

Nebraska Department of Education
School Finance & Organization Services

EDUCATIONAL SERVICE UNITS

2025-26

ACCOUNTING STRUCTURE

& USERS' MANUAL

Released April 2026

This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document. For comments regarding this document contact nde.guidance@nebraska.gov.

P R E F A C E

This Accounting Structure & Users' Manual for Nebraska Educational Service Units is intended to help Educational Service Unit's (ESU's) Boards and administrators effectively collect and document financial data for educational management decisions.

The use of this manual should significantly improve the completion of reports, such as the Annual Financial Report (AFR), required by the Nebraska Department of Education and other state agencies. It is intended to correspond with those concepts, fundamentals and current practices used in accounting principles followed by ESUs.

The Nebraska Department of Education also recognizes that variations will always exist between ESUs regarding the definition of routine daily accounting needs versus those events that are considered occasional and unusual. As a result, not all situations can be predicted or sufficiently addressed in this manual. ESU Boards should accommodate their needs outside the structure required by the Nebraska Department of Education; this manual addresses the minimum reporting requirements. ESUs may add to the coding structure as they find necessary to accommodate their needs or for other purposes. ***However, the financial information reported to the Nebraska Department of Education must conform to the Nebraska Department of Education coding structure.***

The ESU 2025/26 Master Code List is available at:

<https://www.education.ne.gov/fos/annual-financial-report-esu/>

For more information, contact:

Nebraska Department of Education
School Finance and Organization Services
Kelsey Larsen | (402) 540-1418 | kelsey.larsen@nebraska.gov
Stephanie DeGroot | (402) 450-0649 | stephanie.degroot@nebraska.gov
Michelle Cartwright | (402) 450-0867 | michelle.cartwright@nebrask.gov

TABLE OF CONTENTS

Updates to ESU Users’ Manual and the Master Code List	4
State and Federal with Matching Revenue & Disbursement Codes	5
Classification of Funds.....	6
Coding For Classifying Receipts and Disbursements of All Funds.....	7
Dimensions for Fund Disbursement for <i>(Table 1)</i>	8
Program Receipt Coding.....	9
Program Disbursement Coding	16
Disbursement Object Coding	27
Appendix E: Distinguishing Equipment from Supply	39

2025/26 UPDATES TO ESU USERS' MANUAL AND THE MASTER CODE LIST

NEW CODES

<i>None added.</i>

ELIMINATED CODES

<i>ELIMINATED FROM GENERAL FUND</i>	
Receipt 4993 Disbursement 6993	AMERICAN RESCUE PLAN HOMELESS CHILDREN AND YOUTH (ARP HCY I) Program funding is complete.
Receipt 4994 Disbursement 6994	AMERICAN RESCUE PLAN HOMELESS CHILDREN AND YOUTH (ARP HCY II) Program funding is complete.
Receipt *4510	Title IV, PART A ESSA STUDENT SUPPORT & ACADEMIC ENRICHMENT GRANTS *Duplicated receipt for program. Use 4969 for named grants
Object Code 382	DISTANCE EDUCATION & TELECOMMUNICATIONS Removed from unapplicable function codes

CODING CLARIFICATION

<i>OBJECT CODES</i>	
330	EMPLOYEE TRAINING & DEVELOPMENTAL SERVICES: Code travel expenses for staff professional development here. (See code for full description)
580	TRAVEL: Code travel costs for staff professional development to object code 330. (See code for full description)
<i>FEDERAL GRANTS – all 6XXX's</i>	
Object Code: 395 SUBAWARDS/SUBCONTRACTS	Object code 395 to be used for all purchased services from another ESU or District of \$25,000 or less to perform programmatic work/carry out part or all the work according to federal program grant awards. See full object code description on page 33.
Object Code: 396 SUBAWARDS/SUBCONTRACTS	Object code 396 to be used for all purchased services from another ESU or District of \$25,001 or more to perform programmatic work/carry out part or all the work according to federal program grant awards. See full object code description on page 33.

State and Federal Grants with Matching Revenue & Disbursement Codes

Revenue	Disbursement	State Programs
3512	3512	Distance Education Incentive Payments
3540	3540	State Early Childhood
3551	3551	Career & Technical Education
3552	3552	School Safety and Security Act
3575	3575	Nebraska Innovation Grant Program
3599	3599	Other State Categorical Programs <i>(State Categorical Grants not listed above)</i>
Revenue	Disbursement	Federal Programs
4210	6800	Federal Nutrition Programs: Federal reimbursement to school districts
4301	6301	Comprehensive Literacy State Development Grant (CLSD)
4309	6940	Head Start
4418	6418	IDEA Part B PEaK Projects
4505	6200	Title I, Part A ESSA Improving Basic Programs Operated by Local Educational Agencies
4509	6310	Title II, Part A, ESSA Supporting Effective Instruction: Principal, Teacher and Other School Leaders Training, Class Size Reduction
4523	6415, 6416, 6417	IDEA Special Projects
4524	6690	Other Federal Non-Categorical Receipts
4525	6700	Federal Career & Technical Education (Carl Perkins)
4526	6915	Title I, Part C ESSA: Education of Migratory Children
4527	6925	Title III Part A ESSA - English Language Acquisition, Language Enhancement, and Academic Achievement
4528	6926	Title III ESSA - Immigrant Education
4530	6990	Other Federal Categorical Receipts: Receipts from all other federal categorical sources not otherwise classified. (i.e.: PBIS, GEERS)
4531	6968	Title IV, Part B ESSA: 21st Century Community Learning Centers
4969	6969	Title IV-A, Part A ESSA Student Support and Academic Enrichment (SSAE) Grant (2018/19 Formula Based)

CLASSIFICATION OF FUNDS

A FUND is a sum of money or is the money derived from certain sources and set aside for specific purposes and activities. An ACCOUNT within a fund records the financial transactions that are similar in terms of a given frame of reference, either as a receipt or as a disbursement. The fund accounts collectively constitute a complete record of all transactions encompassed by the fund. In addition, State Statute §79-1089 requires that a public accountant or a certified public accountant annually examine all financial records maintained by ESUs.

GENERAL FUND (01)

The General Fund finances all facets of services rendered by the ESU. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. The General Fund is maintained by all operating ESUs in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted. Unlike districts, ESU's use the General Fund for building projects.

DEPRECIATION FUND (02)

A Depreciation Fund may be established by an ESU in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, an ESU will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The ESU may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. This fund is restricted by statute as part of the Allowable Reserve limitation. The Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

EMPLOYEE BENEFIT FUND (03)

An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of ESU employees (unemployment compensation, early retirement, health insurance deductibles, etc.) to allocate monies from the General Fund, an ESU will show the movement of monies as an expense from the General Fund, and the Employee Benefit Fund will show the revenue as a transfer from the General Fund. An ESU may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

CODING FOR CLASSIFYING RECEIPTS AND DISBURSEMENTS OF ALL FUNDS

Refer to the Chart of Accounts for Receipts and the Chart of Accounts for Disbursements for specific divisions and sub-divisions of receipts and disbursements within the ESU's funds. Both charts show four-digit numbers.

The coding structure that is recommended distinguishes receipts from expenditures and identifies the source of funds as well as the function and object codes for the expenditure.

The coding structure for all funds is reflected in the following breakdown:

XX	-	X	-	XXXXX	-	XXX
Fund		Receipt (1) /Expenditure (2)		Function		Object

For all General Fund expenditures, the first three digits in the coding structure will be 01 - 2 to reflect the General Fund and that the transaction is an expenditure. The remaining portion of the coding structure will identify the Function and Object of the expenditure.

EXAMPLE #1:

The **expenditure** of \$400 for Regular Instruction teaching supplies could be coded as follows:

01 - 2 - 01100 - 610 \$400

In this example, the first two digits (01) indicate the General Fund, the third digit (2) identifies the transaction as an expenditure, the next four digits (1100) identify the function as Regular Instruction and the next three digits (610) identify the object as supplies.

For all General Fund receipts, the first three digits in the coding structure will be 01 - 1 to reflect General Fund and that the transaction is a receipt. The remaining digits are to be used to identify the source of the receipt according to the Chart of Accounts.

EXAMPLE #2:

The **receipt** of a property tax payment in the amount of \$1000 would be coded as follows:

01 - 1 - 01100 - 000 \$1000

In this example, the first two digits (01) indicate the General Fund, the third digit (1) identifies the transaction as a receipt, and the next four digits (3110) identify the type and source of the receipt (Property Tax). The last three digits of a receipt are always "000" since receipts are not broken down to the object level.

TABLE 1 DIMENSIONS FOR FUND DISBURSEMENTS

FUND	RECEIPT or EXPENDITURE	FUNCTION	OBJECT
01 - General	1 – Receipt	1000 – Instruction	100 – Salaries
02 - Depreciation	2 - Expenditure	2000 – Support Services	200 – Employee Benefits
03 – Employee Benefit		3000 – Operation of Non-Instructional Programs	300 – Purchased Professional/Technical Services
		3400/3500 - Private and State Categorical Programs	400 – Purchased Property Services
		4000 – Facilities Acquisition & Construction	500 – Other Purchased Services
		5000 – Debt Services	600 – Supplies
		6000 – Federal Programs	700 - Property
		8000 – Transfers	800 – Debt Services & Miscellaneous
		9000 – Non-Program Expenditure	900 – Other Items

PROGRAM RECEIPT CODING

1000 LOCAL RECEIPTS

TAXES

- 1100 TAXES LEVIED BY ESU:** Compulsory charges levied by the ESU to finance services performed for the common benefit (Revenues 1110 through 1190 are specific taxes levied/assessed by the ESU). Revenue derived from the tax levy and all other local taxes which accrue to the ESU, including any school revenue originating from local taxation, housing authority, or TIF related revenue; any ESU revenue originating from local taxation.
- 1115 CARLINE TAXES:** Personal property taxes assessed on private rail cars that are collected by the state and distributed to political subdivisions based on railroad taxes levied.
- 1140 PENALTIES & INTEREST ON TAXES (LEVIED/ACCESSED BY ESU):** Revenue from penalties for the payment of taxes after the due date and the interest charged on delinquent taxes from the due date of actual payment. A separate account for penalties and interest on each type of tax may be maintained.
- 1190 OTHER TAXES (LEVIED BY ESUs):** Other forms of taxes the ESU levies/assesses, such as licenses and permits. Separate accounts may be maintained for each specific type of tax.
- 1210 AD VALOREM TAXES (RECEIVED FROM OTHER GOVERNMENT UNITS):** Taxes levied for school purposes by a local governmental unit other than an ESU. The ESU is not the final authority, within legal limits, in determining the amount to be raised. For example, after an ESU has determined that a certain amount of revenue is necessary, another governmental unit may exercise discretionary power in reducing or increasing the amount. Separate accounts may be maintained for real property and for personal property. Pathways to Tomorrow (P2T) taxes are coded here.

TUITION

- 1315 TUITION FROM EDUCATIONAL ENTITIES (DISTANCE EDUCATION):** Tuition received from educational entities for providing distance education. Educational entity means an ESU, a private, denominational, or parochial school, an educational service unit, a community college, a state college, the University of Nebraska, or a nonprofit private postsecondary educational institution.
- 1321 TUITION FROM WITHIN THE STATE – REGULAR EDUCATION:** Tuition received from districts/ESUs, usually under contract.
- 1323 TUITION FROM ESUs WITHIN THE STATE – SPECIAL EDUCATION:** Tuition received from districts/ESUs for providing Special Education programs for school age children.
- 1331 TUITION FROM ESUs OUTSIDE THE STATE:** Tuition received from ESUs outside the state, usually under contract.
- 1340 TUITION FROM PRIVATE SOURCES**

PROGRAM RECEIPT CODING

- 1360 TUITION – ADULT EDUCATION TUITION AND FEES
- 1380 CONTRACTED EDUCATION SERVICE RECEIPTS FROM DISTRICT – SPED – BELOW AGE 5
- 1385 CONTRACTED EDUCATION SERVICE RECEIPTS FROM DISTRICT – SPED – SCHOOL AGE
- 1390 CONTRACTED EDUCATION SERVICE RECEIPTS FROM DISTRICT – REGULAR EDUCATION – BELOW AGE 5
- 1395 CONTRACTED EDUCATION SERVICE RECEIPTS FROM DISTRICT – REGULAR EDUCATION – SCHOOL AGE

INVESTMENTS

- 1510 **INTEREST ON INVESTMENTS:** All interest revenue on investments in U.S. Treasury and agency obligations, commercial paper, savings accounts, time certificates of deposit, mortgages, or other interest-bearing instruments. This would also include interest on demand deposits.

FOOD SERVICES

- 1610 **DAILY SALES—REIMBURSABLE PROGRAMS:** Revenue from students for the sale of breakfasts, lunches, and milk that are considered reimbursable by the U.S. Department of Agriculture. Federal reimbursements are not entered here. They should be recorded under revenue source 4500. State reimbursements are not entered here. They should be recorded under revenue source 3200
- 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.
- 1614 **DAILY SALES – AFTER-SCHOOL PROGRAM:** Revenue from students from the sale of reimbursable costs from after-school programs.
- 1620 **DAILY SALES – NON-REIMBURSEABLE PROGRAMS:** Revenue from students or adults for the sale of non-reimbursable breakfasts, lunches, and milk. This category includes all sales to adults, the sale of extra lunches to students, and a la carte sales.
- 1650 **DAILY SALES – SUMMER FOOD PROGRAMS:** Revenue from students from the sale of reimbursable costs from summer programs. Used in School Nutrition Fund only

PROGRAM RECEIPT CODING

MISCELLANEOUS RECEIPTS

- 1740 FEES** – Revenue from use of ESU property/services/programs not otherwise categorized. Does not include tuition fees.

- 1800 REVENUE FROM COMMUNITY SERVICES ACTIVITIES:** Revenue from community services activities operated by an ESU. For example, daycare, before & after school programs, busing for preschoolers, community rec, civic activities & public libraries, revenue received from operation of a skating facility by an ESU as a community service would be recorded here. Multiple accounts may be established within the 1800 series to differentiate various activities.

OTHER LOCAL RECEIPTS

- 1905 INTERNET SERVICE REIMBURSEMENT FROM DISTRICTS**

- 1910 RENTALS OF SCHOOL EQUIPMENT, PROPERTY, & FACILITIES:** Revenue from the rental of either real or personal property owned by the ESU.

- 1920 CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES:** Revenue associated with contributions and donations made by private organizations.

- 1925 CATEGORICAL GRANTS FROM CORPORATIONS & OTHER PRIVATE SOURCES:** Categorical grants received from corporations, foundations, and other non-governmental sources (matching disbursement code is 3400).

- 1951 MISCELLANEOUS REVENUE FROM ESUs WITHIN THE STATE**

- 1952 MISCELLANEOUS REVENUE FROM ESUs OUTSIDE THE STATE**

- 1955 POSTSECONDARY RECEIPTS:** Receipts from postsecondary institutions for staff reimbursement, equipment, facilities, services, etc.

- 1960 MISCELLANEOUS REVENUES FROM OTHER LOCAL GOVERNMENT UNITS:** Revenue from services provided to other local governmental units, including the state. These services could include nonstudent transportation, data processing, purchasing, maintenance, cleaning, cash management, and consulting.

- 1965 DISTANCE EDUCATION & TELECOMMUNICATIONS SERVICE RECEIPTS:** E-rate receipts should be coded to function code 4105.

- 1970 REVENUE FROM OTHER DEPARTMENTS IN AGENCY:** Includes inter-department billing within the ESU

PROGRAM RECEIPT CODING

1990 MISCELLANEOUS LOCAL RECEIPTS: Revenue from local sources not provided for elsewhere, including services provided to individuals. Other examples could include food rebates, coupon refunding, and sales of materials.

1995 PRESIDENTIAL DECLARED DISASTER AID: Receipts from local sources due to a Presidential declared disaster.

INTERMEDIATE SOURCES

2130 OTHER COUNTY RECEIPTS: Receipts from county sources not otherwise classified.

STATE SOURCES

3130 HOMESTEAD EXEMPTION: Funds appropriated by the state and distributed to county treasurers in-lieu-of property taxes and in turn allocated to ESUs.

3131 PROPERTY TAX CREDIT: Funds appropriated by the state and distributed by the county treasurer as a result of the Property Tax Credit Act.

3133 NAMEPLATE CAPACITY TAX: Funds appropriated by the state and distributed by the county treasurer for personal property directly used in wind energy generation.

3134 PERSONAL PROPERTY TAX CREDIT - RAILROAD TAXES/PUBLIC SERVICE ENTITIES: Funds appropriated by the State & distributed by the County Treasurer to ESUs.

3150 STATE REIMBURSEMENT (of Nutrition Programs): State reimbursement to ESUs for services offered to children who qualify for free or reduced meal programs.

3180 PRO-RATE MOTOR VEHICLE: Payments made by the owners of a fleet of apportionable vehicles in-lieu-of registration. This money is distributed to county treasurers for redistribution to political subdivisions based on the relation of the subdivision's levy to the total levy in the county.

STATE CATEGORICAL PROGRAMS:

3512 DISTANCE EDUCATION INCENTIVE PAYMENTS

3540 STATE EARLY CHILDHOOD

3550 ESU CORE SERVICES: Funds distributed to Educational Service Units (ESU) under the provision §79-1241.03

3551 CAREER EDUCATION & TECHNICAL EDUCATION

PROGRAM RECEIPT CODING

- 3552 SCHOOL SAFETY AND SECURITY ACT:** Funding provided to school districts and to educational service units on behalf of approved or accredited nonpublic schools for security-related infrastructure grant program.
- 3575 NEBRASKA INNOVATION GRANT PROGRAM**
- 3599 OTHER STATE CATEGORICAL PROGRAMS:** Receipts from programs funded through state categorical funds not otherwise identified. Receipts related to individual grants should be further coded in order to separate them from receipts for other categorical grants. The expenditures for the particular grant should be coded under a matching expenditure function to facilitate a comparison of receipts and expenditures for each grant received.
- 3990 OTHER STATE RECEIPTS:** Any receipt from a state appropriation not included in any other category (*include Game & Parks In-Lieu-of Tax*).
- 3995 PRESIDENTIAL DECLARED DISASTER RECEIPTS:** Receipts from state sources due to a Presidential declared disaster.
- 4000 FEDERAL RECEIPTS:** Many ESUs participate in federal programs that are funded in part or totally through the receipt of federal funds. Most such programs are administered directly through the Department of Education and require an application and some form of expenditure report. A separate and specific function number identifies those federal programs that are administered directly through the Department of Education.
- 4105 UNIVERSAL SERVICE FUND (E-RATE):** Receipts from the federal Universal Service Fund pursuant to Section 254 of the Telecommunications Act of 1996, 46 U.S.C. 254 as such Section existed on January 1, 2006.
- 4210 FEDERAL NUTRITION PROGRAMS:** Federal reimbursement to ESUs for services offered to children who qualify for free or reduced meal programs. This function should be used in accounting for the School Nutrition Fund.
- 4301 COMPREHENSIVE LITERACY STATE DEVELOPMENT GRANT (CLSD):** Funding provided to advance literacy achievement of students in kindergarten through grade 12.
- 4309 HEAD START**
- 4418 IDEA PART B, PEaK PROJECTS:** IDEA funds received for special education discretionary transition projects (IDEA Part B transition project receipts must be recorded here; disbursements for IDEA special projects must also be coded in 6417).
- 4505 TITLE I, PART A: ESSA IMPROVING BASIC PROGRAMS OPERATED BY LOCAL STATE AGENCIES**
- 4509 TITLE II, PART A ESSA SUPPORTING EFFECTIVE INSTRUCTION:** Principal, Teacher and Other School Leaders Training, Class Size Reduction.

PROGRAM RECEIPT CODING

- 4523 IDEA SPECIAL PROJECTS:** IDEA funds received for special education discretionary projects for children through age twenty-one. Example Special Projects include collaborative projects, transition projects, and SPED student-to-work situations (IDEA special project receipts must be recorded here; disbursements for IDEA special projects must also be coded in 6415).
- 4524 OTHER FEDERAL NON-CATEGORICAL RECEIPTS:** All non-categorical funds received from federal sources not otherwise classified.
- 4525 FEDERAL CAREER & TECHNICAL EDUCATION (CARL PERKINS):** Federal assistance to eligible recipients to strengthen and expand high-quality career and technical education programs that integrate academic and technical skills and prepare learners for postsecondary education and the workforce (includes Perkins Basic, Perkins reVISION, and Perkins reVISION Action Grants).
- 4526 TITLE I, PART C ESEA/ESSA – MIGRANT EDUCATION STATE GRANT PROGRAM**
- 4527 TITLE III, PART A ESSA ENGLISH LANGUAGE ACQUISITION, LANGUAGE ENHANCEMENT, & ACADEMIC ACHIEVEMENT**
- 4528 TITLE III ESSA IMMIGRANT**
- 4530 OTHER FEDERAL CATEGORICAL RECEIPTS:** Receipts from all other federal categorical sources not otherwise classified (i.e. GEER, PBiS receipts).
- 4531 TITLE IV, PART B ESSA 21ST CENTURY COMMUNITY LEARNING CENTERS**
- 4708 MEDICAID IN PUBLIC SCHOOLS (MIPS):** Payments from Health and Human Services for reimbursable special education services provided to verified special education and Medicaid-eligible children. Expense to the proper SPED disbursement codes that were utilized with these funds.
- 4709 MEDICAID ADMINISTRATIVE ACTIVITIES (MAAPS):** Payments from Health and Human Services for administrative outreach and case management activities. Include receipts from Nebraska Education-Based Medicaid Administrative Claiming Consortiums.
- 4710 CATEGORICAL GRANTS FROM CORPORATIONS & OTHER PRIVATE INTERESTS**
- 4969 TITLE IV-A, PART A: Student Support and Academic Enrichment (SSAE) Grant (2018/19 Formula Based)**
- 4995 PRESIDENTIAL DECLARED DISASTER AID:** Receipts from federal sources due to a Presidential declared disaster.

PROGRAM RECEIPT CODING

NON-REVENUE RECEIPTS

- 5100 ISSUANCE OF BONDS:** Used to record the face amount of the bonds that are issued. Short-term debt proceeds should not be classified as revenue. When an ESU issues short-term debt (debt with a duration of less than 12 months) that is to be repaid from governmental funds, a liability (notes payable) should be recorded in the balance sheet of the fund responsible for repayment of the debt.
- 5101 ISSUANCE OF BONDS (RE-FUNDING ONLY)**
- 5120 PREMIUM ON THE ISSUANCE OF BONDS:** Proceeds from that portion of the sale price of bonds in excess of or below their par value. The premium represents an adjustment of the interest rate and will be amortized using revenue account 6200.
- 5150 TAX ANTICIPATION NOTES:** Monies borrowed which will be repaid from future tax receipts.
- 5200 FUND TRANSFERS IN:** Used to classify operating transfers from other funds of the ESU.
- 5300 PROCEEDS FROM THE DISPOSAL OF REAL OR PERSONAL PROPERTY:** Proceeds from the disposal of school property or compensation for the loss of real or personal property. Any gain or loss on the disposal of property for proprietary or fiduciary funds is recorded in account 1930. Account 5300 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 recorded as special items using account 6300.
- 5301 INSURANCE ADJUSTMENTS:** Funds received as settlements to insurance claims.
- 5400 LOAN PROCEEDS:** Proceeds from loans greater than 12 months.
- 5600 OTHER LONG-TERM DEBT PROCEEDS:** Proceeds from other long-term debt instruments not captured in the preceding codes (i.e. certificates of obligation).
- 5690 OTHER NON-REVENUE RECEIPTS:** All other non-revenue receipt items not otherwise classified, including refunds of overpayments (cash only). Whenever possible, refunds should be abated against outstanding bills or claims.

NON-PROGRAM RECEIPTS

- 9000 NON-PROGRAM RECEIPTS:** The receipts resulting from temporary intra-agency transactions such as cashing Certificates of Deposit (see Non-Program Expenditures for offsetting entries). **Note: If Non-Program Receipts exceed Non-Program Expenditures, the difference should be recorded as a receipt (5690) to the ESU. If the Non-Program Expenditures exceed the Non-Program Receipts, the difference should be recorded as an expenditure (in a related function) to the ESU.**

PROGRAM DISBURSEMENT CODING

According to *Financial Reporting for Local & State School Systems* from the U.S. Department of Education, the function describes the activity for which a service or material object is acquired. The functions of an ESU are classified into five broad areas: instruction, support services, operation of non-instructional services, facilities acquisition and construction, and debt service. Functions are further classified into sub-functions. Each classification is presented by a code number followed by a description.

FUNCTIONS

- 1000 SERIES - 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 co-curricular activities. It may also be provided through some other approved medium—such as television, radio, computer, the 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 (graders, teaching machines, etc.) who assist in the instructional process. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. ESU: Quiz Bowl, Expulsion Programs, & Drivers' Ed Program. Expenditures for full-time department chairpersons should be reported in function 2490 Other Support Services – School Administration (used with all programs 100–900).
- 1100 REGULAR 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 curricular activities. It may also be provided through some other approved medium—such as television, radio, computer, the 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 (graders, teaching machines, etc.) who assist in the instructional process. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Expenditures for full-time department chairpersons should be reported in function 2490 Other Support Services – School Administration.
- 1190 EARLY CHILDHOOD EDUCATIONAL PROGRAMS:** Qualified Early Childhood Educational programs that are approved by the Nebraska Department of Education. Do not include the expenditure of state or federal grant funds or Special Education funds in this category. Expenditure of state grant funds for Early Childhood Educational Programs should be coded as 3540; expenditures for Special Education Early Childhood Programs should be coded as 1296 (*not included in per pupil costs*).
- 1200 SPECIAL EDUCATION INSTRUCTIONAL PROGRAMS – SCHOOL AGE:** Those Special Education programs funded through State and Local Sources only. Transition Programs – Ages: High School – 21. Do not include transportation costs for Special Education purposes under this function.
- 1296 SPECIAL EDUCATION INSTRUCTIONAL PROGRAMS – BELOW AGE 5 PROGRAMS:** Special Education programs for early childhood children ages 3-5 funded through local sources only.

PROGRAM DISBURSEMENT CODING

- 2100 SERIES - SUPPORT SERVICES – STUDENTS:** Activities designed to assess and improve the well-being of students 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, the school, and the community. Registration activities for adult education programs are included here. Some examples of other services to be reported within this function code are supervision services, attendance services, and student accounting services. Student Information System expenditures should be coded here. Social Workers providing SPED-related services are coded to the appropriate age level SPED function codes – 1200, 1296-- with object code 340 Other Professional Services.
- 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. Guidance services may include supervision services, counseling services, appraisal services, student record services, and placement services.
- 2130 HEALTH SERVICES:** Physical health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services. Does not include mental health services. *Services for regular education students are coded here.*
- 2131 HEALTH SERVICES: SPED SCHOOL AGE:** Physical health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services. Includes SPED Nurses. Does not include mental health services.
- 2136 HEALTH SERVICES: SPED BELOW AGE 5**
- 2141 PSYCHOLOGICAL SERVICES: SPED SCHOOL AGE:** 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 special needs of students as indicated by psychological tests and behavioral evaluation; and planning and managing a program of psychological services, including psychological counseling for students, staff, and parents. This function includes the supervision of psychological services, related testing and counseling services, mental health services and psychotherapy services.
- 2146 PSYCHOLOGICAL SERVICES: SPED BELOW AGE 5**
- 2151 SPEECH PATHOLOGY & AUDIOLOGY SERVICES: SPED SCHOOL AGE:** Activities that identify, assess, and treat children with speech, hearing, and language impairments. Includes hearing impaired.
- 2156 SPEECH PATHOLOGY & AUDIOLOGY SERVICES: SPED BELOW AGE 5**

PROGRAM DISBURSEMENT CODING

- 2161 OCCUPATIONAL THERAPY – RELATED SERVICES: SPED SCHOOL AGE:** Activities that assess, diagnose, or treat students for all conditions requiring the services of an occupational therapist.
- 2166 OCCUPATIONAL THERAPY – RELATED SERVICES: SPED BELOW AGE 5**
- 2171 PHYSICAL THERAPY – RELATED SERVICES: SPED SCHOOL AGE:** Activities that assess, diagnose, or treat students for all conditions requiring the services of a physical therapist.
- 2176 PHYSICAL THERAPY – RELATED SERVICES: SPED AGES 0-5**
- 2181 VISUALLY IMPAIRED – RELATED SERVICES: SPED SCHOOL AGE:** Activities that assess, diagnose, or treat students for all conditions requiring the visually impairment specialist.
- 2186 VISUALLY IMPAIRED – RELATED SERVICES: SPED AGES 0-5**
- 2190 SUPPORT SERVICES – OTHER:** Other *NON-SPED* support services to students not classified elsewhere in the 2100 series.
- 2200 SERIES - SUPPORT SERVICES – INSTRUCTION:** Activities associated with assisting the staff with the content and process of providing learning experiences for students.
- 2211 SCHOOL IMPROVEMENT:** Activities that support school improvement efforts. Includes costs for local school improvement committees or visiting teams and may include other costs for developing and implementing a school improvement plan such as data analysis, professional development, consulting fees and other related costs.
- 2213 INSTRUCTIONAL STAFF TRAINING:** Activities associated with the professional development and training of instructional personnel. These include such activities as in-service training (including mentor teachers), workshops, conferences, demonstrations, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of instructional personnel. Training that supports the use of technology for instruction should be included in this code (states may establish a sub-object code for specific tracking of technology-related training costs). The incremental costs associated with providing substitute teachers in the classroom (while regular teachers attend training) should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors. It should be noted that the salary of a teacher who is attending training would still be reported in Function Code 1000.
- 2223 AUDIO/VISUAL SERVICES:** Activities such as selecting, securing, preparing, repairing, and making audio-visual equipment available to members of the instructional staff.
- 2224 EDUCATIONAL TELEVISION SERVICES:** Activities concerned with presenting educational programs by way of television, including distance learning.

PROGRAM DISBURSEMENT CODING

2290 SUPPORT SERVICES – OTHER: Services supporting the instructional staff not properly classified elsewhere in the 2200 series. School consulting/evaluation and instruction coaches are coded here.

2300 SERIES - SUPPORT SERVICES - GENERAL ADMINISTRATION: Activities concerned with establishing and administering policy involved with operating the ESU.

2310 BOARD OF EDUCATION/ESU BOARD OF CONTROL: Activities of the Board that have been created according to state law and vested with responsibilities for educational activities in a given administrative unit. Some examples of services to be included here are Board Secretary and Clerk Services if they primarily provide services to the board.

- * Supervision of Board of Education Services: Activities concerned with directing and managing the general operation of the board of education. These include the activities of the members of the Board of Education, but do not include any special activities defined in the other areas of responsibility described below. They also include any activities of the ESU performed in support of ESU meetings.
- * Board Secretary/Clerk Services: The activities required to perform the duties of the Secretary or Clerk of the Board of Education (contract service related).
- * Board Treasurer Services: The activities required to perform the duties of the Treasurer of the Board of Education (contract service related).
- * Election Services: Services rendered in connection with any school system election, including elections of officers and bond elections.
- * Staff Relations and Negotiations: Activities concerned with staff relations system wide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.
- * Other Board of Education Services: Board of Education services that cannot be classified under the preceding areas of responsibility.

2320 EXECUTIVE ADMINISTRATION: Activities associated with the overall general administration or executive responsibility of the entire ESU (used with all programs 100–900). Some typical services included in this function code are as follows:

- * Office of the Administrator: Activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents in generally directing and managing all affairs of the ESU. These include all personnel and materials in the office of the chief executive officer. Activities of the offices of the deputy superintendents should be charged here unless the activities can be better coded to another function.
- * Community Relations: Activities and programs developed and operated system wide for bettering school-community relations.
- * State and Federal Relations: Activities associated with developing and maintaining good relationships with state and federal officials. Activities associated with grant procurement are also included.
- * Other Executive Administration: Other general administrative services that cannot be recorded under the preceding categories.

PROGRAM DISBURSEMENT CODING

2330 DISTRICT/ESU LEGAL SERVICES: Activities performed by “in-house” legal staff employed by the ESU and legal services contracted by the ESU. Also includes any judgments and related expenses.

2500 SERIES - 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 the ESU. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal/external auditing, and investments and funds management. Fiscal services are inclusive of supervision of fiscal services, budgeting services, and payroll, internal audit, and general accounting functions. Board Secretary, Clerk, and Board Treasurer’s services should be reported in 2510 if the positions serve the ESU and do not provide services directly to board members. Otherwise, function 2310 would be used.

2520 PURCHASING & WAREHOUSING SERVICES: Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment, and materials used in schools or school system operations.

2530 PRINTING, PUBLISHING, & DUPLICATING SERVICES: The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities here also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, copier leases and notices. (Duplicating services directly related to instruction should be reported in function 1000)

2560 PUBLIC INFORMATION SERVICES: Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, and the general public through direct mailing, the various news media, e-mail, the Internet and websites, and personal contact. The information services function code includes related supervision and internal and public information services. Technology that supports this code is included in function 2580.

2570 PERSONNEL SERVICES: Activities concerned with maintaining efficient personnel for the school system. This code includes such activities as recruitment and placement, non-instructional staff training, staff transfers, in-service training, health services, and staff accounting.

- * Supervision of Personnel Services: The activities of directing, managing, and supervising staff services.
- * Recruitment and Placement: Activities concerned with employing and assigning personnel for the ESU.
- * Personnel Information: Services rendered in connection with the systematic recording and summarizing of information relating to staff members employed by the ESU.
- * Non-instructional Staff Training: Activities associated with the professional development and training of non-instructional personnel. These include such activities as in-service training, seminars and conferences, continuing professional education, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of non-instructional personnel. The incremental costs associated with providing temporary employees to perform job duties while regular employees attend training should be captured in this function

PROGRAM DISBURSEMENT CODING

code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors. It should be noted that the salary of a non-instructional personnel who is attending training would still be reported in their appropriate function code.

- * Health Services: Activities concerned with medical, dental, and nursing services provided for ESU employees. Included are physical examinations, referrals, and emergency care outside of employee's health insurance.
- * Other Personnel Services: Personnel services that cannot be classified under the preceding functions.

2580 ADMINISTRATIVE TECHNOLOGY SERVICES: Activities concerned with supporting the ESU'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.

- * Technology Service Supervision and Administration: Activities concerned with directing, managing, and supervising data-processing services.
- * Systems Planning and Analysis: Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data-processing procedures or application to electronic data- processing equipment.
- * Systems Application Development: Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.
- * Systems Operations: Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data-processing machines.
- * Network Support Services.
- * Hardware Maintenance and Support Services.
- * Professional Development Costs for Administrative Technology Personnel.
- * Other Technology Services: Activities concerned with data processing not described above.

2590 CENTRAL SERVICES – OTHER: Other support services to business not classified elsewhere in the 2500 series.

PROGRAM DISBURSEMENT CODING

- 2600 SERIES - OPERATION & MAINTENANCE OF PLANT:** Activities concerned with keeping the physical plant open, comfortable, and safe for use and with keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. In-service training related to operations and maintenance, including safety and security, should be reported in function 2570 Personnel Services.
- 2610 OPERATION OF BUILDINGS:** Activities concerned with keeping the physical plant clean and ready for daily use. They include operating lighting and heating, ventilating, and air conditioning (HVAC) systems and doing minor repairs. Also included are the costs of building rental, teacherages, and property insurance.
- 2620 MAINTENANCE OF BUILDINGS:** Activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventative maintenance. Custodial salaries are coded here.
- 2630 CARE & UPKEEP OF GROUNDS:** Activities involved in maintaining and improving the land (but not the buildings). These include snow removal, landscaping, and grounds maintenance.
- 2640 CARE & UPKEEP OF EQUIPMENT:** Activities involved in maintaining equipment owned or used by the ESU. They include such activities as servicing and repairing furniture, machines, and movable equipment.
- 2650 VEHICLE OPERATION, MAINTENANCE, & PURCHASING (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). Expenditures for driver's education programs should be coded to function 1000 Instruction.
- 2660 SECURITY:** Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, on a campus or in an administrative facility, or participating in school-sponsored events. These include costs associated with security plan development and implementation, installation of security monitoring devices such as cameras, metal detectors, security personnel such as campus police, security guards, purchase of security vehicles and communication equipment, and related costs.
- 2670 SAFETY:** Activities concerned with maintaining a safe environment for students and staff, whether they are in transit to or from school, on a campus or in an administrative facility, or participating in school-sponsored events. 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.
- 2680 OPERATION & MAINTENANCE OF PLANT – OTHER:** Operation and maintenance of plant services that cannot be classified elsewhere in the 2600 series.

PROGRAM DISBURSEMENT CODING

2700 SERIES - STUDENT TRANSPORTATION: Activities concerned with conveying students to and from school, as provided by state and federal law. These include trips between home and school and trips to school activities. The Transportation Director should be coded here. Expenditures for driver's education programs should be coded to 1000 Instruction.

2712 VEHICLE OPERATION & PURCHASING – SCHOOL AGE SPED: Activities concerned with the conveyance of special education school age (K-12) children to and from school, as provided by statute and funded by state and local funds. Included are such activities as payment to parents, leasing, and appropriate costs associated with operating the vehicles. Includes costs related to hiring (background checks) and training drivers.

2716 VEHICLE OPERATION & PURCHASING – BELOW AGE 5 SPED: Activities concerned with the conveyance of Below Age Five Special Education children funded with local sources. Includes costs related to hiring (background checks) and training drivers.

2722 MONITORING SERVICES – SCHOOL AGE SPED

2726 MONITORING SERVICES – BELOW AGE 5 SPED

2732 VEHICLE SERVICING & MAINTENANCE – SCHOOL AGE SPED

2736 VEHICLE SERVICING & MAINTENANCE – BELOW AGE 5 SPED

2792 OTHER STUDENT TRANSPORTATION SERVICES – SCHOOL AGE SPED

2796 OTHER STUDENT TRANSPORTATION SERVICES – BELOW AGE 5 SPED

2900 OTHER SUPPORT SERVICES: All other support services not classified elsewhere in the 2000 series.

3000 SERIES - OPERATION OF NON-INSTRUCTIONAL SERVICES: Activities concerned with providing non-instructional services to students, staff, or the community.

3100 FOOD SERVICES OPERATIONS: Activities concerned with providing food to students and staff in a school or ESU. This service area includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.

3300 COMMUNITY SERVICES OPERATIONS: Activities concerned with providing services to the community. Examples of this function: daycare, before & after school programs, busing for preschoolers, community rec, civic activities & public libraries, offering parental training or operating a community swimming pool, a recreation program for the elderly, or a childcare center for working parents. Counseling for the parents of students, where the objective is to improve the education and well-being of the student, should be reported in function 2120 Guidance Services.

PROGRAM DISBURSEMENT CODING

3400/3500 SERIES – PRIVATE & STATE CATEGORICAL PROGRAMS

- 3400 CATEGORICAL GRANTS FROM CORPORATIONS & OTHER PRIVATE INTERESTS:** Expenditures financed by categorical grants received from corporations, foundations, and other non-governmental sources.
- 3512 DISTANCE EDUCATION INCENTIVE PAYMENTS**
- 3540 STATE EARLY CHILDHOOD:** Grants and continuation grants applied for and awarded to districts and ESU's for 3-5 year olds.
- 3551 CAREER EDUCATION & TECHNICAL EDUCATION**
- 3552 SCHOOL SAFETY AND SECURITY ACT:** Funding provided to school districts and to educational service units on behalf of approved or accredited nonpublic schools for security-related infrastructure grant program.
- 3575 NEBRASKA INNOVATION GRANT PROGRAM**
- 3599 OTHER STATE CATEGORICAL PROGRAMS:** Expenditures resulting from programs funded through state categorical funds. Expenditures related to individual grants should be further coded in order to separate them from expenditures for other categorical grants. The receipts for the particular grant should be coded under a matching receipt function to facilitate a comparison of receipts and expenditures for each grant received.

4000 SERIES - FACILITIES ACQUISITIONS & 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 the land such as grading, fill, and environmental remediation.
- 4300 ARCHITECTURE & 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 the ESU's property. Otherwise, charge these services to function 4100, 4200, 4500, or 4600, as appropriate.
- 4500 BUILDING ACQUISITION & CONSTRUCTION:** Activities concerned with buying or constructing buildings.
- 4600 SITE IMPROVEMENTS:** Activities concerned with making nonpermanent improvements or enhancements to building sites. These improvements include fencing, walkways, tunnels, and temporary landscaping.

PROGRAM DISBURSEMENT CODING

4700 BUILDING IMPROVEMENTS: Activities concerned with building additions, reconstruction, and remodeling, as well as with installing or extending service systems and other built-in equipment.

4900 OTHER FACILITIES ACQUISITION & CONSTRUCTION: Facilities acquisition and construction activities that cannot be classified above.

5000 DEBT SERVICE: Activities related to servicing the long-term debt of the ESU, 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 refunds), capital lease payments, and other long-term notes.

6000 SERIES - FEDERAL PROGRAMS: Many ESUs participate in categorical programs that are funded in part or totally through the receipt of federal funds. Most such programs are administered directly through the Department of Education and require an application and some form of expenditure report. A separate and specific function number identifies those federal programs that are administered directly through the Department of Education. Please note that the code numbers of the expenditures portion of the Annual Financial Report for the following categorical programs should correspond with the 4XXX function numbers under receipts.

6200 TITLE I, PART A ESEA/ESSA IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

6301 COMPREHENSIVE LITERACY STATE DEVELOPMENT GRANT (CLSD): Expenditures funded by the CLSD grant to advance literacy achievement of students in kindergarten through grade 12.

6310 TITLE II, PART A ESEA/ESSA SUPPORTING EFFECTIVE INSTRUCTION: Principal & Teacher Training, Recruiting/Class Size Reduction

6315 TITLE II, PART B: Math & Science Partnerships.

6415 IDEA SPECIAL PROJECTS: Expenditures financed through IDEA funds received for special education discretionary projects for children through age 21.

6416 IDEA PART C PLANNING REGION TEAM (PRT): Expenditures financed through IDEA Part C special education funds to support the activities of the Early Childhood Planning Region Team Projects.

6417 IDEA PART B TRANSITION PROJECTS: Expenditures financed through IDEA funds for special education discretionary transition projects.

6418 IDEA PART B PEaK PROJECTS: Expenditures financed through IDEA special education discretionary funds to support districts in the implementation and evaluation of Targeted Improvement Plans (TIPS) through "PEaK" (Promoting Engagement and Knowledge) projects.

6690 OTHER FEDERAL NON-CATEGORICAL EXPENDITURES: Expenditures made for all other non-categorical funds received from federal sources not otherwise classified.

PROGRAM DISBURSEMENT CODING

- 6700 FEDERAL CAREER & TECHNICAL EDUCATION (CARL PERKINS):** Expenditures to strengthen and expand high-quality career and technical education programs that integrate academic and technical skills and prepare learners for postsecondary education and the workforce (includes Perkins Basic, Perkins reVISION, and Perkins reVISION Action Competitive Grants).
- 6800 FEDERAL NUTRITION PROGRAMS:** Expenditures funded through Federal nutrition programs for services offered to children who qualify for free or reduced lunch programs.
- 6910 NATIVE AMERICAN EDUCATION**
- 6915 TITLE I, PART C ESEA/ESSA EDUCATION OF MIGRATORY CHILDREN**
- 6925 TITLE III, PART A ESEA/ESSA ENGLISH LANGUAGE ACQUISITION, LANGUAGE ENHANCEMENT, & ACADEMIC ACHIEVEMENT:**
- 6926 TITLE III ESEA/ESSA IMMIGRANT EDUCATION**
- 6940 HEAD START**
- 6945 CHILD & ADULT CARE FOOD PROGRAM**
- 6968 TITLE IV, PART B ESEA/ESSA 21ST CENTURY COMMUNITY LEARNING CENTERS**
- 6969 TITLE IV, PART A ESEA/ESSA STUDENT SUPPORT & ACADEMIC ENRICHMENT (SSAE) GRANT**
- 6990 OTHER FEDERAL CATEGORICAL PROGRAMS:** Expenditures from all other federal categorical sources not otherwise classified (i.e. GEER, PBIS expenditures).
- 6992 REAP:** Small Rural Schools Achievement grants directly from the U.S. Dept. of Education.
- 8000 TRANSFERS (OUTGOING):** Inter-fund transfers from Depreciation or Employee Benefit Funds to the General Fund
- 9000 NON-PROGRAM EXPENDITURES:** A temporary intra-agency transaction that should not be reflected as an ESU expenditure. An example of such a transaction is purchasing Certificates of Deposit. At the end of the fiscal period, this account should equal the Non-Program Receipts Account. **Note: If Non-Program Receipts exceed Non-Program Expenditures, the difference should be recorded as a receipt (5690) to the ESU. If the Non-Program Expenditures exceed the Non-Program Receipts, the difference should be recorded as an expenditure (in a related function) to the ESU.**

PROGRAM DISBURSEMENT OBJECT CODING

DEFINITIONS OF DISTRICT/ESU PERSONNEL:

- XX0 NON-INSTRUCTIONAL STAFF:** Full-time, part-time, and pro-rated portions of the costs for work performed by *non-certificated* professional and support staff of the ESU. This would not include those that direct or oversee a department – see XX6. Examples of staff included in this object code series:
- Clerical Staff
 - Kitchen Staff
 - Accounting/Personnel Staff
 - Transportation Staff
 - Custodial Staff
 - Maintenance
 - Nurse
- XX1 TEACHERS/PROFESSIONAL STAFF:** Full-time, part-time, and pro-rated portions of the costs for work performed by certificated employees of the ESU who are considered to be in positions of a permanent nature and in support positions of a professional nature. Examples of staff included in this object code series:
- Teachers
 - Principals
 - Associate/Deputy Superintendents
 - SPED Director
 - Certificated Coaches
 - Certificated Activity Sponsors
- XX2 INSTRUCTIONAL AIDES/ASSISTANTS:** Full-time, part-time, and pro-rated portions of the costs for work performed by non-certificated classroom assistants. Examples of staff included in this object code series:
- Paraprofessionals
 - Non-Certificated Coaches
 - Non-Certificated Activity Sponsors
- XX3 SUBSTITUTE TEACHERS:** Full-time, part-time, and pro-rated portions of the costs for work performed by employees who are hired to serve as a substitute teacher.
- XX4 TECHNICAL STAFF:** Full-time, part-time, and pro-rated portions of the costs for work performed by non-certificated staff who are hired to provide technical support for all educational programs and ESU operations. Examples of staff included in this object code series:
- Programmers
 - Network Support
 - Data Analysts
- XX5 ESU ADMINISTRATOR:** Full-time, part-time, and pro-rated portions of the costs for work performed by the Administrator of the ESU. This object code series only appears in Function Code 2320 Executive Administration.
- XX6 PROFESSIONAL NON-CERTIFICATED DIRECTORS:** Work performed by non-certificated employees of the ESU who are considered to be in professional positions **that direct or oversee departments in positions of support for operations of the ESU.** *These individuals may hold a professional degree, license or certificate in their area of expertise.* An individual holding a teaching certificate would be classified in this category if their job responsibilities include directing a department and do not include classroom instruction. **Salary and benefits should be coded in XX6 series for Directors of Fiscal Services (Function 2510), Personnel Services (Function 2570) and ESU Legal Services (Function 2330).** Professional non-certificated staff in non-director roles are coded to the XXX series. Examples of staff included in this object code series:
- Business Manager
 - Director of Nurses
 - Technology Director
 - Head Legal Counsel
 - Head School Dietician
 - Network Administrator
 - Chief Financial Officer
 - Director of Human Resources

PROGRAM DISBURSEMENT OBJECT CODING

The following classifications are used to describe the service or commodity obtained as the result of a specific expenditure. Each classification is presented by a code number followed by a description. The nine major object categories are further subdivided. A three-digit number is used which makes it possible to search out detailed information. Following object coding defines the major categories and sub-categories.

SALARIES: Amounts paid to both permanent and temporary employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the ESU.

REGULAR EMPLOYEES: Full-time, part-time, and prorated portions of the costs for work performed by permanent employees of the ESU.

- 105 ESU ADMINISTRATOR (Only in Function 2320)
- 110 NON-INSTRUCTIONAL
- 111 TEACHERS/PROFESSIONAL STAFF
- 112 INSTRUCTIONAL AIDES & ASSISTANTS
- 113 SUBSTITUTE TEACHERS
- 114 TECHNICAL STAFF
- 116 PROFESSIONAL NON-CERTIFICATED DIRECTORS

TEMPORARY EMPLOYEES: Full-time, part-time, and prorated portions of the costs for work performed by employees who are hired on a temporary or substitute basis. Employee benefits are not usually offered. (i.e. Community Coaches)

- 120 NON-INSTRUCTIONAL
- 121 TEACHERS/PROFESSIONAL STAFF (include subs here)
- 122 INSTRUCTIONAL AIDES & ASSISTANTS
- 124 TECHNICAL STAFF
- 126 PROFESSIONAL NON-CERTIFICATED DIRECTORS

OVERTIME EMPLOYEES: Amounts paid to employees in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated under regular salaries and temporary salaries above. The terms of such payment for overtime are a matter of state and local regulation and interpretation.

- 130 NON-INSTRUCTIONAL
- 131 TEACHERS/PROFESSIONAL STAFF
- 132 INSTRUCTIONAL AIDES & ASSISTANTS
- 133 SUBSTITUTE TEACHERS
- 134 TECHNICAL STAFF
- 136 PROFESSIONAL NON-CERTIFICATED DIRECTORS

ADDITIONAL COMPENSATION: Such as bonuses, stipends, incentives, non-index wages, coaches, and activity sponsors.

- 150 NON-INSTRUCTIONAL
- 151 TEACHERS/PROFESSIONAL STAFF
- 152 INSTRUCTIONAL AIDES & ASSISTANTS
- 153 SUBSTITUTE TEACHERS
- 154 TECHNICAL STAFF
- 155 ESU ADMINISTRATOR (Only in Function 2320)
- 156 PROFESSIONAL NON-CERTIFICATED DIRECTORS

PROGRAM DISBURSEMENT OBJECT CODING

EMPLOYEE BENEFITS: Amounts paid on behalf of employees (amounts not included in gross salary, but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services.

GROUP INSURANCE: Employer's share of any insurance plan.

- 210 NON-INSTRUCTIONAL
- 211 TEACHERS/PROFESSIONAL STAFF
- 212 INSTRUCTIONAL AIDES & ASSISTANTS
- 213 SUBSTITUTE TEACHERS
- 214 TECHNICAL STAFF
- 215 ESU ADMINISTRATOR (Only in Function 2320)
- 216 PROFESSIONAL NON-CERTIFICATED DIRECTORS

SOCIAL SECURITY CONTRIBUTIONS: Employer's share of Social Security and Medicare (FICA) paid.

- 220 NON-INSTRUCTIONAL
- 221 TEACHERS/PROFESSIONAL STAFF
- 222 INSTRUCTIONAL AIDES & ASSISTANTS
- 223 SUBSTITUTE TEACHERS
- 224 TECHNICAL STAFF
- 225 ESU ADMINISTRATOR (Only in Function 2320)
- 226 PROFESSIONAL NON-CERTIFICATED DIRECTORS

RETIREMENT CONTRIBUTIONS: Employer's share of any state or local employee retirement system paid, including the amount paid for employees assigned to federal programs.

- 230 NON-INSTRUCTIONAL
- 231 TEACHERS/PROFESSIONAL STAFF
- 232 INSTRUCTIONAL AIDES & ASSISTANTS
- 233 SUBSTITUTE TEACHERS
- 234 TECHNICAL STAFF
- 235 ESU ADMINISTRATOR (Only in Function 2320)
- 236 PROFESSIONAL NON-CERTIFICATED DIRECTORS

239 EARLY RETIREMENT CONTRIBUTIONS: Expenditures for early retirement or termination of ESU employees. Include payouts for terminal leave costs (retirements, severance pay, unused sick and vacation leave).

TUITION REIMBURSEMENT: Amounts reimbursed by the ESU to any employee qualifying for tuition reimbursement on the basis of policy.

- 250 NON-INSTRUCTIONAL
- 251 TEACHERS/PROFESSIONAL STAFF
- 252 INSTRUCTIONAL AIDES & ASSISTANTS
- 253 SUBSTITUTE TEACHERS
- 254 TECHNICAL STAFF
- 255 ESU ADMINISTRATOR (Only in Function 2320)
- 256 PROFESSIONAL NON-CERTIFICATED DIRECTORS

PROGRAM DISBURSEMENT OBJECT CODING

UNEMPLOYMENT COMPENSATION: Amounts paid to provide unemployment compensation for its employees. These charges should be distributed to the appropriate functions in accordance with the salary expenditures.

- 260 NON-INSTRUCTIONAL
- 261 TEACHERS/PROFESSIONAL STAFF
- 262 INSTRUCTIONAL AIDES & ASSISTANTS
- 263 SUBSTITUTE TEACHERS
- 264 TECHNICAL STAFF
- 265 ESU ADMINISTRATOR (Only in Function 2320)
- 266 PROFESSIONAL NON-CERTIFICATED DIRECTORS

WORKERS' COMPENSATION: Amounts paid to provide workers' compensation insurance for its employees. These charges should be distributed to the appropriate functions in accordance with the salary budget.

- 270 NON-INSTRUCTIONAL
- 271 TEACHERS/PROFESSIONAL STAFF
- 272 INSTRUCTIONAL AIDES & ASSISTANTS
- 273 SUBSTITUTE TEACHERS
- 274 TECHNICAL STAFF
- 275 ESU ADMINISTRATOR (Only in Function 2320)
- 276 PROFESSIONAL NON-CERTIFICATED DIRECTORS

HEALTH BENEFITS: Amounts paid to provide health benefits for its current employees or retired employees for whom benefits are paid. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures. **Do not include health/dental premiums paid for employees here, use the 21X Group Insurance series for premiums paid.** Examples: Employer contribution to Health Savings Account (HSA), in-lieu of insurance payments, Employee Deductible Reimbursement paid by employer.

- 280 NON-INSTRUCTIONAL
- 281 TEACHERS/PROFESSIONAL STAFF
- 282 INSTRUCTIONAL AIDES & ASSISTANTS
- 283 SUBSTITUTE TEACHERS
- 284 TECHNICAL STAFF
- 285 ESU ADMINISTRATOR (Only in Function 2320)
- 286 PROFESSIONAL NON-CERTIFICATED DIRECTORS

OTHER EMPLOYEE BENEFITS: Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, cell phone allowance and paid parking. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures.

- 290 NON-INSTRUCTIONAL
- 291 TEACHERS/PROFESSIONAL STAFF
- 292 INSTRUCTIONAL AIDES & ASSISTANTS
- 293 SUBSTITUTE TEACHERS
- 294 TECHNICAL STAFF
- 295 ESU ADMINISTRATOR (Only in Function 2320)
- 296 PROFESSIONAL NON-CERTIFICATED DIRECTORS

PROGRAM DISBURSEMENT OBJECT CODING

PURCHASED PROFESSIONAL & 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 the ESU.

- 310 OFFICIAL/ADMINISTRATIVE SERVICES:** Services in support of the various policymaking and managerial activities of the ESU. Included are management consulting activities oriented to general governance or business and financial management of the ESU; school management support activities; and election services and tax assessing and collecting services. Used with functions 2300s and 2500s.

- 314 LOBBYIST FEES/EXPENSES:** Services performed by a registered lobbyist acting on behalf of an ESU. This would include any amounts paid by the ESU for lobbyist fees and expenses reported to the Clerk of the Legislature pursuant to state statute. Used only in Function Codes 2320 Executive Administration.

- 315 ACCOUNTING/AUDITING SERVICES:** Services performed by those in the accounting profession in budget preparation, ESU accounting and auditing services. Used only with Function Code 2510.

- 317 LEGAL SERVICES:** Services that by their nature can be performed only by attorneys. Used only in Function Code 2330 Legal Services.

- 320 PROFESSIONAL EDUCATIONAL SERVICES:** Services supporting the instructional program and its administration. Included are curriculum improvement services, assessment, counseling and guidance services, library and media support, and instructional services from non-ESU entities. Contracted instructional services paid for with Federal funds should be coded in 395/396 if the services complete programmatic work (see definition for object codes 395 and 396).

- 330 EMPLOYEE TRAINING & DEVELOPMENTAL SERVICES:** Services supporting the professional and technical development of ESU personnel, including instructional, administrative, and service employees. Included are conference, workshop and course registration fees (that are not tuition reimbursement), charges from external vendors to conduct training courses (at either ESU facilities or off-site), travel costs, 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. Training for instructional staff is coded to Function Code 2213. Training for non-instructional staff is coded to the Function Code 2570.

- 332 MILEAGE PAID TO PARENTS:** Mileage paid to parents for transporting pupils to school. Payments to parents of children enrolled in early childhood programs code in Disbursement Function 1190. Payments to parents of Special Education students code in Function Code 2712 or 2716.

- 333 MILEAGE PAID TO STAFF:** Reimbursement of mileage associated with staff travel for the ESU.

PROGRAM DISBURSEMENT OBJECT CODING

- 334 MILEAGE PAID – OTHER:** Reimbursement of mileage that is not associated with parents or staff. Include contract mileage here.
- 340 OTHER PROFESSIONAL SERVICES:** Professional services other than educational services that support the operation of the ESU. Included, for example, are medical doctors, lawyers, architects, bankers, dieticians, editors, negotiations specialists, paying agents, systems analysts, third-party therapists, and planners
- 350 TECHNICAL SERVICES:** Services to the ESU that are not regarded as professional, but that require basic scientific knowledge, manual skills, or both. Included, for example, are purchasing and warehousing services, and graphic arts. (Used with Function Codes 2500s, 2600s, 2700s, and 3100s)
- 351 DATA-PROCESSING & CODING SERVICES:** Data entry, formatting, and processing services other than programming. (Used with Function Codes 2110, 2320, 2510, and 2580)
- 352 OTHER TECHNICAL SERVICES:** Technical services other than data-processing and related services.
- 382 DISTANCE EDUCATION & TELECOMMUNICATIONS:** Expenditures for distance education services only. Include costs for telecommunications services, access to data transmission networks that transmit data to and from the ESU, renting related equipment, and the transmission of data. Includes expenditures for telephone and cell phone service, including line charges for Internet usage. Do not include expenditures for firewalls, access points or physical property such as routers, etc.
- 395 SUBAWARDS/SUBCONTRACTS: \$25,000 OR LESS:** Amount paid for a contract or purchased services to an entity (including another ESU or District) to perform programmatic work/carry out part or all the work according to federal program grant awards. Report contract payments *up to \$25,000* in Object Code 395. Remaining amount that exceeds \$25,000 is coded as object code 396 (i.e., Contract paid out by ESU to a private company to complete programmatic work for a Title I Grant is \$30,000. \$25,000 is coded to object code 395 and \$5,000 is coded to object code 396). *The **entire** contract amount for professional services should be coded to 395.*
- 396 SUBAWARDS/SUBCONTRACTS: \$25,001 or more:** Amount paid for a contract or purchased services to an entity (including another ESU or District) that *exceeds \$25,000* to perform programmatic work/carry out part or all the work according to federal program grant awards. Report the contract payments that *exceed \$25,000* as object code 396 (i.e. Contract paid out by ESU to a private company to complete programmatic work for a Title I Grant is \$30,000. \$25,000 is coded to object code 395 and \$5,000 is coded to object code 396). *Professional service contracts should be coded to object code 395.*

PROGRAM DISBURSEMENT OBJECT CODING

PURCHASED PROPERTY SERVICES: Services purchased to operate, repair, maintain, and rent property owned or used by the ESU. These services are performed by persons other than ESU employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

- 410 UTILITY SERVICES:** Expenditures for utility services *other than energy services* supplied by public or private organizations. Water and sewerage are included here. Telephone and internet services are not included here but are classified under object 382.

- 420 CLEANING SERVICES:** Services purchased to clean buildings (apart from services provided by ESU employees), including, but not limited to, disposal services, snow plowing, custodial services, and lawn care services. (Used with Function Codes 2600s and 3100)

- 431 NON-TECHNOLOGY RELATED REPAIRS & MAINTENANCE:** Contracts and agreements covering the upkeep of buildings, non-technology equipment and vehicles. Costs for renovating and remodeling are not included here but are classified under object 450.

- 432 TECHNOLOGY RELATED REPAIRS & MAINTENANCE:** Expenditures for repairs and maintenance services for technology equipment that are not directly provided by ESU personnel. This includes ongoing service agreements for technology hardware (i.e., personal computers and servers).

- 440 RENTALS, NON-INSTRUCTIONAL:** Expenditures for rental of equipment that is not considered related to instruction.

- 441 RENTALS OF LAND & BUILDINGS:** Expenditures for leasing or renting land and buildings for both temporary and long-range use by the ESU.

- 442 RENTALS OF EQUIPMENT & VEHICLES:** Expenditures for leasing or renting equipment or vehicles for both temporary and long-range use by the ESU. This includes bus and other vehicle rental when operated by a local ESU and similar rental agreements. Include rental vehicles for driver's education programs here. This should be coded to the function where the equipment or vehicle is used. This code **excludes** costs associated with the rental of computers or other technology-related equipment. These costs should be coded to expenditure object 443 as described below.

- 443 RENTALS OF COMPUTERS & RELATED EQUIPMENT:** Expenditures for leasing or renting computers and related equipment for both temporary and long-range use. This should be coded to the function where the equipment is used.

- 450 CONSTRUCTION SERVICES:** Includes amounts for constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors. This code should also be used to account for the costs of nonpermanent site improvements, such as fencing, walkways, and roads, that are related to buildings and building sites.

- 490 OTHER PURCHASED PROPERTY SERVICES:** Purchased property services that are not classified above. Communication services are not included here but should be included in object 530.

PROGRAM DISBURSEMENT OBJECT CODING

OTHER PURCHASED SERVICES: Amounts paid for services rendered by organizations or personnel not on the payroll of the ESU (separate from professional and technical services or property services). Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

- 510 STUDENT TRANSPORTATION SERVICES:** Expenditures for transporting children to and from school and other activities. Contracted transportation expenditures should be recorded here.

- 519 STUDENT TRANSPORTATION PURCHASED FROM OTHER SOURCES:** Payments to persons or agencies other than ESUs for transporting children to and from ESU and ESU- related events. These payments include payments to students who transport themselves, or payments as reimbursement for student transportation on public carriers (i.e. cabs). Payments for staff and other persons not enrolled as students should be recorded under object 580.

- 520 INSURANCE (OTHER THAN EMPLOYEE BENEFITS):** Expenditures for all types of insurance coverage, including insurance for students, property, liability, and fidelity. Insurance for group health is not charged here but is recorded under object code 21Xs.

- 521 FIDELITY BOND PREMIUMS:** Expenditures for bonds guaranteeing the ESU against losses resulting from actions of the treasurer, employees, or other persons of the ESU. Used in Function Code 2310 only.

- 530 COMMUNICATIONS:** Services provided by persons or businesses to assist in transmitting and receiving messages or information not including telecommunications. This category includes express delivery services, and couriers. Includes licenses and fees for services such as software subscriptions for research and communication software such as Zoom or WebEx. Expenditures for subscription-based Web/Cloud software should be coded to object 643. Other software not web/cloud-based costing less than \$5,000 should be coded to 650 or object 735 if the software is eligible for capitalization (costing \$5,000 or more) as determined by Appendix E. Expenditures for Distance Education and Telecommunications (telephone and cell phone charges) are coded as object code 382.

- 531 POSTAGE:** Includes postage machine rental and postage.

- 540 ADVERTISING:** Expenditures for announcements in professional publications, newspapers, or broadcasts over radio and television. These 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 are not recorded here but are charged to object 340.

- 550 PRINTING & BINDING:** Expenditures for job printing and binding, usually according to specifications of the ESU. This includes designing and printing forms and posters, as well as printing and binding ESU publications. Preprinted standard forms are not charged here, but are recorded under object 610

- 561 TUITION TO OTHER DISTRICTS OR ESU's WITHIN THE STATE:** Tuition paid to other school districts or ESU's within the state. Include tuition expenditures made to education service agencies.

PROGRAM DISBURSEMENT OBJECT CODING

- 565 TUITION TO POSTSECONDARY SCHOOLS:** Tuition paid to postsecondary schools within the state and outside the state.
- 569 TUITION – OTHER:** Includes tuition paid to the state and other organizations (excluding school districts) as reimbursement for providing specialized instructional services to students residing within the boundaries of the paying ESU. Rather, these should be established on the balance sheet or statement of net position at the time taxes are levied as “due to state government” (these amounts are not shown as revenues to the ESU).
- 570 FOOD SERVICE MANAGEMENT:** Expenditures for the operation of a local food service facility by other than employees of the ESU. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by the ESU for food, supplies, labor, and equipment would be charged to the appropriate object codes. Use with Function Code 3100.
- 580 TRAVEL:** Expenditures for transportation, meals, hotel, and other expenditure/expenses associated with staff and/or student travel for the ESU. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here. Code mileage reimbursement to staff to object 333. Code travel costs for staff professional development to object code 330.
- 591 SERVICES PURCHASED FROM DISTRICT OR ESU WITHIN THE STATE:** Payments to a district or an ESU within the state for services rendered, *other than tuition and transportation fees*. Examples of such services are data processing, purchasing, nursing, and guidance. Use 359/396 for all Federal Grants.
- 592 SERVICES PURCHASED FROM ESU OUTSIDE THE STATE:** Payments to a district or an ESU outside the state for services rendered, *other than tuition and transportation fees*. Examples of such services are data processing, purchasing, nursing, and guidance. Use 359/396 for all Federal Grants.

SUPPLIES: Amounts paid that fall below capitalization thresholds for items that are consumed, are worn out, or have deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Refer to Appendix E for the criteria for distinguishing between a supply item and an equipment item.

Beginning October 2024 Federal guidelines increased the capital threshold from \$5,000 to \$10,000. However, if the funding source is from State funds the threshold shall remain at \$5,000. If the funding source is from Federal funds, then the ESU may use an amount up to \$10,000 as directed by the ESU's capitalization policy. ESUs shall create and follow policies set forth by their ESU.

- 610 GENERAL SUPPLIES:** Expenditures for all supplies (other than those listed below) that fall below capitalization thresholds for the operation of an ESU, including freight and cartage. A more thorough classification of supply expenditures is achieved by identifying the object with the function—for example, audiovisual supplies or classroom teaching supplies.

PROGRAM DISBURSEMENT OBJECT CODING

- 621 UTILITY ENERGY SERVICES:** Expenditures for energy utility services from a private or public utility company. (Used with Function Codes 2610 and 3100)
- 626 FUEL:** Expenditures for fuel for vehicles, engines or motors purchased in bulk or periodically from a gasoline service station. (Used with Function Codes 1100, 2650, 2712 and 2716)
- 630 FOOD:** Expenditures for food used in the school food service program. Food used in instructional programs is charged under object 610. (Only appears in Function Code 3100)
- 640 BOOKS & PERIODICALS:** Expenditures for books, textbooks, and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, and textbooks that are purchased to be resold or rented. Also recorded here are the costs of binding or other repairs to school library books. The Government Finance Officers Association (GFOA) recommends that software be counted as a capital expense, and object 735, Technology Software, has been established for these expenditures (Used primarily with Function Codes 1000s, 2100s, 2200s, and 6XXX. Books and periodicals for non-instructional staff should be coded to Function Code 2590).
- 641 Digital Instructional Materials:** Digital/online textbooks, eBooks (instructional only) digital workbooks, digital video, audio, and all other digital materials used for instruction only.
- 643 WEB/CLOUD BASE SOFTWARE:** Subscription-based software that resides external to school servers and is accessed via internet connectivity (i.e. SIS, LMS, Assessment software, Learning applications).
- 650 SUPPLIES – TECHNOLOGY RELATED:** Supplies that are typically used in conjunction with technology-related hardware or software. Some examples such as hotspots, audio equipment, 3-D printers, styluses, headphones, document cameras, digital projectors, projector screens, presentation remotes etc. E-readers, iPads, and PC's that fall below capitalization thresholds (<\$5,000) are reported here. Software costs below the capitalization threshold should be reported here. Licenses and fees for services such as subscriptions to research materials over the Internet should be reported under 530 Communications.

PROPERTY: Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment that equals or exceeds the capitalization threshold (\$5,000). Additional guidance regarding the classification of property expenditures is provided in Exhibit E-1 (in Appendix E) and in Chapter 5 (under the capital assets and capitalization threshold sections).

- 710 LAND & LAND IMPROVEMENTS:** Expenditures for the purchase of land and the improvements thereon. Purchases of air and mineral rights, for example, are included here. Also included are special assessments against the ESU for capital improvements, such as streets, curbs, and drains. Not included here, but generally charged to objects 450 or 340 as appropriate, are expenditures for improving sites and adjacent ways after acquisition by the ESU. (Used with Function Codes 4100, 4200, and 4600)

PROGRAM DISBURSEMENT OBJECT CODING

- 720 BUILDINGS:** Expenditures for acquiring existing buildings and construction of buildings, major permanent structural alterations, renovations, fire protection systems, and other service systems, except payments to public school housing authorities or similar agencies. (Expenditures for installment or lease payments, except interest, that have a terminal date and result in the acquisition of buildings should be assigned to codes 831 and 832.) Expenditures for the contracted construction, alteration, and renovations of buildings are recorded under object 450. Buildings built and alterations and renovations performed by the ESU's own staff are charged to objects 100, 200, and 610 as appropriate. Building rent is reported in object 441. (Used with Function Codes 4500 and 4700)
- 731 MACHINERY:** Expenditures for equipment usually composed of a complex combination of parts (excluding vehicles). Examples such as lathes, drill presses, kitchen equipment/appliances, mowers, tractors, and printing presses (usually used with Function Codes 1000s, 2600s, and 3100).
- 732 VEHICLES:** Expenditures for equipment used to transport persons or objects. Examples such as automobiles, trucks, buses, station wagons, and vans (usually used with Function Codes 2650, 2700s and 3100. Vehicles for driver's education should be coded to Function Code 1100.).
- 733 FURNITURE & FIXTURES:** Expenditures for equipment used for sitting, as a support for writing and work activities, and as storage space for material items (used with all functions, except 5000).
- 734 TECHNOLOGY RELATED HARDWARE:** Expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Technology-related items that do not exceed the capitalization threshold of \$5,000 should be coded to object code 650, Supplies—Technology Related.
- 735 TECHNOLOGY SOFTWARE:** Expenditures for purchased software used for educational or administrative purposes that equals or exceeds the capitalization threshold (\$5,000). Expenditures for software that meet the standards for classification as a supply should be coded to object code 650, Supplies—Technology Related.
- 739 OTHER EQUIPMENT:** Expenditures for all other equipment not classified elsewhere in the 730 object series.
- 805 REPAYMENT OF TAXES PAID:** Repayment of property taxes received in error from county treasurers.
- 807 REPAYMENT OF TAXES PAID FOR REVALUED PROPERTY:** Repayment of property taxes received in prior years due to the revaluation of taxable property.
- 810 DUES & FEES:** Expenditures or assessments for membership in professional or other organizations, as well as student fees (such as entry fees to contests). Tuition expenditures should be reported in objects 560 through 569 (used with functions 1000s and 2000s).

PROGRAM DISBURSEMENT OBJECT CODING

- 820 JUDGEMENTS AGAINST THE ESU:** Expenditures from current funds for all judgments (except as indicated below) against the ESU that are not covered by liability insurance but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the ESU resulting from failure to pay bills or debt service are considered non-court judgments and should be recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due. (Used only with Function Code 2310)
- 831 REDEMPTION OF PRINCIPAL:** Expenditures to retire bonds (including current and advance refunds) and long-term loans, including lease-purchase arrangements. (Used with Function Codes 4500 and 5000)
- 832 INTEREST ON LONG-TERM DEBT:** Expenditures for interest on bonds or notes, including lease-purchase arrangements. (Used only with Function Codes 4500 and 5000)
- 833 BOND ISSUANCE & OTHER DEBT-RELATED COSTS:** Expenses in connection with bond and other debt issuance costs, including lease-purchase debt issuance costs. (Used only with Function Code 5000)
- 835 INTEREST ON SHORT-TERM DEBT** Expenditures for interest on short-term debt or anticipation notes. (Used only with Function Code 5000)
- 890 MISCELLANEOUS EXPENDITURES:** Amounts paid for goods or services not properly classified in one of the objects included above. The refund of prior year's revenues should be reported here.
- 900 OTHER ITEMS:** Used to classify transactions that are not properly recorded as expenditures/expenses but require control and reporting by the ESU. (Purchase of Certificate of Deposit [CDS]) (Used in Function Codes 2510, 5000, and 9000)
- 911 FUND TRANSFER TO GENERAL FUND:** Monies from other funds transferred to the General Fund.
- 950 SPECIAL ITEMS:** Used to classify special items in accordance with GASB Statement 34. Included are transactions or events within the control of the ESU administration that are either unusual in nature or infrequent in occurrence. Some capital asset impairments, as defined by GASB Statement 42, may be reported as special items. In the governmental funds, these items should be separately captioned or disclosed. Music License fees should be coded here. May be used by ESUs to record Indirect Costs in Federal Programs.
- 955 PRESIDENTIAL DECLARED DISASTER:** Expenditures that include significant costs related to a natural disaster such as a fire, flood, tornado, hurricane, or hailstorm or costs related to an environmental disaster that have been declared a Presidential Declared Disaster.

APPENDIX E

Distinguishing Equipment from Supply Items

*Excerpt from **Financial Accounting for Local and State School Systems: 2014 Edition - March 2015***

This appendix discusses the importance of distinguishing between supplies and equipment and suggests criteria for making that decision.

Reasons for Distinguishing Between Supplies and Equipment

Education agencies have found it useful to distinguish between supplies and equipment for the following reasons:

- The distinction may assist in deciding how to control or keep track of an item. For example, some funding programs require that all equipment items be inventoried annually. At the same time, many ESUs will inventory certain items regardless of whether the items are equipment or whether they are required by law to do so.
- The distinction may bear on insurance decisions. Supplies and movable equipment are usually insured as part of the contents of buildings, whereas built-in equipment is usually insured as part of the structure.
- The distinction is important in identifying the funds with which to purchase a given item. For example, some funds, such as bond funds, typically cannot be used to purchase supplies, while other funds might exclude the purchase of equipment.
- The distinction can affect calculations of cost of operations and cost per student. Although most ESUs include expenditures for supplies when calculating current operating costs, many ESUs treat equipment differently. Some include all expenditures for replacement equipment in the current operating cost total, excluding the cost of new and additional equipment. Others prorate the cost of all equipment over several years. In both cases, the incorrect classification of supplies or equipment items can affect the resulting cost calculations.
- The distinction can affect the amount of state or federal aid allocated to an ESU. Several funding sources use per student costs as part of their funding formula (see the preceding paragraph). Most funding programs limit the ways in which their funds may be spent, sometimes excluding either supplies or equipment from the list of eligible purchases.

AN ESU can take either of the following two basic approaches to distinguish between supplies and equipment:

- Adopt a predetermined list of items, classifying each entry as either a supply or an equipment item.
- Adopt a set of criteria to use in making its own classification of supply and equipment items.

Each approach is discussed in the following text.

APPENDIX E

Distinguishing Equipment from Supply Items

The Disadvantages of a Supply/Equipment List

State departments of education and ESUs maintain detailed lists of material items used in ESU operations, identifying each entry as either a supply or an equipment item. These lists are helpful in many situations, but they have at least the following four limitations in financial reporting:

- Various state and federal aid programs offer supply/equipment categorizations that conflict with one another.
- Technological and philosophical changes in education continue at an ever-increasing pace. It is impractical to list and classify the thousands of materials and devices used in ESUs today, particularly in the vocational education curricula. Therefore, without periodic updates, supply/equipment lists quickly become obsolete.
- Classifications of certain items change because of changes in price or technology. For example, most ESUs classified handheld mini calculators as equipment several years ago when they cost over \$100. Now that the price of these items has dropped to the \$5 to \$25 range, some ESUs are changing the classification of these items to supplies.
- Users tend to treat the lists as comprehensive and up-to-date, even when warned otherwise.

For these reasons, developing a universally applicable and easily updatable supply/equipment list is impractical. Instead of presenting a list that might raise as many issues as it would propose to resolve, this guide suggests that the distinction between supplies and equipment can better be made through consistent, statewide application of uniform criteria.

Criteria for Distinguishing Between Supply and Equipment Items

Documentation containing lists of items identified as supplies or equipment can never be comprehensive or exhaustive and quickly becomes outdated. To resolve the need to differentiate between supplies and equipment without exhaustive lists, the National Center for Education Statistics (NCES) has proposed a set of criteria for distinguishing equipment from supply items, listed in priority order (see Exhibit E-1). At the first “no,” the item is declared to be a supply, not equipment.

Equipment Items

****Please note:** Beginning October 2024 Federal guidelines increased the capital threshold from \$5,000 to \$10,000. However, if the funding source is from State funds the threshold shall remain at \$5,000. If the funding source is from Federal funds, then the ESU may use an amount up to \$10,000. The ESU shall create and follow policies set forth by their ESU. *The Federal Financial Accounting for Local and State School Systems: 2014 Edition - March 2015 has NOT been updated to reflect this new guidance.***

An equipment item is any instrument, machine, apparatus, or set of articles that meets all of the following criteria and has an original individual cost of at least \$10,000. The Government Finance Officers Association (GFOA) has recommended a capitalization threshold of no less than \$10,000.

APPENDIX E

Distinguishing Equipment from Supply Items

- It retains its original shape, appearance, and character with use.
- It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.
- It is nonexpendable; that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit.
- Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for at least 1 year.

Supply Items

An item should be classified as a supply if it does not meet all of the stated equipment criteria.

Distinguishing Between Built-In and Movable Equipment

Should an ESU find it useful to classify certain equipment into built-in and movable categories, the following criteria should be used, unless the ESU is otherwise bound by federal, state, or local law.

A *built-in* equipment item meets these criteria:

- It is an integral part of a building; that is, it is permanently fastened to the building, functions as a part of the building, and causes appreciable damage to the building if it is removed.
- It is permanently attached to a site and functions as part of the site (except buildings or other structures). Built-in equipment may be incorporated into a building at the time the building is erected or at a later date. Built-in equipment is sometimes referred to as fixed equipment.

Movable equipment consists of items that meet these criteria:

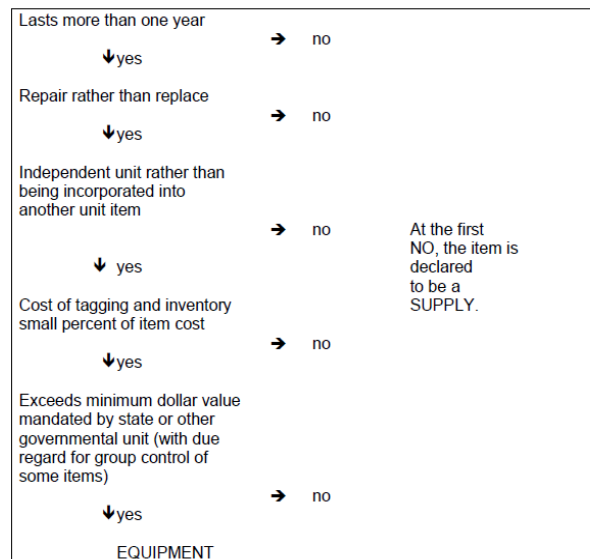
- They are transportable from one location to another without appreciable damage or change to the location from which they are removed or to the location where they are installed.
- They do not function as integral parts of the building or site and are not permanently fastened or attached to the building or site.

A piece of equipment that is simply bolted or screwed to the floor, such as a heavy lathe or desk, and that can be moved as a unit once these fasteners have been removed is movable equipment. The term *movable* refers to the permanency of installation and not to size or weight.

APPENDIX E

Distinguishing Equipment from Supply Items

Exhibit E-1. Criteria for distinguishing equipment from supply items



This diagram was conceived by James Bliss, Ph.D., Assistant Superintendent for Business Services, Grandview Consolidated School District, Grandview, Missouri; and Stuart Graf, CPA, of the American Institute for Certified Public Accountants (AICPA).

Selecting the Level of Control for Supplies and Equipment

ESU managers carry great responsibilities for stewardship of the funds and property of the ESU. They are responsible for tracking and periodically reporting on the condition of these financial and physical resources. A major decision in devising methods to carry out these responsibilities is done by selecting the level of control to be applied to various kinds of supplies and equipment.

The level of control applied to any supply or equipment item can be thought of as the amount of time and effort spent in keeping track of the item, the amount of information kept about the condition, and the whereabouts of the item. The level of control applied to a supply or equipment item usually falls into one of three following broad categories:

- **Little or no control after purchase.** Items in this category are of such little value that the costs of implementing procedures to safeguard them, monitor their use, or track their location and condition are not justifiable. Such items include staplers and wastebaskets.
- **Group control.** Items in this category are of little individual value but taken as a group are valuable enough to justify the cost of providing some type of control over their safety, use, location, and condition. Such items include chairs and school desks.
- **Individual control.** Items in this category are of sufficient value to justify applying control measures to each individual item. Such items usually include all relatively expensive pieces of equipment, although the minimum value of such equipment may vary with the ESU.

APPENDIX E

Distinguishing Equipment from Supply Items

Selecting the level of control to apply to an item is a straightforward process. Often, certain kinds of control are required by law or standard practice. For example, a federal funding program might require that all items purchased from these funds be inventoried and reported periodically. Similarly, some funding programs require that all items of a certain minimum value be inventoried and reported periodically. The ESU may decide on its own to inventory certain kinds of items, regardless of the funding source, simply because these items or the inventory information are valuable to the ESU. The level of control can range from an annual inventory to daily check-out from and return to a central storage room or station. When applied to a given item, the level should be based on the relative importance of the item to the overall operation of the ESU and is usually in direct proportion to the item's purchase, replacement, or repair cost.

It is important to note that deciding how to control an item is relevant not only to equipment but also to certain stocks of supplies. For example, any large stock of supplies—such as instruction supplies, food, or custodial supplies—should be periodically counted and checked for damage, deterioration, and pilferage. Thus, the level-of-control issue applies to all tangible goods of any significant value to the ESU.