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FOREWORD

Section 2-3.27 of the School Code charges the State Board of Education with the formulation and approval of forms, procedures, and regulations for accounting and budgeting of elementary and secondary local education agencies (LEA) in the State of Illinois. The Illinois Program Accounting Manual for Local Education Agencies has been designed in keeping with this requirement.

The increasing concern for accountability of LEA funds has obvious implications for management of the educational enterprise. The nature of the information used to make decisions in this updated context has undergone the scrutiny of the Joint Committee on Administrative Rules (JCAR), as well as various departments of the State Board of Education.

This program accounting manual provides the basis for complete accounting of all district receipts and disbursements, systematic development of program budgeting, and the accumulation and dissemination of program-oriented costs. It is presented to the school districts of Illinois with the confidence that it will promote excellence in all school financial operations.

Dr. Robert E. Schiller
State Superintendent
of Education

CHAPTER I

INTRODUCTION

This manual is an adaptation of the United States Office of Education publication, Handbook II, Financial Accounting, Classifications and Standard Terminology for Local and State School Systems. Handbook II is a part of the State Educational Records and Reports Series.

This edition of the Illinois Program Accounting Manual implements changes which have occurred since the previous manual and provides the basis for school district accounting within the legal framework of the Illinois School Code and the approved of the Joint Committee or Administrative Rules (JCAR).

PURPOSES OF THE MANUAL

The primary consideration to any public agency is demonstration of prudent stewardship of funds. The use of the classifications contained in the manual permits the design of a local school district accounting system which will meet this consideration.

An additional consideration to both local and state legislative bodies, as well as the public, is the desire for comparability of information about education. The classifications contained in this manual consist of mutually exclusive, discrete dimensions and categories which may be used to describe financial transactions. The logic of the classification system enhances correct coding and as a consequence improves comparability. The adoption of the manual by Illinois school districts has put them in harmony with similar agencies throughout the country since Handbook II has historically served as the basis for LEA financial accounting throughout the nation.

A further consideration is the demonstrated need for an accounting system which provides the basis for program budgeting and accounting. Our past accounting systems were limited mainly to three dimensions: fund, function, and object. Their use in accounting systems tended to facilitate measures of resource input to functional areas of the educational enterprise. Expansion to additional dimensions of classification, not financial in nature and taken from other handbooks in the series, permits the design of a system which supports emerging program management techniques. These techniques emphasize relating resources to the product of educational programs to demonstrate accountability and provide the basis for productivity measures.

USE OF THE MANUAL

The classifications as they are presented in Chapter II do not constitute a chart of accounts or an accounting system. The items are presented as mutually exclusive categories within a dimension. A chart of accounts will be developed as each LEA selects and relates the dimensions and categories most suitable to its specific needs. The procedure and method of filing and retrieving the financial transactions becomes the system.

Analyzing transactions of LEAs for classification requires considerable knowledge of LEA funds and accounts. There is no real substitute for experience in exercising this function. The following paragraphs, however, present some background information that should prove beneficial in the use of the manual.

Account numbers should be used as listed in the manual; do not change the description for a printed number. However, the LEA may assign any number not printed, if the new description is within the proper category.

FUND ACCOUNTING

- a) Financial administration requires that each transaction be identified for administrative and accounting purposes. The first identification is by "fund," an independent fiscal and accounting entity requiring its own set of self-balancing accounts, which is created in accordance with special regulations, restrictions, and limitations that earmark each fund for a specific activity or for attaining certain objectives (see Chapter III, Table A). Each fund must be accounted for so that the identity of its resources and obligations and its revenues and expenditures is continually maintained.
- b) The number of funds to be maintained by a particular LEA depends on the nature of its operations, rather than on the size of the LEA. Whenever a tax levy is authorized for a given purpose, proper legal accountability for the revenues and expenditures is required. This results in a minimum of two funds for every operating school district in Illinois: an Educational Fund and an Operations and Maintenance Fund.
- c) If the LEA filed a levy for municipal retirement and a levy for social security and medicare only purposes, then the LEA must maintain a Municipal Retirement/Social Security Fund.
- d) If taxes are levied to retire bond principal and to pay bond interest and/or service charges thereon, then the LEA must maintain a Bond and Interest Fund for each outstanding bond issue.
- e) If pupils are transported at LEA district expense either to and from school or for other purposes, a Transportation Fund must be maintained.
- f) If bonds are sold to finance (non Fire Prevention and Safety) construction, a Site and Construction/Capital Improvements Fund must be maintained to account for the bond proceeds of each (non Fire Prevention and Safety) bond issue.
- g) If bonds are sold for a Working Cash Fund, a separate fund must be created. This fund would also be created by the filing of a working cash tax levy.
- h) If buildings are rented from the Capital Development Board, a Rent Fund must be maintained.
- i) If taxes are levied for an approved capital improvements project (as described in the resolution and on the ballot), then revenues/expenditures must be identified separately within the Site and Construction/Capital Improvement Fund.
- j) If taxes are levied on bonds sold for an approved Fire Prevention and Safety project, then the LEA must identify each project/amendment separately within the Fire Prevention and Safety Fund.
- k) In addition to the funds, there are two self-balancing groups of accounts for maintaining accounting records of capital assets and long-term liabilities. The General Fixed Assets Account Group records all tangible fixed assets of the LEA including land, buildings, machinery, equipment, furniture and fixtures, regardless of which fund provided the cash at the time of purchase. The General Long-Term Debt Account Group records all outstanding bonds of the LEA and other long-term debt.

- l) To designate the nine funds and two groups of accounts by symbol rather than using the full descriptions, this standardized numerical designation will be used as the code for this dimension.
- 1) 10 for Educational Fund
 - 2) 20 for Operations and Maintenance Fund
 - 3) 30 for Bond and Interest Fund
 - 4) 40 for Transportation Fund
 - 5) 50 for Municipal Retirement/Social Security Fund
 - 6) 60 for Site and Construction/Capital Improvements Fund
 - 7) 70 for Working Cash Fund
 - 8) 80 for Rent Fund
 - 9) 90 for Fire Prevention and Safety Fund
 - 10) 98 for General Fixed Assets Account Group
 - 11) 99 for General Long-Term Debt Account Group
- m) LEAs shall use funds appropriate to the legal requirements of their operations and code such funds in the fund dimension. For example, if fund 50 is not used because it is unnecessary to maintain a Municipal Retirement/Social Security Fund, Code 50 cannot be used to designate the Site and Construction/Capital Improvements Fund since 60 has already been (for the purpose of this dimension) assigned as the standard code for the Site and Construction/Capital Improvements Fund.

BALANCE SHEET ACCOUNTING

There are three major groups of balance sheet accounts: assets, liabilities, and fund balance. All transactions must be recorded in the general ledger, either individually or in summary form. Even though a majority will be recorded in more than one ledger, some will be recorded in only the general ledger. This type of transaction requires a descriptor indicating the fund and the specific accounts to be affected.

REVENUE ACCOUNTING

- a) Transactions to be recorded in the revenue ledger are those that represent the receipt of cash without creating a liability or without canceling an asset. For example, tax collections are revenues, but cash received from the sale of tax anticipation warrants is not a revenue since a concurrent obligation is incurred to repay at a later date. Revenues act to increase the fund balance, i.e., the equity of the fund. If the LEA is on a cash basis, revenues are recorded only when actually received. If the LEA is on a modified accrual basis, revenues are recorded when earned.
- b) School system revenues are derived from these sources: local, flow-through, state, and federal.
- 1) Revenue from local sources is the amount of money earned within the boundaries of the LEA and available for its use (1000 Revenue).
 - 2) Flow-through revenue is money received from another LEA. This revenue represents funds for specific grant-related purposes. (2000 Revenue).
 - 3) Revenue from state sources is revenue from funds collected by the state and distributed to LEAs (3000 Revenue).

- 4) Revenue from federal sources is revenue from funds collected by the federal government and distributed to LEAs. It is unimportant whether the funds are distributed directly to the LEA system by the federal government or through some intervening agency such as the state (4000 Revenue).
- c) Revenue transactions must be described and coded as to the specific sources from which they are derived or to which they are attributable.

EXPENDITURE ACCOUNTING

- a) Transactions recorded in the appropriation, expenditure, and encumbrance ledger are commonly referred to as expenditure transactions and represent the payment of cash or the establishment of an obligation (encumbrance) without creating an asset or without canceling a liability. For example, payment of a teacher's salary is an expenditure, but cash disbursed to purchase a United States Treasury Bill is not an expenditure (balance sheet only type) since a concurrent right is created to receive cash at a later date.
- b) There are eleven classification groups (referred to as dimensions) which may be used to describe expenditure transactions. Each dimension is composed of mutually exclusive items or categories of information. An LEA must use the dimensions applicable to its operations to establish a chart of accounts for use in maintaining accounting records and generating management reports. Presented below are the dimensions followed by a brief discussion of each. It should be noted that certain dimensions might be combined into a single account number when an LEA develops its chart of accounts.
 - 1) "Fiscal Year" Fiscal year denotes a twelve-month period of time to which the annual budget applies and at the end of which an LEA determines its financial position and the results of its operations. In some instances, funds are appropriated for a program or activity which may extend into another fiscal period which creates a need for identifying money by fiscal year or, in some cases, by project year (for federal programs). For example, if teachers are employed on a nine-month basis but are paid in twelve equal installments, including one in July and one in August of the following fiscal year, the payroll for these staff members should carry a fiscal year code of the previous fiscal year, rather than the one in which they were paid.
 - 2) "Fund" This dimension is discussed in the "Fund Accounting" portion of this chapter.
 - 3) "Source of Funds" This dimension is used to relate expenditure transactions to the source of categorical funding. It provides the capability of exercising budgetary control and the preparation of special reports. This dimension is particularly useful in tracking the expenses of federal projects and/or "mini-grants" which are often times lumped into a major functional area.
 - 4) "Instructional Organization" The general types of schools or other organizational entities providing instruction are included in this dimension. Examples of instructional organization would include elementary, middle/junior high school, and high school.
 - 5) "Operational Unit" The term is used to denote the location of education activities for organizational purposes. It is the site of a physical plant which houses an

organizational unit. These units correspond to individual schools, in most cases, and can be used to designate school cost centers. In other words, budgets and expenditures may be made for each school or operational unit. Such units are locations of specific schools, of transportation, of administration, of warehouses, etc.

- 6) "Function" Function means the action or purpose for which a person or thing is used or exists. Function includes the activities or actions which are performed to accomplish the objectives of the enterprise. The activities of a LEA are classified into six broad areas: Instruction, Support Services, Community Services, Nonprogrammed Charges, Debt Services, and Provision for Contingencies. Functions and subfunctions consist of activities which have somewhat the same general operational objectives. Furthermore, categories of activities comprising each of these divisions and subdivisions are grouped according to the principle that the activities should be combinable, comparable, relatable and mutually exclusive.
- 7) "Object" This dimension is used to describe the service or commodity obtained as a result of a specific expenditure. The object categories are Salaries, Employee Benefits, Purchased Services, Supplies and Materials, Capital Outlay, Other, Transfers, and Tuition. These eight broad categories are further subdivided into subobjects for more detail about the service or commodity acquired.
- 8) "Job Classification Activity" Activity assignment refers to a description of the activities assigned to a staff member. This is a dimension used for relating financial information to the various staff assignments so as to interrelate staff activities to a program and its cost.
- 9) "Term" Term is a division of the school year (the 12-month period of time denoting the beginning and ending dates for school accounting purposes) which may be divided into regular and summer terms, semesters, trimesters, or quarters.
- 10) "Subject Matter Area" This dimension describes a grouping of related subjects or units of subject matter under a heading such as English or Agriculture.
- 11) "Program" Program may be defined as a group of interdependent, closely-related services and/or activities progressing toward or contributing to a common objective or set of allied objectives. The program dimension provides the LEA the framework to classify expenditures by program to determine cost. As an example, to gather instructional program information, only direct costs are classified to the instructional function (classroom instructional costs only), and any other costs are classified as support services. For example, special education transportation costs are classified to a support service function (Transportation) even though these costs relate to the special education program. The program dimension allows agencies to charge program costs, instructional and support, directly to the benefiting program. Use of this dimension allows the LEA to classify support services to both programs and functions.

PRINCIPLES OF COST IDENTIFICATION

There are certain principles which should be followed in relating costs to programs and functional activities. Each of these are discussed in the following paragraphs.

1. Elements of cost which can be easily identified with a specific activity are considered Direct Costs for that activity. Costs not readily identifiable with any specific activity are considered Indirect Costs for that activity.
2. Likewise, costs easily identified with a program or function are considered Direct Costs for that program. Costs incurred for several different programs or costs not readily identifiable with any specific program are considered Indirect Costs for that program.
3. All those activities associated with teacher pupil interactions are considered to be "Instruction" and are Direct Services; all other activities are considered Indirect Services of "Instruction." Direct Costs of Direct Services (instruction) are recorded under "Instruction" and Direct Expenses for Indirect Services to "Instruction" are recorded under Support Services or Community Services or NonProgrammed Charges, as applicable.
4. Direct costs of a program may or may not be recorded under Instruction. The determining factor is whether or not the program is part of or associated with the instructional process; i.e., the staff involved are teaching pupils. If the program is associated with "Instruction" (Chapter I, Reading, for example), the Direct Costs are recorded under the program and then under "Instruction." If, however, the program is not directly associated with "Instruction" (Chapter I, School Lunch Program), Direct Expenses are recorded under that program - School Lunch - and "Support Services," and Indirect Costs are reported under "Support Services."
5. Each function is a separate center for accumulating costs. This indicates that objects of expenditures are made for each function. For example, an expenditure for the object "Salaries" might possibly be made for all functional activities.

CHAPTER II

ACCOUNT CLASSIFICATION SUMMARY

Chapter I described the procedures followed in developing this manual and the principles to be followed in its use. Included in this chapter is a list of account titles and the associated numerical codes to be used in coding financial transactions. The explanation of each fund along with the definition of each account title is found in the next chapter of this manual.

The balance sheet accounts and the funds in which they are frequently found are presented in this chapter as Table 1. Table 2 presents the classifications and codes to be used for revenue transactions. Included in Table 3 are the dimensions and categories to be used for expenditure-type transactions.

A transaction code may be used in conjunction with the codes that are presented in the three Tables to indicate the type of transaction involved. The following codes could be used:

<u>Code</u>	<u>Transaction Type</u>
1	Balance Sheet (Table 1)
2	Revenue (Table 2)
3	Expenditure (Table 3)

TABLE 1 -- BALANCE SHEET ACCOUNT SUMMARY

BALANCE SHEET ACCOUNTS

ASSETS & OTHER DEBITS	FUNDS AND GROUPS OF ACCOUNTS										
	10	20	30	40	50	60	70	80	90	98	99
100 Current Assets											
101 Cash	X	X	X	X	X	X	X	X	X		
102 Petty Cash	X	X		X		X					X
103 Cash Change Funds	X										
104 Cash with Fiscal Agent				X							
105 Imprest Fund	X	X		X		X					X
110 Taxes Receivable (GAAP)	X	X	X	X	X	X	X	X	X	X	
111 Estimated Uncollectible Taxes (Credit)	X	X	X	X	X	X	X	X	X	X	
112 Tax Liens Receivable	X	X	X	X	X	X	X	X	X	X	
113 Estimated Uncollectible Tax Liens (Credit)	X	X	X	X	X	X	X	X	X	X	
120 Accounts Receivable (GAAP)	X	X		X	X	X					X
121 Bond Proceeds Receivable (GAAP)	X	X					X	X			X
122 Loans Receivable (GAAP)	X										
130 Interfund Receivables	X	X		X		X					X
140 Due from Other Governmental Units	X	X	X	X	X	X					
151 Loan to Educational Fund			X	X				X			
152 Loan to Operations and Maintenance Fund	X			X				X			
153 Loan to Transportation Fund	X	X						X			
154 Loan to Fire Prevention & Safety Fund	X	X		X				X			
162 Interest Receivable on Investments	X	X	X	X	X	X	X	X	X	X	
163 Accrued Interest on Investments Purchased	X	X	X	X	X	X	X	X	X	X	
170 Inventory	X	X		X		X					X
171 Inventories for Resale	X										
180 Investments	X	X	X	X	X	X	X	X	X	X	
181 Unamortized Premiums on Investments	X	X	X	X	X	X	X	X	X	X	
182 Unamortized Discounts on Investments (Credit)	X	X	X	X	X	X	X	X	X	X	
191 Deposits	X	X					X		X	X	
192 Prepaid Expenses	X	X		X		X					X
193 Unamortized Discounts on Bonds Sold				X							
194 Other Accrued Revenue	X	X	X	X	X	X	X	X	X	X	
199 Other Current Assets	X	X	X	X	X	X	X	X	X	X	
200 General Fixed Assets											
201 Land											X
202 Buildings											X
203 Improvements Other than Buildings											X
204 Equipment Other than Transportation											X
205 Construction in Progress											X
206 Transportation Equipment											X
300 Budgeting Accounts and Other Debits											
301 Estimated Revenues	X	X	X	X	X	X	X	X	X	X	
302 Revenue (Credit)	X	X	X	X	X	X	X	X	X	X	
303 Bonds Authorized - Unissued	X						X	X		X	
304 Amount Available in Debt Service Funds											X
305 Amount to be Provided for Payment of Long-Term Debt											X
400 Current Liabilities											
401 Vouchers Payable	X	X		X	X	X					X
402 Accounts Payable	X	X		X	X	X					X
403 Judgments Payable	X	X		X	X	X					X
404 Contracts Payable	X	X		X		X					X

ASSETS & OTHER DEBITS

FUNDS AND GROUPS OF ACCOUNTS

	10	20	30	40	50	60	70	80	90	98	99
405 Construction Contracts Payable			X			X			X		
406 Corporate Personal Property Replacement											
Tax Anticipation Notes Payable	X	X	X	X	X			X	X		
407 Tax Anticipation Warrants Payable	X	X	X	X	X					X	
408 Tax Anticipation Notes Payable	X	X	X	X	X					X	
409 Teachers' Orders Payable	X										
410 State Aid Anticipation Certificates Payable	X	X	X	X	X	X		X			
411 Interfund Payables	X	X		X		X				X	
420 Due to Other Governmental Unit	X	X		X		X					
431 Loan from Educational Fund			X	X						X	
432 Loan from Operations and Maintenance Fund	X			X						X	
433 Loan from Transportation Fund	X	X								X	
434 Loan from Working Cash Fund	X	X	X	X	X	X		X	X		
441 Matured Bonds Payable				X							
442 Matured Interest Payable				X							
451 Teachers' Pension Payable	X										
452 Federal Withholding Tax Payable	X	X		X		X			X		
453 State Withholding Tax Payable	X	X		X		X			X		
454 Municipal Retirement Payable	X	X		X	X	X			X		
455 Annuities Payable	X	X		X		X			X		
456 Employee Insurance Payable	X	X		X		X			X		
457 Federal Insurance Contributions Act (Social Security) Payable	X	X		X	X	X			X		
458 Medicare Only Payable	X	X		X	X	X			X		
459 Other Payroll Deductions Payable	X	X		X		X			X		
461 Accrued Expenses	X	X		X		X			X		
471 Deposits	X	X				X			X		
472 Due to Fiscal Agent				X							
473 Unamortized Premiums on Bonds Sold				X							
474 Deferred Revenue	X	X	X	X	X	X	X	X	X	X	
480 Due to Activity Fund Organizations*											
499 Other Current Liabilities	X	X	X	X	X	X	X	X	X	X	
500 Long-Term Liabilities											
501 Bonds Payable											X
599 Other Long-Term Liabilities											X
600 Budgeting Accounts and Other Credits											
601 Appropriations	X	X	X	X	X	X	X	X	X	X	
602 Expenditures (Debit)	X	X	X	X	X	X	X	X	X	X	
603 Encumbrances (Debit)	X	X		X		X				X	
700 Reserves and Fund Balances											
701 Reserve for Encumbrances	X	X		X		X				X	
702 Reserve for Inventory	X	X		X						X	
703 Fund Balance, Reserved	X	X	X	X	X	X	X	X	X	X	
704 Fund Balance, Unreserved	X	X	X	X	X	X	X	X	X	X	
705 Investment in General Fixed Assets											X

* Account for in Agency Funds Only

TABLE 2 -- REVENUE CLASSIFICATION SUMMARY

1000	REVENUE FROM LOCAL SOURCES	FUND NUMBER																		
		10	20	30	40	50	60	70	80	90										
1100	<u>Ad Valorem Taxes Levied by</u>																			
	<u>Local Education Agency</u>																			
1110	General Levy																			
1111	Current Year Levy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1112	First Prior Year Levy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1113	Other Prior Years' Levies	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1120	Tort Immunity Levy																			
1121	Current Year Levy	X	X	X	X															
1122	First Prior Year Levy	X	X	X	X															
1123	Other Prior Years' Levies	X	X	X	X															
1130	Facility Leasing Levy																			
1131	Current Year Levy			X																
1132	First Prior Year Levy			X																
1133	Other Prior Years' Levies			X																
1140	Special Education Levy																			
1141	Current Year Levy	X	X		X	X														
1142	First Prior Year Levy	X	X		X	X														
1143	Other Prior Years' Levies	X	X		X	X														
1150	Social Security/Medicare Only Levy																			
1151	Current Year Levy												X							
1152	First Prior Year Levy												X							
1153	Other Prior Years' Levies												X							
1160	Area Vocational Construction Levy																			
1161	Current Year Levy			X	X															
1162	First Prior Year Levy			X	X															
1163	Other Prior Years' Levies			X	X															
1170	Summer School Levy																			
1171	Current Year Levy	X																		
1172	First Prior Year Levy	X																		
1173	Other Prior Years' Levies	X																		
1190	Other Tax Levies																			
1191	Current Year Levy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1192	First Prior Year Levy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1193	Other Prior Years' Levies	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1200	<u>Payments in Lieu of Taxes</u>																			
1210	Mobile Home Privilege Tax	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1220	Payments from Local Housing Authorities	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1230	Corporate Personal Property																			
	Replacement Taxes	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1290	Other Payments in Lieu of Taxes	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1300	<u>Tuition</u>																			
1310																				
	Regular Day School Tuition																			
1311	Tuition from Pupils or Parents	X																		
1312	Tuition from Other LEAs	X																		
1313	Tuition from Other Sources	X																		
1320																				
	Summer School Tuition																			
1321	Summer School Tuition from Pupils or Parents	X																		
1322	Summer School Tuition from Other LEAs	X																		
1323	Summer School Tuition from Other Sources	X																		

		FUND NUMBER												
		10	20	30	40	50	60	70	80	90				
REVENUE FROM LOCAL SOURCES														
1330		Vocational Education Tuition												
	1331	Vocational Tuition from Pupils or Parents	X											
	1332	Vocational Tuition from Other LEAs	X											
	1333	Vocational Tuition from Other Sources	X											
1340		Special Education Tuition												
	1341	Special Education Tuition from Pupils or Parents	X											
	1342	Special Education Tuition from Other LEAs	X											
	1343	Special Education Tuition from Other Sources	X											
1350		Adult/Continuing Education												
Tuition	1351	Adult Tuition from Pupils or Parents	X											
	1352	Adult Tuition from Other LEAs	X											
	1353	Adult Tuition from Other Sources	X											
1400		<u>Transportation Fees</u>												
1410		Regular Day School												
Transportation Fees		from Pupils or Parents				X								
	1411	Regular Transportation Fees From Pupil and Parents				X								
	1412	Regular Transportation Fees from Other LEAs				X								
	1413	Regular Transportation Fees from Private Sources				X								
	1415	Regular Transportation Fees from Pupils Cocurricular Activities				X								
1420		Summer School Transportation												
Fees	1421	Summer School Transportation Fees from Pupils or Parents				X								
	1422	Summer School Transportation Fees from Other LEAs				X								
	1423	Summer School Transportation Fees from Other Sources				X								
1430		Vocational Education												
Transportation Fees	1431	Vocational Transportation Fees from Pupils or Parents				X								
	1432	Vocational Transportation Fees from Other LEAs					X							
	1433	Vocational Transportation Fees from Other Sources				X								
1440		Special Education												
Transportation Fees	1441	Special Education Transportation Fees from Pupils or Parents				X								
	1442	Special Education Transportation Fees from Other LEAs				X								
	1443	Special Education Transportation Fees from Other Sources				X								
	1450	Adult/Continuing Education Transportation Fees												
	1451	Adult Transportation Fees from Pupils or Parents				X								
	1452	Adult Transportation Fees from Other LEAs				X								
	1453	Adult Transportation Fees from Other Sources				X								
1500		<u>Earnings on Investments</u>												
1510		Interest on Investments	X	X	X	X	X	X	X	X	X	X	X	X

1520	Gain or Loss on Sale of Investments	X	X	X	X	X	X	X	X	X
<u>1600</u>		<u>Food Services</u>								
1610	Sales to Pupils	X								
1611	Sales to Pupils - Lunch	X								

		FUND NUMBER									
REVENUE FROM LOCAL SOURCES		10	20	30	40	50	60	70	80	90	
	1612	Sales to Pupils - Breakfast	X								
	1613	Sales to Pupils - A La Carte	X								
	1614	Sales to Pupils - Other	X								
	1620	Sales to Adults	X								
	1690	Other Food Service Revenue	X								
<u>1700</u>			<u>Pupil Activities</u>								
	1710	Admissions									
	1711	Athletic	X								
	1719	Other	X	X							
	1720	Fees	X								
	1730	Bookstore Sales	X								
	1790	Other Pupil Activities	X	X							
<u>1800</u>			<u>Textbooks</u>								
	1810	Textbook Rentals									
	1811	Regular Textbook Rental	X								
	1812	Summer School Textbook Rental	X								
	1813	Adult/Continuing Education Textbook Rental	X								
	1819	Other Textbook Rentals	X								
	1820	Textbook Sales									
	1821	Regular Textbook Sales	X								
	1822	Summer School Textbook Sales	X								
	1823	Adult/Continuing Education Textbook Sales	X								
	1829	Other Textbook Sales	X								
	1890	Other Textbook Revenue	X								
<u>1900</u>			<u>Other Revenue from Local</u>								
Sources	1910	Rentals	X	X							
	1920	Contributions and Donations from Private Sources	X	X	X	X	X	X	X	X	
	1940	Services Provided Other LEAs	X	X		X					
	1950	Refund of Prior Years' Expenditures	X	X	X	X	X		X	X	
	1990	Other									
	1991	Payment from Other LEAs		X	X		X				
	1992	Sale of Vocational Projects	X								
	1993	Local Fees	X								
	1999	Other	X	X	X	X	X	X	X	X	
2000		<u>FLOW-THROUGH REVENUE FROM ONE LEA TO ANOTHER LEA</u>									
	2100	<u>Flow-through Revenue from State Sources</u>	X	X		X	X				
	2200	<u>Flow-through Revenue from Federal Sources</u>	X	X		X	X				
3000		<u>REVENUE FROM STATE SOURCES</u>									
	3100	<u>Unrestricted Grants-In-Aid</u>									
	3110	General State Aid	X	X	X	X	X	X	X	X	
	3120	Supplementary State Aid	X	X	X	X	X	X	X	X	
	3200	<u>Restricted Grants-In-Aid</u>									
	3210	Transportation Aid									
	3211	Regular	X	X		X					
	3212	Special Education	X	X		X					
	3213	Vocational Education	X	X		X					
	3220	Instructional Program Aid									
	3221	Driver Education	X	X							
	3222	Technical Preparation Education (Tech Prep)	X								

		FUND NUMBER								
		10	20	30	40	50	60	70	80	90
REVENUE FROM LOCAL SOURCES										
3223	Summer School	X			X					
3224	Bilingual Education	X			X					
3225	Vocational Education - Regular Part B (Formula Reimbursement)	X	X							
3226	Vocational Education - Grants and Contracts	X	X					X		
3227	Gifted Education	X								
3228	Adult Education - General	X	X							
3229	Adult Education Sec. 10-22.20	X	X							
3230	Special Education	X	X							
3231	Special Education Personnel	X	X		X					
3232	Special Education Private Facility	X			X					
3233	Special Education Extraordinary	X			X					
3234	Special Education Orphanage	X			X					
3240	Reading Improvement	X			X		X			
3245	Prekindergarten Programs for At-Risk Students	X	X		X		X			
3250	School Lunch Aid									
3251	Lunch - FREE	X								
3252	Breakfast - FREE	X								
3260	Capital Development Board									
3261	Bond Principal				X					
3262	Bond Interest				X					
3290	Other Grants-In-Aid	X	X		X		X	X	X	
3300	Payments Received in Lieu of Taxes									
3310	Orphans' Tuition	X								
3320	State-Owned Housing	X								
3330	Tax Equivalent Grants	X	X		X		X			
3340	State Impaction Aid	X	X		X		X			
4000	REVENUE FROM FEDERAL SOURCES									
4100	Unrestricted Grants-In-Aid Received Directly from Federal Government									
4110	Public Law 81-874	X	X		X		X			
4300	Restricted Grants-In-Aid Received Directly from Federal Government									
4320	Emergency School Assistance Act	X			X		X			
4325	ESEA - Title VII - Bilingual	X								
4330	ESEA - Title VI, P.L. 98-377 - Excellence in Education	X			X		X			
4340	Community Action Program-O.E.O.	X								
4350	Head Start	X								
4360	P.L. 81-815 - Construction	X	X						X	
4390	Other		X		X		X	X	X	
4400	Restricted Grants-In-Aid Received from Federal Government through the State									
4410	Adult Basic Education P.L. 102-73	X	X					X		
4420	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392									
4421	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title II, Part A, State Leadership	X	X					X		
4422	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title II, Part B, Single Parents	X	X					X		

REVENUE FROM LOCAL SOURCES		FUND NUMBER								
		10	20	30	40	50	60	70	80	90
4423	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title II, Part B, Sex Equity	X	X			X				
4424	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title II, Part C, Secondary	X	X			X				
4425	Carl D. Perkins Vocational and Applied Technology, Act of 1990, P.L. 101-392 Title III, Part B Consumer and Homemaking	X	X			X				
4426	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title III, Part E, Technical Preparation	X	X			X				
4427	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Title III, Part F, Facilities and Equipment	X	X			X				
4429	Carl D. Perkins Vocational and Applied Technology Act of 1990, P.L. 101-392 Other	X	X			X				
4430	Transition Program for Refugee Children	X	X			X	X			
4435	Emergency Immigrant Education Assistance	X	X			X	X			
4440	Elementary and Secondary Education Act (ESEA)									
4441	ESEA-Chapter 1-Educationally Deprived	X	X			X	X			
4442	ESEA-Chapter 1-Handicapped (89-313)	X	X			X	X			
4443	ESEA-Chapter 1-Migrant	X	X			X	X			
4444	ESEA-Chapter 1-Neglected and Delinquent	X	X			X	X			
4445	ESEA - Chapter 1 - Even Start	X						X		
4450	Individuals with Disabilities Education Act (IDEA)									
4451	IDEA-Preschool Grant	X	X			X	X			
4452	IDEA-Room and Board Reimbursement	X	X			X	X			
4453	IDEA-Discretionary Programs	X	X			X	X			
4454	IDEA-Flow-Through	X	X			X	X			
4455	IDEA-Deaf/Blind	X	X			X	X			
4456	IDEA-Infant and Toddlers	X	X			X	X			
4460	School Lunch Program									
4461	School Lunch - Regular Lunches	X								
4462	School Lunch - Free & Reduced	X								
4463	Special Milk	X								
4464	Breakfast	X								
4465	Non-Food Assistance	X	X							
4466	Payments in Lieu of Commodities	X								
4467	Nutrition Education and Training Act	X								
4470	ESEA-Chapter 2 Block Grant	X	X			X	X			
4475	ESEA-Title II-Dwight D. Eisenhower Math/Science Education Act	X	X			X	X			
4480	Dept. of Rehabilitation Services	X	X							
4490	Other	X	X			X	X			
4500	<u>Restricted Grants-In-Aid Received from Federal Government through Intermediate Sources</u>									

		FUND NUMBER									
REVENUE FROM LOCAL SOURCES		10	20	30	40	50	60	70	80	90	
4530	Job Training Partnership Reform Act (JTPRA)	X	X		X	X					
4590	Other	X	X		X	X					
7000	OTHER FINANCING SOURCES										
7100	Transfers from Other Funds										
7110	Permanent Transfer from Working Cash Fund - Abolishment	X									
REVENUE FROM LOCAL SOURCES		10	20	30	40	50	60	70	80	90	
7120	Permanent Transfer of Interest from Working Cash Fund	X	X	X	X	X	X		X	X	
7130	Permanent Transfer from Educational Fund			X							
7140	Permanent Transfer of Interest	X	X	X	X	X	X	X	X	X	
7150	Permanent Transfer from Site and Construction/Capital Improvements Fund to Operations and Maintenance Fund		X	X							
7160	Permanent Transfer of Excess Accumulated Fire Prevention and Safety Tax Proceeds and Interest Earnings										
7170	Permanent Transfer of Excess Accumulated Fire Prevention and Safety Bond Proceeds and Interest Earnings										
7200	Sale of Bonds										
7210	Principal on Bonds Sold	X	X	X	X		X	X		X	
7220	Premium on Bonds Sold	X	X	X	X		X	X		X	
7230	Accrued Interest on Bonds Sold	X	X	X	X		X	X		X	
7300	Sale or Compensation for Loss of Fixed Assets										
	7310						X	X		X	
	7320									X	
X	X	X	X	X	X						
	7330										
Assets	X	X									
7400	Other Sources	X	X	X	X	X	X	X	X	X	

TABLE 3 -- EXPENDITURE CLASSIFICATIONS SUMMARY

A - FISCAL YEAR

8	FY 1987-1988
9	FY 1988-1989
0	FY 1989-1990
1	FY 1990-1991
2	FY 1991-1992
3	FY 1992-1993
4	FY 1993-1994
5	FY 1994-1995
6	FY 1995-1996
7	FY 1996-1997

B - FUND

10	Educational Fund
20	Operations and Maintenance Fund
30	Bond and Interest Fund
40	Transportation Fund
50	Municipal Retirement/Social Security Fund
60	Site and Construction/Capital Improvements Fund
70	Working Cash Fund
80	Rent Fund
90	Fire Prevention and Safety Fund
98	General Fixed Assets Account Group
99	General Long-Term Debt Account Group

C - SOURCE OF FUNDS

00	Non-Categorical/Unrestricted
01	Tort Immunity
02	Site and Construction
03	Capital Improvements
04	Community College Tuition
05	Area Vocational Education Construction
06	Summer School
08	Special Education Levy
10	Driver Education
11	Prekindergarten Programs for At-Risk Students
12	Special Education
13	Special Education - Transportation
14	Bilingual
15	Reading Improvement Program
16	Educational Service Center Operations
17	Administrators' Academy
18	Staff Development
19	Learner Outcomes/Objectives
20	Voc. Ed. - Regular Part B (Formula Reimbursement/State)
21	Voc. Ed. - Grants and Contracts (State)
22	Voc. Ed. - Transportation
23	Technical Preparation Education (State)
24	Department of Rehabilitation Services

- 25 Gifted Education
- 26 Special Education - Extraordinary
- 27 Adult Education - General
- 28 Special Education - Private Facility
- 29 Adult Basic Education - Sec. 10-22.20 of the School Code
- 30 ESEA-Chapter 1 - Educationally Deprived
- 31 ESEA-Chapter 1 - Handicapped (89-313)
- 32 ESEA-Chapter 1 - Migrant
- 33 ESEA-Chapter 1 - Neglected and Delinquent
- 34 Special Education - Orphanage
- 35 Special Education - Personnel
- 36 ESEA - Chapter 1 - Even Start
- 37 Facility Leasing Levy
- 38 Municipal Retirement Levy
- 39 Social Security/Medicare Only Levy
- 40 Temporary Relocation Levy
- 45 IDEA VI-C-Deaf/Blind
- 46 IDEA-Part B-Preschool Grant
- 47 IDEA-Part B-Room and Board Reimbursement
- 48 IDEA-Part B-Discretionary Programs
- 49 IDEA-Part B-Flow-Through
- 50 ESEA, Title VII - Bilingual
- 60 ESEA-Chapter 2 - Block Grant
- 65 Capital Development Board
- 70 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title II, Part A-State Leadership
- 71 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title II, Part B - Single Parents
- 72 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title II, Part B - Sex Equity
- 73 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title II, Part C - Secondary
- 74 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title III, Part B - Consumer and Homemaking
- 75 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title III, Part E - Technical Preparation
- 76 Perkins Voc. and Applied Tech. Act, P.L. 101-392, Title III, Part F - Facilities and Equipment
- 77 Emergency School Assistance Program (Federal)
- 79 Community Action Program - O.E.O.
- 80 Head Start
- 81 P.L. 81-815 - Construction
- 84 School Lunch Program
- 85 School Lunch Program - Nonfood Assistance (Equipment)
- 86 School Lunch Program - Nutrition Education/Training Act
- 87 ESEA, Title II, Dwight D. Eisenhower Mathematics and Science Education Act
- 88 Education for Economic Security Act (EESA), P.L. 98-377, Title VI- Excellence in Education
- 89 Emergency Immigrant Education Assistance, P.L. 98-151
- 93 Transition Programs for Refugee Children
- 94 Job Training Partnership Reform Act (JTPRA)

D - INSTRUCTION ORGANIZATION

- 0 Districtwide
- 1 Elementary School
- 2 Middle/Junior High School
- 3 High School/Secondary
- 4 Adult/Continuing Education School

- 5 Pre-School
- 9 Other

E - OPERATIONAL UNIT - (Examples Only - List Actual Locations/Units of LEA)

- 01 Adams Elementary School
- 02 King Middle School
- 03 Santa Maria High School
- 04 Lincoln Vocational-Technical School
- 05 Davis Junior College
- 06 Central Administrative Office
- 07 Main Warehouse
- 08 Main Bus Garage

F - FUNCTION

1000 INSTRUCTION

1100 Regular Programs

- 1110 Elementary
- 1120 Middle-Junior High
- 1130 High School

1200 Special Education Programs

- 1201 Severe/Profound Mentally Handicapped (S/PMH)
- 1202 Trainable Mentally Handicapped (TMH)
- 1203 Educable Mentally Handicapped (EMH)
- 1204 Physically Handicapped (PH)
- 1205 Learning Disabled (LD)
- 1206 Visually Impaired (VI)
- 1207 Hard of Hearing (HH)
- 1208 Deaf (D)
- 1209 Deaf and Blind (DB)
- 1210 Speech and Language Impaired (SLI)
- 1212 Behavior Disordered (BD)
- 1213 Other Health Impairment (OHI)
- 1214 Early Childhood (EC)
- 1215 Infant/Toddler (I/T)
- 1216 Autistic
- 1217 Traumatic Brain Injury (TBI)
- 1220 Cross-Categorical (CC)

1250 Educationally Deprived/Remedial Programs

1300 Adult/Continuing Education Programs

- 1310 Adult Education
- 1320 Advanced Adult Education
- 1330 Occupational
- 1340 Upgrading in Current Occupation
- 1350 Retraining for New Occupation
- 1360 Special Interest
- 1370 Life Enrichment
- 1390 Other Adult/Continuing Education

<u>1400</u>	<u>Vocational Programs</u>
1401	Agricultural Occupations
1403	Renewable Natural Resources
1404	Environmental Design
1406	Business and Management
1407	Business and Office
1408	Marketing and Distribution
1409	Communications
1410	Communication Technologies
1412	Consumer, Personal, & Misc. Services
1415	Engineering & Engineering-Related Technologies
1417	Health Occupations
1420	Occupation of Homemaking
1421	Home Economics Occupations
1443	Protective Services
1446	Construction Trades
1447	Mechanics and Repairers
1448	Precision Production
1449	Transportation, Aviation and Material Moving
1459	Special Program
<u>1500</u>	<u>Interscholastic Programs</u>
<u>1600</u>	<u>Summer School Programs</u>
<u>1650</u>	<u>Gifted Programs</u>
<u>1800</u>	<u>Bilingual Programs</u>
<u>1900</u>	<u>Truants' Alternative and Optional Programs</u>
<u>2000</u>	<u>SUPPORT SERVICES</u>
<u>2100</u>	<u>Support Services - Pupils</u>
2110	Attendance and Social Work Services
2111	Service Area Direction
2112	Attendance Services
2113	Social Work Services
2114	Pupil Accounting Services
2119	Other Attendance and Social Work Services 2-15
2120	Guidance Services
2121	Service Area Direction
2122	Counseling Services
2123	Appraisal Services
2124	Information Services
2125	Record Maintenance Services
2126	Placement Services
2129	Other Guidance Services
2130	Health Services
2131	Service Area Direction
2132	Medical Services
2133	Dental Services
2134	Nurse Services
2139	Other Health Services
2140	Psychological Services
2141	Service Area Direction

- 2142 Psychological Testing Services
- 2143 Psychological Counseling Services
- 2144 Psychotherapy Services
- 2149 Other Psychological Services
- 2150 Speech Pathology and Audiology Services**
- 2151 Service Area Direction
- 2152 Speech Pathology Services
- 2153 Audiology Services
- 2159 Other Speech Pathology and Audiology Services
- 2190 Other Support Services - Pupils**

- 2200 Support Services - Instructional Staff**

- 2210 Improvement of Instruction Services**
- 2211 Service Area Direction
- 2212 Instruction & Curriculum Development Services
- 2213 Instructional Staff Training Services
- 2220 Educational Media Services**
- 2221 Service Area Direction
- 2222 School Library Services
- 2223 Audio-Visual Services
- 2224 Educational Television Services
- 2225 Computer-Assisted Instruction Services
- 2230 Assessment and Testing**

- 2300 Support Services - General Administration**

- 2310 Board of Education Services**
- 2311 Service Area Direction
- 2312 Board Secretary Services
- 2313 Board Treasurer Services
- 2314 Election Services
- 2316 Staff Relations and Negotiation Services
- 2320 Executive Administration Services**
- 2321 Office of the Superintendent Services
- 2324 State and Federal Relations Services
- 2330 Special Area Administration Services**

- 2400 Support Services - School Administration**

- 2410 Office of the Principal Services**
- 2490 Other Support Services - School Administration**

- 2500 Support Services - Business**

- 2510 Direction of Business Support Services**
- 2520 Fiscal Services**
- 2522 Budgeting Services
- 2523 Receiving and Disbursing Funds Services
- 2524 Payroll Services
- 2525 Financial Accounting Services
- 2526 Internal Auditing Services
- 2527 Property Accounting Services
- 2530 Facilities Acquisition and Construction Services**
- 2531 Service Area Direction

- 2532 Land Acquisition and Development Services
- 2533 Architecture and Engineering Services
- 2534 Educational Specifications Development Services
- 2535 Building Acquisition, Construction, and Improvement Services
- 2540 Operation and Maintenance of Plant Services**
- 2541 Service Area Direction
- 2542 Care and Upkeep of Building Services
- 2543 Care and Upkeep of Grounds Services
- 2544 Care and Upkeep of Equipment Services
- 2545 Vehicle Servicing and Maintenance Services (Other than student transportation vehicles)
- 2546 Security Services
- 2549 Other Operation and Maintenance of Plant Services
- 2550 Pupil Transportation Services**
- 2551 Service Area Direction
- 2552 Vehicle Operation Services
- 2553 Monitoring Services
- 2554 Vehicle Servicing and Maintenance Services
- 2559 Other Pupil Transportation Services
- 2560 Food Services**
- 2561 Service Area Direction
- 2562 Food Preparation and Dispensing Services
- 2563 Food Delivery Services
- 2569 Other Food Services
- 2570 Internal Services**
- 2571 Service Area Direction
- 2572 Purchasing Services
- 2573 Warehousing and Distributing Services
- 2574 Printing, Publishing, and Duplicating Services

- 2600 Support Services - Central**

- 2610 Direction of Central Support Services**
- 2620 Planning, Research, Development, and Evaluation Services**
- 2621 Service Area Direction
- 2622 Development Services
- 2623 Evaluation Services
- 2624 Planning Services
- 2625 Research Services
- 2630 Information Services**
- 2631 Service Area Direction
- 2632 Internal Information Services
- 2633 Public Information Services
- 2634 Management Information Services
- 2640 Staff Services**
- 2641 Service Area Direction
- 2642 Recruitment and Placement Services
- 2643 Staff Accounting Services
- 2644 Inservice Training Services (Non-Instructional Staff)
- 2645 Health Services
- 2660 Data Processing Services**
- 2661 Service Area Direction
- 2662 Systems Analysis Services
- 2663 Programming Services
- 2664 Operations Services

2665 Statistical Services

<u>2900</u>	<u>Other Support Services</u>
<u>3000</u>	<u>COMMUNITY SERVICES</u>
3100	Direction of Community Services
3200	Community Recreation Services
3300	Civic Services
3400	Public Library Services
3500	Custody and Child Care Services
3600	Welfare Activities Services
3700	Nonpublic School Pupils Services
3800	Home/School Services
3900	Other Community Services
<u>4000</u>	<u>NONPROGRAMMED CHARGES</u>
<u>4100</u>	<u>Payments to Other Governmental Units - (In-State)</u>
4110	Payments for Regular Programs
4120	Payments for Special Education Programs
4130	Payments for Adult/Continuing Education Programs
4140	Payments for Vocational Education Programs
4170	Payments for Community College Programs
4190	Other Payments to Governmental Units (In-State)
<u>4200</u>	<u>Payments to Other Governmental Units (Out-of-State)</u>
<u>5000</u>	<u>DEBT SERVICES</u>
<u>5100</u>	<u>Debt Services - Interest</u>
5110	Tax Anticipation Warrants
5120	Tax Anticipation Notes
5130	Teachers' Orders
5140	Bonds
5150	Corporate Personal Property Replacement Tax Anticipation Notes
5160	State Aid Anticipation Certificates
5190	Other Interest
<u>5200</u>	<u>Debt Services - Bond Principal Retired</u>
<u>5300</u>	<u>Debt Services - Lease/Purchase Principal Retired</u>
<u>5900</u>	<u>Debt Services - Other</u>
<u>6000</u>	<u>PROVISION FOR CONTINGENCIES</u>
<u>8000</u>	<u>OTHER FINANCING USES</u>
<u>8100</u>	<u>Transfers to Other Funds</u>
8110	Permanent Transfer of Working Cash Fund - Abolishment
8120	Permanent Transfer of Interest from Working Cash Fund

- 8130** **Permanent Transfer of Educational Fund**
- 8140** **Permanent Transfer of Interest**
- 8150** **Permanent Transfer from Site and Construction/Capital Improvements Fund**
- 8160** **Permanent Transfer of Excess Accumulated Fire Prevention and Safety Tax Proceeds and Interest Earnings**
- 8170** **Permanent Transfer Excess Accumulated Fire Prevention and Safety Bond Proceeds and Interest Earnings**
- 8190** **Other Uses**

G - OBJECTS

100 **SALARIES**

- 110 Regular Salaries
- 120 Temporary Salaries
- 130 Overtime Salaries

200 **EMPLOYEE BENEFITS**

- 210 Retirement
 - 211 Teachers Retirement
 - 212 Municipal Retirement
 - 213 Federal Insurance Contribution Act (Social Security)
 - 214 Medicare Only
 - 215 One-Time TRS Early Retirement Contribution
- 220 Insurance
 - 221 Life Insurance
 - 222 Medical Insurance
 - 223 Dental Insurance
- 230 Tuition Reimbursement

300 **PURCHASED SERVICES**

- 310 Professional and Technical Services
 - 311 Professional Services - Administrative
 - 313 Food - Processing Costs
 - 314 Professional Services - Instructional
 - 315 Food - Contracted
 - 316 Data Processing/Statistical Services
 - 317 Audit/Financial Services
 - 318 Legal Services
 - 319 Other Professional and Technical Services
- 320 Property Services
 - 321 Sanitation Services
 - 322 Cleaning Services
 - 323 Repair and Maintenance Services
 - 325 Rentals
 - 329 Other Property Services
- 330 Transportation Services
 - 331 Pupil Transportation
 - 332 Travel
 - 339 Other Transportation Services
- 340 Communication
- 350 Advertising
- 360 Printing and Binding
- 370 Water/Sewer Services
- 380 Insurance (other than employee benefits)

390 Other Purchased Services

400 **SUPPLIES AND MATERIALS**

410 General Supplies
420 Textbooks
430 Library Books
440 Periodicals
450 Warehouse Inventory Adjustments
460 Energy
461 Bottled Gas
462 Oil
463 Coal
464 Gasoline
465 Natural Gas
466 Electricity
469 Other Energy
470 Software
490 Other Supplies and Materials

500 **CAPITAL OUTLAY**

510 Land
520 Buildings
530 Improvements Other than Buildings
540 Equipment Other than Transportation
550 Construction in Progress
560 Transportation Equipment

600 **OTHER OBJECTS**

610 Redemption of Principal
620 Interest
630 Housing Authority Obligations
640 Dues and Fees
650 Judgments
690 Miscellaneous Objects

700 **TRANSFERS**

710 Fund Modifications
720 Transits

800 **TUITION**

H - JOB CLASSIFICATION ACTIVITY

1 **OFFICIAL/ADMINISTRATIVE**

101 Administrative Assistant Assignment
102 Administrative Intern Assignment
103 Assistant Deputy/Associate Superintendent Assignment
104 Assistant Principal Assignment
105 Board of Education Member Assignment
106 Foreman Assignment
107 Ombudsman Assignment
108 Principal Assignment
109 Superintendent Assignment
110 Supervising/Managing/Directing Assignment

- 2** **PROFESSIONAL-EDUCATIONAL**
- 201 Curriculum Specialist Assignment
- 202 Counseling Assignment
- 203 Librarian/Media Assignment
- 204 Remedial Specialist Assignment
- 205 Teaching Assignment
- 3** **PROFESSIONAL-OTHER**
- 301 Accounting Assignment
- 302 Analyst Assignment
- 303 Architect or Engineer Assignment
- 304 Audiologist Assignment
- 305 Auditing Assignment
- 306 Dentist Assignment
- 307 Dietitian/Nutritionist Assignment
- 308 Editing Assignment
- 309 Evaluating Assignment
- 310 Legal Assignment
- 311 Negotiating Assignment
- 312 Ophthalmologist Assignment
- 313 Optometrist Assignment
- 314 Personnel Assignment
- 315 Physician Assignment
- 316 Planning Assignment
- 317 Psychiatrist Assignment
- 318 Psychologist Assignment
- 319 Public/Community Relations Assignment
- 320 Registered Nursing Assignment
- 321 Registrar Assignment
- 322 Research and Development Assignment
- 323 Social Work Assignment
- 324 Statistician Assignment
- 325 Therapist Assignment
- 4** **TECHNICAL**
- 401 Audiometrist Assignment
- 402 Computer Operating Assignment
- 403 Dental Hygienist Assignment
- 404 Graphic Arts Assignment
- 405 Inspector Assignment
- 406 Practical Nursing Assignment
- 407 Programming Assignment
- 408 Psychometrist Assignment
- 409 Purchasing Agent Assignment
- 410 Student Teaching Assignment
- 411 Teaching Aide Assignment
- 412 Teaching Intern Assignment
- 5** **OFFICE/CLERICAL**
- 501 Bookkeeping Assignment
- 502 Clerical Assignment
- 503 Messenger Assignment
- 504 Records Managing Assignment

- 6** **CRAFTS AND TRADES**
601 Carpenter Assignment
602 Electrician Assignment
603 General Maintenance Assignment
604 Masonry Assignment
605 Mechanic Assignment
606 Painting Assignment
607 Plastering Assignment
608 Plumbing Assignment

- 7** **OPERATIVE**
702 Dispatching Assignment
703 Vehicle Operating Assignment

- 8** **LABORER**
801 Groundskeeping Assignment

- 9** **SERVICE WORK**
901 Attendance Officer Assignment
902 Custodian Assignment
903 Elevator Operating Assignment
904 Food Service Assignment
905 Guard/Watchman Assignment
906 Monitoring Assignment
907 Stores Handling Assignment

I - TERM

- 1 Fall Term Day
2 Fall Term Evening
3 Winter Term Day
4 Winter Term Evening
5 Spring Term Day
6 Spring Term Evening
7 Summer Term Day
8 Summer Term Evening

J - SUBJECT-MATTER AREA

- 01 Agriculture
02 Art
03 Business
04 Marketing and Distribution
05 English Language Arts
06 Foreign (or Second) Languages
07 Health Occupations Education
08 Health and Safety in Daily Living
09 Home Economics
10 Industrial Arts
11 Mathematics
12 Music
13 Natural Sciences
14 Business and Office
15 Social Sciences
16 Construction Trades
17 Mechanics and Repairers
18 Precision Production

19	Differentiated Curriculum for Handicapped Pupils
20	Environmental Design
21	Driver Education
22	Communication Technologies
23	Consumer, Personal, and Miscellaneous Services
24	Engineering and Engineering-Related Technologies
25	Protective Services
26	Transportation and Material Moving
27	Business and Management
28	Communications
29	Renewable Natural Resources
30	Interscholastic Activities
40	Junior ROTC
50	Physical Education
60	Special Programs
61	Computers
70	Cocurricular Activities

K - PROGRAM

CHAPTER III
DEFINITION AND EXPLANATION OF FUNDS AND ACCOUNTS

This chapter presents a definition and explanation of the categories presented in the preceding chapter. An explanation of the Funds is followed by definitions of Balance Sheet Accounts, Revenue Classifications and Expenditure Dimensions by Category.

TABLE A -- EXPLANATION OF FUNDS

"Code"	"Descriptor"
10	<p>"Educational Fund" (See Ill. Rev. Stat. 1987, ch. 122, par. 17-2.) The greatest variety and the largest volume of transactions shall be recorded here because the Educational Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration (even those for buildings and grounds), and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition and textbook rentals.</p> <p>The salaries of janitors, engineers, and other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment shall be charged to this fund. The school board may provide, by resolution, to charge to the Operations and Maintenance Fund all salaries of janitors, engineers, or other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment or any one or more of these items. (See Ill. Rev. Stat. 1987, ch. 122, par. 17-7.)</p>
20	<p>"Operations and Maintenance Fund" (See Ill. Rev. Stat. 1987, ch. 122, pars. 17-2, 17-7.) All costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings shall be charged to the Operations and Maintenance Fund.</p>
30	<p>"Bond and Interest Fund" (See Ill. Rev. Stat. 1987, ch. 122, par. 19-2 et seq.) Bonds are generally issued to finance the construction of buildings and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections must be accounted for in the Bond and Interest Fund. LEAs must maintain a separate bond and interest fund for each bond issue.</p>
40	<p>"Transportation Fund" (See Ill. Rev. Stat. 1987, ch. 122, pars. 17-2, 17-8.) If an LEA pays for transporting pupils for any purpose, the Transportation Fund must be created. Costs of transportation, including the purchase of vehicles and insurance on buses, are to be paid from this fund. Moneys received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g., utility costs from the Operations and Maintenance Fund) as provided in Sec. 29-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 29-5).</p>

50 **"Municipal Retirement/Social Security Fund"** (See Ill. Rev. Stat. 1987, ch. 108 1/2, pars. 7-171, 21-110, 21-110.1.) This fund is created if a separate tax is levied for the purpose of providing resources for the LEA's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the LEA's share of social security and medicare only payments for covered employees. If these two taxes are not levied, the payments shall be charged to the fund where the salaries are charged.

60 **"Site and Construction/Capital Improvements Fund"** Site and Construction Fund: All of the proceeds of each (non Fire Prevention and Safety) construction bond issue shall be placed in a Site and Construction account (within the Site and Construction/ Capital Improvements Fund) to separate these special moneys from operating moneys. The special moneys may be spent for the purposes specified in the bond indenture and on the ballot.

Expenditures which would ordinarily be charged to the Education Fund, but which may be charged to the Site and Construction/ Capital Improvements Fund (unless paid before the Site and Construction/Capital Improvements Fund is created), include election expenses, fidelity insurance, architect's fees, legal fees for title search on sites, fees for the legal opinion on the bonds, and other such administrative costs directly related to the construction project.

Expenditures which would ordinarily be charged to the Operations and Maintenance Fund, but which may be charged to the Site and Construction/Capital Improvements Fund (unless paid before the Site and Construction/Capital Improvements Fund is created), include the actual construction costs, builder's risk insurance, purchase of land and other site costs, landscaping, parking lots, sidewalks, utility connections, etc., and other items directly related to the construction project.

Capital Improvements Fund: (See Ill. Rev. Stat. 1991, ch. 122, par. 17-2.3.) A Capital Improvements account (within the Site and Construction/Capital Improvements Fund) shall be created when a tax is levied in accordance with Section 17-2 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2). The moneys received from such levy shall be accumulated until spent for the capital improvements described in the resolution and on the ballot.

70 **"Working Cash Fund"** (See Ill. Rev. Stat. 1987, ch. 122, par. 20-1 et seq.) If a separate tax is levied for working cash purposes or if bonds are sold for this purpose, this fund shall be created. Interfund loans from a district's Working Cash Fund may be made to any fund for which taxes are levied. Such interfund loans are no longer limited to the Educational, Operations and Maintenance, and Transportation Funds as a result of P.A. 87-1168 effective September 1992.

80 **"Rent Fund"** (See Ill. Rev. Stat. 1987, ch. 122, par. 35-23.) When a tax is levied to provide revenue for paying rent to the State of Illinois Capital Development Board for a state-owned school building, the receipt of taxes shall be recorded in the Rent Fund. The payment of the rent shall be an expenditure of this fund.

- 90** **"Fire Prevention and Safety Fund"** (See Ill. Rev. Stat. 1991, ch. 122, par. 17-2.11.) A Fire Prevention and Safety Fund shall be created when a tax is levied or bonds issued, in accordance with 17-2.11, for fire prevention, safety, energy conservation or school security purposes. The moneys received from the levy or the proceeds of the bond issue may only be used for the purposes stipulated in Section 17-2.11.
- 98** **"General Fixed Assets Account Group"** Records of physical assets which have a long-term (i.e., more than one year) period of usefulness to an LEA are maintained in a group of accounts separate from the fund which provided the cash for the purchase of those assets. Acquisitions of general fixed assets shall be recorded here at least at the end of the fiscal year by entering the items purchased during the year and charged in the Educational; Operations and Maintenance; Transportation; and Site and Construction/Capital Improvements Funds.
- 99** **"General Long-Term Debt Account Group"** Records of a school district's total bonded debt are maintained in a group of accounts separate from the Bond and Interest Fund. When bonds are sold and the resolution including future tax levies is filed with the county clerk, this event shall be entered in the General Long-Term Debt Account Group. Other types of general long-term debt are also recorded here.

TABLE B -- DEFINITIONS OF BALANCE SHEET ACCOUNTS

"Assets and Other Debits"

Assets and Other Debits include what is owned and other items that are not owned as of the date of the balance sheet, but are expected to become fully owned at some future date, as well as other budgeting and offsetting accounts which normally have debit balances.

"Code"	"Descriptor"
100	"Current Assets" Cash or anything that can be readily converted into cash.
101	"Cash" Currency, coin, checks, postal and express money orders, and bankers' drafts on hand, or on deposit, with an official or agent designated as custodian of cash and bank deposits.
102	"Petty Cash" A sum of money set aside for the purpose of making change or immediate payments of comparatively small amounts, such as freight bills. No entries appear in this account except to open and close it, unless it is increased or decreased. Paid invoices shall be held to substantiate expenditures from this account. At the end of each month and periodically throughout the month, if necessary, the monies should be replenished to the original amount and charges made to the appropriate expenditure accounts for the amount replenished. At the end of the year, petty cash accounts may be closed and included in Account 101; however, this is not required.
103	"Cash Change Funds" A sum of money set aside for the purpose of providing cash register change.
104	"Cash with Fiscal Agent" Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
105	"Imprest Fund" A fund maintained in a bank to provide for emergency disbursements for which the district wishes to issue a check, but because of the timing cannot pay through the regular disbursement procedure. The same procedure shall be followed for replenishing the account as that used for Petty Cash. The balance of the account may be returned to the district treasurer on or before June 30 of each year, but this is not required.
110	"Taxes Receivable" The uncollected portion of taxes which a school system or governmental unit has levied, including any interest or penalties which may be accrued. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes.
111	"Estimated Uncollectible Taxes (Credit)" A provision for that portion of taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the 110 Taxes Receivable account in order to arrive at the net amount of taxes receivable. Separate accounts may be maintained on the basis of tax roll year and/or delinquent taxes.

- 112 "Tax Liens Receivable" Legal claims against property which have been exercised because of nonpayment of delinquent taxes, interest, and penalties. The account includes delinquent taxes, interest, and penalties receivable up to the date the lien becomes effective plus the cost of holding the sale.
- 113 "Estimated Uncollectible Tax Liens (Credit)" A provision for that portion of tax liens receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the 112 Tax Liens Receivable amount in order to arrive at the net amount of tax liens receivable.
- 120 "Accounts Receivable" Amounts owing on an open account from private persons, firms, or corporations for goods and services furnished by an LEA (but not including amounts due from other funds or from other governmental units). Although taxes receivable are covered by this term, they shall be recorded and reported separately in the Taxes Receivable account.
- 121 "Bond Proceeds Receivable" Amounts receivable from the sale of bonds.
- 122 "Loans Receivable" Amounts which have been loaned to organizations, where permitted by statutory authority.
- 130 "Interfund Receivables"**
- 131 "Due from Educational Fund" Amounts owed by the Educational Fund to another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 132 "Due from Operations and Maintenance Fund" Amounts owed by the Operations and Maintenance Fund to another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 133 "Due from Transportation Fund" Amounts owed by the Transportation Fund to another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 134 "Due from Site and Construction/Capital Improvements Fund" Amounts owed by the Site and Construction/Capital Improvements Fund to another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 135 "Due from Fire Prevention and Safety Fund" Amounts owed by the Fire Prevention and Safety Fund to another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 140 "Due from Other Governmental Units" Amounts due to the reporting governmental unit from other governmental units. These amounts represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, loans, and charges for services rendered by the reporting unit for another government. It is recommended that separate accounts be maintained for each receivable.
- 141 "Estimated Uncollectible Claim from Other Governmental Unit (Credit)" A provision for that portion of money due from other governmental units which it is estimated will not be collected. This account is shown on the balance sheet as a

deduction from the 140 account (Due from Other Governmental Units) in order to arrive at the net amount due from other governmental units.

- 151** "Loan to Educational Fund" An asset account used to record a loan by the Operations and Maintenance Fund; Transportation Fund; or Working Cash Fund to the Educational Fund.
- 152** "Loan to Operations and Maintenance Fund" An asset account used to record a loan by the Educational Fund; Transportation Fund; or Working Cash Fund to the Operations and Maintenance Fund.
- 153** "Loan to Transportation Fund" An asset account used to record a loan by the Educational Fund; Operations and Maintenance Fund or Working Cash Fund to the Transportation Fund.
- 154** "Loan to Fire Prevention and Safety Fund" An asset account to record a loan by the Educational Fund; Operations and Maintenance Fund; Transportation Fund; or Working Cash Fund.
- 162 "Interest Receivable on Investments" Amounts of interest receivable on investments.
- 163 "Accrued Interest on Investments Purchased" Interest accrued on investments between the last interest payment date and date of purchase. The account shall be carried as an asset until the first interest payment date after the date of purchase. At that time an entry shall be made debiting Account 101 - Cash and crediting Account 163 - Accrued Interest on Investments Purchased for the amount of investments received.
- 170** "Inventory" The cost of supplies and equipment on hand not yet distributed to requisitioning units.
- 171 "Inventories for Resale" The value of goods held by an LEA for resale, rather than for use in its own operations. The cost of all materials and other expense incurred in the building of vocational projects for sale shall be debited here and reflected as an asset in the Educational Fund. When the project is sold, this account shall be credited for an amount equal to the cost. Any profit or loss on the project shall be charged to the proper revenue or expense account.
- 180** "Investments" Securities held for the production of income in the form of interest, dividends, rentals, or lease payments. The account does not include fixed assets used in LEA operations. Separate accounts for each category of investments may be maintained.
- 181 "Unamortized Premiums on Investments" The excess of the amount paid for securities over the face value which has not yet been amortized. Use of this account is normally restricted to long-term investments.
- 182 "Unamortized Discounts on Investments (Credit)" The excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.

- 191 "Deposits" Funds deposited by the LEA as a prerequisite to receiving services and/or goods. Deposits differ from prepaid expenses in that deposits are partial payments made prior to receiving services and/or goods, while prepaid expenses are commonly total payment made within one fiscal year for services to be received in one or more fiscal years.
- 192 "Prepaid Expenses" Expenses entered in the accounts for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operations. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold.
- 193 "Unamortized Discounts on Bonds Sold" That portion of the excess of the face value of bonds over the amount received from their sale which remains to be written off periodically over the life of the bonds.
- 194 "Other Accrued Revenue" Accrued revenue that is not provided for elsewhere.
- 199** "Other Current Assets" Current assets not provided for elsewhere.
- 200** **"General Fixed Assets"** Assets which the LEA intends to hold or continue in use over a long period of time (i.e., more than one year).
- 201** "Land" A fixed asset account which reflects the acquisition value of land owned by an LEA. If land is purchased, this account shall include the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account shall reflect its appraised value at time of acquisition.
- 202** "Buildings" A fixed asset account which shall reflect the acquisition value of permanent structures or major improvements to existing permanent structures used to house persons and property owned by the LEA. If buildings are purchased or constructed, this account shall include the purchase or contract price of all permanent buildings and fixtures attached to and forming a permanent part of such buildings. If buildings are acquired by gift, the account shall reflect their appraised value at time of acquisition.
- 203** "Improvements Other Than Buildings" A fixed asset account which shall reflect the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account shall contain the purchase or contract price. If improvements are obtained by gift, it shall reflect the appraised value at time of acquisition.
- 204** "Equipment Other Than Transportation" Tangible property of a more or less permanent nature, other than land, buildings, or improvements thereto, which is useful in carrying on operations. Examples are machinery, tools, trucks, cars, furniture, and furnishings.

- 205** "Construction in Progress" The cost of construction work undertaken but not yet completed.
- 206** "Transportation Equipment" Tangible property of a more or less permanent nature, other than land, buildings, or improvements thereto, which is used for transporting pupils.
- 300** **"Budgeting Accounts and Other Debits"** Budgeted amounts and their status as related to expenditures and encumbrances, as well as items which are offsetting accounts and which normally have debit balances.
- 301 "Estimated Revenues" The amount of revenues estimated to be received or to become receivable during the fiscal period. At the end of the fiscal period, the account shall be closed out and will not appear in a balance sheet prepared at the close of the fiscal period.
- 302 "Revenue (Credit)" The increase in ownership equity during a designated period of time. The account shall appear only in a balance sheet prepared during the fiscal period. At the end of the fiscal period, the account shall be closed out and will not appear in a balance sheet prepared at the close of the fiscal period. This is the control account for the revenues.
- 303 "Bonds Authorized - Unissued" Bonds which the LEA can issue without further proceedings other than to direct their sale. The account shall be included among the resources of a specific fund offset by a credit to Appropriations. When the bonds are sold, the account shall be credited and Cash debited. An alternative approach is not to show the Bonds Authorized - Unissued account in the balance sheet but merely to call attention to the amount of bonds that have been authorized and not issued in a footnote to the appropriate balance sheet. In this case, the journal entry at the time bonds are sold would be a debit to Cash for the proceeds and a credit to the revenue account, Sales of Bonds.
- 304** "Amount Available in Debt Service Funds" An account in the General Long-Term Debt Account Group which designates the amount of assets available in a Debt Service Fund for the retirement of general long-term debt.
- 305** "Amount to Be Provided for Payment of Long-Term Debt" An account in the General Long-Term Debt Account Group which represents the amount to be provided from taxes or other general revenue to retire outstanding general long-term debt.
- "Liabilities, Reserves, and Fund Balance"
- Liabilities, Reserves, and Fund Balance are LEA debts plus items which are not debts, but which may become debts at some future time, as well as other budgeting and offsetting accounts which normally have credit balances and show up only on trial balance sheets.
- 400** **"Current Liabilities"** Those debts the LEA expects to pay within a short period of time, usually within a year or less.

- 401 "Vouchers Payable" Liabilities for goods and services received as evidenced by vouchers which have been pre-audited and approved for payment but which have not been paid.
- 402 "Accounts Payable" Liabilities on open account owing to private persons, firms, or corporations for goods and services received by an LEA (but not including amounts due to other funds of the same LEA or to other governmental units).
- 403 "Judgments Payable" Amounts due to be paid by an LEA as the result of court decisions, including condemnation awards in payment for private property taken for public use.
- 404 "Contracts Payable" Amounts due by an LEA on contracts for assets, goods, and services other than construction.
- 405 "Construction Contracts Payable" Amounts due by an LEA on contracts for construction of building structures, and other improvements.
- 406** "Corporate Personal Property Replacement Tax Anticipation Notes Payable" Amounts due by an LEA for corporate personal property tax anticipation notes issued according to Chapter 85, paragraph 824.1 of the Illinois Revised Statutes, 1987.
- 407** "Tax Anticipation Warrants Payable" Amounts due by an LEA for tax anticipation warrants issued as described in Section 17-16 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-16).
- 408** "Tax Anticipation Notes Payable" Amounts due by an LEA for tax anticipation notes issued as described in Chapter 85, paragraph 822, of the Illinois Revised Statutes, 1987.
- 409** "Teachers' Orders Payable" Amounts due by an LEA for teachers' orders issued as described in Sections 8-16 and 10-18 of The School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 8-16 and 10-18).
- 410** "State Aid Anticipation Certificates Payable" Amounts due by an LEA for State Aid Anticipation Certificates issued according to Section 18-18 of The School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-18).
- 411 "Interfund Payables"**
- 412 "Due to Educational Fund" Amounts owed to the Educational Fund by another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 413 "Due to Operations and Maintenance Fund" Amounts owed to the Operations and Maintenance Fund by another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 414 "Due to Transportation Fund" Amounts owed to the Transportation Fund by another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.

- 415 "Due to Site and Construction/Capital Improvements Fund" Amounts owed to the Site and Construction/Capital Improvements Fund by another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 416 "Due to Fire Prevention and Safety Fund" Amounts owed to the Fire Prevention and Safety Fund by another Fund in the same LEA for goods sold or services rendered, excluding Interfund Loans.
- 420 "Due to Other Governmental Units" Amounts owed by the reporting LEA to the named governmental unit. It is recommended that separate accounts be maintained for each interagency account payable.
- 431** "Loan from Educational Fund" A liability account used to record a loan from the Educational Fund to the Operations and Maintenance Fund; Transportation Fund; or Fire Prevention and Safety Fund.
- 432** "Loan from Operations and Maintenance Fund" A liability account used to record a loan from the Operations and Maintenance Fund to the Educational Fund or Transportation Fund; or Fire Prevention and Safety Fund.
- 433** "Loan from Transportation Fund" A liability account used to record a loan from the Transportation Fund to the Educational Fund; the Operations and Maintenance Fund; or Fire Prevention and Safety Fund.
- 434** "Loan from Working Cash Fund" A liability account used to record a loan from the Working Cash Fund to any fund for which taxes are levied.
- 441 "Matured Bonds Payable" Bonds which have reached or passed their maturity date but which remain unpaid.
- 442 "Matured Interest Payable" Interest on bonds which have reached the maturity date but which remain unpaid.
- 451 "Teachers' Pension Payable" Teachers' pension deductions withheld from salaries of employees who participate in the Illinois Teachers' Retirement System.
- 452 "Federal Withholding Tax Payable" Federal income taxes withheld from employees' salaries.
- 453 "State Withholding Tax Payable" State income taxes withheld from employees' salaries.
- 454 "Municipal Retirement Payable" Municipal retirement deductions withheld from salaries of employees who participate in the Illinois Municipal Retirement System.
- 455 "Annuities Payable" Annuity deductions withheld from employees' salaries.
- 456 "Employee Insurance Payable" Insurance deductions withheld from employees' salaries.

- 457 "Federal Insurance Contribution Act Payable" FICA (Social Security) deductions withheld from employees' salaries.
- 458 "Medicare Only Payable" Medicare only deductions withheld from employees' salaries.
- 459 "Other Payroll Deductions Payable" Other deductions withheld from employees' salaries.
- 461 "Accrued Expenses" Expenses incurred during the current accounting period but which are not payable until a subsequent accounting period. Examples of accrued expenses are accrued salaries, accrued tuition expense, accrued interest, and accrued rent.
- 471 "Deposits" Liability for deposits received as a prerequisite to providing or receiving services and/or goods.
- 472 "Due to Fiscal Agent" Amounts due to fiscal agents, such as commercial banks, for servicing an LEA's maturing indebtedness.
- 473 "Unamortized Premiums on Bonds Sold" An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds.
- 474** "Deferred Revenues" Liability accounts that represent assets receivable or collected before they are recognized as revenue.
- 480 "Due to Activity Fund Organizations" A liability account that represents assets held by an LEA as an agent for activity fund organizations (An Agency Fiduciary Fund).
- 499** "Other Current Liabilities" Other current liabilities not provided for elsewhere.
- 500** "**Long-Term Liabilities**" Debts which a school district plans to hold for a long period of time (i.e., more than one year).
- 501** "Bonds Payable" The face value of bonds issued and outstanding.
- 599** "Other Long-Term Liabilities" Other long-term liabilities not provided for elsewhere.
- 600** "**Budgeting Accounts and Other Credits**" Accounts which reflect budgeted amounts and their status as related to expenditures and encumbrances as well as offsetting accounts which normally have credit balances.
- 601 "Appropriations" Authorizations granted by the legislative body to make expenditures and to incur obligations for specific purposes. This account appears in a balance sheet prepared during the fiscal period. At the end of the fiscal period, the Appropriations account is closed out and does not appear in the balance sheet prepared at the close of the fiscal period.

- 602 "Expenditures (Debit)" An account which appears in balance sheets prepared during the fiscal period and designates the total expenditures charged against Appropriations during such period. The account is shown in each balance sheet as a deduction from the Appropriations account to arrive at the expected balance of total appropriations. This is the control account for expenditures.
- 603 "Encumbrances (Debit)" Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. In an interim balance sheet, encumbrances are deducted along with the expenditures from the Appropriations account to arrive at the unencumbered balance of appropriations.
- 700** **"Reserves and Fund Balance"** Accounts which show the excess of a fund's assets over its liabilities and those funds that have a portion of the balance reserved for future use.
- 701 "Reserve for Encumbrances" A reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances. Separate accounts may be maintained for current and prior-year encumbrances.
- 702 "Reserve for Inventory" A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up in inventories of supplies and inventories on hand and not issued to requesting units.
- 703** "Fund Balance-Reserved or Restricted" A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up for the named special purpose. Separate accounts may be maintained for each reserved or restricted balance.
- 704** "Fund Balance-Unreserved or Unrestricted" The excess of the assets of a fund over its liabilities and reserves, except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.
- 705** "Investment in General Fixed Assets" An account in the General Fixed Assets Account Group which represents the LEA equity in general fixed assets.

TABLE C -- DEFINITIONS OF REVENUE CLASSIFICATIONS

"Code"	"Descriptor"
1000	<u>REVENUE FROM LOCAL SOURCES</u>
1100	<u>Ad Valorem Taxes Levied by Local Education Agency.</u>
1110	"General Levies" Taxes received from the general levy for each fund authorized as follows: "Educational Fund" - Sections 17-2 and 17-3 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 17-2 and 17-3). "Operations and Maintenance Fund" - Sections 17-2 and 17-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 17-2 and 17-5). "Bond and Interest Fund" - Sections 17-2.11, 17-12, 19-7, 19-22, and 19-30 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 17-2.11, 17-12, 19-7, 19-22, and 19-30). "Transportation Fund" - Sections 17-2 and 17-4 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 17-2 and 17-4). "Municipal Retirement/Social Security Fund" - Section 22-403 of the Illinois Pension Code for Municipal Retirement purposes only (Ill. Rev. Stat. 1987, ch. 108 1/2, par. 22-403). "Working Cash Fund" - Section 20-3 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 20-3). "Rent Fund" - Sections 35-23 and 35-24 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 35-23 and 35-24). "Site and Construction/Capital Improvements Fund" - Section 17-2 of the School Code (Ill. Rev. Stat. 1991, ch. 122, par. 17-2). "Fire Prevention and Safety Fund" - Section 17-2.11 of the School Code (Ill. Rev. Stat. 1991, ch. 122, par. 17-2.11). 1111 "Current Year Levy" 1112 "First Prior Year Levy" 1113 "Other Prior Years' Levies" 1120 "Tort Immunity Levy" Taxes received from the levy for tort immunity purposes as authorized by the Illinois Revised Statutes, 1985, Chapter 85, Article 9, paragraph 107 (Ill. Rev. Stat. 1987, ch. 85, par. 9-107). 1121 "Current Year Levy"

- 1122 "First Prior Year Levy"
- 1123 "Other Prior Years' Levies"
- 1130 "Facility Leasing Levy"** Taxes received from the levy for the purpose of leasing educational facilities as authorized in Section 17-2.2c of the School Code. The taxes received from the levy for temporary relocation should be recorded in Revenue Account 1190 - Other Tax Levies. (Ill. Rev. Stat. 1987, ch. 122, par. 17-2.2c).
- 1131 "Current Year Levy"
- 1132 "First Prior Year Levy"
- 1133 "Other Prior Years' Levies"
- 1140 "Special Education Levy"** Taxes received from the levy for special education as authorized in Section 17-2.2a of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2.2a).
- 1141 "Current Year Levy"
- 1142 "First Prior Year Levy"
- 1143 "Other Prior Years' Levies"
- 1150 "Social Security/Medicare Only Levy"** Taxes received from the levy for the employer's share of Social Security taxes and the employer's share of Medicare Only payments (Ill. Rev. Stat. 1987, ch. 108 1/2, pars. 21-110 and 21-110.1).
- 1151 "Current Year Levy"
- 1152 "First Prior Year Levy"
- 1153 "Other Prior Years' Levies"
- 1160 "Area Vocational Construction Levy"** Taxes received from the levy for area vocational construction purposes as authorized in Section 17-2.4 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2.4).
- 1161 "Current Year Levy"
- 1162 "First Prior Year Levy"
- 1163 "Other Prior Years' Levies"
- 1170 "Summer School Levy"** Taxes received from the levy for summer school purposes as authorized in Section 17-2 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2).
- 1171 "Current Year Levy"

- 1172 "First Prior Year Levy"
- 1173 "Other Prior Years' Levies"
- 1190 "Other Tax Levies"** Taxes received from other tax levies not provided for herein.
- 1191 "Current Year Levy"
- 1192 "First Prior Year Levy"
- 1193 "Other Prior Years' Levies"
- 1200 "Payments in Lieu of Taxes"**
- 1210 "Mobile Home Privilege Tax"**
- 1220 "Payments from Local Housing Authority"**
- 1230 "Corporate Personal Property Replacement Tax"** Amounts received from tax revenues that replace the revenue lost as the result of abolition of ad valorem personal property taxes pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois. Revenues must first be applied to the Bond and Interest Fund (for bonds sold before 1-1-79) and the Municipal Retirement/Social Security Fund to replace the lost tax revenues. Revenues may be deposited into any other funds (other than for Site and Construction purposes) after satisfying the two liens.
- 1290 "Other Payments in Lieu of Taxes"**
- 1300 "Tuition"** Assessment amounts received from pupils, their parents, and welfare agencies; other LEAs for education provided in the local education agency; and private sources (Others). (Paying LEAs: See function 4100 categories, object 800 for applicable expenditure account numbers.)
- 1310 **"Regular Day School Tuition"** Amounts received for pupils attending the regular day schools in the local education agency as authorized in Section 10-20.12a of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 10-20.12a).
 - 1311** "Regular Tuition from Pupils or Parents"
 - 1312** "Regular Tuition from Other LEAs"
 - 1313** "Regular Tuition from Other Sources"
- 1320 **"Summer School Tuition"** Amounts received for pupils attending summer school.
 - 1321** "Summer School Tuition from Pupils or Parents"
 - 1322** "Summer School Tuition from Other LEAs"

- 1323** "Summer School Tuition from Other Sources"
- 1330 **"Vocational Education Tuition"** Amounts received for pupils attending vocational education programs.
 - 1331** "Vocational Tuition from Pupils or Parents"
 - 1332** "Vocational Tuition from Other LEAs"
 - 1333** "Vocational Tuition from Other Sources"
- 1340 **"Special Education Tuition"** Amounts received for pupils attending special education programs.
 - 1341** "Special Education Tuition from Pupils or Parents"
 - 1342** "Special Education Tuition from Other LEAs"
 - 1343** "Special Education Tuition from Other Sources"
- 1350 **"Adult/Continuing Education Tuition"** Amounts received for pupils attending adult/continuing education schools in the LEA.
 - 1351** "Adult Tuition from Pupils or Parents"
 - 1352** "Adult Tuition from Other LEAs"
 - 1353** "Adult Tuition from Other Sources"
- 1400** **"Transportation Fees"** Amounts received from pupils, their parents, welfare agencies, private sources, and other LEAs for transporting pupils to and from school and school activities as authorized in Article 29 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 29-1 et seq.). (Paying LEAs: See function 4100 categories, object 300 category for applicable expenditure account numbers.)
 - 1410 **"Regular Day School Transportation Fees"** Amounts received for transporting pupils to and from regular day school and school activities.
 - 1411** "Regular Transportation Fees from Pupils or Parents"
 - 1412** "Regular Transportation Fees from Other LEAs"
 - 1413** "Regular Transportation Fees from Private Sources"
 - 1415** "Regular Transportation Fees from Pupils/Cocurricular Activities"
 - 1420 **"Summer School Transportation Fees"** Amounts received to transport pupils to and from summer school.
 - 1421** "Summer School Transportation Fees from Pupils or Parents"
 - 1422** "Summer School Transportation Fees from Other LEAs"

- 1423** "Summer School Transportation Fees from Other Sources"
- 1430 **"Vocational Education Transportation Fees"** Amounts received to transport pupils to and from vocational classes.
- 1431** "Vocational Transportation Fees from Pupils or Parents"
- 1432** "Vocational Transportation Fees from Other LEAs"
- 1433** "Vocational Transportation Fees from Other Sources"
- 1440 **"Special Education Transportation Fees"** Amounts received to transport pupils to and from Special Education programs.
- 1441** "Special Education Transportation Fees from Pupils or Parents"
- 1442** "Special Education Transportation Fees from Other LEAs"
- 1443** "Special Education Transportation Fees from Other Sources"
- 1450 **"Adult/Continuing Education Transportation Fees"** Amounts received to transport pupils to and from adult/continuing education programs.
- 1451** "Adult Transportation Fees from Pupils or Parents"
- 1452** "Adult Transportation Fees from Other LEAs"
- 1453** "Adult Transportation Fees from Other Sources"
- 1500 **"Earnings on Investments"** Revenue from holdings invested for earnings purposes.
- 1510** "Interest on Investments" Interest received on short-term or long-term investments in United States treasury bills, notes, bonds; savings accounts; time certificates of deposit; notes; mortgages; or other interest-bearing obligations.
- 1520** "Gain or Loss on Sale of Investments" Gains or losses realized from the sale of bonds. Gains represent the excess of the sales proceeds over cost or other basis as of the date of sale (cost less amortization of premium in the case of long-term bonds purchased at a premium over par value or cost plus amortization of discount on long-term bonds purchased at a discount under par value). Gains realized from sale of U. S. treasury bills represent income and should be credited to account 1510 above.
- Losses represent the excess of the cost or other basis at date of sale (as described above) over the sale proceeds.
- 1600 **"Food Services"** Amounts received for dispensing food to pupils and adults.
- 1610 "Sales to Pupils" Amounts received from pupils for sale of food products and services. Better financial control, analysis and reporting for federal and state

reimbursements can be obtained by maintaining separate accounts by type of sale. Use of this account is required for federal reimbursement purposes.

- 1611** "Sales to Pupils - Lunch"
- 1612** "Sales to Pupils - Breakfast"
- 1613** "Sales to Pupils - A la Carte"
- 1614** "Sales to Pupils - Other"

- 1620** "Sales to Adults" Amounts received from adults for sale of food products and services. Regular meals or food products sold to staff can be segregated from special dinners and affairs for special purposes by maintaining separate accounts.

- 1690** "Other Food Service Revenue" Amounts received from local sources for other food service activities.

- 1700 **"Pupil Activities"** Amounts received from school-sponsored activities.
 - 1710 "Admissions" Amounts received from patrons of a school-sponsored activity.

 - 1711** "Athletic" Amounts received from school-sponsored athletic events.

 - 1719** "Other" Amounts received from admissions to all other school-sponsored events except athletics.

 - 1720** "Fees" Amounts received from pupils for fees (except transportation) such as towel fees, locker fees, and equipment fees.

 - 1730** "Book Store Sales" Amounts received from sales resulting from the operation of a bookstore. Sales may be recorded in separate revenue accounts according to the type of product sold, if desired.

 - 1790** "Other Pupil Activity Revenue" All other revenue from pupil activities not specified above.

- 1800 **"Textbooks"** Amounts received from the rental or sale of textbooks.
 - 1810 "Textbook Rentals" Amounts received from the rental of textbooks as authorized in Section 10-22.25 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.25).
 - 1811** "Regular Textbook Rentals"
 - 1812** "Summer School Textbook Rentals"
 - 1813** "Adult/Continuing Education Textbook Rentals"
 - 1819** "Other Textbook Rentals"

- 1820 "Textbook Sales" Amounts received from the sales of textbooks as authorized in Section 28-8 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 28-8).
- 1821 "Regular Textbook Sales"
- 1822 "Summer School Textbook Sales"
- 1823 "Adult/Continuing Education Textbook Sales"
- 1829 "Other Textbook Sales"
- 1890 "Other Textbook Revenues" Textbook revenues not provided for in the 1800 thru 1829 series of accounts.
- 1900 **"Other Revenue from Local Sources"** Other amounts received from local sources which are not classified above.
- 1910 **"Rentals"** Amounts received for rental of school property, real or personal.
- 1920 **"Contributions and Donations from Private Sources"** Amounts received from a philanthropic foundation, private individuals, or private organizations for which no repayment or special service to the contributor is expected.
- 1940 **"Services Provided Other LEAs"** Amounts received from services provided other LEAs other than for tuition and transportation services. Services could include data processing, purchasing, maintenance, accounting, cleaning, consulting, guidance, etc. (Paying LEAs: See function 4100 categories, object 300 and object 600 categories for applicable expenditure account numbers.)
- 1950 **"Refund of Prior Years' Expenditures"** Amounts received in refund of an expenditure charged to a prior fiscal year's budget. A refund of an expenditure made in the same fiscal year's budget may be recorded in the appropriate expenditure account as a reduction of the expenditure.
- 1990 **"Other"** Amounts received from local sources not provided for elsewhere.
- 1991 "Payment from Other LEAs" Amounts representing an LEAs share of special education or vocational education buildings.
- 1992 "Sale of Vocational Projects" Amounts representing gain from the sale of vocational projects.
- 1993 "Local Fees" Amounts assessed or received from local sources for district programs (example: driver education fees).
- 1999 "Other" Amounts received from local sources that are not provided for otherwise in the 1000 through 1992 series of accounts.
- 2000 **"FLOW-THROUGH REVENUE FROM ONE LEA TO ANOTHER LEA"** Payments one LEA makes to another LEA representing mini-grant projects and flow-through grants-in-aid to be used for specific grant-related purposes. (Paying LEAs: See function 4100 categories, object 700 categories for applicable expenditure

account numbers.) LEAs include any school districts, any joint agreements, such as special education centers or area vocational centers, vocational education regional delivery systems, and educational service centers. The Educational Service Region (ESR) is not an LEA for the purposes of this definition; any revenue received from the ESR is a direct payment to the LEA.

2100 **"Flow-Through Revenue from State Sources"** State revenues which can be further subdivided to account for individual grants.

2200 **"Flow-Through Revenue from Federal Sources"** Federal revenues which can be further subdivided to account for individual grants.

3000 **REVENUE FROM STATE SOURCES**

3100 **"Unrestricted Grants-in-Aid"** Amounts received as grants by the LEA which can be used without restriction for any legal purpose desired by the LEA.

3110 **"General State Aid"** Amounts received from the state for the general apportionment (flat grant) and the equalization portions of General State Aid as authorized in Section 18-8 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-8).

3120 **"Supplementary State Aid"** Amounts received from the state including tax amnesty monies or supplementary state aid for new districts (formed by the consolidation or annexation of previously existing districts) as authorized in Sections 18-8(A)(5)(m), 18-8.2, and 18-8.3 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 18-8(A)(5)(m), 18-8.2 and 18-8.3).

3200 **"Restricted Grants-in-Aid"** Amounts received as grants by the LEA which must be used for a categorical or specific purpose if payments were made on a grant basis.

3210 **"Transportation Aid"** Amounts received from the state for transportation aid.

3211 "Regular" Amounts received from the state for a portion of the cost of transporting regular students as authorized in Section 29-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 29-5).

3212 "Special Education" Amounts received from the state for a portion of the cost of transporting Special Education students as authorized in Sections 14-7.02 and 14-13.01 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 14-7.02 and 14-13.01).

3213 "Vocational Education" Amounts received from the state for a portion of the cost of transporting Vocational Education students as authorized in Section 29-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 29-5).

3220 **"Instructional Program Aid"** Amounts received from the state for Instructional Program Aid.

- 3221 "Driver Education" Amounts received from the state representing reimbursement for driver education as authorized in Sections 27-24.3 and 27-24.4 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 27-24.3 and 27-24.4).
- 3222 "Technical Preparation Education" Amounts received from state funds to provide planning, implementation and demonstration grants to consortia of local education agencies and postsecondary education for development and, operation of 4 year programs beginning at eleventh grade and leading to a 2 year associate degree or certificate.
- 3223 "Summer School" Amounts received from the state representing reimbursement for summer school as authorized in Sections 2-3.61 and 18-8 of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 2-3.61 and 18-8).
- 3224 "Bilingual Education" Amounts received from the state representing reimbursement for Bilingual Education as authorized in Sections 2-3.39 and 10-22.38a of the School Code (Ill. Rev. Stat. 1987, ch. 122, pars. 2-3.39 and 10-22.38a).
- 3225 "Vocational Education-Regular Part B (Formula Reimbursement)" Amounts received from the state representing reimbursement for Vocational Education.
- 3226 "Vocational Education-Grants and Contracts" Amounts received from the state representing reimbursement for grants and funding agreements.
- 3227 "Gifted Education" Amounts received from the state representing reimbursement for Gifted Education as authorized in Article 14A of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 14A-1 et seq.).
- 3228 "Adult Education-General" Amounts received from the state representing reimbursement for Adult Education as authorized in Section 203-1 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 203-1).
- 3229 "Adult Education-Sec. 10-22.20" Amounts received from the state representing reimbursement for Adult Education public assistance as authorized in Section 10-22.20 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.20).
- 3230 "Special Education"** Amounts received from the state representing reimbursement for Special Education as authorized in Article 14 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 14-1.01 et seq.)
- 3231 "Special Education Personnel" Amounts received from the state for a portion of the cost of approved personnel.
- 3232 "Special Education Private Facility" Amounts received from the state for costs related to children who must attend a nonpublic school or special education facility that can provide the special education services required.
- 3233 "Special Education Extraordinary" Amounts received from the state for costs related to children who require additional and extraordinary special education services that are provided by the LEA pursuant to the provisions of 23 Ill. Adm. Code 226 (Special Education).

- 3234 "Special Education Orphanage" Amounts received from the state for children under the provisions for (group and individual) orphanage services, for both regular session and summer session (Ill. Rev. Stat. 1987, ch. 122, par. 14-7.03).
- 3240 "Reading Improvement"** Amounts received from the state as authorized in Section 2-3.51 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 2-3.51) to improve the reading and study skills of children in kindergarten through grade six (for reading specialists, teacher aides, and other personnel).
- 3245 "Prekindergarten Programs for At-Risk Students"** Amounts received from the state as authorized in Section 2-3.71 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 2-3.71) to fund programs for children ages three to five who have been identified through a screening process as being at risk of academic failure when they enter school.
- 3250 "School Lunch Aid"** Amounts received from the state for school lunch aid.
- 3251 "Lunch - Free" Amounts received from the state for a portion of the cost of school lunches as authorized in Section 712.2 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 712.2).
- 3252 "Breakfast - Free" Amounts received from the state for a portion of the cost of school breakfast as authorized in Section 712.2 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 712.2).
- 3260 "Capital Development Board"** Amounts received from the Capital Development Board as authorized in the School Construction Bond Act (Ill. Rev. Stat. 1987, ch. 122, par. 1201 et seq.) and Section 783.1-2 of the Capital Development Board Act (Ill. Rev. Stat. 1987, ch. 127, par. 783.1-2).
- 3261 "Bond Principal" Amounts received from the Capital Development Board for a portion of the cost of bonds redeemed.
- 3262 "Bond Interest" Amounts received from the Capital Development Board for interest paid.
- 3290 **"Other Grants-in-Aid"** Amounts received from the state for a portion of the cost of other grants-in-aid.
- 3300 "Payments Received in Lieu of Taxes"** Payments made out of general revenues by the state to the LEA in lieu of taxes.
- 3310 **"Orphans' Tuition"** Amounts received from the state for a portion of the cost of orphans' tuition as authorized in Section 18-3 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-3).
- 3320 **"State-Owned Housing"** Amounts received from the state for a portion of the cost of state-owned housing as authorized in Section 18-3 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-3).

3330 **"Tax Equivalent Grants"** Amounts received from the state for a portion of the cost of tax equivalent grants as authorized in Section 18-4.4 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-4.4).

3340 **"State Impaction Aid"** Amounts received from the state for a portion of the cost of state impaction aid as authorized in Section 18-4.2 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 18-4.2).

4000 **REVENUE FROM FEDERAL SOURCES**

4100 **"Unrestricted Grants-in-Aid Received Directly from the Federal Government"** Amounts received directly from the federal government as grants by the LEA, which can be used without restriction for any legal purpose desired by the LEA.

4110 **"Public Law 81-874"** Amounts received from federal funds by LEAs having increased enrollments due to federal activities.

4300 **"Restricted Grants-in-Aid Received Directly from the Federal Government"** Amounts received directly from the federal government as grants by the LEA, which must be used for a categorical or specific purpose.

4320 **"Emergency School Assistance Act"** Amounts received from federal funds to finance programs designed to assist school districts to desegregate.

4325 **"Elementary and Secondary Education Act (ESEA) - Title VII - Bilingual"** Amounts received from federal funds for approved bilingual education.

4330 **"Education for Economic Security Act"** Amounts received from ESEA, Public Law 98-377, Title VI - Excellence in Education funds (20 U.S.C. 4031 et seq.). Provides U.S. Department of Education grants on a competitive basis to individual public schools striving to improve the quality of education.

4340 **"Community Action Program - O.E.O."** Amounts received from federal funds for activities related to Community Action Programs.

4350 **"Head Start"** Amounts received from federal funds for Head Start programs.

4360 **"Public Law 81-815 - Construction"** Amounts received from federal funds for the construction of school buildings in LEAs having increased enrollments due to federal activities.

4390 **"Other"** Amounts received directly from the federal government not provided for elsewhere in the 4300 thru 4360 series of accounts.

4400 **"Restricted Grants-in-Aid Received from the Federal Government through the State"** Amounts received from the federal government through the state as grants by the LEA which must be used for a categorical or specific purpose.

4410 **"Public Law 102-73, Adult Basic Education"** Amounts received from federal funds for Adult Basic Education as authorized in Public Law 102-73.

- 4420 **"Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392"** Amounts received from federal funds to provide for services and activities that are essential for individuals to succeed in vocational education.
- 4421 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title II, Part A - State Leadership" Amounts received from federal funds to provide professional development activities for vocational and academic teachers working with vocational students, for the development, dissemination and field testing of equipment to assess programs conducted under this legislation and vocational student organizations.
- 4422 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title II, Part B - Single Parents." Amounts received from federal funds to provide, subsidize, reimburse or pay for vocational education and training activities that will give single parents or homemakers marketable skills.
- 4423 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title II, Part B - Sex Equity." Amounts received from federal funds to provide for programs, services, and activities to eliminate sex bias and stereotyping in vocational education programs designed to enable participants to support themselves and their families.
- 4424 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title II, Part C - Secondary." Amounts received from federal funds to (1) improve vocational education programs, (2) provide for the funds and equitable participation of individuals who are members of special populations by providing the supplementary and other services necessary for them to succeed in vocational education, and (3) operate at a limited number of sites or with respect to a limited number of program areas that serve the highest concentrations of individuals who are members of special populations.
- 4425 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title III, Part B - Consumer and Homemaking." Amounts received from federal funds to provide supplemental funds to improve, expand or update instructions in approved occupations of homemaking.
- 4426 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title III, Part E - Technical Preparation Education." Amounts received from federal funds to provide planning and demonstration grants to consortia of local education agencies and postsecondary for the development and operation of 4 year programs beginning at eleventh grade and leading to a 2 year associate degree or a 2 year certificate.
- 4427 "Carl D. Perkins Vocational and Applied Technology Act of 1990, Public Law 101-392, Title III, Part F - Facilities and Equipment." Amounts received from federal funds for facilities, equipment and program improvement activities in vocational and applied technology education.
- 4429 "Carl D. Perkins Vocational and Applied Technology Act, Public Law 101-392 - Other." Amounts received from federal funds that provide for other Carl D. Perkins and Applied Technology Act of 1990 programs.

- 4430 **"Transition Programs for Refugee Children"** Amounts received from federal funds (Refugee Act of 1980) for approved supplementary programs for eligible refugee children.
- 4435 **"Emergency Immigrant Education Assistance"** Amounts received from federal funds as authorized in Section 101(g) of Further Continuing Appropriation, Public Law 98-151. Provides public education services to immigrant children not born in the United States and attending school less than three years.
- 4440 **"Elementary and Secondary Education Act (ESEA), Chapter 1"** Amounts received from federal funds as authorized in Public Law 100-297.
- 4441 "ESEA, Chapter 1 - Educationally Deprived" Amounts received from federal funds for programs designed to reduce or eliminate the educational deficiencies of eligible Chapter 1 students. Programs provide supplemental educational opportunities determined to be of high priority, usually in areas such as reading, mathematics, and cultural enrichment.
- 4442 "ESEA, Chapter 1 - Handicapped" Amounts received from federal funds for approved handicapped programs (Public Law 89-313).
- 4443 "ESEA, Chapter 1 - Migrant" Amounts received from federal funds for approved migrant programs to meet the needs of itinerant agricultural workers who have settled out of the migrant stream.
- 4444 "ESEA, Chapter 1 - Neglected and Delinquent" Amounts received from federal funds for approved programs for neglected or delinquent children with the focus of educational activities being on reading, mathematics, and communication skills.
- 4445 "ESEA - Chapter 1 - Even Start Program" Amounts received from federal funds for approved Even Start projects to provide participating families with an integrated program of early childhood education, adult basic skills training and parenting training.
- 4450 **"Individuals with Disabilities Education Act (IDEA)"** Amounts received from federal funds for approved Individuals with Disabilities Education Act programs.
- 4451 "IDEA - Preschool Grant" Amounts received from federal funds for approved IDEA preschool programs.
- 4452 "IDEA - Room and Board Reimbursement" Amounts received from federal funds for approved IDEA room and board reimbursements.
- 4453 "IDEA - Discretionary Programs" Amounts received from federal funds for approved IDEA discretionary and pre-school programs.
- 4454 "IDEA - Flow-Through (IDEA, B)" Amounts received from federal funds for approved IDEA flow-through funding.

- 4455 "IDEA - Deaf/Blind (VI-C)" Amounts received from federal funds for approved programs for the deaf and blind.
- 4456 "IDEA - Infant and Toddlers (Part H)" Amounts received from federal funds for approved IDEA infant and toddler programs.
- 4460 **"School Lunch Program"** Amounts received from federal funds.
- 4461 "School Lunch - Regular Lunches" Amounts received from federal funds for reimbursement for meals served through the school lunch program at the regular price.
- 4462 "School Lunch - Free and Reduced" Amounts received from federal funds for reimbursement of free and reduced-price meals served through the school lunch program.
- 4463 "Special Milk" Amounts received from federal funds for reimbursement based on the special milk program.
- 4464 "Breakfast" Amounts received from federal funds for reimbursement for breakfasts served through the school lunch program.
- 4465 "Non-Food Assistance" Amounts received from federal funds for reimbursement covering the purchase of equipment used in the school lunch program.
- 4466 "Payments in Lieu of Commodities" Amounts received from federal funds for payments in lieu of commodities.
- 4467 "Nutrition Education and Training Act" Amounts received from federal funds (Public Law 95-166) to promote and strengthen the nutrition education curriculum.
- 4470 **"Elementary and Secondary Education Act (ESEA), Chapter 2"** Amounts received from federal funds as authorized in Public Law 97-35 for approved Chapter 2, Block Grant programs.
- 4475 **"ESEA, Title II, Dwight D. Eisenhower Mathematics and Science Education Act"** Amounts received from ESEA, Public Law 100-297, Title II - Teacher Skill Improvement (20 U.S.C. 3961 et seq.). Provides for teacher skill improvement and enhanced instruction in mathematics and science.
- 4480 **"Department of Rehabilitation Services"** Amounts received from federal funds for vocational training of special education pupils.
- 4490 **"Other"** Amounts received from the federal government through the state and not provided for elsewhere in the 4400 through 4480 series of accounts.
- 4500** **"Restricted Grants-in-Aid Received from the Federal Government through an Intermediate Source"** Amounts received from the federal government through an intermediate source as grants by the LEA which must be used for a specific purpose.

- 4530 **"JTPA (Job Training Partnership Act)"** Amounts received from Title II federal funds (Public Law 97-300) through an intermediate source for contractual agreements that provide vocational training services and coordination of activities to the economically disadvantaged.
- 4590 **"Other Federal Grants"** Amounts received from federal funds through intermediate sources not provided for elsewhere in the 4500 through 4530 series of accounts.

7000 **OTHER FINANCING SOURCES**

- 7100 **"Transfer from Other Funds"** Amounts received unconditionally from another fund without expectation of repayment.
- 7110** **"Permanent Transfer from Working Cash Fund"** The transfer of the balance to the Educational Fund when the Working Cash Fund is abolished as authorized in Section 20-8 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 20-8).
- 7120** **"Permanent Transfer of Interest from Working Cash Fund"** The permanent transfer of interest to any fund of the district. Such a transfer may only be made upon the authority of the school board of education by resolution directing the school treasurer to make the transfer as authorized in Section 20-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 20-5).
- 7130** **"Permanent Transfer from Educational Fund"** The permanent transfer to the Operations and Maintenance Fund of monies in restricted amounts by districts meeting certain conditions as authorized in Section 17-2A of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2A).
- 7140** **"Permanent Transfer of Interest"** The permanent transfer of interest, as authorized in Section 10-22.44 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.44).
- 7150** **"Permanent Transfer from Site and Construction/Capital Improvements Fund to Operations and Maintenance Fund"** The transfer of (non Fire Prevention and Safety) bond proceeds remaining in the Site and Construction/Capital Improvements Fund to the Operations and Maintenance Fund after the purposes for which the bonds have been issued have been accomplished and paid in full (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.14).
- 7160** **"Permanent Transfer of Excess Accumulated Fire Prevention and Safety Tax Proceeds and Interest Earnings"** The transfer (by school board resolution) of tax proceeds and interest earned on proceeds remaining in the Fire Prevention and Safety Fund to the Operations and Maintenance Fund after the purposes for which the taxes were levied have been accomplished and paid in full. This transfer shall be made for the purpose of abating an equal amount of operation and maintenance purposes taxes. (Ill. Rev. Stat. 1991, ch 122, par. 17-2.11).

- 7170 "Permanent Transfer of Excess Accumulated Fire Presentation and Safety Bond Proceeds and Interest Earnings"** The transfer (by school board resolution) of bond proceeds remaining in the Fire Prevention and Safety Fund to the Bond and Interest Fund after the purposes for which the bonds were issued have been completed and paid in full. This transfer shall be made for the propose of abating an equal amount of taxes extended for principal and interest payments on the respective bonds. (Ill. Rev. Stat. 1991, ch. 122, par. 10-22.14)
- 7200 "Sale of Bonds"** All amounts received from the sale of bonds.
- 7210 "Principal on Bonds Sold"** Amounts received as principal from the sale of bonds.
- 7220 "Premium on Bonds Sold"** Amounts received as premiums from the sale of bonds.
- 7230 "Accrued Interest on Bonds Sold"** Amounts received as accrued interest from the sale of bonds. When bonds are sold at a date later than the nominal issue date of the bonds, the selling price often includes, in addition to the principal of the bonds, an amount representing the interest that has accrued on the bonds since the nominal issue date. This excess over the principal may be credited to this account in the Bond and Interest Fund; Site and Construction/Capital Improvements Fund; or Fire Prevention and Safety Fund (depending on the purposes of the bonds.)
- 7300 "Sale or Compensation for Loss of Fixed Assets"** Amounts received from the sale of school property or realized from recoveries for loss of school property.
- 7310 "Sale of Equipment" Amounts received from the sale of equipment such as school buses, cafeteria equipment, and instructional equipment.
- 7320 "Sale of Buildings and Grounds" Amounts received from the sale of a building or land or a combination of both. Proceeds from the sale first shall be used to pay the principal and interest on any outstanding bonds on the property being sold, and after all such bonds have been retired, the remaining proceeds from the sale next shall be used to meet any urgent district fire prevention and safety needs as determined under Section 2-3.12 and 17-2.11 and then for any other authorized purpose and for deposit into any district fund as authorized in Section 5-22 of the School Code. (Ill. rev. Stat. 1987, ch. 122, par. 5-22). The sale of a building representing a vocational project for resale is credited in the Educational Fund to General Ledger Account 171.
- 7330 "Compensation for Loss of Fixed Assets" Compensation or insurance recoveries for loss of school property not being replaced. If the school property will be replaced within the current fiscal year, it should be credited to the proper expenditure account.
- 7400 "Other Sources"** Other miscellaneous financing sources which cannot be classified in preceding 7000 account numbers.

TABLE D -- DEFINITIONS OF EXPENDITURE DIMENSIONS

"FISCAL YEAR"

Fiscal year denotes a twelve-month period of time to which the annual budget applies and at the end of which an LEA determines its financial position and the results of its operations. The terminal digit of the applicable year designates the code.

"Code"	"Descriptor"
8	FY 1987-1988
9	FY 1988-1989
0	FY 1989-1990
1	FY 1990-1991
2	FY 1991-1992
3	FY 1992-1993
4	FY 1993-1994
5	FY 1994-1995
6	FY 1995-1996
7	FY 1996-1997

"FUNDS"

Funds are independent fiscal and accounting entities requiring their own set of accounts and records. Each fund relates to a specific activity or objective.

Complete explanations for each of the following funds have already been listed in Table A of this Part:

- 10 - Educational Fund
- 20 - Operations and Maintenance Fund
- 30 - Bond and Interest Fund
- 40 - Transportation Fund
- 50 - Municipal Retirement/Social Security Fund
- 60 - Site and Construction/Capital Improvements Fund
- 70 - Working Cash Fund
- 80 - Rent Fund
- 90 - Fire Prevention and Safety Fund
- 98 - General Fixed Assets Account Group
- 99 - General Long-Term Debt Account Group

"SOURCE OF FUNDS"

This dimension describes expenditures in terms of various sources of revenue. It provides the capability of exercising budgetary control and the preparation of reports of categorical programs. The Source of Funds code allows for the gathering of total expenditures for a particular revenue. The following Source of Funds codes have been designated to represent various revenues; however, additional category codes can be added by LEAs, if needed.

- 00 Non-Categorical/Unrestricted
- 01 Tort Immunity
- 02 Site and Construction

03 Capital Improvements
 04 Community College Tuition
 05 Area Vocational Education Construction
 06 Summer School
 08 Special Education Levy
 10 Driver Education
 11 Prekindergarten Programs for At-Risk Students
 12 Special Education
 13 Special Education - Transportation
 14 Bilingual
 15 Reading Improvement Program
 16 Educational Service Center Operations
 17 Administrators' Academy
 18 Staff Development
 19 Learner Outcomes/Objectives
 20 Vocational Education - Regular Part B (Formula Reimbursement [State])
 21 Vocational Education - Grants and Contracts (State)
 22 Vocational Education - Transportation
 23 Technical Preparation Education (State)
 24 Department of Rehabilitation Services
 25 Gifted Education
 26 Special Education - Extraordinary
 27 Adult Education - General
 28 Special Education - Private Facility
 29 Adult Basic Education - Sec. 10-22.20 of the School Code
 30 ESEA Chapter 1 - Educationally Deprived
 31 ESEA Chapter 1 - Handicapped (P.L. 89-313)
 32 ESEA Chapter 1 - Migrant
 33 ESEA Chapter 1 - Neglected and Delinquent
 34 Special Education - Orphanage
 35 Special Education - Personnel
 36 ESEA Chapter 1 - Even Start
 37 Facility Leasing Levy
 38 Municipal Retirement Levy
 39 Social Security/Medicare Only Levy
 40 Temporary Relocation Levy
 45 IDEA - VI-C - Deaf/Blind
 46 IDEA - Part B - Preschool Grant
 47 IDEA - Part B - Room and Board Reimbursement
 48 IDEA - Part B - Discretionary Programs
 49 IDEA - Part B - Flow-Through
 50 ESEA, Title VII - Bilingual
 60 ESEA - Chapter 2, Block Grant
 65 Capital Development Board
 70 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title II, Part A -
 State Leadership
 71 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title II, Part B -
 Single Parents
 72 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title II, Part B -
 Sex Equity
 73 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title II, Part C -
 Secondary

- 74 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title III, Part B - Consumer and Homemaking
- 75 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title III, Part E - Technical Preparation
- 76 Perkins Vocational and Applied Technology Act, P.L. 101-392, Title III, Part F - Facilities and Equipment
- 77 Emergency School Assistance Program (Federal)
- 79 Community Action Program - O.E.O. (20 U.S.C. 3961 et seq.)
- 80 Head Start
- 81 P.L. 81-815 - Construction
- 84 School Lunch Program
- 85 School Lunch Program - Nonfood Assistance (Equipment)
- 86 School Lunch Program - Nutrition Education/Training Act
- 87 ESEA, Title II, Dwight D. Eisenhower Mathematics and Science Education Act
- 88 Education for Economic Security Act (EESA), P.L. 98-377, Title VI - Excellence in Education
- 89 Emergency Immigrant Education Assistance, P.L. 98-151
- 93 Transition Programs for Refugee Children
- 94 Job Training and Partnership Reform Act (JTPRA)

"INSTRUCTIONAL ORGANIZATION"

The general types of schools or other organizational entities providing instruction are included in this dimension. An instructional organization is coded by a single digit.

It is recognized that the instructional organization suggested here may not coincide with that being used in all LEAs, but it does provide basic subdivisions for any organizational structure.

Wherever it does not comply exactly, being in more detail or less, school officials can combine subdivisions or omit some as applicable. Comparability is improved by using the same structure for reporting purposes throughout the nation. In the following definitions, "grade span" can be changed to "age span" when structuring a nongraded school or local educational agency.

"Code"	"Descriptor"
0	"Districtwide"
1	"Elementary School" A school composed of any span of grades not above grade eight, including kindergarten.
2	"Middle or Junior High School" A separately organized and administered school, usually beginning with grades 6 or 7 or their equivalent and including at least two grades or years. Most middle/junior high schools consist of two or three grades spanning the years between an elementary and high school, as in a 4-4-4 plan, a 6-2-4 plan, or 6-3-3 plan.
3	"High School/Secondary" A school comprising any span of grades beginning with the next grade following an elementary or middle/junior high school and ending with or below grade 12. This includes three-year and four-year vocational and technical high schools separately organized under the direction and management of an administrator for the primary purpose of offering education and training in one or more semi-skilled, skilled, or technical occupations.
4	"Adult/Continuing Education School" A school for adults and out-of-school youth. This includes adult basic schools, advanced adult schools, and occupational schools.
5	"Pre-school" A program organized to provide educational experiences for children during the year or years preceding kindergarten and which is part of an elementary school program under the direction of a qualified teacher.
9	"Other" A school which does not fit into one of the above descriptions.

**DEFINITIONS FOR DISBURSEMENTS/EXPENDITURES
AND OTHER FINANCING USES**

"FUNCTIONS"

Function means the action or purpose for which a person or thing is used or exists. Function includes the activities or actions which are performed to accomplish the objectives of the enterprise. The activities of a local school system are classified into six broad areas or functions: Instruction, Support Services, Community Services, Nonprogrammed Charges, Debt Service, and Provision for Contingencies. Within these functions, the phrase "Service Area Direction" means the activities associated with directing and managing a specified service area.

"Code"	"Descriptor"
<u>1000</u>	<u>"INSTRUCTION"</u> The teaching of pupils or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital, and other learning situations such as those involving cocurricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of aides or assistants of any type that assist in the instructional process.
<u>1100</u>	<u>"Regular Programs"</u> Instructional activities designed primarily for pupils (in elementary, middle/junior high, or high schools) who do not require special programs such as those designed for gifted, vocational, limited-English-proficient, and students with disabilities.
1110	"Elementary"
1120	"Middle/Junior High"
1130	"High School"
<u>1200</u>	<u>"Special Education Programs"</u> Special instruction and resource programs required by a student due to his/her disability; includes special services, special materials, and special equipment required by the students as authorized in Article 14 of the School Code (Ill. Rev. Stat 1987, ch. 122, par. 14-1.01 et seq.)
1201	"Severe/Profound Mentally Handicapped (S/PMH)"
1202	"Trainable Mentally Handicapped (TMH)"
1203	"Educable Mentally Handicapped (EMH)"
1204	"Physically Handicapped (PH)"
1205	"Learning Disabled (LD)"
1206	"Visually Impaired (VI)"
1207	"Hard of Hearing (HH)"
1208	"Deaf (D)"
1209	"Deaf and Blind (DB)"
1210	Speech and Language Impaired (SLI)"
1211	"Educationally Handicapped (EH)"
1212	"Behavior Disordered (BD)"

- 1213 "Other Health Impairment (OHI)"
- 1214 "Early Childhood (EC)"
- 1215 "Infant/Toddler (I/T)"
- 1216 "Autistic"
- 1217 "Traumatic Brain Injury (TBI)"
- 1220 "Cross-Categorical (CC)"

1250 **"Educationally Deprived/Remedial Programs"** Supplementary programs to increase the educational opportunities of eligible children, such as Chapter 1, ESEA, children. Programs are usually in areas of basic instruction such as reading and/or mathematics.

1300 **"Adult/Continuing Education Programs"** Learning experiences designed to develop knowledge and skills to meet immediate and long-range educational objectives for adults who have completed or interrupted their formal schooling. Programs include activities to foster the development of fundamental tools of learning, to prepare for a postsecondary career, to prepare for postsecondary education programs, to upgrade occupational competencies, to prepare for a new or different career, to develop skills and appreciation for special interests, or to enrich the aesthetic qualities of a student's life.

- 1310 "Adult Education"
- 1320 "Advanced Adult Education"
- 1330 "Occupational"
- 1340 "Upgrading in Current Occupation"
- 1350 "Retraining for New Occupation"
- 1360 "Special Interest"
- 1370 "Life Enrichment"
- 1390 "Other Adult/Continuing Education"

1400 **"Vocational Programs"** Instruction provided to develop the knowledge, skills and attitudes needed for employment in an occupational area. This includes all programs approved in the local district's plan for vocational education.

- 1401 "Agricultural Occupations" Instruction for the purpose of enabling students to have the background, knowledge and skills necessary for entry into a wide range of occupations in agricultural production, agricultural supplies and services, agricultural mechanics, agricultural products, and ornamental horticulture.
- 1403 "Renewable Natural Resources" Instruction for the purpose of preparing students for entry-level employment in the areas of conservation, fishing and fisheries, forestry, and wildlife management.
- 1404 "Environmental Design" Instructional programs that describe methods to create, adapt, alter, preserve, and control mankind's physical and social surroundings.

- 1406 "Business and Management" Instruction for the purpose of preparing students to perform activities including buying, selling, appraising, renting, managing and leasing of real property for managerial functions and to understand ownership principles involved in operating a small business.
- 1407 "Business and Office" Instruction to prepare individuals for planning, organizing, directing and controlling business office systems and procedures. Includes instruction in preparing, transcribing, systematizing, and preserving written communications and records; preparing and analyzing financial records; collecting accounts and receiving and disbursing money; gathering, processing and distributing information and mail; operating office machines and electronic data processing equipment accounting for inventories; and operating telephones and switchboards.
- 1408 "Marketing and Distribution" Instruction to prepare students for occupations in marketing, sales, distribution, merchandising and management of the provision of industrial and consumer goods or services. These instructional programs prepare individuals to perform marketing functions such as selling, buying, pricing, promoting, financing, transporting, storing, market research, and marketing management.
- 1409 "Communications" Instruction to prepare individuals for the creation, execution, transmission and evaluation of commercial messages designed to promote the sale of products and services.
- 1410 "Communication Technologies" Instructional programs that prepare individuals to assist communication professionals and skilled communication workers. Programs stress specialized, practical knowledge related to the mechanical, scientific, or technical aspects of communications.
- 1412 "Consumer, Personal, and Miscellaneous Services" Instructional programs that prepare individuals to provide a variety of services to individual consumers as well as to organizations such as businesses and industries.
- 1415 "Engineering and Engineering-Related Technologies" Instructional programs that prepare individuals to support and assist engineers and other professionals in the field of engineering. Programs stress specialized, practical knowledge related to the mathematical, scientific, or technical aspects of engineering and its related sciences.
- 1417 "Health Occupations" (e.g., L.P.N., dental technician) Instruction to provide students with the health occupations knowledge, skills and attitudes necessary for meaningful employment and/or to pursue further health occupations education.
- 1420 "Occupation of Homemaking" Instruction to help students acquire the knowledge, skills, attitudes and behaviors necessary for making satisfying personal, family and workplace decisions concerning food, clothing, shelter, parenting, child rearing, interpersonal relationships and resource management.
- 1421 "Home Economics Occupations" Instruction to help students acquire the competence needed to secure employment and/or prepare for advancement in occupations utilizing home economics knowledge and skills such as food production, child care and guidance, and fashion/fabric coordination.

- 1443 "Protective Services" Instructional programs that describe the principles and procedures for providing police, fire, and other safety services and for managing penal institutions.
- 1446 "Construction Trades" Instructional programs that prepare individuals to erect, install, maintain and repair buildings, highways, airports and other structures using a variety of materials. Includes instruction in cost estimating, using tools, and following technical specifications and blueprints.
- 1447 "Mechanics and Repairers" Instructional programs that prepare individuals in the adjustment, maintenance, part replacement, and repair of tools, equipment, and machines.
- 1448 "Precision Production" Instructional programs that prepare individuals to produce precision goods and materials by hand or machine; includes instruction in interpreting detailed plans and specifications.
- 1449 "Transportation, Aviation and Material Moving" Instructional programs that prepare individuals to operate and control equipment used to transport people or materials.
- 1459 "Special Programs" Vocational Education programs entitled Cooperative Training, Interrelated Cooperative Education, and Experienced-Based Education.
- 1500** **"Interscholastic Programs"** Cocurricular activities which supplement the regular instructional program such as athletics, band, chorus, and speech.
- 1600** **"Summer School Programs"** Instructional activities that are not embraced within the regular school term.
- 1650** **"Gifted Programs"** Special learning experiences for pupils identified as being gifted or talented as defined in 23 Ill. Adm. Code 227.10 (Gifted Education).
- 1800** **"Bilingual Programs"** Special learning experiences for pupils receiving services pursuant to the provisions of 23 Ill. Adm. Code 228 (Transitional Bilingual Education).
- 1900** **"Truants' Alternative and Optional Programs"** Modified instructional programs provided to students pursuant to the provisions of 23 Ill. Adm. Code 205 (Truants' Alternative and Optional Education Programs).
- 2000** **"SUPPORT SERVICES"** Services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Support Services are adjuncts to the fulfillment of the objectives of instruction.
- 2100** **"Support Services - Pupils"** Those activities which are designed to assess and improve the well-being of pupils and to supplement the teaching process.
- 2110** **"Attendance and Social Work Services"** Activities for the improvement of pupils' attendance at school and the performance of school social work activities dealing with the problems of pupils which involve the home, school, and community.
- 2111 "Service Area Direction"

- 2112 "Attendance Services" Activities such as prompt identification of patterns of nonattendance, early action on these problems, and enforcement of compulsory attendance laws.
- 2113 "Social Work Services" Activities such as investigating, diagnosing, and attempting to resolve pupil problems arising out of the home, school, or community.
- 2114 "Pupil Accounting Services" Those activities of acquiring and maintaining records of school attendance, location of home, and other pupil data.
- 2119 "Other Attendance and Social Work Services" Attendance and Social Work Services other than those described above.
- 2120** **"Guidance Services"** The activities of counseling with pupils and parents, providing consultation with other staff members on learning problems, evaluating the abilities of pupils, assisting pupils to make their own educational and career plans and choices, assisting pupils in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for pupils.
- 2121 "Service Area Direction"
- 2122 "Counseling Services" Activities in which counselors help pupils to understand their educational, personal, and occupational strengths and limitations; to relate their abilities, emotions and aptitudes to educational and career opportunities; to utilize their abilities in formulating realistic plans; and to achieve satisfying personal and social development.
- 2123 "Appraisal Services" Activities to assess pupil characteristics, which are used in administration, instruction, and guidance and which assist the pupil in assessing his/her purposes and progress in career and personality development.
- 2124 "Information Services" Activities organized for the dissemination of educational, occupational, and personal-social information to help acquaint pupils with the curriculum and with educational and vocational opportunities and requirements. Such information might be provided directly to pupils through activities such as group or individual guidance, or it might be provided indirectly to pupils through staff members or parents.
- 2125 "Record Maintenance Services" Activities organized for the compilation, maintenance, and interpretation of cumulative records of individual pupils including the following:
- Home and Family Background
 - Physical and Medical Status
 - Standardized Test Results
 - Personal and Social Development
 - School Performance
- 2126 "Placement Services" Activities organized to help place pupils in appropriate educational situations while they are in school, in appropriate part-time employment while they are in school, and in appropriate educational and occupational situations after they leave school and to facilitate pupils' transition from one educational experience to another. This may include, for

example, admissions counseling, referral services, assistance with records, and follow-up communications with employers.

2129 "Other Guidance Services" Guidance services which cannot be classified above.

2130 "Health Services" Physical and mental health services which are not direct instruction. Included are activities that provide pupils with appropriate medical, dental, and nurse services.

2131 "Service Area Direction"

2132 "Medical Services" Activities concerned with the physical and mental health of pupils such as health appraisal including screening for vision, communicable diseases, and hearing deficiencies; screening for psychiatric services; periodic health examinations; emergency injury and illness care; and communications with parents and medical officials.

2133 "Dental Services" Activities associated with dental screening, dental care, and orthodontic activities.

2134 "Nurse Services" Activities associated with nursing which are not instruction such as health inspection, treatment of minor injuries, and referrals for other health services.

2139 "Other Health Services" Health Services not classified above.

2140 "Psychological Services" Activities concerned with administering psychological tests and interpreting the results, gathering and interpreting information about pupil behavior, working with other staff members in planning school programs to meet the special needs of pupils as indicated by psychological tests and behavioral evaluation, and planning and managing a program of psychological services, including psychological counseling for pupils, staff, and parents.

2141 "Service Area Direction"

2142 "Psychological Testing Services" Activities concerned with administering psychological tests, standardized tests and inventory assessments of ability, aptitude, achievement, interests and personality and their interpretation for pupils, school personnel, and parents.

2143 "Psychological Counseling Services" Activities between a school psychologist or other qualified counselor and one or more pupils in which the pupils are helped to perceive, clarify, and resolve problems of adjustment and interpersonal relationships.

2144 "Psychotherapy Services" Activities between a qualified mental health professional and one or more pupils in which the pupils are helped to perceive, clarify, and resolve emotional problems or disorders.

2149 "Other Psychological Services" Other activities associated with Psychological Services not classified above.

2150 "Speech Pathology and Audiology Services" Activities which have as their purpose the identification, assessment, and treatment of children with impairments in speech, hearing, and language.

2151 "Service Area Direction"

2152 "Speech Pathology Services"

- 2153 "Audiology Services"
- 2159 "Other Speech Pathology and Audiology Services" Other activities associated with Speech Pathology and Audiology Services not classified above.
- 2190 "Other Support Services - Pupils"** Other support services (pupils) not classified in 2100 thru 2159 series. Expenditures that may be included are therapists, crossing guards, graduation, student assembly programs, monitors for playgrounds, study halls, etc.
- 2200 "Support Services - Instructional Staff"** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.
- 2210 "Improvement of Instruction Services"** Activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the instructional process.
- 2211 "Service Area Direction"
- 2212 "Instruction and Curriculum Development Services" Activities designed to aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques which stimulate and motivate pupils.
- 2213 "Instructional Staff Training Services" Activities designed to contribute to the professional competence of the instructional staff including workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves.
- 2220 "Educational Media Services"** Activities related to media resource centers and concerned with the use of all teaching and learning resources including hardware and content materials. Educational media are defined as any devices, content materials, methods, or experiences used for teaching and learning purposes. These include printed and nonprinted sensory materials.
- 2221 "Service Area Direction"
- 2222 "School Library Services"
- 2223 "Audio Visual Services"
- 2224 "Educational Television Services"
- 2225 "Computer-Assisted Instruction Services"
- 2230 "Assessment and Testing"** Activities carried out for the purpose of measuring individual student achievement. The information obtained is generally used to monitor individual and group progress in reaching district learning goals to compare individual and group performance with national norms established by test publishers.
- 2300 "Support Services - General Administration"** Activities concerned with establishing and administering policy in connection with operating the local education agency.
- 2310 "Board of Education Services"** Activities of the elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a given administrative unit.
- 2311 "Service Area Direction" Activities concerned with directing and managing the general operation of the Board of Education. Included are the activities of

executives of the Board of Education, such as the Executive Secretary, but not included are any special activities defined in the other areas of responsibility described below. It also includes activities performed in support of school district meetings, legal activities, general liability situations, and audit services.

2312 "Board Secretary Services" Activities required to perform the duties of the Secretary or Clerk of the Board of Education.

2313 "Board Treasurer Services" Activities required to perform the duties of Treasurer of the Board of Education.

2314 "Election Services" Services rendered in connection with any school system election, including elections of officers and bond elections.

2316 "Staff Relations and Negotiation Services" Activities concerned with staff relations systemwide and the responsibilities for contractual negotiations with both instructional and noninstructional personnel.

2320 "Executive Administration Services" Activities associated with the overall management of the LEA.

2321 "Office of the Superintendent Services" Activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents, in their management of the LEA. This includes all personnel and materials in the office of the chief executive officer. Activities of the offices of the deputy superintendent and associate or assistant superintendents should be charged here unless job duties indicate another function is more appropriate. When two or more Service Areas are directed by the same individual, the services of that individual's office are prorated between the Service Areas concerned.

2324 "State and Federal Relations Services" Activities of developing and maintaining good relationships with state and federal officials. The activities associated with grant procurement are included.

2330 "Special Area Administrative Services" Activities concerned with supervisory responsibilities for federal programs, special programs, and/or title programs not included in the preceding functions. When the same individual directs both special programs and other service areas, the services of that individual should be prorated between the proper areas.

2400 "Support Services-School Administration" Activities concerned with overall administrative responsibility for a single school or a group of schools.

2410 "Office of the Principal Services" Activities concerned with managing a particular school, including the activities of the principal, assistant principals, and other assistants in general supervision of all operations of the school, and including clerical staff for these activities.

2490 "Other Support Services-School Administration" Includes activities performed by persons usually classified as department heads or deans within schools and other school administration services which cannot be recorded under the preceding functions.

2500 "Support Services - Business" Activities concerned with accounting, purchasing, paying, transporting, exchanging, and maintaining goods and services for the LEA, including internal business services for operating all schools.

- 2510 "Direction of Business Support Services"** Activities concerned with directing and managing the Business Services Area, such as those usually performed by the office of the chief school business official or business manager.
- 2520 "Fiscal Services"** Activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving and disbursing, bookkeeping, financial accounting, payroll, inventory control, and internal auditing.
- 2522 "Budgeting Services" Activities concerned with supervising budget planning, formulation, control and analysis.
- 2523 "Receiving and Disbursing Funds Services" Activities concerned with taking in money and paying it out. It includes the handling of receipts, the approval of requisitions or purchase orders to determine whether the amounts are within the budgetary allowances, and to determine that such disbursements are lawful expenditures of LEA funds.
- 2524 "Payroll Services" Activities concerned with making payments to individuals entitled to remuneration for services rendered. Payments are also made for payroll-associated costs related to the payment of income tax, retirement, and social security.
- 2525 "Financial Accounting Services" Activities concerned with maintaining records of the financial operations and transactions of the school system. They include such activities as accounting and interpreting financial transactions and account records.
- 2526 "Internal Auditing Services" Activities concerned with verifying the account records including evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of accounting and reporting procedures, and ascertaining their compliance with policies.
- 2527 "Property Accounting Services" Activities concerned with preparing and maintaining a current inventory of land, buildings, and equipment. These records are to be used in equipment control and facilities planning.
- 2530 "Facilities Acquisition and Construction Services"** Activities concerned with acquisition of land and buildings, remodeling buildings, construction of buildings and additions to buildings, initial installation or extension of service systems and other built-in equipment, and improvements to sites.
- 2531 "Service Area Direction"
- 2532 "Land Acquisition and Development Services" Activities concerned with the acquisition of sites and improvements thereon.
- 2533 "Architectural and Engineering Services" The activities of architects and engineers related to land acquisition and improvement and to improvements to buildings.
- 2534 "Educational Specifications Development Services" Activities concerned with preparing and interpreting, for architects and engineers, descriptions of specific space requirements for the various learning experiences of pupils to be accommodated in a building.
- 2535 "Building Acquisition, Construction, and Improvements Services" Activities concerned with building acquisition through purchase or construction and building improvements including initial installation or extension of service systems and other built-in equipment as well as building additions.

- 2540 "Operation and Maintenance of Plant Services"** Activities concerned with keeping the physical plant (i.e., grounds, buildings, and equipment) in an effective and safe working condition. This includes activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.
- 2541 "Service Area Direction"
- 2542 "Care and Upkeep of Buildings Services" Activities concerned with keeping the physical plant clean and ready for daily use including operating the fixed heating, lighting, and ventilating systems and repairing and replacing facilities and equipment.
- 2543 "Care and Upkeep of Grounds Services" Activities of properly maintaining land and its improvements other than buildings.
- 2544 "Care and Upkeep of Equipment Services" Activities of properly maintaining movable equipment owned or used by the LEA, including servicing and repairing furniture, machines, and other movable equipment.
- 2545 "Vehicle Servicing and Maintenance Services (Other Than Student Transportation Vehicles)" Activities of maintaining in good condition general purpose vehicles such as trucks, tractors, graders, and staff vehicles. It includes such activities as repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, and inspecting vehicles for safety, i.e., preventive maintenance.
- 2546 "Security Services" Activities concerned with maintaining order and safety at all times in school buildings, and on school grounds and their vicinity. Included are police activities for school functions, traffic control on school grounds and their vicinity, building alarm systems and hall monitoring security services.
- 2549 "Other Operation and Maintenance of Plant Services" Activities which cannot be classified under the preceding areas of responsibility. Building insurance should be charged to this function.
- 2550 "Pupil Transportation Services"** Activities concerned with conveying pupils to and from school as provided by Article 29 of the School Code. It includes trips between home and school and trips to school activities.
- 2551 "Service Area Direction"
- 2552 "Vehicle Operation Services" Activities of operating vehicles for pupil transportation from the time the vehicles leave the point of storage until they return to the point of storage. It includes fueling and driving buses or other pupil transportation vehicles.
- 2553 "Monitoring Services" Activities concerned with supervising pupils being transported between home and school and between school and school activities. Activities include pupil supervision while in transit and while being loaded and unloaded and directing traffic at the loading and unloading stations.
- 2554 "Vehicle Servicing and Maintenance Services" Activities to properly maintain pupil transportation vehicles including repairing and replacing vehicle parts, cleaning, painting, greasing, and inspecting vehicles for safety. Replacing a vehicle's chassis or body is considered to be equipment and is charged to Capital Outlay.
- 2559 "Other Pupil Transportation Services" Pupil Transportation Services which cannot be classified under the preceding areas of responsibility.

- 2560** **"Food Services"** Those activities concerned with providing food to pupils and staff in a school or LEA. This service area includes the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food.
- 2561 "Service Area Direction"
 - 2562 "Food Preparation and Dispensing Services"
 - 2563 "Food Delivery Services"
 - 2569 "Other Food Services" Food Services activities which cannot be classified under the preceding areas of responsibility.
- 2570** **"Internal Services"** Those activities concerned with buying, storing, and distributing supplies, furniture, and equipment; those activities concerned with internal duplicating and printing for the school system and the pickup and transporting of cash from school facilities to the central administrative office or bank for control and/or deposit.
- 2571 "Service Area Direction"
 - 2572 "Purchasing Services"
 - 2573 "Warehousing and Distributing Services"
 - 2574 "Printing, Publishing, and Duplicating Services"
- 2600** **"Support Services - Central"** Activities, other than general administration, which support each of the other instructional and support services programs. These activities include planning, research, development, evaluation, information, staff, statistical, and data processing services.
- 2610** **"Direction of Central Support Services"** Activities concerned with directing and managing the central support services as a group.
- 2620** **"Planning, Research, Development, and Evaluation Services"** Those activities, on a systemwide basis, associated with conducting and managing programs of planning, research, development, and evaluation for a school system.
- 2621 "Service Area Direction"
 - 2622 "Development Services"
 - 2623 "Evaluation Services"
 - 2624 "Planning Services"
 - 2625 "Research Services"
- 2630** **"Information Services"** Those activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to pupils, staff, managers, or the general public through direct mailing, the various news media, or personal contact.
- 2631 "Service Area Direction"
 - 2632 "Internal Information Services"
 - 2633 "Public Information Services"
 - 2634 "Management Information Services"

- 2640** **"Staff Services"** Activities generally performed by the LEA personnel office, such as recruiting and placement, staff transfers, inservice training, health services, and staff accounting.
- 2641 "Service Area Direction"
- 2642 "Recruitment and Placement Services" Those activities concerned with employing and assigning personnel for the LEA.
- 2643 "Staff Accounting Services" Services rendered in connection with the systematic recording and summarizing of information relating to staff members employed by the LEA.
- 2644 "Inservice Training Services (for Noninstructional Staff)" The activities developed by the LEA for training of noninstructional personnel in all classifications.
- 2645 "Health Services" Those activities concerned with medical, dental and nurse services provided for school district employees. Included are physical examinations, referrals and emergency care.
- 2660** **"Data Processing Services"** Activities concerned with preparing data for storage, sorting data, and retrieving them for reproduction as information for management and reporting.
- 2661 "Service Area Direction"
- 2662 "Systems Analysis Services" Activities concerned with the search for an evaluation of alternatives which are relevant to defined objectives. Based on judgment, and, wherever possible, on quantitative methods. Where applicable, they pertain to the development of data processing procedures or application to electronic data processing equipment.
- 2663 "Programming Services" Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data and the preparation of coded instructions and data for such sequences.
- 2664 "Operations Services" Activities concerned with scheduling, maintaining, and producing data. These activities include operating data preparation devices and data processing machines.
- 2665 "Statistical Services" Activities concerned with producing statistical data for reports, program studies, and management use.
- 2900** **"Other Support Services"** Activities of any support service or classification of services, general in nature, which cannot be classified in the preceding functions.
- 3000** **"COMMUNITY SERVICES"** Services provided by the LEA for the community as a whole or some segment of the community, such as community recreation programs, civic organization activities, public libraries, programs of custody and child care, welfare services, nonpublic school pupil services, and home/school services.
- 3100 "Direction of Community Services" Activities concerned with directing and managing community services activities.
- 3200 "Community Recreation Services" Activities include organizing and supervising playgrounds, swimming pools, and other recreation programs for the community.

- 3300 "Civic Services" Services provided in support of civic affairs or organizations including services to parent-teacher association meetings, public forums and lectures and for civil defense planning.
- 3400 "Public Library Services" Activities related to the operation of public libraries by an LEA, or the provision of library services to the general public through the school library.
- 3500 "Custody and Child Care Services" Programs for the custodial care of children in residential day schools or child care centers which are not part of, or directly related to, the instructional program and where the attendance of the children is not included in the attendance figures for the LEA.
- 3600 "Welfare Activities Services" Services for individuals who have been designated as needy by an appropriate governmental entity, including stipends for school attendance; salaries paid to pupils for work performed, whether for the LEA or for an outside concern; and clothing, food, or other personal needs.
- 3700 "Nonpublic School Pupils' Services" Services to pupils attending a school established by an agency other than the state, subdivision of the state or the federal government, which usually is supported primarily by nonpublic funds. The services include providing instructional services, attendance and social work services, health services, and transportation services for nonpublic school pupils.
- 3800 "Home/School Services" Services, usually provided in the home, which are designed to provide school readiness training to preschool children and their parents or to help parents provide educational support to their children of school age.
- 3900 "Other Community Services" Services provided the community which cannot be classified under the preceding functions.
- 4000** **"NONPROGRAMMED CHARGES"** All payments to other LEAs.
- 4100** **"Payments to Other Governmental Units (In-State)"** Payments to in-state LEAs, generally for tuition, transportation, and all other services rendered to pupils residing in the paying LEA. Where a nonoperating district pays an operating district for the education of pupils, the nonoperating district records such payments here. Flow-through funds - where payment is received by an LEA and a portion is transferred to one or more other LEAs - use with object 720. (Expenditures in this function are not counted in state expenditure totals.)
- 4110** **"Payments for Regular Programs"** Payments made to LEAs, generally for tuition, services, and transportation related to regular education programs.
- 4120** **"Payments for Special Education Programs"** Payments made to LEAs, generally for tuition, services, and transportation related to special education programs.
- 4130** **"Payments for Adult/Continuing Education Programs"** Payments made to LEAs, generally for tuition, services, and transportation related to adult/continuing education programs.
- 4140** **"Payments for Vocational Education Programs"** Payments made to LEAs, generally for tuition, services, and transportation related to vocational education programs.
- 4170** **"Payments for Community College Programs"** Payments made to community colleges for the cost of tuition or services provided by the college.

- 4190** **"Other Payments to In-State Governmental Units"** Other payments made to in-state governmental units not classified under preceding functions (e.g., payments to Educational Service Centers, Educational Service Regions, and the State Board of Education).
- 4200** **"Payments to Other Governmental Units (Out-of-State)"** Payments to out-of-state LEAs for services rendered to pupils residing in the paying LEAs, generally for tuition and transportation. Where a governmental unit in one state collects money from a nonoperating district for the education of pupils from the nonoperating district and pays it to an operating district in another state, the nonoperating district records such payments here. (These are not counted in national totals of expenditures.)
- 5000** **"DEBT SERVICES"** Servicing of the debts of an LEA.
- 5100** **"Debt Services - Interest"**
- 5110** **"Tax Anticipation Warrants"** Those activities involving interest on tax anticipation warrants.
- 5120** **"Tax Anticipation Notes"** Those activities involving interest on tax anticipation notes.
- 5130** **"Teachers' Orders"** Those activities involving interest on teachers' orders.
- 5140** **"Bonds"** Those activities involving interest on bonds.
- 5150** **"Corporate Personal Property Replacement Tax Anticipation Notes"** Those activities involving interest on the CPPRT Anticipation Notes.
- 5160** **"State Aid Anticipation Certificates"** Those activities involving interest on state aid anticipation certificates.
- 5190** **"Other Interest"** Those activities involving interest on other LEA debts.
- 5200** **"Debt Services - Bond Principal Retired"** Those activities involving the retirement of the bonded indebtedness of the LEA.
- 5300** **"Debt Services - Lease/Purchase Principal Retire"** Those activities involving payment towards the retirement of lease/purchase agreements.
- 5900** **"Debt Services - Other"** Those debt services activities of the LEA not classified above.
- 6000** **"PROVISION FOR CONTINGENCIES"** This is not an account for recording entries, but the number would be used in the budget as a means of identifying the amount of the contingency provision.
- 8000** **"OTHER FINANCING USES"**
- 8100** **"Transfers to Other Funds"** Permanent transfers made from one fund to another fund, as authorized in the School Code and approved by the LEA board. These transfers are made with no expectation of repayment. All transfers use object 710.
- 8110** **"Permanent Transfer of Working Cash Fund"** The transfer to the Educational Fund when the Working Cash Fund is abolished as authorized in Section 20-8 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 20-8).
- 8120** **"Permanent Transfer of Interest from Working Cash Fund"** The permanent transfer of interest to any fund of the district. Such a transfer may only be made upon the authority of the school board of education by resolution

directing the school treasurer to make the transfer as authorized in Section 20-5 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 20-5).

- 8130 "Permanent Transfer of Educational Fund"** The permanent transfer to the Operations and Maintenance Fund of monies in restricted amounts by LEAs meeting certain conditions as authorized in Section 17-2A of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 17-2A).
- 8140 "Permanent Transfer of Interest"** Permanent transfer of interest as authorized in Sec. 10-22.44 of the School Code (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.44).
- 8150 "Permanent Transfer from Site and Construction/Capital Improvements Fund"** The transfer of bond proceeds remaining in the Site and Construction/Capital Improvements Fund to the Operations and Maintenance Fund after the purposes for which the bonds have been issued have been accomplished and paid in full (Ill. Rev. Stat. 1987, ch. 122, par. 10-22.14).
- 8160 "Permanent Transfer of Excess Accumulated Fire Prevention and Safety Tax Proceeds and Interest Earnings"** The transfer of tax proceeds remaining in the Fire Prevention and Safety Fund to the Operation and Maintenance Fund after the purposes for which the taxes were levied have been accomplished and paid in full (Ill. Rev. Stat. 1991, ch. 122, par. 17-2.11).
- 8170 "Permanent Transfer of Excess Accumulated Fire Prevention and Safety Bond Proceeds and Interest Earnings"** The transfer of bond proceeds remaining in the Fire Prevention and Safety Fund to the Bond and Interest Fund after the purposes for which the bonds were issued have been completed and paid in full. (Ill. Rev. Stat. 1991, ch. 122, par. 10-22.14).
- 8190 "Other Uses"** Other miscellaneous financing uses that cannot be classified in preceding 8000 account numbers.

"OBJECT AND SUBOBJECT"

Object means the service or commodity obtained as the result of a specific expenditure. There are eight object categories, each of which is further subdivided into subobjects. Following are definitions of the object and subobject categories:

"Code"	"Descriptor"
100	"Salaries" Amounts paid to permanent, temporary or substitute employees on the payroll of the LEA. This includes gross salary for personal services rendered while on the payroll of the LEA.
110	"Regular Salaries" Full-time, part-time, and prorated portions of the costs for work performed by employees of the LEA who are considered to be in positions of a permanent nature.
120	"Temporary Salaries" Full-time, part-time and prorated portions of the costs for work performed by employees of the LEA who are hired on a temporary or substitute basis to perform work in temporary positions.
130	"Overtime Salaries" Amounts paid to employees of the LEA in permanent or temporary positions for work performed in addition to the normal work period for which the employee is compensated under Regular Salaries or Temporary Salaries above
200	"Employee Benefits" Amounts paid by the LEA on behalf of employees; these amounts are not included in the gross salary, but are over and above. Such payments are fringe benefits, and while not paid directly to the employees, nevertheless are a part of the cost (to the applicable functional areas). These types of costs are not considered a cost to the board of education function and should not all be charged to one area. These costs apply to the same function number as the cost of the applicable salary.
210	"Retirement" Amounts paid by the LEA for employees' retirement.
211	"Teachers Retirement" Amounts paid by the LEA to the Illinois Teachers Retirement System (TRS) for certificated employees.
212	"Municipal Retirement" Amounts paid as the employer's share to the Illinois Municipal Retirement Fund (IMRF) for noncertificated employees' retirement.
213	"Federal Insurance Contribution Act" Amounts paid as the employer's share for federal insurance contributions for applicable certificated and noncertificated employees' social security (FICA).
214	"Medicare Only" Amounts paid as the employer's share for the Medicare Only contributions for applicable employees (those who do not contribute to FICA but are required by law to contribute the Medicare Only portion of FICA).
215	"One-Time TRS Early Retirement" Amount paid as the employer's portion of the one-time early retirement contribution required by Section 16-133.2 of The Pension Code (Ill. Rev. Stat. 1985, ch. 108 1/2, par. 16-133.2). Appropriate salary function is charged, as with other employee benefits.
220	"Insurance" Employer's share paid by the LEA.
221	"Life Insurance" Employer's share paid by the LEA for life insurance.
222	"Medical Insurance" Employer's share paid by the LEA for medical insurance.

- 223 "Dental Insurance" Employer's share paid by the LEA for dental insurance.
- 230 "Tuition Reimbursement" Amount reimbursed by the LEA to any employee qualifying for tuition reimbursement based upon LEA policy.
- 300** **"Purchased Services"** Amounts paid for personal services rendered by personnel who are not on the payroll of the LEA, and other services which the LEA may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired results.
- 310 "Professional and Technical Services" Services which by their nature can be performed only by persons with specialized skills and knowledge.
- 311 "Professional Services - Administrative" Services provided in support of various policy-making and managerial activities of the LEA. Included would be management consulting activities oriented to general governance, business and financial management of the LEA, and school management support activities.
- 313 "Food - Processing Costs" Services performed by persons or organizations which result in the conversion of donated food(s) into a different food product or the repackaging of donated food(s).
- 314 "Professional Services - Instructional" Services provided in support of instructional programs or activities. Included would be counseling and guidance services, library and media support services, curriculum improvement services, and any other contracted services related to the enhancement of the teaching or instructional process.
- 315 "Food - Contracted" Services provided by a commercial enterprise or a nonprofit organization to manage any aspect of the school food service.
- 316 "Data Processing/Statistical Services" Services performed by persons, organizations or agencies to provide data processing and/or statistical data. This category includes special services for data processing, programming services, analysis, tabulations, or similar work.
- 317 "Audit/Financial Services" Services performed by auditors, accountants, or firms providing auditing or financial services to the Board of Education.
- 318 "Legal Services" Services rendered in connection with providing counseling and legal services to the Board of Education.
- 319 "Other Professional and Technical Services" Services which are professional and technical in nature and which have not been classified above such as athletic officials and service charges on long-term debt.
- 320 "Property Services" Services purchased to operate, repair, maintain and rent property owned and/or used by the LEA. These services are performed by persons other than LEA employees.
- 321 "Sanitation Services" Expenditures for services to provide garbage collection, trash removal, and exterminating services.
- 322 "Cleaning Services" Services purchased to provide cleaning or laundry services and snow removal.
- 323 "Repairs and Maintenance Services" Expenditures for repairs and maintenance services not provided directly by LEA personnel. This includes contracts and agreements covering the upkeep of grounds, buildings, and equipment. (Costs for

new construction, renovating and remodeling are not included here, but are considered under Capital Outlay.)

- 325 "Rentals" Expenditures for leasing or renting supplies, land, buildings, and equipment for both temporary and long-range use of the LEA. This includes bus and other vehicle rental when operated by the LEA, lease of data processing equipment, lease-purchase arrangements, and similar rental agreements. Costs for single agreements covering equipment as well as operators are not included here, but are considered elsewhere under Purchased Services (see Transportation, Printing and Binding, Public Utility Services, Repairs and Maintenance Services).
- 329 "Other Property Services" Property Services purchased which are not classified above.
- 330 "Transportation Services" Expenditures for transporting children to school and official travel of LEA employees.
- 331 "Pupil Transportation" Expenditures to persons or agencies for the purpose of transporting children to school. These include those expenditures to individuals who transport themselves or their own children or to those children for reimbursement of transportation expenses on a public carrier. Expenditures for the rental of buses which are operated by personnel on the LEA payroll are not recorded here; they are recorded under Purchased Services - Rentals.
- 332 "Travel" Expenditures for transportation, meals, hotel, and other expenses associated with traveling or business for the LEA. Payments for "Per Diem" in lieu of reimbursements for subsistence (room and board) also are charged here.
- 339 "Other Transportation Services" Transportation services other than those classified above.
- 340 "Communication" Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone and telegraph services as well as postage machine rental and postage.
- 350 "Advertising" Expenditures for printed or broadcasted announcements in professional periodicals and newspapers or by way of radio and television networks. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment sales, and sale of other objects. Costs for professional fees for advertising or public relation services are not recorded here, but are charged to professional services.
- 360 "Printing and Binding" Expenditures for job printing and binding, usually according to specifications of the LEA. This includes the design and printing of forms and posters as well as printing and binding of LEA publications. Preprinted standard forms are not charged here, but are recorded under Supplies and Materials.
- 370 "Water/Sewer Service" Expenditures to a utility company for water and sewage services.
- 380 "Insurance (Other than employee benefits)" Insurance purchased to protect school board members against loss due to accident or neglect. Expenditures for all types of insurance including liability insurance, property insurance, bond premiums, vehicle insurance, pupil transportation insurance, worker's compensation insurance, and unemployment compensation insurance. (Payments for insurance such as health, life, and dental are employee benefits, and charged under the "200" Objects - Employee Benefits.) Applicable functional areas are charged.

- 390 "Other Purchased Services" Expenditures for all other purchased services not included above, such as election judges.
- 400** **"Supplies and Materials"** Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- It should be noted that a more thorough classification of expenditures will be achieved by identifying the object with the function; for example, the type of supplies such as audiovisual supplies or classroom teaching supplies. Should greater detail be desired, the expenditure classification may include subject matter area: mathematics; or a particular supply object can be broken into further subdivisions.
- 410 "General Supplies" Expenditures for all supplies for the operation of an LEA including workbooks, freight, and cartage.
- 420 "Textbooks" Expenditures for prescribed books which are purchased for pupils or groups of pupils, and resold or furnished free to them. This category includes the cost of textbook binding or repairs, as well as the net amount of textbooks which are purchased to be resold or rented.
- 430 "Library Books" Expenditures for regular or incidental purchases of library books available for general use by students, including any reference books, even though such reference books may be used solely in the classroom. Also recorded here are costs of binding or other repairs to school library books. The initial purchase of books for a new school library or any materials accessions involving an expansion of the library are recorded under Capital Outlay.
- 440 "Periodicals" Expenditures for periodicals and newspapers for general use. A periodical is defined as any publication appearing at regular intervals of less than a year and continuing for an indefinite period.
- 450 "Warehouse Inventory Adjustment" Expenditures which are the result of a deficit usually found in an audit or count of items held in a store or warehouse inventory. Expenditures for the purchase of these items are generally debited to an Asset Account, Inventory of Supplies, and are charged to the proper appropriation as they are requisitioned. Only a loss should be charged to this account. If the physical inventory reflects an average surplus in items, the excess is debited to the Asset account; Inventory.
- 460 "Energy" Expenditures for energy costs, including electricity, gas, oil, coal, gasoline, and other services or supplies related to energy and/or utility costs from a private utility service or public supply company. Included are the transportation costs involved in securing these products or services.
- 461 "Bottled Gas" Expenditures for bottled gas, such as propane gas received in tanks.
- 462 "Oil" Expenditures for bulk oil normally used for heating purposes.
- 463 "Coal" Expenditures for coal normally used for heating purposes.
- 464 "Gasoline" Expenditures for gasoline purchased in bulk or periodically from a gasoline service station or supplier.
- 465 "Natural Gas" Expenditures for gas utility services from a private or public utility company.

- 466 "Electricity" Expenditures for electric services from a private or public utility company.
- 469 "Other Energy Costs" Other energy supplies and/or utility costs not identified above.
- 470 "Software" Expenditures for the purchase of computer software supplies.
- 490 "Other Supplies and Materials" Expenditures for all other Supplies and Materials not included above.
- 500** **"Capital Outlay"** Expenditures for the acquisition of fixed assets or additions to fixed assets. They are expenditures for land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.
- 510 "Land" Expenditures for the purchase of land.
- 520 "Buildings" Expenditures for acquiring buildings and additions, either existing or to be constructed. Included are expenditures for installment or lease payments (except interest) which have a terminal date and result in the acquisition of buildings, except payments to public school housing authorities or similar agencies. Expenditures for major permanent structural alterations and the initial or additional installation of heating and ventilating systems, electrical systems, plumbing systems, fire protection systems, and other service systems in existing buildings are also included.
- 530 "Improvements Other Than Buildings" Expenditures for the initial and additional improvement of sites and adjacent ways after acquisition by the LEA, consisting of such work as grading, landscaping, seeding, and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains; installing hydrants; initial surfacing and soil treatment of athletic fields and tennis courts; furnishing and installing for the first time fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; and demolition work. Special assessments against the LEA for capital improvements such as streets, curbs, and drains are also recorded here.
- 540 "Equipment" Expenditures for initial, additional, and replacement items of equipment, such as furniture and machinery. In order to differentiate between initial or additional equipment purchases and replacement equipment purchases, subaccounts could be established with those titles.
- 550 "Vehicles" Expenditures for the purchase of conveyances to transport persons or objects.
- 590 "Other Capital Outlay" Expenditures for all other Capital Outlay not classified above.
- 600** **"Other Objects"** Amounts paid for goods and services not otherwise classified above.
- 610 "Redemption of Principal" Expenditures which are from current funds to retire the principal of bonds.
- 620 "Interest" Expenditures from current funds for interest on serial bonds, tax anticipation notes, tax anticipation warrants and teachers' orders.
- 630 "Housing Authority Obligations" A public school housing authority is a public corporation or quasi-public corporation having power to perform one or more of the

following functions: issue authority bonds for public school purposes, construct public school buildings, lease public school buildings to local public school administrative units, or transfer titles to such units. All expenditures of this nature are classified in this category.

- 640 "Dues and Fees" Expenditures for assessments or membership in professional or other organizations or associations.
- 650 "Judgments" Expenditures from current funds for judgments against the LEA that are not covered by liability insurance, but are of the type that might have been covered by insurance. Amounts paid as the result of a court decision are recorded here and charged to the board function. (Judgments against the LEA resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due.)
- 690 "Miscellaneous Objects" Other objects which cannot be classified elsewhere. Included are taxes on real estate owned by the LEA.
- 700** **"Transfers"** This object category does not represent a purchase; rather, it shows that funds have been transferred in some manner. Included here are transactions for moving money from one fund to another and for transmitting flow-through funds to another LEA.
- 710 "Fund Modifications" This category represents transactions of conveying money from one fund to another.
- 720 "Transits" This category represents flow-through funds that one LEA receives as a part of a specific grant and then transfers to one or more other LEAs.
- 800** **"Tuition"** Expenditures to reimburse other educational agencies for services rendered to students residing within the legal boundaries described for the paying LEA. Payments to private educational facilities should be charged to the appropriate instructional function; payments to other public LEAs shall be charged to the appropriate function within the 4000 series of function numbers.

"JOB CLASSIFICATION ACTIVITY"

The job classification activity dimension can be used to further define salary object numbers, but should not be used with any of the other object numbers. This classification code can be adapted to each LEA's needs, depending upon its size and internal reporting needs. A very large district with many job classifications may need to use the total three-digit number. The one-digit job classification numbers, shown below, can be used in conjunction with appropriate object numbers by changing the last digit of each salary object code (the zero) to the number needed to signify the correct job classification. Examples: #111=A regular administrative salary; #115=A regular clerical salary; and #125=A temporary clerical salary.

"Code"	"Descriptor"
1	"Official/Administrative" Assignments comprising the various skill levels required to perform management activities such as developing broad policies for the LEA and executing these policies through direction of staff members at all levels of the LEA. Those activities performed directly for policymakers are also included here. This classification includes the districtwide administrators and Board of Education members.
101	"Administrative Assistant Assignment"
102	"Administrative Intern Assignment"
103	"Assistant Deputy/Associate Superintendent Assignment"
104	"Assistant Principal Assignment"
105	"Board of Education Member Assignment"
106	"Foreman Assignment"
107	"Ombudsman Assignment"
108	"Principal Assignment"
109	"Superintendent Assignment"
110	"Supervising/Managing/Directing Assignment"
2	"Professional-Educational" Assignments requiring a high degree of knowledge and teaching skills acquired through at least a baccalaureate degree (or its equivalent obtained through special study and/or experience), including skills in the field of education or educational psychology. Included are teachers, remedial specialists, curriculum specialists, counselors and library/media specialists.
201	"Curriculum Specialist Assignment"
202	"Counseling Assignment"
203	"Librarian/Media Assignment"
204	"Remedial Specialist Assignment"
205	"Teaching Assignment"

3 **Professional-Other** Assignments requiring a high degree of knowledge and skills acquired through at least a baccalaureate degree (or its equivalent obtained through special study and/or experience), but not requiring skills in the field of education. This classification includes nurses, social workers, psychologists, architects, lawyers, physicians and accountants.

- 301 "Accounting Assignment"
- 302 "Analyst Assignment"
- 303 "Architect or Engineer Assignment"
- 304 "Audiologist Assignment"
- 305 "Auditing Assignment"
- 306 "Dentist Assignment"
- 307 "Dietitian/Nutritionist Assignment"
- 308 "Editing Assignment"
- 309 "Evaluating Assignment"
- 310 "Legal Assignment"
- 311 "Negotiating Assignment"
- 312 "Ophthalmologist Assignment"
- 313 "Optometrist Assignment"
- 314 "Personnel Assignment"
- 315 "Physician Assignment"
- 316 "Planning Assignment"
- 317 "Psychiatrist Assignment"
- 318 "Psychologist Assignment"
- 319 "Public/Community Relations Assignment"
- 320 "Registered Nursing Assignment"
- 321 "Registrar Assignment"
- 322 "Research and Development Assignment"
- 323 "Social Work Assignment"
- 324 "Statistician Assignment"
- 325 "Therapist Assignment"

4 **Technical** Assignments requiring a combination of basic scientific knowledge and manual skills which can be obtained through approximately two years of post high school education, such as is offered in junior/community colleges and technical institutes, or through equivalent special study and/or on-the-job training. This classification includes interns, aides, computer operators and practical nurses.

- 401 "Audiometrist Assignment"
- 402 "Computer Operating Assignment"
- 403 "Dental Hygienist Assignment"

- 404 "Graphic Arts Assignment"
- 405 "Inspector Assignment"
- 406 "Practical Nursing Assignment"
- 407 "Programming Assignment"
- 408 "Psychometrist Assignment"
- 409 "Purchasing Agent Assignment"
- 410 "Student-Teaching Assignment"
- 411 "Teaching Aide Assignment"
- 412 "Teaching Intern Assignment"

- 5** **"Office/Clerical"** Assignments to perform the activities of preparing, transferring, transcribing, systematizing, or preserving communications, records, and transactions, regardless of the level of skills required, where the activities are predominantly non-manual.
 - 501 "Bookkeeping Assignment"
 - 502 "Clerical Assignment"
 - 503 "Messenger Assignment"
 - 504 "Records Managing Assignment"

- 6** **"Craft and Trades"** Assignments requiring a relatively high level of manual skill (usually acquired through an extensive period of training) as well as requiring considerable judgment and a comprehensive knowledge of the processes involved in the work.
 - 601 "Carpenter Assignment"
 - 602 "Electrician Assignment"
 - 603 "General Maintenance Assignment"
 - 604 "Masoning Assignment"
 - 605 "Mechanic Assignment"
 - 606 "Painting Assignment"
 - 607 "Plastering Assignment"
 - 608 "Plumbing Assignment"

- 7** **"Operative"** Assignments requiring an intermediate level of manual skill (which can be mastered in a few weeks of training) necessary to perform machine operating activities, such as bus driver or truck driver.
 - 702 "Dispatching Assignment"
 - 703 "Vehicle Operating Assignment"

- 8** **"Laborer"** Assignments which generally require no special training. The one fairly common laborer assignment associated with an LEA is groundskeeping; others may be added by the local administrator if needed by a particular LEA.
 - 801 "Groundskeeping Assignment"

9 **"Service Work"** Assignments, regardless of level of difficulty, which relate to protective and nonprotective supportive services. The list may be expanded as necessary at the discretion of the local administrator.

901 "Attendance Officer Assignment"

902 "Custodian Assignment"

903 "Elevator Operating Assignment"

904 "Food Service Assignment"

905 "Guard/Watchman Assignment"

906 "Monitoring Assignment"

907 "Stores Handling Assignment"

"TERM"

Term is a division of the school year (the 12-month period of time denoting the beginning or ending dates for school accounting purposes), which may be divided into regular and summer terms, semesters, trimesters, or quarters. For purposes of this Manual, it is suggested that the following terms be used.

"Code" "Descriptor"

"TERM"

Term is a division of the school year (the 12-month period of time denoting the beginning or ending dates for school accounting purposes), which may be divided into regular and summer terms, semesters, trimesters, or quarters. For purposes of this Manual, it is suggested that the following terms be used.

"Code" "Descriptor"

- | | |
|---|--|
| 1 | "Fall Term Day" A division which usually begins in August or September and ends in December or January and for which pupils attend the day sessions. |
| 2 | "Fall Term Evening" The same as the term above except pupils attend the evening sessions. |
| 3 | "Winter Term Day" A division which usually begins in November or December and for which pupils attend the day sessions. |
| 4 | "Winter Term Evening" The same as the term above except pupils attend the evening sessions. |
| 5 | "Spring Term Day" A division which usually begins in January or February and ends in May or June and for which pupils attend the day sessions. |
| 6 | "Spring Term Evening" The same as the term above except pupils attend the evening sessions. |
| 7 | "Summer Term Day" A division which usually begins in June and ends in August and for which pupils attend the day sessions. |
| 8 | "Summer Term Evening" The same as the term above except pupils attend the evening sessions. |

"SUBJECT-MATTER AREA"

Subject-Matter Area is a group of closely related subjects. These codes permit the accumulation of costs associated with particular subjects. Additional categories can be added by the LEA if needed.

"Code" "Descriptor"

- | | |
|----|--|
| 01 | "Agriculture" Programs include agricultural production; agricultural supplies/services; agricultural mechanics; agricultural products; ornamental horticulture; processing, management, marketing, and services; other agriculture areas (vocational program). |
|----|--|

- 02 "Art" Courses including art history and theory and art instruction. Activities primarily involve visual, tactile and kinesthetic expression.
- 03 "Business" Courses including accounting; bookkeeping; budget control; business arithmetic or mathematics; business communications; business ethics; business finance; business law; business machines; business psychology; business statistics; office work experience; clerical practice; consumer education; credit and collections; economics; economic geography; exploratory business; filing and record control; general business or introduction to business; insurance and risk; investments; business and management principles; marketing; office practice; personal development and human relations; personal finance; real estate; retailing, selling principles; shorthand, stenographic, and secretarial; typewriting; other business areas.
- 04 "Marketing and Distribution" Program includes marketing and distribution courses related to apparel and accessories, business and personal service; marketing programs; financial services; floristry, farm and garden supplies; food marketing programs; industrial; retailing programs; general marketing programs; home furnishings and office products; hardware; hospitality and recreation; insurance marketing programs; transportation and travel; vehicles and petroleum; and marketing cooperative education programs (vocational program).
- 05 "English Language Arts" Courses including language skills, linguistics, literature, composition, speech, dramatic arts.
- 06 "Foreign (or Second) Languages" Courses including classical languages, modern foreign languages, humanities.
- 07 "Health Occupations Education" Program includes, dental; medical laboratory technology; nursing; radiology; ophthalmic, occupational therapy; respiratory therapy; rehabilitation; physical therapy and other related health occupations (vocational program).
- 08 "Health and Safety in Daily Living" Courses in health and safety in daily living designed to promote development in the areas of personal and public health and safety.
- 09 "Home Economics" Courses include food and nutrition, child development, clothing and textiles, living environments, parenting, adult living, resource management, food service management, day care occupations, fashion/fabric coordination (vocational program).
- 10 "Industrial Arts" Courses including construction; crafts (industrial); drafting; electricity/electronics; elementary school industrial arts; general industrial arts; graphic arts; home mechanics; industrial arts mathematics; industrial arts science (applied chemistry); industrial arts science (applied physics); industrial materials and processes; manufacturing; metals; plastics; power/automotive mechanics; research and development; service industries; woods; other industrial arts.
- 11 "Mathematics" Courses including elementary school mathematics; mathematics for seventh and eighth grades; algebra; algebra and trigonometry (integrated); applied mathematics; calculus; calculus with analytic geometry; computer mathematics; elementary functions; first-year college mathematics for elementary school teachers; general mathematics for elementary school teachers; general mathematics; geometry; introduction to analysis; liberal arts mathematics; probability and statistics; trigonometry; other mathematics.

- 12 "Music" Courses including music (general education); music literature and/or history; music theory; vocal music; instrumental music; rhythm and body movement; humanities, other music.
- 13 "Natural Sciences" Courses including general science (including elementary school science); biological sciences; physical sciences; earth-space sciences.
- 14 "Business and Office" Courses include accounting, bookkeeping, and related programs; business computer and console operation; business data entry equipment operation; business data programming; legal secretarial; medical secretarial; secretarial; word processing; general office clerk/information specialist; business and office cooperative education (vocational program).
- 15 "Social Sciences" Courses including anthropology; area studies; citizenship education; economics; geography; history; humanities; philosophy; political science; psychology; and sociology.
- 16 "Construction Trades" Programs include brick, block, and stonemasonry; carpentry; residential/commercial electrician; electrician; lineworker; building maintenance and custodial service; drywall installation; painting and decorating; plumbing, pipefitting, and steamfitting; construction and building trades (vocational program).
- 17 "Mechanics and Repairers" Program includes business machine repair; communication electronics; computer electronics maintenance and repair; industrial electronics; major appliance repair; motor repair; small appliance repair; heating, air conditioning, and refrigeration mechanics; heavy equipment maintenance and repair; industrial machinery maintenance and repair; operation, maintenance, and repair of audio-visual equipment; watch repair; instrument repair; stationary energy sources; vehicle and mobile equipment mechanics and repairers; aircraft mechanics; automotive body repair; automotive mechanics; diesel engine mechanics; small engine repair (vocational program).
- 18 "Precision Production" Program includes drafting, general; graphic & printing communication; commercial art, commercial photography; lithography, photography, and platemaking; printing press operations, silk screen making and printing; upholstering; precision metal work; foundry work, machine tool operation/machine shop; sheet metal; tool and die making; welding, brazing, and soldering; plastics; millwork and cabinet making (vocational program).
- 19 "Differentialized Curriculum for Student with Disabilities" Courses including communication skills; interpersonal and behavioral coping skills; motor skills; perceptual skills; and other differentialized curriculum for handicapped pupils.
- 20 "Environmental Design" Program includes interior design (vocational program).
- 21 "Driver Education" Courses in driver education.
- 22 "Communication Technologies" Programs include radio and television production and broadcasting technology (vocational program).
- 23 "Consumer, Personal, and Miscellaneous Services" Programs include barbering; cosmetology (vocational program).
- 24 "Engineering and Engineering-Related Technologies" Programs include environmental control; quality control technology (vocational program).
- 25 "Protective Services" Programs include public service occupations; firefighting (vocational program).

- 26 "Transportation and Material Moving" Programs include airplane piloting and navigation; mining equipment operation (vocational program).
- 27 "Business and Management" Program includes real estate and small business management (vocational program).
- 28 "Communications" Program includes advertising (vocational program).
- 29 "Renewable Natural Resources" Programs that prepare individuals for activities involving the conservation and/or improvement of natural resources such as air, soil, water, land, fish, and wildlife for economic and recreational purposes (vocational program).
- 30 "Interscholastic Activities" Those extracurricular activities which supplement the regular instructional program such as athletics, band, chorus, and speech.
- 40 "Junior ROTC" Activities organized into programs of instruction to provide opportunities for students to prepare for and achieve career objectives in selected branches of the military service.
- 50 "Physical Education" Activities designed to develop physical and mental growth and fitness of individuals. Emphasis is placed on improving the muscles, motor skills, attitudes and habits of conduct.
- 60 "Special Programs" Vocational orientation course for special education students in a nonmainstreamed environment (vocational program).
- 61 "Computers" Activities or programs that provide regular instruction in any areas of data processing and/or computer operations.
- 70 "Cocurricular Activities" Courses including academic cocurricular activities; music cocurricular activities; school and/or public service cocurricular activities; social cocurricular activities.

"PROGRAM"

This dimension lacks the rigidity and definition found in other dimensions. This is purposeful for it is recognized that it would be impossible to categorize in advance all cost combinations an LEA might want to accumulate in order to attain certain objectives. Program may be defined as a group of interdependent, closely related services and/or activities progressing toward or contributing to a common objective or set of allied objectives.

APPENDICES

A C C O U N T I N G G U I D E L I N E S

- Appendix A. SUPPLIES AND EQUIPMENT
- Appendix B. FIXED ASSET ACCOUNTING
- Appendix C. GENERAL LONG-TERM DEBT ACCOUNTING
- Appendix D. CODING FINANCIAL TRANSACTIONS
- Appendix E. THE PROCESS OF ACCOUNTING
- Appendix F. CASH BASIS VERSUS MODIFIED ACCRUAL BASIS OF
ACCOUNTING
- Appendix G. REVOLVING/IMPREST FUND
- Appendix H. PETTY CASH FUND
- Appendix I. ACCOUNTING FOR CLAIMS AND JUDGMENTS
- Appendix J. STUDENT ACTIVITY FUNDS AND CONVENIENCE ACCOUNTS
- Appendix K. JOINT AGREEMENT ACCOUNTING
- Appendix L. GLOSSARY

APPENDIX A -- SUPPLIES AND EQUIPMENT

This appendix discusses the importance of distinguishing between supplies and equipment and suggests criteria for making that decision. Unless otherwise bound by federal, state, or local law, the following criteria can be used to make the supply/equipment classification decisions.

Equipment Items

An equipment item is any instrument, machine, apparatus, or set of articles which meets all of the following criteria:

1. Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for longer than the fiscal year in which it was purchased.
2. It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.
3. 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.
4. It retains its appearance and character through use.
5. It is of significant value. In Illinois; items other than vehicles costing \$500 or more are considered equipment. At the time of acquisition, if the original value is not available, estimated market value is used.

(Note: The Code of Federal Regulations states, "Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above". As the grantee, Illinois' definition of equipment does include all the criteria as defined in the Federal Regulations with the threshold of \$500).

Supply Items

An item should be classified as a supply if it does not meet all of the equipment criteria just listed. (Supply items are properly charged to 400 object account codes.)

Distinguishing Between Types of Equipment

After an item has been identified as equipment, the following criteria may be applied to determine if the item is built-in or movable.

Movable equipment consists of items that:

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

The term "movable" refers to the permanency of installation and not to size or weight. (Movable equipment items are properly charged to object account code 540.)

Built-in equipment consists of items that:

1. are an integral part of a building, are permanently fastened to the building, function as a part of the building, and cause appreciable damage to the building if they are removed, or
2. are permanently attached to a site and function as part of the site (except for the actual building structure).

Built-in equipment may be installed 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. Such items are to be charged to the proper respective capital outlay accounts (object account code 520 or object account code 530).

Reasons for Distinguishing Between Supplies and Equipment

The distinction between supplies and equipment 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. At the same time, items may be inventoried by LEAs regardless of whether they 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 the building,

while built-in equipment is usually insured as a part of the structure.

The distinction can affect calculations of cost of operations and the cost per student. Expenditures for supplies are included in calculating current operating costs, while equipment expenditures are not included. The incorrect classification of supplies and/or equipment can affect the resulting cost calculation.

The distinction can affect the amount of state and federal aid allocated to an LEA. Several funding sources use pre-student costs as a part of their funding formula (see preceding paragraph). In addition, most funding programs limit the ways in which the funds can be spent, sometimes excluding either supplies or equipment from the list of eligible purchases.

Maintaining Inventory Records

The need to establish and maintain accurate inventory records usually stems from some combination of the following conditions:

1. LEA managers often need information for the proper management of fixed assets that can best be derived from an orderly inventory.
2. Generally accepted accounting principles require that an inventory of all fixed assets (sites, buildings, and equipment) be maintained.
3. All school districts and joint agreements must include, as a part of their Annual Financial Report to the Illinois State Board of Education, a schedule of capital outlay items, activity through the fiscal year, and the depreciation on the capital outlay items.
4. State and Federal funding programs require an inventory to be maintained of certain items purchased with program funds.
5. Boards of education and/or LEA managers may require certain special inventory systems to be established beyond those required to satisfy auditors, outside funding programs, and/or to substantiate insurance claims under fire and external coverage insurance.

See Appendix B for detailed information on Fixed Asset Accounting.

**APPENDIX B -- FIXED ASSET
ACCOUNTING**

PART 1 - INTRODUCTION

Fixed assets are physical assets such as land, buildings and equipment which have a long-term period of usefulness. Information concerning the property holdings of a Local Education Agency (LEA) is desirable to provide readers with an adequate understanding of the LEA's financial position. However, in addition to allowing for full disclosure in financial reports, such asset records can be very useful to local boards of education and to school administrators for planning the acquisition of new items and for exercising control over present holdings. Still another important use for these data is in the calculation of depreciation, which is required by law to be included in the computation of certain tuition charges. Thus, fixed asset records should not be considered optional supplementary schedules; they are a necessary part of the school accounting system, and they should be as carefully maintained as any other records.

A special effort has been made to adhere to procedures that are sound, practical, and designed to require a minimum of detailed work. In certain cases, acceptable alternative methods have been described with this latter objective in mind, even though such alternatives, while reasonable, may well be less sound theoretically than the primary methods. Examples have been provided to illustrate the application of several procedures, and some explanation of the theory which underlies the methodology has been provided where appropriate.

See "Appendix A" for specific criteria to be used in distinguishing between supplies and equipment.

**PART 2 - GENERAL FRAMEWORK FOR
FIXED ASSET ACCOUNTING**

The general framework for property accounting is the General Fixed Assets Account Group. It is originally established by recording the cost of land, buildings, and equipment in the proper accounts; the total of these costs becomes the initial amount of the Fund Balance account. Subsequent acquisitions and disposals of capital assets are then recorded in these accounts so that a permanent and current summary of the assets owned by the district is maintained.

The General Fixed Assets Account Group is the only place within the fund structure of the Illinois school accounting system where fixed assets may be recorded. In all cases, such acquisitions are recorded as capital outlay expenditures. To illustrate, if a school bus is purchased through the Transportation Fund, the bus does not first appear as an asset of the Transportation Fund and later become "transferred" to the General Fixed Assets Account Group. The purchase is recorded as an expenditure for capital outlay in the Transportation Fund, and, at the same time, it is separately recorded as Equipment in the General Fixed Assets Account Group. Certain transactions call for simultaneous entries in a given fund and in the General Fixed Assets Account Group. The General Fixed Assets Account Group is not technically a "fund" of the LEA, there are no direct interfund transactions between it and the several funds which may have financed the assets recorded in its accounts.

A series of examples may best demonstrate proper methods of recording certain typical types of acquisitions and disposals of capital assets.

1. **Capital Asset Purchased.** Assume that a school bus is purchased through the Transportation Fund at a cost of \$5,000.

Entry in Transportation Fund:

Dr. 40-2550-550	
Capital Outlay-Vehicles.	\$5,000
Cr. 40-101 Cash.	\$5,000

**Entry in General
Fixed Assets Account Group:**

Dr. 98-206 Transportation	
Equipment	\$5,000
Cr. 98-705 Investment in	
General Fixed Assets	\$5,000

2. **Capital Assets Constructed.** Assume that construction of school facilities is in progress and expenditures have been incurred as follows: Land \$25,000, Equipment \$50,000, and Building cost \$300,000.

**Entry in Site and Construction/
Capital Improvements Fund:**

Dr. 60-2350-510	
Capital Outlay--Land	\$ 25,000
Dr. 60-2530-520	
Capital Outlay--Buildings	\$300,000
Dr. 60-2530-540 Capital Outlay--	
Equipment	\$ 50,000
Cr. 60-101 Cash	\$375,000

**Entry in General Fixed
Assets Account Group:**

Dr. 98-201 Land	\$ 25,000
Dr. 98-204 Equipment	\$ 50,000
Dr. 98-205 Buildings-- In Progress	\$300,000
Cr. 98-705 Investment in General Fixed Assets	\$375,000

Assume that, when the construction project is completed, further expenditures have been incurred as follows: Equipment \$125,000 and Building costs \$750,000.

**Entry in Site and Construction/
Capital Improvements Fund:**

Dr. 60-2530-520 Capital Outlay--Buildings	\$750,000
Dr. 60-2530-540 Capital Outlay--Equipment	\$125,000
Cr. 60-101 Cash	\$875,000

**Entries in General Fixed
Assets Account Group:**

Dr. 98-202 Buildings	\$300,000
Cr. 98-205 Buildings-- In Progress	\$300,000
Dr. 98-202 Buildings	\$750,000
Dr. 9B-204 Equipment	\$125,000
Cr. 98-705 Investment in General Fixed Assets	\$875,000

3. **Fixed Asset Acquired by Gift.** Assume equipment with a fair market value of \$500 is donated to the LEA by the PTA.

**Entry in General Fixed
Assets Account Group:**

Dr. 98-204 Equipment	\$500
Cr. 98-705 Investment in General Fixed Assets	\$500
No entry required in any other fund:	

Assume the PTA donated \$500 to the LEA for the purchase of a particular item of instructional equipment.

Entries in Educational Fund:

Dr. 10-101 Cash	\$500
Cr. 10-1920 Donations	\$500
Dr. 10-1110-540 Capital Outlay-- Equipment	\$500
Cr. 10-101 Cash	\$500

4. **Fixed Asset Sold.** Assume an old bus which originally cost \$6,000 is sold by the LEA for \$2,000.

Entry in Transportation Fund:

Dr. 40-101 Cash	\$2,000
Cr. 40-1931 Sale of Equipment	\$2,000

Entry in General Fixed Assets Account Group:

Dr. 98-705 Investment in General Fixed Assets	\$6,000
Cr. 98-204 Equipment	\$6,000

5. **Fixed Asset Abandoned.** Assume instructional equipment which originally cost \$300 is abandoned by the LEA as completely worthless.

Entry in General Fixed Assets Account Group:

Dr. 98-705 Investment in General Fixed Assets	\$300
Cr. 98-204 Equipment	\$300

No entry required in any other fund.

6. **Fixed Asset Traded-In.** Assume a bus which originally cost \$5,000 is traded in on a new bus which is priced at \$6,500, A trade-in allowance of \$2,500 is granted. Cash paid by the LEA is \$4,000.

Entry in Transportation Fund:

Dr. 40-2550-550 Capital Outlay-Equipment	\$4,000
Cr. 40-101 Cash	\$4,000

Entries in General Fixed Assets Account Group:

Dr. 98-705 Investment in General Fixed Assets	\$5,000
Cr. 98-204 Equipment	\$5,000
Dr. 98-204 Equipment	\$6,500
Cr. 98-705 Investment in General Fixed Assets	\$6,500

7. **Fixed Assets Damaged and Repaired.** Repairs which are made to restore damaged or worn assets to their original condition are charged to the proper maintenance expenditure account. However, if such an expenditure goes beyond restoration and actually results in an improvement or betterment of the asset, then the portion of the expenditure for improvement must be capitalized in the General Fixed Assets

Account Group. If this amount is difficult to determine, as is often the case, a reasonable estimate may be necessary.

Assume that a building is damaged and \$15,000 is paid for repairs and \$5,000 for improvements. Insurance of \$14,000 is collected for the damages incurred.

Entries in Operations and Maintenance Fund:

Dr. 20-2530-520 Capital Outlay-Buildings	\$ 5,000
Dr. 20-2540-329 Maintenance-Purchased Services	\$15,000
Cr. 20-101 Cash	\$20,000
Dr. 20-101 Cash	\$14,000
Cr. 20-2540-329 Maintenance-Purchased Services	\$14,000

Entry in General Fixed Assets Account Group:

Dr. 98-202 Buildings	\$ 5,000
Cr. 98 705 Investment in General Fixed Assets	\$ 5,000

The preceding examples are not intended to serve as rigid models of the only proper ways to record such transactions. The accounts used are quite basic, and in actual practice more descriptive subsidiary accounts should be used by most LEAs. Also, individual circumstances may well be encountered which will require appropriate modifications in the patterns of the entries. Nevertheless, the examples do illustrate the character of the relationship which exists between the General Fixed Assets Account Group and the various funds of the LEA.

Cost is the basis to be used for valuation of fixed assets, both for the purpose of the original establishment of the accounts and for subsequent acquisitions. Fundamentally, the cost of a capital asset is the acquisition price of the asset itself plus any additional costs incurred in putting the asset in condition and location for use. The only notable exception to cost valuation is in the case of gifts received by the LEA; such items are to be entered at fair market value or appraised value on the date acquired.

PART 3 - SPECIFIC GUIDELINES

The specific guidelines in Part 3 are intended to supplement the description of the general framework for property accounting which appears

in Part 2. In conjunction with Part 2, these guidelines should assist LEA personnel in devising and implementing satisfactory fixed asset accounting systems.

Subsidiary records for individual general fixed assets should include the following information: (1) major asset class; (2) function and activity; (3) reference to acquisition source document; (4) acquisition date; (5) vendor; (6) short description of asset; (7) unit charged with custody; (8) location, (9) fund and account from which purchased; (10) method of acquisition; (11) estimated useful life; (12) estimated salvage value; and (13) date, method, and authorization of disposition. Periodic physical inventories should be conducted to test the accuracy of these records.

Equipment must be accounted for on a basis of cost. Insurable value and appraisal value are not acceptable valuations for equipment. However, as was previously noted, donated equipment and gifts are to be valued at fair market value or appraised value on the date received. The original cost of equipment includes actual purchase price (this amount is before any trade-in allowances) plus expenditures incurred in acquiring the equipment and preparing it for use, such as freight and handling charges, costs of assembly, and installation costs. (NOTE: Transportation reimbursement regulations do not permit the inclusion of financing costs in the basis of cost.)

Transportation Equipment

Transportation equipment must be accounted for by means of a specific identification system. That is, an inventory of equipment must be made and an individual property record set up for each equipment or vehicle item. This record should contain a description of the asset, identification numbers, original cost, date acquired, data as to additions/improvements/dispositions, location, and any other appropriate information.

The original entry in the General Fixed Assets Account Group would debit Equipment for Transportation with the total cost of such equipment owned and would credit the Investment in General Fixed Assets account with the same amount. Subsequently, the cost of each piece of equipment acquired would be added to the Equipment account, and the cost of each piece of equipment disposed of would be removed from the Equipment account. The Equipment for Transportation account and its supporting subsidiary records for individual items of

equipment should serve as a perpetual inventory record of such equipment owned by the school district.

Other Equipment

The remainder of the capital equipment items owned by an LEA may also be accounted for by means of a specific identification system utilizing detailed property records. The same system as used for transportation equipment can be used for other equipment. However, an alternative method could be used for other equipment. As of the end of the fiscal year, a schedule may be prepared listing the amount expended for equipment (nontransportation capital outlays) in the year then ended, and the amounts expended in each of the nine immediately preceding years. It should be noted that this method of valuation does not require information as to the cost of the equipment retired or sold. The method is based on an estimated average useful life of ten years for nontransportation equipment, and it assumes that the cost of long-lived equipment still held by the LEA but excluded after ten years will be offset by the cost of short-lived equipment included for ten years even though disposed of by the LEA in less than ten years. After the schedule has been established, each year it can be updated by adding the current year and deleting the first (earliest) year.

EXAMPLE Computation of Alternative Valuation for Nontransportation Equipment as of June 30, 19XX

Year	Capital Outlay- Equipment
Year ended 6/30/X9	\$10,000.00
Year ended 6/30/X8	8,000.00
Year ended 6/30/X7	11,000.00
Year ended 6/30/X6	4,500.00
Year ended 6/30/X5	3,500.00
Year ended 6/30/X4	9,000.00
Year ended 6/30/X3	7,000.00
Year ended 6/30/X2	10,500.00
Year ended 6/30/X1	5,000.00
Year ended 6/30/X0	<u>6,000.00</u>
Ten-Year Total	\$74,500.00
Adjustment (Attach full explanation)	<u>-0-</u>
Equipment as of 6/30/X9	\$74,500.00

Equipment Acquired on Lease-Purchase Plans

Fixed assets frequently are purchased under conditional sales contracts. A conditional sales contract is a purchase of property on an installment plan under which a certain number of payments must be made before title to the

property is transferred. Such contracts generally provide that the agreement may be terminated by failure to make regular payments, in which event the vendor/lessor may repossess the property, without legal action, by canceling the unpaid deficit. The accounting question involved is whether an asset account or an expense account should be charged as the periodic payments are made. In the absence of definite intentions to the contrary on the part of the purchaser/vendee, it should be assumed that payment in full will be made under the contract. Two options exist for districts utilizing the cash basis of accounting. The first, and the simplest, is to capitalize the asset as the lease/purchase payments are made. Some interest charges should be recorded as the payments are made. The non-current unpaid balance of the lease/purchase contract should be reported in the long-term debt group of accounts.

The second option for cash basis districts, and the method which should be utilized for districts complying with generally accepted accounting principles, allows for the recognition of the asset, related liability, and interest cost. To illustrate, assume a conditional sales contract was entered into whereby five annual payments of \$6,000 each were to be paid for instructional vocational equipment that normally is sold for \$25,274 cash. The contract further stipulated that (a) the vendor/lessor may repossess the equipment in case of default in any payment, (b) title passes to the purchaser/vendee after the fifth payment, and (c) the purchaser/vendee, at its option, may cease making payments and return the equipment without further obligation.

Further data related to this installment purchase is shown as follows: Present value of the contract payments, \$25,274; contract payments, five at \$6,000 each, \$30,000. Each payment includes interest at the rate of 6% on the unpaid balance. A table of debt amortization and interest expense can be constructed to indicate the entries over the life of the indebtedness.

Period	Annual Payment (Cash Credit)	Interest Expense (Debit)	Payment on Liability (Credit)	Unpaid Principal
Start				\$25,274
1	\$ 6,000	(\$25,274 X 6%)	\$1,516	\$ 4,484
2	6,000	(\$20,790 X 6%)	1,247	4,753
3	6,000	(\$16,037 X 6%)	962	5,038
4	6,000	(\$10,999 X 6%)	660	5,340
5	6,000	(\$ 5,659 X 6%)	341	5,659
	\$30,000		\$4,726	\$25,274

General fixed assets acquired by multiple-year installment contracts or lease-purchase agreements are capitalized in the General Fixed Assets Account Group at the inception of the agreement in the amount of the discounted present value of total stipulated payments (\$25,274). Short-term and long-term lease purchase payables in that total amount are simultaneously recorded in the fund from which payments are to be made and in the General Long-Term Debt Account Group respectively. An entry is also made at the inception of a lease-purchase agreement in the fund from which the payments are to be made. A capital outlay expenditure account is debited, and an "other financing source" account credited, in the amount of the discounted present value of total stipulated payments. Subsequent fund payments are accounted for as debt service expenditures, separating the interest expense and the principle retired.

Land

Land must be entered in the accounting records at cost. Land cost is not limited to the purchase price alone, but also can include any expenditures incidental to the acquisition, as well as costs incurred in getting the land ready for its intended use. Expenditures which may properly be charged to cost of land include attorney's fees, recording fees, costs of surveying, costs of landscaping, and the cost, net of salvage, of clearing the land.

A permanent record should be established for each tract of land owned. This record contains a legal description of the land, its location, the purpose for which it is used, its cost, the date of its acquisition, the method of financing used, and any additional information desired. These records of individual properties can be the subsidiary accounts which support the Land account in the General Fixed Assets Account Group.

In the event that records of the original cost of certain tracts of land which have been owned for many years are unavailable, an informed estimate of the original historical cost of the land made by a competent appraiser will be acceptable. It is expected that this alternative valuation method will not be necessary for land acquired since 1950, and its use should not be necessary at all in any but a very few cases.

Land Improvements

The costs of land improvements may be charged to the Land account and added to the related subsidiary land property records if they are, like land, not subject to depreciation. However, improvements such as sidewalks, parking lots, and driveways should be recorded separately as Land Improvements so that their cost may be made available for depreciation computations. Original cost must be used as the basis of valuation of land improvements. However, an acceptable alternative valuation is the total capital outlay expenditures for such items in the twenty-year period ending on the date in question. This alternative valuation is to be computed in the same manner as the ten-year alternative valuation method for nontransportation equipment, which was previously described.

Buildings

Buildings, additions, and improvements to buildings are to be accounted for on the basis of cost. Insurable value or appraisal value are not acceptable substitutes for cost. If a building is constructed, the costs of surveying and excavation, architect's fees, and any other incidental costs are all proper additions to construction costs. When a finished structure is purchased, costs of necessary alterations, repairs, and improvements are also considered a part of the cost of the building.

An individual property record should be established for each building owned by the LEA. It should contain a description of the structure, its location, date of acquisition, original cost, costs and dates of later additions and improvements, the method of financing used, and all other appropriate information. This file of individual records will serve as a subsidiary ledger to support the Building Account (202) in the General Fixed Assets Account Group.

It is expected that cost records will be available for most buildings and improvements owned by Illinois LEAs and that they will certainly be available for all buildings and improvements acquired since 1950. Actual historical cost records must be used for the valuation of buildings and improvements after 1950, and they should be used prior to that year if possible. However, the following alternative valuation for buildings and their improvements as of June 30, 1950, will be acceptable.

This valuation is based on average costs per square foot for school construction as supplied to

the Illinois State Board of Education by authoritative sources in the architectural and appraisal professions. The alternative depends, for its usefulness, on the assumption that reproduction costs of school buildings at June 30, 1950, were not materially different from the total costs of the original structures and the later improvements to that date.

The alternative cost figure as of June 30, 1950, is found by multiplying the square footage of floor space of the building in question by the proper cost factor taken from the "Table of Building Cost Factors for Alternative Cost Valuation." This cost is then to be used in conjunction with historical cost records of changes, improvements and dispositions, which occurred from June 30, 1950, to the present date. Adequate square footage data should be available from architectural plans or other professionally supplied documents.

The following example illustrates this alternate valuation process. Assume that the LEA owns a well-maintained brick classroom building, two floors, with 25,000 square feet of floor space. The building was constructed in 1935, and full information as to original historical cost and the cost of certain later improvements is not available. In 1959, an addition was added at a cost of \$95,000, and since 1950, other improvements in the amount of \$15,000 have been made. The building falls under Class "A" in the accompanying table.

The cost value of the structure for the purpose of recording it in the Building account in the General Fixed Assets Account Group would be computed as follows:

- 1. (Square feet x cost factor = 1950 cost value)
 25,000 x \$12.25 = \$306,250
- 2. Add cost of 1959 addition 95,000
- 3. Add cost of improvements 15,000
- Cost Valuation of Building \$416,250

Table of Building Cost Factors
for Alternative Cost Valuation
of School Buildings as of June 30, 1950

Class	Description	Cost Factor Per Sq. Ft. Adjusted to 1950
A	Fireproof structural steel frames with reinforced concrete or masonry floors and roofs (1965 cost approximately \$19.00)	\$12.25
B	Reinforced concrete frames with	12.25

- concrete or masonry floors and roofs (1965 cost approximately \$19.00)
- C Steel or reinforced concrete frames with wood or steel roof and floor structures:
1. Steel columns; bar joists, face brick plaster, tile (1965 cost approximately \$17.00) 10.90
 2. Steel frame; brick, block, concrete, plaster, tile (1965 cost approximately \$14.25) 9.20
 3. Brick, block, wood joists, painted walls, tile (1965 cost approximately \$11.25) 7.25
- D Wood or steel frames with wood or steel roof and floor structures:
1. Steel frame; brick veneer, plaster, tile (1965 cost approximately \$16.00) 10.50
 2. Wood frame; stucco, plaster, tile (1965 cost approximately \$13.00) 8.45
 3. Wood frame; stucco or siding, dry walls, tile (1965 cost approximately \$10.00) 6.40

out or become obsolete. (If State or Federal funds have been used to purchase any of the assets to be disposed of, also check those individual program guidelines for any restrictions.)

The classes described above are quite broad, and each necessarily contains many variations and subclasses. But, for this computation, only the major elements of a building's construction should be considered in deciding upon its classification. For example, if a building which would otherwise fall into Class B has a steel truss roof, the cost factor for Class B would still be representative and should be used. Adjustments may be made in a cost factor, however, if it is clear that a structure overlaps two classes.

The cost factors listed are averages of total cost of entire school plants, including classroom buildings, administrative buildings, and multipurpose buildings. The costs of built-in bookshelves and blackboards have been included, but the costs of movable equipment and furnishings have not.

Dispositions of General Fixed Assets

General fixed assets (land, buildings, improvements other than buildings, equipment other than transportation, and transportation equipment) are most often disposed of in transactions where assets of similar function, longer life, and larger value are acquired from outside sources. An LEA may also sell individual general fixed assets for which it has no further use and may discard equipment which has worn

APPENDIX C -- GENERAL LONG-TERM DEBT ACCOUNTING

PART 1 - INTRODUCTION

Accounting for long-term debt to be financed by governmental funds of an LEA is recorded in the General Long-Term Debt Account Group (99). General long-term debt is not limited to bond principal. It also includes, but is not limited to, liabilities arising from lease-purchase agreements (including Public Building Commission property and transportation contracts), installment purchase contracts, and judgments and claims. Interest payable in the future is not recorded in the General Long-Term Debt Account Group. However, disclosure should be made in the notes to the financial statements as to principal and interest debt service requirements to maturity for all types of debt.

The General Long-Term Debt Account Group is not a "fund" and is not intended to involve the measurement of the results of operation. It is intended as an account group listing of all non-current debt.

When long-term debt is incurred, it is not recognized in the governmental fund types. For example, when a school district issues bonds, the proceeds are placed into the appropriate fund to meet the purpose for which the bonds were issued. Working Cash Bond proceeds are deposited in the Working Cash Fund, bond proceeds for construction or improvement of buildings (non fire prevention, safety, environmental, and energy conservation) are deposited in the Site and Construction/Capital Improvements Fund, etc. The liability incurred when issuing these bonds is not recorded in either the fund receiving the proceeds or the Bond and Interest Fund. The long-term liability is recorded only in the General Long-Term Debt Account Group.

PART 2 - ACCOUNTING GUIDELINES

General Long-Term Debt can be categorized into one of two Illinois Program Accounting Manual accounts, Bonds Payable (501) and Other Long-Term Liabilities (599). Bonded debt is the most common general long-term debt and is used here for illustration purposes.

Examples -- Accounting for Bonded Debt

- 1) The district issues \$50,000 in working cash bonds.

	Debit	Credit
Entry in General Long-Term Debt Account Group:		
99-305 Amount to Be Provided		
for Payment of Long-Term Debt		\$50,000
99-501 Bonds Payable		
	\$50,000	

Entry in Working Cash Fund:		
7-101 Cash		\$50,000
7-7210 Principal on Bonds Sold		
	\$50,000	

- 2) The district levies for bond and interest retirement (one half of which is expected to be received within 60 days after the end of the fiscal year. - See NCGA Interpretation #3)

	Debit	Credit
Entry in Bond and Interest Fund:		
3-110 Taxes Receivable	\$ 5,000	
3-1111 Current Taxes		\$ 2,500
3-474 Deferred Revenue		\$ 2,500

Entry in General Long-Term Debt Account Group:		
99-304 Amount Available in Debt Service Funds		\$ 2,350
99-305 Amount to be Provided for Payment of Long-Term Debt		\$ 2,350

(Note-The \$150 difference in taxes collected and the amount available for debt service is for payment of interest due on bonds.)

- 3) District receives portion of current tax levy.

	Debit	Credit
Entry in Bond and Interest Fund:		
3-101 Cash		\$ 2,400
3-110 Taxes Receivable		\$ 2,400

- 4) The district records bonds retired.
(Note-For districts on the modified accrual basis of accounting, if resources have been accumulated in the Bond and Interest Fund to retire bond principal and interest due within one year, the principal amount may be removed from the General Long-Term Debt Account Group and recorded as Bond and

Interest Fund expenditures and fund liabilities.)

	Debit	Credit
Entry in Bond and Interest Fund:		
3-5140-620 Interest on Bonds	\$ 150	
3-5200-610 Bond Principal Retired	\$ 2,000	
3-101 Cash		\$ 2,150

Entry in General Long-Term Debt Account Group:		
99-501 Bonds Payable	\$ 2,000	
99-304 Amount Available in Debt Service Funds		\$ 2,000

- 5) Post closing trial balances would then appear as follows:

	Debit	Credit
Entry in General Long-Term Debt Account Group:		
99-304 Amount Available in Debt Service Funds		\$ 350
99-305 Amount to be provided for Payment of Long-Term Debt	\$ 47,650	
99-501 Bonds Payable	\$ 48,000	

Entry in Bond and Interest Fund:		
3-101 Cash		\$ 250
3-110 Taxes Receivable	\$ 2,600	
3-474 Deferred Revenues	\$ 2,500	
3-704 Fund Balance		\$ 350

Entry in Working Cash Fund:		
7-101 Cash		\$ 50,000
7-704 Fund Balance	\$ 50,000	

PART 3 - OTHER LONG-TERM LIABILITIES

When LEAs incur long-term liabilities other than bonded debt, they are also recorded in the General Long-Term Debt Account Group. The Illinois Program Accounting Manual account number is 599-Other Long-Term Liabilities. If the liability is the result of the acquisition of a fixed asset (example: lease-purchase bus contract), the acquisition is also recorded in the proper General Fixed Asset Account Group (see Appendix B) classification and no entry would be made in any governmental fund (example: Educational, Transportation, etc.). If the liability is incurred and no fixed assets are involved (example: judgment against the district), the entry would be made only in the General Long-Term Debt Account Group. Expenditures made to satisfy the lease-purchase bus contract or judgment would be recorded as expenditures in

the applicable governmental type fund and reduce the liability in the General Long-Term Debt Account Group.

APPENDIX D -- CODING FINANCIAL TRANSACTIONS

Analyzing transactions of school districts to assign account numbers requires considerable knowledge of school funds and accounts. There is no real substitute for experience in exercising this function. Coding of transactions involves analysis which will provide an answer to each of the following questions.

1. What fund is affected?
2. What is the source (if revenue) or function (if expenditure) to be affected?
3. What is the nature of the transaction and the types of accounts to be affected?
4. What is the object classification affected?

The chart of accounts is the basic guide for assigning account numbers to transactions. Each district should adopt a chart of accounts for use in maintaining its accounting records. The chart of accounts is a listing of all accounts that apply to the school district, listed in numeric order with an accurate description for each account number. This listing needs to be done for each fund the district uses (such as Educational, etc.) and the listing should include account codes for balance sheet accounts, revenue accounts, and expenditure accounts. All account numbers must be in accordance with the Illinois Program Accounting Manual and each district will be required to be able to provide information for statistical purposes related to each account code.

A copy of the chart of accounts is a good worksheet to develop the district budget. Amounts can be assigned to the accounts listed. New account numbers can be added to the chart of accounts as needed during the budgeting process. Amounts can be totaled to provide the information required for ISBE Budget Form #50-36 for districts and ISBE Budget Form #50-39 for joint agreements. **NOTE:** Section 17-1 of the School Code mandates program accounting and also requires adopted budgets be on the budget forms provided by the Illinois State Board of Education.

Annually school districts must submit an Annual Financial Report (ISBE 50-35) to the Illinois State Board of Education. The accounts and dimensions used in the expenditure areas on this form constitute the minimum chart of accounts.

APPENDIX E -- THE PROCESS OF ACCOUNTING

Each school district should obtain and use an appropriate set of journals (books of original entry) and ledgers (books of final entry) for the recording, summarization, and control of transactions. The form of such books is a matter of individual preference. and there are many forms available. This is also true of the equipment utilized in keeping the records, and effective methods are available either manually or mechanically. Such records should be kept by the double-entry method. All transactions must be recorded in the General Ledger (either individually or in summary form).

In the General Ledger:

- A Debit** increases an asset
decreases a liability
decreases fund balance
- A Credit** decreases an asset
increases a liability
increases fund balance

A double-entry accounting example for the Educational Fund selling \$150,000 in tax anticipation warrants would be:

<u>Account Description</u>	<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
Cash	1-101	\$150,000	

Tax Anticipation Warrants Payable	1-407		\$150,000
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Explanation of Transaction...Cash (#1-101) has been increased (Asset - debit to increase) by \$150,000. In order to do this, however, a liability was created. Therefore, Tax Anticipation Warrants Payable (#1-407) is credited (Liability - credit to increase) for \$150,000.

Trial Balance

After all entries for the month have been made to the General Ledger Accounts, a trial balance can be taken to verify that the books are in balance.

The account balances are the difference between the debit side (left side) and the credit side (right side) of an account. If all the entries are on one side, the total of those entries is that account's balance. A trial balance is prepared from these

account balances; the total of all debit balances should equal the total of all credit balances.

Debits

Credits

$$\text{Assets + expenditures} = \text{liabilities + fund balance + revenues}$$

Trial balance figures can then be used to prepare other monthly financial statements. An example of a trial balance is as follows.

XXX Elementary School District
Trial Balance - July 31, 19XX

<u>Acct. No.</u>	<u>Description</u>	<u>DR.</u>	<u>CR.</u>
1-101	Cash in Bank	\$272,476.50	
1-105	Cash - Imprest Fund	1,000.00	
1-407	Tax Anticipation Warrants Pay		\$150,000.00
1-704	Fund Balance		73,900.00
1-1110	General Levy Taxes		95,000.00
1-1510	Interest on Investments		2,355.00
1-7310	Sale of Equipment		450.00
1-3110	General State Aid		49,000.00
1-3250	State Lunch Reimbursement		1,900.00
1-111-112	Elem. Teachers-Salaries		80,000.00
1-111-420	Elem. Textbooks		12,000.00
1-111-540	Elem. Equipment		925.00
1-232-110	Supt. Office-Salaries		5,150.00
1-232-332	Supt. Office-Travel		178.50
1-232-410	Supt. Office-Supplies		225.00
1-511-621	Interest-Tax Antic. Warrants		650.00
		<u>\$372,605.00</u>	<u>\$372,605.00</u>

APPENDIX F -- CASH BASIS VERSUS MODIFIED ACCRUAL BASIS OF ACCOUNTING

The School Code provides that an LEA may pass its budget and keep its accounting records on either the "cash basis" or the "modified accrual basis" of accounting. An independent decision is whether the General Purpose Financial Statements (GPFS) will be in accordance with Generally Accepted Accounting Principles (GAAP) (which is the "modified accrual basis" for Illinois LEAs) or in accordance with the "cash basis" of accounting. Although not recommended due to the reconciliations required, it is possible for the budget and the accounting records to be maintained on the cash basis of accounting and the GPFS to be prepared on the modified accrual basis of accounting. This can be accomplished by a series of both beginning and end-of-the-year adjusting journal entries.

Basis Definitions

The distinction between the two bases of accounting is the timing of recognition of a recordable transaction.

Under the cash basis of accounting, transactions are recorded when cash is actually received or paid out. The books should not be held open to record deposits or payments that do not occur until after June 30. A strict interpretation of the cash basis of accounting requires a strict year-end cut-off at June 30. Thus, checks to teachers must be dated and available for distribution by June 30 if they are to be recognized as cash disbursements of the completed fiscal year.

Under the modified accrual basis of accounting, revenue transactions are recorded when revenue is both measurable and available to finance expenditures (pay recognized liabilities) of the fiscal period. For claims and grants, revenue is often recognized as expenditures occur. Since many programs funded by the Illinois State Board of Education are paid a year after the expenditure is made, it is not unusual to accrue an entire year's claim as a receivable.

Under the modified accrual basis of accounting, expenditures which measure decreases in financial resources are recorded when the related liability is incurred. Since an expenditure is recognized when a service is provided, the amounts paid to teachers in the summer (after June 30) which were earned prior to June 30 would be expenditures of the past fiscal year.

When a product is delivered, an expenditure is recognized unless the value of the product is recorded as an asset (inventory of supplies), in which case, the expenditure is recognized as the product is consumed.

Audit Scope

The basis of accounting selected for financial reporting purposes will not affect most aspects of the audit. For example, under either basis, the auditor is required to examine all fund types and account groups of the LEA. When the modified accrual basis of accounting is utilized, additional audit procedures are added to the procedures required for a cash basis audit.

Financial Reporting

When the cash basis of accounting is utilized, a Statement of Assets and Liabilities Arising from Cash Transactions (similar to a Balance Sheet) should be presented. Notes to the GPFS which include a summary of significant accounting policies are also required. Included disclosures for a cash basis report would be similar to those of a GAAP basis report except that disclosures relating strictly to liabilities or receivables which do not arise from cash transactions are often not included with the cash basis statements.

Advantages of the Modified Accrual Basis of Accounting

The modified accrual basis of accounting is free from distortions that can occur with the cash basis of accounting. An example of a distortion which is controlled by district personnel is when a principal or department head or business manager does not submit an invoice for processing until after year-end. Distortions which are not controlled by district personnel typically affect the timing and reporting of cash receipts such as distributions of state funds or property taxes. The modified accrual basis of reporting reveals an LEA's true financial position allowing LEA officials to make accurate financial decisions and predictions.

APPENDIX G -- REVOLVING/IMPREST FUND

By resolution of the board of education, a Revolving (or Imprest) Fund can be established. The resolution should designate a custodian of the fund, state the amount at which the fund should be established, and establish a policy as to the amounts and types of payments that should be made from the Revolving (or Imprest) Fund account. The fund is maintained in a bank for the purpose of providing for disbursements for which the district wishes to issue a check, but because of timing or due to emergencies cannot pay through the regular disbursement procedure of the district.

School districts are authorized to establish imprest type funds as provided in the School Code, Chapter 122, Section 10-20.19. The entry to establish a Revolving (or Imprest) Fund is as follows.

DR. #105 - Revolving/
 Imprest Fund \$ _____
CR. #101 - Cash \$ _____

To record creation of an imprest fund to be operated under principles applicable to the imprest system:

No entries appear in account #105 except to open and close it: unless the amount of the fund is increased or decreased. At all times, the total of all checks written since the last reimbursement plus the bank balance for the checking account should equal the amount set aside for the Revolving Fund in Account #105. Account #105 is an asset account of the school district.

Pre-approved documentation such as signed vouchers, completed and approved travel requests, approved purchase requisitions or orders and/or invoices must be provided to the custodian of the fund in order that a check can be issued. Checks written must include the proper district expense account code, or all necessary descriptive information so that an expense account code number can be assigned.

At regular intervals, the Revolving (or Imprest) Fund should be reimbursed up to the original amount of the fund. The check to reimburse the Revolving Fund must be included on the school district monthly bill list charging the appropriate district expenditure accounts and indicating the

name/explanation for each revolving check that was issued.

The custodian of the Revolving (or Imprest) Fund must be bonded as provided in Article 8 of the School Code, under the same requirements for the bonding of the school district treasurer.

APPENDIX H -- PETTY CASH FUND

A Petty Cash Fund is an imprest type fund that sets aside a sum of cash for the purpose of making change or immediate payments of comparatively small amounts. Payments made through petty cash should be restricted to those cases where amounts involved are so small that processing through the usual procedures would be uneconomical.

By resolution of the board of education, a petty cash system can be established. The resolution should state the amount at which the petty cash account should be established. A person is designated as custodian of the petty cash and based upon resolution by the board, a check in the amount authorized can be drawn payable to the designated custodian.

The entry to establish the Petty Cash Fund is as follows:

DR. #102 - Petty Cash Fund	\$ _____
CR. #101 - Cash	\$ _____

To record creation of a petty cash account to be operated under principles applicable to the petty cash system:

No entries appear in Petty Cash Account #102 except to open and close it: unless it is increased or decreased. At all times, the total of the receipts for cash paid out and the remaining cash should equal the amount set aside for petty cash in Account #102. Account #102 is an asset account of the school district.

The petty cash system requires that a person other than the custodian of the petty cash fund approve a disbursement from the petty cash fund by signature. A petty cash voucher also provides for the signature of the person to whom cash is paid; this signature serves as evidence that payment was received by that person. Each petty cash voucher should be prenumbered and each should be accounted for as either having been used, voided, or unused.

Each completed petty cash voucher form should include the receipt for the disbursement made, along with the proper expenditure account number, or all necessary descriptive information so that an expense account code number can be assigned. When the larger part of the cash on

hand has been disbursed, the custodian should take the paid petty cash vouchers to the person authorized to prepare and issue checks. Basically, the same procedures would be followed for replenishing the Petty Cash Fund as the Revolving Fund. The main differences between the Revolving Fund and the Petty Cash Fund are that the Revolving Fund is usually set up for a larger initial amount and is disbursed by check, while the Petty Cash Fund is set up in a smaller amount and deals with disbursements of cash.

As with the Revolving Fund, the custodian of the Petty Cash Fund is in a trusted position and should be covered by a fidelity bond.

APPENDIX I -- ACCOUNTING FOR CLAIMS AND JUDGMENTS

Local Education Agencies (LEAs) are subject to many types of claims which may arise from their relationships with pupils, with employees, or with the general public. Many districts carry insurance to protect their resources from such claims, at least in part. Other districts may "self-insure," i.e., make a decision that the continuing cost of insurance is a greater drain on resources than the direct payment in settlement of such claims. Still others may not have consciously considered at least some of the possible risks and, therefore, have done nothing by way of insuring their resources or planning in advance what might be done to alleviate the impact of settlement of such claims as may arise--some of which may be calamitous. There are also many variations and combinations of these alternatives with regard to varying kinds of risks.

Insurance - Purchased Service

The possible kinds of incidents which may give rise to claims are large in number and not readily catalogued. They include accidents and casualties arising from operation of buildings, vehicles, and equipment of various kinds; worker's compensation and unemployment claims; loss of buildings, vehicles or equipment due to fire, weather phenomena, or theft; infringements on the rights of individuals by employees or agents; civil disturbances, disobedience or malicious mischief; and actions arising out of contractual relationships such as losses due to delays or inadequacy of specifications.

If an LEA purchases insurance, the premiums paid are classified as Purchased Services (Object 380 in the Illinois Program Accounting Manual) and charged to funds and functions as follows:

Type of Insurance	Fund	Function	Object*
Treasurer's Bond	10 -	2310	380
Building and Equipment (Fire, Theft, Etc.)	20 -	2549	380
Board/Professional Liability, Accident Liability - All Types	10 -	2310	380
Vehicle Insurance:			
Buses	40 -	2554	380
Drivers' Training Car	10 -	1130	380
Other Vehicles	20 -	2545	380

Builder's Risk Liability	60 -	2535	380
Worker's Compensation	10, 20, 40	**	380
Unemployment Compensation	10, 20, 40	**	380
Any other insurances that do not apply to a <u>specific</u> function	10 -	2310	380

SB 1200 (1986) revised Chapter 85 of the Revised Statutes to expand the items that could be paid from the Tort Immunity Fund to include the above insurance costs.

* A further breakdown on types of insurance can be obtained by assigning additional object numbers as needed: such as objects 381, 382, 383, etc.

** Unemployment Compensation Insurance (U.C.) and Worker's Compensation Insurance (W.C.) should be charged to the same fund to which the employee's salary was charged. Therefore, revenue would need to be budgeted accordingly. In the Educational Fund, both W.C. and U.C. can be an insurance cost to the Board of Education using Function #2310 - Object 380. Function #2310 is available in the Educational Fund only. Operations and Maintenance Fund uses Function #2540 and the Transportation Fund uses Function #2550.

Employee Benefit Expenditures

As with liability insurance, employee benefits can be a purchased coverage (insured) or a self-insurance program.

The following items are not Insurance - Purchased Services. All are Employee Benefits - Object #200 and are charged to the same function as is the related salary.

- Employee Life Insurance (Object #221)
- Employee Health Insurance (Object #222)
- Employee Dental Insurance (Object #223)

Periodic payments made to an independent entity which administers a self-insurance employee benefit program for the district should be charged to expenditure accounts by functional areas as if regular employee insurance premiums were being paid. These payments could be made from the Educational; Operations and Maintenance; and Transportation Funds.

Accounting/Financial Reporting

Whether a district is insured or self-insured, the possibility of loss contingencies, claims, or judgments must be considered. Guidance in reporting is provided by The National Council on Governmental Accounting Statement, Accounting and Financial Reporting for Claims and Judgments and Compensated Absences (Statement 4). Statement 4 refers to and adopts the guidance provided by the Financial Accounting Standards Board's Statements of Financial Accounting Standards 5, Accounting for Contingencies (SFAS 5).

SFAS 5 requires accrual (debit current period expenditures, credit liabilities) of the estimated loss from a loss contingency (defined therein) if both the following conditions are met:

- a. "Information available prior to issuance of the financial statements indicates that it is probable (virtual certainty is not required) that an asset had been impaired or a liability had been incurred at the date of the financial statements and
- b. The amount of loss can be reasonably estimated."

If both of these conditions are not met, there shall be no accrual. However, if an exposure to loss exists (including possible amounts in excess of an accrual), disclosure of the contingency shall be made in notes to the financial statements. The disclosure shall indicate the nature of the contingency and shall give an estimate of the possible loss or range of loss or state that such an estimate cannot be made (SFAS 5, Para 10).

Accruals for loss contingencies would not be made by districts on the cash basis of accounting. However, disclosure through the use of footnotes to the financial statements, as set forth in the preceding paragraph, should be provided whether reporting on the cash or the accrual basis.

Accruals require an inventorying of known incidents that have or may give rise to a claim,

followed by careful assessment of the related conditions set forth as "a" and "b" previously listed. In certain instances school districts may have substantial data regarding claims and settlement experience, enabling reasonable estimation by statistical methods of ultimate liability by type of claim, rather than by individual claims. Such might be the case for example, in an employee health and dental maintenance plan. Only in such latter cases is it possible to provide specifically for such contingencies through the budgetary process.

In the governmental accounting model, primary emphasis is placed on the flow of financial resources. Accordingly, the amount of claims recorded as expenditures shall be the amount properly accruable for that year that would normally be liquidated with expendable available resources (see NCGA Statement 1, Governmental Accounting and Financial Reporting Principles). The accrual should be made in the Educational; the Operations and Maintenance; or the Transportation Fund, as appropriate, giving consideration to the nature of the incident and related factors. The remainder of the liability should be reported in the General Long-Term Debt Account Group.

An analysis of the insurance contract is necessary to determine whether risk has been transferred to an independent insurer and to what extent. The key factor in analyzing these contracts is the determination as to who assumes the financial responsibility for satisfying claims and judgments against the district as well as related legal cost. If risk is transferred to an insurer, payments to the insurer should be considered insurance premiums and coded to the proper account numbers previously listed. If risk is not transferred to an independent insurer, the district is self-insured.

The underlying concept of self-insurance is the absence of the transfer of either the risk of losses or related costs such as litigation expenses. In self-insurance situations, the district retains the responsibility for any claims or judgments arising against the district.

At year end, it is necessary to obtain a statement from the insurance administrator as to the amount of claims and judgments the administrator has paid. If claims and judgments exceed the payments the district has made, it is necessary to recognize the additional liability to be made up with future payments. In addition,

the administrator and the district should collaborate in developing an inventory of known claims including known incidents which may give rise to claims. It is necessary to recognize these additional liabilities in account number 499 - Other Current Liabilities if the conditions set forth in SFAS 5 are met. The related charges should be made to the same expenditure accounts as if insurance premiums were being paid.

Districts that are self-insured may not make accruals or charges against current expenditure accounts except for claims and judgments which meet the two conditions set forth in SFAS 5. With appropriate disclosure in notes to the financial statements as to the reasons therefore, a district may designate a portion of fund equity as a reserve for loss contingencies. This reserve may be created by a debit to account 704 - Fund Balance and a credit to account 703 - Fund Balance, Reserved or Restricted in the appropriate fund or funds. Such a reserve shall be treated as a "designated" component of fund equity, and the nature of the designation shall be clearly identified. No costs or losses shall be charged to such reserves, and no part of such reserves shall be transferred to income.

In arriving at decisions of whether to purchase insurance or to use self-insurance, consideration should be given to the potential effect the decision may have on a district's operating expense per pupil and on per capita tuition charges. If a district is insured, all insurance premiums are recorded when incurred (modified accrual) or paid (cash) and included in the current year's operating expenses. This treatment gives the effect of "leveling" claims and judgments against the district. In contrast, a district that is self-insured could have excessive settlements to satisfy in one year that would have a distortive effect on the operating expense per pupil and the per capita tuition charge.

APPENDIX J -- STUDENT ACTIVITY FUNDS AND CONVENIENCE ACCOUNTS

- a) Section 10-20.19(3) of the School Code (Ill. Rev. Stat. 1983, ch. 122, par. 10-20.19(3)) authorizes the State Board of Education to adopt rules governing funds collected by school classes, clubs and associations for educational, recreational or cultural purposes. Such funds shall be known collectively as "Activity Funds" and shall be governed by this Part.
- b) Activity funds are either "student activity funds" or "convenience accounts" as defined below.
 - 1) Student activity funds are those funds which are owned, operated, and managed by organizations, clubs, or associations (groups) within the student body under the guidance and direction of one or more faculty or staff members for educational, recreational, or cultural purposes.
 - 2) Examples of student activity funds include:
 - A) Homeroom
 - B) Yearbook
 - C) Class Year
 - D) Choral and Band Group
 - E) Class Projects
 - F) Student Clubs
 - G) Student Council
 - H) Student-Sponsored Bookstores.
 - 3) Convenience accounts are those funds maintained by the local education agency at the request of and for the convenience of faculty, staff, faculty-parent organizations or similar non-student groups. Each such group shall designate a manager for its convenience account. Examples of convenience accounts include:
 - A) Flower Fund
 - B) Investment Club
 - C) Scholarships
 - D) Faculty-Parent Organization Accounts
 - E) Faculty Funds
 - F) Employee Coffee Funds.
- 4) Funds sometimes mistaken as activity funds but which shall be maintained as budgeted district accounts include:
 - A) Lunch Program
 - B) Regular Athletic Programs
 - C) Building Trades Program
 - D) Restricted Grants-in-Aid from State or Federal Sources
 - E) Towel, Locker, and Book Rentals
 - F) Student Insurance
 - G) Sales of District Supplies-Services.
- c) If the board subsidizes a portion of an activity fund, that portion shall be reported as an expenditure or disbursement against the regular budget of that local education agency and reported as a revenue or cash receipt of the activity fund.
- d) The board of education or a representative designated by the board of education shall have the following responsibilities:
 - 1) To approve the establishment and purpose of each student activity fund and convenience account.
 - 2) To set policies for student participation and adult supervision in groups maintaining student activity funds as set forth in subsection (b)(1) of this Section.
 - 3) To approve the collection of all monies by student activity groups and convenience account managers.
 - 4) To cause such records to be kept as to verify at all times the amounts received and disbursed and the assets on hand for each student activity fund and convenience account.
 - 5) To appoint an activity fund treasurer or treasurers to be the custodian of the assets of each student activity fund and convenience account.
 - 6) To transfer monies from a student activity fund or convenience account when the activities served by either type of account

- have been discontinued, or if an account has had no activity for at least one year, to any other active account, to the district's funds, or to the student activity group or convenience group members on a pro rata basis.
- 7) To determine if the treasurer shall be authorized to invest activity funds (See subsection (f)(1) below).
 - 8) To determine which of the following methods shall be used to distribute any earnings from the investment of activity funds:
 - A) Earnings may be deposited in the district's funds.
 - B) Earnings may be maintained in a separate activity account to be spent for a purpose, or transferred to a student activity group, which benefits the maximum number of students (e.g., the student council).
 - C) Earnings may be apportioned among the specific fund(s) which provided the cash for investment.
 - D) Earnings from the investment of commingled activity funds may be periodically apportioned among all accounts that are part of the commingled cash management system based on the average deposit as determined by the balance at the beginning and end of the period. The period may be as short as one day or as long as three months.
 - 9) To designate those person(s) who shall have the authority to approve written purchase orders or authorizations required to spend activity funds.
 - 10) To determine if and when loans can be transacted between accounts.
 - 11) To designate depositories for cash and investments.
- e) The board of education may establish and amend policies which must be adhered to by the activity fund treasurer(s) and other person(s) designated by the board as having responsibilities for the management of student activity funds and/or convenience accounts.
- f) The treasurer appointed by the board or its designated representative shall be bonded, and the penalty of the bond shall be in accordance with the provisions of the School Code (Ill. Rev. Stat. 1983, ch. 122, par. 8-2). If a treasurer is also the district treasurer, one bond which is large enough to include both district and activity funds is sufficient.
- 1) The treasurer shall keep all monies on deposit in a depository designated under Section 8-7 of the School Code (Ill. Rev. Stat. 1983, ch. 122, par. 8-7) or invested in conformity with "An act relating to certain investments of public funds by public agencies" (Ill. Rev. Stat. 1983, ch. 85, par. 901 et seq.) and shall maintain liability accounts to show ownership of such assets. Each activity group receiving money from whatever source must deposit the money so received with the treasurer and obtain a signed receipt showing the activity fund and the amount of the deposit. The treasurer shall be the only custodian of each activity fund.
 - 2) The activity fund treasurer shall make all disbursements, but only on orders signed by the person(s) designated pursuant to Section 125.10(d)(9) above. Disbursements shall be made only by the activity fund treasurer's check, drawn upon the appropriate fund. In no event shall a check be written if the bank balance in the respective fund is insufficient. No overdrafts shall be permitted. Loans may be made between activity funds if authorized by the president or secretary, faculty advisor, if applicable, and the treasurer of the lending fund, but only if permitted by the board of education.
 - 3) The treasurer shall each month reconcile the cash in the bank and investment balances with the liabilities from each fund.
 - 4) The treasurer shall make available to each group monthly reports, which shall include a statement of receipts and disbursements and current balances, and shall provide such statements to the board of education not less than once each year.
 - 5) At the end of the fiscal year, the treasurer shall carry over to the next fiscal year the balance of each activity fund unless otherwise instructed by the board of education.

- g) Activity funds shall be audited annually by a licensed certified public accountant. The fiscal year for annual audit reports shall coincide with the school district fiscal year.
- h) Activity funds shall be included as "Agency Funds" in the district's Annual Financial Report to the State Board of Education submitted in accordance with Section 3-15.1 of the School Code (Ill. Rev. Stat. 1983, ch. 122, par. 3-15.1). A statement which displays opening and closing balances and annual activity for each fund shall be included as supplemental financial information in the district's Annual Financial Report to the State Board of Education or shall be issued as a separate statement, in which case it must accompany the Annual Financial Report. In either case every activity fund maintained must be included.
- i) All purchases from activity funds shall be made in accordance with Section 10-20.21 of the School Code, which requires competitive bids for most items in excess of \$10,000 (Ill. Rev. Stat. 1983, ch. 122, par. 10-20.21).

APPENDIX K -- JOINT AGREEMENT ACCOUNTING

The term "joint agreement" is defined as:

"An educational program or programs in which two or more local education agencies and/or eligible institutions of higher education agree to participate by uniting efforts in accordance with a written agreement and by designating a fiscal and legal agent."

Joint agreements are joint programs providing services for pupils in which two or more local education agencies and/or eligible institutions of higher education participate. The terms "cooperative" and "joint agreement" are often used interchangeably because they basically accomplish the same purpose. Joint agreements may be administered by an administrative (school) district, a regional superintendent and advisory board, or, if applicable, a governing board. In a joint agreement, the participating districts do not merely send pupils to another district as tuition pupils. Each district that participates in a joint agreement must have some voice in the decision-making process. This situation differs from the tuition-pupil type of program where one district designs a program solely for its pupils. No pooling of economic resources is considered, nor do the needs of pupils not residing in that district come into play. The primary purpose for forming a joint agreement is to provide a program that will meet the special needs of all pupils participating in the joint agreement by the most economical means available. Most joint agreements have the following characteristics:

1. The programs and/or services provided are designed to meet the needs of more than one local education agency.
2. Each pupil who needs and qualifies for the program and/or service being provided and who resides in a participating local education agency is entitled to use the program and/or service being offered.
3. Participating local education agencies should be identified by a written document that binds them by means of a contract.
4. The purpose of forming a joint agreement is to provide a quality program and/or

service and to achieve group economics rather than to have an individual local education agency bear the total cost.

5. The total cost of providing the program and/or service is divided among the participating local education agencies. Exceptions do exist when, in certain instances, one local education agency owns the attendance center and equipment, instead of the more common situation of joint ownership.
6. The term "program" is broadly conceived to include not only the curricula to be learned, but also the services to be rendered and the tools and techniques for their implementation.

When a joint agreement is formed, a set of rules (a written joint agreement document) needs to be assembled by the local education agencies and/or eligible institutions that wish to combine their economic resources to provide a program that yields services to the participant pupils. To avoid future problems, participants should give considerable attention to the preparation of the joint agreement document, especially in the following areas:

1. Budgetary Considerations - Who is to be involved in the preparation and who is to have input before final adoption? Who has budget control responsibility?
2. Cost Definition - Exactly what costs are to be charged to the joint agreement participants? Are charges to be made by program or by average total cost of all programs?
3. Cost Allocation Basis - Are costs to be allocated by enrollment, attendance, pro rata use of services, flat grant or a combination of the above?
4. Timing of Payments - Advance billing? Quarterly payments? Annual payments? When shall payments be made?

Basically, there are two types of joint agreements. Centralized joint agreements are those agencies that concentrate authority and attendance centers in a closely knit central organization. Decentralized joint agreements are those joint agreements that distribute the vast majority of administrative functions and centers of student

attendance among the participating local education agencies.

Applicable Programs for Joint Agreements

Joint agreements are not limited to a particular program. The applicability of a joint agreement to any program is determined by the extent to which the various participating districts are involved. If the arrangement between the participating districts coincides with the aforementioned joint agreement definition, a joint agreement does exist and a separate accounting must be maintained by the administrative agent to account for the funds that pass through and/or accumulate in it. Examples of programs which are applicable to joint agreements are:

1. Special Education
2. Vocational Education
3. Adult Education
4. Title/Chapter Programs
5. Vocational Education Regional Delivery Systems
6. Other

This is not a complete listing of applicable programs, but merely a list of programs that are commonly associated with joint agreements. The exclusion of a program from the list does not disqualify it from consideration as a joint agreement.

Explanation of Funds Used For Joint Agreements

Financial administration requires that each transaction be identified for administrative and accounting purposes. The first identification is by "fund." A fund is an independent fiscal and accounting entity which requires a separate set of books, kept in accordance with special regulations, restrictions, and limitations earmarking each fund for a specific activity or for the attainment of certain objectives. Each fund must be accounted for so that the identity of its resources, obligations, revenues and expenditures is continually maintained. If identification of the assets on the accounting records is sufficient, physical separation is not necessary (it would be unnecessary to have a separate bank account for each fund).

The number of funds to be maintained by a joint agreement depends on the nature of its operations. The size of the joint agreement has no bearing on the number of funds it maintains. Whenever payments are made to a joint agreement for a specific purpose, a fund should be

established to insure proper legal accountability for receipts/revenues and disbursements/expenditures.

All joint agreements providing educational services must maintain an Educational Fund. Other funds that may be applicable to joint agreements are the Operations and Maintenance Fund; the Transportation Fund; Site and Construction/Capital Improvements Fund; and Fire Prevention and Safety Fund. Instances in which a joint agreement should maintain funds other than the Educational Fund would include the following situations.

If a joint agreement maintains a building, transactions for building maintenance are usually charged to the Operations and Maintenance Fund.

If pupils are transported at the joint agreement's expense, either to and from school or for other purposes, a Transportation Fund must be maintained.

If (non Fire Prevention and Safety) bonds are issued by the participating districts of a joint agreement for the construction of new buildings for the joint agreement, the proceeds of that bond issue must be included in the Site and Construction/Capital Improvements Fund at the time of its receipt by the joint agreement from the participating districts.

In addition to these funds, there is a self-balancing group of accounts for maintaining accounting records for capital assets. The Capital Assets Group of Accounts records all tangible fixed assets of the joint agreement including land, buildings, machinery, equipment, furniture, and fixtures, regardless of which fund provided the monies at the time of purchase.

To designate the four funds and group of capital assets accounts by symbol rather than using the full descriptions, a standardized numerical designation for the funds can be used. The funds, fund numbers, and a complete description of the applicable joint agreement funds are provided below.

10 - Educational Fund

The greatest variety and the largest volume of transactions are recorded here, as the Educational Fund covers transactions that are not specifically covered in another fund. Certain

expenditures that must be charged to this fund include the direct costs of instruction, health, attendance, the lunch program, all costs of administration (even those for buildings and grounds), and some insurances, such as fidelity bonds. Revenues that must be credited to this fund include textbook rentals and tuition.

The salaries of janitors, engineers, and other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment are charged to this fund. However, the board of education or regional superintendent and advisory board, if applicable or the governing board that is responsible for the administration of the joint agreement may, by resolution and/or adoption of the annual budget, provide that these expenses be charged to the Operations and Maintenance Fund.

20 - Operations and Maintenance Fund

All costs of maintaining, improving, or repairing school buildings and property; renting buildings and property for school purposes; or paying premiums for insurance on school buildings are generally charged to the Operations and Maintenance Fund. The board of education or regional superintendent and advisory board, if applicable or the governing board that is responsible for the administration of a joint agreement may provide, by resolution and/or adoption of the annual budget, to charge to the Operations and Maintenance Fund all salaries of janitors, engineers, or other custodial employees and all fuel costs, lights, gas, water, telephone service, custodial supplies and equipment or any one or more of these items.

40 - Transportation Fund

If a joint agreement pays for transporting pupils for any purpose, the expenditure must be charged to the Transportation Fund. All costs of transportation, including the purchase of vehicles, are to be paid from this fund. Insurance on buses is recorded here, but insurance on bus garages must be recorded in the Operations and Maintenance Fund.

60 - Site and Construction/Capital Improvements Fund

New buildings and additions are generally constructed after an election authorizing special financing. Joint agreements, however, cannot issue bonds, for they have no taxing power with

which to generate revenue needed for the repayment of a bond issue. Generally the election to authorize a bond issue is held on the participating district level in a joint agreement. The proceeds of the bond issue are then transferred to the joint agreement by the participating districts. As the proceeds of each bond issue are received by the joint agreement, these monies are placed in a Site and Construction/Capital Improvements Fund or Fire Prevention and Safety Fund to separate these special monies from operating monies. The special monies must be spent for the purposes specified in the bond indenture and on the ballot. Frequently the cost of furniture and other equipment needed to open the new building for school use is included in the amount of the bond issue. Bonds are sometimes sold to finance old building rehabilitation programs.

Expenditures which would ordinarily be charged to the Educational Fund, but which may be charged to the Site and Construction/Capital Improvements Fund (unless paid before the Site and Construction/Capital Improvements Fund is created), include election expenses, fidelity insurance, architect's fees, legal fees for title search on sites, and other such administrative costs directly related to the construction project.

90 - Fire Prevention and Safety Fund

If a joint agreement pays for any approved/authorized alteration or reconstruction relating to fire prevention, safety, energy conservation or school security projects, in accordance with Section 17-2.11 of the School Code, then all costs associated with these projects are to be paid from this Fund.

98 - Capital Assets Group of Accounts

Records of physical assets which have a long-term period of usefulness to a joint agreement are maintained in a group of accounts separate from the fund which provided the monies for the purchase of those assets. Acquisition of capital assets should be recorded here at least at the end of the fiscal year by entering the items purchased during the year and charged to capital outlay in the Educational; Operations and Maintenance; Transportation; Site and Construction/Capital Improvements Funds; and Fire Prevention and Safety Fund. Disposals of capital assets should be recorded here, preferably at the same time that the transaction is recorded in the Educational; Operations and Maintenance; Transportation;

Site and Construction/Capital Improvements; or Fire Prevention and Safety Funds.

Balance Sheet Account Summary

There are three major balance sheet account classifications: assets, liabilities, and fund balance. All balance sheet transactions must be recorded in the general ledger, either individually or in summary form. Even though a majority will be recorded in more than one ledger, some will be recorded in only the general ledger. This type of transaction requires a descriptor indicating the fund and the specific accounts affected.

Joint Agreement Budgeting

Section 17-1 of the School Code requires that a joint agreement shall adopt an annual budget by September 1 of each fiscal year.

Budget preparation and adoption is often a difficult task. In all cases, a procedure for budget preparation and adoption should be formulated to insure that the budgeting process is complete. The following paragraphs represent the procedure that a joint agreement might follow in order to prepare and adopt its budget.

A fiscal year must be established. The establishment of a fiscal year is the responsibility of the board of education or regional superintendent and advisory board, if applicable or governing board responsible for the administration of the joint agreement. Normally, the fiscal year is July 1 through June 30, inclusive.

The task of preparing the tentative budget is assigned to some person or persons by the board of education or regional superintendent and advisory board, if applicable or governing board responsible for the administration of the joint agreement.

The person, or persons, designated to prepare the tentative budget may use the Illinois State Board of Education Form 50-39, which meets the requirements of the School Code and provides a standard budget format for all joint agreements. Some joint agreements may need more detail than is provided on the budget form. Greater detail can be obtained by expanding the accounts listed on the appropriate form in accordance with the Illinois Program Accounting Manual for Local Education Agencies "Chart of Accounts."

The tentative budget must be made available for public inspection at least thirty days prior to final

action. At least one public hearing must also be held on the tentative budget prior to final action. A notice stating the location, dates and hour of the public hearing shall be placed in a newspaper published within the boundaries of the joint agreement, at least thirty days prior to the time of the hearing. Should there be no newspaper of this type, notice may be posted in five of the most public meeting places within the boundaries of the joint agreement. Notices of public hearing, whether published or posted, should read substantially as follows:

"NOTICE OF PUBLIC HEARING"

Notice is Hereby Given by _____, Administrative Agent, of the _____ Joint Agreement, in the County of _____,

State of Illinois, that the tentative budget for said Joint Agreement for the fiscal year beginning _____, 19__ will be on file and conveniently available to public inspection at _____,

(Address)

_____, Illinois,

(City)

within the boundaries of this Joint Agreement from and after _____ o'clock _m., on the day of _____, 19__ at _____,

(Address)

_____, Illinois,

(City)

within the boundaries of this Joint Agreement.

Dated this _____ day of _____, 19__, Administrative Agent, of the Joint Agreement, in the County of _____, State of Illinois.

By _____ Joint Agreement, Board Secretary

If, as a result of the public hearing, it is determined that certain changes in the budget are necessary, these changes shall be made before the budget is adopted.

In instances where the regional superintendent is responsible for the administration of the joint agreement, the budget shall be approved and signed by the regional superintendent and his advisory board, if applicable.

In joint agreements where the board of education or the governing board is the administrative agent, the budget shall be approved and signed by

the members of the board as required on ISBE Budget Form 50-39.

Once the budget is adopted, it may become necessary to amend certain budget amounts during the fiscal year. If the budgeted amounts within a particular fund are found to be deficient for some line items, the governing board may make transfers between the various items within any fund provided that the transfers, in the aggregate, do not exceed ten percent of the total expenditures budgeted for that fund. If the amount of transfers exceeds the ten-percent limitation or if the total expenditures of any fund are to exceed the budgeted total of that fund, the budget shall be amended by the same procedure as that used in the original adoption of the budget.

Audit Requirements for Joint Agreements

Section 3-15.1 of the School Code requires all administrative agents of joint agreements to "...cause an annual financial statement to be submitted on forms prescribed by the State Superintendent of Education, Illinois State Board of Education, exhibiting the financial condition of the programs established pursuant to the joint agreement, for the fiscal year ending on the immediately preceding June 30."

The annual financial statement from school districts or governing boards that administer joint agreements or delivery systems shall be submitted to the Superintendent of the Educational Service Region on or before October 15 and to the State Superintendent of Education, Illinois State Board of Education on or before November 15 annually, the same dates required by regular school districts.

The report should be prepared by an independent Certified Public Accountant, whose opinion and notes are to be inserted therein. The auditor must clearly set forth the scope of the audit, which shall conform to generally accepted auditing standards and be adequate for his/her expression of an unqualified opinion. If a qualified opinion is unavoidable, reasons for the qualifications are to be attached and explained in detail.

The Joint Agreement Annual Financial Report is designed to be used by both cash and modified accrual basis joint agreements. Certain accounts provided for in the form are to be used only for accrual basis reporting systems. These accounts are clearly identified in order to avoid confusion.

However, it is necessary to indicate on the form the basis of accounting being used.

If a line is not provided to accommodate special data, do not insert the data or add a line. Use the "Other" accounts provided and attach supporting schedules. The electronic data processing system used to process these forms is not programmed to accept additions of this nature. Reports with lines added are unacceptable to the Illinois State Board of Education.

An auditor of a joint agreement must be independent in accordance with the independence requirements in the codes of professional ethics of the American Institute of Certified Public Accountants and the Illinois Society of Certified Public Accountants. Specifically, an auditor shall not be considered to be independent if:

1. He/she or any member of his/her immediate family is a member or employee of the board of education, or regional superintendent, or governing board that is responsible for the administration of the joint agreement that is being audited. This excludes joint agreement employees who serve in a non-administrative capacity but includes bookkeepers, treasurers, and custodians of funds.
2. He/she or any member of his/her immediate family is a township or school treasurer or employee thereof for the joint agreement he/she audits.

"He/she," as used in this paragraph means an individual practitioner, or a firm or an employee thereof who actually participates in the conducting of the audit.

Preparation for the audit of the joint agreement would prove to be advantageous to the joint agreement and the auditor. During the course of the audit, the joint agreement may be required to submit many items for examination. The extent to which items are examined is subject to the judgment of the auditor. If most of the items needed by the auditor are assembled in some orderly fashion prior to the audit, both parties can utilize their time more efficiently.

The list below is not intended to be a complete itemization of the items to be made available, but is presented as an aid to joint agreements in preparing for the forthcoming audit:

1. Financial records which are in balance for all joint agreement funds
2. Monthly reconciliations from the treasurer or custodian of funds
3. Purchase orders
4. Invoices and statements
5. Vouchers
6. Reconciled bank statements, with canceled checks
(A separate bank account needs to be maintained for the joint agreement.)
7. Voided checks
8. Duplicated deposit slips
9. Bills unpaid
10. Contracts pending
11. Duplicate receipts
12. Minute book of the board of education or the governing board or regional superintendent and advisory board, if applicable
13. Teachers' contracts
14. Payroll records
15. Inventory records
16. Insurance policies
17. Claims or lawsuits pending
18. Records of tuition paid and received
19. Leases
20. Employees' bonds

Certain records of the treasurer or custodian of funds must be made available to the auditor. To expedite the audit, their records must be accessible at the administrative office. If the treasurer or custodian of funds does not wish to relinquish the records to the custody of the joint agreement administrator, the treasurer must bring them to the administrative office for examination. The following may be among the items requested by the auditor:

1. Books of the Treasurer or custodian of funds
2. Canceled checks
3. List of outstanding checks
4. Bank statements
5. Investment records
6. Deposit slips

Should a joint agreement fail to file a Joint Agreement Annual Financial Report with the Superintendent of the Educational Service Region on or before October 15 or within the time extended, the Superintendent of the Educational Service Region has the responsibility of causing such an audit to be made and billing the joint agreement for the audit.

Failure of the Illinois State Board of Education to detect any deficiency in the report or to call the same to the attention of the joint agreement shall not relieve in any way the responsibility of the joint agreement and the independent auditor to the Illinois State Board of Education.

Failure to file a Joint Agreement Annual Financial Report could result in a loss of State monies to a joint agreement. The Superintendent of the Educational Service Region is authorized to restrict or deny State Aid Funds to joint agreements failing to comply with the submission of reports on or before the appointed date (the School Code, Section 2-3.24).

Filing instructions and distribution for the five copies (six copies in Cook County) of the Joint Agreement Annual Financial Report are as follows:

- Copy #1 - Pencil copy
- Copy #2 - Auditor's file copy
- Copy #3 - Joint Agreement's file copy
- Copy #4 - Township Treasurer's file copy (Cook County only)
- Copy #5 - Superintendent, Educational Service Region file copy
- Copy #6 - State Superintendent of Education

The joint agreement administrator, clerk, secretary, or township treasurer must sign the Annual Financial Report.

Allocating Joint Agreement Costs

Many forms of cost allocation have evolved since joint agreements came into existence. The various methods of cost determination and the allocation of these costs are the products of a great deal of time and effort on the part of joint agreement administrators. This information is not to detract from any of these efforts, but is presented as an aid to joint agreement administrators who are not satisfied with the existing methods of cost determination and allocation.

Sections of the School Code that relate to cost allocations for joint agreements are listed below.

10-22.22 Transportation for Pupils. "Tuition for Area Secondary Vocational School Facilities. Such net cost shall be divided by the average number of pupils in average daily attendance in such area secondary vocational school facility for the school year in order to arrive at the net per

capita tuition cost." (This section also outlines the method of computing per capita tuition.)

14-7.01 Handicapped Children Attending Classes in Another District. "Such net cost shall be divided by the average number of pupils in average daily attendance in such special education facility for the school year in order to arrive at the net per capita tuition cost." (This section also outlines the method of computing the per capita tuition cost of educating such children.)

3-15.14 Cooperative Educational Programs. "The school boards of the respective districts shall pay to the regional superintendent the pro rata share of the expenses of the operation of such programs,"

10-22.31 Special Education and 10-22.31a Joint Educational Programs. "... The director and other professional workers may be employed by one district which shall be reimbursed on a mutually agreed basis by other districts that are parties to the joint agreement."

Cost Allocation - Centralized Joint Agreements

Centralized joint agreements are those agencies that concentrate authority and centers of student attendance in a closely knit central fashion. Determination and allocation of costs is somewhat easier in this type of joint agreement.

Enrollment versus Attendance

When a district agrees to participate in a joint agreement and it sends a number of pupils to benefit from the program to be offered, the program budget of the joint agreement will conform to the needs of the number of pupils that are to be enrolled. A significant portion of the program cost is set by enrollment, since each program must be staffed and equipped to meet the needs and number of the pupils enrolled. If some of the pupils enrolled have poor attendance records, the cost of the program is not decreased in proportion to attendance. For example, teachers' salaries and rental expenses are not decreased due to poor attendance on the part of the enrolled pupils.

Substantive arguments can also be presented for using average daily attendance as the basis for cost allocation. If enrollment is the sole basis of cost allocation, participating districts may pay for benefits their pupils do not receive. In certain special programs, figures for average daily attendance and average daily enrollment are

substantially different. In addition, the School Code prescribes the use of average daily attendance for area secondary vocational facilities (10-22.22) and for handicapped children attending classes in another district (14-7.01).

A school district that participates in a joint agreement actually agrees to pay for the benefits the district's pupils receive from the joint agreement. It is interesting to note that, while oftentimes funds are committed based on enrollment, participating districts pay according to attendance. Payments based on attendance may provide an equitable means of cost allocation; however, actual attendance data are not available until the end of the period being considered. This means that the administrative agent sometimes assumes the bulk of the financial burden during the course of a school year. Obviously, it is unfair to expect the administrative agent to assume this type of burden. Some form of estimated payments can ease this situation and still provide an element of fairness in the allocation of costs among the participating districts.

Some form of allocation should be used that gives consideration to enrollment and attendance while meeting requirements prescribed by the School Code. The participating districts could be assessed an estimated quarterly or semiannual billing based on enrollment. At the close of each billing period, the actual amount due could be determined, based on the average daily attendance for that period. Any adjustments made by comparing the estimated data to the actual data would then be made in the next period's estimated billing.

Use of this form of cost allocation would accomplish two objectives: 1) enrollment would have a direct effect on the initial costs to the participating districts, just as estimated enrollment does on committing funds and 2) the participating districts would actually pay for benefits their students receive. Under this method, the administrative district would not have to bear all of the initial costs of the program in a given year, provided the timing of payments is taken into consideration.

Cost allocation on the basis of a combination of enrollment and attendance may work well for some joint agreements. Other joint agreements would have difficulty allocating costs on the basis of enrollment and attendance. For example, film cooperatives would be more apt to allocate costs according to the number of films used by the

participating district. This emphasizes the fact that joint agreements may vary in function and one method of cost allocation cannot always be used.

Before any form of cost allocation can take place, the costs to be allocated must be determined. Decisions must be made to determine which costs are included in tuition and which costs are to be billed separately. Cost determination and allocation become more complicated when the written joint agreement is considered. Often the language of the written document automatically includes or excludes certain expenditures, so care must be taken to insure that the written agreement is not violated. It is, therefore, essential to write the joint agreement document to adequately cover the financial aspects of the joint agreement being formed. This document should include cost definition, basis for allocation, timing of payments, and involvement in preparation. If these areas are adequately covered, there should be no confusion at the time bills are issued. Each participating district must be sure that it understands the impact of the terms of the joint agreement before it enters into the joint agreement.

The many viewpoints concerning joint agreement costs are often linked to a method of cost allocation. Obviously the method used to record costs must relate to the method of cost allocation. This is especially true in joint agreements where costs are allocated by program. Joint agreements recover these costs by means of tuition payments or payments from districts or other joint agreements. An example of payments from districts or other joint agreements would be payments made for special education transportation. One method of determining a joint agreement tuition charge is shown in the following:

EXAMPLE: Computation of Joint Agreement Per Capita Tuition Charge

Operating Expenditures:

1. Educational Fund (total expenditures)
2. Operations and Maintenance Fund (total expenditures)
3. Total (Line 1 plus Line 2).

Less Expenditures Not Applicable:

4. Capital Outlay from the Educational and Operations and Maintenance Funds
5. Operating Expenditures (Line 3 less Line 4)

Less Offsetting Revenue:

6. Educational Fund (State and Federal Reimbursements)
7. Operations and Maintenance Fund (State and Federal Reimbursements)
8. Total Offsetting Revenue (Line 6 plus Line 7)
9. Net Operating Expenditures (Line 5 less Line 8)
10. Net Allowable Depreciation
11. Total (Line 9 plus Line 10)
12. Average Daily Attendance (School Year ADA)
13. Per Capita Tuition Charge (Line 11 divided by Line 12)

Please note that capital outlay is excluded from the above calculation. Joint agreements have no taxing power. Consequently, the bulk of the costs must be shared by the participating districts. Capital outlay expense would then be a shared cost at the time of the purchase. If participating districts have already contributed to the purchase of capital assets in another manner, consistent with the terms of the written joint agreement, that charge should not be duplicated.

Should new districts be accepted as members of the joint agreement, original cost less accumulated depreciation on capital assets may be one manner of calculating the adjusted base of capital outlay of which the new member should pay its share. Again, in fairness to the existing participating districts, their share of the costs should be recomputed and either refunds or credits be issued to the participating districts that are entitled to such refunds or credits.

Administrative Expenses

Administrative expense to the administrative agent should be excluded from the per capita tuition charge computation. Calculation of the exact amount of administrative expense incurred by the administrative agent is an almost impossible task. One approach to the problem would be to specify within the written joint agreement a flat sum to be paid the administrative agent by the participating districts. Another alternative might be to reimburse the administrative agent a percentage or portion of defined administrative costs incurred by the administrative district.

Cost Allocation - Decentralized Joint Agreements

Up to this point, it is apparent that most of the discussion of costs and allocation has been geared to centralized joint agreements. Decentralized joint agreements present a set of rather unique problems in the allocation of costs among participating districts. Decentralized joint agreements distribute many of the supervisory-administrative functions and centers of student attendance among the participating local educational agencies.

Most of the cost problems associated with decentralized joint agreements arise from the differences in salary schedules, fringe benefits and age of the facility housing the program.

The per capita tuition charge previously outlined could be used by decentralized joint agreements with just a few procedural changes. Each site in a decentralized joint agreement must maintain cost records in order to justify the billings that take place during the course of the school year. Because of these differences, one participating district may be charged more, due to the site that its pupils must attend. Averaging the cost of the per capita tuition charge could prove useful in reducing this cost differential. Cost records could be assembled from the various attendance centers. The various cost totals could then be substituted into the per capita tuition charge computation along with the total average daily attendance figures.

If costing is done by program, total cost by program could be assembled and divided by the corresponding total average daily attendance by program. This is a more feasible method of computation when a joint agreement conducts multiple programs and the program costs vary to a great degree.

Depreciation expense on fixed assets is complicated for highly decentralized joint agreements. The terms of the written joint agreement are highly critical in these instances. For example, each school district at which an attendance center is located may purchase all of the fixed assets used at that attendance center. Ownership of the fixed assets is then in the name of the individual school district. Under these circumstances, it would seem proper to include depreciation expenditures in the per capita tuition charge. The per capita tuition charge computation previously illustrated would include the depreciation expense mentioned because the

district at which the attendance center is located would bill the joint agreement. Payment of the bill by the joint agreement would be handled in the account payment to other districts or other joint agreements. Consequently, the payment would be included as a part of the total expenditures shown in the per capita cost computation.

The organizational structure of a decentralized joint agreement also has an effect on administrative expense. Each school district that has an attendance center for a joint agreement incurs some administrative expense. Handling this type of situation would certainly depend heavily on the organizational structure of the decentralized joint agreement. Under these circumstances it does not appear that any one general procedure can feasibly apply to such varied conditions. Such questions must be resolved on an individual basis in light of many variables that come into play in a decentralized structure. Certainly these questions must be given consideration prior to a school district's signing or acceptance of the terms in a formal joint agreement document.

Many problems are associated with decentralized joint agreements, and areas that warrant special consideration in the formation of new joint agreements can and should be emphasized. Sound budgeting and fiscal control in light of the budget can do much to influence decisions concerning cost and cost allocation. Financial reports aid the budgeting process in that historical cost information can, in some instances, show the impact of a changing economy and enrollment. A joint agreement must plan and evaluate its fiscal program and procedures in order to function efficiently and effectively and to provide equality for the participating districts.

APPENDIX L -- GLOSSARY

A

ABATEMENT: A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates, and collections for loss or damages to school property. (II)

ACCOUNT: A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source. (II)

ACCOUNTABILITY: The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals. (VII)

ACCOUNTING: The procedure of maintaining systematic records of events relating to persons, objects, or money and summarizing, analyzing, and interpreting the results of such records. (VII M)

ACCOUNTING LEDGER: See Ledger.

ACCOUNTING PERIOD: A period at the end of which and for which financial statements are prepared, for example, July 1 through June 30. (II)

ACCOUNTING SYSTEM: The total mechanism of records and procedures of recording, retrieving, and reporting information on the financial position and operations of a governmental unit or any classifying of its funds, balanced account groups and organizational components.

ACCOUNT INTEREST: Interest accumulated between interest dates but not yet due. (II)

ACCOUNTS RECEIVABLE: Amounts owing an open account from private persons, firms, or corporations for goods and services furnished by an LEA (but not including amounts due from other funds or from other governmental units). Although taxes receivable are covered by this term, they should be recorded and reported separately in the Taxes Receivable account. (VII M)

ACCRUAL BASIS: The basis of accounting under which revenues are recorded when earned or when levies are made, and expenditures are recorded as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. See also Current Expense, Estimated Revenue, and Expenditures.

ACCRUE: To record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds. See also Accrual Basis, Accrued Expenses, Accrued Liabilities, and Accrued Revenue. (VII)

ACCRUED EXPENSES: Expenses which have been incurred and have not been paid as of a given date. See also Accrual Basis and Accrue. (II)

ACCRUED INTEREST ON INVESTMENTS PURCHASED: Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. At that time, an entry is made debiting account Cash and crediting the Accrued Interest on Investments Purchased and an Interest Earnings account for the balance.

ACCRUED LIABILITIES: Amounts owed but not yet due; for example, accrued interest on bonds or notes. See also Accrued Expenses. (VII)

ACCRUED REVENUE: Levies made or other revenue earned and not collected regardless of whether due or not.

ADMINISTRATION: Those activities which have as their purpose the general direction, execution, and control of the affairs of the LEA that are systemwide and not confined to one school, subject, or narrow phase of school activity. (VII M)

ADMINISTRATIVE ACTION: Any action which results in the general regulation, direction, or control of the affairs of the organizational unit. (VII)

ADMINISTRATIVE UNIT, INTERMEDIATE:

A unit smaller than the State which exists primarily to provide consultative, advisory, or statistical services to local basic administrative units, or to exercise certain regulatory and inspectoral functions over local basic administrative units. An intermediate unit may operate schools and contract for school services, but it does not exist primarily to render such services. Such units may or may not have taxing and bonding authority. Where there is a supervisory union board, the union is included as an intermediate unit. (II)

ADMINISTRATIVE UNIT, LOCAL BASIC: An administrative unit at the local level which exists primarily to operate schools or to contract for school services. Normally, taxes can be levied against such units for school purposes. These units may or may not have the same boundaries as county, city, or town boundaries. (This term is used synonymously with the term "school system" and "LEA".) (II M)

ADMISSIONS: Money received for a school-sponsored activity such as a dance or football game. Admissions may be recorded in separate accounts according to the type of activity.

ADULT BASIC EDUCATION: Learning experiences concerned with the fundamental tools of learning for adults who have never attended school or who have interrupted formal schooling and need this knowledge and these skills to raise their level of education to increase self-confidence, and/or self-determination, to prepare for an occupation, and to function more responsibly as citizens in a democracy.

ADULT/CONTINUING EDUCATION: Learning experiences designed to develop knowledge and skills to meet immediate and long-range educational objectives for adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning, to prepare for a post-secondary career, to prepare for post-secondary education programs, to upgrade occupational competencies, to prepare for a new or different career, to develop skills and appreciations for special interests, or to enrich the aesthetic qualities of life.

ADULT/CONTINUING EDUCATION TUITION:

Money received as tuition for students attending adult/continuing education classes. Separate accounts may be maintained for tuition received for residents and for tuition received for nonresidents.

AD VALOREM TAXES LEVIED BY ANOTHER GOVERNMENT UNIT: Taxes levied for school purposes by a government unit other than the LEA. The LEA is not the final authority, within legal limits, in determining the amount to be raised. For example, after an LEA has determined that a certain amount of revenue is necessary, another governmental unit may exercise discretionary power in reducing or increasing the amount.

AD VALOREM TAXES LEVIED BY LEA: Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes.

ADVANCE FROM "A" FUND: A liability account used to record a debt owed by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each interfund receivable loan.

ADVANCE TO "A" FUND: An asset account used to record a loan by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each interfund receivable loan.

ADVANCED ADULT EDUCATION: Learning experiences designed to develop the knowledge, skills, appreciations, attitudes, and behavioral characteristics considered to be needed by adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities and are preparing for post-secondary careers and/or post-secondary education programs.

AGGREGATE DAYS ATTENDANCE: The sum of the days present (actually attended) of all pupils when school was actually in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

AGGREGATE DAYS MEMBERSHIP: The sum of the days present and absent of all pupils when school was in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

ALLOT: To divide an appropriation into amounts for certain periods or for specific purposes. (II)

ALLOTMENT: The amount allotted for a certain period or purpose. (II)

ALLOTMENT LEDGER: A subsidiary ledger which contains an account for each allotment showing the amount allotted, expenditures, encumbrances, the net balance, and other related information. See also Appropriation Ledger. (II)

AMORTIZATION OF DEBT: Gradual payment of an amount owed according to a specified schedule of times and amounts. (II)

AMOUNT AVAILABLE IN BOND AND INTEREST FUND: A fund which designates the amount of assets available in the Bond and Interest Fund for the retirement of general obligation term bonds.

AMOUNT TO BE PROVIDED FOR PAYMENT OF BONDS: An account in the General Long-Term Debt group of accounts which represents the amount to be provided from taxes or other general revenue to retire outstanding general obligation term bonds.

APPORTIONMENT: See Allotment.

APPRAISAL: The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often engineering estimates. Also, the value established by estimating. (VII)

APPRAISED VALUE: The value established by appraisal. See also Appraisal.

APPROPRIATION: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. (II)

APPROPRIATION, SCHOOL: Money received out of funds set aside periodically by the appropriating body (district meeting, city council, or other governmental bodies) for school purposes;

which funds have not been specifically collected as school taxes.

APPROPRIATION BALANCE: See Unencumbered Balance of Appropriation or Allotment.

APPROPRIATION EXPENDITURE: An expenditure chargeable to an appropriation. (II)

APPROPRIATION LEDGER: A ledger containing an account with each appropriation. Each account usually shows the amount originally appropriated, transfers to or from the appropriation, amount charged against the appropriation, the encumbrances, the net balance, and other related information. If allotments are made and a separate ledger is maintained for them, each account usually shows the amount appropriated, transfers to or from the appropriation, the amount allotted, and the unallotted balance. See also Allotment Ledger. (II)

APPROPRIATIONS RECEIVED FROM LOCAL GOVERNMENTAL UNITS OTHER THAN LEA: Money received from the appropriations of another local governmental unit. The LEA is not the final authority, within legal limits, in determining the amount of money to be received, and the money is raised by taxes or other means which are not earmarked for school purposes.

ARCHITECTURE AND ENGINEERING: Pertains to architectural and engineering activities related to Land Acquisition and Improvement and Building Acquisition, Construction, and Improvements.

AREA OF RESPONSIBILITY: A subdivision of a Service Area consisting of activities which, regardless of their nature, have a common purpose directly related to the operational objective of the Service Area. (IV)

ASSESSMENT, SPECIAL: A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties. (II)

ASSETS: The things of value an LEA owns. See also Fixed Assets. (II B)

ATTENDANCE, AGGREGATE DAYS: See Aggregate Days Attendance.

AUDIOVISUAL AIDS: Optical, electronic, and other devices--and related supplies--which are designed to enhance learning through the combined senses of hearing and sight, e.g., sound, motion pictures, printed materials, and television. Frequently two or more of these components are combined into electronic distribution systems, some of which incorporate remote or dial access capabilities. See also Educational Media. (VII)

AUDIT: The examination of records and documents and the securing of other evidence for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts. (II)

AUDITED VOUCHER: A voucher which has been examined and approved for payment. (II)

AVERAGE DAILY ATTENDANCE, ADA: The aggregate days attendance of a given school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. The average daily attendance for groups of schools having varying lengths of terms is the sum of the averaged daily attendance obtained for the individual schools. See also Aggregate Days Attendance.

AVERAGE DAILY MEMBERSHIP, ADM: The aggregate days membership of a school during a reporting period divided by the number of days school is in session during this period. Only days on which pupils are under the guidance and direction of teachers should be considered as days in session. The average daily membership for groups of schools having varying lengths of terms is the sum of the averaged daily memberships obtained for the individual schools. See also Aggregate Days Membership.

B

BALANCE SHEET: A formal statement of assets, liabilities, and fund balance as of a specific date. (VII)

BALANCE SHEET ACCOUNTS: See Balance Sheet.

BOARD OF EDUCATION SERVICES: The activities of the elected or appointed body which has been created according to State law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called school boards, governing boards, boards of directors, school committees, school trustees, etc. This Service Area relates to the general term and covers State boards, intermediate administrative unit boards, and local basic administrative unit boards.

BOARD SECRETARY: The duties of the secretary of the board of education.

BOARD TREASURER: The duties of the treasurer of the board of education.

BOND: A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also Refunding Bonds, Serial Bonds, Surety Bonds, Working Cash Fund Bonds.

BOND ATTORNEY: The attorney who approves the legality of a bond issue. (II)

BOND DISCOUNT: The excess of the face value of a bond over the price for which it is acquired or sold. The price does not include accrued interest at the date of acquisition or sale. (VII)

BOND PREMIUM: The excess of the price at which a bond is acquired or sold, over its face value. The price does not include accrued interest at the date of acquisition or sale. (II)

BONDED INDEBTEDNESS: The part of the LEA debt which is covered by outstanding bonds of the LEA. (II)

BOND PROCEEDS RECEIVABLE: An account used to designate the amount receivable upon sale of bonds.

BONDS PAYABLE: The face value of bonds issued and outstanding.

BOOKSTORE SALES: Revenues of sales resulting from the operation of a bookstore. Bookstore sales can be part of the distributive education courses offered, pupil organization sponsored, or an LEA enterprise. Sales may be recorded in separate accounts according to the type of product sold.

BOOK VALUE: Value as shown by books of account. (II)

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. The schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect. (VII)

BUDGETARY ACCOUNTS: Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts. See also Proprietary Accounts. (II)

BUDGETARY CONTROL: The control or management of the business affairs of the LEA in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts. (II)

BUDGET DOCUMENT: The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures, and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and

borrowing measures necessary to put the budget into effect.

BUDGETING: Pertains to budget planning, formulation, administration analysis, and evaluation.

BUILDING ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS: Pertains to building acquisition through purchase or construction, and building improvements. It includes initial installation or extension of service systems and other building equipment, as well as building additions.

C

CAPITAL OUTLAY: An expenditure which results in the acquisition of fixed assets or additions to fixed assets which are presumed to have benefits for more than one year. It is an expenditure for land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; remodeling of buildings; or initial; additional; and replacement of equipment. (VII M)

CARE AND UPKEEP OF BUILDING: Pertains to cleaning the buildings of school plants or supporting services facilities; operating such equipment as heating and ventilating systems, keeping the school plant safe for occupancy and use, and keeping the buildings and built-in equipment of the LEA in a state of good condition and repair.

CARE AND UPKEEP OF EQUIPMENT: Pertains to maintaining equipment owned or used by the school or LEA. It includes such activities as servicing and repairing furniture, machines, and other equipment that is not built-in.

CARE AND UPKEEP OF GROUNDS: Pertains to maintaining the grounds and the equipment on the grounds (other than buildings) owned or used by the school or LEA in a state of good condition and repair.

CASH: Currency, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash, and bank deposits. Any restriction or limitations as to its availability should be indicated. (II)

CASH BASIS: The basis of accounting under which revenues are recorded only when actually received, and only cash disbursements are recorded as expenditures. (II)

CASH CHANGE FUND: A sum of money set aside for the purpose of providing cash register change.

CASH DISCOUNTS: An allowance received or given by vendors for payment of invoices within a stated period of time.

CASH WITH FISCAL AGENT: Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest. (II B)

CATEGORICAL AID: Support funds provided from a higher governmental level and specifically limited to (earmarked for) a given purpose; e.g., special education, transportation, or vocational education.

CENTRAL ADMINISTRATIVE OFFICE: An office or building used primarily for housing personnel and equipment engaged in activities which have as their purpose the general regulation, direction, and control of the affairs of the LEA that are systemwide and not confined to one school, subject, or narrow phase of school activity.

CHART OF ACCOUNTS: A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities. (II B)

CHECK: A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his/her order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable; and it differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing marks of a voucher and a check, it shows the propriety of a payment and is an order to pay. (II)

CIVIC ACTIVITIES: School-related activities such as parent-teacher association meetings and such nonschool-related civic activities as public

forums, lectures, and civil defense planning usually connected with school services.

CLASSIFICATION, OBJECT: See Object Classification.

CLEARING ACCOUNTS: Accounts used to accumulate total receipts or expenditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable or for recording the net differences under the proper account. See also Prepaid Expenses and Petty Cash.

CLERICAL/OPERATIONAL PERSONNEL: Personnel occupying positions which have as their major responsibilities the preparing, transferring, transcribing, systematizing, or preserving of written communications and records. This also includes stock clerks and shipping clerks. (II)

COCURRICULAR ACTIVITIES: Cocurricular activities (experiences) are comprised of the group of school-sponsored activities, under the guidance or supervision of qualified adults, designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups--at school events, public events or a combination of these--for such purposes as motivation, enjoyment, and improvement of skills. In practice, participation usually is not required and credit usually is not given. When participation is required or credit is given, the activity generally is considered to be a course. (VI M)

CODING: Distinguishing among items and categories of information by assigning numbers or other symbolic designations so that the items and categories are readily identifiable. (VII)

COMMUNICATION: Expenditures for telephone and telegraph services, as well as postage machine rental and postage.

COMMUNITY RECREATION: Concerned with providing recreation programs for the community as a whole, or for some segment of the community. It includes such staff activities as organizing and supervising playgrounds, swimming pools, and other recreation programs for the community.

COMMUNITY RELATIONS: Concerned with conducting community relations activities. It includes maintaining liaisons with local civic groups, serving as the central point for all requests for public-speaking engagements, responding to public inquiry, and arranging for tours and visits to the LEA.

COMMUNITY SERVICES: Services, other than public school and adult education functions, provided by the school or LEA for purposes relating to the community as a whole or some segment of the community. These include such services as community recreation programs, civic activities, public libraries, programs of custody and care of children, community welfare activities, and services for nonpublic school pupils provided by the public schools on a continuing basis. (IV)

COMPARABILITY: The characteristic of commonality among or between selected elements measured in terms of identical constants. The accuracy of the measurement of the degree of comparability is usually dependent on the number of constants applied. This definition is applicable to E.S.E.A., Title I.

CONTINGENT FUND: Assets or other resources set aside to provide for unforeseen expenditures, or for anticipated expenditures of uncertain amount.

CONTINGENT LIABILITIES: Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, and unsettled disputed claims.

CONTRACTED SERVICES: Services rendered by personnel who are not on the payroll of the LEA including all related expense covered by the contract. (This includes consultants.)

CONTRACTS PAYABLE: Amounts due on contracts for goods and services received by an LEA.

CONSTRUCTION CONTRACTS PAYABLE: Amounts due by an LEA on contracts for construction of buildings, structures, and other improvements.

CONSTRUCTION CONTRACTS PAYABLE--RETAINED PERCENTAGE: Liabilities on account of construction contracts for that portion of the work which has been completed, but on

which part of the liability has not been paid pending final inspection or the lapse of a specified time period or both. The unpaid amount is usually a stated percentage of the contract price.

CONSTRUCTION WORK IN PROGRESS: The cost of construction work undertaken but not yet completed.

CONTINUING EDUCATION: See Adult/Continuing Education.

CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES: Money received from a philanthropic foundation, private individuals, or private organizations for which no repayment or special service to the contractor is expected. Separate accounts may be maintained for revenue with unrestricted use and revenue which is restricted.

CONTROLLING ACCOUNT: An account usually kept in the general ledger in which the posting to a number of identical, similar, or related accounts are summarized so that the balance in the controlling account equals the sum of the balances of the detailed accounts. The controlling account serves as a check on the accuracy of the detailed account posting and summarizes the expenditures in relation to the budget estimates.

COST ACCOUNTING: That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job. (VII)

COST BENEFIT: Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it, or analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives. (VII)

COST CENTER: The smallest segment of a program that is separately recognized in the agency's records accounts, and reports. Program-oriented budgeting, accounting, and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers. (VII)

COST EFFECTIVENESS: Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective so that different ways of gaining the objective may be compared. (VII)

COST LEDGER: A subsidiary record wherein each project, job, projection center, process, operation, product, or service is given a separate account under which all items of its costs are posted in the required detail. (II)

COST UNIT: The unit of product or service whose cost is computed. (II)

CURRENT: The term refers to the fiscal year in progress. (II)

CURRENT ASSETS: Cash or anything that can be readily converted into cash. (II B)

CURRENT EXPENDITURES: See Current Expense.

CURRENT EXPENSE: Any expenditure except for capital outlay and debt service. Current expense includes total charges incurred, whether paid or unpaid. (II M)

CURRENT EXPENSE, TOTAL: The total of all expenditures made during a period of time except for capital outlay and debt service. (II)

CURRENT FUNDS: Money received during the current fiscal year from revenue, which can be used to pay obligations currently due, and surpluses reappropriated for the current fiscal year. (II M)

CURRENT LIABILITIES: Debts which are payable within a relatively short period of time, usually no longer than a year. See also Floating Debt. (II M)

CURRENT LOANS: A loan payable in the same fiscal year in which the money was borrowed. See also Tax Anticipation Notes. (II)

CURRENT YEAR'S TAX LEVY: Taxes levied for the current fiscal period. (II)

CUSTODY AND CARE OF CHILDREN: The custodial care of children in residential day schools or child care centers which are not part of, or directly related to, the instructional program,

and where the attendance of the children is not included in the attendance figures for the LEA.

D

DATA BANK: A comprehensive collection of data, usually in machine-usable form (such as punch cards, tapes, and discs), which can be used for such purposes as drawing subsamples for special studies, historical studies, and deriving summations and correlations. Typically, an educational data bank is comprised of component files relating to specific areas of information such as pupils, staff, property, finance, instructional programs, and the community. (VII)

DATA PROCESSING: The activities of collecting and organizing data, storing for future use, and preparing statistical reports. See Machine Data Processing.

DEBT SERVICE: Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans. See also Current Loans. (VII)

DEBT SERVICE BOND AND INTEREST FUND: Used to finance and account for payment of interest and principal on the general obligation debt.

DEFERRED CHARGES: Expenditures which are not chargeable to the fiscal period in which made but are carried on the asset side of the balance sheet pending amortization or other disposition. Deferred charges differ from prepaid expenses in that they usually extend over a long period of time and may or may not be regularly recurring costs of operation. See also Prepaid Expenses. (II)

DEFICIT: The excess of the obligations of a fund over the fund's resources. (II)

DELINQUENT TAXES: Taxes remaining unpaid on and after the date on which they become delinquent by statute. (II)

DEPOSITS: Use of this account is normally restricted to long-term investments deposited by the LEA as a prerequisite to receiving services and/or goods.

DEPOSITS PAYABLE: Liability for deposits received as a prerequisite to providing or receiving services and/or goods.

DEPRECIATION: Loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence. (II)

DIRECT COSTS: Those elements of cost which can be easily, obviously, and conveniently identified with specific activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identifiable with specific activities. See also Indirect Costs. (VII)

DIRECT SERVICES: Activities identifiable with a specific program. These are direct services for a particular program. Those activities concerned with the teaching-learning process are considered to be direct services for instruction.

DISBURSEMENTS: Payments in Cash. See also Cash. (VII)

DOUBLE ENTRY: A system of bookkeeping which requires that for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts be made to the credit side of another account or accounts. (II)

DUE FROM "A" GOVERNMENT: Amounts due to the reporting governmental unit from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, loans, and charges for services rendered by the reporting unit for another government. It is recommended that separate accounts be maintained for each interfund receivable.

DUE TO FISCAL AGENT: Amounts due to fiscal agents, such as commercial banks, for servicing an LEA's maturing indebtedness.

DUE TO "A" FUND: A liability account used to indicate amounts owed by a particular fund to another fund in the same LEA for goods and services rendered. It is recommended that separate accounts be maintained for each interfund receivable.

DUE TO "A" GOVERNMENT: Amounts owed by the reporting LEA to the named governmental unit. It is recommended that separate accounts be maintained for each interfund receivable.

DUES AND FEES: Costs of memberships or assessments in professional or other organizations and payments to paying agents for services rendered.

E

EARNED INTEREST: Interest collected or due. (II)

EDUCATIONAL MEDIA: Any device, content material, method, or experience used for teaching and learning purposes. These include printed and nonprinted sensory materials. See also Audiovisual Aids. (VII)

EDUCATIONAL TV: Providing television programs as a part of the instructional program of the school or LEA. It includes writing, programming, and directing educational television programs.

ELECTIONS: Services rendered in connection with any LEA election, including elections of officers, bond elections (regardless of whether or not the bond issues pass), and budget and appropriation elections.

ELEMENTARY SCHOOL: A school classified as elementary by State and local practice and composed of any span of grades not above grade eight. A nursery school or kindergarten school is included under this heading only if it is an integral part of a regularly established school system. (IV)

EMPLOYEE BENEFITS: Compensation, in addition to regular salary, provided to an employee. This may include such benefits as health insurance, life insurance, annual leave, sick leave, retirement, and social security.

ENCUMBRANCES: Purchase orders, contracts, and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when actual liability is set up. (VII)

ENTRY: The record of a financial transaction in its appropriate book of accounts. Also the act of recording a transaction in the books of accounts.

EQUIPMENT: Any instrument, machine, apparatus, or set of articles which (a) retains its original shape and appearance with use and (b) is nonexpendable, i.e., if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it than to replace it with an entirely new unit. (VII)

EQUITY: Equity is the mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

ESTIMATED REVENUE: If the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period, regardless of whether or not it is all to be collected during the period. If the accounts are kept on a cash basis, the term designates the amount of revenues estimated to be collected during a given period. (II)

ESTIMATED UNCOLLECTIBLE TAX LIENS: That portion of tax liens receivable which it is estimated will never be collected. The account is shown as a deduction from the Tax Liens Receivable account on the balance sheet in order to arrive at the net amount of tax liens receivable.

ESTIMATED UNCOLLECTIBLE TAXES: A provision of tax revenues for that portion of taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable. Separate accounts may be maintained on the basis of tax roll year and/or delinquent taxes.

EVALUATION: The process of ascertaining or judging the value or amount of an action or an outcome by careful appraisal of previously specified data in light of the particular situation and the goals and objectives previously established. (VII)

EXPENDITURE CHARACTER: The period of time which the expenditure is presumed to benefit. Character classifications of expenditures are current expenditures, capital outlay, and debt service.

EXPENDITURES: Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year. (VII)

F

FACE VALUE: As applied to securities, this term designates the amount of the liability stated in the security document. (II)

FACILITIES ACQUISITION AND CONSTRUCTION: Consists of activities involved with the acquisition of land and buildings, remodeling buildings, the construction of buildings and additions to buildings, initial installation or extension of service systems and other built-in equipment, and improvements to sites.

FEDERAL AID FOR EDUCATION: Any grant made by the Federal Government for the support of education.

FEDERAL REVENUE: Revenue provided by the Federal Government. Expenditures made with this revenue should be identifiable as federally supported expenditures.

FIDELITY BOND: A bond guaranteeing the LEA against losses resulting from the actions of the treasurer, employees, or other persons of the system. See also Surety Bond. (II)

FIDELITY BOND PREMIUMS: Expenditures for any bonds guaranteeing the LEA against losses resulting from the actions of the treasurer, employees, or other persons of the systems. Also recorded here are any expenditures (not judgments) made in lieu of fidelity bonds.

FINANCIAL ACCOUNTING: The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned (1) with determining what accounting records are to be maintained, how they will be maintained, and the procedures, methods, and forms to be used; (2) with recording, classifying, and summarizing activities or events; (3) with analyzing and interpreting recorded data; and (4) with preparing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operation in terms of established objectives. (VII)

FISCAL PERIOD: Any period at the end of which an LEA determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The most common fiscal period for school systems is July 1 through June 30. (VII M)

FISCAL SERVICES: Consists of activities involved with managing and conducting the fiscal operations of the LEA. This service area includes budgeting, receiving and disbursing, financial accounting, payroll, internal auditing, and purchasing.

FIXED ASSETS: Land, buildings, machinery, furniture, and other equipment which the LEA intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession and does not indicate immobility of an asset. (II)

FIXED ASSETS GROUP OF ACCOUNTS: This self-balancing group of accounts is used to account for fixed assets owned by the LEA. Fixed assets purchased under Lease-Purchase agreements are entered in this group after the last payment is made.

FIXED CHARGES: Charges of a generally recurrent nature which are not readily allocated to other expenditure categories. They consist of such charges as school board contributions to employee retirement, insurance and judgments, rental of land and buildings, and interest on current loans. They do not include payments to public school housing authorities or similar agencies. (II)

FLOATING DEBT: Liabilities (except bonds) payable on demand or at an early date, for example, accounts payable, bank loans, notes, or warrants. See Current Liabilities. (II)

FLOOR AREA: See Gross Floor Area.

FOOD DELIVERY: Delivering prepared food, ready for serving, within the LEA.

FOOD PREPARATION AND DISPENSING SERVICES: Concerned with preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities. It includes cooking, operating kitchen equipment, preparing salads, serving food, cleaning dishes, and storing dishes and kitchen equipment.

FOOD SERVICES: Activities involved with the food services program of the school or LEA. This Service Area includes the preparation and service of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food.

FULL-TIME EQUIVALENCY: The amount of time for a less than full-time activity divided by the amount of time normally required in a corresponding full-time activity. Full-time equivalency usually is expressed as a decimal fraction to the nearest 10th. (VI M)

FULL-TIME PERSONNEL: School employees whose positions require them to be on the job on school days throughout the school year, at least the number of hours the schools in the LEA are in session. (II)

FUNCTION: An action which contributes to a larger action of a person, living thing, or created thing. (VII M)

FUND: An independent accounting entity with its own assets, liabilities, and fund balances. Generally, funds are established to account for financing of specific activities of an agency's operations. (VII)

FUND ACCOUNTS: All accounts necessary to set forth the financial operations and financial condition of a fund. (II)

FUND BALANCE: The excess of the assets of a fund over its liabilities and reserves, except for funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period. (II B)

FUNDED DEBT: Same as Bonded Debt, which is the preferred term.

FUNDING: The conversion of judgments and other floating debt into bonded debt.

G

GAIN OR LOSS ON SALE OF INVESTMENTS: Gains or losses realized from the sale of bonds or stocks; gains represent the excess of the sales proceeds over cost or other basis at date of the sale (cost less amortization of premium in the case of long-term bonds purchased at a premium over par value or cost plus amortization of discount on long-term bonds purchased at a discount under par value); gains realized from the sale of U.S. Treasury bills represent interest income. Losses represent the excess of the cost or other basis at date of sale (as described above) over the sales proceeds.

GENERAL ADMINISTRATION: Consists of those activities involved in the overall general administrative responsibility for the entire LEA.

GENERAL LEDGER: A book, file or other device in which accounts are kept to the degree of detail necessary to summarize the financial transactions of the LEA. General ledger accounts may be kept for any group of items of receipts or expenditures on which an administrative officer wishes to maintain a close check. (II)

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS: This self-balancing group of accounts is used to account for general long-term debt of a governmental unit.

GIFT: Money received from a philanthropic foundation, private individual, or private organization for which no repayment or special service to the contributor is expected. (II)

GRANT, PRIVATE: See Gift.

GRANT-IN-AID: Grants-in-Aid are contributions made by a governmental unit to an LEA and are not related to specific revenue sources of the respective governmental unit, i.e., general, or if related to specific revenue sources of the governmental unit, are distributed on some flat grant or equalization basis. Grants-in-Aid are made by intermediate governments, state governments, and the Federal Government.

GROSS EARNINGS: See Gross Income.

GROSS FLOOR AREA: The sum of the areas at each floor level including within the principal outside faces of exterior walls, neglecting

architectural setbacks or projections. This includes all stories or areas which have floor surfaces with clear standing head room (6'6" minimum) regardless of their use. (II)

GROSS INCOME: Revenues before deducting any expenses: an expression employed in accounting for individuals, financial institutions, and the like. Also, gross revenue, or incidental revenue of a manufacturing or trading enterprise.

GUIDANCE PERSONNEL: Persons who have been assigned specific duties and school time to carry on recognized functions of the guidance programs in whole or in part. Classify here counselors, deans, placement counselors, guidance specialists, and similar personnel. This refers to both certificated and noncertificated personnel. (II)

H

HEALTH PERSONNEL: Persons in the field of physical and mental health, such as physicians, psychiatrists, school nurses, dentists, dental hygienists, psychiatric social workers, and therapists, whose services are directed primarily at individuals, although sometimes used for group activities.

HOUSING AUTHORITY OBLIGATIONS: A public school housing authority is a public corporation or quasi-public corporation having power to perform one or more of the following functions: issue authority bonds for public school purposes, acquire and hold property for public school purposes, construct public school buildings, lease public school buildings to local public school administrative units, or transfer title to such units. Recorded under this account are all expenditures to such authorities or agencies with similar functions.

I

IMPREST FUND: A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of

cash plus unreplenished disbursements must always equal the fixed sum of cash set aside. (II)

IMPROVEMENTS OTHER THAN BUILDINGS: A fixed asset account which reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition.

INDIRECT COSTS: See Overhead, Indirect Expenses.

INDIRECT EXPENSES: Those elements of cost necessary in the provision of a service which are of such nature that they cannot be readily or accurately identified with the specific service. For example, the custodial staff may clean corridors in a school building which is used jointly by administrative, instructional, maintenance, and attendance personnel. In this case, a part of custodial salaries is an indirect expense of each service using the corridors. However, it is impossible to determine readily or accurately the amount of the salary to charge each of these services.

INDIRECT SERVICES: Services for programs which cannot be identified with a specific program. All support services programs are indirect services of instruction programs.

INSTRUCTION: The activities dealing directly with the teaching of pupils. Teaching may be provided for pupils in a school, classrooms in another location such as in a home or hospital, and other learning situations such as those involving co-curricular activities; it may also be provided through some other approved medium such as television, radio, telephones and correspondence.

INSTRUCTIONAL ORGANIZATION: A school or other organizational arrangement which provides instruction of a given type or types.

INSTRUCTIONAL PERSONNEL: Those who render direct and personal services which are in the nature of teaching. Included here are teachers (including teachers of homebound), teaching assistants, teacher aides, secretaries for teachers, special graders, substitute teachers, and

clerks serving teachers only. Attendance personnel, health personnel, and other clerical personnel should not be included as instructional personnel. (II)

INSURANCE AND BOND PREMIUMS: Expenditures for all types of insurance coverage such as property, liability, fidelity, bond premiums, as well as the costs of judgments. Insurance for group health, workmen's compensation, etc., are not charged here, but are recorded under Personal Services Employee Benefits.

INTEREST: A fee charged a borrower for the use of money. See also Debt Service.

INTEREST AND RECEIVABLES: Interest received on temporary or permanent investments in U.S. Treasury bills, notes, bonds, savings accounts, time certificates of deposit, notes, mortgages, or other interest-bearing obligation and dividends received on stocks.

INTEREST RECEIVABLE ON INVESTMENTS: The amount of interest receivable on investments, exclusive of interest purchased. Interest purchased may be shown in a separate account.

INTERFUND TRANSFERS: Money which is taken from one fund under the control of the board of education and added to another fund under the board's control. Interfund transfers are not receipts or expenditures of the LEA. (II)

INTERMEDIATE SOURCES OF REVENUE: An intermediate administrative unit or a political subdivision between LEAs and the State that collects revenue and distributes it to LEAs in amounts different from those which are collected within such systems. (II)

INTERNAL AUDITING: Activities involved with evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of the accounting and reporting systems, and ascertaining compliance with established policies and procedures.

INTERNAL CONTROL: A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. For example, under such a system, the employees work is subdivided so that no one

employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely laid down, and such procedures call for proper authorizations by designated officials for all actions to be taken. (II)

INTERNAL INFORMATION: Information prepared for and distributed to learners and/or staff of an LEA. It consists of such activities as news gathering, writing, editing, photography, and newspaper reproduction, transmitted vocally in person or electronically..

INVENTORY: A detailed list or record showing quantities, descriptions, values, and, frequently, units of measure and unit prices of property on hand at a given time. Also, the cost of supplies and equipment on hand not yet distributed to requisitioning units. (II M)

INVENTORY OF STORES FOR RESALE: The value of goods held by an LEA for resale, rather than for use in its own operations.

INVESTMENT IN GENERAL FIXED ASSETS: An account in the General Fixed Assets group of accounts which represents the LEA's equity in general fixed assets. The balance of this account is subdivided according to the source of funds which financed the asset acquisition, such as General Fund revenues, Special Revenue Fund revenues, etc.

INVESTMENTS: Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The account does not include fixed assets used in LEA operations. (II M)

INVOICE: An itemized list of merchandise purchased from a particular vendor. The list includes quantity, description, price, terms, date, and the like. (II B)

J

JOURNAL: The accounting record in which the details of financial transactions are first recorded. (II B)

JOURNAL ENTRY: See Entry.

JOURNAL VOUCHER: A paper or form on which the financial transactions of the LEA are authorized and from which any or all transactions may be entered in the books. By means of the journal voucher, the budget may be put into operation and expenditures made to meet authorized obligations. Journal vouchers are also used to set up revolving funds and petty cash funds and to authorize all entries in the bookkeeping system for which no other authorizations, such as deposit slips, invoices, etc., are available. A form of journal voucher is a memorandum in the school board minutes. (II)

JUDGMENT: An amount to be paid or collected by the LEA as the result of a court decision. (II)

JUDGMENTS AGAINST THE LEA: Expenditures from current funds for all judgments (except as indicated) against the LEA 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 LEA resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due.

JUDGMENTS PAYABLE: Amounts due to be paid by an LEA as the result of court decisions including condemnation awards in payment for private property taken for public use.

JUNIOR COLLEGE: A post-secondary institution which offers the first 2 years of college instruction, frequently confers an associate degree, and does not confer a bachelor's degree. The term "junior college" is often used interchangeably with the term "community college."

JUNIOR HIGH SCHOOL: A separately organized and administered secondary school intermediate between the elementary and senior high schools. See Middle School. (V)

JUNIOR-SENIOR HIGH SCHOOL: A secondary school organized on a junior-senior basis and administered under one head as one unit. (V)

K

KINDERGARTEN: A group or class that is organized to provide educational experiences for children for the year immediately preceding the first grade. A kindergarten class may be organized as a grade of an elementary school or as part of a separate kindergarten school. In some LEAs these groups may be called preprimary, junior primary, or primary. (VII)

L

LAND: A fixed asset account which reflects the acquisition value of land owned by an LEA. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at time of acquisition.

LAND ACQUISITION AND IMPROVEMENT: Activities involved with the initial acquisition of sites and improvements thereon.

LEDGER: Contains all the accounts of a particular fund or all those detail accounts which support a particular General Ledger account. See also General Ledger, Appropriation Ledger, Allotment Ledger. (II B)

LEGAL SERVICES: Counseling services of a legal nature to the board of education.

LEVY: (Verb) To impose taxes or special assets. (Noun) The total of taxes or special assessments imposed by a governmental unit. (II)

LIABILITIES: Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. Encumbrances are not liabilities; they become liabilities when the services or materials for which the encumbrance was established have been rendered or received. (II)

LIBRARY BOOKS: Books purchased for general use and not primarily for use in certain classes, grades, or other particular student groups. They include reference sets and dictionaries, but not textbooks and periodicals. (VII)

LOANS: See Bond, Current Loan, Long-Term Loan, and Short-Term Loan.

LOCAL EDUCATION AGENCY (LEA): An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Normally, taxes may be levied by such publicly operated agencies for school purposes. These agencies may or may not be coterminous with county, city, or town boundaries. This term is used synonymously with the terms "school district," "school system," and "local basic administrative unit."

LOANS RECEIVABLE: Amounts which have been loaned to persons or organizations, including notes taken as security for such loans; where permitted by statutory authority. The account is usually carried only in the Trust and Agency Funds balance sheet.

LONG-TERM LOAN: A loan which extends for more than 5 years from the date the loan was obtained and is not secured by serial or term bonds. (II)

M

MACHINE DATA PROCESSING: The use of machines and devices in the storing of individual items of information in a form by which they may be retrieved rapidly and accurately, processed, and reproduced as single-line items, lists of items or desired combinations with other items. (VII)

MAINTENANCE OF PLANT (PLANT REPAIRS AND REPAIR AND REPLACEMENT OF EQUIPMENT): Those activities which are concerned with keeping the grounds, buildings, and equipment at their original condition of completeness or efficiency, either through repairs or by replacements of property (anything less than replacement of a total building). (II)

MAINTENANCE PERSONNEL: Personnel on the school payroll who are primarily engaged in the repairing and upkeep of grounds, buildings, and equipment. (II)

MAINTENANCE WAREHOUSE: A building used primarily for housing personnel and equipment engaged in activities concerned with the repair and upkeep of grounds, buildings, and equipment, or with the manufacture of equipment. This includes building facilities for carpenters, cabinetmakers, machinists, mechanics, painters, plumbers, electricians, and groundskeepers.

MANAGEMENT INFORMATION SYSTEM: A network of communication channels (voice, digital, etc.) that acquires, retrieves, and redistributes data used in managing the educational process and in supporting the individual and collective decision-making process.

MATURED BONDS PAYABLE: Bonds which have reached or passed their maturity date, but which remain unpaid.

MATURED INTEREST PAYABLE: Interest on bonds which has reached the maturity date, but which remain unpaid.

MEMBERSHIP: A pupil is a member of a class or school from the date he/she presents him/herself at school and is placed on the current roll until he/she permanently leaves the class or school for one of the causes recognized as sufficient by the State. The date of permanent withdrawal should be the date on which it is officially known that the pupil has left school, not necessarily the first day after the date of last attendance. Membership is obtained by adding the total original entries and the total reentries and subtracting the total withdrawals; it may also be obtained by adding the total number present and the total number absent. This term is also known as the number belonging. (V M)

MEMORANDUM ACCOUNTING: An informal record of an LEA transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

MIDDLE/JUNIOR HIGH SCHOOL: A term describing a school organization between an elementary school and a high school. This term is used for budget purposes usually when middle and junior high schools need to be grouped for planning. Any other type organization by any other name, falling between the elementary and high schools, should be included.

MIDDLE SCHOOL: A separately organized and administered school usually beginning with

grades five or six or their equivalent and including at least three grades or three years. Most middle schools presume, in ultimate plan if not in present reality, a four-year high school for the grades or years which follow, as is a 4-4-4 or 5-3-4 plan. (VI)

N

NET EXPENDITURE: The actual outlay of money by the LEA for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity. (II)

NET INCOME: The balance remaining to the LEA after deducting from the gross revenue for a given period all operating expense and income deductions during the same period. See Revenue.

NONCATEGORICAL: A term usually applied to revenue for revenue from any or all sources which is not identifiable with specific expenditures, i.e., general fund revenue which loses its identity as it is expended for objects relating to many Service Areas.

NONPUBLIC SCHOOL: A school established by an individual, institution, or agency other than the State, subdivisions of the State, or the Federal Government, which usually is supported primarily by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials. (VII)

NONRESIDENT STUDENT: A student whose legal residence is outside the geographic area served by a specified school, LEA, or institution. (V R)

NURSERY SCHOOL: A separately organized and administered elementary school for groups of children during the year or years preceding kindergarten, which provides education experiences under the direction of professionally qualified teachers. (V M)

O

OBJECT: The commodity or service obtained from a specific expenditure. (VII)

OBJECT CLASSIFICATION: A category of goods or services purchased.

OBLIGATIONS: Amounts which the LEA will be required to meet out of its resources, including both liabilities and encumbrances.

OVERHEAD COSTS: Those elements of cost necessary in the production of an article or the performance of a service which are of such a nature that the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditures which do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, supervision, and other similar items. (II M)

OVERTIME SALARIES: Gross salary paid to employees of the LEA in positions of either a temporary or permanent nature for work performed in addition to the normal work period for which the employee is compensated under Regular Salaries and Temporary Salaries. The terms of such payment for overtime is a matter of State and local regulation and interpretation.

P

PART-TIME PERSONNEL: Personnel who occupy positions which require less than full-time service. This includes those employed full-time for part of the school year, part-time for all of the school year, and part-time for part of the school year.

PART-TIME PUPIL: A pupil who is carrying less than a full course load as determined by the State or the LEA. (V)

PAYMENTS IN LIEU OF TAXES: Payments made out of general revenues by a governmental unit to the LEA in lieu of taxes it would have had to pay, had its property or other tax base been subject to taxation by the local LEA on the same basis as other privately owned property or other tax bases. It would include payment made for privately owned property which is not subject to taxation on the same basis as other privately owned property due to action by the governmental unit owning or responsible for the property.

PAYROLL: A list of individual employees entitled to pay with the amounts due to each for personal services rendered. Payments are also made for such payroll-associated costs as Federal

and State income tax withholdings, retirement and social security. (II)

PAYROLL DEDUCTIONS AND WITHHOLDING: Amounts deducted from employees' salaries for taxes required to be withheld and for other withholding purposes. Separate liability accounts may be used for each type of deduction.

PENALTIES AND INTEREST ON TAXES: Amount collected as penalties for the payment of taxes after the due date or dates, and the interest charged on delinquent taxes from the due date to the date of actual payment. A separate account for penalties and interest of each type of tax may be maintained.

PENSION SYSTEM: A free retirement plan whereby persons leaving service in the educational system because of age, disability, or length of service receive payments from funds to which they have not contributed. Payments may be either in a lump sum or in the form of annuity. See also Retirement Fund System. (II)

PERSONNEL, ADMINISTRATIVE: Personnel on the school payroll who are primarily engaged in activities which have as their purpose the general regulation, direction, and control of the affairs of the LEA that are systemwide and not confined to one school, subject, or a narrow phase of school activity, e.g., superintendent of schools, business manager, and accountant. (II)

PERSONNEL, CLERICAL/OPERATIONAL: See Clerical/Operational Personnel.

PERSONNEL, FULL-TIME: See Full-Time Personnel.

PERSONNEL, GUIDANCE: See Guidance Personnel.

PERSONNEL, HEALTH: See Health Personnel.

PERSONNEL, INSTRUCTIONAL: See Instructional Personnel.

PERSONNEL, MAINTENANCE: See Maintenance Personnel.

PERSONNEL, PART-TIME: See Part-Time Personnel.

PETTY CASH: A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Also, a sum of money, either in the form of currency or a special bank deposit, set aside for the purpose of making change or immediate payments of comparatively small amount. See also Imprest Fund. (II M)

PLANNING: The selection or identification of the overall, long-range goals, priorities, and objectives of the organization and the formulation of various courses of action to be followed in working toward achieving those goals, priorities, and objectives. (VII)

PLANNING-PROGRAMING-BUDGETING-EVALUATION SYSTEM (PPBES): A structured procedure for determining policy in the allocation of resources for accomplishment of priority programs; it emphasizes long-range planning, analytic evaluative tools, and economic rationality in setting goals and objectives and in the determination of programs. (VII)

POSTING: The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher, or similar books or documents of original entry. (II B M)

PREMIUM, BOND: See Bond Premium.

PREMIUM ON BONDS SOLD: That portion of the sales price of bonds in excess of their par value. The premium represents an adjustment of the interest rate.

PREPAID EXPENSES: Expenses entered in the account for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation. Examples of prepaid expenses are prepaid rent, prepaid interests, and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold. (II M)

PRINCIPAL OF BONDS: The face value of bonds. See also Face Value. (II)

PRINTING AND BINDING: Amounts paid for job printing and binding, usually following the specifications of the LEA. This includes the design and printing of forms and posters as well as printing and binding LEA publications.

Preprinted standard forms purchased are not charged here, but are recorded under Supplies and Materials.

PRINTING, PUBLICATION, AND DUPLICATING SERVICES: Pertains to printing and publishing administrative publications such as annual reports, school directories, and manuals. It also includes providing centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.

PRIVATE SCHOOL OR NONPUBLIC: A school established by an agency other than the State or its subdivisions which is primarily supported by other than public funds and the operation of whose program rests with other than publicly elected or appointed officials. (V)

PROFESSIONAL: A term denoting the level of personnel who have had extensive training in a particular line of work (usually a minimum of a bachelor's degree) and who perform activities regarded as professional by the laws and regulations established by the State or other professional requirements recognized by the State. Examples are teachers, architects, lawyers, and nurses. (VII M)

PROFESSIONAL AND TECHNICAL SERVICES: Services of individuals having extensive training in a particular line of work. This includes such services as those provided by architects, auditors, dentists and doctors, consultants, lawyers, tax collectors, data-processing service bureaus, and others.

PROGRAM: A plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

PROGRAMMING: Preparation of a logical sequence of operations to be performed by a computer in solving a problem or processing data, the preparation of coded instructions and data for such a sequence. (VII)

PROPERTY INSURANCE: Expenditures for all forms of insurance covering the loss of, or damage to, property of the LEA from fire, theft, storm, or any other cause. Also recorded here are costs for appraisals of property for insurance purposes.

PROPRIETARY ACCOUNTS: Those accounts which show actual financial conditions and operations such as actual assets, liabilities,

reserves, surplus, revenues, and expenditures, as distinguished from budgetary accounts. See also Budgetary Accounts. (II)

PRORATING: The allocation of parts of a single expenditure to two or more different accounts. The allocation is made in proportion to the benefits which the expenditure provides for the respective purposes or programs for which the accounts were established. (II)

PUBLIC INFORMATION: Information for public consumption through news media about the condition and progress of education in the LEA. It consists of such activities as writing news releases, speaking to civic groups or other assemblies, and appearing on local radio and television programs to discuss LEA programs.

PUBLIC RELATIONS: See Community Relations.

PUBLIC SCHOOL: A school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported primarily by public funds. (II)

PUBLIC SCHOOL HOUSING AUTHORITY: See Housing Authority Obligations.

PUBLIC SERVICES: Expenditures for services usually provided by public utilities such as water, sewerage, electricity, gas, and garbage. This includes those same services whether the utility company be public or private. Costs for telephone and telegraph are not charged here, but are recorded under Communication.

PUBLICLY OWNED QUARTERS: Any public school facility owned by a school administrative unit or under its control through a contract to purchase. Public school facilities designed for school purposes and owned by a county or municipal unit of government, public school housing authority, or similar agency are included.

PUPIL ACCOUNTING: A system for collecting, computing, and reporting information about pupils. (V)

PUPIL ACTIVITY FUND: Financial transactions related to school-sponsored pupil activities and interscholastic activities. These activities are supported in whole or in part by income from pupils, receipts, and other fund-

raising activities. Support may be provided by local taxation.

PUPIL, PART-TIME: See Part-Time Pupil.

PUPIL, RESIDENT: See Resident Student.

PUPIL TRANSPORTATION SERVICES: Consists of those activities involved with the conveyance of pupils to and from school activities, as provided by State law. This includes trips between home and school or trips to school activities. This Service Area is applicable to both schools and LEAs.

PUPIL, TUITION: See Tuition Student.

PURCHASE ORDER: A written request to a vendor to provide material or services at a price set forth in the order. This is used as an encumbrance document. (II B)

PURCHASED SERVICES: Personal services rendered by personnel who are not on the payroll of the LEA and other services which may be purchased by the LEA. See also Contracted Services. (VII)

PURCHASING: Acquiring supplies, equipment, and materials used in school or LEA operation.

R

REAL ESTATE: Land, improvements to site, and buildings; real property. (VII)

REBATES: Abatements or refunds. (II)

RECEIPTS: Cash received. See Revenue.

RECEIVING AND DISBURSING: Accepting and paying out funds. It includes the current audit of receipts and the preaudit of requisitions or purchase orders before the order is placed to determine whether the amounts are within the budgetary allowances and whether such disbursements are lawful expenditures of the school or LEA.

RECORD MANAGEMENT: Establishing and maintaining an adequate and efficient system for controlling the records of an LEA.

RECORDS: A collection of information which is prepared by a person, unit, or organization for the use of that person, unit, or organization. (VII)

RECRUITMENT AND PLACEMENT: Employing and assigning personnel for the LEA.

REDEMPTION OF PRINCIPAL: Expenditures from current funds to retire serial bonds, long-term loans of more than 5 years, and short-term loans of less than 5 years.

REFUND: A return of an overpayment or overcollection. The return may be either in the form of cash or a credit to an account. (II B)

REFUNDING BONDS: Bonds issued to pay off bonds already outstanding. (II)

REFUND OF PRIOR YEAR'S EXPENDITURES: Revenue coming from a refund of an expenditure made to a prior fiscal year's budget. A refund of an expenditure made in the same fiscal year's budget may be recorded in the appropriate expenditure account as a reduction of the expenditure.

REGISTER: A record for the consecutive entry of a certain class of events, documents, or transactions, with a proper notation of all of the required particulars. The form of register for accounting purposes varies from a one column to a multicolumnar sheet of special design whereon the entries are distributed, summarized, and aggregated usually for convenient posting to the accounts. (II)

REGULAR DAY SCHOOL TRANSPORTATION: Transportation of pupils attending regular day school. Separate accounts must be maintained for transportation fees received from patrons, and for transportation fees received from other LEAs.

REGULAR DAY SCHOOL TUITION: Tuition for nonresident pupils attending the regular day schools in the LEA. Separate accounts must be maintained for tuition received from patrons and for tuition received from other LEAs.

REGULAR SALARIES: Full-time, part-time, and prorated portions of the gross salary costs for work performed by employees of the LEA who are considered to be in positions of a permanent nature.

REIMBURSEMENT: The return of an overpayment or overcollection in cash. (II B)

REMODELING: Any major permanent structural improvement to a building. It includes changes of partitions, roof structure, or walls. Repairs are not included here but are included under maintenance. (III)

RENTALS EXPENDED: Expenditures for the lease or rental of land, buildings, and equipment for the temporary or long-range use of the LEA. This includes bus and other vehicle rental when operated by LEA personnel, lease of data processing equipment, lease-purchase arrangements, and similar rental agreements. Costs for single agreements covering equipment as well as operators are not charged here, but are recorded elsewhere under Purchased Services. See Transportation, Printing and Binding, Public Utility Services, Repairs & Maintenance Services.

RENTALS RECEIVED: Money received from the rental of school property, real or personal. It does not include rentals from real property held for income purposes; this revenue is recorded under the account Earnings on Investments. Separate accounts may be maintained for real property, textbooks, equipment, lockers, towels, and other.

REPAIRS: The restoration of a given piece of equipment, a given building, or grounds to its original condition of completeness or efficiency from a worn, damaged, or deteriorated condition. See also Maintenance of Plant. (III)

REPAIRS & MAINTENANCE SERVICE: Repairs and maintenance services not provided directly by LEA personnel. This includes contracts of agreements covering the upkeep of grounds, buildings, and equipment. Costs for new construction, renovating and remodeling are not charged here, but are recorded under Capital Outlay.

REPLACEMENT OF EQUIPMENT: A complete unit of equipment purchased to take the place of another complete unit of equipment which is to be sold, scrapped, or written off the record, and to serve the same purpose as the replaced unit in the same way. (III)

REPORTS: A collection of information which is prepared by a person, unit, or organization for the use of some other person, unit, or organization.

REQUISITION: A written request to a purchasing officer for specified articles or services. It is a request from one school official to another school official, whereas a purchase order is from a school official (usually the purchasing officer) to a vendor. (II B)

RESEARCH: Systematic study and investigation in some field of knowledge undertaken to establish facts or principles. (VII)

RESEARCH, PLANNING, DEVELOPMENT, AND EVALUATION: The activities involved with research, planning, development, and evaluation functions for the LEA.

RESERVE: An amount set aside for some specified purpose. (II B)

RESERVE FOR "A" (SPECIAL PURPOSES): A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up for the named special purpose.

RESERVE FOR ENCUMBRANCES: A reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances. Separate accounts may be maintained for current and prior year encumbrances.

RESERVE FOR INVENTORY: A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up in inventories of supplies and inventories on hand and not issued to requesting units.

RESIDENT STUDENT: A student whose legal residence is within the geographic area served by a specified school, LEA, or institution. (V R)

RESTRICTED GRANTS-IN-AID: Revenues received as grants by the LEA which must be used for a categorical or specific purpose. If such money is not completely used by the LEA, it usually must be returned to the government unit. Separate accounts may be maintained for general source grants-in-aid which are not related to specific revenue sources of the governmental unit and for those assigned to specific source of revenue, as appropriate.

REVENUES: Additions to assets which do not increase any liability, do not represent the recovery of an expenditure, do not represent the

cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets, and do not represent contributions of fund capital in Food Service and Pupil Activity funds.

REVENUES COLLECTED IN ADVANCE: A liability account which represents revenues collected before they become due.

S

SALARY: The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the LEA. Payments for sabbatical leave are also considered salary.

SALE OF FIXED ASSETS: Proceeds from the sale of school property. Separate accounts may be maintained for sale of real property and for sale of equipment.

SALE OF BONDS: Proceeds from the sales of bonds, except that if bonds are sold at a premium, only those proceeds representing the par value of the bonds would be included.

SALES TO ADULTS: Money received from adults for sale of food products and services. Regular meals or food products sold to staff can be segregated from special dinners and affairs for special purposes by maintaining separate accounts.

SALES TO PUPILS: Money received from pupils for sale of food products and services. Better financial control and analysis and reporting for Federal and State reimbursements can be obtained by maintaining separate accounts by Type of Sales, such as type of lunch sales, milk program sales, and other sales.

SCHOOL: A division of the LEA consisting of a group of pupils composed of one or more grade groups, organized as one unit with one or more teachers to give instruction of a defined type, and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant. (VII)

SCHOOL ADMINISTRATION: Consists of those activities which have overall administrative responsibility for a single school or a group of schools.

SCHOOL BUS: A vehicle used for transporting students with a manufacturer's rated seating capacity of 12 or more. (Seating capacity figures on the basis of at least 13 inches of seat space per pupil.) (III M)

SCHOOL DISTRICT: See School System.

SCHOOL, ELEMENTARY: See Elementary School.

SCHOOL, MIDDLE/JUNIOR HIGH: See Middle/Junior High School.

SCHOOL PLANT: The site, buildings, and equipment constituting the physical facilities used by a single school or by two or more schools sharing the use of common facilities. (III)

SCHOOL PLANT, COMBINED ELEMENTARY AND SECONDARY: A school plant which houses both an elementary school and a secondary school. (III)

SCHOOL, PRIVATE OR NONPUBLIC: See Private School.

SCHOOL, SECONDARY: See Secondary School.

SCHOOL, SENIOR HIGH: See Senior High School.

SCHOOL SITE: The land and all improvements to the site, other than structures, such as grading, drainage, drives, parking areas, walks, plantings, play courts, and playfields. (III)

SCHOOL, SUMMER: See Summer School.

SCHOOL SYSTEM: All the schools and supporting services operated by the board of education, a specified administrative unit or by another organization which operates one or more schools. See also Local Education Agency. (V)

SCHOOL TERM: A prescribed span of time when school is open and the pupils are under the guidance and direction of teachers. See also Term. (VII)

SCHOOL, VOCATIONAL OR TRADE HIGH: See Vocational or Trade High School.

SECONDARY SCHOOL: A school comprising any span of grades beginning with the next grade following an elementary or middle school and ending with or below grade 12. (VI)

SECURITIES: Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments. (II)

SERIAL BONDS: Issues redeemable by installments, each of which is to be paid in full, ordinarily out of revenues of the fiscal year in which it matures or revenues of the preceding year. (II)

SERVICE AREA DIRECTION: Pertains to directing and managing the Service Area of any function. It includes activities of all those engaged in managing and directing a given area. (IV)

SHORT-TERM LOANS: A loan, payable in 5 years or less, but not before the end of the current fiscal year. See also Current Loans. (II)

SINGLE SCHOOL: Activities which extend or apply to only a single Attendance Area.

SOCIAL WORK: Activities concerned with the prevention of, or solution to, those personal, social, and emotional problems of individuals which involve such relationships as those of the family, school, and community. (IV M)

SPECIAL COST CENTERS: A dimension for accumulating additional details on costs of a segment of an existing cost center or for accumulating costs of a temporary program or project for evaluative purposes. See also Cost Center.

SPECIAL EDUCATION: Consists of direct instructional activities designed primarily to deal with the following pupil exceptionalities: (1) physically handicapped; (2) emotionally disturbed; (3) culturally different including compensatory education; (4) mentally retarded; and (5) mentally gifted and talented. The Special Education Services Area includes Preprimary, Elementary, Secondary, Postsecondary, or Adult/Continuing Education.

STAFF ACCOUNTING: Services rendered in connection with the systematic recording, filing, and storing of information related to staff members employed by the LEA.

STAFF SERVICES: The activities concerned with recruiting, accounting, placing, transferring, and training staff employed by an LEA.

STATE AID FOR EDUCATION: Any grant made by a State government for the support of education.

STATISTICAL SERVICES: Services concerned with collecting, organizing, summarizing, analyzing, and disseminating educational data pertinent to various educational interests, including pupils, staff, instruction, facilities, and finance. (VII)

STORES: Supplies, materials, and equipment in store rooms subject to requisition. (II)

SUBSIDIARY ACCOUNTS: Related accounts which support in detail the summaries recorded in a controlling account. See also Clearing Accounts. (II)

SUMMER SCHOOL: The name usually applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term. (V M)

SUMMER SCHOOL TRANSPORTATION FEES: Money received for transportation of pupils attending summer school. Separate accounts shall be maintained for fees received for residents and for fees received for nonresidents.

SUMMER TERM--DAY: A division of the school year which usually begins in June and ends in August and in which pupils attend the day sessions.

SUMMER TERM--EVENING: A division of the school year which usually begins in June and ends in August and in which pupils attend the evening sessions.

SUPPLY: A material item of an expendable nature that is consumed, worn out or deteriorated in use or loses its identity through fabrication or incorporation into a different or more complex unit or substance. (VII) (See Appendix A for detail)

SUPPORTING SERVICES: Activities which provide administrative, technical, and logistical support to a program. Supporting Services exist

to sustain and enhance the fulfillment of the objectives of other major functions.

SURETY BOND: A written promise to pay damages or to indemnify against losses caused by the parties named in the document, through nonperformance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash. (II)

SURPLUS: The excess of the assets of a fund over its liabilities, or if the fund also has other resources and obligations, the excess of resources over obligations. The term should not be used without a properly descriptive adjective unless its meaning is apparent from the context. See also Unappropriated Surplus.

SYSTEMS ANALYSIS: Activities involving the search for an evaluation of alternatives which are relevant to defined objectives, based on judgment, and, wherever possible, on quantitative methods; the development of data processing procedures or application to electronic data processing equipment. (VII)

SYSTEMWIDE: Activities which extend or apply to all of the schools in the LEA or to all of the schools in the LEA where the activities apply.

T

TAX ANTICIPATION NOTES: Notes issued in the amount not to exceed 75 percent of the taxes levied by the respective school district. The notes may bear an interest rate not exceeding seven percent; the notes do not count against any statutory debt limitation; and the notes must mature within two years.

TAX ANTICIPATION WARRANTS: Warrants issued in anticipation of the collection of taxes and which may be issued to the extent of 75 percent of the total amount of the tax levied. These warrants must be repaid upon receipt of tax monies by the district.

TAX ASSESSMENT AND COLLECTION: Activities concerned with assigning and recording equitable values to real and personal property, assigning a mileage rate (dollars yield per thousand dollars), and receiving yield in a central office.

TAX LIENS RECEIVABLE: Legal claims against property which have been exercised because of nonpayment of delinquent taxes, interest, and penalties. The account includes delinquent taxes, interest and penalties receivable up to the date the lien becomes effective plus the cost of holding the sale.

TAXES: Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments. (II)

TAXES LEVIED FOR OTHER GOVERNMENTAL UNITS: Taxes levied by a governmental unit as agent for another governmental unit and which are to be collected, held in trust, and disbursed to the proper unit. They consist of both current and delinquent taxes and may also include tax liens. No allowance for estimated uncollectible taxes is set up against these taxes because the LEA is usually liable only for the amount actually collected. It is recommended that separate accounts be maintained for each interfund receivable.

TAXES RECEIVABLE: The uncollected portion of taxes which an LEA or governmental unit has levied and which has become due, including any interest or penalties which may be accrued. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes.

TEACHER: A person who instructs students. (IV R)

TEMPORARY SALARIES: Full-time, part-time, and prorated portions of the gross salary costs for work by employees of the LEA who are hired on a temporary or substitute basis to perform work in positions of either temporary or permanent nature.

TERM: A prescribed span of time when school is open and the pupils are under the guidance and direction of teachers. (V)

TEXTBOOKS: Books obtained primarily for use in certain classes, grades, or other particular students groups, rather than for general school use. (VII)

TRANSFER FROM OTHER FUNDS: Money received unconditionally from another fund without expectation of repayment. Such monies

are revenues of the receiving fund, but not the LEA as a whole.

TRANSFER VOUCHER: A voucher authorizing posting adjustments and transfers of cash or other resources between funds or accounts. (II)

TRANSFERS BETWEEN FUNDS: See Interfund Transfers.

TRANSPORTATION FEES: Money received for transportation of pupils.

TRAVEL: Costs for transportation, meals, hotel and other expenses associated with traveling on business for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.

TRIAL BALANCE: A list of the balances of the accounts in a ledger kept by double entry with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be "in balance." (II)

TUITION: Money charged by an LEA or education institution for a period of time, not including special charges as for books and laboratory fees. (VII)

TUITION EXPENDED: Expenditures to reimburse other educational agencies for services rendered to students residing in the legal boundaries described for the paying LEAs, both within and outside the State of the paying LEA.

TUITION RECEIVED: Money received from pupils, their parents, welfare agencies or other LEAs for education provided in the schools of the LEA.

TUITION STUDENT: A pupil for whom tuition is paid. (VII)

U

UNAMORTIZED DISCOUNTS ON BONDS SOLD: That portion of the excess of the face value of bonds over the amount received from their sale which remains to be written off periodically over the life of the bonds.

UNAMORTIZED DISCOUNTS ON INVESTMENTS: The excess of the face value of securities over the amount paid for them which has not yet been written off.

UNAMORTIZED PREMIUMS ON BONDS SOLD: An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds.

UNAMORTIZED PREMIUMS ON INVESTMENTS: The excess of the amount paid for securities over the face value which has not yet been amortized. Use of this account is normally restricted to long-term investments.

UNAPPROPRIATED SURPLUS: That portion of the surplus of a given fund which is not segregated for specific purposes. (II B)

UNENCUMBERED BALANCE OF APPROPRIATION OF ALLOTMENT: That portion of an appropriation or allotment not yet expended or encumbered, the balance remaining after deducting from the appropriation or allotment the accumulated expenditures and outstanding encumbrances.

UNIT COST: Expenditures for a function, activity, or service divided by the total number of units for which the function, activity, or service was provided. (III M)

UNLIQUIDATED ENCUMBRANCES: Encumbrances outstanding. See also Encumbrances. (II B)

UNRESTRICTED GRANTS-IN-AID: Revenues received as grants by the LEA which can be used for any legal purpose desired by the LEA without restriction.

V

VEHICLE, PRIVATELY OWNED: A vehicle owned by the contractor, a vehicle partially owned by the contractor (for instance, the contractor may own the chassis and the school own the body), or a car used by a parent who is paid from public funds to transport his own children and sometimes other children to schools. (III)

VEHICLE SERVICING AND MAINTENANCE: Pertains to maintaining vehicles in as nearly new

condition and original efficiency as possible. It includes repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, preventive maintenance, and inspection of vehicles for safety.

VOCATIONAL OR TRADE HIGH SCHOOL: A secondary school which is separately organized under a principal for the purpose of offering training in one or more skilled or semiskilled or technical occupations. (VI M)

VOUCHER: A document which authorizes the payment of money and usually indicates the accounts to be charged. (II)

VOUCHER SYSTEM: A system which calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book of original entry known as a voucher register in the order in which payment is approved. (II)

VOUCHERS PAYABLE: Liabilities for goods and services received as evidenced by vouchers which have been preaudited and approved for payment but which have not been paid.

W

WAREHOUSE INVENTORY ADJUSTMENT: Amounts reflected as a deficit as a result of an audit or count of items held in a stores or warehouse inventory.

WAREHOUSING AND DISTRIBUTION: Pertains to the operation of the activities of receiving, storing, and distributing supplies, equipment, materials, and mail. It includes the pickup and transporting of cash from school facilities to the central administrative office, or bank, for control and/or deposit.

WARRANT: An order drawn by the school board to the LEA treasurer ordering him/her to pay a specified amount to a payee named on the warrant. Once signed by the treasurer, the warrant becomes a check payable by a bank named on the warrant by the treasurer. (11 B M)

WARRANT INTEREST: Interest paid on registered warrants. (II)

WARRANTS PAYABLE: Warrants issued by the school board but not yet signed by the treasurer. (II B)

WELFARE ACTIVITIES: Providing for personal needs of indigent persons, when such aid is restricted to indigent persons, and providing services in connection with disaster relief. (IV M)

WITHHOLDING: The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the estimated Federal or State income tax of the individual that the employer must pay to the taxing authority.

WORK ORDER: A written order authorizing and directing the performance of a certain task, issued to the person who is to direct the work. Among the information shown on the order are the nature and location of the job, specifications of the work to be performed, and a job number which is referred to in reporting the amount of labor, materials, and equipment used. (II)

WORKING CASH FUND BONDS: Bonds sold to acquire money for the Working Cash Fund. These bonds are subject to back-door referendum and/or elector approval.

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