 Long-Term Disability**—Amounts deducted for long-term disability benefits from the salaries of employees who participate in the Arizona State Retirement System.

- 0247** **Voluntary Deductions**—Amounts of voluntary deductions, such as annuities and dependent health insurance premiums that have not yet been paid.
- 0248** **Court-Ordered Assignments**—Amounts garnished from the salaries or wages of employees for child support or spousal maintenance pursuant to a court-ordered assignment of earnings. A.R.S. §§25-504 and 25-505.01
- 0250** **DEFERRED REVENUES**—Revenues collected before they are earned, or revenues that are measurable but not available, such as property taxes and grants.
- 0260** **CONTRACTS PAYABLE**—Amounts due on written contracts for assets received by a district.
- 0261** **Capital Leases**—Amounts due on capital lease agreements.
- 0262** **Construction**—Amounts due on construction contracts.
- 0270** **BONDS PAYABLE**—Liability for outstanding bonds.
- 0271** **Current**—Amounts for redemption of bonds that are payable within 1 year.
- 0272** **Long-Term**—Amounts for redemption of bonds that are not payable within 1 year.
- 0280** **ARBITRAGE REBATE**—Liabilities arising from arbitrage rebates to the Internal Revenue Service from bond financing.

FUND BALANCE/FUND NET POSITION

0300 GOVERNMENTAL FUND BALANCE

0310 NONSPENDABLE FUND BALANCE—Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid amounts. It may also include the long-term amount of notes receivable and the principal of a permanent fund.

0311 Prepaid Items—An amount equal to the balance in the Prepaid Items asset account (0150).

0312 Inventory of Supplies for Consumption—An amount equal to the balance in the Inventory of Supplies for Consumption asset account (0160).

0313 Inventory of Supplies for Sale or Rental—An amount equal to the balance in the Inventory of Supplies for Sale or Rental asset account (0170).

0314 Other Nonspendable Fund Balance

- 0320 RESTRICTED FUND BALANCE**—Amounts that are restricted to specific purposes. Fund balance should be reported as restricted when constraints placed on the use of resources are either:
- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - b. Imposed by law through constitutional provisions or enabling legislation.
- 0330 COMMITTED FUND BALANCE**—Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the governing board. These amounts cannot be used for any other purpose unless the governing board removes or changes the specific purpose by taking the same kind of formal action previously used to commit these amounts. Adoption of the annual budget does not constitute a commitment as appropriations lapse at year-end without governing board action. This code should also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- 0340 ASSIGNED FUND BALANCE**—Amounts that are constrained by a district's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing board or a body (i.e., budget or finance committee) or official to which the governing board has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balance in governmental funds, other than the general fund¹, includes all spendable amounts that are not restricted or committed, if that amount is positive.
- 0350 UNASSIGNED FUND BALANCE**—For the general fund¹, spendable amounts that are not restricted, committed, or assigned. The general fund is the only fund that may report a positive unassigned fund balance amount. For governmental funds other than the general fund, negative fund balances are reported here if restricted, committed, or assigned amounts exceed total spendable fund balance.
- 0400 PROPRIETARY FUND NET POSITION**
- 0410 NET INVESTMENT IN CAPITAL ASSETS**—Capital assets less accumulated depreciation and debt directly related to capital assets.
- 0420 RESTRICTED NET POSITION**—Restricted assets less liabilities related to those assets. Net position should be reported as restricted when constraints placed on the use of net position are either:
- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - b. Imposed by law through constitutional provisions or enabling legislation.

¹ See discussion of the General Fund on page V-B-1.

CHART OF ACCOUNTS

BALANCE SHEET OBJECT CODES

<i>0430</i>	UNRESTRICTED NET POSITION —The net amount of assets and liabilities not coded to 0410 or 0420.
0500	TRUST FUND NET POSITION —The net position of trust funds that are “held in trust” for the appropriate party.

**CHART OF ACCOUNTS REVENUES AND OTHER FINANCING SOURCES
OBJECT CODES**

1000 REVENUE FROM LOCAL SOURCES

1100 Taxes Levied/Assessed on Behalf of a District—Compulsory charges levied by the county on behalf of a district to finance services performed for the common benefit.

1110 Property Taxes—Taxes levied by the county on the assessed value of real and personal property located within a district. Separate accounts may be maintained for real property and for personal property. Penalties and interest on property taxes should be included in revenue object code 1140.

1111 Personal

1115 Real

1140 Penalties and Interest on Taxes—Revenue from penalties for the payment of taxes after the due date, and the interest charged on delinquent taxes from the due date to actual payment. A separate account for penalties and interest on each type of tax may be maintained.

1200 Revenue from Local Governmental Units Other Than Districts—Revenue from the appropriations of another local governmental unit.

1280 Revenue in Lieu of Taxes—Payments made out of general revenues by a local governmental unit to a district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property. Such revenue would include payments made for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action by the local governmental unit. Payments received from the Salt River Project are an example of revenue in lieu of taxes.

1300 Tuition—Revenue from individuals, welfare agencies, private sources, other districts, and government sources for education provided by a district, including special education. The portion of tuition representing transportation fees should be coded to revenue object code 1400.

1310 Tuition from Individuals

1311 Tuition from Individuals Excluding Summer School

1312 Tuition from Individuals for Summer School

1320 Tuition from Other Arizona Districts

1330 Tuition from Out-of-State Districts

1340 Tuition from Other Private Sources (Other than Individuals)

1350 Tuition from Other Government Sources Within Arizona (such as the Arizona State Schools for the Deaf and the Blind)

- 1360 Tuition from Other Government Sources Outside Arizona**
- 1400 Transportation Fees**—Revenue from individuals, welfare agencies, private sources, other districts, and government sources for transporting students to and from school and school activities.
- 1410 Transportation Fees from Individuals**
- 1420 Transportation Fees from Other Arizona Districts**
- 1430 Transportation Fees from Out-of-State Districts**
- 1440 Transportation Fees from Other Private Sources (Other than Individuals)**
- 1450 Transportation Fees from Other Government Sources Within Arizona**
- 1460 Transportation Fees from Other Government Sources Outside Arizona**
- 1500 Investment Income**—Revenue from short-term and long-term investments.
- 1510 Interest on Investments*—Interest revenue on temporary or permanent investments in United States treasury and agency obligations, commercial paper, savings accounts, time certificates of deposit, or other interest-bearing investments.
- 1530 Net Increase/(Decrease) in the Fair Value of Investments*—Gains/losses recognized from the sale of investments or changes in the fair value of investments.
- 1540 Investment Income from Real Property*—Revenue for rental and use charges on real property held for investment purposes.
- 1600 Food Service**—Revenue from sales of food to students and adults.
- 1610 Daily Sales—Reimbursable Programs*—Revenue from students for the sale of breakfasts, lunches, and milk that are considered reimbursable by the United States Department of Agriculture. Federal reimbursements should be coded to revenue object code 4500.
- 1611 Daily Sales—School Lunch Program*—Revenue from students for the sale of reimbursable lunches as part of the National School Lunch Program.
- 1612 Daily Sales—School Breakfast Program*—Revenue from students for the sale of reimbursable breakfasts as part of the School Breakfast Program.
- 1613 Daily Sales—Special Milk Program*—Revenue from students for the sale of reimbursable milk as part of the Special Milk Program.

CHART OF ACCOUNTS

REVENUES AND OTHER FINANCING SOURCES OBJECT CODES

- 1614* **Daily Sales—After School Care Snack (ASCS) Program**—Revenue from students for the sale of reimbursable snacks as part of the ASCS program.
- 1620* **Daily Sales—Nonreimbursable Programs**—Revenue from sales to adults, a la carte sales, and sales to students for nonreimbursable breakfasts, lunches, and milk.
- 1630* **Special Functions**—Revenue from students, adults, or organizations for the sale of food products and services at special functions. Some examples would include potlucks, PTA/PTO-sponsored functions, and athletic banquets.
- 1640* **Daily Sales—Summer Food Program**—Revenue from students for the sale of reimbursable items as part of summer programs.
- 1700** **District Activities**—Revenue from school-sponsored activities, including bookstore sales, miscellaneous fees, concerts, and athletic events.
- 1750** **Revenue from Enterprise Activities**—Revenue from vending machines, school stores, soft drink machines, etc., not related to the regular food service program.
- 1790** **Extracurricular Activities Fees Tax Credit**—Revenue collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01.
- 1800** **Revenue from Community Services Activities**—Revenue from community services activities operated by a district. For example, revenue received from operation of a swimming pool or civic center as a community service would be recorded here. Revenues from the long-term rental of district property, typically involving a formal lease agreement, should be coded to revenue object code 1910. Multiple accounts may be established within the 1800 range to differentiate various activities.
- 1900** **Other Revenue from Local Sources**—Other revenue from local sources not coded elsewhere in the revenue object code 1000 range.
- 1910** **Rentals**—Revenue from the rental of either real or personal property owned by a district. Revenues from the short-term rental of district property, such as daily use fees, should be coded to revenue object code 1800. Rental of property held for investment purposes should be coded to revenue object code 1540.
- 1920** **Contributions and Donations from Private Sources**—Revenue associated with contributions and donations made by private organizations. These organizations include, but are not limited to, educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals. Revenue received as donations in support of extracurricular activities to be taken as a tax credit by the

donor in accordance with A.R.S. §43-1089.01 should be coded to revenue object code 1790.

- 1930** **Gain or Loss on Sale of Capital Assets**—Amount received from the sale of capital assets in excess of the assets' book value. **This code should be used with proprietary and fiduciary funds only.** For governmental funds, other financing sources object code 5300 should be used.
- 1940** **Government Property Lease Excise Tax**—Revenue received from annual excise taxes levied by cities, towns, counties, and county improvement districts on lessees of government property in accordance with A.R.S. §42-6201 et seq. These revenues must be recorded in the Maintenance and Operation Fund.
- 1950** **Miscellaneous Revenues from Other Districts**—Revenue from services provided to other districts other than for tuition and transportation services. These services could include data processing, purchasing, maintenance, cleaning, and consulting. **Revenues received by member districts from Joint Technical Education Districts should also be recorded here.**
- 1960** **Miscellaneous Revenues from Other Local Governmental Units**—Revenue from services provided to other local governmental units. These services could include data processing, purchasing, maintenance, cleaning, cash management, and consulting.
- 1970** **Revenues from Other Departments in a District**—Revenues from services provided to other funds such as printing, data processing, or contributions made by a district or district employees for self-insurance. **This code should be used in proprietary funds only.** Revenue from private individuals, businesses, and associations for services provided should be coded to revenue object code 1990.
- 1980** **Refund of Prior Year's Expenditures**—Expenditures that occurred last year that are refunded this year, **including voided stale-dated warrants where another warrant is not issued.** If both expenditure and refund occurred in current year, reduce this year's expenditures, as prescribed by GAAP.
- 1990** **Miscellaneous**—Revenue from local sources not provided for elsewhere.
- Fingerprinting Fees—Fees collected from paid employees for fingerprinting costs.
- Unemployment Insurance Fund Receipts—Payments from payroll source funds to the Unemployment Insurance Fund.
- Advertising Fees—Fees collected from the sale of advertising.

**CHART OF ACCOUNTS REVENUES AND OTHER FINANCING SOURCES
OBJECT CODES**

2000 REVENUE FROM INTERMEDIATE SOURCES

- 2100 Unrestricted**—Revenue from the county that can be used for any legal purpose without restriction.
- 2110 County School Fund**—Revenue received that represents apportionments from the County School Fund. A.R.S. §15-1000
- 2120 County Equalization Assistance**—Revenue received from the county under the provisions of A.R.S. §15-971(C).
- 2200 Restricted**—Revenue from the county that must be used for a categorical or specific purpose.
- 2210 Special County School Reserve Fund**—Revenue received from the Special County School Reserve Fund that must be spent in accordance with A.R.S. §15-1002.
- 2900 Revenue for/on Behalf of a District**—Commitments or payments made by the county for the benefit of a district, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.

3000 REVENUE FROM STATE SOURCES

- 3100 Unrestricted**—Revenue from state funds that can be used for any legal purpose without restriction.
- 3110 State Equalization Assistance**—Revenue received from the State under the provisions of A.R.S. §15-971(D).
- 3120 Additional State Aid**—Revenue received from the State under the provisions of A.R.S. §15-972.
- 3130 Certificates of Educational Convenience**—Revenue received from the State pursuant to certificates of educational convenience for pupils who are precluded by distance or lack of adequate transportation facilities from attending a school in the district or county of the pupil's residence, or pupils who reside in unorganized territories; state rehabilitation or corrective institutions; foster homes, child care agencies, or institutions licensed and supervised by the Department of Economic Security or the Department of Health Services; residential facilities operated or supported by the Department of Economic Security or the Department of Health Services; or residences supervised by the Department of Juvenile Corrections pursuant to the Interstate Compact on Juveniles. A.R.S. §15-825
- 3140 Institutional Vouchers**—Revenue received from the State pursuant to institutional vouchers for special education students who reside in the Arizona State School for the Deaf and the Blind; Arizona

CHART OF ACCOUNTS

REVENUES AND OTHER FINANCING SOURCES OBJECT CODES

Training Program Facilities, as provided in A.R.S. §36-551; or the Arizona State Hospital. A.R.S. §15-1204

3150 State Impact Assistance—Revenue received from the State for pupils whose parents or legal guardians are employed by and live at the State Hospital, the Arizona State School for the Deaf and the Blind, Intellectual Disability Centers, Port of Entry Inspection Stations, and institutions and facilities maintained by the Department of Corrections. A.R.S. §15-976

3200 Restricted—Revenue from state funds that must be used for a categorical or specific purpose, such as Classroom Site, Instructional Improvement, and School Facilities Board monies.

3900 Revenue for/on Behalf of a District—Commitments or payments made by the State for the benefit of a district, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.

4000 REVENUE FROM FEDERAL SOURCES

4100 Unrestricted Revenue Received Directly from the Federal Government—Revenues received directly from the federal government that can be used for any legal purpose without restriction.

4200 Unrestricted Revenue Received from the Federal Government through the State—Revenues received from the federal government through the State that can be used for any legal purpose without restriction, such as Medicaid Reimbursement.

4300 Restricted Revenue Received Directly from the Federal Government—Revenue received directly from the federal government that must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the governmental unit, such as ESEA Title VII—Indian Education, Federal Impact Aid (Construction).

4500 Restricted Revenue Received from the Federal Government through the State—Revenues received from the federal government through the State that must be used for a categorical or specific purpose, including federal food service reimbursements.

4700 Revenue Received from the Federal Government through Other Intermediate Agencies—Revenues received from the federal government through other intermediate agencies, such as counties with National Forest Fees or Indian tribes with Johnson-O'Malley assistance.

4800 Revenue in Lieu of Taxes—Commitments or payments made out of general revenues by the federal government in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by a district on the same basis as privately owned property or other tax base. Such revenue would include

payment made for privately owned property that is not subject to taxation on the same basis as other privately owned property due to action by the federal government, such as impact aid.

- 4900 Revenue for/on Behalf of a District**—Commitments or payments made by the federal government for the benefit of a district, or contributions of equipment or supplies. Such revenues include E-rate monies paid directly to vendors by the Schools and Libraries Division of the Universal Service Administrative Company (USAC) and food donated by the federal government. Separate accounts may be maintained to identify the specific nature of the revenue item.
- 5000 OTHER FINANCING SOURCES AND OTHER ITEMS**
- 5100 Issuance of Bonds**—Proceeds from the issuance of bonds.
- 5110 Bond Principal**—Face amount of bonds sold. (Bond Issuance costs are not netted here, but should be coded to expenditure object code 6300.)
- 5120 Premium or Discount on the Issuance of Bonds**—Portion of the sale price of bonds in excess of or below their par value.
- 5200 Fund Transfers-In**—Used to classify operating transfers from other funds of a district. Multiple accounts may be established within the 5200 range to identify transfers from specific funds. A list of authorized transfers is provided in §III-F.
- 5300 Proceeds From the Disposal of Real or Personal Property**—Proceeds from the disposal of district property or compensation for the loss of real or personal property. This account should be used only for proceeds from the disposal of assets that do not have significant value. The reporting of major asset sales should be coded to other financing sources and other items object code 5700. Any gain or loss on the disposal of property for proprietary or fiduciary funds should be coded to revenue object code 1930.
- 5400 Capital Contributions**—Capital assets acquired as the result of a donation or bequest of an individual, estate, other government, a corporation, or an affiliate organization.
- 5500 Capital Lease Proceeds**—The amount of the capital lease financed.
- 5600 Other Long-Term Debt Proceeds**—Proceeds from other long-term debt instruments not captured in the preceding codes, such as tax anticipation notes.
- 5700 Special Items**—Transactions or events within a district administration’s control that are either unusual in nature or infrequent in occurrence. For some districts, these include the sale of certain general governmental capital assets, sale or lease of mineral rights, or significant forgiveness of debt by a financial institution. Special items may also include events that are not within a district’s control. In the governmental funds, these items should be separately captioned or disclosed.

CHART OF ACCOUNTS

REVENUES AND OTHER FINANCING SOURCES OBJECT CODES

5800 **Extraordinary Items**—Transactions or events that are outside a district administration's control and are **both** unusual in nature and infrequent in occurrence. For some districts, these include insurance proceeds to cover significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm; insurance proceeds to cover costs related to an environmental disaster; or a large bequest to a small district by a private citizen.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
PROGRAM CODES**

100 REGULAR EDUCATION—Activities that provide students in prekindergarten through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers. Regular programs should be distinguished from special education programs that focus on adapting curriculum or instruction to accommodate a specific disability, from vocational/technical programs that focus on career skills, and from alternative education programs that focus on the educational needs of students at risk of failing or dropping out of school because of academic, behavioral, or situational factors. Expenditures not specifically assignable to other programs should be coded here, such as district office and food service expenditures.

200 SPECIAL EDUCATION—Special Programs include activities for elementary and secondary students (prekindergarten through grade 12) receiving services outside the realm of “regular programs” in accordance with disability classifications defined in A.R.S. §15-761, and programs for gifted, remedial, English immersion, vocational and technological, and career education.

- 201 **Autism**
- 202 **Emotional Disability**
- 203 **Hearing Impairment**
- 204 **Other Health Impairments**
- 205 **Specific Learning Disability**
- 206 **Mild, Moderate, or Severe Intellectual Disability**
- 207 **Multiple Disabilities**
- 208 **Multiple Disabilities with Severe Sensory Impairment**
- 209 **Orthopedic Impairment**
- 210 **Developmental Delay**
- 211 **Preschool Severe Delay**
- 213 **Speech/Language Impairment**
- 214 **Traumatic Brain Injury**
- 215 **Visual Impairment**
- 240 **Gifted Education**
- 250 **Remedial Education**
- 260 **English Language Learners Incremental Costs (A.R.S. §15-756 et seq)**
- 265 **English Language Learners Compensatory Instruction (A.R.S. §15-756 et seq)**
- 270 **Vocational and Technological Education**
- 280 **Career Education**

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
PROGRAM CODES**

300 SPECIAL EDUCATION DISABILITY ESEA, TITLE VIII

- 301* **Autism**
- 302* **Emotional Disability**
- 303* **Hearing Impairment**
- 304* **Other Health Impairments**
- 305* **Specific Learning Disability**
- 306* **Mild, Moderate, or Severe **Intellectual Disability****
- 307* **Multiple Disabilities**
- 308* **Multiple Disabilities with Severe Sensory Impairment**
- 309* **Orthopedic Impairment**
- 310* ****Developmental** Delay**
- 311* **Preschool Severe Delay**
- 313* **Speech/Language Impairment**
- 314* **Traumatic Brain Injury**
- 315* **Visual Impairment**

400 PUPIL TRANSPORTATION—Accounts for expenditures relating to transporting students to and from school and school activities, including school athletics.

- 410* **Regular Education**
- 420* **Special Education**
- 430** **English Language Learners Incremental Costs**
- 435** **English Language Learners Compensatory Instruction**
- 470** ****Vocational and** Technological Education**

500 PROGRAMS REQUIRING SEPARATE BUDGETS—Account for expenditures of monies required by statute to be accounted for separately.

- 510** **Desegregation—Accounts for expenditures incurred solely as a result of compliance with a court order of desegregation or administrative agreement with the U.S. Department of Education Office for Civil Rights as provided in A.R.S. §15-910.**
 - 511** **Regular Education**
 - 512** **Special Education**
 - 513** **Pupil Transportation**
 - 514** **English Language Learners Incremental Costs**
 - 515** **English Language Learners Compensatory Instruction**
- 520** **Special K-3 Program Override—Accounts for expenditures from a budget override authorized by A.R.S. §15-482, **prior to November 24, 2009**, to be used**

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
PROGRAM CODES**

to improve the academic skills of low-achieving students in grades kindergarten through third and to prepare third-grade students for fourth-grade work.

- 530 Dropout Prevention Programs**—Accounts for expenditures for dropout prevention programs approved by the State Board of Education.
- 540 Joint Career and Technical Education and Vocational Education Center**—Accounts for vocational expenditures that are specifically exempt in whole or in part from the revenue control limit for a period of not more than 3 years, beginning the first year that the career and technical education and vocational education center is operating and serving students as provided in A.R.S. §15-910.01.
- 600 OTHER INSTRUCTIONAL PROGRAMS**—Activities that add to a student’s educational experience. These activities typically include events and activities that take place outside the traditional classroom. Some examples of such activities are athletics, band, choir, and debate.
- 610 School-Sponsored Cocurricular Activities**—School-sponsored activities, under the guidance and supervision of district staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Cocurricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, and debate. Athletics should be coded to program 620.
- 620 School-Sponsored Athletics**—School-sponsored activities, under the guidance and supervision of district staff, that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.
- 630 Other**—Activities that provide students with learning experiences not included in the other program 600 codes.
- 700 ADULT/CONTINUING EDUCATION PROGRAMS**—Activities that 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 appreciation for special interests, or enrich the aesthetic qualities of life. Adult basic education programs are included in this category.
- 800 COMMUNITY COLLEGE EDUCATION PROGRAMS**—Activities for students attending an institution of higher education that usually offers the first 2 years of college instruction. If a district has the responsibility of providing this program, all costs of the program should be coded here.
- 900 COMMUNITY SERVICES PROGRAMS**—Activities that are not directly related to the provision of educational services in a district. These include services such as community

CHART OF ACCOUNTS

**EXPENDITURES AND OTHER FINANCING USES
PROGRAM CODES**

recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by a district for the community as a whole or some segment of the community.

CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES FUNCTION CODES

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 and school-sponsored athletics. It may also be provided through some other approved medium, such as television, radio, computer, Internet, multimedia, telephone, and correspondence, that 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 (clerks, graders, teaching machines, etc.) that assist in the instructional process **and technology used by students in the classroom or that has a student instruction focus**. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Otherwise, department chairperson expenditures should be coded to function 2490. As an alternative to using a separate optional element for course codes, districts may establish course codes under this function.

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 students' well-being and to supplement the teaching process.

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, school, and community. This function includes attendance services, social work services, student accounting services, **and student attendance software**. Registration activities for adult education programs are also included here.

2120 **Guidance Services**—Activities involving counseling with students and parents, 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. This function also includes supervision, appraisal, record maintenance, and placement services.

2130 **Health Services**—Health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.

- 2140 **Psychological Services**—Activities concerned with 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 students' special needs 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 also includes the supervision of psychological services and psychotherapy services.
- 2150 **Speech Pathology and Audiology Services**—Activities that identify, assess, and treat children with speech, hearing, and language impairments.
Usually used with program 200.
- 2160 **Occupational/Physical Therapy—Related Services**—Activities that assess, diagnose, or treat students for all conditions requiring the services of an occupational or physical therapist.
Usually used with program 200.
- 2190 **Other Support Services—Students**—Other support services to students not coded elsewhere in the function 2100 range. **Students' food and hotel costs associated with student travel should be coded here.**
- 2200 Support Services—Instruction**—Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This function also includes curriculum directors, special education directors, or others who supervise staff performing these functions.
- 2210 **Improvement of Instruction**—Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include curriculum development, developing instruction techniques, child development and understanding, and staff training.
- 2212 **Instruction and Curriculum Development**—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. Technology training for instructional staff should also be coded here. 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 coded here regardless of whether training services are provided internally or purchased from vendors.

2220 **Library/Media Services**—Activities concerned with directing, managing, and supervising educational media services, as well as 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 function 1000.

2230 **Instruction—Related Technology**—Encompasses all technology activities and services for the purpose of supporting instruction. 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 development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs such as virus and filtration software that relate to the support of instructional activities. Activities concerned with supporting and maintaining computer centers (outside the classroom) that are established to support the instructional environment should also be coded here. These centers may be located in the library or in other locations, but are not primarily dedicated to student-teacher learning. (Computer centers that are primarily dedicated to instruction and technology used by students in the classroom or that have a student instruction focus should be coded to function 1000.) Professional development costs for instruction-focused technology personnel should also be coded here. (Technology training for instructional staff should be coded to function 2213.)

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
FUNCTION CODES**

- 2260 **Academic Student Assessment**—Services rendered for the academic assessment of the student.
- 2290 **Other Support Services—Instruction**—Other support to the instructional staff not coded elsewhere in the function 2200 range.
- 2300 Support Services—General Administration**—Activities concerned with establishing and administering policy for operation of a district.
 - 2310 **Governing Board**—Activities of the elected body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. This function includes board secretary/clerk services, board treasurer services, election services, staff relations and negotiations services, legal services, and external audit services.
 - 2320 **Executive Administration**—Activities associated with the overall general administration of or executive responsibility for an entire district. This function includes the office of the superintendent, community relations, and state and federal relations services. Activities of assistant/associate superintendents should also be coded here unless those activities fit within another function code.
 - 2330 Lobbying**—Activities related to the attempt to influence the passage or defeat of any legislation by communicating with any member or employee of the Legislature.
- 2400 Support Services—School Administration**—Activities concerned with overall administrative responsibility for a school.
 - 2410 **Office of the Principal**—Activities concerned with directing and managing the operation of a particular school. This function includes the activities performed by the principal, assistant principals, and other assistants while supervising all school operations, evaluating staff members, assigning duties to staff members, maintaining the school records, and coordinating school instructional activities with those of a district. Also, include the work of clerical staff in support of teaching and administrative duties.
 - 2490 **Other Support Services—School Administration**—Other school administration services. This function includes graduation expenses and department chairpersons.
- 2500 Central Services**—Activities that support other administrative and instructional functions, including fiscal services, human resources, planning, and administrative information technology.
 - 2510 **Fiscal Services**—Activities concerned with the fiscal operations of a district. This function includes budgeting, receiving and disbursing

monies, financial and property accounting, payroll, inventory control, internal auditing, and **investments** and funds management, as well as supervision of fiscal services.

2520 **Purchasing, Warehousing, and Distributing Services**—Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment, and materials used in schools or school system operations.

2540 **Printing, Publishing, and Duplicating Services**—The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.

2550 **Planning, Research, Development, and Evaluation Services**—Activities associated with conducting and managing system-wide programs of planning, research, development, and evaluation for a school system.

Planning Services—Activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization or program. They also involve formulating various courses of action needed to achieve these goals. This is done by identifying needs and the relative costs and benefits of each course of action.

Research Services—Activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

Development Services—Activities in the deliberate evolving process of improving educational programs.

Evaluation Services—Activities concerned with ascertaining or judging the value or amount of an action or an outcome. This is done through careful appraisal of previously specified data in light of the particular situation and the goals previously established.

2560 **Public Information Services**—Activities concerned with writing, editing, and otherwise preparing educational and administrative information for dissemination to students, staff, managers, and the general public through direct mailing, the various news media, e-mail, the Internet, Web sites, and personal contact. The information services function code includes related supervision and internal and public information services. Technology that supports this code should be coded to function 2580.

- 2570 **Personnel Services**—Activities concerned with maintaining personnel for the school system. It includes such activities as recruitment and placement, noninstructional personnel training, staff transfers, health services, and staff accounting.
- Noninstructional Personnel Training—Activities associated with the professional development and training of noninstructional 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 noninstructional 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 coded here regardless of whether training services are provided internally or purchased from vendors.
- 2580 **Administrative Technology Services**—Activities concerned with supporting a 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 development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs **such as virus and filtration software.**
- 2590 **Other Central Services**—Other central support services not coded elsewhere in the function 2500 range.
- 2600 Operation and Maintenance of Plant**—Activities concerned with keeping the physical plant open, comfortable, and safe for use, and 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 in the vicinity of schools.
- 2610 **Operation of Buildings**—Activities concerned with keeping the physical plant clean and ready for daily use. They include operating lighting and HVAC systems and doing minor repairs. Also included are the costs of building rental and property insurance.

CHART OF ACCOUNTS

EXPENDITURES AND OTHER FINANCING USES FUNCTION CODES

- 2620 **Maintenance of Buildings**—Activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventive maintenance.
- 2630 **Care and Upkeep of Grounds**—Activities involved in maintaining the land and improvements (but not the buildings). These include snow removal, landscaping, and grounds maintenance.
- 2640 **Care and Upkeep of Equipment**—Activities involved in maintaining equipment owned or used by a district. They include such activities as servicing and repairing furniture, machines, and movable equipment.
- 2650 **Vehicle Operation and Maintenance (Other than Student Transportation Vehicles)**—Activities involved in maintaining general purpose vehicles such as trucks, tractors, graders, and staff vehicles. These include such activities as repairing vehicles; replacing vehicle parts; and cleaning, painting, greasing, fueling, and inspecting vehicles for safety (i.e., preventive maintenance).
- 2660 **Security**—Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, at a campus or administrative facility, or participating in school-sponsored events. These include costs associated with security plan development and implementation; installation of security monitoring devices, such as cameras and metal detectors; security personnel, such as campus police and 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, at a campus or administrative facility, or participating in school-sponsored events. These include costs associated with installing and monitoring school fire alarm systems and providing school crossing guards, as well as other costs incurred in an effort to ensure the basic safety of students and staff.
- 2690 **Other Operation and Maintenance of Plant**—Operation and maintenance of plant services that are not coded elsewhere in the function 2600 range.
- 2700 Student Transportation**—Activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school, and trips to school activities.
Used only with program 400.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
FUNCTION CODES**

- 2710 **Vehicle Operation**—Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These include driving buses or other student transportation vehicles.
- 2720 **Monitoring Services**—Activities concerned with supervising students in the process of being transported between home and school, and between school and 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.
- 2730 **Vehicle Servicing and Maintenance**—Activities involved in maintaining student transportation vehicles. It includes repairing and replacing vehicle parts, and cleaning, painting, fueling, and inspecting vehicles for safety.
- 2790 **Other Student Transportation**—Student transportation services that are not coded elsewhere in the function 2700 range.
- 2900 **Other Support Services**—All other support services not coded elsewhere in the function 2000 range.
- 3000 **OPERATION OF NONINSTRUCTIONAL SERVICES**—Activities concerned with providing noninstructional services to students, staff, or the community.
 - 3100 **Food Service Operations**—Activities concerned with providing food to students and staff in a school or district. This function includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.
 - 3200 **Enterprise Operations**—Activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is to finance or recover the costs primarily through user charges. Food service operations should be coded to function 3100.
 - 3300 **Community Services Operations**—Activities concerned with providing community services to students, staff, or other community participants. 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.
Used only with program 900.
 - 3400 **Bookstore Operations**—Activities concerned with bookstore operations.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
FUNCTION CODES**

- 4000 FACILITIES ACQUISITION AND CONSTRUCTION**—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.
- 4100* **Land Acquisition**—Activities concerned with initially acquiring and improving land.
- 4200* **Land Improvement**—Activities concerned with making permanent improvements to land, such as grading, fill, and environmental remediation.
- 4300* **Architecture and Engineering**—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 a district’s property. Otherwise, code these services to function 4100, 4200, 4500, 4600, or 4700, as appropriate.
- 4400* **Educational Specifications Development**—Activities concerned with preparing and interpreting descriptions of specific space requirements to be accommodated in a building. These specifications are interpreted by the architects and engineers in the early stages of blueprint development.
- 4500* **Building Acquisition and Construction**—Activities concerned with buying or constructing buildings.
- 4600* **Site Improvement**—Activities concerned with making nonpermanent improvements or enhancements to building sites. These improvements include fencing, walkways, tunnels, landscaping, and playground and shade structures.
- 4700* **Building Improvement**—Activities concerned with building additions and with initially installing or extending service systems and other built-in equipment.
- 4900* **Other Facilities Acquisition and Construction**—Facilities acquisition and construction activities that are not coded elsewhere in the function 4000 range.
- 5000 DEBT SERVICE**—Activities related to servicing long-term debt including payments of both principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt including current and advance refundings, capital lease payments, and other long-term notes. Interest on short-term notes or loans repayable within 1 year of receiving the obligation should be coded to function 2510.
- 6000 OTHER FINANCING USES**—A number of outlays are not properly classified as expenditures, but still require budgetary or accounting control. These include certain transfers of monies from one fund to another, indirect costs, and payments to bond escrow agents.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
OBJECT CODES**

6100 PERSONAL SERVICES—SALARIES—Amounts paid to both permanent and temporary district employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on a district’s payroll.

Used with functions 1000-4000.

6110 Certified Salaries—Amounts earned by employees certified by the Arizona Department of Education. **(Although expenditure object codes 6111 through 6114 are optional, districts must maintain adequate records to be able to report these categories on the annual financial report.)**

6111 Administrators

6112 Teachers

6113 Substitute Teachers

6114 Other

6150 Classified Salaries—Amounts earned by employees not certified by the Arizona Department of Education. Examples are business managers, clerks, secretaries, custodians, social workers, nurses, bus drivers, food service workers, and crossing guards.

6200 PERSONAL SERVICES—EMPLOYEE BENEFITS—Amounts paid by a district on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments, whether paid directly to the employee or not, and are part of the cost of personal services.

Used with functions 1000-4000.

6210 Employee Insurance—Amounts for the employer’s share of any insurance plans, such as life, health, dental, and accident insurance.

6220 Social Security Taxes—Employer’s share of amounts paid for social security. **(Although expenditure object codes 6221 and 6222 are optional, districts must maintain adequate records to separately identify Social Security and Medicare.)**

6221 Social Security—OASDI

6222 Medicare—Hospital Insurance

6230 State Retirement System Contributions—Employer’s share of amounts paid for retirement and long-term disability contributions to the Arizona State Retirement System. **(Although expenditure object codes 6231 and 6232 are optional, districts must maintain adequate records to separately identify State Retirement and Long-Term Disability.)**

6231 State Retirement

6232 Long-Term Disability

6240 Tuition Reimbursement—Amounts reimbursed to any employee qualifying for tuition reimbursement on the basis of district policy.

- 6250 Unemployment Insurance**—Amounts paid to provide unemployment insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be coded to function 2310.
- 6260 Workers' Compensation**—Amounts paid to provide workers' compensation insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be coded to function 2310.
- 6270 Health Benefits**—Amounts paid to provide health benefits, other than insurance, for its current or former employees.
- 6290 Other Employee Benefits**—Employee benefits other than those coded elsewhere in the expenditure object code 6200 range, including fringe benefits such as **taxable meal reimbursements**, automobile allowances, housing or related supplements, moving expenses, and paid parking. Districts may establish separate codes for various accrued amounts.
- 6300 PURCHASED PROFESSIONAL AND TECHNICAL SERVICES**—Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants. It is recommended that a separate account be established for each type of service provided to a district. **This code also includes conference registration fees.**
- 6310 Official/Administrative Services**—Services in support of a district's various policy-making and managerial activities. Include management-consulting activities oriented to general governance or business and financial management of a district, school management support activities, and election services.
Usually used with functions 2300, 2400, and 2500.
- 6320 Professional—Educational Services**—Services supporting the instructional program and its administration. Include curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services.
Usually used with functions 1000, 2100, and 2200.
- 6330 Other Professional Services**—Professional services other than educational services that support the operation of a district. Include medical doctors, lawyers, architects, auditors (for federal programs only), accountants, therapists, audiologists, dietitians, editors, negotiations specialists, systems analysts, and planners.
Usually used with function codes in the 2000 range.
- 6340 Technical Services**—Services that are not regarded as professional, but require basic scientific knowledge, manual skills, or both. Include data processing and coding services, data entry, formatting, and processing services other than

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
OBJECT CODES**

programming; purchasing and warehousing services; and graphic arts.

Usually used with function codes in the 2000 range.

- 6350 Audit Services**—Audit services associated with financial and compliance audits of a district. Do not include amounts related to audits of federal programs. Federal program audit costs should be coded to expenditure object code 6330. *Usually used with function 2310.*
- 6360 Employee Training and Professional Development Services*—Services supporting the professional development of district personnel, including instructional, administrative, and service employees. Included are course registration fees that are not tuition reimbursement; charges from vendors to conduct training courses, at either district facilities or off-site; and other expenditures associated with training or professional development by third-party vendors. All expenditures should be captured in this account regardless of the type or intent of the training course or professional development activity. *Used with functions 2213, 2230, and 2570.*
- 6400 PURCHASED PROPERTY SERVICES**—Services purchased to operate, repair, maintain, and rent property owned or used by a district. These services are performed by persons other than district employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 6410 Utility Services**—Expenditures for utility services other than energy services supplied by public or private organizations. Telecommunication services should be coded to expenditure object code 6531.
- 6411 Water/Sewage**—Expenditures for water/sewage utility services from a private or public utility company.
- 6420 Cleaning Services**—Services purchased to clean buildings and grounds, including disposal, snow removal, custodial, and lawn care services (apart from services provided by district employees). *Used with function 2600.*
- 6421 Disposal Services**—Expenditures for garbage pickup and handling not provided by district employees.
- 6430 Repairs and Maintenance Services**—Expenditures for repairs and maintenance services not provided directly by district employees.
- 6431 Nontechnology-Related Repairs and Maintenance*—Contracts and agreements covering the upkeep of buildings and nontechnology equipment. Costs for renovating and remodeling should be coded to expenditure object code 6450. *Used with function 2600.*
- 6432 Technology-Related Repairs and Maintenance*—Expenditures for repairs and maintenance services for technology equipment that are

not directly provided by district employees. This includes ongoing service agreements for technology hardware.

Used with function 2230 and 2580.

- 6440** **Rentals**—Costs for renting or leasing land, buildings, and equipment. **Operating leases should be coded here.** Capital leases should be coded to expenditure object codes 6832 and **6842.**
- 6441 **Renting Land and Buildings**—Expenditures for leasing or renting land and buildings for both temporary and long-term use.
Used with function 2610.
- 6442 **Rental of Equipment**—Expenditures for leasing or renting machinery, vehicles, furniture, fixtures, and other equipment for both temporary and long-term use. This includes bus and other vehicle rental when operated by district personnel.
- 6443 **Rentals of Computers and Related Equipment**—Expenditures for leasing or renting computers and related equipment for both temporary and long-term use.
- 6450** **Construction Services**—Includes amounts paid to contractors for constructing, renovating, and remodeling buildings. This account should also be used to account for the costs of **making permanent improvements to land, such as grading, fill, and environmental remediation, and** nonpermanent site improvements such as fencing, walkways, and roads.
Used only with function 4000.
- 6490** **Other Purchased Property Services**—Purchased property services that are not coded elsewhere in the expenditure object code 6400 range. Communication services should be coded to expenditure object code 6530.
Usually used with function 2600.
- 6500** **OTHER PURCHASED SERVICES**—Amounts paid for services rendered by organizations or personnel not employed by a district, but not included in expenditure object code 6300 or 6400. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 6510** **Student Transportation Services**—Expenditures for transporting students to and from school and other activities.
- 6511 **Student Transportation Purchased From Other Arizona Districts**—Amounts paid to other Arizona districts for transporting children to and from school and school-related events.
Used only with function 2700.
- 6512 **Student Transportation Purchased From Out-of-State Districts**—Payments to districts outside Arizona for transporting

children to and from school and school-related events.

Used only with function 2700.

6519 Student Transportation Purchased From Other Sources—Payments to persons or agencies other than districts for transporting children to and from school and school-related events. These include payments to individuals who transport themselves or their own children or for reimbursement of transportation expenditure/expenses on public carriers. Expenditures for the rental of buses that are operated by district personnel should be coded to expenditure object code 6442.

Used only with function 2700.

6520 Insurance (Other than Employee Benefits)—Expenditures for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health should be coded to expenditure object code 6200.

6521 Current Year Insurance—Expenditures for insurance coverage for the current fiscal year.

Used with function 2310 or 2610.

6522 Prepaid Insurance—Expenditures in the current year for insurance coverage to be provided in subsequent fiscal years. For financial statement reporting purposes, prepaid insurance should be coded to balance sheet object code 0151.

Used with function 2310 or 2610.

6530 Communications—Services provided by persons or businesses to assist in transmitting and receiving messages or information.

6531 Telecommunications—Expenditures for telephone and voice communication services, and voicemail; 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 billed by a service provider.

Usually used with function 2610. Used with function 1000 or 2230 if supporting instruction.

6532 Other Communications Services—Costs of services provided by persons or businesses that assist in transmitting and receiving messages, such as postal communication services to establish or maintain postage machine rentals, postage, express delivery services, or couriers.

Used with function 2500.

6540 Advertising—Expenditures for announcements in professional publications, newspapers, broadcasts over radio and television, or on the Internet. These

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
OBJECT CODES**

expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services should be coded to expenditure object code 6330.

Usually used with function 2300 or 2500.

6550 Printing and Binding—Expenditures for job printing and binding, usually according to a district’s specifications. This includes designing and printing forms and posters as well as printing and binding district publications. Preprinted standard forms should be coded to expenditure object code 6610.

Usually used with function 2540.

6560 Tuition—Expenditures to reimburse other educational institutions that educate students residing within a district’s boundaries. Tuition is payable when: (1) a student is permitted to attend school in another district located either within or outside the State by a certificate of educational convenience issued by the County School Superintendent, (2) a student attends high school in another district because there is no high school or appropriate high school program in the area served by the common district of residence, or (3) a district contracts with a public or private agency for the education of children with disabilities. A.R.S. §§15-764, 15-824, and 15-825. The following separate accounts must be used.

Used only with function 1000.

6561 Tuition to Other Arizona Districts—Tuition paid to other districts within the State.

6562 Tuition to Out-of-State Districts—Tuition paid to districts outside the State.

6563 Tuition to Private Schools—Tuition paid to private schools.

6564 Tuition to Educational Service Agencies/Cooperatives/IGAs—Tuition paid to a county or fiscal agent of an entity formed by two or more districts for the purpose of educating students, such as county service programs (including payments to the Small District Service Program Fund pursuant to A.R.S. §15-365). Other types of payments made to fiscal agents under an intergovernmental agreement should be recorded in applicable accounts. For example, shared services of an accountant should be coded to expenditure object code 6330.

6565 Tuition Out Debt Service—The amount a district may budget for the bond issues portion of tuition charged for students attending school in another district. The amount a common school district, not within a high school district (Type 03), may budget is limited. A.R.S. §15-910(L)

6569 Tuition—Other—Tuition paid to the State and other governmental organizations, such as the Arizona School for the Deaf and Blind, as

reimbursement for providing specialized instructional services to students residing within the boundaries of the paying district.

6570 Food Service Management—Expenditures for the operation of a local food service facility by other than district personnel. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by a district for food, supplies, labor, and equipment should be coded to the appropriate object codes.

Used only with function 3100.

6580 Travel—Expenditures for district personnel, as well as federally funded advisory committee members and nonemployees traveling for an official district purpose. Included are transportation (e.g., public transportation fares or private vehicle reimbursement at the designated rate per mile), meals **with an overnight stay or substantial rest period**, lodging, and other expenses. Per diem is governed by A.R.S. §15-342. Payments of set amounts on a monthly or other periodic basis, regardless of actual travel time, are not considered travel expenses but should be treated as employee compensation, expenditure object code 6100. **Student travel should be coded to expenditure object code 6890.**

Used with functions 1000-4000.

6590 Miscellaneous Purchased Services—Purchased services other than those coded elsewhere in the expenditure object code 6500 range. Any interdistrict payments other than tuition and transportation should be coded here, as well as lump sum payments from a district to a charter school.

6591 Services Purchased from Other Arizona Districts—Payments to another district within Arizona for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. **Also, payments made to member districts by Joint Technical Education Districts should be coded here.** If a question arises as to whether to code such payments to the expenditure object code 6300 range or to this code, 6591 should be used so that *all* interdistrict payments can be eliminated when consolidating reports from multiple districts at state and federal levels.

Usually used with function codes in the 2000 range.

6592 Services Purchased from Out-of-State Districts—Payments to another district outside Arizona for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. If a question arises as to whether to code such payments to the expenditure object code 6300 range or to this code, 6592 should be used so that *all* interdistrict payments can be eliminated when consolidating reports

at the federal level.

Usually used with function codes in the 2000 range.

- 6600** **SUPPLIES**—Amounts paid for items that are consumed, are worn out, or deteriorate through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- 6610** **General Supplies**—Expenditures for all supplies (other than those listed below) for the operation of a district, including freight and tax.
 Used with functions 1000-4000.
- 6611 **District Supplies**
- 6612 **Supplies for Sale or Rental**
- 6620** **Energy**—Expenditures for energy, including gas, oil, coal, fuel, and services received from public or private utility companies.
- 6621** **Natural Gas**—Expenditures for gas utility services from a private or public utility company or natural gas for vehicles purchased in bulk or periodically from a service station.
 Usually used with functions 2610 and 3100 for buildings.
 Usually used with functions 2650 and 2710 for vehicles.
- 6622** **Electricity**—Expenditures for electric utility services from a private or public utility company.
 Usually used with functions 2610 and 3100.
- 6623** **Bottled Gas**—Expenditures for bottled gas, such as propane received in tanks, for use in buildings or for fueling vehicles.
 Usually used with functions 2610 and 3100 for buildings.
 Usually used with functions 2650 and 2710 for vehicles.
- 6624** **Oil**—Expenditures for bulk oil normally used for heating.
 Usually used with function 2610.
- 6625** **Coal**—Expenditures for raw coal normally used for heating.
 Usually used with function 2610.
- 6626** **Unleaded Fuel**—Expenditures for unleaded fuel purchased in bulk or periodically from a service station.
 Usually used with functions 2650 and 2710.
- 6627** **Diesel Fuel**—Expenditures for diesel fuel purchased in bulk or periodically from a fuel service station.
 Usually used with functions 2650 and 2710.
- 6629 **Other**—Expenditures for energy that cannot be coded in one of the preceding categories.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
OBJECT CODES**

- 6630** **Food**—Expenditures for food used in a district’s food service program. Food used in instructional programs should be coded to expenditure object code 6610.
Used only with function 3100.
- 6631** **USDA Commodities (Excluding Freight)**—The fair market value of commodities donated by the U.S. Department of Agriculture. Processing charges should be coded to expenditure object code 6633 and storage costs should be coded to expenditure object code 6634.
- 6632** **USDA Commodities (Freight Only)**—Expenditures for freight charges for USDA commodities.
- 6633** **Other Food**—Expenditures for food except USDA commodities; however, any processing charges for USDA commodities should be coded here.
- 6634** **Storage Costs for USDA Commodities**—Expenditures for the storage costs related to USDA commodities.
- 6640** **Books, Periodicals, and Instructional Aids**—Expenditures for books, textbooks, and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks and textbooks that are purchased to be resold or rented. Also recorded here are binding or other repair costs to textbooks and school library books.
Used with functions 1000-4000.
- 6641** **Library Books**—Expenditures for regular purchases of library books and related items available for general use by students, including reference books, films, cassette tapes, periodicals, and computer databases used in the library/media center.
- 6642** **Textbooks**—Expenditures for textbooks (printed instructional materials or digital content, or both, and related printed or nonprinted instructional material) or educational systems for each course of study, including books, kits, videocassettes, films, instructional computer software or workbooks that function as part of the basic program. These items must be adopted by the governing board in accordance with A.R.S. §§15-721 and 15-722. Teaching supplies normally consumed, such as paper, pencils, scissors, crayons, and tape should be coded to expenditure object code 6610.
- 6643** **Instructional Aids**—Expenditures for materials, such as instructional computer software, workbooks, films, kits, and magazines, that supplement a district adopted program.
- 6644** **Other Books, Periodicals, and Media**—Expenditures for books, periodicals, and other media such as DVDs purchased for nonstudent users or for noncredit enrichment programs.

**CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES
OBJECT CODES**

- 6650 Supplies—Technology-Related**—Technology-related supplies that are typically used in conjunction with technology-related hardware or software. Some examples are **writable CDs/DVDs**, parallel cables, and monitor stands.
Used only with functions 1000, 2230, and 2580.
- 6700 PROPERTY**—Expenditures for acquiring capital assets, including land or existing buildings, and equipment.
- 6710 Land and Existing Land Improvements**—Expenditures for the purchase of land and the existing land improvements thereon. Include the present value amount of capital leases of land in the year of acquisition. Periodic payments should be coded to expenditure object codes 6832 and **6842**. Also included are special assessments against a district for capital improvements such as streets, curbs, and drains. Expenditures for improving sites and adjacent ways after acquisition should generally be coded to expenditure object codes 6300, 6450, or 6730s, as appropriate.
Used only with functions 4100, 4200, and 4600.
- 6720 Buildings**—Expenditures for acquiring existing buildings. Also, include the present value amount of capital leases in the year of acquisition. Periodic payments should be coded to expenditure object codes 6832 and **6842**. Expenditures for the contracted construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings should be coded to expenditure object code 6450. Buildings built and alterations performed by district employees should be coded to expenditure object codes 6100, 6200, 6610, and 6730s, as appropriate.
Used only with function 4500.
- 6730 Equipment**—Expenditures for initial, additional, and replacement equipment, such as machinery, furniture and fixtures, vehicles, and technology. Also, include the present value amount of capital leases of equipment in the year of acquisition. Periodic payments should be coded to expenditure object codes 6832 and **6842**.
- 6731 Furniture and Equipment**—Expenditures for furniture, furnishings, athletic equipment and other equipment. (Exclude pupil and nonpupil transportation vehicles and equipment.)
Used with functions 1000-4000.
- 6734 Vehicles**—Expenditures for pupil and nonpupil transportation vehicles.
Used with functions 1000-4000.
- 6737 Technology-Related Hardware and Software**—Expenditures for technology-related equipment and noninstructional software. These costs include those associated with the purchase of network equipment, servers, PCs, printers, noninstructional software, other

peripherals, and devices.

Used with functions 1000-4000.

- 6740 Depreciation**—The portion of the cost of a capital asset that is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is apportioned over the estimated useful life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense. **This code should be used in proprietary funds only.**
Used with functions 1000-4000.
- 6750 Capital Asset Impairments**—Used to record impairment losses on capital assets. An asset is considered impaired when there is a significant, unexpected decline in the amount of service. **This code should be used in proprietary funds only.** If the loss meets the criteria as a special or extraordinary item, then other financing uses and other items object code 6950 or 6960 should be used.
Used with functions 1000-4000.
- 6800 DEBT SERVICE AND MISCELLANEOUS**—Amounts paid for principal and interest as well as all other expenditures not otherwise coded to expenditure object codes 6100 through 6700.
- 6810 Dues and Fees**—Expenditures or assessments for membership in professional or other organizations or payments to a paying agent for services rendered, such as bank fees.
Used with function 1000 and function codes in the 2000 range.
- 6820 Judgments Against a District**—Expenditures from current funds for all judgments against a 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 a district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure object codes as though the bills or debt service had been paid when due.
Used only with function 2310.
- 6830 Redemption of Principal**—Outlays from current funds to retire long-term debt.
- 6831 Bonds**—Expenditures to retire bonds.
- 6832 Other**—Expenditures to retire loans and capital leases. Operating leases should be coded to expenditure object code 6440.
Used only with function 5000.
- 6840 Interest**—Expenditures for interest on long-term debt.
- 6841 Bonds**—Expenditures for interest on bonds.

- 6842 Other**—Expenditures for interest on loans and capital leases. Operating leases should be coded to expenditure object code 6440.
Used only with function 5000.
- 6850 Interest on Short-Term Debt**—Expenditures for interest on tax anticipation notes, registered warrants, revolving lines of credit, and account balances not paid in full within 30 days.
Used only with function 2510.
- 6860 Amortization of Bond Issuance and Other Debt-Related Costs**—Expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds. **This code should be used in proprietary and fiduciary funds only.**
Used only with function 5000.
- 6890 Miscellaneous Expenditures**—Amounts paid for goods or services not properly coded to any other expenditure object code. Students' food and hotel costs associated with student travel, as well as student entrance fees paid by a district should be coded here.
Used with functions 1000-4000.
- 6900 OTHER FINANCING USES AND OTHER ITEMS**—This range of codes is used to classify transactions that are not properly recorded as expenditures but require budgetary or accounting control. These include indirect costs, fund transfers-out, and payments to escrow agents for defeasance of debt, losses on investment, losses on capital assets, and special and extraordinary items.
- 6910 Indirect Costs**—An amount approved as a percentage of the total project budget, to be used to pay overhead costs that cannot be easily identified with a specific project. Indirect costs are calculated on total actual expenditures less capital expenditures, multiplied by the approved indirect cost rate. This object code should be used when monies are transferred to the Indirect Costs Fund from a Federal Projects Fund. Revenue object code 5200 should be used to record the transferred monies received in the Indirect Costs Fund. **This object code should be included as a fund transfers-out for financial reporting purposes.**
- 6930 Fund Transfers-Out**—Used to classify operating transfers from one fund to another. A list of authorized transfers is provided in §III-F.
- 6940 Payment to Escrow Agent for Defeasance of Debt**—Amounts paid to an escrow agent from advance refunding bond proceeds that are to be placed in an irrevocable trust.
- 6950 Special Items**—Transactions or events within the control of district administration that are either unusual in nature or infrequent in occurrence. For some districts, this may include termination benefits resulting from workforce reductions or costs in connection with an early retirement program offered to all

employees represented in one or more classes of employees. Special items also include events that are not within the control of a district. In the governmental funds, these items should be separately captioned or disclosed.

6960 **Extraordinary Items**—Transactions or events that are **both** unusual in nature and infrequent in occurrence. For some districts, this includes significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm, or costs related to an environmental disaster.

CHART OF ACCOUNTS EXPENDITURES AND OTHER FINANCING USES UNIT CODES

This account code element identifies expenditures by instructional level and school. The first digit of the three-digit unit code identifies the instructional level, and the second and third digits identify the individual school. This element is also useful for districts that have established site-based management procedures by providing each school with a budget allotment. In addition, districts with some schools operating on an alternative calendar must separately budget for such schools in accordance with A.R.S. §15-855. This element should be used for that purpose.

- 100 Elementary**—A school organized as an elementary school with a grade level of kindergarten through grade 8. Expenditures for preschool programs for children with disabilities are coded here.
- 200 High School**—A school accredited as a high school with a maximum grade level span of 9 through 12.
- 300 Charter Elementary School**—A public elementary school sponsored by a district governing board, established in accordance with A.R.S. §15-181 et seq.
- 400 Charter High School**—A public high school sponsored by a district governing board, established in accordance with A.R.S. §15-181 et seq.
- 500 District-wide**—Assigned to any expenditure that applies to an entire district and is not clearly assignable to an instructional level. Expenditures coded here must be allocated among individual schools and instructional levels by fiscal year-end. However, this allocation is only required for a district’s annual report card and is not required to be recorded in the accounting records. (Districts that have more than 99 district-wide units may also assign numbers higher than 599.)

Arizona Online Instruction (AOI) schools should use a unit code within the 100-range for elementary program expenditures, and within the 200-range for high school program expenditures. If an AOI school contains both elementary and high school grade levels, a code within the 100-range should be used for kindergarten through grade 8, and a code within the 200-range should be used for grades 9 through 12. If an expenditure applies to both elementary and high school grade levels, the cost should be allocated between the AOI school’s elementary and high school unit codes.

Transfers of monies between funds should be made only when specifically authorized by statute. The following is a list of authorized transfers. Additionally, any cash balance remaining in discontinued non-restricted funds may be transferred to the Maintenance and Operation (M&O) Fund, Unrestricted Capital Outlay (UCO) Fund, or Soft Capital Allocation (SCA) Fund to reduce district taxes. Adjustments due to errors or reclassifications should not be reported as fund transfers. Fund transfers-in should be coded under other financing sources and other items object code 5200. Fund transfers-out should be coded under other financing uses and other items object code 6930, or other financing uses and other items object code 6910 when transferring to the Indirect Cost Fund. For each operating fund transfer-in, there should be a corresponding fund transfer-out.

Adjacent Ways (620) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), or Soft Capital Allocation (625)—If budgeted expenditures are less than the cash balance remaining in the Adjacent Ways Fund, the portion of the cash balance not being used to make expenditures in the budget year must be transferred to the M&O, UCO, or SCA Funds to reduce taxes. A.R.S. §15-906(B)

Bond Building (630) to Debt Service (700)—Balance upon completion of the construction or acquisition for which the bonds were issued if a district has outstanding indebtedness. A.R.S. §15-1024(B)

Bond Building (630) to Maintenance and Operation (001)—Balance upon completion of the construction or acquisition for which the bonds were issued if a district has no outstanding indebtedness. A.R.S. §15-1024(B)

Career and Technical Education and Vocational Education Projects (535) to School Plant (506)—Monies in excess of \$100,000 at fiscal year-end. A.R.S. §15-1231(C)

Civic Center (515) to School Plant (500 or 505)—Balance upon termination of the civic center school program. A.R.S. §15-1105(E)

Community School (520) to Maintenance and Operation (001)—Balance upon termination of a community school program. A.R.S. §15-1143

Condemnation (660) to Debt Service (700)—Proceeds from sales by condemnation or threat of condemnation may be used for the payment of any outstanding bonded indebtedness. A.R.S. §15-1102(G)

Condemnation (660) to School Plant (506)—Unused monies remaining after 10 years. A.R.S. §15-1102(G)

Debt Service (700) to Maintenance and Operation (001)—Balance after payment of all outstanding bonded indebtedness must be transferred to the M&O Fund. A.R.S. §15-1028(A)

Employee Insurance Program Withholdings (855) to Maintenance and Operation (001)—Interest at fiscal year-end must be transferred to the M&O Fund. A.R.S. §15-1223(B)

Energy and Water Savings (665) to Maintenance and Operation (001)—Monies associated with an energy or water savings project remaining after the capital investment monies of the qualified provider or utility, energy or water services company, plus a reasonable carrying charge, are repaid in full may be transferred to the M&O Fund. A.R.S. §15-910.02(J)

Federal Projects (100-399) and Food Service (510) to Indirect Costs (570)—For payment of administrative costs incurred in connection with federal programs. The amount transferred may not

exceed the amount calculated with the indirect cost rate established by the Arizona Department of Education for a district.

Gifts and Donations (530) and Gifts and Donations—Capital (650) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), or Soft Capital Allocation (625)—If not inconsistent with the terms of the gifts, grants, and devises, balances remaining after expenditures for the intended purpose of the monies must be transferred to the M&O, UCO, or SCA Funds and used to reduce district taxes for the budget year. (Not applicable to accommodation schools.) A.R.S. §15-341(A)(14)

Impact Aid (378) to Maintenance and Operation (001)—Districts may transfer federal impact aid monies to the M&O Fund to provide cash for the difference between the Transportation Revenue Control Limit and Transportation Support Level or to reduce or eliminate taxes.

Impact Aid (378) to Teacherage (580)—Districts may transfer federal impact aid monies to the Teacherage Fund for the maintenance and renovation of teacher housing. Laws 2004, Ch. 209

Impact Aid Revenue Bond Building (639) to Impact Aid (378)—Balance remaining after the acquisition or construction of facilities and payment of other related costs. A.R.S. §§15-905(R) and 15-2107(C)

Impact Aid Revenue Bond Debt Service (720) to Impact Aid (378)—Surplus monies remaining after all impact aid revenue bonds are paid. A.R.S. §§15-905(R) and 15-2107(B)

Insurance Proceeds (550) to Debt Service (700)—For payment of outstanding bonded indebtedness that is payable from the levy of taxes upon property within a district. A.R.S. §15-1103(B)

Insurance Proceeds (550) to Unrestricted Capital Outlay (610)—If a district chooses to make this transfer, the monies must be used to construct, acquire, improve, repair, or furnish school buildings after notice and a hearing. A.R.S. §15-1103(C)

Insurance Refund (585) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), or Soft Capital Allocation (625)—For the reduction of district taxes for the budget year. A.R.S. §15-386(B)

Insurance Refund (585) to Self-Insurance (950-989)—For payment of uninsured losses, claims, defense costs, and other costs related to self-insurance. A.R.S. §15-386(B)

Litigation Recovery (565) to Debt Service (700)—For payment of outstanding bonded indebtedness that is payable from the levy of taxes upon property within a district. A.R.S. §15-1107(B)

Maintenance and Operation (001) to Energy and Water Savings (665)—Districts must transfer, on a monthly basis, the monthly payment amounts for repayment of the capital investment of the qualified provider or utility, energy or water services company based on the established repayment schedule. A.R.S. §15-910.02(H)

Maintenance and Operation (001) to School Opening (545)—Districts may transfer a portion of the M&O Fund ending cash balance to the School Opening Fund. The maximum amount that may be transferred is the lesser of the ending cash balance in the M&O Fund or the eligible budget balance carryforward. A.R.S. §15-943.01(C) and (D)

Maintenance and Operation (001) to Unrestricted Capital Outlay (610)—Districts that have been approved by the voters to fund a capital outlay override from revenues other than a tax levy in accordance

with A.R.S. §15-481(M) may transfer from the M&O Fund to the UCO Fund the voter-approved amount of cash from the prior year's ending cash balance.

Maintenance and Operation (001) to Unrestricted Capital Outlay (610) or Soft Capital Allocation (625)—If budgeted expenditures are less than the cash balance remaining in the M&O Fund, the portion of the cash balance not being used to make expenditures in the budget year should be transferred to another levy fund to reduce taxes, if cash balances are insufficient to cover budgeted expenditures in the other levy fund. A.R.S. §15-906(B)

Other Postemployment Benefits (9XX) to Maintenance and Operation (001)—Monies remaining at the end of 5 years of no activity in the OPEB Internal Service Fund must be transferred to the M&O Fund. This transfer does not apply to the OPEB Trust Fund (8XX). A.R.S. §15-1225(B)

School Opening (545) to Maintenance and Operation (001)—Balance remaining after 5 years of no activity in the School Opening Fund. A.R.S. §15-943.01(C)

School Plant (500, 505, or 506) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), Soft Capital Allocation (625), or Debt Service (700)—For the reduction of district taxes or the payment of bonded indebtedness. A.R.S. §15-1102(A)

School Plant—Special Construction (640) to School Plant (506)—Unused monies remaining after 10 years. A.R.S. §15-1102(F)

Soft Capital Allocation (625) to Maintenance and Operation (001) or Unrestricted Capital Outlay (610)—If budgeted expenditures are less than the cash balance remaining in the SCA Fund, the portion of the cash balance not being used to make expenditures in the budget year should be transferred to another levy fund to reduce taxes, if cash balances are insufficient to cover budgeted expenditures in the other levy fund. A.R.S. §15-906(B)

State Income Tax Withholdings (865) to Maintenance and Operation (001)—Interest at fiscal year-end must be transferred to the M&O Fund. A.R.S. §15-1222(A)

Teacherage (580) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), or Soft Capital Allocation (625)—Reduces the local tax levy if accumulation in the Teacherage Fund warrants such use. A.R.S. §15-1106(A)(4)

Unemployment Insurance (575) to Maintenance and Operation (001), Unrestricted Capital Outlay (610), or Soft Capital Allocation (625)—When the governing board determines that monies accumulated are in excess of insurance needs, the excess must be used to reduce district taxes for the budget year. A.R.S. §15-1104

Unrestricted Capital Outlay (610) to Maintenance and Operation (001) or Soft Capital Allocation (625)—If budgeted expenditures are less than the cash balance remaining in the UCO Fund, the portion of the cash balance not being used to make expenditures in the budget year should be transferred to another levy fund to reduce taxes, if cash balances are insufficient to cover budgeted expenditures in the other levy fund. A.R.S. §15-906(B)

CHART OF ACCOUNTS

EXAMPLE ENTRIES

The following journal entries are examples of double-entry account coding for various transactions. The examples do not include the unit code element; however, districts must use the unit code to identify expenditures by instructional level and individual school.

	Account Codes	Description	DR	CR
1.	001 000 0000 0103	Cash on Deposit with County Treasurer	\$90,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer	35,000	
	625 000 0000 0103	Cash on Deposit with County Treasurer	40,000	
	001 000 0000 3110	Revenues—State Equalization Assistance		\$90,000
	610 000 0000 3110	Revenues—State Equalization Assistance		35,000
	625 000 0000 3110	Revenues—State Equalization Assistance		40,000
	(To record receipt of state equalization assistance by the Maintenance and Operation, Unrestricted Capital Outlay, and Soft Capital Allocation Funds.)			
2.	001 100 1000 6110	Expenditures—Certified Salaries	\$ 600	
	001 200 1000 6110	Expenditures—Certified Salaries	600	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 1,200
	(To record the biweekly salary of a teacher who teaches regular and special education classes. Note that appropriate benefit codes would also be used.)			
3.	610 100 2500 6737	Expenditures—Tech-Related Hardware and Software	\$ 1,500	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$ 1,500
	(To record the purchase of a computer for use by the accounting department. Note that because the purchase is not assignable to a particular program code, it is coded to program code 100—Regular Education.)			
4.	001 400 2700 6511	Expenditures—Student Transportation Purchased from Other Arizona Districts	\$ 1,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 1,000
	(To record the payment made to another district for transporting the paying district’s students.)			
5.	610 400 2700 6734	Expenditures—Vehicles	\$40,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$40,000
	(To record the purchase of a van to be used to transport disabled students. Note that a district could also use Fund 625—Soft Capital Allocation. Additionally, program code 420—Pupil Transportation—Special Education, could be used to better track special education expenditures.)			
6.	525 620 1000 6643	Expenditures—Instructional Aids	\$ 1,000	
	525 000 0000 0102	Cash in Bank		\$ 1,000
	(To record the purchase of baseballs to be used as athletic instructional aids. Note that a district could also use Fund 610—Unrestricted Capital Outlay, or Fund 625—Soft Capital Allocation.)			
7.	550 100 6000 6930	Other Financing Uses—Fund Transfers-Out	\$ 5,000	
	550 000 0000 0103	Cash on Deposit with County Treasurer		\$ 5,000
	610 000 0000 0103	Cash on Deposit with County Treasurer	5,000	
	610 000 0000 5200	Other Financing Sources—Fund Transfers-In		5,000
	(To record the transfer of cash from the Insurance Proceeds Fund to the Unrestricted Capital Outlay Fund. Transfers-In must equal Transfers-Out.)			

CHART OF ACCOUNTS

EXAMPLE ENTRIES

	Account Codes	Description	DR	CR
8.	625 100 1000 6643	Expenditures—Instructional Aids	\$ 2,000	
	625 000 0000 0103	Cash on Deposit with County Treasurer		\$ 2,000
		(To record the payment for computer software used to teach students.)		
9.	001 100 2600 6430	Expenditures—Repairs and Maintenance Services	\$ 2,500	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 2,500
		(To record the payment for a maintenance agreement for district copiers.)		
10.	001 200 2200 6580	Expenditures—Travel	\$ 250	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 250
		(To record the payment to reimburse the Special Education Director for cost incurred within approved rates for travel to a meeting in another city.)		
11.	001 100 2500 6580	Expenditures—Travel	\$ 800	
	001 100 2500 6300	Expenditures—Purchased Services (workshop)	200	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 1,000
		(To record the payment for the Transportation Director to attend a training workshop out of town.)		
12.	001 100 2200 6300	Expenditures—Purchased Prof. and Tech. Services	\$ 5,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 5,000
		(To record the payment made to a vendor for teacher training.)		
13.	525 620 1000 6300	Expenditures—Purchased Prof. and Tech. Services	\$ 60	
	525 000 0000 0103	Cash on Deposit with County Treasurer		\$ 60
		(To record the payment to a referee who is not a district employee for officiating a basketball game.)		
14.	610 100 1000 6643	Expenditures—Instructional Aids	\$ 9,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$ 9,000
		(To record the payment for workbooks at the beginning of the school year to be used in the classroom. Note that a district could also use Fund 625—Soft Capital Allocation.)		
15.	001 100 2600 6430	Expenditures—Repairs and Maintenance Services	\$ 5,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 5,000
		(To record the payment for doors a district replaced at its high school.)		
16.	001 100 2600 6150	Expenditures—Classified Salaries	\$ 2,000	
	001 100 2600 6610	Expenditures—General Supplies	\$ 3,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 5,000
		(To record the payment for doors replaced by district employees at its high school. Note that appropriate benefit codes should also be used.)		

CHART OF ACCOUNTS**EXAMPLE ENTRIES**

Account Codes	Description	DR	CR
17. 610 100 4000 6450	Expenditures—Construction Services	\$ 6,000	
610 000 0000 0103	Cash on Deposit with County Treasurer		\$ 6,000
	(To record the payment for replacing carpeting in classrooms due to flood damage.)		
18. 610 100 2600 6731	Expenditures—Equipment	\$12,000	
610 000 0000 0103	Cash on Deposit with County Treasurer		\$12,000
	(To record the payment for a district to replace an air conditioning unit.)		
19. 610 100 5000 6832	Expenditures—Redemption of Principal—Other	\$26,000	
610 100 5000 6842	Expenditures—Interest—Other	\$ 1,500	
610 000 0000 0103	Cash on Deposit with County Treasurer		\$27,500
	(To record the payment of principal and interest on the lease-purchase of copiers.)		
20. 610 100 2200 6440	Expenditures—Rentals	\$20,000	
610 000 0000 0103	Cash on Deposit with County Treasurer		\$20,000
	(To record the payment on the operating lease of copiers for the school libraries.)		