MISSOURI FINANCIAL ACCOUNTING MANUAL

Revised July, 1997

School Finance Section
Missouri Department of Elementary and Secondary Education

FOREWORD

This revised version of the **Missouri Financial Accounting Manual** represents an attempt to incorporate all statutory and rule changes that have taken place since the 1988 manual was published. There has been a tremendous change in the way schools are operated in general and specifically how school finance operations are carried out. It has become a much more complicated process with numerous pitfalls along the path for those unaware of the changes. It is a challenge for each of us to stay abreast of these changes in order to be able to operate our school systems in a manner consistent with providing the best possible learning environment for our children.

The format of this manual has been changed to make it more user friendly and easier to find specific information. If the district uses this manual as the financial tool it was designed, the district will find that it will help the district make decisions, answer the most common financial related questions, and serve as a training platform for district personnel in the drive to understand this new financial environment we now find ourselves.

Change appears to be the only constant in the area of school finance. As administrators, we must be able to quickly access information as it changes; we must be able to use all the sources of expertise available; we must understand how statutory changes affect our districts; and we must be prepared to guide our districts into the next century. More frequently, we see that decisions made today have a critical impact on our ability to operate in the future. This manual represents a resource that is invaluable in the day-to-day decision making process and operation of a school district.

As administrators, the emphasis in the educational environment continues to be on accountability. I applaud the adaptability each administrator has shown in implementing these new procedures and processes and in doing so greatly increasing the potential of our school systems and the students we are responsible to educate. We must continue to be committed to providing the best and most efficient education for our greatest asset, the children.

Robert E. Bartman
Commissioner of Education

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TABLE OF CONTENTS

SECTION NUMBER	SUBJECT	PAGE
REV-000	**REVISIONS**	
REV-001	Record of Changes	4
REV-002	Revisions to Accounting Manual	5
REQ-100	**REQUIREMENTS**	
REQ-101	State Requirements	7
REQ-102	Federal Requirements	13
REQ-103	Accounting Principles and Policies	15
REQ-104	End-of-the-Year Report Requirements	21
BUD-200	**BUDGETING**	
BUD-201	The School Budget	22
BUD-202	Model Budget	30
BUD-203	Budget Responsibilities	54
BUD-204	Budget Requests and Changes	56
ACT-300	**ACCOUNTING**	
ACT-301	System Reporting / Accounting Concepts	60
ACT-302	Accounting Concepts and Definitions	64
ACT-303	Fund Accounting	73
ACT-304	Encumbrance Accounting	77
ACT-305	Payroll Accounting	80
ACT-306	Capital Outlay and Accounting for Property	83
CDE-400	**ACCOUNTING CODES**	
CDE-401	Accounting Code Overview	85
CDE-402	Fund Code Descriptions	87
CDE-403	Account Classification Codes	89
CDE-404	General Ledger Account Descriptions	90
CDE-405	Revenue Object Code Descriptions	100
CDE-406	Function Code Descriptions	125
CDE-407	Expenditure Object Code Descriptions	149
CDE-408	Operational Unit Codes	162
CDE-409	Project Code Descriptions	164
CDE-410	Identification Codes for Summary Reporting	169
PRC-500	**ACCOUNTING PROCEDURES**	
PRC-501	Finance Subsystem Flow Chart	170
PRC-502	Purchase Requisitions	171
PRC-503	Purchase Orders	173
PRC-504	Receiving Reports	176
PRC-505	Payroll Records	177
PRC-506	Supply Inventory Requisitions	178

TABLE OF CONTENTS

SECTION NUMBER	SUBJECT	PAGE
PRC-500	**ACCOUNTING PROCEDURES, Continued**	
PRC-507	Accounts Payable and Cash Disbursements	179
PRC-508	Loans	181
PRC-509	Journal Vouchers	182
PRC-510	Opening and Closing Entries	184
PRC-511	Accounts Receivable and Cash Receipts	189
PRC-512	Journals and Ledgers	193
PRC-513	Capital Expenditures and Accounting for Fixed Assets	208
PRC-514	Indirect Cost Rates for Federal Grants	217
PRC-515	Imprest Petty Cash	219
PRC-516	Bad Checks	220
PRC-517	Vocational Projects for Resale	221
PRC-518	Interfund Transfers	222
PRC-519	Investment Records	226
PRC-520	Local Matching Funds for Federal or Other Project Expenditures	227
PRC-521	Lease Purchase	228
PRC-522	General Obligation Bonds	230
PRC-523	Advance Funding Accounting Procedures	237
PRC-524	Transportation Receipt/Expenditure Coding Procedures	239
PRC-525	Missouri Direct Deposit Program (SB 301 Redirect Program)	242
AUD-600	**AUDIT REQUIREMENTS**	
AUD-601	Audit Requirements	245
AUD-602	General Audit Information	250
FPA-800	**FEDERAL PROGRAM ACCOUNTING**	
FPA-801	Federal Program Accounting Characteristics	262
FPA-802	Federal Project Accounting Methods	266
	APPENDIX	
APP-A	Glossary	279
APP-B	Accounting Code Quick Reference Listing	315
APP-B-1	Alphabetical Listing of Major Account Titles	316
APP-B-2	Fund Code Listing	317
APP-B-3	General Ledger Account Listing	318
APP-B-4	Revenue Object Code Listing	320
APP-B-5	Function Code Listing	325
APP-B-6	Expenditure Object Code Listing	328
APP-B-7	Form for Operational Unit Code Listing	330
APP-C	Expenditure Coding Examples	331
	SUBJECT MATTER INDEX	
	Alphabetical Listing by Subject	333

INTRODUCTION

The need to update the **Missouri Financial Accounting Manual** (Accounting Manual) becomes important in light of the many legislative changes that have taken place since the last update (1988). This revised Accounting Manual has been updated to reflect current changes to law, rules and regulations through June, 1997. Some format changes have been made to make this manual easier to use and to find required information. Specific format changes are as follows:

1. Page/Subject Matter Heading (example)

   MISSOURI FINANCIAL ACCOUNTING MANUAL <---- Name of Manual

REQUIREMENTS <---- Section

STATE REQUIREMENTS <---- Subject - Procedure Number ----> **PROCEDURE NO: REQ-101**

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2. Table of Contents includes page number

3. Detailed Subject Matter Index arranged alphabetically by subject topic with page numbers is located at the back of the manual.

4. The Revenue Object Code Descriptions include required placement by fund for each revenue.

This manual represents an adaptation of the United States Office of Education publication, **Financial Accounting, Classifications and Standard Terminology for Local and State School Systems, Handbook II, Revised.** The user of the Missouri Accounting Manual should obtain a copy of Handbook II for its definitions and examples. For instance, the Missouri Accounting Manual does not list in the Glossary a standard set of supply versus capital outlay items as this topic is adequately covered in Handbook II.

Those users with little or no accounting background should obtain and study **Financial Accounting for Local and State School Systems, 1990.** This book contains a detailed explanation of fundamental public school accounting principles.

For ease in locating subject matter topics, this manual is separated into several sections. Thus, if a person has a question on coding, for example, quick reference to the Table of Contents will indicate the proper section and page number.

Further reference to location of a particular topic can be found in the Subject Matter Index located in the back of this manual.

SECTION: REVISIONS

SUBJECT: RECORD OF CHANGES **PROCEDURE NO: REV-001**

I. Record of Changes

CHANGE #	DATED	SECTIONS CHANGED
1.	September 15, 1997	REV-001, REV-002, CDE-404, CDE-405C, CDE-406, CDE-407, PRC-518, PRC-522, PRC-525
2.		
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II. Revisions to Accounting Manual

This procedure describes the method for revising the **Missouri Financial Accounting Manual** and for posting changes to individual copies. Changes will be processed as follows:

A. Originating Unit

The originating agency employee will prepare a draft of the proposed change and submit it to the employee's immediate supervisor or superintendent for approval. The supervisor or superintendent will forward the draft of the proposed change with the supervisor's or superintendent's comments to the Department of Elementary and Secondary Education, School Finance Section.

B. School Finance Section

The School Finance Section will review the proposed change for the following:

1. Compliance with existing statutes, regulations, or policies; and

2. Compatibility with existing systems, methods, or procedures.

The School Finance Section will effect necessary coordination and review of the proposed change with all appropriate staff sections within the department. If the change is not recommended, it will be returned to the originating unit with notification of the specific reason. However, if the change is recommended, the School Finance Section will prepare a draft, incorporating any necessary revisions, for submission to the Assistant Commissioner for School Services.

C. Assistant Commissioner

The Assistant Commissioner for School Services will review the proposed change and submit it with comments to the Deputy Commissioner.

D. Deputy Commissioner of Education

The Deputy Commissioner of Education will review the recommendations on the proposed change. If the proposed change is approved, the Deputy Commissioner will submit the proposed change to the Commissioner of Education for approval.

E. Commissioner of Education

Changes may be approved by the Commissioner of Education. If the proposed change is disapproved, the proposed change will be returned to the School Finance Section for appropriate action.

F. Publishing Changes

The preferred method of updating this manual is to consolidate and publish a single manual revision to be mailed to the district in the spring, prior to the next fiscal year, to become effective the subsequent fiscal year. Current year changes may be mailed as needed. Published changes to text will be indicated in the right-hand margin with a vertical bar.

The revision date will be indicated on the page containing revised text in the lower right-hand corner as in this example:

Change 1- September 15, 1997

G. Posting Changes

Changes will be distributed as complete page revisions. Thus, the manual holder will only be required to remove, replace, or add pages.

REQUIREMENTS
REQ-100

I. State Requirements

A. State Requirements for Public School Finance

Over the years, Missouri statutes have been very specific in certain areas of school finance. These laws prescribe the duties of the treasurer and secretary of a board of education, establish five funds which must be used in the accounting process, and place certain limits upon the use of revenue and expenditure transactions allowed in these funds. Thus, the utilization of available money is limited, and the accounting process is similarly affected. Substantial changes have been made to Missouri statutes with the passage of the Outstanding Schools Act (Senate Bill 380, 1993), Senate Bill 676 (1994), and Senate Bill 795 (1996) concerning school finance. These changes have been incorporated into this manual.

1. Chapter 165, RSMo, provides that all school moneys must be accounted for within a framework of five funds:

   a. Teachers Fund;

   b. Incidental Fund;

   c. Free Textbook Fund;

   d. Capital Projects Fund; and

   e. Debt Service Fund

Through the Governmental Accounting Standards Board (GASB), generally accepted accounting principles (GAAP) recognize three types of funds: Governmental, Proprietary, and Fiduciary. Within the Governmental Funds are a General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Special Assessments Fund. In order to comply with generally accepted accounting principles, Missouri statutory funds will be incorporated within this structure.

2. Missouri fund structure incorporated into generally accepted accounting principles:

   a. Governmental Fund Types:

      (1) General Fund
            Incidental Fund
            Free Textbook Fund

      (2) Special Revenue Fund
            Teachers Fund

      (3) Capital Projects Fund

      (4) Debt Service Fund

   b. Proprietary Fund Types:
            School Food Service

c. Fiduciary Fund Types:
Student Activities

d. Account Groups:
General Fixed Assets
General Long-Term Debt

3. Fund Descriptions:

a. The General (Incidental) Fund is used to account for all financial resources except those required to be accounted for in another fund. The Free Textbook Fund is administered as a revenue account and an expenditure object account reported within the General (Incidental) Fund.

b. The Special Revenue (Teachers) Fund is used to account for revenue sources legally restricted to expenditures for the purpose of teachers' salaries, health insurance benefits for teachers, and tuition payments to other school districts.

c. The Capital Projects Fund is used to account for all facility acquisition, construction, all lease purchase payments of principal and interest, and all other capital outlay expenditures with the exception of certain expenditures for classroom instructional capital outlay as allowed under Section 165.011, RSMo.

Expenditures for ordinary repairs to school property will not be made from the Capital Projects Fund. Capital expenditures are defined as expenses paid or incurred for the acquisition or repair of assets that will remain useful for more than one year. Examples of these expenditures would be the cost of acquisition, construction, or erection of buildings, remodeling or reconstruction of buildings and the furnishing thereof, and similar property having a useful life substantially beyond the current fiscal year. Expenses in this fund shall be capitalized and Internal Revenue Service guidelines will be used to determine the appropriateness of specific expense items in the Capital Projects Fund.

Examples of expenditures not allowed to be paid from the Capital Projects Fund are the cost of mending leaks, painting, plastering, custodian salaries, maintenance supplies, and employee benefits.

Revenue placed in the Capital Projects Fund shall come from the following sources:

(1) Tax rate set in the Capital Projects Fund.

(2) Bond sale proceeds.

(3) Net insurance recoupment for a capital loss.

(4) Money received from any other source for buildings, equipment, lease purchase obligations or other capital purposes.

(5) All money received from the sale of capital assets including real estate, school houses, other buildings, furniture, and equipment.

(6) Categorical transfers from General (Incidental) Fund to the Capital Projects Fund:

(a) Transportation Calculated Cost: Calculated annually by the Pupil Transportation Section based on prior year expenditure data.

(b) Area Vocational-Technical Schools: Amounts required for capital outlay purposes in state approved Area Vocational-Technical Schools.

(7) Other Allowable Transfers from General (Incidental) Fund to the Capital Projects Fund:

(a) Grant Match: Amounts necessary to meet the local match percentage requirement for the equipment portion of state and federal grants.

(b) Energy Conservation Loan: Amounts necessary to repay principal and interest on energy conservation loans.

(c) Food Services: Amounts for food service equipment or other food service capital purposes.

(d) Student Activities: Amounts received from student activities' donations for equipment or other capital purposes.

(e) Debt Service: Amounts remaining in the Debt Service Fund after the total outstanding bonded indebtedness for which the fund was levied is paid may be transferred to the Capital Projects Fund.

(8) Revenue transfers from the General (Incidental) Fund to the Capital Projects Fund:

(a) $.18 times the Guaranteed Tax Base (GTB) for the second preceding year divided by 100 times the number of resident and non-resident students educated in the district in the second preceding year. (This transfer amount will be calculated by the School Finance Section annually.)

(b) $.06 times the Guaranteed Tax Base (GTB) for the second preceding year divided by 100 times the number of resident and non-resident students educated in the district in the second preceding year. (This transfer amount will be calculated by the School Finance Section annually.)

d. The Debt Service Fund is used to account for the yearly accumulation of resources for, and the payment of, general long-term debt principal, interest, and paying agents' fees. Other fees such as printing of bonds, registering of bonds with the State Auditor's Office, bonding attorney's fees, and the cost of bond sales are paid from the General (Incidental) Fund if the bond transaction is a refunding of existing bonds, or from the Capital Projects Fund if it is a new issue.

School districts may utilize more funds than the minimum outlined above for local accounting requirements or to meet generally accepted accounting principles. However, GAAP recommends the minimum number of funds consistent with legal requirements. State reporting will typically consolidate these other funds into the General (Incidental) Fund. For instance, state reporting will consolidate the School Food Service Fund and Student Activities Fund into the General (Incidental) Fund. In certain instances where the General (Incidental) Fund subsidizes a fund or if such resources legally belong to the school district (Student Activities), the Proprietary/School Food Service or Fiduciary/Student Activities Funds, may be consolidated into the General (Incidental) Fund. Such consolidation is in accordance with generally accepted accounting principles. School administrators and other personnel assigned to duties pertaining to school finance should become familiar with Chapter 165, RSMo.

B. Other Requirements

1. Chapter 162, RSMo, pertains to school districts in general but also deals with:

   a. duties of the secretary and the treasurer of a board of education;

   b. the bonding requirements for the secretary and the treasurer;

   c. reporting requirements for the treasurer and the secretary;

   d. compensation for the treasurer and the secretary; and

   e. the requirements for providing special educational services.

2. Chapter 163, RSMo, pertains to eligibility of districts for state funds under the school foundation program, correction of apportionment errors, and certain state aid pertaining to other than elementary and secondary public education. This is a very important chapter which has a forceful impact upon the fiscal affairs of a school district.

3. Chapter 164, RSMo, also has a great impact on school finance because it delimits tax levies and bonded indebtedness. Legal limitations of tax levies for operation of educational programs, requirements for voting levies, duties of district personnel concerning bond elections, limitations placed upon districts concerning maximum amount of bonded indebtedness, and various requirements concerning the issuance of revenue bonds, all of which have major implications for the fiscal operations of public schools, are delineated.

4. Fund accounting under Missouri statutes and under GAAP does not require school districts to maintain separate bank accounts for each fund. However, Missouri statute requires that the Debt Service Fund must be maintained in a separate bank account. Other funds' accounting records must be so constructed and have sufficient internal control as to demonstrate the propriety of segregated fund transactions.

5. Legal requirements affecting school finance can be found to a lesser extent in other chapters of Missouri statutes, but those of major importance are contained in the previously referenced chapters.

This page reserved for future use.

II. Federal Requirements

A. Legal Requirements

Legal requirements concerning the various federal funds are defined within each of the Congressional Acts creating the funds. In addition, regulations and policies are formulated by both state and federal agencies to further guide the users of the funds. To list all the legal requirements, regulations, and policies regarding the various federal funds would be outside the scope of this manual.

B. Regulations

To obtain information regarding the regulation of federal programs, reference should be made to:

1. State plans for the various programs;
2. Coded regulations in the Missouri State Register;
3. Regulations of the US Secretary of Education;
4. Legislation which established the programs; and
5. Federal Registers.

C. General Requirements

Generally the following requirements are inherent in federal programs:

1. Each revenue source requires separate and identifiable accounting records;
2. Federal Acts providing revenues contain a uniform provision that such revenues will not be commingled with other state and federal funds so as to lose their identity to a particular granting act;
3. Revenue from federal sources may not be used to reduce or supplant program effort by the local education agency;
4. Federal funds generally require separate identification and reporting within the local education agency's audit report; and
5. Local and state revenues used for matching federal expenditures also require separate identification and accountability.

D. Fund Accounting

Federal funds shall be incorporated within the fund structure identified by GAAP and by Missouri statutes. Separation from local and state transactions shall be maintained by the usage of a unique project code on all such federally related transactions. The divisions of the Department of Elementary and Secondary Education which administer the programs will assist the local education agencies in obtaining information regarding the federal programs. For further information on certain federal programs managed by the Department of Elementary and Secondary Education, please review the contents of Section FPA-800, Federal Program Accounting.

III. Accounting Principles and Policies

This procedure establishes certain accounting principles and policies to be recognized uniformly throughout the local education agencies of the state. Financial records must be developed and maintained on a consistent and systematic basis to provide information and service to the local school boards, superintendents, school business managers, and principals, as well as to the residents and taxpayers of the community. Furthermore, representatives of many different governmental agencies, both State and Federal, need specific kinds of financial information about a school district in order to carry out their responsibilities. These data are regularly used by higher governmental units in making comparisons and evaluations and determining eligibility for financial aid programs, etc. Adherence to the following accounting principles and policies will insure a greater degree of uniformity and consistency with a resulting increase in the value of school financial data for use by all levels of education management:

A. Compliance with Legal Requirements

A fundamental requirement of governmental accounting is that records shall be kept in compliance with legal provisions. In general, the legal requirements permit the application of modern methods of accounting. This manual has been designed with the statutory requirements in mind and establishes the minimum accounting system considered acceptable by the Department of Elementary and Secondary Education.

B. Budgetary Control

A requirement is placed on each agency to prepare a budget which will include all anticipated revenues and expenditures. The details of the budget within each of the functional expenditure and revenue object (second level) groups may be established by each local education agency from the code listing. Proper budgetary control depends upon the accurate and reasonable estimation of current revenue and expenditure information based on current plans as they relate to historical data (what did it cost last year and what has been the trend).

The statutory requirement in Section 67.010, RSMo, to include as a part of the district budget, a budget message, a comparison of the previous two years revenues and expenditures to budget year data, interest and debt redemption schedules and a general summary; allows the reader (school board member, administrator, teacher, parent, etc.) a better picture of what has taken place in the district, what is currently planned and how it can be accomplished with the assets available. This document becomes the road map for the operation of the district and sets the boundaries of all budgetary decisions.

C. Separate Fund Accountability

A fund is an independent accounting entity with its own assets, liabilities, and fund balance. Funds are established to account for all financial transactions of specific activities of a local education agency's operations.

D. Centralized Accounting

Centralized accounting for all funds under the direction of the local education agency is necessary. The type of financial organization which is most effective is one that integrates the local education agency's fiscal functions and places each fund under the finance director, business manager, or other fiscal officer.

E. Basis of Accounting

The “basis of accounting” refers to the point in time when revenues, expenditures or expenses (as appropriate), and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The “basis of accounting” determines the timing with which the accounting systems recognize transactions. School districts in Missouri typically operate under either the cash or modified accrual basis of accounting.

1. Accrual Accounting

Accrual accounting is a system whereby revenues are recognized when earned and expenditures are recognized in the period incurred, without regard to the time of receipt or payment of cash. This method of accounting allows a more accurate evaluation of operations during a given fiscal period.

The estimated revenues must be offset by an estimate of uncollectible receivables. This system excludes depreciation of fixed assets, except depreciation may be taken in memorandum form in the proprietary funds at the discretion of the local education agency. Reimbursement requests or cost analysis statements submitted to the Department of Elementary and Secondary Education will exclude any depreciation charges except certain school food service and transportation data.

2. Cash Accounting

The cash basis of accounting is the most elementary form of accounting and is used typically by individuals, small businesses and school districts. Under the cash basis, revenues are recorded when received and expenditures are recorded when monies are paid.

The virtue of cash accounting is its simplicity. As accounting is not performed until monies are received or spent, the relationship of revenues and expenditures to the accounting period in question is dependent on the actual flow of cash. This system makes no provision for noncash transactions; therefore, accounting reports in some cases provide inadequate information for control purposes and analysis of financial condition of the entity.

F. Double-Entry Accounting System

For the proper recording, balancing, and control of accounting transactions, every local education agency shall employ the double-entry accounting system. Such systems may be on a cash basis and nothing herein shall be construed as requiring any school district to change from a cash basis of accounting. The principle of the double-entry accounting system is that for every entry made to the debit side of a fund account or accounts, an entry or entries for a corresponding amount will be made to the credit side of an account or accounts for the same funds. The debits must always equal the credits.

G. Uniform Classifications of Accounts and General Ledger

A uniform classification of general ledger accounts is presented in this manual. (See PROCEDURE NO: CDE-404, General Ledger Account Descriptions.) To enhance uniformity of application, a description of each general ledger account is also a part of the manual. A uniform classification of accounts is essential for the following reasons:

1. Recording financial information in a consistent manner.

2. Making possible compilation of data in such form as to be comparable with:

   a. Similar data of prior periods.

   b. Other local education agencies of like characteristics.

3. Summarizing data required by the Department of Elementary and Secondary Education.

A general ledger shall be maintained by each local education agency.

H. Revenues - Gross Basis

Revenues will be recorded on a gross basis. This policy will result in showing per revenue account the amount of all revenue received from all sources (i.e., Federal, State, Local). It will give adequate revenue information within the classification of accounts for budgeting, accounting, and reporting purposes.

I. Refunds and Reimbursements - Incoming to District

Refunds correcting or adjusting previous payments that were charged to an:

1. Expenditure account in the current year should be credited to the appropriate expenditure account (reduces apparent expenditures).

2. Expenditure account of a previous year should be credited to a revenue account (Account 5195, Prior Period Adjustment). One exception to this rule concerns a vehicle gas tax refund. The amount of this particular refund is applied as a credit to transportation supplies in the year received.

J. Refunds and Reimbursements - Outgoing from District

Payments made by a local education agency correcting or adjusting previous revenues that were recorded in:

1. Revenue accounts in the current year should be debited to the same revenue account (reduces apparent revenue).

2. Revenue account of a previous year should be debited to current year expense (Function 2320 [Executive Administration] or 2510 [Business/Central Services], Object 6398 [Other Expenses]).

K. Accrue Earned but Unpaid Salaries

To properly record and report expenses in the period in which they have been incurred, unpaid salaries must be accrued. For example, if salaries are paid over a twelve-month period but earned over a nine-month period, an accrual should be made each month for nine months equal to the difference between the paid and earned salaries. Salaries paid in the tenth through twelfth months should be charged to the accrual account. Failure to comply with this policy will result in the understatement of liabilities and operational costs. (See PROCEDURE NO: ACT-305, Payroll Accounting.)

Districts on a cash basis may accomplish the same result by writing payroll checks for the tenth through the twelfth month on June 30. Salary amounts earned but unpaid for the current fiscal year are recorded as expenditures as of that date. Individual payroll checks would then be distributed in the appropriate month. Cash flow and compliance with other statutory expenditure requirements may force a district to look carefully at how this procedure will impact the district.

L. Distribute Related Payroll Expenses with Payroll

The related payroll expenses (primarily employee benefits) shall be apportioned and distributed to the appropriate expenditure accounts based upon the payroll expenses.

M. Equipment Capital Outlay - $1,000 Unit Cost, Excess of One-year Life, Repair/Replace.

Equipment costing $1,000 or more per unit and having a useful life expectancy of more than one year is considered to be capital outlay and costs will be entered and controlled in the General Fixed Assets Account Group. The district may establish a local policy to use a unit cost of less than $1,000 to determine capital outlay expenditures. Equipment not meeting the foregoing cost criteria may also be capitalized if the life expectancy warrants and the cost of adequate control is not excessive. Equipment may also be differentiated from a supply item via the repair or replacement criterion. That is, an equipment item is more likely to be repaired when some of its parts are worn out whereas the supply item is simply replaced.

Acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the district's regular accounting practices. (See also PROCEDURE NO: ACT-306, Capital Outlay and Accounting for Property for additional information concerning capital outlay procedures.)

CRITERIA FOR DISTINGUISHING EQUIPMENT FROM SUPPLY ITEMS
(Listed in Priority Order)

YES	<	Lasts more than one year	>	NO	**AT FIRST "NO", THE ITEM IS DECLARED TO BE A *SUPPLY* ITEM**
V					
YES	<	Repair rather than replace	>	NO	
V					
YES	<	Independent unit rather than being incorporated into another item	>	NO	
V					
YES	<	Cost of tagging and inventory a small percent of item cost	>	NO	
V					
YES	<	Exceeds minimum dollar value established by State or other governmental unit (with due regard for group control for some items). Current minimum is $1,000.00, however, the district may establish a lower limit.	>	NO	
V					
V					

ITEM IS CONSIDERED *EQUIPMENT*

N. Encumbrances

Encumbrance accounting is most valuable in controlling budgeted expenditures for supplies, equipment, and contracted services. Therefore, encumbrance accounting procedures will be included in the centralized accounting system. (See Glossary, Appendix A, for definition of Encumbrance Accounting.) Prior to the end of the fiscal year, every effort should be made to liquidate outstanding encumbrances. Should outstanding encumbrances remain at year's end, the encumbrances shall be canceled and not under any circumstances be added to expenditures for reporting purposes. If such encumbrances are honored at a later date, they become expenditures of the new fiscal year and would require budget authority in the new year.

O. Accounting Principles and Standards

Accounting principles and standards will be secured from the following sources:

1. Generally Accepted Accounting Principles (GAAP)

   a. Rules and procedures established by authoritative bodies or conventions that have evolved through custom and common usage.

   b. The Governmental Accounting Standards Board (GASB) establishes accounting principles and financial reporting standards for state and local government entities.

2. Generally Accepted Auditing Standards (GAAS) - Those audit standards set forth in the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards.

3. American Institute of Certified Public Accountants via the publication Audits of State and Local Governmental Units (ASLGU).

IV. The **Annual Secretary of the Board Report** (ASBR) is to be filed with the Department of Elementary and Secondary Education, School Finance Section, on or before **July 15** for districts identified as financially stressed (Section 161.527, RSMo) to be eligible for the Proposition C rollback exemption as a financially stressed district.

For all other districts, the ASBR must be filed with the Department by **August 15** (Section 162.821, RSMo).

Additional information concerning the ASBR can be found in the **Missouri School Finance Reporting and Compliance Manual.**

BUDGETING
BUD-200

I. The School Budget

A. **A budget is required per Section 67.010, RSMo.**

1. The school budget is an instrument which provides a definite financial policy for the direction of business operations of a school district. It provides a detail outline of the probable expenditures and the anticipated receipts during a specified period of time.

The budget is one of the most important legal documents of a school district. It is not a static document but rather a working document that changes (through board approved budget amendments) throughout the year as actual financial data changes.

It must be prepared carefully and thoroughly to encompass the broad spectrum of events and activities which occur during a fiscal year. The budget should be prepared on the same basis of accounting as the accounting records are maintained (cash or accrual).

The district auditor AND the Missouri School Improvement Review Team will check to ensure the district budget is presented in the following format.

Section 67.010, RSMo, requires that the **annual budget** shall present a complete financial plan for the ensuing budget year, and that the budget **shall include five specific pieces of information. These are:**

a. **A budget message** describing the important features of the budget and major changes from the preceding year. This is a very general portion of the budget and should explain how the budget was developed, who was involved in its development, and why the proposed solutions to acknowledged needs were selected. The goals and objectives of the school district should be stated and related to the budget design. There should be a rather detailed explanation of what the activities proposed in the budget are designed to do in regard to the achievement of stated goals and objectives.

b. **Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the prior two years,** itemized by year, fund, and source.

c. **Proposed expenditures for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the prior two years**, itemized by year, fund, function, and object. When program budgeting is used, estimated expenditures should also include location and program.

d. A schedule detailing **the amount required for the payment of interest, amortization, and redemption charges on the debt** of the political subdivision.

e. **A general budget summary which includes the "General Budget Summary"** and "Budget Transfer Summary Detail" together summarize the budgetary requirements of the district, thus allowing the district to meet the full statutory requirement of budget detail.

The "General Budget Summary" includes information concerning:

(1) Assessed valuation;

(2) Unadjusted and adjusted tax levies by fund;

(3) Estimated beginning balances by fund;

(4) Estimated revenues by fund;

(5) Estimated expenditures by fund;

(6) Estimated transfers from and to each fund;

(7) Estimated ending fund balances by fund; and

(8) Estimated restricted fund balances by fund.

The "Budget Transfer Summary Detail" includes individually identified interfund transfers specified by statute or administrative rule. The total of these individual "transfers to" must equal the total estimated "transfers from" indicated in item (6) above.

2. **Section 67.010, RSMo, states "In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year..." (Emphasis added)**

B. Budget Preparation

1. Preparation of a budget is a continuing process. It must involve a number of people who have knowledge of the educational needs of the community and can provide accurate data in regard to the financial potential of the district. Members of the board of education, citizens, students, teachers, and members of the administrative staff should be involved in the planning process which culminates in the preparation of the budget document.

2. Information Needed for Budget Preparation

a. Educational Program

(1) A clear statement of educational philosophy as developed cooperatively by all parties concerned with the educational program; and

(2) Rules and regulations of the board of education which provide the written policies of the district including information concerning the following:

(a) Attainable goals and objectives for the improvement of school program and pupil achievement;

(b) Length of school term;

(c) Organizational plan;

(d) Salary schedule;

(e) Pupil data such as: enrollment, membership, average daily attendance, eligible pupils, pupil transportation, pupil progress charts, follow-up studies of graduates, etc.;

(f) Teaching personnel data such as: qualifications, experience, and special abilities of each teacher;

(g) Curricular offerings including: required courses, elective courses, and cocurricular programs in the areas of music, athletics, speech and dramatics, publications, student council, etc.;

(h) Facilities data in regard to: available classroom space, adaptability of available classrooms to change in curriculum, available space for outdoor activities, available space for special services;

(i) Textbooks, equipment, and supplies data in regard to present inventory and the amount of these items needed to support the educational program; and

(j) Special services in support of educational programs such as: pupil transportation, health services, food services, etc.

b. Cost Estimates

(1) Policy changes of the board of education that may influence educational costs (Each policy change should be evaluated in regard to estimated additional cost.);

(2) Amount of contracted obligations for: certificated personnel, non-certificated personnel, transportation services, school food services, architectural services, building construction, debt service, and payments to other districts; and

(3) Estimated amounts required to meet costs of departmental budgets, desired additional services, normal increase in cost of established programs, equipment, supplies, and operation and maintenance of the school plant.

c. Available Revenue

Estimates of available revenue should be based upon the past experiences of the district. The following sources of revenue should be carefully evaluated and consideration given to the balances carried forward from the previous year. (See PROCEDURE NO: CDE-405, Revenue Object Code Descriptions.)

(1) Local sources

(a) Current taxes;

(b) Delinquent taxes;

(c) School District Trust Fund (Proposition C);

(d) Intangible Taxes (Financial Institution Taxes);

(e) M & M Surcharge;

(f) In Lieu of Tax; and

(g) All other sources of local revenue.

(2) County Sources

a) Fines, Forfeitures, Escheats, etc.;

(b) State Assessed Utility Tax;

(c) Federal Properties (Forest, Mineral Lease, Flood Control); and
(d) All other sources of county revenue.

(3) State Sources

(a) Foundation Program including the Basic Formula, Transportation Aid, Exceptional Pupil, Early Childhood Special Education, Remedial Reading, Gifted Aid, Free and Reduced Lunch/At-Risk, Educational Screening Program Entitlements/PAT, Vocational/At-Risk (per Section 167.332, RSMo), Career Ladder;

(b) Foreign Insurance (Free Textbook);

(c) Vocational Education, State (per Sections 178.480 - 178.530, RSMo);

d) Food Service; and

(e) All other sources of state revenue (Fair Share [Cigarette Tax], Handicapped Census, Excellence in Education [Incentive Grants], Desegregation Aid, Video, Futures Program, various grants).

(4) Federal Sources

(a) Vocational Education Aid;

(b) Title I-ESEA (formerly Chapter 1), Title VI-ESEA, Innovative Education Program Strategies (formerly Chapter 2), Title II-ESEA, Eisenhower/Professional Development, Title IV-ESEA, Safe and Drug Free Schools and Communities;

(c) Individuals with Disabilities Act (IDEA);

(d) Impact Aid;

(e) School Food Services;

(f) Job Training Partnership Act (JTPA);

(g) Adult Basic Education; and

(h) All other sources of federal revenue.

(5) Non-Current Sources

(a) Receipts from Sale of Bonds;

(b) Sale of School Buses;

(c) Sale of Other Properties; and

(d) All other sources of non-current revenue.

3. Sources of Information

a. Within the School System

(1) Certificated personnel of the dis trict;

(2) Non-certificated personnel of the district;

(3) Pupils of the district;

(4) Pupil accounting records of the school;

(5) Financial accounting records of the school; and

(6) Members of the board of education.

b. Outside the School System

(1) County Officials -assessor, collector, treasurer, and clerk;

(2) Patrons of the district;

(3) Current literature;

(4) Information from other school districts of similar size;

(5) District's Independent Auditor; and

(6) Department of Elementary and Secondary Education.

4. Classification and Use of Information

As information is assembled, it should be arranged in a logical order which will clearly present the educational needs of the students of the district, the educational objectives to be attained through the budget period, the estimated costs of attaining the stated objectives, and the methods by which the needed money will be obtained.

A great deal of time should be spent in determining the long-term educational goals of the district. These goals should reflect the thinking of a wide segment of the community and be adopted by the board of education. From the adopted goals, the educational objectives for the budget period should be determined. These objectives should be determined by the most pressing educational needs of the students involved in the educational process and should be both realistic and attainable.

Goals and objectives should be developed and adopted in order that budget preparation may proceed along a monthly time schedule similar to the following:

a. February - Preliminary budget estimates of revenues and expenditures should be prepared and distributed to members of the board of education.

b. March - Preliminary budget hearing should be held by the board. Revisions of preliminary budget, based upon recommendations of the board of education, should be made following the February meeting.

c. April - Revisions of the preliminary budget should be approved by the board of education. The tentative tax levy for the next school year should be determined. (However, in light of the significant legislation in 1995 and anticipated future legislation regarding changes in assessed valuation of property as a result of reassessment and the implications for tax levies, **the board of education should cautiously and carefully** approach staff salary and personnel increases at this time of the year. Significant changes through May of any legislative session may alter funding available to school districts. The board of education would not want to extend itself beyond what it is capable of funding from local and state sources.)

d. May and June - The June Core Data Collection Cycle and end-of-year reports should be prepared. If at all possible, budget approval should occur prior to the beginning of the subsequent fiscal year.

e. June - Final balances should be determined and the budget may be adjusted accordingly. The board of education should approve the levy. The tentative budget should formally be adopted by the board of education.

f. July - The statutory and constitutional compliance checks for the district's tax rate ceiling for operations and the establishment of the debt service levy need to be completed and filed with the County Clerk(s) and State Auditor's Office. The Proposition C rollback should be calculated from the **tax rate ceiling after any voluntary rollback** to determine the adjusted tax rate to submit to the County Clerk(s).

g. August - The Board should authorize the preparation of **Estimate of Required Local Taxes** (Form No. 3-660-160). When completed, this form should be forwarded to the County Clerk(s) NO LATER THAN SEPTEMBER 1. The August Core Data Collection Cycle should be filed with the Department of Elementary and Secondary Education. The **Annual Secretary of the Board Report** should by filed by August 15 with the School Finance Section.

C. Budget Presentation, Adoption, and Changes

1. Presentation

The preliminary draft of the budget presented to the board in February should contain justification for items presented.

This justification should be thoroughly discussed and understood by board members. Each plan (educational, spending, and financing) should be discussed by the board and each should have a consensus of opinion in favor of acceptance or suggested changes.

All changes agreed to by the board should be incorporated in the final budget. The final budget document should be in the hands of the board members well in advance of the June meeting thus enabling the members to evaluate the changes and become familiar with the document prior to adoption.

2. Adoption of the Budget

All documents, resolutions, special motions, etc., required of the board of education in the approval process should be presented in draft form. These documents should include resolutions of approval for the tax levy and the budget, motions concerning the levy election, and other data pertinent to the needs of each particular school district.

The adoption of the budget should be done, if possible, at the first meeting of the board of education prior to the beginning of a fiscal year. **Expenditures of a school district are governed by the budget approved by the board of education; and, until a new budget is approved, the budget approved for the preceding fiscal year will regulate the district's business activities.** When all members of the board of education have had an opportunity to examine the proposed final budget and have had their questions satisfactorily answered, a formal motion should be made, recorded in the minutes of the meeting, and voted upon. A majority of the board voting to adopt the budget indicates a formal approval and acceptance of the budget. After acceptance by the board of education, provisions of the new budget will be a controlling factor in the business operations of the school district.

3. Budget Changes

It is the responsibility of the budget officer (usually the superintendent of schools but in larger districts another school official may be appointed by the board of education) to monitor the business affairs of the district and, when necessary, recommend budgetary changes through the administrative chain of command to the board for action. Adoption of a budget change should proceed through the board meeting in a manner similar to that for the budget adoption. All motions for change and the vote upon the motions must be recorded in the official minutes of the meeting. When changes are officially adopted by the board of education, they become effective immediately and must be adhered to in the business operations of the school district.

State law (Chapter 67, RSMo) requires that a budget amendment shall be made (stating reasons in the board minutes) <u>prior</u> to actual expenditures for a given fund(s) exceeding the officially approved budget for that fund(s).

The Department of Elementary and Secondary Education recommends that budget amendments be made if it becomes apparent that second level (2nd digit) expenditure functions or second level (3rd digit) revenue objects will be exceeded. Local boards of education may develop policies concerning formal action on budget amendments at the third or fourth level or by campus as local option.

MODEL R-II

SCHOOL DISTRICT

19__-__ SCHOOL BUDGET

This budget approved by action of the Model R-II School Board of Education on (DATE).

BOARD OF EDUCATION

_____President (signature)_____, President
_____Vice President
_____Member
_____Member
_____Member
_____Member
_____Member

_____Superintendent
_____Secretary (signature)_____, Secretary
_____Treasurer (signature)_____, Treasurer

TABLE OF CONTENTS

		Page
I.	Budget Message	32
II.	General Summary A. Assessed Valuation B. Unadjusted and Adjusted Tax Levies C. Summary Financial Transactions D. Transfer Summary Detail	33
III.	Revenue Schedule	35
IV.	Expenditure Schedule	38
V.	Revenue and Expenditure Schedule	50
VI.	Summary of Food Service	51
VII.	Summary of Transportation Cost	52
VIII.	Summary of Student Activities (Fund 60x)	53

NOTE

This is a model budget. It contains all of the required components listed in Section 67.010, RSMo, that should be included in the district budget document. The presentation and year-to-year comparison of data in this model is a suggested format and not necessarily the only way to meet the statutory requirement. The method of comparing estimated budget year revenues and expenditures to the preceding two years may vary from district to district. An individual district may have more or less function/program codes depending on the scope of its programs. The detail needed for allocation of expenditures to building sites, departments, projects, or individual classrooms may be more extensive in the local district's budget than outlined in this model.

This model budget has the function/program codes displayed or arranged in the order expected on Part III-Expenditures of the **Annual Secretary of the Board Report** (ASBR), not in numerical function/program code order. This was intentionally done in order to draw attention to those function/program codes that would be included in the reporting format of the ASBR.

Section 160.522, RSMo, as further defined in State Rule 5 CSR 30-4.040 requires specific public reporting of information by school districts and includes the reporting of current expenditures per pupil per building. While there is no requirement for a district to set the district budget up to specifically address this new reporting requirement, it may be helpful to the district to do so to avoid massive year-end hand calculations.

BUDGET MESSAGE

Outline

Since the budget message is so unique to each and every district, this outline indicates some of the items to address in the budget message.

A. Method of budget development and personnel involved.

B. Organization, pupil numbers and changes from prior year(s).

C. Elementary program features and changes.

D. High school program features and changes.

E. Staff deployment and changes.

F. Major changes in revenue and expense from the preceding year(s). Reasons for changes.

G. Basis for making revenue estimates and reference to appendices for schedules and calculations.

H. Discussion of any contingent liability (if any) not covered in expenditure budget.

GENERAL SUMMARY

Assessed Valuation - Budget Year

Real Estate Residential_____
Real Estate - Agricultural_____
Real Estate - Commercial_____

TOTAL _____

Unadjusted Tax Rate: (After voluntary rollback, before Prop C rollback)

General (Incidental)	_____
Special Revenue (Teachers)	_____
Debt Service	_____
Capital Projects	_____
TOTAL	$U.UU

Adjusted Tax Rate: (After Prop C rollback)

General (Incidental)	_____
Special Revenue (Teachers)	_____
Debt Service	_____
Capital Projects	_____
TOTAL	$A.AA *

Assessed Valuation ? 100 x $A.AA = Theoretical Current Tax Yield (at 100% collection)

Theoretical Yield x (.YY) [Assessor's/Collector's Fees/Commissions rate] = Assessor's/Collector's Fees/Commissions

Theoretical Yield x (.ZZ) [100% minus % based on 3 year history of Actual Current Taxes ? Theoretical Current Tax Yield] = Estimated Uncollectible Taxes

Current Tax Revenue Estimate (Revenue Code 5111) = Theoretical Yield - (Fees/Commissions + Uncollectible Taxes)

		General (Incidental)	Special Revenue (Teachers)	Debt Service	Capital Projects	TOTAL
3111	Projected Beginning Balances, July 1, Budget Year	_____	_____	_____	_____	_____
5899	Projected Revenues	_____	_____	_____	_____	_____
5999	Projected Revenues and Balances	_____	_____	_____	_____	_____
9999	Projected Expenditures	_____	_____	_____	_____	_____
6710	Projected Transfer(s) From (minus) **	_____	_____	_____	_____	_____
5510	Projected Transfer(s) To (plus) **	_____	_____	_____	_____	_____
3112	Projected Ending Balances, June 30, Budget Year	_____	_____	_____	_____	_____
3412	Projected Restricted Fund Balance, June 30, Budget Year	_____	_____	_____	_____	_____

** See "Expanded Transfer Detail" on next page.

Budget Transfer Summary Detail - (Expansion of “Transfer From” and “Transfer To” Lines)

	General (Incidental)	Special Revenue (Teachers)	Debt Service	Capital Projects	Total
6710 Transfer From:					
001 Textbook Fund Balance	_____	**********	**********	**********	_____
002 "Zero" Teachers Fund Balance	_____	**********	**********	**********	_____
003 Debt Service Balance	**********	**********	_____	**********	_____
004 Transportation Calculated Cost	_____	**********	**********	**********	_____
005 Area Vocational-Technical Schools	_____	**********	**********	**********	_____
006 Grant Match (Detail separately)	_____	**********	**********	**********	_____
007 Energy Conservation Loans	_____	**********	**********	**********	_____
008 Food Services	_____	**********	**********	**********	_____
009 Student Activities	_____	**********	**********	**********	_____
010 Revenue (.18)	_____	**********	**********	**********	_____
011 Revenue (.06)	_____	**********	**********	**********	_____
012 Capital Projects Fund Interest	**********	**********	**********	_____	_____
013 Unspent Bond Proceeds	**********	**********	**********	_____	_____
6710 TOTAL TRANSFER FROM FUNDS	_____	**********	_____	_____	_____
5510 Transfer To:					
101 Textbook Fund Balance	**********	_____	**********	**********	_____
102 "Zero" Teachers Fund Balance	**********	_____	**********	**********	_____
103 Debt Service Balance	**********	**********	**********	_____	_____
104 Transportation Calculated Cost	**********	**********	**********	_____	_____
105 Area Vocational-Technical Schools	**********	**********	**********	_____	_____
106 Grant Match (Detail Separately)	**********	**********	**********	_____	_____
107 Energy Conservation Loans	**********	**********	**********	_____	_____
108 Food Services	**********	**********	**********	_____	_____
109 Student Activities	**********	**********	**********	_____	_____
110 Revenue (.18)	**********	**********	**********	_____	_____
111 Revenue (.06)	**********	**********	**********	_____	_____
112 Capital Projects Fund Interest	**********	**********	**********	_____	_____
113 Unspent Bond Proceeds	**********	**********	_____	**********	_____
5510 TOTAL TRANSFER TO FUNDS	**********	_____	_____	_____	_____

NOTE: “6710 Total Transfer From” for all funds must equal “5510 Total Transfer To” for all funds.

REVENUE SCHEDULE

		Actual Revenues Prior Year/Fund					Estimated Revenues Current Year/Fund						Projected Revenues for Next Year			
		TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
Local Revenue:																
5111	Current Taxes															
5112	Delinquent Taxes															
5113	School District Trust Fund (Prop. C)															
5114	Intangible Taxes															
5115	M and M Surcharge															
5116	In Lieu of Tax															
5117	City Sales Tax															
5121	Regular Day School Tuition															
5123	Tuition - Post Secondary															
5131	Transportation Fees from Patrons															
5140	Earnings on Investments															
5150	Food Service - Pupils															
5161	Sales to Adults															
5165	Food Service - Non-Program															
5170	Enterprise Sources (Student Activities)															
5180	Community Services															
5190	Other Revenue from Local Sources															
5199	Local Revenue - Subtotal															
County Revenue:																
5211	Fines, Forfeitures, Escheats, Overplus															
5221	State Assessed Utility Tax															
5231	Federal Properties															
5234	Other County Revenue															
5299	County Revenue - Subtotal															
State Revenue:																
5311	Basic Formula															
5312	Transportation															
5313	Exceptional Pupil															
5314	Early Childhood (3 & 4 Year Old) Spec. Ed.															
5315	Remedial Reading															
5316	Gifted															
5317	Career Ladder															
5318	Free and Reduced Lunch /At-Risk															

REVENUE SCHEDULE

		Actual Revenues Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Revenues Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Revenues for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
State Revenue (continued):																
5322	Vocational/At-Risk															
5324	Educational and Screening Program/PAT															
5331	Foreign Insurance (Free Textbook)															
5332	Vocational/Technical															
5333	Food Service - State															
5334	Fair Share (Cigarette Tax)															
5335	Desegregation Aid															
5336	Excellence in Education Act															
5337	Adult Basic Education (ABE) - State															
5338	Adult Basic Education Literacy Grant															
5351	Handicapped Census															
5352	Video Tax - State															
5353	Job Development/Customized Training															
5354	Futures Program, Job Development, ABE															
5355	Futures Program, Job Development, Early Childhood/PAT															
5356	Futures Program, Job Development, Job Training															
5357	Summer Child Care															
5358	Safe Schools Initiative Grant															
5359	Vocational-Technical Ed Enhancement Grant															
5361	New Schools Pilot Project Grant															
5362	A+ Schools Grant															
5363	Incentives to Reduce Pupil/Teacher Ratio															
5364	Grants for School Technology															
5365	Success Leads to Success Grants															
5366	MO Department of Natural Resources Energy Loans															
5367	MO School Age Children's Health Services Grant															
5368	Extended Day Child Care Grant															
5369	Residential Placement/Excess Cost															
5371	Readers for the Blind															
5372	State Emergency Management Agency (SEMA) Funds															
5373	MO Department of Conservation Landscape Grant															
5374	Educare Grant															
5376	Select Teachers as Regional Resource (STARR)															
5377	MO Department of Natural Resources (DNR) Energy Grant															
5378	Foreign Language Support Services Grant															
5379	English as a Second Language Support Services Grant															
5399	State Revenue - Subtotal															

REVENUE SCHEDULE

		Actual Revenues Prior Year/Fund					Estimated Revenues Current Year/Fund						Projected Revenues for Next Year			
		TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
Federal Revenue:																
5411	Impact Aid															
5412	Medicaid															
5413-18	Other Unrestricted Federal Revenue															
5421-31	Vocational															
5435	JTPA															
5436	Adult Basic Education															
5441	Individuals with Disabilities Act (IDEA)															
5442	Early Childhood Special Education															
5445-49	Food Service															
5451-54	Title I- ESEA															
5455	Title VI- ESEA															
5456-58	Goals 2000															
5460-98	Other Federal Restricted, Through the State															
5499	Federal Revenue - Subtotal															
Non-Current Revenue																
5610	Sale of Bonds															
5630	Insurance															
5640	Sale of School Buses															
5650	Sale of Other Property															
5690	Other Non-Current Revenue															
5699	Non-Current Revenue - Subtotal															
Received from Other LEAs:																
5810	Tuition from Other LEAs															
5820	Area Vocational School Fees from Other LEAs															
5830	Contracted Educational Services from Other LEAs															
5840	Transportation Amounts Received from Other LEAs															
5898	From Other LEAs - Subtotal															
5899	TOTAL REVENUES															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund					Estimated Expenditures Current Year/Fund						Projected Expenditures for Next Year			
			TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
1110-20	Elementary																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															
1130-40	Middle/Junior High																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
1150-80	High School																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	.71	Language Arts															
	.72	Mathematics															
	.73	Science															
	.74	Social Studies															
	.75	Instrumental Music															
	.76	Vocal Music															
	.77	Art															
	.78	Business															
	.79	Home Economics															
	.80	Industrial Arts															
	.81	Physical Education/Health															
	.82	Foreign Language															
	.83	Vocational Agriculture															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
	6551	Vehicles															
		TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
1191	Summer School (Regular)																
	6120	Certificated - Part-time															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															
1192	Juvenile Program																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund					Estimated Expenditures Current Year/Fund						Projected Expenditures for Next Year			
			TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
1200	Special Programs																
	6110	Certificated Teacher Salaries															
	6111.41	Salary Ind/Disabil Ed Act															
	6120	Certificated - Part-time															
	6151	Classified Salaries (Teacher Aides)															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															
1250	Culturally Different (Compensatory Educ.)																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
1300	Vocational Programs																
	6110	Certificated Teacher Salaries															
	6120	Certificated - Part-time															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6316	Data Processing Services															
	6343	Travel															
	6410	General Supplies															
	6420	Free Textbooks															
	6430	Regular Textbooks															
	6541	Regular Equipment															
	6542	Equipment-Classroom Instructional Apparatus															
		TOTAL															
1400	Student Activities (Fund 60x)																
	6410	General Supplies															
		TOTAL															
1900	Payment to Other Districts																
1910	6311	Tuition															
1920	6311	Vocational School Fees															
1930	6311	Tuition - Severely Handicapped															
1940	6311	Contracted Educational Services															
		TOTAL															
1999	TOTAL INSTRUCTION (K-12 ONLY)																

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2110	Attendance and Social Work Services																
	6111	Attendance Salary-Full-time															
	6211	Teachers' Retirement															
	6241	Employee Insurance															
	6343	Travel															
	6410	General Supplies															
	6541	Regular Equipment															
		TOTAL															
2120	Guidance Services																
	6111	Guidance Salary-Full-time															
	6211	Teachers' Retirement															
	6241	Employee Insurance															
	6343	Travel															
	6410	General Supplies															
	6541	Regular Equipment															
		TOTAL															
2130	Health Services																
	6151	Classified Salaries (Health Salaries)															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6343	Travel															
	6410	General Supplies															
	6541	Regular Equipment															
		TOTAL															
2210	Improvement of Instruction Services																
	6111	Curriculum Supvrs. Salary-Full-time															
	6211	Teachers' Retirement															
	6241	Employee Insurance															
	6319	Support Staff Training Services															
	6343	Travel															
	6410	General Supplies															
	6541	Regular Equipment															
		TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund					Estimated Expenditures Current Year/Fund						Projected Expenditures for Next Year			
			TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2214	Professional Development																
	6131	Supplemental Pay															
	6231	OASDI															
	6232	Medicare															
	6343	Travel															
	6410	General Supplies															
	6500	Capital Outlay															
		TOTAL															
2220-90	Educational Media Services																
	6111	Librarian Salary-Full-time															
	6151	Library Aides															
	6211	Teachers' Retirement															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6343	Travel															
	6410	General Supplies															
	6441	Library Books															
	6441.55	Books - Title VI (Federal)															
	6451	Periodicals and Inst/Resource Materials															
	6541	Regular Equipment															
	6541.55	Regular Equipment, Title VI (Federal)															
		TOTAL															
2310	Board of Education Services																
	6315	Audit Services															
	6317	Legal Services															
	6318	Election Services															
	6343	Travel															
	6352	Liability Insurance															
	6353	Fidelity Bond Premium															
	6362	Advertising															
	6371	Dues and Memberships															
	6410	General Supplies															
		TOTAL															

EXPENDITURE SCHEDULE

		Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2320	Executive Administration Services															
6111	Superintendent Salary															
6151	Secretary Salary															
6211	Teachers' Retirement															
6221	Non-Teacher Retirement															
6231	OASDI															
6232	Medicare															
6241	Employee Insurance															
6261	Worker's Compensation Insurance															
6271	Unemployment Compensation															
6316	Data Processing Services															
6343	Travel															
6352	Liability Insurance															
6361	Postage															
6410	General Supplies															
6541	Regular Equipment															
	TOTAL															
2400	Support Services - School Administration															
6111	Principal Salary															
6151	Secretary Salary															
6211	Teachers' Retirement															
6221	Non-Teacher Retirement															
6231	OASDI															
6232	Medicare															
6241	Employee Insurance															
6261	Worker's Compensation Insurance															
6271	Unemployment Compensation															
6316	Data Processing Services															
6343	Travel															
6352	Liability Insurance															
6410	General Supplies															
6541	Regular Equipment															
	TOTAL															

EXPENDITURE SCHEDULE

		Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2540	Operation and Maintenance of Plant Services															
6151	Custodian Salary															
6221	Non-Teacher Retirement															
6231	OASDI															
6232	Medicare															
6251	Employee Insurance															
6261	Worker's Compensation Insurance															
6271	Unemployment Compensation															
6332	Repairs and Maintenance															
6333	Rentals - Land and Buildings															
6335	Water and Sewer															
6351	Property Insurance															
6361	Communication - Telephone															
6410	General Supplies															
6481	Electric															
6482	Gas - Natural															
6541	Regular Equipment															
6591	Other Capital Outlay															
	TOTAL															
2551	Contracted Pupil Transportation Services															
6111	Certificated Salary															
6200	Employee Benefits															
6341	Contracted Pupil Transportation															
	TOTAL															
2552	District Operated Pupil Transportation Services															
6151	Driver Salary															
6231	OASDI															
6232	Medicare															
6332	Repairs and Maintenance															
6341	Contracted Pupil Transportation															
6351	Property Insurance															
6410	General Supplies															
6552	Pupil Transportation Vehicles (School Buses)															
	TOTAL															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2553	Handicapped Transportation Services																
	6111	Certificated Salary															
	6200	Employee Benefits															
	6341	Contracted Pupil Transportation															
		TOTAL															
2554	District Operated Handicapped Transportation Services																
	6151	Driver Salary															
	6231	OASDI															
	6232	Medicare															
	6332	Repairs and Maintenance															
	6341	Contracted Pupil Transportation															
	6351	Property Insurance															
	6410	General Supplies															
	6552	Pupil Transportation Vehicles (School Buses)															
		TOTAL															
2555	Payments to Other Districts for Transportation																
	6341	Contracted Transportation															
		TOTAL															
2560	Food Services																
	6151	Cooks Salary															
	6221	Non-Teacher Retirement															
	6231	OASDI															
	6232	Medicare															
	6241	Employee Insurance															
	6261	Worker's Compensation Insurance															
	6271	Unemployment Compensation															
	6343	Travel															
	6410	General Supplies															
	6470	Food															
	6541	Regular Equipment															
		TOTAL															

EXPENDITURE SCHEDULE

		Actual Expenditures Prior Year/Fund TOT	GEN	SR	DS	CP	Estimated Expenditures Current Year/Fund TOT	GEN	SR	DS	CP	Total	Projected Expenditures for Next Year: General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
2569	Other Food Services-Title I															
6151	Cooks Salary															
6221	Non-Teacher Retirement															
6231	OASDI															
6232	Medicare															
6241	Employee Insurance															
6261	Worker's Compensation Insurance															
6271	Unemployment Compensation															
6343	Travel															
6410	General Supplies															
6470	Food															
6541	Regular Equipment															
	TOTAL															
2510	Business Support Services															
6100	Salaries															
6200	Employee Benefits															
6300	Purchased Services															
6400	Supplies															
6500	Capital Outlay															
	TOTAL															
2998	TOTAL SUPPORT SERVICES															
2999	TOTAL INSTRUCTION AND SUPPORT															

EXPENDITURE SCHEDULE

			Actual Expenditures Prior Year/Fund					Estimated Expenditures Current Year/Fund						Projected Expenditures for Next Year			
			TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
4000	Facilities Acquisition and Construction Services																
	6500	Capital Outlay															
		TOTAL															
5000	Long and Short Term Debt																
	6610	Principal															
	6620	Interest															
	6630	Other (paying agent fees, etc.)															
		TOTAL															
1610	Adult/Continuing Basic Education Programs																
	6100	Salaries															
	6200	Employee Benefits															
	6300	Purchased Services															
	6400	Supplies															
	6500	Capital Outlay															
		TOTAL															
1660	Adult and Community Continuing Education																
	6100	Salaries															
	6200	Employee Benefits															
	6300	Purchased Services															
	6400	Supplies															
	6500	Capital Outlay															
		TOTAL															
3000	Community Services																
	6100	Salaries															
	6200	Employee Benefits															
	6300	Purchased Services															
	6400	Supplies															
	6500	Capital Outlay															
		TOTAL															
9999	GRAND TOTAL EXPENDITURES																

SECTION: BUDGETING

SUBJECT: MODEL BUDGET **PROCEDURE NO: BUD-202**

REVENUE AND EXPENDITURE SCHEDULE

		Actual Expenditures Prior Year/Fund					Estimated Expenditures Current Year/Fund						Projected for Next Year			
		TOT	GEN	SR	DS	CP	TOT	GEN	SR	DS	CP	Total	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
Revenues																
5100	Local															
5200	County															
5300	State															
5400	Federal															
5600	Non-Current Revenue															
5800	Received from Other LEAs															
5899	GRAND TOTAL REVENUES															
Expenditures																
1100	Regular Programs															
1191	Summer School (Regular)															
1192	Juvenile Program															
1200	Special Programs															
1250	Culturally Different (Compensatory Education)															
1300	Vocational Programs															
1400	Student Activities															
1900	Payments to Other Districts															
1999	TOTAL INSTRUCTION (K-12 ONLY)															
2100	Support Services - Pupils															
2200	Support Services - Instructional Staff															
2310	Board of Education Services															
2320	Executive Administration Services															
2400	Support Services - School Administration															
2540	Operation and Maintenance of Plant Services															
2550	Pupil Transportation															
2560	Food Services															
2998	TOTAL SUPPORT SERVICES															
4000	Facilities Acquisition and Construction Services															
5000	Long and Short Term Debt															
1610	Adult/Continuing Basic Education Programs															
1660	Adult and Community Continuing Education															
3000	Community Services															
9998	TOTAL NON-INSTRUCTION AND SUPPORT															
9999	GRAND TOTAL EXPENDITURES															

SUMMARY OF FOOD SERVICE

(Not Required by Chapter 67, RSMo)

	Actual Prior Year	Estimated Current Year	Projected Next Year
Opening Balance July 1, 19XX			
Revenues:			
Local			
State Aid			
Federal Aid			
Total			
Expenditures			
Salaries			
Non-Teacher Retirement System			
OASDI			
Medicare			
Health Insurance			
Travel			
Supplies - Non-Food			
Supplies - Food			
Equipment			
Total			
Final Total (Revenues - Expenditures)			
Closing Balance June 30, 19XX			

SUMMARY OF TRANSPORTATION COST

(Not Required by Chapter 67, RSMo)

	Actual Prior Year	Estimated Current Year	Projected Next Year
Revenues			
State Payment			
Other			
Total			
Expenditures			
Salaries			
OASDI			
Medicare			
Repairs and Maintenance			
Insurance			
Supplies (gas & oil)			
Worker's Compensation			
Unemployment			
Capital Outlay			
Total			
Difference			

GASOLINE PURCHASED - Actual Prior Year				GAS PURCHASED - Current Year		
Month	Gallons	Price	Cost	Gallons	Price	Cost
AUG						
SEP						
OCT						
NOV						
DEC						
JAN						
FEB						
MAR						
APR						
MAY						

SUMMARY OF STUDENT ACTIVITIES (FUND 60X)

(Not Required by Chapter 67, RSMo)

Sample of Student Activities	Actual Prior Year Revenue	Actual Prior Year Expend.	Estimated Current Year Revenue	Estimated Current Year Expend.
.61 Class of 1997				
.62 Class of 1998				
.63 Class of 1999				
.64 Class of 2000				
.65 Class of 2001				
.66 Class of 2002				
.67 Student Council				
.68 Art Club				
.69 Debate Club				
.70 Drama Club				
.71 FBLA				
.72 FHA				
.73 FFA				
.74 Pep Club				
.75 Cheerleaders				
.76 Publications				
.77 Yearbook				
.78 Football				
.79 Cross Country				
.80 Basketball				
.81 Wrestling				
.82 Baseball				
.83 Golf				
.84 Track				
Total				

III. Budget Responsibilities

Each political subdivision of this state must prepare an annual budget, and the governing body of each subdivision must appoint a budget officer. These requirements are established by Sections 67.010 and 67.020, RSMo.

For many years, it has been the general practice among local boards of education to assign the tasks of the budget officer to the superintendent of schools. Recently, there is a trend, particularly among the larger districts, to appoint someone other than the superintendent to supervise the preparation and operation of the budget. Local boards have a great deal of freedom in the appointment to this position which has no legal description insofar as education or experience is concerned. School Board policies should define the administrative chain of command for the budget officer giving due consideration to the superintendent as the Chief Executive Officer.

The importance of a budget was apparently known by members of the General Assembly when Section 67.020, RSMo, was adopted because this statute directs that, "All officers and employees shall cooperate with and provide to the budget officer such information and such records as he/she shall require in developing the budget."

Cooperation and involvement of all personnel within the framework of established policies is very important to the efficient preparation, adoption, and operation of a school district's budget. It is important to the budget officer that all necessary purchases be made to support the instructional program which, of course, is vitally important to the classroom teacher who must have certain items or services to carry out the assigned teaching tasks. Thus, the classroom teacher must be involved if the desired materials, etc., are to be obtained in proper quantities. It is important to the department head and the building principal who are responsible for the functioning of a school or a department of a school. Involvement in budget planning is important to the persons responsible for building maintenance, pupil transportation, food services, and all other activities or services for which the school district accepts full or partial responsibility.

Many people must be involved in gathering data but the budget officer must determine those requests which merit priority attention when the budget document is finally prepared for presentation to the board of education.

The members of the board of education are responsible for knowing how priorities were determined and how each fits into the pattern to achieve the goals and objectives of the district. This body must assume the legal obligation of budget adoption.

When officially adopted by the board of education, the budget becomes one of the most important documents in a school district. Again, many people must be involved to place into operation plans which are contingent on the budget approval. The budget officer must check and approve requisitions, issue purchase orders, check incoming shipments, apportion materials and supplies, and maintain accurate control of the business affairs of the district. At regular intervals, the budget officer should report through the superintendent to the board of education and all participating district personnel concerning the state of the budget.

The budgeting cycle (preparation, adoption, implementation, operation, control, and evaluation) is a continuous process. Preparation for the next fiscal year must be carried on while implementation, operation, control, and evaluation of the budget for the current year are proceeding to completion.

Responsibilities for the budgeting process will expand as school districts move from budgets of the object-function type toward program budgeting. The program budget is much more detailed than the budget most familiar to school personnel and will require delegation of certain data-gathering and evaluation duties.

An approved budget becomes a public document and as such must be made readily available to the public. The budget officer should provide for reasonable access to the budget by interested citizens of the school district.

IV. Budget Request Forms

A. The Detail Budget Request Forms should be prepared by the administrator that has the responsibilities for controlling the expenditures at the detail level. The column headed "Budget Request" is to be completed by the adminis trator responsible.

Upon completion of the Detail Budget Request Form, a Summary Budget Request should be prepared from the Detail Budget Request. Both forms are submitted to the superintendent for the superintendent’s review.

After the superintendent's review and approval, all Summary Budget Requests should be consolidated into one Summary Budget Request for presentation to the Board of Education for its review and adoption.

B. Budget Request Forms - Illustration:

SHOW ME SCHOOL DISTRICT
DETAIL BUDGET REQUEST, FISCAL YEAR 19___

Operational Unit_____
Fund_____

		Actual Previous Year	Estimated Current Year	Budget Request
1100	Instruction			
6100	Salaries			
6111	Certificated Teacher Salaries	_____	_____	_____
6121	Substitute Teacher Salaries	_____	_____	_____
6122	Teacher Aides Salaries	_____	_____	_____
6131	Certificated Supplemental Pay	_____	_____	_____
6151	Classified Salaries	_____	_____	_____
6200	Employee Benefits	_____	_____	_____
6211	Teacher Retirement (District Match)	_____	_____	_____
6221	Non-Teacher Retirement (District Match)	_____	_____	_____
6231	OASDI (District Match)	_____	_____	_____
6232	Medicare (District Match)	_____	_____	_____
6241	Employee Insurance	_____	_____	_____
6261	Worker's Compensation	_____	_____	_____
6291	Other Employee Benefits	_____	_____	_____
TOTAL PAYROLL COSTS		_____	_____	_____
6300	Purchased Services			
6334	Rentals	_____	_____	_____
TOTAL PURCHASED SERVICES		_____	_____	_____
6400	Supplies and Materials			
6411	General Supplies	_____	_____	_____
6421	Free Textbooks	_____	_____	_____
TOTAL SUPPLIES AND MATERIALS		_____	_____	_____
6500	Capital Outlay			
6521	Buildings	_____	_____	_____
6541	Regular Equipment	_____	_____	_____
6542	Classroom Instructional Apparatus	_____	_____	_____
TOTAL CAPITAL OUTLAY		_____	_____	_____

(form continues for other objects and functions as required)

C. Budget Changes

It is recommended that budget change requests be prepared in three parts by the organization whose funds are affected.

Form Preparation

The budget change request form (see example on following page) should be completed as follows:

1. On the upper part of the form, enter a number using procedures indicated for the purchase requisition, then indicate the name of the issuing organization, and the date of issue.

2. Complete the center of the form by:

   a. Entering the account number to be changed;

   b. Entering the project source coding, if applicable;

   c. Entering a description of the change;

   d. Entering the amount of requested increase or decrease;

   e. Entering the current budget amount prior to the change;

   f. Entering the revised budget amount obtained by adding the amount in item e to the amount in item d;

   g. Entering the current unencumbered balance prior to the change;

   h. Entering the revised unencumbered balance after the change; and

   i. Entering a justification for the change with reference to the program plan.

Distribution

It is recommended that the budget change request be distributed as follows:

* Part 1 - Budget Section

* Part 2 - Accounting Office

* Part 3 - Organization Requesting Change

BUDGET CHANGE REQUEST

Change Request No._____
Operational Unit_____
Date Issued _____

(a)				(b)	(c)	PROPOSED BUDGET CHANGE (d)	CURRENT BUDGET AMOUNT (e) / REVISED BUDGET AMOUNT (f)	CURRENT UNENCUMBERED BALANCE (g) / REVISED UNENCUMBERED BALANCE (h)
Fund	Function	Object	Oper Unit	Source	Description	Increase / Decrease		
116	1110	6411	402	00	Budget Amend - Supplies	200.00	1,000.00 (e) 1,200.00 (f)	0.00 200.00
116	0000	3111	000	00	Amend Budget	(200.00)		500.00 300.00
					TOTAL	0.00	1,000.00 1,200.00	500.00 500.00

(I) REASON FOR REQUEST: This increase is required due to a 20% increase in enrollment. Anticipated 100 students in the program plan. Enrolled 120 students.

_____	_____	_____
PREPARED BY	CENTRAL OFFICE APPROVAL	BOARD OF EDUCATION APPROVAL
_____	_____	_____
DATE	DATE	DATE

ACCOUNTING
ACT-300

I. Reporting and Accounting Concepts

A. General Principles and Philosophy

Certain principles and philosophies have prevailed in the definition of the Financial Reporting System described in this manual. This section enumerates those principles, and this chapter serves as a general introduction to the accounts and reports covered in the manual.

The following principles dictate the approach to the Financial Reporting System and establish the framework for the accounting and reporting system concepts.

1. Reporting Standards

Reporting standards required by the Department of Elementary and Secondary Education will not call for the same level of detail as that necessary to manage a local school district. The inclusion of a large number of codes in this manual provides LEAs with local options befitting their unique style of business management. These options are contained within an overall mandatory framework which, when aggregated at the state level, will ensure comparability. Reporting to building principals responsible for campus budgets is possible within this system. However, a more summarized basis is preferred for the superintendent and school board; and further summarization occurs when this same data is communicated to the patrons of the school district.

Each district must be aware of the requirement in Section 160.522, RSMo, to provide for public reporting of school district information beginning July 1, 1996 (for school year 1996-97). The information required to be reported covers a broad range of topics including average per pupil expenditures for the district as a whole and for each building in the district which has pupils at the same grade level as another building in the district. This will require each district to plan for the inclusion of an operational unit/building extension code in order to define expenditures to the building level when required. See also State Board Rule 5 CSR 30-4.040.

2. Decision-Making Information

This principle recognizes that there is a greater need for detailed information in the local district than at the state or federal level as more decisions are made locally. Furthermore, the information reported to the state and federal levels should bear some relationship to the information necessary at the local level.

3. Decentralized Budgeting Capabilities

The reporting system should have the capability of providing a greater span of decision-making responsibility and authority within the district. This manual and the accounts structure make no attempt to require or mandate such decentralized decision-making, as this is a responsibility of the local district. However, if the district desires to involve administrators, department heads, etc. in the responsibility for expense control, system capabilities should exist to do so.

The principle also recognizes the difference in content of decision-making information at the local level and at the state and federal level. The level of detail necessary to make decisions or evaluate previous decisions is naturally much more detailed within or between departments within a school district than need be reported to the state. Conversely, if all the details were reported to the state from all the school districts, the volume of data would be so overwhelming that it would be unnecessarily costly and may actually obliterate "information".

For example, to provide budgetary control in areas such as salaries, the detail of substitute salaries, premium pay, extra assignment compensation, etc. are needed at the local level. Data in these categories would be relatively meaningless at the state level. Therefore, the salary information is aggregated in only two (different) classifications for state reporting purposes.

4. Modularity of Data

As reporting is simply an accounting summation for a large number of individual transactions, it is important that each transaction have, within its account description, adequate information that can be related to more than one activity.

For example, an audiovisual aid purchased for use in a social sciences course at Stanley Senior High, authorized under a Title VI - ESEA (previously known as Chapter 2) project, should carry all that information in the account defining that expenditure. Reporting can then relate that expenditure either to all audiovisual aids, or to all expenditures for Stanley High, or all expenditures for the social science programs, or all Title VI - ESEA expenditures or any combination thereof.

This principle also honors the concept of classifying and recording data once and using this data many times in many ways.

5. Standards of Uniformity

Any manual describing reporting standards bears some responsibility for the definitions of the terms upon which the accounts are based. Too often, these terms (and the accounting itself) are described in terms that accountants and central administrators understand but may or may not relate to the operational activities these financial records intend to portray.

This Accounting Manual attempts to describe every account within every dimension. The definitions use educational terms as found in the various handbooks and defined by program management people within the Department of Elementary and Secondary Education.

Where these definitions are not meaningful (or are ambiguous), definitions will be changed. As the operations and program characteristics of the educational enterprise change, this reporting system must change. The form and substance of the codes and definitions within this manual will reflect those changes.

6. Accounting Systems

The objectives of any accounting system are to relate revenues and expenditures for an accounting period and the current financial status of the enterprise reported with a reasonable amount of accuracy. The system established should also present fair and comparable financial reports of all the districts in the state.

Various systems of accounting are addressed in PROCEDURE NO: ACT-302, Accounting Concepts/Definitions. The modified accrual methodology as stated is a compromise between using a cash basis or full accrual basis of accounting. The account structure presented does not pretend to be universally applicable to all cash, modified accrual or full accrual accounting systems but appears to be workable for most school districts in Missouri.

7. Direct-Cost Reporting

With a larger number of accounts available, direct-cost reporting is more attainable, that is, a larger number of individual expenditures can be wholly attributed to a wider selection of possible programs or activities.

Conversely, with some items such as salaries, reporting for the spectrum of activities to which a teacher or support personnel may be assigned increases with the availability of accounts.

The intention is to prorate or allocate very few items (before reporting to the state). These items will have well-defined rules to establish uniformity of application.

Cost allocations may be done either at the district or at the state level subsequent to required reporting. These cost allocations will be done on a very simplified basis, either on the basis of financial or statistical information reported about an organizational unit or within the financial system itself.

The emphasis on direct-cost reporting accomplishes two things:

a. Enables the post-report segregation of direct and indirect costs on a known basis. This requires only the determination of where a given cost best fits once and one time only.

b. Reduces the interdistrict variants in reported costs. When one of multiple cost allocation methods is used to distribute indirect costs and is reported as a "program" cost, costs may differ more in appearance than they actually do in reality. By the same token, costs that appear to be equal may be in reality be very dissimilar.

The intent is to minimize the commingling of cost accounting with this reporting system. With the greater availability of more accurate unallocated and direct costs, the second priority of single or multiple attributions to a program is made possible.

8. Auditing Financial Information Reported

The account structure and reporting requirements are used for (1) local decision-making in reporting, (2) the certified audit, (3) the annual financial report, and (4) other programmatic information supplied to the Department of Elementary and Secondary Education.

All of these should be reported under the same basis. By revising the chart of accounts and the reporting standards to more closely reflect the daily operations and the certified audit of those operations, adjustments, as reflected by the audit, must be used to correct any financial information reported to the state.

This Accounting Manual provides a better basis for integrating and consolidating reporting requirements which, to be successful, will require controlled standards and fewer arbitrary user reporting requests.

9. Fund Accounting and Balance Sheet Reporting

Although various accounts and funds are specified in the law, the law and the observed practice do not necessarily coincide. By reevaluating the number of funds required and reviewing the law for possible modifications, this Accounting Manual provides the capability of bringing visibility to these problem areas.

Use of general ledger accounts and the preparation of balance sheets for reporting by funds is encouraged for use as a management tool for analysis of the district's financial condition by funds. Preferably, balance sheet preparation should not be a once-a-year job done by the auditor certifying the accounting records.

10. Pragmatic Approach

This Accounting Manual recognizes that there are many sophisticated governmental accounting techniques and refined approaches to educational financial information not incorporated in this system.

Many other dimensions proposed by other authorities could have been included but would have extended the record length, particularly in the expenditure area, to the point where the cost exceeds the value.

This Accounting Manual reflects Missouri's experience with existing software and proven techniques in many of the districts in the state. By extending these concepts and incorporating them in the state reporting requirements, this manual has been designed to maximize the information available and minimize the risks of substantial unnecessary change.

II. Accounting Concepts

A. Accounting

1. General

This section provides an overview of the accounting principles and basis of accounting for this Accounting Manual as described in the following section.

By presenting a summary of this information in advance of the examination of the expenditure, revenue and general ledger accounts, the knowledge of these guidelines will help to establish a system philosophy applicable to this Accounting Manual.

2. Basis of Accounting

The "basis of accounting" refers to the point in time when revenues, expenditures or expenses (as appropriate), and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The "basis of accounting" determines the timing with which the accounting systems recognize transactions. School districts in Missouri typically operate under either the cash or modified accrual basis of accounting.

a. Cash Accounting

The cash basis of accounting is the most elementary form of accounting and is used typically by individuals, small businesses and school districts. Under the cash basis, revenues are recorded when received and expenditures are recorded when monies are paid.

The virtue of cash accounting is its simplicity. As accounting is not performed until monies are received or spent, the relationship of revenues and expenditures to the accounting period in question is dependent on the actual flow of cash. This system makes no provision for noncash transactions; therefore, accounting reports in some cases provide inadequate information for control purposes and analysis of financial condition of the entity.

b. Accrual Accounting

Accrual accounting is a system whereby revenues are recognized when earned and expenditures are recognized in the period incurred, without regard to the time of receipt or payment of cash. This method of accounting allows a more accurate evaluation of operations during a given fiscal period.

The estimated revenues must be offset by an estimate of uncollectible receivables. This system excludes depreciation of fixed assets, except depreciation may be taken in memorandum form in the proprietary funds at the discretion of the local education agency. Reimbursement requests or cost analysis statements submitted to the Department of Elementary and Secondary Education will exclude any depreciation charges except certain school food service and transportation data.

Accruals (adjustments to cash) can be made as they occur (daily) or at the end of any accounting period such as weekly, monthly, quarterly, or annually.

The term "full accrual" is sometimes employed and can have one of two meanings. Either an extensive number of categories in both revenues and expenditures are accrued and/or this activity is continuous (daily) rather than periodic.

Increasing the degree of complexity of financial reporting creates an associated cost in the posting, recording, and balancing of more accounts. Full accrual is typically used in enterprise and agency funds as a number of major items that are considered expenses in a full costing system (such as depreciation) need to be recognized.

c. Modified Accrual Accounting

Modified accrual accounting falls between the cash basis and the full accrual basis. In modified accrual accounting, most items of revenue and expenditures may be handled on a "cash" basis for daily processing and converted to an accrual basis by periodic adjustments. The determination of how frequently the adjustments will be made is a value judgment that depends on the significance of the items, the purposes for the accounting, the need to reflect the operations of the enterprise and the associated cost and complexity of the system.

Since the resulting reports are produced at the end of an accounting period, some adjustments can best be made as they happen (daily) and others only at the end of the accounting period.

The primary need for any accounting system is to:

(1) Properly match the revenues and expenditures of an accounting period.

(2) Properly compare actual revenues to budgeted revenues of an accounting period.

(3) Properly compare actual expenditures to budgeted expenditures of an accounting period.

3. Accrual Items and Recommended Timing

a. Daily Adjustments

Daily adjustments are primarily related to cash disbursements and cash receipts. It is recommended these adjustments be made daily for the simple reason that it is easier to maintain control of these adjustments if done continuously. No additional work is involved in performing this activity as the transactions occur. The major types of adjustments on a daily basis include the following:

(1) Investments

A purchase of investments requires a disbursement of cash. This disbursement does not represent an expense of the organization but an exchange of one asset (cash) for another asset (investment). Redemption of the investment also does not represent income to the organization but merely exchange of assets.

(2) Inventory

A school district shall maintain an inventory system. The purchase of inventory is an exchange of assets, and should not be expensed or charged against the budget until it is shipped from the central warehouse to the organization requisitioning the item.

If a district does not capitalize an inventory item, it should be expensed at the time of purchase.

All districts with inventories will report an inventory asset value at year-end. The asset value will be determined either by a perpetual inventory system or by conducting a physical inventory.

The method chosen should remain consistent from year to year.

(3) Cash Advances

Cash advances are disbursements in advance of the actual expenditure and in themselves do not represent the expenditure. The expenditure occurs when the actual pending of the cash advance takes place and it is reported as an expenditure.

(4) Encumbrances (issuance of purchase orders)

Encumbrances are contracts and other nonsalary commitments which are evidenced by the issuance of a purchase order. (See PROCEDURE NO: ACT-304, Encumbrance Accounting.)

b. End-of-Period Adjustments

Certain other accrual adjustments to record revenue and expenditure items into the proper accounting period are required. These adjustments are not done daily but at the end of an accounting period.

The accounting period may be monthly for those it included in monthly budgeted revenue and expenditure reports and annually for all others.

(1) Payrolls

Payroll periods typically do not coincide with accounting periods. Therefore, at the end of the accounting period, some payroll expense will have accrued. An adjustment is required to allocate the payroll cost to the proper accounting period.

It is recommended that payrolls be accrued monthly as payroll costs amount to a substantial portion of any organization's budget. Payrolls may be accrued on the basis of the daily pay rate. However, payrolls shall be accrued at year-end. The size of the district is a criterion for judging the periodicity of the adjustments. Additionally, the district may need to accrue fringe benefits associated with the payroll.

Districts on a cash basis may accomplish the same result by writing payroll checks for the tenth through the twelfth month on June 30. Salary amounts earned but unpaid for the current fiscal year are recorded as expenditures as of that date. Individual payroll checks would then be distributed in the appropriate month. Cash flow and compliance with other statutory expenditure requirements may force a district to look carefully at how this procedure will impact the district.

(2) Prepaids

Certain costs are sometimes paid in advance. Per the Governmental Accounting Standards Board (GASB), expenditures for insurance and other similar services extending over more than one accounting period need not be allocated between or among accounting periods, but may be accounted for as expenditures in the period of acquisition.

(3) Receivables

The anticipated amount of current and delinquent property taxes to be used to finance the budget of a particular fiscal period and the revenue produced from these taxes should be recognized in the fiscal period for which it was levied. The revenue must be due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. **Such time shall not exceed 60 days.** If because of unusual circumstances, the facts justify a period greater than 60 days, the district should disclose the period being used and the facts that justify it (Per GASB).

The following revenues should not be accrued:

(a) 5113- School District Trust Fund (Proposition C)

(b) 5211- Fines, Escheats, Overplus

(c) 5311- Basic Formula

(d) 5312- Transportation

(e) 5313- Exceptional Pupil

(f) 5315- Remedial Reading

(g) 5316- Gifted

(h) 5318- Free and Reduced Lunch/At-Risk

(i) 5331- Foreign Insurance Aid (Free Textbook)

(j) 5334- Fair Share (Cigarette Tax)

(k) 5335- Desegregation Aid

(4) Accounts Payable

Accounts payable represent items properly charged to the current accounting period which have not been paid.

(5) Reserve for Encumbrances

This account is used for items properly charged to the current accounting period but which are not paid or recognized as accounts payable as of the end of an accounting period.

Amounts in the reserve for encumbrance accounts must be supported by commitments in the form of purchase orders or contracts specifying the items and quantities ordered. The amounts stated on the purchase orders or contracts (not including requisitions) are expensed with a debit to a quasi-expense account and a credit to reserve for encumbrances. When subsequent payments for these items are made, the reserve for encumbrances account is debited, encumbrance control is credited, actual expenditures are debited, and cash is credited.

This account must not be used to reserve funds (for budget) in an accounting period for later expenditure.

ACCRUAL ADJUSTMENTS BY PERIOD

Period	Disbursement/Expenditure	Receipt/Revenue
A. Daily	?Disbursements for Investments ?Loss on Investments ?Purchase of Inventory ?Encumbrance of Requisitioned Inventory ?Cash Advance Disbursement ?Travel Expense Against Advance ?Encumbrance of Purchase Orders	?Redemption of Investments
B. Monthly	?Due to Other Governmental Units (as billed)	?Nontax Receivables due from other governmental units (as billed)
C. Annually	?Payroll ?Prepaid Expense ?Inventory Adjustment ?Accounts Payable ?Due to Other Funds ?Reserve for Encumbrances	?Nontax Receivables ?Tax Receivable ?Bonds Authorized-Unissued ?Due from Other Funds

4. Expense Distribution or Allocation

In manual systems, there are necessarily a small number of accounts, each of which have relatively broad definitions. Little effort is put on detailed expense classification, and considerably more effort is put on the reporting of these expenses. This effort increases dramatically with new demands for cost by fund, function/program, object, location, or whatever facet of the expense is being reported.

Automated accounting systems typically have a much larger number of accounts. Most of the effort is placed on classification of expenditures within these accounts and significantly less effort on reporting (computer does most of the work).

With a larger number of accounts, more of the expenditures are already differentiated for the ultimate reporting purpose, and there is less need for post-expenditure cost allocations. However, the larger numbers of accounts themselves require more expenditures to be prorated or subdivided before processing (greater appreciation of this statement will develop with the reading of the subsequent chapters).

The principle to be emphasized in this Accounting Manual is that with a larger number of accounts costs can more readily be attributed directly to those accounts. By designing the account structure to accommodate the report requirements, a closer relationship between accounting and reporting is accomplished. Costs that can be associated with various programs (categories) and sources of reimbursement are so classified. Indirect expenses, such as administration, operations and maintenance, and other supporting services are to be reported for what they are. Except in the aggregate as percentages of direct costs, no attempt is made to distribute these costs.

The following major cost areas will require distribution prior to reporting to the state:

a. Payroll Labor Distribution

Salaries represent a highly significant percentage of total dollars expended and in many cases require distribution to various organizations, programs, financing sources, and objects that can only be done by the people involved at the district level.

For example, a secondary principal who teaches one or two courses, one of which may be a federally funded reimbursable program, must have his salary reported and distributed to school administration, the related subject matter area, the reimbursable program, and the proper salary object. The total reported costs for these program categories would therefore include his total salary.

b. Employee Benefits

Employee benefits are required to be attributed to salaries related to various activities.

c. Purchase Orders and Requisitions

Unless the goods are going into an inventory, goods and services can be identified as to their ultimate expense distribution at the time of the order. Detailed cost identification is therefore imputed to (recorded in) this system on the same basis that will ultimately be aggregated (reported).

d. Standard Costs (Internal Operations)

There are several major categories of cost proration where it is necessary and practicable to attribute costs to ultimate users (expense accounts or centers) even though the costs to the district for such goods and services have been commingled with other costs. This accounting technique requires the establishment of a "price" to the user that will, in total for all users, reflect the user's share of the total expense of the supporting activity. These include the following categories:

(1) Inventory - Maintenance of costs of each item subject to inventory will provide a measure of expense attribution upon the issue of supplies and materials from the inventory to the using expense center.

(2) Printing (in-house) - This activity combines both direct material costs and labor services that should be charged to the using expense center as its fair share for goods and services rendered.

(3) Transportation - Nonreimbursable transportation, such as for student activity and field trips, should be expensed to the applicable instructional or student activity expense accounts by use of standard mileage costs.

(4) Data Processing Services (Internal) - Districts that have their own EDP system will allocate costs for direct services to instructional activities so as to reflect these costs in the applicable programs (not administrative support).

(5) Maintenance and Repair Services - Direct and indirect maintenance costs should be charged to other programs such as typing instruction for repair costs.

Conversely, non-maintenance activities (such as vocational instruction) may incur costs that should be charged back to maintenance and operation for material or services performed.

(6) Construction and Remodeling - Costs incurred by a district that result in an addition to physical assets or a capital improvement must be charged to capital expenditures. These costs, such as those incurred by a carpenter shop to construct built-in storage, should result in increasing capital expenditures and reducing operating costs.

This summary serves only as an introduction to the accounting principles to cost allocations and proration.

5. Refunds (Abatements) and Reversal of Revenue or Expenditure Transactions

a. General

Recording of refunds related to a previous revenue or expenditure transaction can be handled basically in two ways.

(1) All refunds related to a previously recorded revenue should be posted to an expenditure account (Refunds Issued) and all refunds related to a previously recorded expenditure should be posted to a revenue account (Refunds Received).

(2) Adjusting (or reducing) previously recorded revenues or expenditures as applicable.

Alternative one has the virtue of simplicity; however, it tends to increase both revenues and expenditures and distorts program costs.

Alternative two requires a little extra effort but preserves the integrity of program costs and does not have the disadvantages of alternative one.

b. Refunds of Current Year Revenue and Expenditure Transactions

Recording of adjustments that reflect current year's activity will be made by reducing the associated revenue accounts (posted as a debit) or expenditure accounts (posted as a credit).

The net effect on reported totals of these accounts will therefore be the same as if both transactions had never occurred. This method will accurately reflect program revenues and expenditures. The initial transaction must be researched; but since this transaction occurred in the current year, the same chart of accounts is in use, and the records should be readily available.

c. Refunds of Prior Year's Expenditures

Occasionally it may be necessary to record refunds relating to a prior year's expenditure. Since the applicable fiscal year has passed, the entries cannot be posted to offset expenditure accounts of that year and should not be allowed to affect the current year's budgeted expenditures.

These refunds are, therefore, recognized as miscellaneous local revenue for the current year, not as either a reduction of any expenditure or a miscellaneous non-current revenue.

d. Understatement of Prior Year's Expenditure

Handling of non-budgeted items due to understatement of fiscal year-end payables requires the recording of the expenditure in the current year. This situation should be rare and not involve significant amounts.

The recommended practice is to charge this year's applicable expenditure accounts.

III. Fund Accounting

A. Fund Types and Account Groups

As defined by the Governmental Accounting Standards Board (GASB) statement of principle on fund accounting systems, "Governmental accounting systems should be organized and operated on a fund basis." A fund is an independent fiscal and accounting entity with its own assets, liabilities, and fund balance which are segregated to account for all financial transactions of specific activities of a local education agency's operations in accordance with special regulations, restrictions, or limitations. A fund type or account group may include many subfunds which are restricted in use to a specific phase of the activities. When subfunds are used, the revenue, expenditure, and fund balance accounts within the fund type are divided by subfund to provide the separate accountability necessary to conform with the legal requirements of the various subfunds. Effective accounting control of a subfund does not require use of separate bank accounts.

Effective August 28, 1993, Section 165.011, RSMo, requires the Debt Service Fund to be maintained in a separate bank account.

Legal reporting requirements and the varied nature of school district's operations preclude a single set of accounts for recording and summarizing all transactions of a school district. The records must then be organized on a fund type and account group basis with each of the several subfunds being complete subaccounting entities of a fund type or account group. Each of the subfunds in a fund type or account group will account for its own assets, liabilities, revenues, expenditures and fund balances, separately, and will provide budgetary control in a balanced set of accounts. For discussion on Missouri fund structure and its incorporation into generally accepted accounting principles (GAAP) see PROCEDURE NO: REQ-101, State Requirements.

In determining the number of funds appropriate for public school operations, the purposes and legal requirements of the various activities must be considered. GAAP recommends the minimum number of funds consistent with legal requirements. This is due to the necessity of identifying expenditures with revenues for the various activities. The fund types and account groups are identified in GASB. Based on GAAP and GASB, the following subfunds have been identified with this criteria for these fund types and account groups:

Governmental Fund Types:

- General Fund
  - Incidental Fund
  - Free Textbook Fund
- Special Revenue Fund
  - Teachers Fund
- Capital Projects Fund
- Debt Service Fund

Proprietary Fund Types:

- School Food Services (if applicable)

Fiduciary Fund Types:

Student Activities (if applicable)

Account Groups:

General Fixed Assets
General Long-Term Debt

To generate useful and complete management information for use at local level, the number of subfunds should be limited where possible. The number of subfunds a school district may use is not restricted to the funds enumerated.

The multiple-fund type and account group system should be operated as a centralized system even though the financial transactions are recorded in separate funds. Although the identity of the assets making up each subfund is kept separate and distinct, only one system of books is needed to account for all fund types and account groups. It is important to remember that a fund is not synonymous with a bank account.

An area of special concern in a multiple-subfund system is the interfund transactions that necessarily result in such a system. Six important principles should be observed in relation to interfund transactions:

1. Interfund transactions should be limited.

2. Interfund payables and receivables should not be built up when there is no intent or ability to settle such interfund obligations.

3. Interfund transactions between two or more funds must be recorded by a balanced entry to each fund. Since each subfund is a separate set of balanced accounts, a debit to an account of one subfund cannot be balanced by a credit to an account of another subfund. In cases where two funds owe each other money, the receivable and payable within each fund should not be offset without more entries to both subfunds to remove the full amount of the payables and receivables from the statements. (See PROCEDURE NO: PRC-518, Interfund Transfers.)

4. Interfund receivables and payables should not be viewed in the same manner as a receivable due from or to a source external to the local education agency. The collection of the receivable from or payment of the payable to another subfund will not improve the overall cash position of the local education agency.

5. Interfund transactions are limited to those set forth in Section 165.011(2), RSMo, and Administrative Policy.

   a. General (Incidental) to Special Revenue (Teachers) Fund

      (1) Any free textbook aid unexpended at June 30 must be transferred from the General (Incidental) Fund to the Special Revenue (Teachers) Fund.

(2) The Board may transfer an amount necessary to remove a Special Revenue (Teachers) Fund deficit. However, no more than is required to bring the Special Revenue (Teachers) Fund from deficit to a zero balance may be transferred.

b. Debt Service to Capital Projects Fund

If all bonded indebtedness has been paid and a balance remains in the Debt Service Fund, it **may** be transferred to the Capital Projects Fund. It should not be made as long as obligations exist in the Debt Service Fund.

c General (Incidental) to Capital Projects Fund

Amounts as defined by statute or administrative policy that may be transferred from the General (Incidental) Fund to the Capital Projects Fund for capital outlay purposes.

d. Capital Projects Fund to Debt Service Fund

Amounts remaining in bond proceeds (in the Capital Projects Fund) after the completion of the project for which bonds were issued **shall** be transferred to the Debt Service Fund.

e. Capital Projects Fund to the General (Incidental) Fund

Interest earned from undesignated balances in the Capital Projects Fund may be transferred to the General (Incidental) Fund.

A listing of these specific transfers can be found in PROCEDURE NO: PRC-518, Interfund Transfers.

6. Two groups of interfund transfers are recognized by the AICPA in its Audits of State and Local Governmental Units. Preparers of financial statements should review this material and construct their reporting documents accordingly.

B. Special Projects Funds

This section does not apply to any particular fund for state reporting purposes but is included to explain how reporting can be provided on project-to-date revenues, expenditures, and fund balances such as required for some federal programs. This requirement occurs whenever the program or project duration overlaps or does not fall entirely within a fiscal year.

Each expenditure account (as defined in PROCEDURE NOS: CDE-406, Function Code Descriptions, and CDE-407, Expenditure Object Code Descriptions), and each revenue account (as defined in PROCEDURE NO: CDE-405, Revenue Object Code Descriptions), have amounts indicating “current year-to-date” and “prior year’s” totals. The “current year-to-date” amounts will be added to the “prior year's” total at year-end, in effect making the prior year amounts accumulative. The sum of the “prior year's” amounts for all individual revenue accounts for a particular program or project is the projects' total revenues-to-date at year-end. Likewise, the sum of all “prior year's” expenditure amounts is the project-to-date expenditures at year-end.

At fiscal year-end (and only at year-end), the prior year's amounts equal all project-to-date amounts. During the fiscal year, the project-to-date amounts can be manually computed by adding the prior year's amounts to the current year-to-date figure.

Project-ending balances are simply the project-to-date revenues less the project-to-date expenditures.

This allows record keeping at the local district to be consistent with federal reporting requirements. When these same "special project funds" are reported for state purposes, the fiscal year period activity and balances will be reported within the General (Incidental), Special Revenue (Teachers) or Capital Projects Funds.

C. General Fixed Asset Accounts

This set of accounts represents the historical initial cost of assets such as land, buildings, and equipment and is associated with and reported in any one of the account groups enumerated above. These accounts are further defined in PROCEDURE NO: CDE-404, General Ledger Account Descriptions.

The computer-based financial system, however, requires that all accounts be associated with a two-digit fund number. For technical reasons, therefore, these accounts are assigned a "fund number" but are not considered to be part of an accounting fund as described in this chapter.

In order to fulfill generally accepted accounting principles, figures for General Fixed Assets must be reported on the balance sheet for the LEA. Lack of this element will result in a qualified opinion by the independent auditor.

IV. Encumbrance Accounting

A. Balances

Budgets are the legal authority for making expenditures; thus, it is important for the school administrator to have accurate, up-to-date information on the status of the budget balances at any given time. Knowing how much money has been spent to date is not enough. The amount committed must also be known to avoid overexpenditure of budgeted funds.

An encumbrance accounting system is a method of ascertaining the availability of monies and then reserving monies to cover outstanding obligations. Despite the cumbersome title, encumbrance accounting is not complicated. In its simplest form, it means that when a purchase order is prepared, the appropriate encumbrance account is checked to see that monies are available. If an adequate balance remains, the amount of the order is immediately charged to the account to reduce the amount of monies available. This entry, in effect, reserves monies in the account to cover the order. When the invoice comes in and is approved, the encumbrance entry is reversed and the actual amount of the voucher is recorded in the expenditure column. Any difference between the encumbrance and expenditure amounts is reflected in an adjustment to the unencumbered balance. At any given time, the unencumbered balance in the account equals the appropriation less total expenditures and outstanding encumbrances.

The encumbrance accounting method provides for recording commitments in the budgetary control accounts. Appropriations are encumbered at the time purchase orders are issued or contracts awarded, although no liability exists. Such liability would be contingent upon delivery of the commodity or performance of a service within the terms of the purchase order or contract.

Encumbrance accounting is most valuable in controlling budgeted expenditures for supplies, equipment, and contracted services. The necessity for encumbrance accounting in the areas of salaries, other personal services and utilities may be limited due to the nature of these items. The recommended procedure for encumbrance accounting is to encumber appropriations for supplies, equipment, and purchased services when a purchase order, a contract, or a letter confirming telephone orders is received.

An encumbrance may be liquidated or canceled when any of the following situations occur:

1. Satisfactory receipt or acceptance of invoiced goods or services.

2. Notice from or failure of the vendor to fulfill terms of the order or contract.

3. Cancellation of the order by the district.

B. Since many purchase orders are based on catalog prices or quotes subject to changes, amounts of encumbrances may vary from the amounts of expenditures. In any case, the total encumbrance is liquidated in the same amount as placed (see examples below). Upon receipt of the goods or services, certain situations may arise that require adjustments to be made in the accounting records. To explain the entries necessary for each of the situations, examples are presented below with the necessary entries.

Examples

1. In each of the situations described, an encumbrance of $100 was made for supplies.

Entry	DEBIT	CREDIT
Encumbrance Control	$100.00	
Reserve for Encumbrances		$100.00

2. The price of goods received is $90.00

Entry	DEBIT	CREDIT
Reserve for Encumbrances $100.00		
Expenditure	$ 90.00	
Encumbrance Control		$100.00
Accounts Payable or Cash		$ 90.00

3. Only a partial shipment of goods was received. The encumbered amount for the goods received is $50.00. The correct price is $20.00. In this situation where the price differential may be considered to be significant, an adjustment of the encumbrance should be made based upon the goods to be received later. It is assumed that the goods to be received will also be correctly priced at $20.00.

a. To record receipt of goods.

Entry	DEBIT	CREDIT
Reserve for Encumbrances $ 50.00		
Expenditure Control	$ 20.00	
Encumbrance Control		$ 50.00
Accounts Payable or Cash		$ 20.00

b. To record adjustment on unreceived goods.

Entry	DEBIT	CREDIT
Reserve for Encumbrances $ 30.00		
Encumbrance Control		$ 30.00

Prior to the end of the year, every effort should be made to liquidate outstanding encumbrances. At year-end, such encumbrances shall not be added to expenditures for state reporting purposes.

If the school district intends to honor the encumbrances in the succeeding fiscal year, (a) encumbrances outstanding at year-end should be disclosed in the notes to the financial statements or by reservation of fund balances, and (b) the subsequent year's appropriations should be increased to complete these transactions. In the following year, the LEA would Debit Expenditures, Credit Cash, Debit Fund Balance Reserved for Encumbrance and Credit Encumbrances. Under this method, the liquidation is treated as an expenditure of the following fiscal year as is indicated in the following example.

Example:

In the subsequent fiscal year as materials are delivered and paid for, the following entries are made:

Entry	DEBIT	CREDIT
Reserve for Encumbrances	$1,020.00	
Cash or Accounts Payable		$1,020.00

In order that these expenditures do not cause an "over budget" condition, it is necessary that new year appropriations (estimated expenditures) be increased by the outstanding purchase order amount. Specifically, an entry would be made to Debit Encumbrance and Credit Estimated Expenditures.

Note: All summary entries to the Encumbrance Control account or Expenditure Control account also require detail posting to the Budget Analysis Ledger accounts.

V. Payroll Accounting

A payroll system must be capable of adequate reporting for effective control by management and of providing reports and records necessitated by state and federal laws. Considering these requirements, a sound payroll system should provide for the following:

1. Adequate labor records for each employee.
2. Prompt completion of all necessary documents in connection with the payroll.
3. Timely preparation of payroll reports required by governmental agencies.
4. Prompt reporting of payroll data to management.
5. Disbursement of the payroll on a timely basis.

In order to record and report expenses in the period in which they are incurred, unpaid salaries must be accrued. A nine-month employee paid on a twelve-month basis earns his salary in nine months. The difference between his gross pay and his earned pay is considered to be Accrued - Salaries Payable or Unpaid Earnings. An example of two different methods for payroll accruals for a nine-month contract of $18,000 paid on a twelve-month basis are shown below:

PAYROLL ACCRUALS

SALARY FOR 9-MONTH (180-DAY) CONTRACT $18,000
PAID OVER 12-MONTH PERIOD @ $1,500

METHOD A - ACCRUAL BY MONTH EARNED

MONTH	PAID	EXPENDITURE	ACCRUAL BALANCE
1	$ 1,500	$ 2,000	$ 500
2	1,500	2,000	1,000
3	1,500	2,000	1,500
4	1,500	2,000	2,000
5	1,500	2,000	2,500
6	1,500	2,000	3,000
7	1,500	2,000	3,500
8	1,500	2,000	4,000
9	1,500	2,000	4,500
10	1,500	-------	3,000
11	1,500	-------	1,500
12	1,500	-------	------
TOTAL	$18,000	$18,000	$ -0-

METHOD B - ACCRUAL BY DAYS WORKED/MONTH EARNED

MONTH	DAYS WORKED	PAID	EXPENDITURE	ACCRUAL BALANCE
1	22	$1,500	$2,200	$ 700
2	21	1,500	2,100	1,300
3	19	1,500	1,900	1,700
4	14	1,500	1,400	1,600
5	19	1,500	1,900	2,000
6	19	1,500	1,900	2,400
7	22	1,500	2,200	3,100
8	22	1,500	2,200	3,800
9	22	1,500	2,200	4,500
10	--	1,500	------	3,000
11	--	1,500	------	1,500
12	--	1,500	------	-----
TOTAL	180	$18,000	$18,000	$ -0-

Method B is recommended for most districts and is best suited to computer payroll preparations.

Individual payroll records are necessary to provide the reports required from the payroll department, by various governmental agencies and for internal management. Additional information concerning individual payroll record can be found in PROCEDURE NO: PRC-505, Payroll Records. Regardless of the forms used in payroll accounting, it is very important to correctly calculate the gross pay, payroll deductions, and net pay prior to entry of these amounts into the records. Reference must be made to tax guides, teacher retirement guides, and other documents which provide the information necessary to calculate the deductions.

In many cases, a payroll-clearing bank account may be used to facilitate disbursement of the payroll. This system enables the use of one check to pay an individual whose salary is to be expensed to more than one fund. The appropriate Due from Other Fund account would be debited for the gross amount of earned salaries paid by the operating fund which should be charged to another fund. The following are examples of entries to give effect in the record to the gross earnings and deductions.

1. To record the expenditure in the proper fund:

Entry	DEBIT	CREDIT
Expenditure - Fund 12X	$XXXX.XX	
Cash or Due to Payroll Fund		$XXXX.XX

Post detail to Budget Analysis Ledger

2. To record payment of cash from Fund 10X to the employee and to record the deductions, it is necessary to:

Entry	DEBIT	CREDIT
Cash or Due From Fund 12X	$XXXX.XX	
Federal Income Tax Payable		$XXX.XX
Teacher Retirement Payable		XX.XX
Group Health Payable		XX.XX
Credit Union Payable		XX.XX
Accrued Wages Payable		XXX.XX
Net Check to Employee (Cash)		XXX.XX

VI. Capital Outlay and Accounting for Property

The determination as to whether an expenditure should be classified as an operating expense or recorded in the fixed asset group of accounts is often difficult. As a general guideline, if the unit cost of the item is $1,000 or more and the useful life is estimated at more than one year, the purchase will be considered a Capital Outlay, regardless of whether it is a replacement item or purchase of additional equipment. Furthermore, if the nature and/or quantity of the item(s) allows economical control, then the unit cost may be less than $1,000 and if the one-year useful life criteria is met, the expenditure is a Capital Outlay. A district may establish a policy to use a unit cost of less than $1,000 to determine capital outlay expenditures. Purchases of items not meeting the cost, controllability, or useful life criteria are properly charged to current operating expense.

Acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the district's regular accounting practices.

CRITERIA FOR DISTINGUISHING EQUIPMENT FROM SUPPLY ITEMS
(Listed in Priority Order)

YES	?	Lasts more than one year	?	NO	**AT FIRST "NO", THE ITEM IS DECLARED TO BE A *SUPPLY* ITEM**
?					
YES	?	Repair rather than replace	?	NO	
?					
YES	?	Independent unit rather than being incorporated into another item		?	NO
?					
YES	?	Cost of tagging and inventory is a small percent of item cost	?	NO	
?					
YES	?	Exceeds minimum dollar value mandated by State or other governmental unit (with due regard for group control for some items). Current minimum of $1000.00, however, the district may establish a lower limit.	?	NO	
?					
?					

ITEM IS CONSIDERED *EQUIPMENT*

Accounting for property and equipment in the financial records of governmental agencies differs greatly from the commercial methods of recording fixed assets. Acquisitions of fixed assets are not recorded in the fund from which they were acquired, and depreciation is not recorded. An exception is fixed asset purchases from Proprietary Funds which may be recorded on a commercial basis (i.e., Food Services, in memorandum form only).

Fixed assets are recorded at cost or appraisal value in the General Fixed Assets Account Group. The entry in the fund which acquired the fixed asset would be as an expense item. The following is an example of the entry to record the acquisition of fixed assets in the accounts:

Entry	DEBIT	CREDIT
Furniture and Equipment	$XXX.XX	
Reserve for Investment in General Fixed Assets		$XXX.XX

In addition to entries similar to the above involving the general ledger accounts, detailed subsidiary property records must be maintained to maximize the control of fixed assets.

An example of a subsidiary record which provides useful information is the Accession Ledger (illustrated below). This ledger is a record detailing in order of acquisition, the item purchased, date of purchase, purchase price, life expectancy, location of items, property, inventory number, and other information that may be useful for control.

When a **fixed asset is disposed of**, regardless of reason, the entry recording the acquisition is reversed in the General Fixed Assets Account Group. Entries to record insurance adjustments, trade-in allowances, and receipts from sales of fixed assets are recorded in the fund which acquired the item.

Property records should be maintained by fund. It is not necessary to open and close the accession ledgers with the beginning and ending of a specific year. The balance in the accession ledger, net acquisitions, must equal the balance in the General Fixed Assets Account Group at the end of each year.

ACCESSION LEDGER--FURNITURE AND EQUIPMENT

DESCRIPTION, SERIAL NUMBER	DATE	COST	LOCATION	USEFUL LIFE	PROPERTY NUMBER	PROJ.	DISPOSITION COMMENTS
Floor Buffer #0031250	01-09-94	$1,587	Adm. Bldg.	8	0001	110	
Lawn Tractor #09911	10-01-94	$1,876	High School	8	0002	110	Destroyed in fire 11/l/96
Walk-In Freezer #09912	10-01-94	$10,150	Elementary	15	0003	110	
Lawn Tractor #09911	11-01-96	($1,876)	High School	8	0002	110	To reduce fixed assets. See Property # 0002
Floor Buffer #J00795	05-01-97	$2,525	Elementary	8	0004	110	
Gateway Computer #GW09932	09-15-98	$ 825	Elementary	3	0005	110	1 of 3 computers, Total:$2,475
Gateway Computer #GW10955	09-15-98	$ 825	Elementary	3	0006	110	1 of 3 computers, Total: $2,475
Gateway Computer #GW11132	09-15-98	$ 825	Elementary	3	0007	110	1 of 3 computers, Total: $2,475

I. Accounting Code Overview

Code Structure

The overall account code structure is designed to serve as both an efficient account coding facility and a basic management tool. It creates a common language for use in controlling, recording, accumulating, and reporting the activities of the school districts.

This is a multidimensional accounting code structure and is defined to satisfy many uses by segmenting the code into several dimensions. Each dimension has a set of descriptors that permits the retrieval of this information on whole or on part to relate to commonly asked questions. In addition, revenues and expenditures can be aggregated using one or more dimensions of the account code.

The code ranges of the basic system are illustrated below:

				*	*
	XXX	XXXX	XXXX	XXX	XX
Fund	↑				
Function		↑			
Object			↑		
Operational Unit				↑	
Source of Funds					↑
Example	127	1237	6411	402	12

* Optional Use

A. Fund Code

The Fund Code consists of two basic elements, the first two digits indicate the type of fund and the last digit indicates the fiscal year. For example, 117 indicates by the “1” that the purpose of this fund is General (Incidental) Fund. The second digit indicates the Operating Subfund of the General (Incidental) Fund. The "7" indicates that it is for the 1996-97 fiscal year.

B. Function Code

The Function Code describes the action, purpose, or program for which activities are performed. For example in Function 1237, the first digit indicates the general area of Instruction. The second digit denotes Special Programs. The third digit identifies a Physical or Sensory Handicap. The fourth digit specifies instruction dealing with Hard of Hearing Impairment is being conducted.

C. Object Code

The Object Code consists of three parts: the account classification, the object code, and the subobject code. The Account Classification Code identifies the General Ledger section such as assets, liabilities, fund balance or budgetary accounts. All revenue objects will be classified as "5's"; all expenditure objects will be classified as "6's." The Revenue Object Code (second digit) identifies the source of revenue, such as local, county, or state monies. The Expenditure Object Code (second digit) identifies the service or commodity obtained, such as salaries, supplies, or

travel. The Subobject Code (fourth digit) while not usually required in state reports may be valuable on a local level to further identify certain revenues or expenditures.

D. Operational Unit Code

The Operational Unit Code refers to individual campuses within a district and individual components within the administration, school service, maintenance and operation divisions. The local district may use the Department of Elementary and Secondary Education School Core Data building codes, dropping the last digit or adjusting the third digit to distinguish separate campuses. Otherwise the district is free to use any code it wishes for its other operational or "cost" units. Suggestions related to these other uses are found in PROCEDURE NO: CDE-408, Operational Unit Codes.

E. Source of Funds/Project Code

The Source of Funds Code is used to identify a subset of the General (Incidental), Special Revenue (Teachers), and Capital Projects Funds which are parts of a specific grant as is commonly the case with various federal funds such as Individuals with Disabilities Act (IDEA), Revenue Codes 5441-42. The Source of Funds Code may also be used to aggregate costs across subfunds, such as teachers' salaries and supplies, to construct the reports necessary for various granting agencies. When used to identify a federal project, the Source of Funds Code may also be associated with accounts receivable, accounts payable, and fund balance accounts pertaining to that project. With the exception of the cash account, a balance sheet for the project may be drawn from the general ledger utilizing this code dimension.

II. Fund Codes

CODE CLASS	CODE DETAIL	FUND TITLE
10X		General (Incidental) Fund - The purpose of this major fund group is to account for all transactions having to do with the operations of the school district's regular programs, except those required to be accounted for in another fund. This independent accounting entity with its own assets, liabilities, and fund balances will include transactions involving local taxes; Foundation Program payments such as Basic Formula, Transportation, Exceptional Pupil, Early Childhood Special Education, Remedial Reading, Gifted, Free and Reduced Lunch/At-Risk, Career Ladder, Educational Screening Entitlement/PAT, and Vocational/At-Risk; and various other transactions associated with federal projects. The Free Textbook Fund is administered as a revenue and expenditure subfund account and reported within the General (Incidental) Fund.
	11X	Payroll Subfund - This subfund is an interim fund only and shall not appear on end-of-year financial statements as a separate entity but will be merged with the General (Incidental) Fund. Its use is optional and is suited mainly to larger districts or those with access to electronic data processing.
	12X	Operating Subfund - This subfund comprises the bulk of school district revenues and expenditures in the General (Incidental) Fund and includes all transactions not addressed within one of the separate subfunds included here.
	13X	Free Textbook Subfund - This subfund of the General (Incidental) Fund is used to account for Foreign Insurance (Free Textbook) related transactions.
20X		Special Revenue (Teachers) Fund - This fund is used to account for revenue sources legally restricted to expenditures for the purpose of teachers' salaries, health insurance benefits for teachers, and tuition payments to other districts.
30X		Debt Service Fund - This fund will include all accounts necessary to record transactions affecting the value of the unpaid principal of bond issues, value of cash on deposit in the fund, the value of any temporary investments, the amount of current interest and principal requirements of long-term debt and paying agent fees. Receipts from the sale of bonds (new issue) are placed in the Capital Projects Fund. Amounts in the Debt Service Fund are generated from the Debt Service Fund tax levy and are used only to retire bonded debt. Expenses, other than paying agent fees, associated with the issuance of bonds must be paid from the Incidental or Capital Projects Funds as indicated below. The following "other" bond related fees are not paid from the Debt Service Fund but rather from the **General (Incidental) Fund** if the bond transaction is a **refunding of existing bonds**, or from the Capital Projects Fund if it is a new issue (a district may elect to pay bond related fees for a "new issue" from the General (Incidental) Fund: a. bonding attorney costs, b. costs of bond sales c. registration fees d. bond printing costs, and e. other costs associated with issuing the bonds.

CODE CLASS	CODE DETAIL	FUND TITLE
40X		Capital Projects Fund - The Governmental Accounting Standards Board (GASB) recognizes the Capital Projects Fund as a Governmental Fund type. Section 165.011, RSMo, specifies that this fund is to be used to account for all facility acquisition, construction, all lease purchase payments of principal and interest, and all other capital outlay expenditures with the exception of certain expenditures for classroom instructional capital outlay.
	41X	Bond Proceeds' Capital Outlay Subfund - This subfund comprises a school district's capital outlay expenditures paid with proceeds from the sale of bonds. (Any unspent bond proceeds after the completion of the projects must be transferred to the Debt Service Fund per Section 165.011, RSMo.)
	42X	Regular Capital Outlay Subfund - This subfund comprises the bulk of a school district's annual capital outlay transactions - whether for routine capital outlay purchases, lease purchase principal and interest payments, or facility acquisition and construction paid from annual revenues and/or fund balances.
50X		Food Service/Enterprise Fund - This fund is an interim fund only for those districts operating a federally funded school lunch program consisting of local meal receipts, state matching money, and Federal Food Service funds. This is an enterprise activity with a unique set of general ledger accounts designed to determine profit and loss in a manner similar to commercial enterprises. This fund may require support from the General (Incidental) Fund. This fund will be merged with the General (Incidental) Fund for state reporting purposes.
60X		Student Activities/Trust Fund - This is an interim fund only and includes all student activity transactions not identified in other funds and all athletic activities that are not a part of the regular instructional program. This fund must be merged with the General (Incidental) Fund for final state reports. At the LEA's option, fund 60X may be subdivided to use 61X for student activities and 62X for athletics.
70X		Intraschool Service Fund - This fund is used only by certain large districts to accomplish intradistrict billing of common services. It must be merged with the General (Incidental) Fund for final state reports.
80X		General Fixed Assets Account Group - This set of non-revenue, non-expenditure accounts will account for specific pieces of property, such as equipment, land, and buildings, acquired by the other funds. This account group is of a continuing running-total type updated at the end of each fiscal year. **Each district shall maintain a General Fixed Assets Account Group.**
90X		General Long-Term Debt Account Group - This set of non-revenue, non-expenditure accounts are used to record unmatured general long-term liabilities such as bond issues and lease purchase agreements. An approved bond register can be the source of data for the records in this account group.

(NOTE: Smaller school districts may not use all of the above funds or subfunds. Larger districts may need to use all of the funds outlined above plus the project codes described in PROCEDURE NO: CDE-409, Project Code Descriptions.)

III. Classification Codes

Each accounting transaction will be coded with a one-digit number which will indicate the type of account and the detail affected by the transaction. The type of account is indicated by the account classification code which precedes the three-digit object code. The account classification codes are listed below.

Code	Account Classification
1	Assets
2	Liabilities
3	Fund Balances
4	Reserve for Encumbrances
5	Revenues
6	Expenditures

Note that revenues will always be preceded by the number five (5) and that for all practical purposes it is to be viewed as a part of the Revenue Object Code.

Expenditures will always be preceded by the number six (6) and that for all practical purposes it is to be viewed as a part of the Expenditure Object Code.

IV. General Ledger Accounts

The General Ledger Accounts permit the recording and accumulation of transactions occurring over a period of time which are then reported for a month or for a fiscal year. Since these accounts include more than revenue and expenditure transactions, they permit a meaningful display of the total financial status of each fund and the resources of the district as a whole. Code numbers in the CLASS column and middle column ending in zero are for sub-totaling purposes only and are not used for posting transactions.

In the same manner as revenue object codes and expenditure object codes, the general ledger codes occupy the same field position in the coding structure. Further it comprises four digits in a manner similar to the revenue and expenditure codes. The account classification is always the first digit in this four-digit group. Please observe that general ledger codes never have a function code attached.

CODE CLASS	DETAIL	DESCRIPTION
1000		Assets - All asset accounts will be designated by account numbers 1100 through 1999.
1100		Cash and Temporary Investments
1110		Cash
	1111	Cash in Banks - This account is debited with all cash receipts, and offset by a credit to another cash account, investment account, receivable account, revenue, deferred revenue or nonrevenue account. Credits to this account arise from disbursements or a return of checks previously deposited.
1120		Cash
	1121	Payroll Bank Account - This account is debited with the amount of the net payroll (gross payroll less employee deductions) or the gross payroll depending on which basis of the two is selected by the local educational agency and is offset by a credit to Cash in Banks (Account 1111). Credits to this account arise from the issuance of payroll checks or the return of canceled payroll checks from the bank. Small districts will probably not use this account but run all payroll through Cash in Banks (Account 1111). This account is useful primarily in large systems running a clearing-type Payroll Subfund.
1130		Imprest Funds
	1131	Change Funds - Cash - A sum of money set aside for the purpose of providing cash register change. Debits to this account record the amount of cash assigned to the change fund and is offset by a credit to Cash in Banks (Account 1111).

CODE CLASS	CODE DETAIL	DESCRIPTION
	1132	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. Debits to this account record the amount of cash assigned to the petty cash fund and are offset by a credit to Cash in Banks (Account 1111). Credits arise when the amount of cash assigned is reduced and deposited in Cash in Banks (Account 1111). The expenditures from this fund will be recorded when the warrant is prepared for periodic reimbursement.
1140		Temporary Investments - This account is debited with the cost of securities purchased and the transfer of cash from Cash in Banks (Account 1111) to time deposits. Credits to this account arise from retirement, sale, or maturity of the investment. The following accounts are included in this classification.
	1141	Savings Accounts
	1142	Certificates of Deposit
	1143	US Treasury Bills - Includes service charges.
	1149	Other Investments - Includes service charges.
1150		Escrowed Cash
	1151	Escrowed Cash - This account is debited with the amount of state aid which is directly deposited into a trustee account through the MO Health and Educational Facilities Authority (MOHEFA) Direct Deposit Program and is offset by a credit to Other Non-Current Revenue - Temporary Direct Deposit Revenues (Revenue Code 5691).
1200		Accounts Receivable - Receivables due for outlays made and expected revenues are charged to the 1200 series of accounts. The offset is a credit to the fund balance or revenue account. The following accounts are included in this classification.
1210		Local Accounts Receivable
	1211	Property Taxes Receivable - Current - The uncollected portion of current taxes which a school district has levied and which has become due.
	1212	Property Taxes Receivable - Delinquent - The uncollected portion of prior year's taxes.
	1213	Allowance for 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 Property Taxes Receivable - Current (Account 1211) and Property Taxes Receivable - Delinquent (Account 1212) in order to arrive at the net amount of taxes receivable.
	1214	Financial Institution Taxes Receivable

CODE CLASS	DETAIL	DESCRIPTION
	1215	M & M Surcharge Receivable
	1216	In Lieu of Tax Receivable
	1217	City Sales Tax Receivable
	1218	Kansas City Boulevard Tax Receivable
1220		County Accounts Receivable
	1221	State Assessed Railroad & Utility Tax Receivable
1230		State Accounts Receivable
	1231	State Accounts Receivable
1240		Federal Accounts Receivable
	1241	Federal Accounts Receivable
1260		Non-Current Accounts Receivable
	1261	Non-Current Accounts Receivable
	1262	Bad Check Receivable
1290		Receivables Due From Other Funds - The balances in these accounts represent amounts due from other funds. The following accounts are included in this classification. **This group of accounts must be cleared to zero as of June 30th.**
	1291	Payroll Subfund
	1292	Operating Subfund
	1293	Food Service/Enterprise Fund
	1294	Student Activities/Trust Fund
	1295	Special Revenue (Teachers) Fund
	1296	Debt Service Fund
	1297	Capital Projects Fund

CODE CLASS	DETAIL	DESCRIPTION
1300		Inventories - The balances in this account represent the cost of items purchased for future use which are on hand at the end of a reporting period. Inventory purchases are debited to the inventory account. Requisitions from inventory are credited to the inventory account.
1310		Inventories - Supplies and Materials
	1311	Warehouse Inventory
	1312	Postage Inventory
	1315	Inventory for Resale - Building of vocational houses should be debited to this account and reflected as an asset until sold. When the project is sold, this account is credited for an amount equal to the cost. **Any profit or loss is charged to the proper revenue or expense account.**
	1316	Inventory - Food
	1317	Inventory - Donated Commodities
	1319	Other Inventories
1400		Other Current Assets - These accounts are debited with any items which are properly chargeable to the operations of an expenditure account. Credits to these accounts arise from journal entries recording period charges and are offset by a debit to an expenditure account.
1410		Other Current Assets
	1411	Prepaid Expenditures - Expenditures entered in these accounts are for benefits not yet received. Prepaid expenditures 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 expenditures are prepaid rent, prepaid interest, and unexpired insurance premiums.
	1412	Ticket Value Account - The full sales value of tickets on hand in the school office are reflected in this account. This account is always offset by Deferred Income (Account 2211).
1500		General Fixed Assets - These accounts are charged with the cost of fixed assets and are offset by a credit to the respective reserve account. Credits to Class 1500 accounts result from retirement or disposition of the assets, with the offset being a debit to the respective reserve account. The following accounts are included in this classification.
1510		Land
	1511	Land

CODE CLASS	DETAIL	DESCRIPTION
1520		Buildings
	1521	Buildings and Remodeling
1530		Construction In Progress
	1531	Construction In Progress
1540		Equipment
	1541	Furniture
	1542	Classroom Instructional Apparatus
	1543	Vehicles
	1544	School Buses
	1545	Audiovisual Equipment
	1546	Data Processing/Technology Equipment
	1549	Other
1600		Bonded Debt
1610		Amounts to be Provided for Payment of Bond Principal
	1611	Amounts to be Provided for Payment of Bond Principal - As bonds are sold, this account is debited with the entire amount necessary to retire the bonds, the offset being a credit to Bonds Payable.
1620		Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities
	1621	Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities - This account is debited with the entire amount of interest payable on outstanding bonds. The offset is a credit to Bond Interest Payable - Future Coupon Maturities.
2000		Liabilities
2100		Current Payables
2110		Accounts Payable
	2111	Accounts Payable - General - This account represents actual liabilities for goods and services received, with the offset being a debit to an expenditure account.

CODE CLASS	DETAIL	DESCRIPTION
	2115	Retained Percentage On Construction - Liabilities occurring on construction contracts for that portion of the work which has been completed but 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.
2120		Loans Payable
	2121	Loans Payable - This account is credited with the proceeds from loans, with the offset being a debit to Cash in Banks (Account 1111).
2130		Bonds Payable
	2131	Bonds Payable - Current Year - This account is credited as bonds become currently payable. The offset is a debit to Bonds Payable. When bonds are redeemed this account is debited with a corresponding credit to Amounts to be Provided for Payment of Bond Principal (Account 1611).
2140		Bond Interest Payable
	2141	Bond Interest Payable - Current Year - This account is credited as bond interest becomes currently payable. The offset is a debit to Bond Interest Payable - Future Coupon Maturities (Account 2731).
2150		Payroll Deductions and Withholdings - All withholdings from the payroll are credited to this account, with the offset being a debit to an expenditure account. The following accounts are included in this classification.
	2151	Federal Income Tax
	2152	Old Age, Survivors and Disability Insurance (OASDI, “Social Security” Tax)
	2153	Medicare Tax
	2154	Medicare Tax - Teachers
	2155	Missouri Income Tax
	2156	Group Health and Life Insurance
	2157	Credit Union
	2158	Teacher Retirement
	2159	Non-Teacher Retirement
	2160	Tax Sheltered Annuity
	2161	Other Deductions (Garnishments, Bankruptcy, etc.)
	2162-69	Reserved for expansion of payroll deduction items.
2170		Accrued Wages Payable
	2171	Accrued Wages Payable - This account is used to record liability for services received in the current budget period which will not be paid in cash until a later period. The offset is to an expenditure account. This account is debited when the checks are issued.

CODE CLASS	DETAIL	DESCRIPTION
2180		Due To Other Funds - The balance in these accounts represents amounts billed to a fund by another fund. The following accounts are included in this classification. **This group of accounts must be cleared to zero at June 30.**
	2181	Payroll Subfund
	2182	Operating Subfund
	2183	Food Service/Enterprise Funds
	2184	Student Activities/Trust Funds
	2185	Special Revenue (Teachers) Fund
	2186	Debt Service Fund
	2187	Capital Projects Fund
	2188	Free Textbook Subfund
2200		Deferred Income
	2211	Deferred Income - This account represents revenues which are not properly income of the current budget period. As the income becomes earned, this account is debited with a corresponding credit to the appropriate revenue account.
2300		Reserve for Protested Taxes
	2311	Reserve for Protested Taxes - Represents moneys paid under protest and released to the LEA and which may have to be refunded after full dispensation.
2700		Bonded Debt Payable
2710		Bonds Payable - Future Years
	2711	Bonds Payable - Future Years - The liability for outstanding bonds is recorded in this account. It is credited for the face amount of bonds sold with a corresponding debit to Amounts to be Provided for Payment of Bond Principal (Account 1611). As bonds become currently payable, this account is debited and Bonds Payable - Current Year (Account 2131) is credited.
2730		Bond Interest Payable - Future Coupon Maturities

CODE CLASS	CODE DETAIL	DESCRIPTION
	2731	Bond Interest Payable - Future Coupon Maturities - As bonds are sold, this account is credited for the amount of interest to be paid to maturity with a corresponding debit to Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities (Account 1621). When interest becomes currently payable, this account is debited with a corresponding credit being made to Bond Interest Payable - Current Year (Account 2141).
2800		Pension Liability
	2811	Pension Liability - The amount of the actuarial deficiency to be contributed over a period exceeding one year in length applies to Kansas City and St. Louis School Districts only.
3000		Fund Balances and Reserves
3100		Fund Balance
3110		Fund Balance - This account balance represents total assets less the combination of liabilities and reserves. Credits to this account arise from journal entries to record estimated revenues, and at the end of the year to close credit balances in appropriation and revenue accounts. Debits arise from journal entries recording appropriations, and at the end of the year to close debit balances in the appropriation and estimated revenue accounts.
	3111	Beginning Fund Balance
	3112	Ending Fund Balance
3200		Invested Reserves - This account balance represents the appropriation of Fund Balance for the Investment Reserves noted below. The following accounts are included in this classification.
3210		Reserve for Investment in Inventories
	3211	Reserve for Investment in Inventories
3220		Reserve for Investment in General Fixed Assets
	3222	Reserve for Investment in General Fixed Assets
3300		Indirect Cost and Casualty/Loss Clearing Accounts
3310		Allowance for Indirect Costs - This account is used when applying approved indirect cost rates related to federal and other approved projects. (See PROCEDURE NO: PRC-514, Indirect Cost Rates for Federal Grants.)

CODE CLASS	CODE DETAIL	DESCRIPTION
3320		Casualty/Loss Clearing Account - **This account is credited whenever insurance proceeds are received** as the result of a covered loss (fire, storm, flood, vandalism, and other capital outlay insurance claims) **and debited whenever contract payments are made for covered loss repairs.** Net receipts, as a result of the covered loss, are recorded as revenue in Net Insurance Recovery (Account 5631) at the termination of the repair/replacement project. Net expenditures are recorded as any other regular expenditures.
3400		Restricted Fund Balance
	3412	Restricted Fund Balance - This account balance represents the portion of the Fund Balance segregated to indicate that assets equal to the amount of the reserve are tied up and are, therefore, not available for appropriation. It is recommended that a separate reserve be established for each special purpose. Examples of special purpose as used in this application include unexpended or carryover amounts from the Professional Development Committee, At-Risk funds, student scholarships or trust funds, bond proceeds balance, and gift or will funds.
4000		Encumbrance Reserves
4110		Fund Balance Reserved for Encumbrance - This is an offset to Encumbrances - Control (Account 6020). At year-end, it is treated as a real (proprietary) account. The LEA may opt to use current year 4111 and prior year 4112. Payroll reserve for encumbrance could use Account 4121.
5000		Revenues
5010		Estimated Revenues and Noncash Revenues - Control - This account is debited at the beginning of the fiscal year for the amount of revenues anticipated. The offset is a credit to Fund Balance (Account 3111). At the end of the fiscal year, this account is credited when Realized Revenues and Noncash Revenues - Control (Account 5020) is closed to it, and then the net balance of this Account 5010 is closed to Fund Balance. NOTE: Data Processing Systems use actual bookkeeping records with nominal codes and do not post to control accounts as a separate entry.
5020		Realized Revenues and Noncash Revenues - Control - This account is credited for the total revenue and noncash revenue realized (including any accrued amounts) during the period. The postings to the Budget Analysis Ledger detail revenue accounts must be equal to this total revenue control account. The offset is a debit to cash or a receivable account. At the end of the period, this account is closed to Estimated Revenues and Noncash Revenues - Control (Account 5010).

CODE CLASS	CODE DETAIL	DESCRIPTION
6000		Appropriations, Encumbrances, Expenditures
	6010	Appropriations - Control - This account is credited at the beginning of the period for the amount of budgeted expenditures. The offset is a debit to Fund Balance (Account 3110). At the end of the period, this account is debited when Encumbrances - Control (Account 6020) and Expenditures - Control (Account 6030) are closed to it, and then the net balance of this Account 6010 is closed to Fund Balance.
	6020	Encumbrances - Control - This account is debited for the amounts encumbered and credited for encumbrances liquidated during the period. The postings to the Budget Analysis Ledger detail expenditure accounts for amounts encumbered (debit) and liquidated (credits) must equal the total debits and credits to this Encumbrance Control Account. At the end of the fiscal year this account is closed as an offset to Fund Balance Reserved for Encumbrance (Account 4110).
	6030	Expenditures - Control - This account is debited for the total actual expenditures (including any accrued amounts) during the period. The postings to the Budget Analysis Ledger detail expenditure accounts must be equal to this Expenditures Control Account. At the end of the fiscal year this account is closed to Appropriations - Control (Account 6010).

The manual user will observe that many general ledger account codes do not have a significant digit in the fourth position. The individual school district has the option of using these specified areas for local informational needs.

NOTE: Electronic Data Processing (EDP) systems will not utilize accounts 5010, 5020, 6010, 6020, or 6030.

V. Revenue Object Identification

The following alphabetical title listing of revenues may be used as a quick reference for locating individual revenue object codes. Also indicated are grants or revenue titles that have been combined with and are transmitted from DESE to school districts, with another revenue code. For example, Success Link, Technology Training Support Grant (PD) and Grant for Dual Credit are coded as 5397, Other State revenue. This listing is followed by revenue object code descriptions and placement by fund.

A+ Schools Grant	5362
Accrued Interest on Bonds Sold	5142
Admissions (Student Activities)	5171
Adult Basic Education (ABE)-Federal	5436
Adult Basic Education (ABE)-State	5337
Adult Basic Education Literacy Grant	5338
Adult/Continuing Education Tuition	5123
AIDS Education Grant	5475
Area Vocational Fees from other LEAs	5821
Basic Formula	5311
Bonds, Sale of	5611
Bookstore Sales	5172
Bill Back for Excess Cost/Res Placement	5369
Career Ladder	5317
Charter Schools (Fed Charter Sch Program)	5497
Child Care Development Fund Grant	5472
Cigarette Tax (Fair Share)	5334
City Sales Tax	5117
Community Services	5181
Comprehensive School Reform Grant	5497
Confined Animal Feeding Operations	5234
Contracted Ed Services from other LEAs	5831
County Stock Insurance Fund	5234
Delinquent Taxes	5112
Dependent Care Grant	5467
Desegregation Aid (Federal)	5485
Desegregation Aid (State)	5335
DNR Energy Grant	5377
DNR Energy Loan	5366
Domestic Insurance Company Tax	5234
Donated Commodities	5511
Drug Free, Title IV, ESEA	5461
Early Childhood Spec Ed (Federal)	5442
Early Childhood Spec Ed (State)	5314
Earnings on Investments	5141
Education for Homeless Children/Youth	5463
Educational & Screening/PAT	5324
Educare Grant	5374
Eisenhower, Title I, ESEA	5465
Energy Loan	5366
Emergency Immigrant Education	5462
English as a Second Language	5479
English as a Second Lang Spt Ser Grant	5379
Escheats	5211
Even Start Family Literacy	5476
Excellence in Education Act	5336
Exceptional Pupil Aid	5313
Extraordinary Cost-Special Education	5381
Extended Day Child Care	5368
Facilities Infrastructure Improvement Grant	5489
Fair Share (Cigarette Tax)	5334
Federal Charter Schools Program Grant	5497
Federal Disaster Assistance	5413
Federal Emergency Management (FEMA)	5477
Federal Flood Control	5231
Federal Flood Counseling	5417
Federal Forest	5231
Federal Housing	5416
Federal Mineral	5231
Federal Properties	5231
Financial Institution Tax (Intangible Tax)	5114
Fines, Escheats, Overplus, Etc.	5211
Food Service (Federal)	5445
Food Service (Non-Program)	5165
Food Service (State)	5333
Foreclosure Sale, Sheriff's	5211
Foreign Insurance Aid (Free Textbook)	5331
Foreign Language Assistance Program	5464
Foreign Language Support Service Grant	5378
Free and Reduced Lunch/At-Risk	5318
Futures Prog, Job Develop, ABE (Fed)	5468
Futures Prog, Job Develop, ABE (State)	5354
Futures Prog, Job Develop, EC/PAT (Fed)	5469
Futures Prog, Job Develop, EC/PAT (State)	5355
Futures Prog, Job Develop, Job Tng (Fed)	5471
Futures Prog, Job Develop, Job Tng (State)	5356
Gifted	5316
Gifts	5192
Goals 2000, Teacher Preservice/Prof Dev	5458
Goals 2000, Title III (Through DESE)	5457
Goals 2000, Title IV, LIFT Grant	5456
Goals 2000, Title VII (Direct Federal)	5488
Grant for Dual Credit	5397
Grants for School Technology	5364

Handicapped Census	5351
Headstart	5483
Health Services Grant, School Age Child	5367
Homeless Children/Youth	5463
Impact Aid	5411
Impact Aid, Restricted Purpose	5486
Incentive Grant (Excellence Act)	5336
Incentives to Reduce Pupil/Teacher Ratio	5363
Individuals w/ Disabilities Act (IDEA)	5441
In Lieu of Tax	5116
Innovative Ed Programs, Title VI, ESEA	5455
Intangible Tax (Financial Institution Tax)	5114
Interactive Distance Learning Grant	5364
Job Development/Customized Training	5353
JTPA (Funds flowing Through DESE)	5435
JTPA (Funds from Other than DESE)	5482
Kansas City Boulevard Tax	5118
Learn and Serve America	5473
LIFT Grant, Goals 2000, Title IV	5456
Literacy Grant, Adult Basic Education	5338
Locally Assessed Railroad and Utility Tax	5111
Local Revenue, Miscellaneous	5198
Medicaid	5412
Migrant, Title I, ESEA	5452
Milk Program, Special	5447
Mineral, Federal	5231
Miscellaneous Local Revenue	5198
M & M Surcharge	5115
MO Dept of Cons. Landscape Grant	5373
MO Dept of Nat. Res. Energy Grant	5377
MO Dept of Nat. Res. Energy Loan	5366
MO School Age Children's Health Svc	5367
MOTAP Project	5441
National/Community Trust Act	5473
Net Insurance Recovery	5631
Net Receipts From Clearing Accounts	5196
New Schools Pilot Project Grant	5361
Other County	5234
Other Non-Current Revenue	5692
Overplus	5211
Pell Grants	5484
Premium on Bonds Sold	5143
Prior Period Adjustment	5195
Private Car Tax	5221
Proposition C (Sales Tax)	5113
Pupil Activity Income	5179
Readers for the Blind	5371
Read to be Ready Grant	5383
Refugee Children's Improvement Grant	5497
Regular Day Tuition (K-12)	5121
Remedial Reading	5315
Rentals	5191
Reserve Officer Training Corps (ROTC)	5418
Residential Placement/Excess Cost	5369
Safe and Drug Free, Title IV, ESEA	5461
Safe Schools Initiative Grant	5358
Sale of Bonds	5611
Sale of Food to Pupils	5151
Sale of Food to Adults	5161
Sale of Other Property	5651
Sale of School Buses	5641
Sales Tax (Proposition C)	5113
School Breakfast Program	5446
School Children's Health Svc Grant	5367
School District Trust Fund (Proposition C)	5113
School Lunch Program	5445
School Technology Grant	5364
School to Work Grant	5474
Select Teachers as Reg Resource (STARR)	5376
Sheriff's Sales	5211
Sliver Grant-Special Education	5441
Special Milk Program	5447
State Assessed Utility Tax	5221
State Emer Management (SEMA) Funds	5372
Student Organization Member Dues/Fees	5173
Success Leads to Success Grant	5365
Success Link	5397
Surcharge (M & M)	5115
Summer Child Care	5357
Summer Food Service Program	5481
Technology Grant, School Technology	5364
Technology Literacy Challenge Grant	5466
Taxes, Current Year	5111
Taxes, Delinquent	5112
Temporary Direct Deposit	5691
Textbook (Foreign Insurance Aid)	5331
Title I - ESEA	5451
Title I - ESEA, Migrant	5452
Title II - ESEA, Eisenhower Prof Develop	5465
Title IV - ESEA, Safe & Drug Free	5461
Title VI - ESEA, Innovative Ed Programs	5455
Transportation Fees From Patrons	5131

Transportation Received from Other LEAs	5841
Transportation (State Aid)	5312
Tuition, Adult Education (Post-Secondary)	5123
Tuition, Regular Day, (K-12)	5121
Tuition, Summer School	5122
Tuition from Other LEAs	5811
Unclaimed Tax Surplus	5211
Video Tax (State)	5352
Vocational/At-Risk	5322
Voc Education, Basic Grant	5427
Voc Education, Special Projects	5421
Voc Education Tech Prep Program	5431
Vocational Rehabilitation	5478
Vocational/Technical Aid (State)	5332
Voc-Tech Enhancement Grant	5359

SECTION: ACCOUNTING

SUBJECT: REVENUE OBJECT CODE DESCRIPTIONS **PROCEDURE NO: CDE-405**

Revenue object code identifies the source of revenue and occupies the identical field in the code structure as the expenditure object codes. The revenue codes are, however, differentiated by the account classification code five (5) which precedes each revenue account while a six (6) precedes each expenditure account. It may be noted that a revenue transaction will not have a function code; this field is zero filled or left blank. Code numbers in the CLASS column and middle (subclass) column ending in zero are for subtotaling purposes only and are not used for posting transactions.

Apportionment of Tax Revenue: Tax revenues in Current Taxes (Revenue Code 5111), Delinquent Taxes (Revenue Code 5112), Financial Institution (Intangible) Taxes (Revenue Code 5114), M & M Surcharge Tax (Revenue Code 5115), and In Lieu of Tax (Revenue Code 5116) should be apportioned into each fund according to the adjusted tax levy and must be carried to at least five decimal places rounded back to four for total revenue amounts less than $1,000,000. Total revenue amounts that exceed $1,000,000 should be carried to at least six decimal places rounded back to five.

CODE CLASS	DETAIL		DESCRIPTION	PLACEMENT
5000			Revenues	
5100			Revenues from Local Sources	
5110			Taxes	
	5111	v	Taxes, Advalorem, Current Year Amounts derived from taxing real and personal property within the district for the current year.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.
	5112	v	Taxes, Delinquent (Current Year Delinquent Only) Amounts derived from prior years' advalorem taxes. Delinquent taxes received after June 30 for the prior year and delinquent taxes received with no tax year indicated. Receipt of prior year M & M Surcharge should be coded to 5115.	Placed in each fund on the same basis as receipts from current taxes, EXCEPT where the previous years' obligations of the district would be affected by such distribution. Then the delinquent tax shall be distributed according to the tax levies established for the years in which the obligations were incurred.
	5113		School District Trust Fund (Proposition C) Amounts received from the state. One-half of the total received is used to roll back current tax levy unless a simple majority of voters have voted to forego all or part of the reduction per Section 164.013, RSMo.	50% is placed in the General and Special Revenue Funds based on the ratio of the tax rate for that fund to the total rate for the two funds. 50% is placed according to the fund or funds in which the rollback occurred.
	5114	v	Financial Institution Taxes (Intangible) Those taxes levied on the intangible assets of financial institutions such as banks or savings and loan associations.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.
	5115	v	M & M Surcharge Surcharge on commercial real estate to replace revenue lost with the elimination of the merchants and manufacturing businesses' inventory tax. Protested & Delinquent M & M Surcharge is apportioned to this revenue code.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.
	5116	v	In Lieu of Tax Amounts received for property taken off the tax rolls.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5117	City Sales Tax Amounts received from a city voted sales tax.	Placed at the discretion of the local board.
	5118	Kansas City Boulevard Tax Amounts received from the Kansas City Boulevard Tax.	Placed at the discretion of the local board.
5120		Tuition	
	5121	Regular Day School Tuition (K-12) Amounts received from over-age and non-legally assigned students attending regular-day school in the district.	Placed in the General and Special Revenue Funds at the discretion of the local board per Section 165.011, RSMo.
	5122	Summer School Tuition (K-12) Amounts received from resident and non-resident students attending summer school in the district and for which state aid will not be claimed.	Placed in the General and Special Revenue Funds at the discretion of the local board per Section 165.011, RSMo.
	5123	Adult/Continuing Education Tuition (Post-Secondary) Amounts received from resident and non-resident students attending adult education classes in the district.	Placed in the General and Special Revenue Funds at the discretion of the local board per Section 165.011, RSMo.
5130		Transportation	
	5131	Transportation Fees From Patrons Amounts received from parents for transportation of students in the district.	General Fund
5140		Earnings on Investments	
	5141	Earnings From Temporary Deposits Net earnings-interest from all deposits and investments. Also includes penalties and interest from delinquent and protested taxes.	Placed in the fund in which the principal earned interest. Interest earned on tax revenue should be placed in the same proportion as the levy.
	5142	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.	Debt Service Fund
	5143	Premium on Bonds Sold An amount received when the sale of bonds sold is higher than the par value of the bonds. (Example: Bond Par value is $1,000. Bonds are sold for $1,010. There is a $10 premium.) Record the total premium on all bonds sold.	Debt Service Fund

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
5150		Food Service - Pupils	
	5151	Sales to Pupils Amounts received from pupils for the sale of meals served under the National School Lunch and Breakfast Programs.	General Fund
5160		Food Service - Adults	
	5161	Sales to Adults Amounts received from adults for the sale of meals served under the National School Lunch and Breakfast Programs.	General Fund
	5165	Food Service - Non-Program Amounts received from the sale of extra milk, a la carte, snack bar, vending, special meals, etc.	General Fund
5170		Enterprise Sources	
	5171	Admissions (Student Activities) Amounts received from patrons and students for a school-sponsored activity.	Placed in the operating funds at the discretion of the local board
	5172	Bookstore Sales Amounts received from patrons and students from the operation of a bookstore or sale of supplies.	Placed in the operating funds at the discretion of the local board
	5173	Student Organization Membership Dues and Fees	Placed in the operating funds at the discretion of the local board
	5179	Other Pupil Activity Income All other revenue from pupil activities not listed above.	Placed in the operating funds at the discretion of the local board
5180		Community Services	
	5181	Community Services Revenues from activities performed by the LEA as community services, not directly related to providing an education for pupils. Includes local dollars from parents for School Age Childcare.	Placed by fund according to expenditures for such services.
5190		Other Revenue from Local Sources	
	5191	Rentals Revenue from rental of school facilities or other property owned by the school district.	General Fund or Capital Projects Fund at the discretion of the local board.

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5192	Gifts Amounts received from philanthropic or private organizations, individuals, or other sources for which no repayment or special service to the contributor is expected.	Placed in the fund where it can be expended to meet the purpose for which it was donated and accepted per Section 165.011, RSMo.
	5193	Future Program	
	5194	Future Program	
	5195	Prior Period Adjustment Recovery of items previously expended in a prior fiscal year. This also includes prior year accounts payable adjustments after final liquidation.	May be placed in any fund according to type of initial action.
	5196	Net Receipts From Clearing Accounts At the end of the accounting period, the excess of gross receipts over gross expenditures of revolving funds and clearing accounts that are under the jurisdiction and control of the board of education when such funds are available for general expenditure by the local board. Also included is the net of revenue over expense in the vocational houses built for resale. (See Inventory for Resale, General Ledger Account 1315).	May be placed in any fund according to type of initial action.
	5197	Future Program	
	5198	Miscellaneous Local Revenue All other revenues from local sources not covered by the above local revenue codes. Includes the receipt of payments from the Voluntary Interdistrict Choice Corporation (VICC).	Placed in the fund or funds at the discretion of the local board.
5200		Revenue from Intermediate Sources	
5210		Tax Related - County	
	5211	Fines, Escheats, Overplus Amounts received from the county school fund. All fines passing through the office of the County Clerk OR Circuit Clerk. Includes Sheriff's sales (foreclosure sale surplus) /unclaimed tax surplus/overplus surtax per Section 140.230, RSMo. Forfeitures are paid to the state rather than the district per Section 166.131, RSMo.	Special Revenue Fund
5220		Tax Collected by County For LEA	
	5221	State Assessed Utility Tax Amount derived from county average levy for school purposes, capital project purposes and other purposes (Debt Service) on the assessed valuation of railroad and utility properties as assessed by the state	Amount received for other purposes is placed in the Debt Service Fund. Amount received for capital project purposes is placed in the Capital Projects Fund. Amount received for school purposes is placed in the General and Special

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL		DESCRIPTION	PLACEMENT
	5221		(Continued).(Does not include amounts generated from locally assessed Railroad and Utility property; these should be coded to Current Taxes, Revenue Code 5111)	Revenue Funds in proportion to the adjusted levy in those two funds.
			This includes private car tax.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5222	v	County Stock Insurance Fund Proceeds of taxes paid by domestic insurance companies on premiums written per Section 148.330 (4), RSMo.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.
5230			Other County Revenue	
	5231		Federal Properties Amounts received from federal properties through the county per Section 12.070, RSMo. These payments are based on revenue transmittals through the State Treasurer to each county from the United States Departments of Agriculture and Interior for forest management services/mineral leasing receipts based upon Section 2506 of the National Energy Bill. It also includes receipts paid through the county per Section 12.080, RSMo, as received from any federal department for leases of federal land subject to the Flood Control Act(33 U.S.C.A.) of 1928, as amended.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5232		Penalties paid by concentrated animal feeding operations	Placed in the Special Revenue Fund.
	5237		Other County Revenue Revenue received through the county not specified above.	Placed in the operating funds at the discretion of the local board.
5300			Revenue from State Sources	
5310			Foundation Formula, State Aid	
	5311	+	Basic Formula Amounts received from the State Foundation Formula, Line 1, entitlement, minus Line 10 deductions (The calculated apportionment amount plus or minus prior year corrections).	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo. Amounts received for the Debt Service and/or Capital Projects Funds based on a "designated levy" are placed by ratio of designated levy to the Line 1 levy or actual amount generated by the designated levy.

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL		DESCRIPTION	PLACEMENT
	5312	+	Transportation Amounts received from the state for transportation of school children.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo, EXCEPT a specified percentage of the Transportation State Aid may be placed in the Capital Projects Fund as authorized by the General Assembly.
	5313	+	Exceptional Pupil Amounts received from the state to provide for Special Education programs.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.
	5314	+	Early Childhood (3 & 4 Year Old) Special Education Amounts received from the state to provide for early childhood special education programs. (Federal revenues received for this program should be coded to Early Childhood Special Education, Revenue Code 5442.)	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.
	5315	+	Remedial Reading Amounts received from the state for remedial reading programs.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.
	5316	+	Gifted Amounts received from the state for gifted programs.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.
	5317	+	Career Ladder/Excellence in Education Act Amounts received from the state through the Excellence in Education Act for the career ladder salary supplement.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.
	5318	+	Free and Reduced Lunch/At-Risk Amounts received from the State Foundation Formula, Line 14, for students eligible for free or reduced lunch who were enrolled on the last Wednesday in January for the preceding school year and were in attendance on one of the ten (10) preceding school days.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo. Amounts received for the Debt Service and/or Capital Projects Funds based on a "designated levy" are placed by ratio of designated levy to the Line 1 levy or actual amount generated by the designated levy.
5319			Future Program	
	5321		Future Program	
	5322	+	Vocational/At-Risk Amounts received from the state for alternate education centers/At-Risk centers funded through Section 167.332, RSMo. (Vocational Program Code 22-04)	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo.

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL		DESCRIPTION	PLACEMENT
	5323		Future Program	
	5324	+	Educational and Screening Program Entitlement/ Parents As Teachers (PAT) Amounts received from the state for Early Childhood Screening/PAT programs per Sections 163.031 and 167.332, RSMo.	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds per Section 163.031(7), RSMo
	5325		Future Program	
	5326		Future Program	
	5327		Future Program	
	5328		Future Program	
	5329		Future Program	
5330			State Revenue	
	5331		Foreign Insurance Aid (Free Textbook) Amounts received from the state for the purchase of textbooks, supplemental texts, library and reference books, contractual educational services and instructional supplies used by the children in the classroom per Section 170.051, RSMo.	General Fund
	5332		Vocational/Technical Aid Amounts received from the state that represent reimbursement for vocational education. This reimbursement represents the state's portion of the matching requirement per Sections 178.420 through 178.580, RSMo.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
			Includes Area School Construction Grant to Area Vocational-Technical Schools	Capital Projects Fund
	5333		Food Service - State Amounts received from the state for school lunch programs.	General Fund
	5334		Fair Share (Cigarette Tax) Amounts received from the distribution of state cigarette tax per Section 149.015.7, RSMo.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5335		Desegregation Aid Amounts received from the state for participation in Court-ordered desegregation plans. This includes fiscal incentives and capital improvements.	Placed by fund according to planned expenditures or court order.
	5336		Excellence in Education Act (Incentive Grants) Amounts received from the state through the Excellence in Education Act for Incentive Grants.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

The following symbols are used to denote required placement of specific revenues for quick reference:

v= Revenues that must be placed in each fund in the same proportion as the fund levy is to the total adjusted levy.

+ = Revenues that must be placed in the General and Special Revenue Funds based on the ratio of the adjusted levy by fund to the total levy in the two funds.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5337	Adult Basic Education (ABE) - State Amounts received from the state for adult education programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5338	Adult Basic Education Literacy Grant Amounts received from the state to encourage adult programs in rural areas where the adult student population will not support a regular ABE program. This grant requires a 40% local match.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5339	Future Program	
	5341	Future Program	
	5342	Future Program	
	5343	Future Program	
	5344	Future Program	
	5345	Future Program	
	5346	Future Program	
	5347	Future Program	
	5348	Future Program	
	5349	Future Program	
	5351	Handicapped Census Amounts received from the state for the identification of handicapped pupils per Section 162.990, RSMo.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5352	Video Tax (State) Amounts received from the state video tax. Includes initial access extension grant.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5353	Job Development/Customized Training Amounts received from the MO Dept. of Economic Development, MO Job Development Fund.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5354	Futures Program, Job Development, Adult Basic Education (ABE) State portion of revenue from MO Dept. of Social Services, Div. of Family Services passed through MO Dept. of Elem. and Sec. Ed. for adult basic education.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5355	Futures Program, Job Development, Early Childhood/Parents As Teachers (PAT) State portion of revenue from MO Dept. of Social Services, Div. of Family Services passed through MO Dept. of Elem. and Sec. Ed. for Early Childhood/ Parents As Teachers.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5356	Futures Program, Job Development, Job Training State portion of revenue from MO Dept. of Social Services, Div. of Family Services passed through MO Dept. of Elem. and Sec. Ed. for job training programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5357	Summer Child Care Amounts received from the MO Division of Family Services for summer child care programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5358	Safe Schools Initiative Grant Amounts received through the state for salaries, equipment, supplies, and programs that promote safe schools. Amounts may be received from the Division of Instruction for instructional purposes and/or from the Division of Vocational and Adult Education for equipment (capital outlay) (Program Code 21-04).	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5359	Vocational-Technical Education Enhancement Grant Amounts received through the Outstanding Schools Act/SB 380 (1993) to fund allowable expenditures as outlined in 5 CSR 60-120.070. (See Section 178.585, RSMo.) (Vocational Program Code 15-24)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5361	New Schools Pilot Project Grant Amounts received through the Outstanding Schools Act/SB 380 (1993) to fund allowable expenditures as outlined in 5 CSR 50-370.010. (See Section 162.1010, RSMo.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5362	A+ Schools Grant Amounts received through the Outstanding Schools Act/SB 380 (1993) to fund allowable expenditures as outlined in 5 CSR 60-120.060 (See Section 160.545, RSMo.) (Vocational Program Code 15-13)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5363	Future Program	
	5364	Grants for School Technology Amounts received through the Outstanding Schools Act/SB 380 (1993) for the purchase of computers, data transmission lines, net-working hardware/software and science/math lab equipment as outlined in 5 CSR 50-380.010. (See Section 170.254, RSMo.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5365	Success Leads to Success Grants Amounts received through the Outstanding Schools Act/SB 380 (1993) to promote successful programs which result in a measurable improvement in student performance. (See Section 160.530, RSMo.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5366	MO Department of Natural Resources (DNR) Energy Loans Amounts received from the state for energy conservation programs pursuant to Sections 160.300-160.328, RSMo.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5367	MO School Age Children's Health Services Grant Amounts received through grant application with the MO Dept. of Health, Div. of Maternal, Child and Family Health, for planning, basic and expanded health services and school based health centers per HB 564 (1993). (See Section 167.603, RSMo.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5368	Extended Day Child Care Program Grant Amounts received from the state in the form of competitive School-Age Care grants to be used for the purchase of materials, supplies, equipment, training, salaries for activities includes salaries for program operation, licensing and accreditation of local programs. Priority given to new sites or sites increasing program availability.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5369	Residential Placement/Excess Cost Payments made for children in residential placements through the MO Dept. of Mental Health or Div. of Family Services pursuant to Section 162.970, RSMo.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5371	Readers for the Blind Amounts received from the state for readers for blind students.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5372	State Emergency Management Agency (SEMA) Funds Amounts received from the state for the state matching portion of a disaster assistance grant.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5373	MO Department of Conservation Landscape Grant Amounts received from the state for landscape purposes.	Placed in the Capital Projects Fund except that portion applied to administrative costs shall be placed in the General Fund.
	5374	Educare Grant Amounts received directly from the MO Dept. of Social Services for training preschool workers.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT the revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5375	Future Program	
	5376	Select Teachers As Regional Resource (STARR) Amounts received to pay replacement teachers that are taking the place of teachers selected and trained to conduct professional development training workshops at a university site.	Placed in the General or Special Revenue Fund at the discretion of the local board.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5377	MO Department of Natural Resources (DNR) Energy Grant Amounts received as a competitive grant from the MO Dept. of Natural Resources through the Institutional Conservation Program (ICP) for energy conservation improvements to school facilities. Includes rubber (tire) chips for playground equipment.	Placed in the Capital Projects Fund except that portion that applies to administrative costs shall be placed in the General Fund.
	5378	Foreign Language Support Service Grant Amounts received through the state for demonstration grants in critical foreign languages.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5379	English as a Second Language Support Service Grant Amounts received through the state for programs that address English as a Second Language. (See also English as a Second Language (ESL)/Bilingual, 5479.)	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5381	Extraordinary Costs - Special Education Amounts received from state funds in the current year as a reimbursement for expenditures during the prior year made on behalf of a student with a disability when the current expenditure per EP exceeds five times the district's average. Reimbursement is made only for expenses which exceed this multiple of five.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital outlay purposes shall be placed in the Capital Projects Fund.
	5382	Missouri Preschool Project Amounts received from the state for early childhood (three and four year old children) programs to prepare children for success upon entering kindergarten per HB 1519 (1998). (See Section 313.835, RSMo.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital outlay purposes shall be placed in the Capital Projects Fund.
	5383	Read to be Ready Grant Amounts received from the state to improve reading instruction and reading assessment in grades K-3. This competitive grant program is designed to pay for professional development for K-3 teachers and administrators in the area of balanced literacy and for materials to support such a program.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital outlay purposes shall be placed in the Capital Projects Fund.
	5384	Future Program	
	5385	Future Program	
	5386	Future Program	
	5387	Future Program	
	5388	Future Program	
	5389	Future Program	
	5391	Future Program	
	5392	Future Program	

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5393	Future Program	
	5394	Future Program	
	5395	Future Program	
	5396	Future Program	
	5397	Other State Revenue Amounts received from state agencies not listed above. (Includes Grant for Dual Credit, Success Link and Technology Training & Support Grant)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT the revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
5400		Revenue from Federal Sources	
5410-19		Grants-In-Aid-Unrestricted, Direct Amounts received directly from the federal government.	
	5411	Impact Aid Amounts received from federal funds by LEAs having increased enrollments due to federal activities. Impact Aid, Restricted Purpose should be coded to Revenue 5486.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5412	Medicaid Amounts received as a reimbursement for expenditures.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5413	Federal Disaster Assistance Amounts received from the federal government as a replacement of local tax revenue lost due to flooding or other disaster. Replacement is based on 90% of lost assessed valuation the first year, 75% of 90% the second year, 50% the third year, and 25% the fourth year.	Placed in each fund in the same proportion as the fund levy is to the total adjusted levy.
	5414	Future Program	
	5415	Future Program	
	5416	Federal Housing Amounts received from the federal government as a reimbursement for housing related expenditures.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5417	Federal Flood Counseling Amounts received from the federal government as a reimbursement for flood/counseling related expenditures.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5418	Reserve Officer Training Corps (ROTC) Amounts received from the federal government as a reimbursement for the various military services reserve officer training programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
5420-59		Grants-In-Aid-Restricted, Federal through State Amounts received from the federal government through the state.	
	5421	Special Vocational Projects/Other Vocational Leadership revenue for special projects or other programs not listed in revenue codes 5424-31.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5422	Future Program	
	5423	Future Program	
	5424	Future Program	
	5425	Future Program	
	5426	Future Program	
	5427	Vocational Education Act-Title I, Basic Grant Allocation of funds to improve vocational education programs with the full participation of individuals who are members of special populations. (Vocational Program Code 13-24)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5428	Future Program	
	5429	Future Program	
	5431	Vocational Education Act-Title II, Tech Prep Program Grants to LEAs for the development of four-year programs to provide a strong link between secondary and postsecondary educational institutions. (Vocational Program Code 46-07)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5432	Future Program	
	5433	Future Program	
	5434	Future Program	
	5435	Job Training Partnership Act (JTPA) Includes only federal JTPA revenue flowing through DESE. (JTPA direct from other sources should be coded 5482.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5436	Adult Basic Education (ABE) - Federal Amounts received from the federal government flowing through the state for adult education programs. (See also Adult Basic Education - State, 5337.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5437	Future Program	
	5438	Future Program	
	5439	Future Program	

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5441	Individuals with Disabilities Act (IDEA) Amounts received through PL 102-142, previously known as PL 94-142, "Education of the Handicapped, Act B." (Includes Sliver Grant, Program Code SL-01.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5442	Early Childhood Special Education - Federal Amounts received from the federal government for early childhood special education programs. Includes IDEA, Part H/PL 102-119 & Section 619 grants.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5443	Future Program	
	5444	Future Program	
	5445	School Lunch Program Amounts received directly through DESE Food Service for the National Food Lunch Program. (Revenue received directly from the MO Dept. of Health is coded 5481.)	General Fund
	5446	School Breakfast Program Amounts received directly through DESE for the School Breakfast Program. Includes receipts from one-time grant for breakfast program start-up.	General Fund
	5447	Special Milk Program Amounts received directly through DESE for the Special Milk Program.	General Fund
	5448	After School Snack Program Funds received as the USDA Federal reimbursement for allowable snack program expenditures. Revenue received from sources other than USDA for this program should be reported as 5165, Food Service Non-Program. Expenditures should be reported in 2561-Food Service.	General Fund
	5449	Future Program	
	5451	Title I - Elementary and Secondary Education Amendments of 1965 (ESEA) Amounts received through Regular Title I, appropriated from the US Congress. (Formerly Chapter 1)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5452	Title I - ESEA, Migrant Amounts received through the state for supplementary services to migratory children.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5453	Future Program	
	5454	Future Program	
	5455	Title VI - ESEA, Innovative Education Programs Amounts received through the state to support educational reform. Includes Smaller Class Size Initiative. (Formerly Chapter 2, Formula Grant)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5456	Goals 2000, Title IV, LIFT Grant Amounts received from Literacy Investment for Tomorrow (LIFT) and Parents as Teachers National center passing through the state for the Parents as Teachers program to serve high needs families with 3-4 year old children.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5457	Goals 2000, Educate America Act, Title III, Systemic Improvement Grant Amounts received from the federal government through DESE for districts to implement locally developed improvement plans directed towards meeting the state content and performance standards.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5458	Goals 2000, Teacher Preservice and Professional Development Grant Amounts received through the state in the form of competitive grants (no local match) for teacher preservice and professional development programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5459	Future Program	
5460-79		Other Federal Restricted, Through the State	
	5461	Title IV - ESEA, Safe and Drug Free Schools and Communities Amounts received through the state for drug education and violence prevention programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5462	Emergency Immigrant Education Amounts received through the state for immigrant students.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5463	Education for Homeless Children and Youth Amounts received through the state for supplementary services to improve the effectiveness of education of homeless children and youth. Funded through the Stewart B. McKinney Homeless Children and Youth Act.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5464	Foreign Language Assistance Program Amounts received through the state for demonstration grants in critical foreign languages.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5465	Title II - ESEA, Eisenhower Professional Development Amounts received through the state for professional development in core subject areas.	Placed in the General or Special Revenue Fund at the discretion of the local board

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5466	Technology Literacy Challenge Fund (TLCF) Grant Amounts received from the federal government through the state for technology literacy programs. TLCF provides competitive, matching-fund grants for two types of programs: (1) Infrastructure grants to provide classroom computers and Internet access to districts with high levels of poverty and low levels of technology, and (2) Teaching and Learning grants to address staff technology training and curriculum integration projects.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5467	School-Age Care Discretionary Fund Grant Federal dollars received through MO Dept. of Health disbursed by DESE in the form of competitive School-Age Care (SAC) Grants to be used for the purchase of materials, supplies, equipment, training, salaries for activities, development of curriculum or other needed services (other than salaries for program operation), licensing and accreditation. These local grants are used by districts to implement or improve on existing quality SAC Programs in public schools only.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5468	Futures Program, Job Development, Adult Basic Education (ABE) Federal dollars received from the US Dept. of Health and Human Services through the MO Dept. of Social Services, Div. of Family Services passed through MO Dept. of Elem. and Sec. Ed. for adult basic education.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5469	Futures Program, Job Development, Early Childhood Parents As Teachers (PAT) Federal dollars received from the US Dept. of Health and Human Services through MO Dept. of Social Services, Div. of Family Services, passed through MO Dept. of Elem. and Sec. Ed. for Early Childhood/ Parents As Teachers programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund
	5471	Futures Program, Job Development, Job Training Federal dollars received from the US Dept. of Health and Human Services through MO Dept. of Social Services, Div. of Family Services, passed through MO Dept. of Elem. and Sec. Ed. to school districts for job training programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital project purposes shall be placed in the Capital Projects fund.
	5472	Child Care Development Fund Grant Federal dollars received through MO Dept. of Health disbursed by DESE. Revenue may be received from both Early Childhood and Community Education School-Age Care Sections in the form of competitive grants to be used for the purchase of materials, supplies, equipment, training, salaries for activities, development of curriculum or other needed services (other than than salaries for program operation), licensing and accreditation of local programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5473	National and Community Service Trust Act of 1993 Grant revenue flowing from the US Dept. of Labor through MO Dept. of Elem. and Sec. Ed. used to develop in-school volunteer programs such as nursing home visitation, clean-up of local parks, tutoring, big brother/big sister, etc. Also known as "Learn and Serve America" and "Missouri Service Learning." (Includes Service Learning and Leader School.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5474	School to Work Grant US Dept. of Education revenue passing through the state for programs encouraging direct entry into the labor force. (Vocational program code 47-18, 47-19)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5475	AIDS Education Grant Amounts received for AIDS education programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5476	Even Start Family Literacy Amounts received through the state for demonstration of family literacy programs.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5477	Federal Emergency Management Agency (FEMA) Funds Amounts received from the federal government passing through the State Emergency Management Agency for the federal match portion of disaster funds received as a result of a Presidential Disaster Declaration.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5478	Vocational Rehabilitation Amounts received as true revenue for the Vocational Rehabilitation Program. Does not include amounts received by a district as a reimbursement for expenditures.	Placed in the General or Special Revenue Fund at the discretion of the local board.
	5479	English as a Second Language (ESL)/Bilingual Amounts received for programs that address English as a Second Language.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
5480-89		Other Grants-In-Aid-Restricted, Federal Amounts received directly from the federal government/federal agencies.	
	5481	Summer Food Service Program Amounts received from the MO Dept. of Health and NOT a part of the regular food service program.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5482	Job Training Partnership Act (JTPA) JTPA revenue received from sources other than DESE.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5483	Headstart Amounts received as a sub-grantee (delegate) to operate a headstart program.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5484	Pell Grants Amounts received from the federal government for an individual which enables that individual to enroll in an adult education program. This grant should not be handled as a receipt to the district but rather as a pass-through to the individual.	General Fund
	5485	Desegregation Aid Amounts received from the federal government for desegregation purposes.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5486	Impact Aid, Restricted Purpose Amounts received from the federal government by LEAs (due to federal activities) for a specific purpose.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.
	5487	Future Program	
	5488	Goals 2000, Educate America Act, Title VII, Safe Schools Amounts received directly from the federal government to plan and promote school safety programs directed towards reducing school violence and discipline problems.	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenues received for capital projects purposes shall be placed in the Capital Projects Fund.
	5489	Facilities Infrastructure Improvement Grant Amounts received from the US Secretary of Education through Title XII of the "Improving Americas Schools Act" to ensure the health and safety of students through the repair, renovation, alteration and construction of public elementary or secondary school libraries, media centers, or facilities used for academic or vocational instruction (competitive grant).	Placed in the Capital Projects Fund except for that portion received for administrative costs which shall be placed in the General Fund.
	5491	Future Program	
	5492	Future Program	
	5494	Future Program	
	5495	Future Program	
	5496	Future Program	
	5493	Future Program	
	5497	Other Federal Revenue Amounts received from federal sources not listed above. (Example - Refund of crude oil overcharge. Includes Comprehensive School Reform Grant.)	Placed in the General or Special Revenue Fund at the discretion of the local board EXCEPT that revenue received for capital projects purposes shall be placed in the Capital Projects Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
	5498	Future Program	
5500		Noncash - Revenue from Federal Sources	
5510		Donated Commodities	
	5511	Donated Commodities The value of donated commodities (food products) as received from the US Department of Agriculture, distributed through the Dept. of Elem. and Sec. Ed., School Food Service.	
5600		Non-Current Revenue	
5610		Sale of Bonds	
	5611	Sale of Bonds Amounts received as principal from the sale of bonds.	Capital Projects Fund
5630		Insurance	
	5631	Net Insurance Recovery Compensation or insurance recoveries for loss of school property above the cost of actual replacement or property not being replaced. (See Casualty/Loss Clearing Account, General Ledger Account 3320.)	General Fund or Capital Projects Fund based on the category of loss.
5640		Sale of School Buses	
	5641	Sale of School Buses Amounts received from the sale of school buses.	Capital Projects Fund
5650		Sale of Other Property	
	5651	Sale of Other Property Amounts received from the sale of equipment such as cafeteria or instructional equipment. Also includes amounts received from the sale of a building or land or a combination of both. The sale of a building representing a vocational project for resale is credited in the General Fund to inventory for Resale, General Ledger Account 1315.	Capital Projects Fund
5690		Other Non-Current Revenue	
	5691	Temporary Direct Deposit Revenues Amounts received from the Dept. of Elem. and Sec. Ed. representing the portion of state aid which is directly deposited into a designated trustee account for the participation in the MO Health and Educational Facilities Authority (MOHEFA) Direct Deposit Program.	Debt Service Fund
	5692	Refunding Bonds Proceeds from a refunding of general obligation bonds (See also PROCEDURE NO: PRC-522, General Obligation Bonds concerning the placement of refunding bonds).	Proceeds from a bond refunding are placed in the Debt Service Fund.

CODE CLASS	DETAIL	DESCRIPTION	PLACEMENT
5800		Amounts Received from Other LEAs	
5810		Tuition from Other LEAs	
	5811	Tuition from Other LEAs - Regular Term Amounts received from other LEAs for the regular school term.	Placed in the General and Special Revenue Fund at the discretion of the local board.
	5812	Tuition from other LEAs - Summer School Amounts received from other LEAs for summer school.	Placed in the General and Special Revenue Fund at the discretion of the local board.
5820		Area Vocational School Fees from Other LEAs	
	5821	Area Vocational School Fees from Other LEAs	Placed in the General and Special Revenue Fund at the discretion of the local board.
5830		Contracted Educational Services from Other LEAs	
	5831	Contracted Educational Services from Other LEAs Includes amounts received as Local Tax Effort from another school district.	Placed in the General and Special Revenue Fund at the discretion of the local board.
5840		Transportation Amounts Received from Other LEAs	General Fund
	5841	Transportation Amounts Received from Other LEAs Amounts received for interdistrict transportation of other districts' students and amounts received from a district serving as fiscal agent for Early Childhood Special Education (ECSE) transportation	General Fund General Fund

The manual user will observe that many revenue object codes do not have a significant digit in the fourth position. The individual school districts have the option of using these unspecified areas for local informational needs. For instance, in account 5150-Food Service - Pupils, it may be important to a district to utilize the following subobject classification:

CODE CLASS	DETAIL	DESCRIPTION
5150		Food Service - Pupils
	5151	School Lunch - Regular
	5152	School Lunch - Reduced Price
	5153	Breakfast - Regular
	5154	Breakfast - Reduced Price

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VI. Function Code Descriptions

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 school district. The activities of a local school system referred to as the local educational agency (LEA) are classified into five broad areas or functions: Instruction, Supporting Services, Operation of Non-Instructional Services, Facilities Acquisition/Construction Services, and Debt Service. Code numbers in the CLASS column and middle (subclass) column ending in zero are for subtotaling purposes only and are not used for posting transactions.

Function/program coding and expenditure object coding (see also PROCEDURE NO: CDE-407, Expenditure Object Code Descriptions) are based on either (1) uses of the revenues providing for services, or (2) statutory or administrative rule requirements for usage. Very few revenue codes have their own corresponding separate specific function/program code. Generally, if revenues are to be used to directly affect classroom instruction for students, then the function/program codes will be in the 1000 series and more specifically will be broken down by building level grouping (elementary, middle/junior high, or senior high) or unique program services such as summer school, special education, compensatory education, tuition to other districts, etc.

If revenues are used to indirectly affect classroom instruction for students, then the function/program codes will probably be in the 2000 series such as media services, professional development, administration, transportation, food service, etc. (See Part III-A of the Annual Secretary of the Board Report (ASBR) to see this relationship.)

CODE CLASS	CODE DETAIL	DESCRIPTION
1000		Instruction - Instruction includes the activities dealing directly with the teaching of pupils, or the interaction between teachers and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of aides or assistants of any type (clerk, graders, teaching machines, etc.) which assist in the instructional process.
1100		Regular Programs - Instructional activities that provide pupils in grades K-12 with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers; and are contrasted with programs designed to improve or overcome physical, mental, social, and/or emotional handicaps.
	1110-20	Elementary
	1101	Early Childhood - Only for those programs with formal classroom instruction for three and four year-old students. Others should use Function 3000, Community Services, or Function 1281, Special Education, three and four year-old children.
	1111	Elementary - Learning experiences which are concerned with knowledge, skills, appreciation, attitudes, and behavioral characteristics considered to be needed by all pupils in terms of their awareness of the world relating to work and life

CODE CLASS	DETAIL	DESCRIPTION
	1111	Continued - within our culture which should be achieved during the elementary school years. At the LEA's option, this function may be subdivided to indicate kindergarten, language arts, mathematics, social studies, etc.
1130-40		Middle/Junior High
	1131	Middle/Junior High - Learning experiences which are concerned with knowledge, skills, appreciation, attitudes, and behavioral characteristics considered to be needed by all pupils in terms of understanding themselves and their relationships with society and various career clusters, which should be achieved during the middle school years. At the LEA's option, this function may be subdivided to indicate language arts, mathematics, social studies, etc.
1150-80		High School
	1151	High School - Learning experiences concerned with knowledge, skills, appreciation, attitudes, and behavioral characteristics considered to be needed by all pupils in terms of understanding themselves and their relationships with society and the various occupations and/or professions which normally may be achieved during the high school years. At the LEA's option, this function may be subdivided to indicate language arts, mathematics, social studies, contracted satellite education programs, etc.
1190		Other Regular Instruction
	1191	Summer School - Regular summer school programs.
	1192	Juvenile Program - Expenditures incurred by the providing district for the juvenile program.
1200		Special Programs - Instructional activities designed primarily to deal with pupil exceptionalities. The Special Program Service Area includes pre-kindergarten, kindergarten, elementary and secondary service for the (1) Gifted and Talented; (2) Mentally Retarded; (3) Physically Handicapped; (4) Socially and/or Emotionally Handicapped; (5) Culturally Disadvantaged; (6) Pupils with Learning Disabilities; (7) Bilingual Education; and (9) Other Special Programs for other types of students.
1210		Gifted
	1211	Gifted and Talented - Programs for pupils who exhibit precocious developments of mental capacity and learning potential and/or talents as determined by competent professional evaluation to the extent that continued educational growth and stimulation could best be served by an academic environment beyond that offered through a standard grade level curriculum.
1220		Mentally Retarded - Programs for pupils identified who exhibit significantly subaverage general intellectual functioning which exists concurrently with deficits in adaptive behavior and is manifested during the developmental growth of the pupil.

CODE CLASS	CODE DETAIL	DESCRIPTION
	1221	Mild/Moderate Mentally Retarded - Programs for those pupils who benefit from academic instruction, communication and social skill development, and vocational training, but require specialized instruction to realize maximum attainment and meaningful integration into adult society. Moderately Mentally Retarded - Those pupils who benefit from vocational, communication, social and self-care training and limited academic instruction.
	1222	Severe/Profound Mentally Retarded - Programs for pupils who benefit from vocational, functional, communication, and self-care training. Profoundly Mentally Retarded - Those pupils who are capable of very little self care, develop limited sensorimotor function and must have constant aid and supervision to survive.
1230		Physically or Sensorially Handicapped - Special learning experiences for pupils identified as having one or more physical handicaps; e.g., the blind, the hearing impaired, the speech impaired, and the crippled.
	1231	Remedial Speech and Language - Programs for pupils whose speech or language deviates so far from other individuals in a group that it calls attention to itself, interferes with communication, or causes its possessor to be maladjusted.
	l232	Developmental Speech and Language - Programs for pupils requiring developmental speech and language services generally evidenced by significantly low maturation level of skills development to the extent that intensive remedial intervention is required.
	1233	Physically Disabled - Programs for pupils who have conditions such as cerebral palsy, spina bifida, muscular dystrophy, congenital defects, adventitious defects, and other physical defects in varying degrees requiring special adaptation and modification of school facilities and equipment.
	1234	Other Health Impaired - Programs for pupils who are handicapped in their progress because of limited strengths, vitality, and alertness due to chronic health problems such as heart conditions, tuberculosis, rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia, epilepsy, lead poisoning, leukemia, diabetes, or other illness. (Includes Homebound Instruction.)
	1235	Partially Seeing - Programs for pupils whose visual acuity is so limited as to require specific educational compensation of a significant nature in order that the learning needs of the pupil can be adequately met.
	1236	Blind - Programs for pupils whose visual acuity is so limited as to require a comprehensive educational program involving compensatory services including but not limited to large print materials, utilization of recorded materials, mobility training, developmental Braille skills, and self-help and daily care skills development.
	1237	Hard of Hearing - Programs for pupils whose hearing is impaired to the extent that language, social and/or academic development is restricted to a significant degree but who is not eligible for placement in classes for the deaf.

CODE CLASS	CODE DETAIL	DESCRIPTION
	1238	Deaf - Programs for pupils with no hearing or limited residual hearing sensitivity which is not sufficient to enable understanding of spoken language nor to develop language successfully even with a hearing aid without specialized instruction.
	1239	Deaf-Blind - Programs for pupils who are totally unable to hear or see and thus cannot develop their educational potential without specialized services.
1240		Emotionally/Behaviorally Disturbed - Special learning experiences for pupils identified as having social and/or emotional problems; e.g., emotionally disturbed and delinquency prone.
	1241	Behavior Disorders - Programs for pupils who exhibit one or more of the following characteristics over an extended period of time to a marked degree and require special services: (1) Difficulties in learning that cannot be explained in intellectual, sensory, or other health factors; (2) Difficulties in building or maintaining satisfactory interpersonal relationships with peers, parents, and teachers; (3) The general pervasive mo od of unhappiness or depression; and (4) A tendency to develop physical symptoms, pains, or fears associated with personal or social problems.
1250		Culturally Different - Special learning experiences for pupils whose background is so different from that of most pupils that they have been identified as needing additional educational opportunities beyond those provided in the usual school program if they are to be educated to the level of their ability. Title I - ESEA (formerly Chapter 1) eligible expenditures would be included in this function.
1260		Pupils With Learning Disabilities - Special learning experiences for pupils identified as having deficiencies in one or more aspects of the cognitive process and as being underachievers in relation to the general level or mode of their overall abilities.
	1261	Learning Disability - Programs for pupils who have near average, average, or above average intelligence but who may manifest mild-to-severe difficulty with perception (the inability to attach meaning to sensory stimuli), conceptualization, language, memory, motor skill, and control of attention.
1270		Bilingual
	1271	Bilingual - Special learning experiences for pupils from homes where the English language is not spoken.
1280		Early Childhood Special Education - Services for pupils identified as being disabled and who are three or four years of age and five year old pupils not enrolled in kindergarten.
	1281	Early Childhood Special Education - Services provided for pupils with disabilities which are non-categorical but based on significant delays in development which affect the pupils educational performance. See Function 3500, Early Childhood Program, or Function 1101, Early Childhood.

CODE CLASS	DETAIL	DESCRIPTION
1290		Other Special Programs
	1291	Special Education Summer School - Summer school programs provided for pupils with exceptionalities.
	1292	Autism - Services provided for pupils with a developmental disability which may occur concurrently with other disabilities. Onset occurs during infancy or early childhood and is behaviorally defined to include disturbances in: 1) developmental rates and/or sequences; 2) responses to sensory stimuli; 3) speech, language, and cognitive capacities; and, 4) capacities to relate to people, events, objects, and which adversely affects educational performance.
	1293	Traumatic Brain Injury - Services provided for pupils with an acquired injury to the brain caused by an external event resulting in total or partial functional disability or psychosocial maladjustment that adversely affects educational performance.
	1294	Multiple Disabilities - A term referring to physical and/or sensory impairments occurring in combination with each other or concomitantly with other disabling conditions. The combination of these disabilities causes significant educational problems.
	1295	Other Special Education Programs - Services provided for pupils with disabilities that are not specifically addressed above.
1300		Vocational Programs - Learning experiences which will provide individuals with the opportunity to develop the necessary knowledge, skills, and attitudes needed for employment in an occupational area.
1310		Applied Biological
	1311	Applied Biological and Agriculture - Comprised of the group of related courses or units of subject matter which are organized for carrying on learning experiences concerned with preparation for or upgrading in occupations requiring knowledge and skills in agriculture subjects. The functions of agricultural production, agricultural supplies, ornamental horticulture, agricultural resources, forestry, and the services related thereto, are emphasized in the instruction designed to provide opportunities for pupils to prepare for or improve their competencies in agricultural occupations. An agricultural occupation may include one or any combination of these functions.
1320		Health Occupations
	1321	Health Occupations - Comprised of the body of related subject matter or the body of related courses and planning experiences designed to impart knowledge and develop understanding and skills required to support the health professions. Instruction is organized to prepare pupils for occupational objectives concerned with assisting qualified personnel in providing diagnostic, therapeutic, preventive, restorative, and rehabilitative services to people, including understanding and skills essential to provide care and health services to patients.

CODE CLASS	DETAIL	DESCRIPTION
1330		Business, Marketing, and Management (Distributive Education)
	1331	Business, Marketing, and Management - Includes, but is not limited to, those activities involved in the systematic distribution of products and services to the consumer. Activities include organizational supervision and management, sales, distribution, communications, record keeping, and others needed to support and evaluate those functions, excluding speculative and manipulative marketing practices. Sales-supporting functions are buying, transporting, storing, promoting, financing, marketing research, and management. Emphasis is on the development of attitudes, skills, and understanding related to marketing, merchandising, and management. Also included are a variety of activities, such as recording and retrieval of data, supervision and coordination of office activities, internal and external communications, and the reporting of information in the area of communications and record keeping.
1340		Personal and Public Services
	1341	Personal and Public Services - Derived from many of the traditionally recognized vocational education disciplines, including both Personal Service Occupations and Public Service Occupations. Personal Service Occupations include those involving meeting the needs of the individual for his/her own betterment as a member of society. Personal Services Occupations include, but are not limited to, those occupations which provide services desired and needed by the consumer in the management of his/her home and possessions in addition to his/her day-to-day living. Some of the occupational programs related to personal services are food services, clothing services, services related to care of individuals (children, elderly, others), services for homes, and equipment and personal improvement services. Public Service Occupations include those occupations involving guardianship, maintenance, and improvement of the public domain for the general welfare of society. Public Service Occupations related to human services include, but are not limited to, educational assistants and training specialists, hospitality employees, and social service workers. Some of the municipal services included in Public Service Occupations are services related to sanitation and transportation, regulatory services and records, urban development services, park and recreation services, public safety and corrections services, and other community services such as postal services.
1350		Industrial Oriented Occupations
	1351	Industrial Oriented Occupations - Concerned with preparing persons for initial employment, or for upgrading or retraining workers in a wide range of trade and industrial occupations. Such occupations are skilled or semiskilled and are concerned with layout designing, producing, processing, assembling, testing, maintaining, servicing, or repairing any product or commodity. Included is instruction for apprentices in apprenticeable occupations or for journeymen already engaged in a trade

CODE CLASS	DETAIL	DESCRIPTION
	1351	Continued - or industrial occupation. Also included is training for certain semiprofessional occupations considered to be trade and industrial in nature.
1360		Other Vocational Programs
	1361	Other Vocational Programs - Other Vocational Programs not specifically addressed above.
1400		Student Activities
1410		School-Sponsored Co-curricular Activities
	1411	Student Activities - Direct and personal services for public school pupils, such as entertainment, publications, clubs, band and orchestra, that are managed or operated by the student body under the guidance and direction of an adult, and are not a part of the regular instructional program. These activities are characterized by being not-for-credit, other than school hours, interests of students and partially or wholly self-sustaining via dues and admissions. Code may be incremented sequentially by one to cover the various activities individually. Contracted non-route transportation expense incurred transporting students to and from activity or field trips are included here.
1420		School-Sponsored Athletics - Under the guidance and supervision of the LEA staff, athletics that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.
1490		Other - Activities that provide students with learning experiences not specifically addressed above.
1600		Adult/Continuing Education Programs - Learning experiences provided by the LEA for the educational, vocational, recreational, cultural and/or enrichment of community members. These learning experiences promote involvement of community with the LEA and address the needs of the community while improving the quality of life for everyone. These are learning experiences designed to develop knowledge and skills to meet immediate and long-range educational objectives for community members who have completed or interrupted formal schooling. Programs include activities to foster development of fundamental tools of learning, to prepare for a new or different career, to prepare for an advanced education program, to upgrade occupational competencies, to develop skills and appreciation for special interests, to enrich the aesthetic qualities of life, and to provide school/community partnerships.

CODE CLASS	DETAIL	DESCRIPTION
1610		Adult/Continuing Basic Education Programs
	1611	Adult Basic Education - Learning experiences concerned with the fundamental tools of learning for adults. These are adults who have never attended school or have interrupted formal schooling and need this knowledge and these skills to raise their level of education for self-confidence, self-determination, for preparation for an occupation, and for functioning more responsibly as citizens in a democracy.
1620		Advanced Adult Education
	1621	Advanced Adult Education - Learning experiences designed to develop knowledge, skills, appreciation, attitudes, and behavioral characteristics considered to be needed by adults. These are 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.
1630		Adult Occupational
	1631	Adult Occupational - Learning experiences which are concerned with skills and knowledge designed primarily to prepare learners for immediate employment in an occupation or cluster of occupations. (This is the same type program as that for secondary or junior college students but differs only in the type of pupils served: Adults.)
1640		Adult Upgrading in Current Occupation
	1641	Adult Upgrading in Current Occupation - Learning experiences which are concerned with skills and knowledge designed primarily for extending or updating workers' competencies for occupations in which they are employed.
1650		Adult Retraining for New Occupation
	1651	Adult Retraining for New Occupation - Learning experiences which are concerned with skills and knowledge designed primarily for preparation for employment in a new and different occupation.
1660		Adult and Community Continuing Education
	1661	Adult and Community Continuing Education - Learning experiences which are concerned with skills and knowledge designed primarily for adults preparing for a subordinate occupation in addition to one's vocation. Such programs may be called avocational programs.
1670		Community Education/Life Enrichment
	1671	Community Education/Life Enrichment - Learning experiences which are concerned with skills and knowledge designed primarily for enjoyment without regard to a vocation.

CODE CLASS	DETAIL	DESCRIPTION
1690		Other Adult/Continuing Education Programs
	1691	Other Adult/Continuing Education Programs - Other Adult/Continuing Education Programs not specifically addressed above.
1900		Payments to Other Districts - Conduit-type payments to LEAs generally for tuition for services rendered to pupils residing in the paying LEA. (These are not counted in State totals of expenditures.)
1910		Tuition to Other Districts - Payments from one school district to another school district, usually from a six director elementary to a high school district, may also cover those instances in which pupils are legally assigned to another district. The district of residency must pay tuition to the receiving district to claim Average Daily Attendance (ADA) for State Foundation Aid. Includes bill back for local effort. Paid from the General (Incidental) or Special Revenue (Teachers) Fund.
1920		Area Vocational School Fees - Amounts paid to support teachers' salaries, supplies, capital outlay items, and other expenses incurred in offering a vocational program. It is suggested that Area Vocational Schools cost out their programs by Fund and bill the sending districts accordingly. Paid from the General or Special Revenue Fund.
1930		Tuition, Severely Handicapped Program - Tuition paid to state institutions or private/philanthropic institutions approved by the Special Education Section of DESE.
1940		Contracted Educational Services - Amounts paid to other school districts for certain cooperative services that are shown as gross expenditures in the receiving district's financial statements. (This could include contracted satellite education programs such as foreign language or math courses.) Contracted educational services including educational TV/satellite programs would typically be coded to Instructional Services, Object Code 6311. If contracted educational television services are being paid from textbook revenue, the expenditure must be coded to Free Textbook Fund, Object Code 6420.
2000		Support Services - Support services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services. Supporting services exist as adjuncts for the fulfillment of the objectives of instruction, rather than as entities within themselves.
2100		Support Services - Pupils - 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 - Those activities which have as their purpose the improvement of the attendance of pupils at school and which attempt to prevent or solve pupil problems involving the home, school, and community.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2111	Service Area Direction - The activities concerned with directing, managing, and supervising Attendance and Social Work Services.
	2112	Attendance Services - Those activities such as prompt identification of patterns of nonattendance, promotion of positive attitudes toward attendance, analysis of causes of nonattendance, early action on problems of nonattendance, and enforcement of compulsory attendance laws.
	2113	Social Work Services - Those activities such as investigating and diagnosing pupil problems arising out of the home, school, or community; casework and group work services for the child, parent, or both; interpreting the problems of pupils for other staff members; and promoting modification of the circumstances surrounding the individual pupil which are related to his/her problem insofar as the resources of the family, school, and community can be effectively brought to bear upon the problem.
	2114	Pupil Accounting Services - Those activities of acquiring and maintaining records of school attendance, location of home, family characteristics, and other census data. Portions of these records become a part of the cumulative record which is sorted and stored for teacher and guidance information. (Includes handicapped census expense.)
	2119	Other Attendance and Social Work Services - Other Attendance and Social Work Services not specifically addressed above.
2120		Guidance Services - Those activities of counseling with pupils and parents, providing consultation with other staff members on 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 - The activities concerned with directing, managing, and supervising Guidance Services.
	2122	Counseling Services - Those activities concerned with the relationship between one or more counselor(s), between one or more pupils as counselee(s), between students and students, and between counselors and staff members in which the pupil is helped to understand his/her educational, personal, and occupational strengths and limitations; relate his/her abilities, emotions, and aptitudes to educational and career opportunities; utilize his/her abilities in formulating realistic plans and achieve satisfying personal and social development.
	2123	Appraisal Services - Those activities having as their purpose an assessment of pupil characteristics, which are used in administration, instruction, and guidance, and which assist the pupil in assessing his/her purposes and progress in career development and personality development. Test records and materials used for pupil appraisal are usually included in each pupil's cumulative record.

CODE CLASS	DETAIL	DESCRIPTION
	2124	Information Services - Those 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 - Those activities organized for the compilation, maintenance, and interpretation of cumulative records of individual pupils, including systematic consideration of factors such as the following: Home and Family Background Physical and Medical Status Standardized Test Results Personal and Social Development School Performance
	2126	Placement Services - Those 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 pupil's transition from one educational experience to another. This may include, for example, admissions counseling, referral services, assistance with records, and follow-up communications with employers.
	2129	Other Guidance Services - Other Guidance Services not specifically addressed 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 nursing services.
	2131	Service Area Direction - The activities concerned with directing, managing, and supervising Health Services.
	2132	Medical Services - Those activities concerned with the physical and mental health of pupils, such as health appraisals 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 - Those activities concerned with dental screening, dental care, and orthodontic activities.
	2134	Nursing Services - Those 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 - Other Health Services not specifically addressed above.

CODE CLASS	DETAIL	DESCRIPTION
2140		Psychological Services - Those 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; behavioral evaluation; and planning and managing a program of psychological services, including psychological counseling for pupils, staff, and parents.
	2141	Service Area Direction - The activities concerned with directing, managing, and supervising Psychological Services.
	2142	Psychological Testing Services - Those 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 - Those activities that take place between a school psychologist or other qualified person as counselor and one or more pupils as counselee on which the pupils are helped to perceive, clarify, solve, and resolve problems of adjustment and interpersonal relationships.
	2144	Psychotherapy Services - Those activities that provide a therapeutic relationship between a qualified mental health professional and one or more pupils, in which the pupils are helped to perceive, clarify, solve, and resolve emotional problems or disorders.
	2149	Other Psychological Services - Other activities concerned with Psychological Services not specifically addressed above.
2150		Speech Pathology and Audiology Services - Those activities which have as their purpose the identification, assessment, and treatment of pupils with impairments in speech, hearing, and language.
	2151	Service Area Direction - The activities concerned with directing, managing, and supervising Speech Pathology and Audiology Services.
	2152	Speech Pathology Services - Those activities organized for the identification of children with speech and language disorders; diagnosis and appraisal of specific speech and language disorders; referral for medical or other professional attention necessary to treat speech and language disorders; provision of required speech treatment services; and counseling and guidance of children, parents, and teachers, as appropriate.
	2153	Audiology Services - Those activities organized for the identification of children with hearing loss, determination of the range, nature, and degree of hearing function; referral for medical or other professional attention as appropriate to treating hearing impaired; treatment of language impairment; involvement of auditory training, speech reading (lip reading), and speech conservation as necessary; creation and administration of programs of hearing conservation; and counseling and guidance of children, parents, and teachers as appropriate.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2159	Other Speech Pathology and Audiology Services - Other activities concerned with Speech Pathology and Audiology Services not specifically addressed above.
2190		Other Support Services - Students - Other Support Services to students not addressed elsewhere in the 2100 entries.
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 - Those activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for pupils. These activities include curriculum development, techniques of instruction, child development and understanding, staff training, teacher mentor/professional development, etc.
	2211	Service Area Direction - The activities concerned with directing, managing, and supervising the Improvement of Instruction Services.
	2212	Instruction and Curriculum Development Services - Those 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 - Those activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service to the school system or school. Among these activities are workshops, demonstrations, school visits, courses for college credit (tuition reimbursement), sabbatical leaves, and travel leaves. Those expenditures that fall outside the direction of the board approved school improvement plan.
	2214	Professional Development - Those activities designed to contribute to the professional development of staff members during the time of their service to the school system. Those expenditures made to meet the requirement of Section 160.530, RSMo, (Outstanding Schools Act, 1993), to allocate at least one percent (1%) of current year basic formula apportionment (as taken from the June monthly formula calculation sheet from the School Finance Section, Missouri Department of Elementary and Secondary Education) AND expend 75% of that 1% in the year received for professional development meeting the objectives of a professional development plan which meets the objectives of a board approved school improvement plan.
	2219	Other Improvement of Instruction Services - Other activities for improving instruction not specifically addressed above.
2220		Educational Media Services - Those activities 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 non-printed sensory materials.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2221	Service Area Direction - The activities concerned with directing, managing, and supervising Educational Media Services.
	2222	School Library Services - Those activities such as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning the use of the library by teachers and other members of the instructional staff; and guiding individuals in their use of library books and materials, whether maintained separately or as a part of an instructional materials center or related work-study areas.
	2223	Audiovisual Services - Those activities such as selecting, preparing, caring for, and making available to members of the instructional staff the equipment, films, filmstrips, transparencies, tapes, TV programs, Internet connections, and similar materials, whether maintained separately or as a part of an instructional materials center, audio-visual center, TV studio, and related work-study areas, and the services provided by audiovisual personnel.
	2224	Educational Television Services - Those activities with planning, programming, writing, and presenting educational programs or segments of programs by way of closed circuit or broadcast television.
	2225	Computer-Assisted Instruction Services - Those activities concerned with planning, programming, writing, and presenting educational projects which have been especially programmed for a computer to be used as the principal medium of instruction.
	2229	Other Educational Media Services - Other Educational Media Services not specifically addressed above.
2290		Other Support Services - Instructional Staff - Other services supporting the instructional staff not specifically addressed above.
2300		Support Services - General Administration - Activities concerned with establishing and administering policy for operating the local education agency.
2310		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 administrative unit.
	2311	Service Area Direction - The activities concerned with Board secretary/clerical services, Board Treasurer services, election services, legal services, audit services, and other Board of Education Services.
2320		Executive Administration Services - Those activities associated with the overall general administration of or executive responsibility for the entire LEA.

CODE CLASS	DETAIL	DESCRIPTION
	2321	Office of the Superintendent Services - The activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendent in general direction and management of all affairs of the LEA. These include all personnel and materials in the office of the chief executive officer. Activities of the offices of the deputy superintendent and associate or assistant superintendent should be charged here unless the activities can be placed properly into a Service Area. In this case, they would be charged to Service Area Direction in that Service Area. When two or more Service Areas are directed by the same individual, the services of that individual's office are charged to the Office of the Superintendent or prorated between the Service Areas concerned.
	2322	Community Relations Services - Those activities and programs developed and operated system-wide for betterment of school/community relations.
	2323	Staff Relations and Negotiations Services - Those activities concerned with staff relations system-wide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.
	2324	State and Federal Relations Services - Those activities of developing and maintaining good relationships with State and Federal officials. The activities associated with grant procurement are included here.
	2329	Other Executive Administration Services - Other Executive Administration Services not specifically addressed above.
2400		Support Services - School Administration - Those activities concerned with overall administrative responsibility for a single school or a group of schools.
2410		Building Level Administration
	2411	Office of the Principal Services - The activities concerned with directing and managing the operation of a particular school. These include the activities performed by the Principal, Assistant Principal, and other assistants in general supervision of all operations of the school, evaluation of the staff members of the school, assignment of duties to staff members, supervision and maintenance of the records of the school, and coordination of school instructional activities with instructional activities of the LEA. It includes clerical staff in teaching and administrative duties.
2490		Other Support Services - School Administration
	2491	Other Support Services - School Administration - Other Support Services - School Administration services which are not specifically addressed above including graduation expenses and department chairpersons.

CODE CLASS	CODE DETAIL	DESCRIPTION
2500		Support Services - Business - Activities concerned with purchasing, paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal services, property and accounting services, operation and maintenance services, and internal services for operating all schools. This code series is not meant to imply an organizational structure or administrative flow for LEAs.
	2510	Business Support Services
	2511	Service Area Direction - The activities concerned with directing, managing and supervising Business Services.
	2520	Fiscal Services - Those activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing and managing funds.
	2521	Service Area Direction - The activities concerned with directing, managing, and supervising Fiscal Services. It includes the activities of the assistant superintendent, director, or business manager in directing and managing fiscal activities, including debt management.
	2522	Budgeting Services - Activities concerned with supervising budget planning, formulation, control, and analysis.
	2523	Receiving and Disbursing Funds Services - Those activities concerned with taking in money and paying it out. They include the current audit of receipts; the pre-audit 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 the school or the school system; and the management of school funds. Payment of fees or charges (Other Professional and Technical Services, Object Code 6319) regarding regular banking direct deposit, automatic wire transfers of funds, etc., should be coded to this function.
	2524	Payroll Services - Those activities concerned with making periodic payments to individuals entitled to remuneration for services rendered. Payments are also made for such payroll-associated costs as federal income tax withholding, retirement, and social security. Includes IRS penalty for late payment of Federal withholding taxes.
	2525	Financial Accounting Services - Those 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 - Those activities concerned with verifying the account records. This includes 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.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2527	Property Accounting Services - Those activities concerned with preparing and maintaining current inventory records of land, buildings, and movable equipment. These records are used in equipment control and facilities planning.
	2529	Other Fiscal Services - Other Fiscal Services not specifically addressed above.
2540		Operation and Maintenance of Plant Services - Those activities concerned with keeping the physical plant open, comfortable, and safe for use; and keeping the grounds, buildings, and equipment in an effective working condition and state of repair. This includes activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Building insurance should be charged to this function.
	2541	Service Area Direction - The activities concerned with directing, managing, and supervising the Operation and Maintenance of Plant Services.
	2542	Care and Upkeep of Buildings Services - Those activities concerned with keeping the physical plant clean and ready for daily use. They include operating the heating, lighting, and ventilating systems, and minor repairs. Also included are the cost of the building rental and property insurance.
	2543	Care and Upkeep of Grounds Services - The activities involved in maintaining, in good condition, land and its improvements other than buildings. These include snow removal, landscaping, grounds maintenance and the like.
	2544	Care and Upkeep of Equipment Services - The activities involved in maintaining, in good condition, equipment owned or used by the school system. These include such activities as servicing and repairing furniture, machines, and movable equipment.
	2545	Vehicle Servicing and Maintenance Services (Other Than Buses) - The activities of maintaining general purpose vehicles such as trucks, tractors, graders, and staff vehicles in good condition. These include such activities as repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, and inspecting vehicles for safety, i.e., preventive maintenance.
	2546	Security Services - Those activities concerned with maintaining order and safety in school buildings, on the grounds and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarm systems and hall monitors services.
	2549	Other Operation and Maintenance of Plant Services - Other Operation and Maintenance of Plant Services not specifically addressed above. This could include disposal of hazardous waste chemicals such as old science lab chemicals, etc.
2550		Pupil Transportation - Those activities concerned with providing transportation for students.

CODE CLASS	DETAIL	DESCRIPTION
	2551	Contracted Pupil Transportation Services - The allowable expense incurred transporting students to/from home and school on contracted vehicles.
	2552	District Operated Pupil Transportation Services - The allowable expense incurred transporting students to/from home and school or to/from an activity or field trip on district operated vehicles. (Includes drug testing/physicals for bus drivers.)
	2553	Contracted Handicapped Transportation Services - The allowable expense incurred transporting handicapped/severely handicapped students on separate routes on contracted vehicles. This expense may reflect transportation services provided during the regular or summer school term. Includes handicapped three and four year old transportation costs as appropriate.
	2554	District Operated Handicapped Transportation Services - The allowable expense incurred transporting handicapped/severely handicapped students on separate routes on district operated vehicles. This expense may reflect transportation services provided during the regular or summer school term. Includes handicapped three and four year old transportation costs as appropriate. (Excludes school buses.)
	2555	Payments to Other Districts for Transportation - Amounts paid to another school district for pupil transportation services, except amounts for handicapped routes.
	2558	Non-allowable Transportation Expense - Transportation expenses that are not specifically defined as allowable in the Allowable Cost Rule. The costs associated with non-route miles should not be coded in this function.
2560		Food Services - Those activities concerned with providing food to pupils and staff in the 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 - Those activities concerned with directing, managing, and supervising Food Services.
	2562	Food Preparation and Dispensing Services - Those activities concerned with preparing and serving regular and incidental meals, lunches, or snacks to pupils and staff the LEA. It includes cooking, operating kitchen equipment, preparing food, serving food, cleaning dishes, storing dishes, kitchen equipment, and cafeteria furniture.
	2563	Food Delivery Services - Those activities concerned with delivering food to the LEA.
	2569	Other Food Services - Other Food Services not specifically addressed above (i.e., Title I ESEA milk and snacks).

CODE CLASS	DETAIL	DESCRIPTION
2570		Internal Services - Those activities concerned with buying, storing, and distributing supplies, furniture, and equipment; and those activities concerned with duplicating and printing for the school system.
	2571	Service Area Direction - The activities concerned with directing, managing, and supervising Internal Services.
	2572	Purchasing Services - Those activities concerned with purchasing supplies, furniture, equipment, and materials used in schools or school system operation.
	2573	Warehousing and Distributing Services - The operation of the system-wide activities of receiving, storing, and distributing supplies, furniture, equipment, materials, and mail. They include the pickup and transporting of cash from school facilities to the central administrative office or bank for control and/or deposit.
	2574	Printing, Publishing, and Duplicating Services - Those activities concerned with printing and publishing administrative publications such as annual reports, school directories, and manuals. They also include providing centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.
	2579	Other Internal Services - Includes Other Internal Services not specifically addressed above.
2590		Other Business Support Services - Other Business Support Services not specifically addressed above.
2600		Support Services - Central Office - Activities, other than general administration, which support each of the other instructional and supporting services programs. These activities include planning, research, development, evaluation, information, staff, statistical, and data processing services.
2610		Central Office Services
	2611	Service Area Direction - The activities concerned with directing, managing, and supervising the central support services as a group.
2620		Planning, Research, Development, and Evaluation Services - Those activities, on a system-wide basis, associated with conducting and managing programs of planning, research, development, and evaluation for a school system.
	2621	Service Area Direction - Those activities concerned with directing, managing, and supervising Planning, Research, Development, and Evaluation Services.
	2622	Development Services - Those activities concerned with the evolving process of utilizing the products of research and considered judgment in the deliberate improvement of educational programs.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2623	Evaluation Services - Those activities concerned with 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.
	2624	Planning Services - Those activities concerned with the selection or identification of the overall, long-range goals, priorities, and objectives of the organization or program, and the formulation of various courses of action in terms of identification of needs and relative costs and benefits for the purpose of deciding on courses of action to be followed in striving to achieve these goals, priorities, and objectives.
	2625	Research Services - Those activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.
	2629	Other Planning, Research, Development, and Evaluation Services - Other Planning, Research, Development, and Evaluation Services not specifically addressed above.
2630		Information Services - Those activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to pupils, staff, managers and the general public through direct mailing, the various news media, or personal contact.
	2631	Service Area Direction - The activities concerned with directing, managing, and supervising Information Services.
	2632	Internal Information Services - Those activities concerned with writing, editing, and providing administrative information to pupils and staff.
	2633	Public Information Services - Those activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to the public through various news media or personal contact.
	2634	Management Information Services - Those activities concerned with writing, editing, and other preparation necessary to disseminate to management the information needed about the operation of the LEA and about that information needed from the community, state, and nation in order to make logical decisions. This includes administrative fees (initial hook-up and monthly/annual fees) for Internet operations.
	2639	Other Information Services - Those activities concerned with Information Services not specifically addressed above.
2640		Staff Services - Those activities concerned with maintaining an efficient staff for the school system. It includes such activities as recruiting and placement, staff transfers, inservice training, health services, and staff accounting.
	2641	Service Area Direction - The activities concerned with directing, managing, and supervising Staff Services.

CODE CLASS	DETAIL	DESCRIPTION
	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	In-Service Training for Non-instructional Staff - The activities developed by the LEA for training of non-instructional personnel in all classifications.
	2645	Health Services - Those activities concerned with medical, dental, and nursing services provided for school district employees. Included are physical examinations, referrals, and emergency care.
	2649	Other Staff Services - Those Staff Services which are not specifically addressed above.
2650		Statistical Services - Those activities concerned with manipulating, relating, and describing statistical information.
	2651	Service Area Direction - The activities concerned with directing, managing, and supervising Statistical Services.
	2652	Statistical Analysis Services - Those activities concerned with determining the nature and relationships of data elements to arrive at conclusions and recommendations. This includes institutional, management, and program studies, such as cost effectiveness, space utilization, and teaching load.
	2653	Statistical Reporting Services - Those activities concerned with assimilating and writing statistical data into reports for further use. This includes the preparation of reports for internal as well as external use, such as questionnaires and data collection forms.
	2659	Other Statistical Services - Those Statistical Services which are not specifically addressed above.
2660		Data Processing Services - Those activities concerned with preparing data, storing data, and retrieving data for reproduction as information for management and reporting.
	2661	Service Area Direction - The activities concerned with directing, managing, and supervising Data Processing Services.
	2662	Systems Analysis Services - Those activities concerned with the search for and 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.

CODE CLASS	CODE DETAIL	DESCRIPTION
	2663	Programming Services - Those 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 - Those activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.
	2669	Other Data Processing Services - Those activities concerned with data processing which are not specifically addressed above.
2690		Other Support Services - Central - Those Central Support Services not specifically addressed above.
2900		Other Supporting Services - Activities of any supporting service or classification of services, general in nature, which cannot be classified in the preceding functions.
3000		Community Services - Community services consist of those activities that do not directly relate to providing education for pupils in the LEA. These include services provided by the LEA for the community as a whole or some segment of the community and community welfare activities.
3100		Direction of Community Services - Activities concerned with directing, managing, and supervising Community Services.
3200		Community Recreation Services - Activities concerned with providing recreation 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 recreational programs for the community.
3300		Civic Services - Activities of providing services to civic affairs or organizations. This includes services to parent/teacher association meetings, public forums, lectures, and civil defense planning.
3400		Public Library Services - Activities related to the operation of public libraries by the LEA, or the provision of library services to the general public through the school library. It includes such activities as budgeting and planning the library's collection in relation to the community, and informing the community of public library resources and services.
3500		Early Childhood Program - Activities providing programs for Parents As Teachers and for three and four year old children, outside of regular classroom setting, by screening, and through parent education. Direct instruction programs should be in Function 1101, Early Childhood, or Function 1281, Special Education.

CODE CLASS	CODE DETAIL	DESCRIPTION
3600		Welfare Activities Services - Activities providing for the personal needs of individuals who have been designated as needy by an appropriate governmental entity. They include stipends for school attendance, salaries paid to pupils for work performed whether for the LEA or for an outside concern, or for clothing, food, or other personal needs.
3700		Non-public School Pupils' Services - This function reserved as a contingency for any legislation mandating that public schools handle some services for non-public pupils.
3800		Custody and Care of Children Services - Activities providing 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 attendance figures for the LEA.
3900		Other Community Services - Services provided for the community which cannot be classified under the preceding functions. Includes expenditures for food service costs associated with the USDA/MO Department of Health Summer Food Service Program and payments made to a student from a scholarship or trust fund.
4000		Facilities Acquisition and Construction Services - Those activities concerned with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation and extensions of service systems and other built-in equipment; and improvements to sites. Costs of these items are charged here within the Capital Projects Fund.
	4010	Service Area Direction - The activities concerned with directing, managing, and supervising Facilities Acquisition and Construction Services.
	4020	Land Acquisition and Development Services - Activities concerned with the initial acquisition of sites and improvements thereon.
	4030	Architecture, Engineering, and Legal Services - The activities of architects, lawyers, engineers, and other professionals related to land acquisition and improvement, improvements to buildings, and bond sales. Includes expenditures for bond issuance costs from the Capital Projects Fund relating to new issues of bonds for capital outlay purposes which are to be repaid through the MOHEFA Direct Deposit Program. Expenditures for bond issues related to a refunding of bonded indebtedness are paid from the General (Incidental) Fund.
	4040	Educational Specifications Development Services - Those activities concerned with preparing and interpreting to architects and engineers descriptions of specific space requirements for the various learning experiences of pupils to be accommodated in a building. These specifications are interpreted to the architects and engineers in the early stages of blueprint development.
	4050	Building Acquisition, Construction, and Improvements Services - Those activities concerned with building acquisition through purchase or construction and building improvements. It includes initial installation or extension of service systems and other built-in equipment as well as building additions. Includes lease purchase principal payments when the district "capitalizes" such payments.

CODE CLASS	DETAIL	DESCRIPTION
	4090	Other Facilities Acquisition and Construction Services - Includes facilities acquisition and construction activities not specifically addressed above.
5000		Long and Short Term Debt - Activities servicing the debt of the LEA. Categories of debt services are listed under objects.
5100		Principal - Amounts paid for bonded indebtedness incurred by the school district, energy loans or other principal payments.
	5110	Bonded Indebtedness Principal
	5120	Short Term Loans Principal
	5130	Lease Purchase Agreement Principal - This function is used only if the district does not capitalize the lease purchase.
5200		Interest - Interest paid by the school district.
	5210	Interest - Bonded Indebtedness
	5220	Interest - Short Term Loans - Interest paid by the school district on short term loans or tax anticipation notes.
	5230	Interest - Lease Purchase Agreements - Interest paid by the school district on lease purchase agreements.
	5240	Discount on Bonds Sold (Interest Adjustment) – Occurs when the sale of bonds sold is Lower than par value of the bonds. (Ex: Bond par value is $1000. Bonds are sold for $980. There is a $20 discount.) Record the total discount on all bonds sold.
5300		Other - Amounts paid by the school district for debt related fees, etc.
	5310	Fees - Bonded Indebtedness – Paying agent fees from the Debt Service Fund. Other bond issuance costs (bond counsel fee, registration fees, bond printing costs, etc.) are paid from the Capital Projects Fund (or from the Incidental Fund at the discretion of the district) for a new bond issue. Costs relating to a bond refunding must be paid from the Incidental Fund.
	5320	Fees - Short Term Loans
	5330	Fees - Lease Purchase Agreements

NOTE: Although the LEAs should attempt to categorize expense by function, occasionally the accounting principle of materiality will modify this approach. Specifically, if the district pays $5.00 per person on workers' compensation, the posting effort for such a small amount spread through a dozen function codes would not materially enhance fair presentation of district program costs. In this instance, the total amount may be coded to Function 1110, Elementary Instruction. However, the LEA may wish to separate this expense for purposes of the food service program, transportation program, and federal programs since they operate on a cost reimbursement basis. Please discuss this issue with your independent auditor if in doubt as to the applicability of this principle.

VII. Expenditure Object Code Descriptions

Expenditure Object means the service or commodity obtained as a result of a specific expenditure. There are six object categories, each of which is further subdivided into sub-objects. Code numbers in the CLASS column and middle (subclass) column ending in zero are for subtotaling purposes only and are not used for posting transactions.

An expenditure object code is based on how a particular expenditure is paid out or planned to be paid out, whether as a salary, an employee benefit, a purchased service, a supply item, a capital outlay, or a debt expenditure. Detail expenditure object codes are further broken down in order to collect specific expenditure detail for detail reporting purposes. (See Part III-C of the Annual Secretary of the Board Report (ASBR) to see the distinction made in expenditure object code detail.)

CODE CLASS	CODE DETAIL	DESCRIPTION
6100		Salaries - Amounts paid to employees of the LEA who are considered to be in a position of permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the LEAs.
6110		Certificated Teacher Salaries
	6111	Regular Salaries - Full-time, contract, and prorated portions of the costs for work performed by teachers (defined in the broad sense of Section 168.104 (7),RSMo) of the LEA who are considered to be in positions of a permanent nature. If a supplemental duty is a part of the regular year contractual duties or required of the position, it should be included in this object. Career ladder is also included in this object. These salaries are subject to teacher retirement (Public School Retirement System of Missouri, PSRS). Certificated employees meeting the definition of "new-hire" (hired after March 31, 1986) are also subject to Medicare-only withholdings.
6120		Certificated - Part-time
	6121	Substitute and Other Part-time Teacher Salaries - Certificated teachers who work less than full-time and perform work in positions of either temporary or permanent nature. Part-time teachers can be looked at as two distinct groups for retirement purposes. New, part-time, certificated employees (hired after August 28, 1997) as a teacher or employed in a non-teaching position, for 20 or more hours per week **shall** be a member, on a pro-rata basis, in the Public School Retirement System (PSRS) of Missouri with the option of electing non-teacher retirement. If a part-time certificated employee (hired before August 28, 1997) has elected to be a member of the non-teacher retirement system, the election made at the time of employment is permanent and irrevocable, unless the employee becomes a full-time employee, at which time membership in PSRS is required by law. Certificated employees, employed to serve less than 20 hours per week are not eligible for coverage under either PSRS or NTRS, until such time as they become employed to serve 20 hours or more per week. Those certificated employees serving less than 20 hours per week are subject to OASDI and Medicare only. If a summer school teacher was a member of PSRS during the regular term, that employee would be subject to teacher retirement during summer school regardless of the number of hours worked.

CODE CLASS	DETAIL	DESCRIPTION
6130		Certificated - Supplemental
	6131	Supplemental Pay - Amounts paid for student activities sponsorship, coaching, stipends for curriculum development and other duties beyond the regular school day or school session. Subject to state and federal tax and teacher retirement whether or not the supplemental duty is related to the employee's regular position. Certificated employees meeting the definition of "new-hire" (hired after March 31, 1986) are also subject to Medicare-only withholdings.
6140		Certificated Employees Unused Sick Leave and/or Severance Pay
	6141	Certificated Employees Unused Sick Leave and/or Severance Pay - Amounts paid to certificated employees at time of retirement or termination of employment for that portion of unused sick leave, vacation leave and early retirement buyout. No teacher retirement, full-social security, or Medicare-only deductions are to be made from these payments to certificated employees covered by the Public School Retirement System of Missouri. Federal and State tax deductions are to be made. When "new hire" certificated employees (hired after March 31, 1986 and subject to Medicare-only withholdings) qualify for these payments, Medicare will need to be withheld from the payment.
6150		Classified Salaries - Regular
	6151	Classified Salaries - Regular - Full-time and prorated portions of the costs for work performed by typically non-certificated employees of the LEA and certificated employees who are employed in non-teaching positions of a permanent nature. (Includes all teacher aides whether certificated or non-certificated.) Generally subject to non-teacher retirement and OASDI and Medicare. Certificated employees employed to serve less than 20 hours per week are not eligible for coverage under either PSRS or NTRS, until such time as they become employed to serve 20 hours or more per week. Those certificated employees serving less than 20 hours per week are subject to OASDI and Medicare only. Full-time certificated employees regardless of position in the district must participate in the Public School Retirement System.
6160		Classified Salaries - Part-time
	6161	Classified Salaries - Part-time - Cost for work performed by employees of the LEA who work in positions of less than full-time or of a temporary nature. Subject to non-teacher retirement and OASDI and Medicare. If less than 20 hours per week subject to OASDI and Medicare only.
6170		Classified Employees Unused Sick Leave and/or Severance Pay
	6171	Classified Employees Unused Vacation, Sick Leave and/or Severance Pay - Amounts paid to classified employees at the time of retirement or termination of employment for that portion of unused sick leave or vacation leave. OASDI and Medicare withholdings along with federal and state income tax deductions are required.

CODE CLASS	CODE DETAIL	DESCRIPTION
6200		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 employees, nevertheless are part of the cost of salaries and benefits. These charges should be distributed to functions in accordance with the salary function of the employee or group of employees. If materiality prevents, charge to Function 1110, Elementary Instruction.
6210		Teachers' Retirement
	6211	Teachers' Retirement - Amounts paid by the LEA to the Public School Retirement System (PSRS) of Missouri for certificated employees. This excludes employee contributions.
6220		Non-Teacher Retirement
	6221	Non-Teacher Retirement - Amounts paid by the LEA to the Non-Teacher Retirement System (NTRS) of Missouri for eligible non-certificated personnel and certain certificated personnel who are less than full-time. This excludes employee contributions.
6230		Old Age, Survivors and Disability Insurance (OASDI) and Medicare
	6231	Old Age, Survivors and Disability Insurance (OASDI) - Employers share paid by the LEA to the Missouri Retirement Fund for employees for Old Age, Survivors and Disability Insurance (OASDI).
	6232	Medicare - The employer's share of the Medicare tax paid by the LEA for employees other than teachers. This excludes employee contributions.
	6233	Medicare - Teachers - The employer's share of Medicare tax withholdings taken on all wages of "new hire" teachers. "New hire" teachers are members of the public school retirement system who were hired after March 31, 1986. This excludes employee contributions.
6240		Employee Insurance
	6241	Employee Insurance- Employer's share paid by the LEA for various types of insurance. Health, dental, vision and annuities in lieu of life insurance are examples of insurance considered as salary for PSRS purposes. Salary protection plans and life insurance are examples of employer provided insurance that are not considered salary for PSRS purposes. This object code excludes employee contributions. (Detail may be used to identify specific benefits.)
6260		Workers' Compensation Insurance
	6261	Workers' Compensation Insurance - Amounts paid by the LEA for workers' compensation insurance. There are no employee contributions.

CODE CLASS	DETAIL	DESCRIPTION
6270		Unemployment Compensation
	6271	Unemployment Compensation - Amounts paid by the LEA for employee benefits under unemployment compensation plans which includes actual benefits paid or unemployment insurance. There are no employee contributions.
6290		Other Employer Provided Services
	6291	Other Employer Provided Services - Amounts paid for employer-provided services such as baby-sitting, day care, parking, etc.
6300		Purchased Services - Amounts paid for services rendered by personnel who are not on the payroll of the LEA and for 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 result.
6310		Professional and Technical Services - Services which by their nature can be performed only by persons with specialized skills and knowledge. Included are the services of other school districts, architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, accountants, etc.
	6311	Instructional Services - Tuition including vocational tuition to other districts and nonpayroll services performed by qualified persons directly engaged in providing learning experiences for pupils. Included are services of teachers and paraprofessional personnel and "Performance Contract" activities provided directly to a child.
	6312	Instructional Program Improvement Services - Services performed by persons qualified to assist teachers and supervisors enhance the quality of the teaching process. This category includes curriculum consultants, in-service training specialists, etc., not on the payroll. The IRS says that a person who is a regular employee may not be treated as a consultant (purchased service) by the same employer for other duties.
	6313	Pupil Services - Nonpayroll services of qualified personnel to assist pupils and their parents in solving mental and physical problems to supplement the teaching process.
	6314	Staff Services - Services performed by persons qualified to assist in employing and assigning staff. This category includes specialists in personnel counseling and guidance.
	6315	Audit Services - Management services by independent auditors in the examination of records, documents, internal control and financial statements of the district for the purpose of rendering an opinion on these statements. May also include other management services beyond the audit.

CODE CLASS	CODE DETAIL	DESCRIPTION
	6316	Data Processing Services - Services performed by persons, organizations, or another agency qualified to process data. This category includes those data processing services purchased from another agency or concern of specialists who are contracted to perform a specific task on a short-time basis.
	6317	Legal Services - Services by lawyers advising the school district, its Board of Education and administrative officials on the statutes, laws and regulations and representing the school district in a court of law.
	6318	Election Services - Contracted arrangements with the county or city for school district elections for providing voting machines, judges, ballots and other election expenses as billed to the district by the county or city.
	6319	Other Professional and Technical Services - Services which are professional and technical in nature which have not been specifically addressed above: tax collection, property evaluation services, banking related services, tuition reimbursement, professional development, employee in-service registration fees, bus driver drug testing and bus driver medical examinations.
6330		Property Services - Services purchased to operate, repair, maintain, insure, and rent property owned and/or used by the LEA. These services are performed by persons other than LEA employees.
	6331	Cleaning Services - Services purchased to clean buildings other than those provided by LEA employees.
	6332	Repairs and Maintenance - Expenditures for ordinary repairs and maintenance services that are not provided directly by LEA personnel. This includes contracts and agreements covering the upkeep of grounds, buildings, and equipment. Renovating and remodeling are not included here but are considered under Expenditure Object 6500, Capital Outlay.
	6333	Rentals - Land and Buildings - Expenditures for leasing or renting land and buildings including mobile units for both temporary and long-range use of the LEA. **The LEA must be aware of the differentiation between rent or lease with no intent to acquire title to the property and lease purchase in which the LEA will take title to the property.** A rental or lease with no intent to take title is a General (Incidental) Fund expenditure. If the district intends to take title or completes a buy-out at the end of a lease, the principal and interest payments must be made from the Capital Projects Fund or the full purchase price of the property will be deducted as an adjustment to the funds payable to the district under Section 163.031, RSMo, (Basic Formula) in the year following the transfer of title to the district. (See Section 177.088, RSMo.)
	6334	Rentals - Equipment - Expenditures for leasing or renting equipment for both the temporary and long-range use of the LEA. Examples include expenditures for the rental of copy machines, telephone systems, and buses which are operated by personnel on the LEA payroll are recorded here.

CODE CLASS	DETAIL	DESCRIPTION
	6335	Water and Sewer - Expenditures for water and sewer services from a private or public utility company.
	6336	Trash Removal - Expenditures for trash or garbage pickup service not provided by LEA personnel.
	6339	Other Property Services - Property services purchased which are not specifically addressed above.
6340		Transportation Services - Expenditures for transporting children to school and official travel of LEA employees.
	6341	Contracted Pupil Transportation To and From School - Expenditures to persons or agencies for the purpose of transporting children to and from school. 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 - Expenditure Object 6334, Rentals - Equipment.
	6342	Other Contracted Pupil Transportation-Nonroute - The LEA with a nondistrict operated transportation system shall record nonroute mileage expense in this account.
	6343	Travel - Expenditures for transportation, meals, hotel, conference registration fees, and other expenses associated with staff traveling on business for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.
	6349	Other Transportation Services - Transportation services other than those classified above. School bus titles, licenses, inspections and delivery charges not included in the cost of the vehicle.
6350		Insurance (Other Than Employee Benefits)
	6351	Property Insurance - Expenditures for insurance on any type of property owned or leased by the LEA. Usually associated with Function 2540, Operation and Maintenance of Plant Services, and Function 2552, District Operated Pupil Transportation Services.
	6352	Liability Insurance - Expenditures for insurance coverage of the LEA, or its officers, against losses resulting from judgments awarded against the LEA. Usually associated with Function 2300, Support Services - General Administration, and Function 2552, District Operated Pupil Transportation Services.
	6353	Fidelity Bond Premium - Expenditures for bonds guaranteeing the LEA against losses resulting from the actions of the treasurer, employees, or other persons of the LEA. Usually associated with Function 2320, Executive Administration Services, and Function 2500, Support Services - Business.

CODE CLASS	DETAIL	DESCRIPTION
	6359	Judgments Against the LEA and Settlement - Expenditures from current funds for all judgments (except as indicated) against the LEA that are not covered by insurance, but are of a type that might have been covered by insurance. 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. OASDI and Medicare fines or penalties are paid from this code as are out-of-court settlements. Includes IRS penalty for late payment of federal withholding taxes. Even though this is a 6300 account, the terms may require federal withholding, state withholding, retirement withholding, or the filing of an IRS 1099.
6360		Communication
	6361	Communication - Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone, fax, Internet, postage machine rental and postage.
	6362	Advertising - Expenditures for printed or broadcast 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 adds, new and used equipment sales, costs for professional sales, and sale of other objects. Costs for professional fees for advertising or public relation services are not recorded here but are charged to Expenditure Object 6319, Other Professional and Technical Services.
	6363	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 Expenditure Object 6400, Supplies and Materials.
6370		Dues and Memberships
	6371	Dues and Memberships - Expenditures or assessments for membership in professional or other organizations or associations.
6390		Other Purchased Services
	6391	Other Purchased Services - Expenditures for all other purchased services not included above such as contracted food service operations.
	6398	Other Expenses - Prior year adjustments resulting from differences in the liquidation of accounts payable prior year or corrections to prior year revenue transactions. Function 2320, Executive Administration Services, or Function 2510, Business Support Services, may be assigned.

CODE CLASS	DETAIL	DESCRIPTION
6400		Supplies and Materials - Amounts paid for material items of an expendable nature that are consumed, worn-out, 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. For evaluation of a particular supply object, supplies can be broken into subdivisions such as food and other supplies in the food services program. To determine the merit of prepared food versus raw food, two further breakouts could be used: (1) food prepared for serving, and (2) unprepared food.
6410		General Supplies
	6411	General Supplies - Expenditures for all supplies for the operation of an LEA, including freight and cartage. If such supplies are handled for resale to pupils, only the net cost of supplies is recorded here.
6420		Free Textbooks
	6421	Free Textbooks - Types of materials as defined by Section 170.051, RSMo. Expenditures in excess of revenues should be included in Expenditure Object 6430, Regular Textbooks.
6430		Regular Textbooks
	6431	Textbooks - Expenditures for prescribed books (print or electronic media) which are purchased for pupils or groups of pupils, and resold or furnished free to them. This category includes the cost of workbooks, textbook binding or repairs, as well as the net amount of textbooks which are purchased to be resold or rented.
6440		Library Books
	6441	Library Books - Expenditures for regular or incidental purchases of library books (print or electronic media) 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.
6450		Periodicals and Instructional Resource Materials
	6451	Resource Materials - Expenditures for periodicals, newspapers, electronic resource (such as CD ROM, VCR tapes, audio tapes), kits, etc., for general use by the school library.
6460		Warehouse Inventory Adjustment

CODE CLASS	DETAIL	DESCRIPTION
	6461	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 General Ledger Asset Account 1311, Warehouse Inventory, 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 overage in items, the excess is debited to the appropriate general ledger asset account.
6470		Food
	6471	Food Supplies (Exclude Non-Food Supplies) - Expenditures for food items only that relate to School Breakfast/Lunch/After School Snack/Special Milk/A La Carte programs.
	6472	Not Used
6480		Energy - Expenditures for energy including gas, oil, gasoline, and services received from public or private utility companies.
	6481	Electric - Expenditures for electricity services that are usually provided by public utilities. This includes those same services whether the utility company is public or private. Expenditures for telephone, fax, Internet, postage machine rental and postage are **not** included in this group but are included in Expenditure Object 6361, Communication.
	6482	Gas-Natural - Fuel for heating purposes.
	6483	Gas-L.P. - Liquid petroleum used for heating purposes.
	6484	Fuel Oil - Fuel used for heating purposes.
	6485	Coal - Coal normally used for heating.
	6486	Gasoline/Diesel - Expenditures for gasoline/diesel purchased in bulk from a jobber or periodically from a service station.
6490		Other Supplies
	6491	Other Supplies and Materials - Expenditures for all other supplies and materials not included above. Items included here would be food permits, and rent of ice cream machines.

CODE CLASS	DETAIL	DESCRIPTION
6500		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. Lease purchase principal and interest with intent to acquire title must be treated as Capital Outlay. It is important to differentiate between Expenditure Object 6500, Capital Outlay and Function 2540, Operation and Maintenance of Plant. Capital Outlay is an expenditure object, or what is purchased. Using the multidimensional coding structure, Capital Outlay may be related to all functions and subject matter areas should it be so desired. For clarification of maintenance costs see Function 2540, Operation and Maintenance of Plant, and Expenditure Object 6332, Repairs and Maintenance. For improvement costs see Function 4000, Facilities Acquisition and Construction, and Expenditure Object 6521, Buildings, or Expenditure Object 6531, Improvements Other Than Buildings.
6510		Land
	6511	Land - Expenditures for the purchase of land.
6520		Buildings
	6521	Buildings - Expenditures for acquiring buildings and additions, either existing or to be constructed. Included are expenditures for installment or lease purchase payments (except interest) which have a terminal date and result in the acquisition of buildings including mobile units, 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 included as well as professional fees (architect, engineer, etc.) considered as a part of a particular project. Additional expenditures include bond issuance costs on new issues through the MOHEFA Direct Deposit program when the bonds are for funding the acquisition or construction of new buildings or additions.
6530		Improvements Other Than Buildings
	6531	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 oil 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.
6540		Equipment

CODE CLASS	DETAIL	DESCRIPTION
	6541	Regular Equipment - Expenditures for the initial, additional, and replacement of equipment items, such as furniture and machinery. This includes expenditures for two-way radios, fax machines, satellite dishes, and cellular phones. In order to differentiate between initial or additional equipment purchases and replacement equipment purchase, it is recommended that subaccounts be established with those titles.
	6542	Equipment - Classroom Instructional Apparatus - Expenditures for classroom instructional apparatus other than furniture. (Includes the lease purchase of a musical instrument.)
6550		Vehicles
	6551	Vehicles (Except School Buses) - Expenditures for the purchase of conveyances to transport persons or objects.
	6552	Pupil Transportation Vehicles (School Buses) - Type A, B, C, or D buses as specified in Missouri Minimum Standards for School Buses. Limited to costs for school bus outright purchase or lease purchase principal only. Interest is a non-allowable school bus depreciation cost and should be coded to Function 5231 - Expenditure Object 6623, Interest - Lease Purchase Agreements. Additional information concerning lease purchase interest as it may be applied to the depreciation schedule can be found in the **Missouri Transportation Aid Document Preparation Manual.**
6590		Other Capital Outlay
	6591	Other Capital Outlay - Expenditures for Other Capital Outlay not specifically addressed above (such as administrative fees for bus lease purchase, band uniforms, etc.).
6600		Long and Short Term Debt - Expenditures for the retirement of debt, the payment of interest on debt, and the payment of fees.
6610		Principal
	6611	Redemption of Principal - Expenditures which are from current funds to retire serial bonds in the Debt Service Fund or other uses in the Capital Projects Fund.
	6612	Redemption of Principal - Short Term Loans
	6613	Redemption of Principal - Lease Purchase - Used only if the district does not capitalize the lease purchase.
6620		Interest - Expenditures from current funds for interest on serial bonds and tax anticipation notes. Function 5000, Long and Short Term Debt, is used for both types of expenditures. Interest mainly occurs in the Debt Service Fund; however, it may occur in any fund in which a tax anticipation loan occurred. Expenditures for interest on asbestos loans and lease purchase arrangements would occur in the Capital Projects Fund

CODE CLASS	DETAIL	DESCRIPTION
	6621	Interest - Serial Bonds - Expenditures from current funds for interest on serial bonds.
	6622	Interest - Tax Anticipation Notes - Expenditures from current funds for interest on tax anticipation notes.
	6623	Interest - Lease Purchase Agreements - Expenditures from current funds for interest on lease purchase agreements (including school bus lease purchases).
	6624	Discount on Bonds Sold (Interest Adjustment)
6630		Fees
	6631	Fees - Expenditures relating to the costs of issuance for bond issues and paying agent fees. Costs of issuance for a new bond issue may be paid from either the Capital Projects Fund or the Incidental Fund (at the discretion of the district). Costs of issuance for a refunding bond issue are paid from the Incidental Fund. Paying agent fees for services rendered for bonded indebtedness transactions are paid from the Debt Service Fund.
	6632	Fees - Short Term Loans
	6633	Fees - Lease Purchase Agreements

The manual user will observe that many expenditure object codes do not have a significant digit in the fourth position. The individual school district has the option of using these unspecified areas for local informational needs. For instance in Expenditure Object 6111, Certificated Teacher Salaries, it may be important to a particular district to utilize the following detail classification:

CODE CLASS	DETAIL	DESCRIPTION
6110		Certificated Teacher Salaries
	6111	Administrator - Certificated (Missouri Department of Elementary and Secondary Education)
	6112	Teacher - Certificated (Missouri Department of Elementary and Secondary Education)
	6113	Other - Certificated (Missouri Department of Elementary and Secondary Education)

This page reserved for future use.

VIII. Operational Unit Codes

The Operational Unit Code is a three digit code that refers to individual campuses within a district and individual components within the administration, school service, maintenance and operation divisions. The operational unit code is provided for use by districts to maintain accounts and exercise expenditure control by operational unit.

This level of detail is necessary to comply with Section 160.522, RSMo (The Outstanding Schools Act, 1993), which requires the reporting of selected data at the building level.

The local district should use the Missouri Department of Elementary and Secondary Education School Core Data Collection Cycle codes for individual campuses, dropping the last digit or adjusting the third digit to distinguish separate campuses. Otherwise the district is free to use any code it wishes for its other operational or "cost" units.

It is possible to assign a unique operational unit code to summer school even though it physically occupies the same building as another operational unit during the regular school year. A summer school program has its own unique function code. Therefore, a summer school program cost may be recorded and reported apart from regular year programs.

The specific codes used by a district are to be selected from the following code ranges:

CODE RANGE	OPERATIONAL UNIT CODE
101	Special Education Co-operative Campus
105-199*	High School Campuses
110	Area Vocational Campus
200-299*	Junior High Campuses
300-399*	Middle School Campuses
400-699*	Elementary Campuses
800-999	To be defined as "cost centers" or management responsibility areas by the LEA.

* Where individual campuses are to be identified, the operational unit code to be used may be the same as the first three digits in the assigned Core Data building code.

An example of operational unit identification and coding is shown below:

EXAMPLE: Columbia School District

CODE	OPERATIONAL UNIT
High Schools	
101	Juvenile Justice Center
102	Frederick Douglas
105	David H. Hickman
107	Rock Bridge

CODE	OPERATIONAL UNIT
	Area Vocational
110	Area Career Center
	Junior High Schools
205	Jefferson
207	West
	Middle Schools
300	Anne Hawkins Gentry
302	Oakland
304	Smithton
	Elementary Schools
402	Thomas M. Benton
404	Blue Ridge
405	Cedar Ridge
406	Fairview
408	Eugene Field
500	Ulysses S. Grant
502	Robert E. Lee
503	Mill Creek
504	Parkade
506	John Ridgeway
508	Rock Bridge
600	Russell Boulevard
601	Shepard Boulevard
602	West Boulevard
604	Two Mile Prairie
	District Administration
801	Elementary Department
837	Secondary Department
871	Department of Curricular Services
872	Department of Pupil Services
873	Department of Athletics
933	Personnel Office
934	Data Processing
935	Business Office
936	Department of Buildings and Grounds
937	Department of Auxiliary Services
938	Department of School Lunch Services
941	Superintendent's Office

IX. Project Codes

These codes may be used as a source of fund, project or even responsibility depending upon LEA information needs. For those districts engaging in various projects, among them certain state and federal projects, this descriptor will permit the aggregation of program costs across funds. For example, the Project Code 51, Title I - ESEA, would enable the summation of salary expenditures from the Special Revenue (Teachers) Fund; supplies and equipment from the General (Incidental) Fund; and equipment from the Capital Projects Fund. Please note that in conjunction with the project code, the fiscal year code with the fund code will separate multiyear projects running concurrently in the district's fiscal year. The last two digits of the state (A) or federal (B) revenue codes, 53XX or 54XX, may be used as a source of funds. Code numbers not listed for present programs are open for new programs or for district use for other special programs.

Where a conflict arises in duplicate project codes for two different revenues in the district, the district may establish its own distinct project codes in its Chart of Accounts for reporting purposes.

A. STATE PROJECT CODES

01	Future Program
02	Future Program
03	Future Program
04	Future Program
05	Future Program
06	Future Program
07	Future Program
08	Future Program
09	Future Program
10	Future Program
11	Future Program
12	Future Program
13	Exceptional Pupil
14	Early Childhood Special Education
15	Remedial Reading
16	Gifted
17	Career Ladder
18	Free and Reduced Lunch/At-Risk
19	Future Program
20	Future Program
21	Future Program
22	Vocational/At-Risk
23	Future Program
24	Educational and Screening Program Entitlement
25	Future Program
26	Future Program
27	Future Program
28	Future Program
29	Future Program
31	Future Program
32	Vocational/Technical Aid (State)
33	Future Program

STATE PROJECT CODES, continued

34	Future Program
35	Desegregation Aid
36	Excellence in Education
37	Adult Basic Education (ABE) - State
38	Future Program
39	Future Program
41	Future Program
42	Future Program
43	Future Program
44	Future Program
45	Future Program
46	Future Program
47	Future Program
48	Future Program
49	Future Program
51	Handicapped Census
52	Video
53	Job Development, Customized Training
54	Futures Program, Job Development, Adult Basic Education (ABE)
55	Futures Program, Job Development, Early Childhood/Parents As Teachers (PAT)
56	Futures Program, Job Development, Job Training
57	Summer Child Care
58	Safe Schools Initiative Grant
59	Vocational-Technical Educational Enhancement Grant
61	New Schools Pilot Project
62	A+ Schools Grant
63	Incentives to Reduce Pupil/Teachers Ratio
64	Grants for School Technology
65	Success Leads to Success Grant
66	MO Department of Natural Resources Energy Loan
67	MO School Age Children's Health Services Grant
68	Future Program
69	Residential Placement/Excess Cost
71	Readers for the Blind
72	State Emergency Management (SEMA) Funds
73	MO Department of Conservation Landscape Grant
74	Educare Grant
75	Future Program
76	Select Teachers as Regional Resource (STARR)
77	MO Department of Natural Resources Energy Grant
78	Foreign Language Support Service Grant
79	English as a Second Language Support Service Grant
81	Extraordinary Costs - Special Education
82	Future Program
83	Future Program
84	Future Program
85	Future Program

STATE PROJECT CODES, continued

86	Future Program
87	Future Program
88	Future Program
89	Future Program
91	Future Program
92	Future Program
93	Future Program
94	Future Program
95	Future Program
96	Future Program

B. FEDERAL PROJECT CODES

01	Future Program
02	Future Program
03	Future Program
04	Future Program
05	Future Program
06	Future Program
07	Future Program
08	Future Program
09	Future Program
11	Impact Aid
12	Medicaid
13	Federal Disaster Assistance
14	Future Program
15	Future Program
16	Federal Housing
17	Federal Flood Counseling
18	Reserve Officer Training Corps (ROTC)
19	Future Program
21	Vocational Education, Special Projects
22	Future Program
23	Future Program
24	Vocational - Single Parent Homemakers
25	Vocational - Sex Equity
26	Future Program
27	Vocational - Basic Grant
28	Future Program
29	Vocational - Consumer Homemaking
31	Vocational - Tech Prep Program
32	Future Program
33	Future Program
34	Future Program
35	Job Training Partnership Act (JTPA) - D.E.S.E.
36	Adult Basic Education (ABE)
37	Future Program
38	Future Program

FEDERAL PROJECT CODES, continued

39	Future Program
41	Individuals with Disabilities Act (IDEA)
42	Early Childhood Special Education
43	Future Programs
44	Future Program
45	School Lunch Program
46	School Breakfast Program
47	Special Milk Program
48	Future Program
49	Future Program
51	Title I - ESEA - Regular
52	Title I - ESEA - Migrant
53	Future Program
54	Future Program
55	Title VI - ESEA, Innovative Education Programs
56	Goals 2000, Title IV, LIFT Grant
57	Goals 2000, Educate America Act, Title III, Systemic Improvement
58	Goals 2000, Teacher Preservice and Professional Development
59	Future Program
61	Title IV - ESEA, Safe and Drug Free Schools & Communities
62	Emergency Immigrant Education
63	Education for the Homeless Children and Youth
64	Foreign Language Assistance Program
65	Title II - ESEA, Eisenhower Professional Development
66	Technology Literacy Challenge Fund (TLCF) Grant
67	Dependent Care Grant
68	Futures Program, Job Development, Adult Basic Education (ABE)
69	Futures Program, Job Development, Early Childhood/Parents as Teachers (PAT)
71	Futures Program, Job Development, Job Training
72	Child Care Development Fund Grant
73	National and Community Service Trust Act
74	School to Work Grant
75	AIDS Education Grant
76	Even Start Family Literacy
77	Federal Emergency Management Agency (FEMA) Funds
78	Vocational Rehabilitation
79	English as a Second Language (ESL)/Bilingual
81	Summer Food Service Program
82	Job Training Partnership Act (JTPA) (From sources other than DESE)
83	Head Start
84	Pell Grant
85	Desegregation Aid
86	Impact Aid, Restricted Purposes
87	Future Program
88	Goals 2000, Educate America Act, Title VII, Safe Schools
89	Facilities Infrastructure Improvement Grant
91	Future Program
92	Future Program

FEDERAL PROJECT CODES, continued

93	Future Program
94	Future Program
95	Future Program
96	Future Program
97	Future Program
98	Future Program

X. Codes for Summary Reporting

To report summarized financial transactions to the state, a summary code of six digits will be used to identify the county and district from which the reports are submitted. The codes are identified for each school district in the Missouri School Directory, distributed annually by the Missouri Department of Elementary and Secondary Education.

SUMMARY CODE STRUCTURE

County	District
001 through 115	001 through 999

An example of a code for summary reporting for Hazelwood School District, St. Louis County, is as follows:

County	District
096	088

ACCOUNTING PROCEDURES
PRC-500

SECTION: ACCOUNTING PROCEDURES

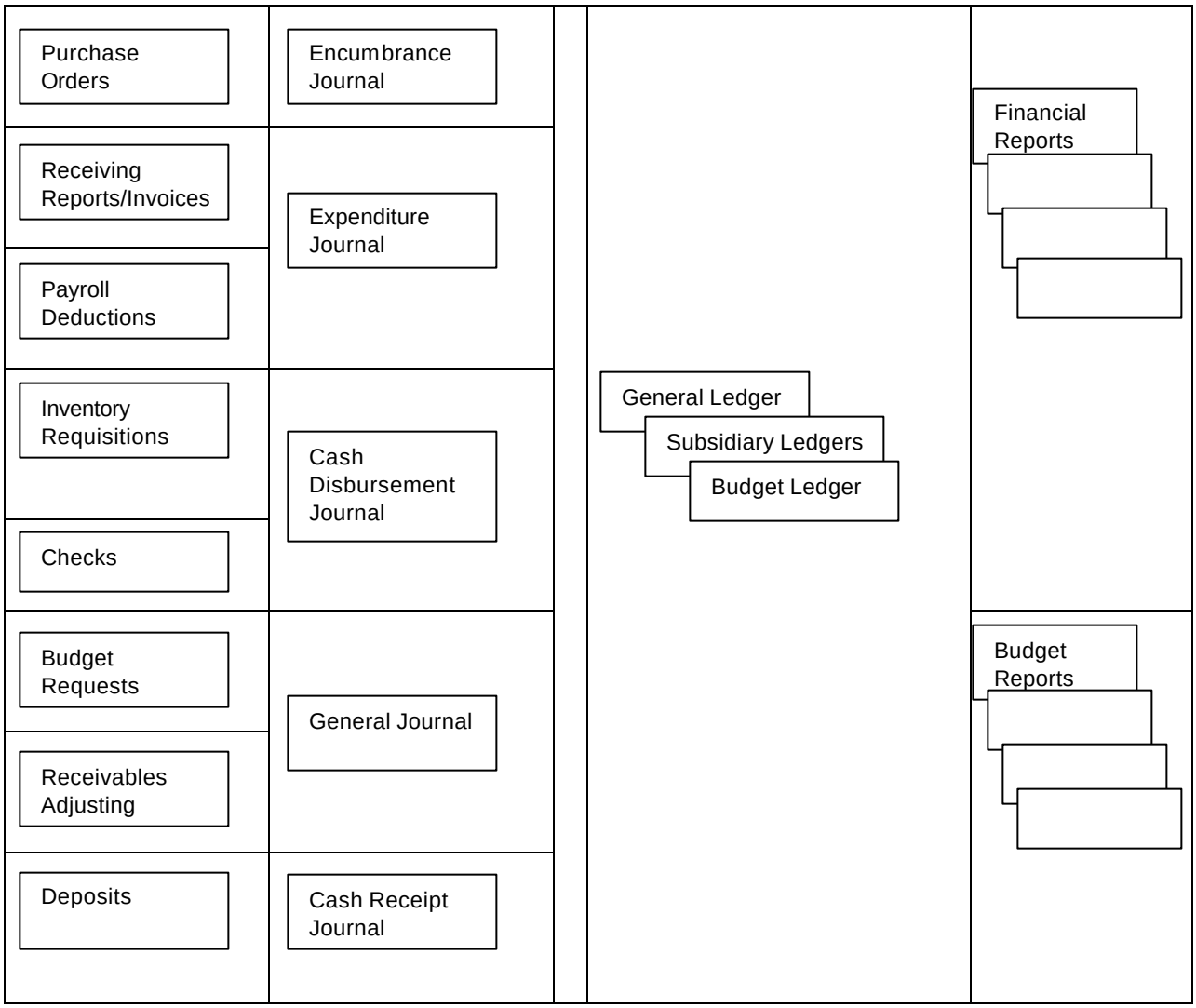
SUBJECT: FINANCE SUBSYSTEM FLOW CHART **PROCEDURE NO: PRC-501**

I. Finance Subsystem Flow Chart

The Procedures Sections that follow are distinct from the Accounting Sections in that the entries are shown and example forms are illustrated. These sections are based upon the accounting principles outlined in PROCEDURE NOs: ACT-301 through ACT-306 of this manual and puts them into a usable framework. Each LEA should develop its own unique business procedures manual which would outline the transaction documents flow and responsibility at each point in the process.

The forms illustrated in this section are generic in nature. The actual forms that an LEA will use will be determined by size of district, access to EDP, and other individual circumstances.

The chart below illustrates the flow of information from input documents to financial reports. It is important to remember that all input data must be reviewed for: **reasonableness, coding, math accuracy, discounts, 1099 identification, etc., and approved by a properly designated authority.**



II. Purchase Requisitions

The purchase requisition is a written request and approval for the purchase of supplies, services, equipment, etc. It should be in a standard format so that the information is easily identified and transferred to a purchase order.

To facilitate identification of missing documents and filing of materials for later reference, purchase requisitions should be sequentially prenumbered.

A. The typical purchase requisition form (see following page) should include the following information as a minimum to adequately monitor LEA purchases. An LEA may require additional detail information as necessary.

1. Name and address of the recommended source of supply;

2. Date of the requisition;

3. Date items or services are required;

4. Name of the organization to be charged for items ordered;

5. Item numbers in sequential order with the number changing each time the item description changes;

6. Part or catalog number and description of the items, quantity, unit of measure, unit price, and shipping/handling charges;

7. Total dollar value of all items requested;

8. Signature of person preparing the purchase requisition;

9. Signature of building principal.

B. The number of copies needed to properly process a purchase requisition may vary; however, the minimum recommended is two. It should be distributed as follows:

1. Part 1 - to Business Office - Purchasing; and

2. Part 2 - retained by originator/preparer (the department requisitioning the items or service).

PURCHASE REQUISITION 0001

Sample R-1 School District
804 North Elm
Sample, Missouri 65111-1111

Date Requested: _____
Date Needed: _____

Building/Organization: _____

Vendor: _____
Address: _____
_____
Phone #: _____

Item #	Quantity	Stock/Catalog Number	Page No.	Description	Unit Price	Shipping/ Handling	Total

TOTAL _____

_____ _____
Signature of Requestor Signature of Principal

III. Purchase Orders

The purchase order is written evidence of orders placed as a result of receiving properly approved purchase requisitions. Acceptance of the purchase order by a vendor effects a legally binding contract which gives the vendor authority to ship the required goods and binds the buyer for payment upon compliance. It should be in a standard format so that processing is facilitated. The instructions below and the illustration on the following page are examples of typical purchase order procedures.

To facilitate identification of missing documents and filing of materials for later reference, purchase orders should be sequentially prenumbered.

A. The purchase order form should include the following information:

1. Current date and the date items are required;
2. Name of the vendor that will supply requested items;
3. Address that is to receive items;
4. Item number in sequential order each time the item description changes;
5. Quantity of items requested;
6. Stock number, part number, or catalog number as appropriate;
7. Item description;
8. Unit price of the items requested;
9. Extended/total cost of the item;
10. Authorizing signature of district.
11. The “office use only” area provides detail accounting information to include fund, function, object, operational unit, and project. It also provides other detail such as the percent charged to each unit, check/invoice number, and **discounts**;

B. Upon issuance to the vendor, the five parts of the purchase order should be distributed as follows:

1. Part 1 - to vendor;
2. Part 2 - to the accounting department;
3. Part 3 - to receiving unit;
4. Part 4 - retained by the purchasing department; and
5. Part 5 - optional, used to notify requesting unit of issuance of purchase order.

C. Inclusion of the following checks and balances in the purchasing procedures are recommended to insure adequate internal control:

1. All purchases should be based on purchase requisitions initiated by those having appropriate authority; however, the purchase order and requisition could be combined on one form if proper control procedures are used;

2. Purchase orders should be approved through one central office by those having appropriate authority;

3. Review of purchasing practices should be made periodically in order to disclose:

   a. Excessive prices paid because of collusion between purchasing and supplier;

   b. Processing and payment of fictitious invoices or of duplicate payments; and

   c. Alteration of invoices.

4. Incoming merchandise should be controlled by the preparation of a receiving report (see PROCEDURE NO: PRC-504, Receiving Reports);

5. Vendor invoices should be mailed directly to the accounting/business office for verification with the purchase order and receiving report;

6. Invoices should not be recorded as a liability until properly approved; and

7. Adequate segregation of duties should be provided. If possible, separate responsibilities for the following:

   a. authorization of transactions;

   b. recordkeeping of transactions; and

   c. custody of assets.

PURCHASE ORDER

No. 00001

Sample R-1 School District
804 North Elm
Sample, Missouri 65111-1111

VENDOR NUMBER	03453
PURCHASE ORDER DATE	09 01 XX
DELIVER BY	10 15 XX

VENDOR	General School Supplies Company PO Box 2080 Anywhere, Missouri 65102-2222
SHIP	Travis High School 200 West Highway Sample, Missouri 65111-1111

Vendor Notes

a. If not Delivered by _____, order is **canceled.**

b. Refer to this order number on all documents relating to this order.

TRAN Type	FUND	ACCT PERIOD	BATCH NUMBER

	Quantity		Please enter the order for goods listed below:			
Item	**Ordered**	**Received**	**Stock Number**	**Description**	**Unit Price**	**TOTAL**
1	6		2703547-PEN	24 count boxes of No. 2 pencils	1.20	7.20
2	50		53268-RBN	Printer ribbons (IBM Quiet Writer III)	2.25	112.50

Merchandise purchased on bid contract _____ **TOTAL**

IMPORTANT

Please send freight or express shipments prepaid, adding charges to invoice.

ALL INVOICING TO:

Business Services
804 North Elm
Sample, MO 65111-1111
573-751-0000 or 573-751-1111

Building Approval_____ Final Approval_____

Principal Date Assistant Superintendent, Business Date

Office Use Only

Item No.	Fund	Function	Object	Oper Unit	Project	Percent Charged	Check/Invoice No	Discount Amount	Expenditure Amount	Encumbrance Amount
1	127	1111	6411	402		100				7.20
2	127	1111	6411	402		20				22.50
2	127	1151	6411	105		80				90.00

Date: 11-2-XX Check No: 05432

IV. Receiving Reports

The receiving report is part 3 of the purchase order. Upon receipt of the merchandise ordered, the items received should be reconciled with the items shown on part 3 of the purchase order. When all of the items ordered have been received, the receiving report should then be dated, signed, and returned to the accounting department for reconciliation with the invoice.

Exceptions including partial shipments, backordered items, and damaged goods should be noted on the receiving report (part 3 of the purchase order). A copy of the receiving report is then made and sent to accounting. This process is followed after each receipt of the items ordered until the entire order has been received. Accounting can then maintain a record of receipts-to-date per line item for all partial receipts until all items have been received or the purchase order canceled.

The receiving report should indicate all items received, not received, and damaged; and the signature and date of the person receiving the materials or services. To provide segregation of duties, the school district should ensure that the person receiving the goods or services is not the same person who initiated the purchase of the goods or services or records the transaction.

V. Payroll Records

A. General

1. A separate Payroll Record should be maintained for each individual employed.

2. The Payroll Record is designed to accumulate both calendar year and school year information.

3. Since the average school employee's salary is earned during a nine-month period, but usually paid over a twelve-month period, the Payroll Record is designed to accrue salaries.

4. At the end of each pay period, an entry should be made to each individual Payroll Record for total salary earned, accrued salary, gross salary paid, deductions, and net salary paid.

5. If the district pays health and life insurance (fringe benefits) as part of the contract for certificated employees, those benefits are subject to teacher or non-teacher retirement.

B. Segregation of Duties

Adequate segregation of duties should be provided. If possible, separate responsibilities for the following:

1. Preparation of the payroll checks;

2. Authorization of the payroll checks (independent person signing the checks);

3. Distribution of the payroll checks.

VI. Supply Inventory Requisitions

The inventory requisition is a written request and approval for items in inventory. It should be a standard format so that processing can be expedited. The instructions below and the illustration on the following page are examples of typical inventory requisition procedures.

A. The typical Inventory Requisition form should include the following information as a minimum:

1. The requisition should be sequentially prenumbered;

2. Date of request and delivery date items are required;

3. Name of operational unit, fund number, and operational unit code charged;

4. The next sequential number each time the item description changes;

5. The account number, inventory number, quantity, unit of measure, item description, unit price; and extended amount of the item ordered;

6. An area is provided to indicate receipt upon delivery;

7. An area contains the account code charged if same for all items;

8. Total dollar value of all items requested; and

9. Signature of person preparing the requisition, organizational and central office approval.

B. It is recommended that the inventory requisition be in three parts and distributed as follows:

1. Part 1 - Business or Accounting office;

2. Part 2 - stores (stockroom) section; and

3. Part 3 - originator.

VII. Accounts Payable and Cash Disbursements

A. Accounts Payable

The use of full accrual accounting by definition requires the recording of expenditures and liabilities when incurred. Ordinarily, an expenditure and a liability are considered to be incurred upon receipt of a commodity or performance of a service within the terms of a purchase order or contract. The recording of such an expenditure is made without regard to cash disbursements as shown in the entry below.

DESCRIPTION	A/C NO.	DEBIT	CREDIT
Expenditures-Control	6030	$100.00	
Accounts Payable	2110		$100.00

When cash is disbursed to reduce a liability, the following entry is made.

Accounts Payable	2110	$100.00	
Cash	1110		$100.00

B. Cash Disbursements

Cash disbursements generally should be made by check in order to utilize these inherent internal control features.

1. Limitation of disbursement function to specifically authorized persons;

2. Definite fixing of responsibility for disbursements made;

3. A record of every disbursement;

4. Segregation of duties with respect to check preparation, signing, and mailing; and

5. Elimination of need for carrying large amounts of currency on hand.

C. Safeguards in Issuing Checks

1. All checks should be sequentially prenumbered to permit their full accountability;

2. Checks should be written with care to prevent their fraudulent alteration;

3. Checks should be prepared on the basis only of a properly authorized written document, such as approved invoices, requisitions, etc.;

4. Checks should be submitted to persons authorized to sign, accompanied by the supporting documentation indicating the authority for and propriety of the check being issued (Such supporting documentation should be marked paid, indicating check number, amount and date to preclude their subsequent use in support of a duplicate or fraudulent disbursement.);

5. Check Signatures

   a. Those authorized to sign checks should not be those who prepare the checks, authorize their issuance, or maintain the cash records; and

   b. Blank checks should not be signed in advance of their preparation; and

6. Checks should be mailed without being returned to the person who prepared the checks.

D. Segregation of Duties

To ensure adequate segregation of duties and maximum protection for the district, the disbursement functions should be separated completely from the duties of receiving cash and approving items for payment. The disbursement functions themselves should be separated as follows:

1. Payment authorization;

2. Preparation of checks;

3. Entry of checks in cash disbursements journal;

4. Signing of checks and comparison with underlying documents;

5. Transmittal of checks to payees; and

6. Reconciling of bank accounts.

E. Filing of Documentation

The LEA should file the checks and paid bills numerically by check number, voucher number, alphabetically by vendor or account code. Each transaction should be supported by such documentation as a copy of the check, voucher, invoice, purchase order, and receiving report. Although initially time consuming, filing by account code may be advantageous via ease of retrieval on capital outlay, federal projects, and for independent audit purposes.

F. Vendors' Statements

Monthly vendor statements should be reconciled promptly with the Accounts Payable Ledger or list of open vouchers. Discrepancies should be investigated.

NOTE: Please review the AICPA Audit Guide, Audits of State and Local Governmental Units (1996), for additional items enhancing internal control.

VIII. Short Term Loans - Tax Anticipation Notes

Loans which are to be repaid within a one-year period are normally considered as short term loans. Such loans may be necessary to provide operating cash pending receipt of revenue.

School officials should obtain competent legal advice before entering into loan contracts since they are strictly controlled by state statutes (Section 165.131, RSMo).

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal entries in the fund receiving the loan:				
10/20/xx	Cash in Banks	1111	$10,000	
	Loans Payable	2121		$10,000
	To record the receipt of loan proceeds.			
1/15/xx	Loans Payable	2121	$10,000	
	Expenditures-Control (Interest on Loan)	6030	$ 150	
	Cash in Banks	1111		$10,150
	To record the repayment of the loan.			

Subsidiary Ledger entry posted in the Budget Analysis Ledger would be:

Function	Object	Description	Amount
5200	6621	Interest	$150

Under no circumstances will the receipt of the proceeds of a short term loan be added to revenue or non-revenue receipts to increase the ending fund balance during an accounting period or at the end of the fiscal year.

IX. Journal Vouchers

Transactions which are not recorded in special journals (cash receipts journal, encumbrance journal, etc.) should be recorded in the general journal. These would include opening, closing, adjusting, and reversing entries.

All General Journal entries should be prepared on a journal voucher form. Transactions should be assigned a journal entry number and each journal entry should be reviewed and approved by a designated responsible individual.

A. The instructions below and the illustration on the following page are examples of a typical journal entry system.

The Journal Voucher (see following page) should be prepared by knowledgeable personnel and include the following information:

1. Five-digit journal voucher number (The first two digits indicate the month and the last three digits indicate the next sequential number. Example: the number assigned to the tenth journal voucher for September would be 09-010.);

2. Current date;

3. Account code charged, a description of the entry and the debit or credit amount (The "N" column is for data processing applications only.);

4. Explanation for the journal entry;

5. Signature of preparer; and

6. Authorizing signature.

B. Segregation of Duties

If the preparer of the Journal Voucher does not have the authority to approve the transaction, the entry of the Journal Voucher should be segregated from the preparation of the Journal Voucher to ensure proper authorization of the transaction prior to the transaction being posted.

NOTE: If a district uses a bound-book type of General Journal (common in hand-posted systems) and fully utilizes the description area, supporting journal vouchers will not be necessary. However, if the district is on EDP, the journal voucher procedure outlined above should be followed.

JOURNAL VOUCHER

DATE	

TRAN TYPE	FUND	ACCT PERIOD	BATCH NUMBER

DATE			JOURNAL VOUCHER NO
MO	DA	YR	

FUNCTION	OBJECT	OPERATIONAL UNIT	PROJECT	DESCRIPTION	DEBIT	CREDIT

EXPLANATION

PREPARED BY	DATE	APPROVED BY	DATE

X. General Opening and Closing Journal Entries

This procedure illustrates General Journal entries normally necessary to open and close the accounting records at the start or end of the fiscal period.

A. GENERAL (INCIDENTAL) FUND

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
7/1/xx	Cash in Banks	1111	$2,500	
	Saving Accounts	1141	2,000	
	Accounts Receivable	1200	1,750	
	Inventories-Supplies and Materials 1310		4,000	
	Accounts Payable	2110		$2,750
	Loans Payable	2121		1,500
	Payroll Deductions and Withholdings	2150		1,000
	Fund Balance	3110		5,000

Use the above example to record opening account balances in the General (Incidental) Fund.

OPENING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries*:				
7/1/xx	Estimated Revenues and Noncash Revenues-Control	5010	$45,000	
	Fund Balance	3110		$45,000

Use the above example to record estimated revenues per the Official Budget.

Subsidiary Ledger *entries:*

Object	Description	Amount
5111	Taxes, Current Year Levy	$19,500
5131	Transportation Fees from Patrons	950
5192	Gifts	3,000
5311	Basic Formula	21,550
	TOTAL	$ 45,000

NOTE: Separate, self-balancing General Ledgers are maintained for the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund, Capital Projects Fund, and the General Fixed Assets Account Group. They may, however, be physically contained in the same post lock binder. Revenues and expenditures recorded in the subsidiary ledgers should equal the total amount recorded in the general ledger control total.

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT

General Journal *entries*:

7/1/xx	Fund Balance	3110	$35,000	
	Appropriations-Control	6010		$35,000

Use the above example to record appropriations per the Official Budget.

Subsidiary Ledger *entries*:

Function	Object	Description	Amount
1110	6100	Salaries	$ 8,000
1110	6300	Purchased Services	500
1110	6400	Supplies & Materials	250
2120	6100	Salaries	4,500
2210	6100	Salaries	2,000
2210	6400	Supplies & Materials	175
2220	6100	Salaries	800
2320	6100	Salaries	1,620
2320	6300	Purchased Services	775
2320	6400	Supplies & Materials	775
2410	6100	Salaries	3,750
2410	6300	Purchased Services	680
2540	6100	Salaries	3,000
2540	6500	Capital Outlay	6,675
2550	6100	Salaries	1,500
		TOTAL	$ 35,000

CLOSING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT

General Journal *entries*:

6/30/xx	Realized Revenues and Noncash Revenues-Control	5020	$47,000	
	Estimated Revenues and Noncash Revenues-Control	5010		$45,000
	Fund Balance	3110		2,000

Use the above example to close revenue accounts to Fund Balance.

6/30/xx	Appropriations-Control	6010	$35,000	
	Encumbrances-Control	6020		$ 1,750
	Expenditures-Control	6030		33,000
	Fund Balance	3110		250

Use the above example to close operating accounts to Fund Balance.

B. DEBT SERVICE FUND

OPENING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
7/1/xx	Amount to be Provided for Payment of Bond Principal	1611	$25,000	
	Amount to be Provided for Payment of Bond Interest	1621	10,000	
	Bonds Payable - Current	2131		$25,000
	Bond Interest Payable - Current	2141		$10,000

Use the above example to record the opening account balances.

7/1/xx	Estimated Revenues & Noncash Revenues-Control	5010	$35,000	
	Fund Balance	3110		$35,000

Subsidiary Ledger *entries:*

Object	Description	Amount
5111	Taxes, Advalorem, Current Year	$30,000
5190	Misc. Revenue from Local Sources	5,000
	TOTAL	$35,000

Use the above example to record estimated revenues per the Official Budget.

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
7/1/xx	Fund Balance	3110	$30,000	
	Appropriations-Control	6010		$30,000

Subsidiary Ledger *entries:*

Function	Object	Description	Amount
5110	6610	Bond Principal	$23,000
5210	6620	Bond Interest	7,000
		TOTAL	$ 30,000

Use the above example to record appropriations per the Official Budget.

CLOSING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General *Journal entries:*				
6/30/xx	Realized Revenues-Control	5020	$38,000	
	Estimated Revenues and Noncash Revenues-Control	5010		$35,000
	Fund Balance	3110		3,000

Use the above example to close revenue accounts to Fund Balance.

6/30/xx	Appropriations-Control	6010	$29,000	
	Encumbrances-Control	6020		$ 1,500
	Expenditures-Control	6030		27,000
	Fund Balance	3110		500

Use the above example to close operating accounts to Fund Balance.

C. ENTERPRISE FUND

OPENING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
7/1/xx	Cash in Banks-Student Activities	1111	$9,000	
	Fund Balance-Student Activities	3110		$9,000

Use the above example to record the opening account balances.

Balance may be detailed by club or sponsored organization via subobject code or operational unit code.

CLOSING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
6/30/xx	Realized Revenues-Student Activities	5020	$12,500	
	Expenditures-Student Activities	6030		$9,750
	Fund Balance-Student Activities	3110		2,750

Use the above example to record the closing accounts balances.

A viable alternative to the above treatment would be to post fund balances, revenues, and expenditures to the same expenditure code with a project code separation.

D. GENERAL FIXED ASSETS ACCOUNT GROUP

OPENING ENTRIES

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
7/1/xx	Land	1510	$120,000	
	Buildings	1520	90,000	
	Construction in Progress	1530	45,000	
	Equipment	1540	60,000	
	Reserve for Investments in General Fixed Assets	3220		$315,000

Use the above example to open General Fixed Asset Accounts.

The Reserve for Investments in General Fixed Assets account should be separated according to source of original purchase; e.g., Federal Projects, Capital Projects Fund, General (Incidental) Fund, etc.

XI. Accrual Method

A major aspect of accrual accounting is the recognition of revenue when earned, regardless of due date or cash collection. This procedure explains the accrual method of recording revenues and the recommended treatment of cash receipts.

A. Accounts Receivable

Recording revenues starts with the budget process. The following assumptions are made to illustrate the recording of taxes on the accrual basis.

Taxes levied for current year	$1,500,000
Allowance for uncollectible taxes based on prior experience	100,000
Actual taxes collected for year	$1,400,000

DATE	DESCRIPTION	A/C NO.		DEBIT	CREDIT
***General Journal** entries:*					
7/1/xx	Estimated Revenues and Noncash Revenues-Control	5010		$1,400,000	
	Appropriations-Control		6010		1,390,000
	Fund Balance		3110		10,000

To record estimated revenue and appropriations per Official Budget.

***Subsidiary Ledger** entries:*

Object	Detail	Amount
5111	Taxes, Advalorem, Current Year	$1,400,000

***General Journal** entries:*

Date of Tax Levy	Property Taxes Receivable-Current	1211		$1,500,000	
	Realized Revenues and Noncash Revenues-Control	5020			$1,400,000
	Allowance for Uncollectible Taxes	1213			100,000

To record current year tax levy.

***Subsidiary Ledger** entries:*

Object	Detail	Amount
5111	Taxes, Advalorem, Current Year	$1,400,000

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
6/30/xx	Cash	1110	$1,450,000	
	Property Taxes Receivable-Current	1211		$1,450,000

To record receipt of current year taxes.

6/30/xx	Allowance for Uncollectible Taxes	1231	$60,000	
	Realized Revenues and Noncash Revenues-Control	5020		$60,000

To adjust allowance for uncollectible taxes.

Subsidiary Ledger *entries:*

Object	Detail	Amount
5111	Taxes, Advalorem, Current Year	$60,000

At the end of the accounting period the asset section of the Balance Sheet would reflect:

Property Taxes Receivable-Current	$50,000
Less: Allowance for Uncollectible Taxes	<40,000>
Net Receivable	$10,000

If, during succeeding years, greater or lesser amounts than estimated are collected, an adjusting entry must be made to the estimated uncollectible receivable account. Assuming that in the year following the above example, $5,000 in delinquent taxes were received and that the previous year's estimate of uncollectible taxes was overstated $3,000, the following entries would be recorded.

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
Varies	Cash in Banks	1111	$5,000	
	Property Taxes Receivable - Delinquent	1211		$5,000

To record receipt of delinquent taxes.

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
6/30/xx	Allowance for Uncollectible Taxes	1231	$3,000	
	Realized Revenues and Noncash Revenues-Control	5020		$3,000

To record revision to estimate of uncollectible taxes for a prior year.

Subsidiary Ledger *entries:*

Object	Detail	Amount
5112	Taxes, Delinquent	$3,000

B. Cash Receipts

Because of cash liquidity, it is important that the processing and recording of cash be conducted with safeguards to insure proper control and accounting treatment. Immediately upon receipt of cash, a cash receipt record should be prepared by an employee who will have no further control over cash handling or accounting.

1. Mail Receipts

Mail should be opened promptly upon arrival and any receipts should be listed in detail by fund. Copies should be made so one copy would go to the employee responsible for recording transactions in the Cash Receipt Journal and one copy to the emp loyee who will later compare it to the deposit slip. The receipts should be added, compared to the total on the list, and forwarded to the employee responsible for preparing the deposit.

2. Counter Receipts

Cash receipts should be listed by cash register tape or prenumbered cash receipt slips and forwarded at least daily to the cashier to validate the total by comparing the cash on hand to the list; and check for sequence of the prenumbered cash receipt slips. A list in duplicate of cash receipts should be prepared per fund, with one copy sent to the person responsible for posting receipts to the Cash Receipts Journal and one copy sent to the person designated to compare the list to the deposit slip. The cash should be added, compared to the total on the list, and forwarded to the person designated to prepare the deposit.

3. Procedures in Handling Receipts

a. Recording Cash Receipts - From the list of mail and counter receipts per fund, posting is made to the Cash Receipts Journal. Postings should be totaled to insure they agree with the total of the receipts.

b. Making Cash Deposit - From the mail and counter receipts, a three part cash deposit slip should be made daily. The person preparing deposit slips should retain one copy, and send two copies to the bank. After the bank has validated the deposit, one copy of the deposit slip should remain at the bank and one copy should be returned to the person designated to compare deposits to the list of mail and counter receipts.

c. An example of the accounting entries to record receipt of $500.00 cash is:

General Journal *entries*:

A/C No.	Title	Debit	Credit
1111	Cash in Banks	$500.00	
1200	Accounts Receivable		$400.00
5020	Realized Revenues and Noncash Revenues-Control		100.00

d. Adequate internal controls may include, but should not necessarily be restricted to the following:

(1) Access to cash receipts by as few employees as possible, clear establishment of responsibility at each point of transfer, and bonding of each employee.

(2) Immediate record of all cash received.

(3) Physical protection of cash through use of vaults, locked cash drawers, cashier's cage, etc.

(4) Cash receipts deposited on at least a daily basis, and holding cash on the premises to a minimum.

(5) Separate handling of cash from cash recordkeeping.

(6) Lack of authority to any one person to handle a transaction from beginning to end.

(7) Centralized receiving of cash to the extent possible.

(8) Bank reconciliation's by persons not responsible for handling cash.

(9) Rotation of personnel in key cash positions, and surprise cash counts.

(10) Investigation of any cash complaints or irregularities, no matter how outwardly trivial they appear.

XII. Original Entry and Recommended Ledgers

This procedure illustrates the use and method of preparation of the journals of original entry and the ledgers recommended for use by a district maintaining its records manually.

The journals of original entry consist of the encumbrance journal, payroll journal, the cash disbursements and expenditures journal, the cash receipts journal, and the general journal. Transactions should be entered in the appropriate journal then recorded in detail in the general ledger and in the appropriate subsidiary ledgers and/or the budget analysis ledger.

To illustrate the use of the various journals and ledgers, it is assumed that the following transactions occurred during the month of September 19xx.

A. ***OPENING ENTRIES***

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
7/1/xx	Cash in Banks	1111	$ 2,275	
	Property Taxes Receivable-Delinquent	1212	4,000	
	Allowance for Uncollectible Taxes	1213		$ 3,000
	Accounts Payable	2110		275
	Fund Balance	3110		3,000

To record the collection of taxes.

Subsidiary Ledger *entries:*

Object	Detail	Amount
5111	Taxes, Advalorem, Current Year	$6,000
5311	Basic Formula	4,000

General Journal *entries:*

7/1/xx	Estimated Revenues & Noncash Revenues-Control	5010	$10,000	
	Fund Balance	3110		$10,000
	Fund Balance	3110	$9,000	
	Appropriations-Control	6010		$9,000

To record the Budget.

***Subsidiary Ledger** entries:*

Function	Object	Detail	Amount
1110	6110	Cert. Teacher Salaries	$3,500
1110	6410	General Supplies	600
2320	6110	Cert. Teacher Salaries	2,500
2320	6315	Audit Services	80
2320	6410	General Supplies	120
2410	6110	Cert. Teacher Salaries	2,000
2410	6410	General Supplies	200

B. TRANSACTIONS FOR SEPTEMBER

DATE		AMOUNT
9/2/xx	Issue Purchase Order #1 to the Gadget Company for instructional supplies and principal's supplies	$75.00
9/2/xx	Issue Purchase Order #2 to XYZ Company for general administrative supplies	100.00
9/2/xx	Issue Purchase Order #3 to ABC Company for instructional supplies	25.00
9/10/xx	Received supplies ordered on P.O. #3	
9/15/xx	Received Foundation payment from the State	400.00
9/18/xx	Received Taxes-deposited on deposit slip #1	100.00
9/20/xx	Received invoice for P.O. #3 (liquidate & expense)	30.00
9/20/xx	Received telephone bill for September, issued P.O. #4	10.00
9/24/xx	Paid P.O. #3 with check #325	30.00
9/24/xx	Paid Voucher #4 with check #326 (telephone check)	10.00
9/24/xx	Paid P.O. #230 (prior year account payable) with check #327	275.00
9/24/xx	Record payroll	

	Gross Pay	W/H Tax	Teacher Ret.	Accrual	Net Pay
Instruction	350	58	18	58	216
School Admin.	200	33	10	33	124
Gen. Admin.	250	41	12	42	155
					495

9/24/xx Process checks for payroll

ENCUMBRANCE JOURNAL
(EJ-1)

FUND: 107 Page 1

MONTH: September, 19xx

DATE	VENDOR-CONTRACTOR	P.O. NO.	CODING			ENCUMBRANCES DEBIT		RESERVE FOR ENCUMBRANCES CREDIT	LIQUIDATION REFERENCE BUDGET LEDGER	
			FUND	FUNCTION	OBJECT				ACCOUNT NO.	PAGE NO.
2	The Gadget Company	1	107	1110	6410	50.00	x	50.00		
		1	107	2410	6410	25.00	x	25.00		
2	XYZ Company	2	107	2320	6410	100.00	x	100.00		
2	ABC Company	3	107	1110	6410	25.00	x	25.00		
						200.00		200.00		

SUMMARY - FUND 107

AC NO.		AMOUNT DEBIT	AMOUNT CREDIT
6020		200.00	
4110			200.00
	TOTAL	200.00	200.00

CASH DISBURSEMENT JOURNAL
(CD-1)

FUND: 107 Page 1

MONTH: September, 19xx

DATE	PAYEE	VOUCHER NUMBER	CHECK NUMBER	CASH CREDIT	ACCOUNTS PAYABLE DEBIT	GENERAL LEDGER FUND	GENERAL LEDGER ACCOUNT	GENERAL LEDGER DEBIT	GENERAL LEDGER CREDIT
24	ABC Company	3	325	30.00	30.00	107	1111		30.00
							2111	30.00	
24	Telephone Company	4	326	10.00	10.00	107	1111		10.00
							2111	10.00	
24	ABC Company	5	327	275.00	275.00	107	1111		275.00
							2111	275.00	
24	Employee Checks	PR	328-331	495.00	495.00	107	1111		495.00
							2171	495.00	
24	Depository	PR	332	132.00	132.00	107	1111		132.00
							2151	132.00	
24	Teacher Retirement	PR	333	40.00	40.00	107	1111		40.00
							2157	40.00	
				982.00	982.00			982.00	982.00

SUMMARY - FUND 107

A/C NO.	AMOUNT DEBIT	CREDIT
1111		982.00
2111	315.00	
2151	132.00	
2157	40.00	
2171	495.00	
TOTAL	982.00	982.00

EXPENDITURE JOURNAL
(XJ-1)

FUND: 107 Page 1

MONTH: September, 19xx

DATE	VENDOR	VOUCHER NUMBER	P.O. NUMBER	RESERVE FOR ENCUMBRANCE DEBIT	ENCUM CREDIT	CODING FUND	CODING FUNCTION	CODING OBJECT	EXPEND DEBIT	ACCTS PAY CREDIT	GENERAL LEDGER ACCT	GENERAL LEDGER DEBIT	GENERAL LEDGER CREDIT
20	ABC Company										4110	25.00	
											6020		25.00
20	ABC Company	3	3	25.00	25.00	107	1110	6400	30.00	30.00	6030	30.00	
											2111		30.00
20	Telephone Company	4				107	2320	6300	10.00	10.00	6030	10.00	
											2111		10.00
24	Payroll					107	1110	6110	350.00	132.00	6030	132.00	
											2151		132.00
						107	2410	6110	200.00	40.00	6030	40.00	
											2157		40.00
						107	2320	6110	250.00	628.00	6030	628.00	
											2171		628.00
				25.00	25.00				840.00	840.00		840.00	840.00

SUMMARY - FUND 107

A/C NO.	AMOUNT DEBIT	AMOUNT CREDIT
2111		40.00
2151		132.00
2157		40.00
2171		628.00
4110	25.00	
6020		25.00
6030	840.00	
TOTAL	865.00	865.00

CASH RECEIPTS JOURNAL
(CR-1)

FUND: 107 Page 1

MONTH: September, 19xx

DATE	SOURCE OF DEPOSIT	DEPOSIT VOUCHER NUMBER	RECEIPT NUMBER	CASH DEBIT	REVENUE CREDIT ACCOUNT CODE	REVENUE CREDIT AMOUNT	GENERAL LEDGER ACCOUNT CODE	GENERAL LEDGER DEBIT	GENERAL LEDGER CREDIT
15	Basic Formula	1	1	400.00	5311	400.00	1111 5311	400.00	 400.00
18	Property Taxes Receivable - Current	2	2	100.00	5111	100.00	1111 1211	100.00	 100.00
				500.00		500.00		500.00	500.00

SUMMARY - FUND 107

A/C NO.	AMOUNT DEBIT	CREDIT
1111	500.00	
1211		100.00
5020	_____	400.00
TOTAL	500.00	500.00

GENERAL JOURNAL
(GJ-1)

PAGE 1

DATE		ACCOUNT CODE	DEBIT	CREDIT
19xx				
July 1	Cash in Banks	107 00 1111	2,275.00	
	Property Taxes Receivable-Delinquent	107 00 1211	4,000.00	
	Allowance for Uncollectible Taxes	107 00 1212		3,000.00
	Accounts Payable	107 00 2110		275.00
	Fund Balance	107 00 3110		3,000.00
	(To Record Opening Balances In Fund 107)			
1	Estimated Rev & Noncash Revenues	107 00 5010	10,000.00	
	Fund Balance	107 00 3110		10,000.00
	(To Record Est. Rev. Per Adopted Budget)			
1	Fund Balance	107 00 3110	9,000.00	
	Appropriations-Control	107 00 6010		9,000.00
	(To Record Est. App. Per Adopted Budget)			

Subsidiary Ledger:
Revenue Ledger

ACCOUNT CODE	DETAIL	AMOUNT
5111	Taxes, Advalorem, Current Year	6,000.00
5311	Basic Formula	4,000.00
		10,000.00
	(To Record Budgeted Revenue In Fund 107)	

Budget Analysis Ledger:

ACCOUNT CODE	DETAIL	AMOUNT
1110 6110	Cert. Teacher Salaries	3,500.00
1110 6410	General Supplies	600.00
2320 6110	Cert. Teacher Salaries	2,500.00
2320 6315	Audit Services	80.00
2320 6410	General Supplies	120.00
2410 6110	Cert. Teacher Salaries	2,000.00
2410 6410	General Supplies	200.00
		9,000.00
	(To Record Budgeted Appropriation in Fund 107)	

GENERAL LEDGER

ACCOUNT TITLE Cash In Banks
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 1111

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Opening Balance	GJ-1	2,275		2,275	
Sept 15		CR-1	400		2,675	
Sept 18		CR-1	100		2,775	
Sept 24		CD-1		982	1,793	

GENERAL LEDGER

ACCOUNT TITLE Property Taxes Receivable - Current
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 1211

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Opening Balance	GJ-1	4,000		4,000	
Sept 18		CR-1		100	3,900	

GENERAL LEDGER

ACCOUNT TITLE Allowance For Uncollectible Taxes
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 1213

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Opening Balance	GJ-1		3,000		3,000

GENERAL LEDGER

ACCOUNT TITLE Accounts Payable
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 2111

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Opening Balance	GJ-1		275		275
Sept 24		XJ-1		40		315
24		CD-1	315			-0-

[1] CD - Cash Disbursement Journal
CR - Cash Receipts Journal
EJ - Encumbrance Journal
GJ - General Journal
XJ - Expenditure Journal

GENERAL LEDGER

ACCOUNT TITLE Fund Balance
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 3110

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Opening Balance	GJ-1		3,000		3,000
1	Record Budget	GJ-1		10,000		13,000
1	Record Budget	GJ-1	9,000			4,000

GENERAL LEDGER

ACCOUNT TITLE Fund Balance Reserved For Encumbrance
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 4110

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 2		EJ-1		200		200
24		XJ-1	25			175

GENERAL LEDGER

ACCOUNT TITLE Estimated Revenues and Noncash Revenues-Control
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 5010

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Record Budget	GJ-1	10,000		10,000	

GENERAL LEDGER

ACCOUNT TITLE Realized Revenues and Noncash Revenues-Control
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 5020

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 15		CR-1		400		400

[1] CD - Cash Disbursement Journal
CR - Cash Receipts Journal
EJ - Encumbrance Journal
GJ - General Journal
XJ - Expenditure Journal

GENERAL LEDGER

ACCOUNT TITLE Appropriations-Control
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 6010

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
July 1	Record Budget	GJ-1		9,000		9,000

GENERAL LEDGER

ACCOUNT TITLE Encumbrances-Control
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 6020

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 2		EJ-1	200		200	
24		XJ-1		25	175	

GENERAL LEDGER

ACCOUNT TITLE Expenditures-Control
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 6030

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 24		XJ-1	840		840	

GENERAL LEDGER

ACCOUNT TITLE Federal Income Tax Payable
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 2151

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 24		XJ-1		132		132
24		CD-1	132			-0-

[1] CD - Cash Disbursement Journal
CR - Cash Receipts Journal
EJ - Encumbrance Journal
GJ - General Journal
XJ - Expenditure Journal

GENERAL LEDGER

ACCOUNT TITLE Teacher Retirement Payable
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 2157

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 24		XJ-1		40		40
24		CD-1	40			-0-

GENERAL LEDGER

ACCOUNT TITLE Accrued Wages Payable
CODES FUND: 107 FUNCTION: 00 CL/OBJ/SUB OBJ 2171

DATE	DESCRIPTION	REFERENCE[1]	DEBITS	CREDITS	DEBIT BALANCE	CREDIT BALANCE
Sept 24		XJ-1		628		628
24		CD-1	495			133

REVENUE SUBSIDIARY LEDGER

FUND NO. 107 OBJECT 5111
FUND TITLE General Operating Fund
ACCOUNT DESCRIPTION Property Taxes Receivable - Current

DATE	DESCRIPTION	REFERENCE[1]	ESTIMATED REVENUE	ACTUAL REVENUE	TOTAL REVENUE TO DATE	BALANCE
July 1	Opening Budget	GJ-1	6,000			6,000
Sept 18		CR-1		100.00	100.00	6,100

REVENUE SUBSIDIARY LEDGER

FUND NO. 107 OBJECT 5311
FUND TITLE General Operating Fund
ACCOUNT DESCRIPTION Basic Formula

DATE	DESCRIPTION	REFERENCE[1]	ESTIMATED REVENUE	ACTUAL REVENUE	TOTAL REVENUE TO DATE	BALANCE
July 1	Opening Budget	GJ-1	4,000			4,000
Sept 15		CR-1		400	400	3,600

[1] CD - Cash Disbursement Journal
CR - Cash Receipts Journal
EJ - Encumbrance Journal
GJ - General Journal
XJ - Expenditure Journal

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: Certificated Teacher Salaries
CODES:
FUND: 107 FUNCTION: 1110 OBJECT: 6110 ORG:____

DATE	VENDOR-DESCRIPTION	DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES		EXPENDED DEBIT	BUDGET CREDIT	BALANCES TO DATE			
		REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT			TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					3,500.00		3,500.00		3,500.00
SEP 24	Payroll	XJ-1				350.00		350.00	3,150.00		3,150.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: General Supplies
CODES:
FUND: 107 FUNCTION: 1110 OBJECT: 6410 ORG:____

DATE	VENDOR-DESCRIPTION	DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES		EXPENDED DEBIT	BUDGET CREDIT	BALANCES TO DATE			
		PO NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT			TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					600.00		600.00		600.00
SEP 2	The Gadget Company	1		50.00					600.00	50.00	550.00
SEP 2	ABC Company	3		25.00					600.00	75.00	525.00
SEP 20	ABC Company	3			25.00	30.00		30.00	570.00	50.00	520.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: Certificated Teacher Salaries
CODES:
FUND: 107 FUNCTION: 2410 OBJECT: 6110 ORG:____

		DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES				BALANCES TO DATE			
DATE	VENDOR-DESCRIPTION	REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT	EXPENDED DEBIT	BUDGET CREDIT	TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					2,000.00		2,000.00		2,000.00
SEP 24	Payroll	XJ-1				200.00		200.00	1,800.00		1,800.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: General Supplies
CODES:
FUND: 107 FUNCTION: 2410 OBJECT: 6410 ORG:____

		DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES				BALANCES TO DATE			
DATE	VENDOR-DESCRIPTION	REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT	EXPENDED DEBIT	BUDGET CREDIT	TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					200.00		200.00		200.00
SEP 2	The Gadget Company	1		25.00					200.00	25.00	175.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: Certificated Teacher Salaries
CODES:
FUND: 107 FUNCTION: 2320 OBJECT: 6110 ORG:____

DATE	VENDOR-DESCRIPTION	DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES		EXPENDED DEBIT	BUDGET CREDIT	BALANCES TO DATE			
		REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT			TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					2,500.00		2,500.00		2,500.00
SEP 24	Payroll	XJ-1				250.00		250.00	2,250.00		2,250.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: Audit Services
CODES:
FUND: 107 FUNCTION: 2320 OBJECT: 6315 ORG:____

DATE	VENDOR-DESCRIPTION	DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES		EXPENDED DEBIT	BUDGET CREDIT	BALANCES TO DATE			
		REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT			TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					80.00		80.00		80.00
SEP 20	Telephone Company		4			10.00		10.00	70.00		70.00

BUDGET ANALYSIS LEDGER

ACCOUNT TITLE: General Supplies
CODES:
FUND: 107 FUNCTION: 2320 OBJECT: 6410 ORG:____

		DOCUMENT NUMBER		TRANSACTIONS ENCUMBRANCES				BALANCES TO DATE			
DATE	VENDOR-DESCRIPTION	REF NUMBER	VOUCHER	PLACED DEBIT	LIQUIDATED CREDIT	EXPENDED DEBIT	BUDGET CREDIT	TOTAL EXPENDED DEBIT	UNEXPENDED CREDIT	OUTSTANDING ENCUMBRANCE DEBIT	UNENCUM-BERED DEBIT
JUL 1	Record Budget	GJ-1					120.00		120.00		120.00
SEP 2	XYZ Company	2		100.00					120.00	100.00	20.00

XIII. Acquisition and Disposal of Fixed Assets

This procedure illustrates journal entries necessary to record transactions concerning acquisition and disposal of fixed assets.

A. Assume that 10 desks are to be purchased as an appropriated expenditure from the Capital Projects Fund at $150.00 each.

1. Capital Projects Fund

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/l/xx	Expenditures-Control	6030	$ 1,500	
	Accounts Payable	2110		$ 1,500

Subsidiary Ledger *entries:*

Object	Detail	Amount
6541	Regular Equipment-Furniture	$1,500

2. General Fixed Assets Account Group

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/l/xx	Furniture	1541	$ 1,500	
	Reserve for Investment in General Fixed Assets Capital Projects Fund	3222		$ 1,500

Accession Ledger detail:

10 desks; serial numbers, date, cost, etc.

To record acquisition of fixed assets $1500.

B. The following illustrates the entries necessary to record the disposal of fixed assets where no cash is involved. Assume one computer that cost $1,200.00 is to be retired.

1. General Fixed Assets Account Group

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/2/xx	Reserve for Investment in General Fixed Assets Capital Projects Fund	3222	$ 1,200	
	Other--Equipment	1549		$ 1,200

Accession Ledger Detail:

Record the specific account under Equipment for the $200.00 disposal of equipment

To record the disposal of fixed assets where no cash is involved.

C. When fixed assets are disposed of the resulting net revenue or cost is recorded as follows. Assume one item of furniture originally costing $100.00 is sold for $20.00. The original cost was expended from the Capital Projects Fund.

1. General Fixed Assets Account Group

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/3/xx	Reserve for Investment in General Fixed Assets—Capital Projects Fund	3222	$ 100	
	Furniture	1541		$ 100

To record the removal of the $100.00 furniture item from the General Fixed Assets Account Group.

2. Capital Projects Fund

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/3/xx	Cash	1110	$ 20	
	Revenue	5020		$ 20

Subsidiary Ledger *entries:*

Code	Detail	Amount
5690	Sale of Equipment	$ 20

To record the $20.00 sales price on furniture as a revenue.

D. Conversely, if there is a cost connected with a disposal of fixed assets, an entry similar to the first of the two entries in "C' would be made to remove the fixed asset from the records. In addition, the expenditure for removing the fixed asset would be recorded in the appropriate fund account; i.e., debit expenditures and credit accounts payable.

E. Fixed assets traded in on the purchase of a new fixed asset requires entries similar to the following. Assume a bus costing $27,000 and purchased from the Capital Projects Fund (40X) is to be traded in on a new bus costing $28,000; the trade-in value is $1,000.

1. General Fixed Assets Account Group

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/4/xx	Reserve for Investment in General Fixed Assets -- Capital Projects Fund	3222	$27,000	
	Vehicles	1543		$27,000

Equipment Subsidiary Ledger detail:

Record the original bus for a credit of $27,000 as being traded-in on a new bus.

To remove the traded-in equipment from the property records.

2. Capital Projects Fund

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/4/xx	Expenditures-Control	6030	$28,000	
	Accounts Payable	2110		$28,000

Subsidiary Ledger *entries:*

Object	Detail	Amount
6550	Vehicles	$28,000

Purchased $28,000 bus with a $1,000 trade-in.

To record the purchase of the new bus. Reported the same as the entries used to record the purchase of a new item.

3. General Fixed Assets Account Group

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/4/xx	Vehicles	1543	$28,000	
	Reserve for Investment in General Fixed Assets Transportation	3222		$28,000

To record the acquisition of a bus for $28,000 with a trade-in allowance of $1,000.

F. The above illustrations have required entries in the Accession Ledger. As the name indicates, this ledger supplies the detail quantities, locations, cost, etc., of the fixed assets the school has the accountability and responsibility for. A loose-leaf ledger will permit movement of items from one group to another. When equipment is retired or disposed of the subsidiary ledger should be transferred to an inactive file. Examples of equipment records are shown on the following pages.

G. For those districts with poor or nonexistent fixed asset records, it is recommended that estimated values be established via an appraisal. The district may employ a commercial appraisal firm to accomplish this appraisal.

H. The property number referred to on the following forms is attached by the district upon acquisition of each piece of equipment. It may be in the form of a metal tag, mylar foil decal, or engraved with a scribing tool. The property number identification aids in the annual physical verification of the inventory. Group control (as opposed to individual item control) items may utilize the same property control numbers.

I. The LEA Board of Education and administration should develop policies and procedures outlining the various responsibilities for the care and custody of the fixed assets and for the taking of the physical inventory.

J. In the final analysis, the financial records should be capable of producing two separate listings:

(1) A detailed list of property owned by the district.

(2) School district personnel should perform an annual physical inventory by making a list of property verified by visual inspection.

These two lists should then be compared and reconciled by the LEA staff. If losses are discovered, administrative action may be taken and the accounting records posted to reduce the Accession Ledger and the General Ledger.

EXAMPLE

Equipment Record - Group Control Inventory Number: LOT 74C

Name of Group: Chairs

Kind of Equipment: Furniture (General Ledger Account 1541, Furniture)

Ownership: District Owned

School Plant or Facility to Which Assigned: High School

Location: Rooms 18, 19, and 20

Description: Wood with attached desk, 12” x 18”, adult size

Where Housed (if different than assignment):

Other: (Check as Applicable) **Assigned to More Than One Facility** ☐ **In Storage** ☐

NUMBER OF PIECES				COST				
Date	Acquisition (Debits)	Reductions (Credits)	Balance	Acquisitions (Debits)	Reductions (Credit)	Balance	Average Unit Cost	Remarks
10-15-93	100		100	$2,000.00		$2,000.00	$20.00	Original Equipment
11-17-94	20		20	600.00		2,600.00	21.67	Purchase (PO 468774)
12-14-95		5	115		108.35	2,491.65	21.67	Lost in fire

EXAMPLE

Equipment Record - Unit Control Inventory Number: E74

Name of Group: Vacuum Cleaner

Kind of Equipment: Equipment (General Ledger Account 1549, Other Equipment)

Ownership: District Owned

School Plant or Facility to Which Assigned: High School Office (Campus Code 023)

Location: Rooms 18, 19, and 20

Manufacturer and Model Number: Hoover, Model 36

Serial Number: 4874-12604V36

Description: 3 HP, Upright, with Attachments

Use: **Instructional** ☐ **Non-Instructional** ☐

Other: (Check as Applicable) **Assigned to More Than One Facility** ☐ **In Storage** ☐

Where Housed (if different from assignment)

Date of Disposal:

NUMBER OF PIECES		COST			
Date	Description of Items	Acquisition (Debits)	Reductions (Credits)	Balance	Remarks
10-15-93	Original Equipment	$200.00		$200.00	
11-15-94	Additional Attachments	30.00		230.00	
12-13-95	Main Attachment		20.00	210.00	

Below is a simulation of a completed Inventory Transfer form. These forms should be filled out in triplicate (Accounting, Transferred From, Transferred To), in the manner shown below, and forwarded to the property manager for completion.

EXAMPLE

No. 1075

INVENTORY RECEIPT/TRANSFER RECORD

Accession No. 34 Date: January 7, 19xx

QUANTITY	DESCRIPTION OF EQUIPMENT	MODEL NUMBER	SERIAL NUMBER	P.O. NUMBER	DATE ACQUIRED	LOCATION FROM	LOCATION TO
1	Chair, Steno, Steel, Swivel Steelcase	2068	FR336	006122	1/10/86	041	046

Transfer Authorization_____ "To" Area Authorization_____ "From" Area Authorization_____

EXAMPLE

ACCESSION LEDGER-FURNITURE AND EQUIPMENT

DESCRIPTION	SERIAL NUMBER	PROPERTY ID NUMBER	PURCHASE DATE	COST	LOCATION	EST LIFE	FUND	DISPOSITION OR REMARKS
IBM Calculator, Mod MC-2449, Tan	CS-2164E	003-0001	9/1/87	150.00	ADMIN	15	118	
IBM Typewriter, Selectric, Black	SEL-022907-AC	003-0002	9/15/87	295.00	ADMIN	10	118	
Overhead Projector, Projectomatic, Table Model	000067-987RX	003-0003	10/1/87	150.00	H/S	10	118	Destroyed in fire Nov 1, 1987
Overhead Projector, Easy-Tote Fold-up Style, Brown	97866-000-567	003-0004	10/1/87	165.00	ELEM	10	118	To reduce fixed assets see PROP ID # 003-0004
Gateway Computer, Model P5-90	347769-95-0004	0003-0005	02/23/89	2,245.00	HS	4	119	

The Accession Ledger, or Assets Register, is a record detailing in the order of acquisition, the item purchased, serial number/identification, local property ID tag number, purchase date, cost, location, estimated life, fund and current disposition or remarks.

XIV. Indirect Cost Rates-Federal Government

An indirect cost rate is a means of determining in a reasonable manner the percentage of allowable general administrative expense that each federal grant should bear. Generally, an indirect cost rate is the ratio of total indirect costs to total direct costs, based on the LEA's actual expenditures, exclusive of any extraordinary or distorting expenditures such as capital outlay and major subcontracts. These rates are calculated annually in the spring and sent to each school district by the School Finance Section according to agreements between the DESE and the US Department of Education. Missouri Form 3-660-104 - Application for Determination of Ratio of Indirect Cost for Restricted and Non-Restricted Federal Programs provides the model to be used for this calculation.

The Superintendent, the Superintendent's secretary and expenses related directly to the operation of the Superintendent's immediate offices, as well as the expenses related to Assistant/Associate Superintendents are not included in indirect costs and are considered, for rate computation purposes, to be disallowed costs. Expenditures for the Office of the Superintendent in addition to operations and maintenance of the plant are classified as indirect costs when calculating an unrestricted rate.

Executive Administration costs (coded to expenditure object code 2320) can be included only to the extent that the Superintendent's salary and costs relating to that office as well as any Assistant/Associate Superintendent's costs are excluded from the total. If a school district is to include any valid Executive Administration costs in its restricted rate computation, then the district must provide a detailed itemized schedule of the costs being included. School districts should ensure that their expenditures are properly recorded to either Executive Administration or Business Central Services. If expenditures are misclassified and recorded in Executive Administration instead of Business Central Services then this improper recording will affect the Indirect Cost rate calculation.

The Non-Restricted rate may include those costs relating to general administration and direction of the local government. These costs include Audit/Management Services, Legal Services, Executive Administration (including the costs of the Superintendent and the Assistant/Associate Superintendents), Operation of the Plant, and Business Services. The Restricted rates may only include the costs associated with Audit/Management Services, Legal Services, and Business Services.

The approved rates are applied to project direct expenditures class/objects 6100 through 6400 to determine the portion of the grant due to the General (Incidental) Fund for overhead expenditures. More detailed information concerning the indirect cost calculation can be found in the Missouri School Finance Reporting and Compliance Manual. This procedure describes the accounting entries to record application of indirect cost rates to projects funded by the Federal Government.

A. For illustration, assume that the school district has an approved restricted indirect cost rate of 6% for the 1997-98 fiscal year. The Title I-ESEA application amounts to $100,000 for direct project expenditures and $6,000 for indirect costs. The total application amounts to $106,000 for the 1997-98 Title I project. The entries are:

1. Fund 128	A/C NO.	DEBIT	CREDIT
Estimated Revenues & Noncash Revenues	5010	$6,000	
Appropriations - Control (not necessary - could be to Fund Balance only) **or**	6010		$6,000

Fund 128	A/C NO.	DEBIT	CREDIT
Estimated Revenues - Project	5010.51	$100,000	
Appropriations - Project	6010.51		$100,000

To record the project budget.

2. Fund 128

State Accounts Receivable - Project	1230.51	$106,000	
Realized Revenues - Project	5020.51		$100,000
Allowance for Indirect Costs - Project	3310.51		$6,000

To record receipt of project approval.

3. Fund 128

Cash in Banks	1111	$10,000	
State Accounts Receivable - Project	1230.51		$10,000

4. Fund 128

Expenditures - Control - Project	6030.51	$8,000	
Accounts Payable	2111		$8,000
Allowance for Indirect Costs - Project	3310.51	$480	
Realized Revenues	5020		$480

To record expenditures for the period and amount of indirect cost allowance earned during the period and to record transfer of revenue to General (Incidental) Fund for overhead expenses.

5. Repeat steps 3 and 4 as transactions occur throughout the project period.

If, at the close of the project period, direct expenditures are less than the grant, adjusting entries must be made.

In the example, assume that the district expended only $90,000 of the $100,000. The adjusting entries are:

Fund 128	A/C NO.	DEBIT	CREDIT
Fund Balance	3110	$600	
Estimated Revenues & Noncash Revenues	5010		$600

Fund 128

Realized Revenues - Project	5020.51	$10,000	
Allowance for Indirect Costs - Project	3310.51	$600	
State Accounts Receivable - Project	1230.51		$10,600

XV. Imprest Petty Cash

Some school districts may find it necessary to operate imprest petty cash systems to cope with numerous small purchases (i.e. less than $10.00) that cannot be handled via a monthly billing as is the case with most vendors.

To expose the district to the risks inherent in such a system demands that internal controls of the highest order be exercised.

Entries for Imprest Petty Cash

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/20/xx	Petty Cash	1132	$100	
	Cash	1111		$100
To record setup of petty cash system.				
10/20/xx	Expenditures - Control: Supplies	6030	$ 75	
	Petty Cash	1132		$ 75
To record expenditures paid from petty cash to regular budget categories.				

Subsidiary Ledger *entries:*

Function	Object	Detail	Amount
1120	6411	General Supplies	$75

General Journal *entries:*

10/12/xx	Petty Cash	1132	$ 75	
	Cash	1111		$ 75
To record replenishment of petty cash.				

An example of a petty cash voucher used to help monitor the flow of these transactions follows below.

NEW HOPE SCHOOL SYSTEM
Address
Petty Cash Voucher No. 1
Date _____
Pay to _____
For _____ Amount _____
For Board of Education:
Received by: Approved by:
_____ _____

The person who holds cash should not be the person who approves the payments.

XVI. Bad Checks

The school district may find itself the possessor of some bad checks via student activities, the school lunch program, adult education program, and others. These must be dealt with to reconcile the bank statement and to indicate the efficiency with which the district is able to collect such checks. Information on this efficiency will enable management to make decisions on the acceptability of these instruments in future years.

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
10/31/xx	Bad Checks Receivable	1262	$ 20	
	Cash in Banks	1111		$ 20
To record bad check.				
11/15/xx	Cash in Banks	1111	$ 20	
	Bad Checks Receivable	1262		$ 20
To record redeposit of bad check when it is collected in cash or sufficient money is in individual's account or check clears.				

Occasionally, despite the best efforts of the district staff, a check will remain uncollectible. Rather than writing it off as a reduction of revenue, it is expensed to a budgetary account to reflect the occurrence as a cost of "doing business."

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
6/30/xx	Expenditures - Control: Bad Check Expense	6030	$ 20	
	Bad Checks Receivable	1262		$ 20
To record write-off of uncollectible checks.				

Subsidiary Ledger *entries:*

Function	Object	Detail	Amount
2520	6398	Other Expenses	$ 20

XVII. Resale of Vocational Projects

Inclusion of the cost of building a vocational trades house in regular expenditures when it is to be sold, usually the same year, has the effect of artificially inflating total expenditures and overstating per pupil cost. To avoid such misstatements the following procedure should be adopted.

Assume that supplies, materials, and other costs going into the structure are $48,000. Further assume that the house is sold by bid for $56,000. This would be recorded as follows:

DATE	DESCRIPTION	A/C NO.	DEBIT	CREDIT
General Journal *entries:*				
	Capital Projects Fund (42X)			
3/30/xx	Inventory for Resale	1315	$48,000	
	Cash in Banks	1111		$48,000
	Capital Projects Fund (42X)			
	Cash in Banks	1111	$56,000	
	Inventory for Resale	1315		$48,000
	Realized Revenues & Noncash Revenues - Control	5020		$ 8,000

Subsidiary Ledger *entries:*

Object	Detail	Amount
5196	Net Receipts from Clearing Accounts	$8,000

If the project is sold at a loss, the amount of the loss is recorded in General Ledger Account 6030, Expenditures-Control.

If construction is in progress at 6/30/xx, the value will be shown in the asset account 1315 and thus will not decrease ending fund balance (is analogous to an investment, the conversion of one asset into another asset).

XVIII. Interfund Transfers

A. Section 165.011, RSMo, and administrative interpretation defines several interfund transfers that a school district may make. These transfers are Nonrecurring Transfers Made in Compliance with Special Statutes or Residual Equity Transfers. The title of each transfer reflects the **Annual Secretary of the Board Report** (ASBR) terminology used in Part I-A, Transfer Summary, of that report. The most common transfers are:

1. **Textbook Fund Balance Transfer** - The transfer of unspent Free Textbook amounts from the General (Incidental) Fund to the Special Revenue (Teachers) Fund.

2. **"Zero" Teachers Fund Balance Transfer** - Amounts from the General (Incidental) Fund to the Special Revenue (Teachers) Fund to avoid deficits in the Special Revenue (Teachers) Fund.

3. **Debt Service Fund Transfer** - If a balance remains in the Debt Service Fund after the total outstanding bonded indebtedness has been paid, that balance **may** be transferred to the Capital Projects Fund.

4. **Transportation Calculated Cost Transfer** - The amount of transfer from the General (Incidental) Fund to the Capital Projects Fund for allowable transportation equipment expenditures. This transfer amount is calculated annually by the Pupil Transportation Section.

5. **Area Vocational-Technical Schools Transfer** - Any amount necessary from the General (Incidental) Fund to the Capital Projects Fund to satisfy obligations of the Capital Projects Fund for state approved area vocational schools located within that school district.

6. **Grant Match** - The amount of transfer from the General (Incidental) Fund to the Capital Projects Fund that provides the balance of district funds to meet the local match percentage requirement for that portion of any grant revenue expended for capital outlay (equipment).

7. **Energy Conservation Loans** - The amount of transfer from the General (Incidental) Fund to the Capital Projects Fund for the payment of principal and interest on Department of Natural Resources loans (DNR) per Sections 160.302 and 640.653, RSMo, and Guaranteed Energy Savings Performance Contracts per Sections 165.011.11 and 8.231, RSMo.

8. **Food Services** - The amount of transfer from the General (Incidental) Fund (food service account) to the Capital Projects Fund for the purchase of kitchen/food service related equipment.

9. **Student Activities** - The amount of transfer from the General (Incidental) Fund to the Capital Projects Fund for the purchase of designated equipment/capital outlay from the student activity account.

10. **Revenue Transfer/$.18** - The "revenue transfer" from the General (Incidental) Fund to the Capital Projects Fund for necessary capital outlay expenditures. The "revenue

transfer" cap amount is calculated annually by the School Finance Section. Special restrictions may apply to the use of this unique transfer.

11. **Revenue Transfer/$.06** - The "revenue transfer" from the General (Incidental) Fund to the Capital Projects Fund for necessary capital outlay expenditures. The "revenue transfer" cap amount is calculated annually by the School Finance Section. Special restrictions may apply to the use of this unique transfer.

12. **Capital Projects Fund Interest** - After making all placements of interest otherwise provided by law, a school district may transfer from the Capital Projects Fund to the General (Incidental) Fund the interest earned from undesignated balances in the Capital Projects Fund. Interest earned is initially placed in the fund(s) which provided the principal. If the district chooses, some or all of the interest earned in the Capital Projects Fund on undesignated balances may be transferred to the General (Incidental) Fund. Interest earned on bond proceeds (or some other restricted balance) cannot be transferred to the General (Incidental) Fund.

13. **Unspent Bond Proceeds Transfer** - If a balance remains in the bond proceeds after completion of the project for which bonds where issued, the balance of bond proceeds remaining in the Capital Projects Fund **shall** be transferred to the Debt Service Fund.

B. The General Journal entries for the transfers indicated previously are outlined below:

1. **Textbook Fund Balance Transfer** - Assume that Free Textbook Revenue account 5351 contained $8,453 and Free Textbook Expenditure account 6421 contained $5,827. Since Free Textbook transactions are recorded in the General (Incidental) Fund, four entries will be needed to accomplish the transfer to the Special Revenue (Teachers) Fund.

Operating subfund l2X	A/C NO.	DEBIT	CREDIT
6/30/xx Fund Balance	3110	$ 2,626	
Cash in Banks	1111		$ 2,626
Special Revenue (Teachers) Fund 20X			
6/30/xx Cash in Banks	1111	$ 2,626	
Fund Balance	3110		$ 2,626

2. **"Zero" Teachers Fund Balance Transfer** - Assume that the Special Revenue (Teachers) Fund has a levy of $0.00 or has a small levy that will not fully support the expenditures from the fund. This will require the district to transfer an amount on some regular basis (monthly, quarterly, etc.) that will place revenue into the fund prior to checks being written against the fund. Section 165.021 (4), RSMo, states that "No shall be drawn...unless there is sufficient money in the treasury and in the proper fund for the payment of the indebtedness." In this example, the district's monthly Special Revenue (Teachers) Fund payroll requirement is $52,000. Prior to these payroll checks being written, the board must make a transfer from the General (Incidental) Fund to the

Special Revenue (Teachers) Fund for at least the minimum amount required for that month's expenditure. The final transfer in the current school year will be the amount necessary to bring the fund to a "zero" ending fund balance. Since these funds are self balancing, the entries to be made are indicated below:

Operating subfund l2X		A/C NO.	DEBIT	CREDIT
6/30/xx	Fund Balance	3110	$52,000	
	Cash in Banks	1111		$52,000

Special Revenue/Teachers Fund 20X				
6/30/xx	Cash in Banks	1111	$52,000	
	Fund Balance	3110		$52,000

3. **Revenue Transfer/$.18/$.06** - Senate Bill 676, 1994, created the Capital Projects Fund and requires virtually all capital expenditures be made from this fund. This includes all expenditures for facility acquisition, construction, all lease purchase payments of principal and interest, and all other capital outlay expenditures with the exception of certain expenditures for classroom instructional capital outlay as defined in Section 165.011, RSMo.

Section 165.011 (4), RSMo, allows a district to transfer amounts throughout the year from the General (Incidental) Fund to the Capital Projects Fund up to a calculated cap (based on the $.18/$.06 maximum transfer as calculated annually in the spring by School Finance), less any amounts expended from the General (Incidental) Fund for classroom instructional capital outlay purposes if certain conditions are met. These transfers should be made throughout the school year on an as-needed (monthly) basis rather than making a single transfer at the end of the year. The $.18/$.06 revenue transfer cannot be used to build balances in the Capital Projects Fund. Only that portion of the $.18/$.06 revenue transfer needed to cover capital expenditures not covered from some other source (such as Capital Projects Fund levy receipts, grant revenue, other transfers into the Capital Projects Fund, etc.) may be made.

The amount transferred to the Capital Projects Fund as a revenue transfer cannot exceed the amount expended from that fund minus the following amounts:

-expenditures made from bond proceeds,
-expenditures made from impact aid proceeds,
-amounts receipted into the Capital Projects Fund in Revenue Codes 5111, 5112, 5114, 5115, 5116, and 5221,
-allowable Capital Projects Fund transfers for Area Vo-Tec Schools, Grant Match, Energy Conservation, Food Services and Student Activities.
-specified amounts receipted into the Capital Projects Fund in state (5300) and federal (5400) receipts.

NOTE: Section 165.011, RSMo, requires that all lease purchases entered into (per Section 177.088, RSMo,) after January 1, 1997, be paid from a source other than the $.18 and $.06 revenue transfer. For most districts, this will require a tax levy in the Capital Projects Fund sufficient to generate revenue equal to the amount of the principal

and interest payment on the new lease purchases. (The restriction on the use of the $.18/.06 revenue transfer for lease purchases entered into after January 1, 1997, does not apply to the lease purchase of school buses per House Bill 641, 1997.)

Assume that the district must expend $10,000 for the replacement of windows. The board must first confirm that the district actually has enough transfer ability by using the *"Worksheet for Calculation of Allowed $.18/.06 Revenue Transfer"*. This worksheet is available from the School Finance Section and also as a "Special Report" found in the 1998-99 and later *Annual Secretary of the Board Report* (ASBR). If the board finds the transfer authority adequate, it could then authorize the transfer of this amount from the General (Incidental) Fund to the Capital Projects Fund with entries to be recorded as follows:

Operating subfund 12X		A/C NO.	DEBIT	CREDIT
6/30/xx	Fund Balance	3110	$10,000	
	Cash in Banks	1111		$10,000

Capital Projects Fund 42X				
6/30/xx	Cash in Banks	1111	$10,000	
	Fund Balance	3110		$10,000

NOTE: This example can be used for any transfer from the General (Incidental) Fund to the Capital Projects Fund such as the "Area Vocational-Technical School Transfer" and the "Transportation Calculated Cost Transfer".

4. **Debt Service Fund Transfer** - Assume that the district has paid off all outstanding bonded indebtedness. In the next year, the Debt Service Fund levy will be set at $0.00. The district has two options regarding the residual revenue in this fund. It may transfer any remaining funds to the Capital Projects Fund or it may leave the balance in the Debt Service Fund for subsequent debt service requirements. If the district elects to make this transfer from the Debt Service Fund to the Capital Projects Fund, the following entries will need to be made:

Debt Service Fund 30X		A/C NO.	DEBIT	CREDIT
6/30/xx	Fund Balance	3110	$5,000	
	Cash in Banks	1111		$5,000

Capital Projects Fund 42X				
6/30/xx	Cash in Banks	1111	$5,000	
	Fund Balance	3110		$5,000

NOTE: The "Unspent Bond Proceeds Transfer" from the Capital Projects Fund (41X) to the Debt Service Fund is the reverse of this example.

XIX. Investments Record--Standardized Document

The investments record is not a cash flow chart (used to predict investment potential) but is a standardized document in which the date, amounts, interest rate, and interest earned may be recorded. This report may be incorporated into the monthly interim reports and is usually a schedule in the information section of the annual audit.

INVESTMENT RECORD
7/1/XX to 6/30/XX

Purchase Date	Description	Fund	Maturity Date	Amount or Rate	Amount	Interest Earned
7/1/XX	Certificate of Deposit	Special Revenue (Teachers)	1/31/xx	6.621%	200,000	7,724
1/1/XX	U.S. Treasury Bill	General (Incidental)	6/30/xx	100,000	97,450	2,250

XX. Matching Federal or Other Project Expenditures

Certain federal projects require that the LEA expend matching amounts from local sources in conjunction with federal expenditures. The following method should clearly demonstrate a record of such transactions and "prove" that matching has occurred.

Section of LEA Budget

2220	6541	Library Equipment - Matching
2220	6541.55	Library Equipment - Federal Project.

An invoice for $1,500 is processed for payment with one-half being paid by project 55 and the other half being paid from the matching account immediately preceding the project account. The voucher jacket should indicate $750 expended to 2220.6541 and $750 expended to 2220.6541.55, the federal project. If the vouchers are filed by account code it will be necessary to make Xerox copies of the voucher and its contents to place in the two file locations.

It is important in this process to properly code the function/program and object in addition to the source of funds or project code. If the expense is for media equipment, it should be coded 2220 and not 2320 - general administration.

XXI. Lease Purchase

A school district has only two options available when entering into a lease purchase transaction for the purpose of making a capital outlay expenditure. Option one is the lease purchase authorization found in Section 177.088, RSMo, which requires a district to enter into an agreement with a not-for-profit corporation. The requirement to conduct a lease purchase through a not-for-profit corporation restricts a district's ability to directly incur "debt" through a bank, bus company, or other for-profit type organization. Option two is a new lease purchase option available only for the purchase of energy savings equipment (lighting, controls, etc.) purchased through a Guaranteed Energy Savings Performance Contract authorized per Section 8.231(6), RSM0. Section 8.231, RSMo, appears to provide authority to lease purchase outside the constraints of Section 177.088, RSMo. This means a lease purchase agreement may be made directly with an equipment vendor if the conditions of Section 8.231, RSMo, are met. Transfers required from the Incidental Fund to the Capital Projects Fund to pay the principal and interest for a lease purchase agreement as a part of a guaranteed energy savings performance contract are authorized per Section 165.011(11), RSMo, only if the criteria described in Section 8.231, RSMo, are met.

This section will deal with the typical lease purchase entered into per section 177.088, RSMo.

As provided in Section 165.011(5), RSMo, the cost of a lease purchase entered into after January 1, 1997, may not be paid using the $.18/.06 Revenue Transfer. For most districts, this would require a separate levy in the Capital Projects Fund to cover the principal, interest, and fees for the new lease purchase agreement. *(NOTE: The restriction on the use of the $.18/.06 Revenue Transfer does not apply to the lease purchase of a school bus entered into per Section 177.088, RSMo, or copy machines used only for office operations, even if entered into after January 1,* 1997.) Other methods of financing the lease purchase cost may include the commitment of Capital Projects Fund balances for the life of the agreement if balances are sufficient. Under no circumstance may the $.18/$.06 Revenue Transfer be used to pay for new lease purchase agreements entered into per Section 177.088, RSMo, after January 1, 1997 (other than the two exceptions noted above).

The district should be aware of the distinction made between a "lease" or "rental" with no intent to acquire title (General (Incidental) Fund expenditure) and a lease purchase agreement where a district will take title to property (Capital Projects Fund expenditure) at some future date.

Remember, Section 177.088 (11), RSMo, provides that if a district plans to take title to property purchased with a lease/rental or third party lease purchase, the expenditure for principal and interest MUST be paid from the Capital Projects Fund. If the transaction is treated as a rental, paid from the General (Incidental) Fund, and a buy-out with assumption of title is offered to the district at the end of the lease/rental period, the full amount expended for the property will be deducted as an adjustment to the funds payable to the district pursuant to Section 163.031, RSMo, (Basic Formula) in the year following the transfer of title to the district.

When a district enters into a Not-for-Profit lease purchase with a third party to acquire a new building the third party corporation will actually build and own the building for the term of the lease purchase agreement. All construction expenditures will be made by the third party not-for-profit organization. The school district ***WILL NOT PAY ANY CONSTRUCTION COSTS***. However, the local board of education may review and approve all appropriate construction invoices/bills prior to the third party paying such invoices/bills. Once again, ***CONSTRUCTION EXPENDITURES WILL NOT BE REFLECTED IN THE SCHOOL DISTRICT ACCOUNTING RECORDS***.

The only expenditures indicated on the school district books are the annual lease purchase principal, interest, and fees made to the corporation. This would be recorded as a Capital Projects Fund expenditure with the principal charged to the Capital Projects Fund, Function Code 4050, Facilities Acquisition and Construction, Expenditure Object Code 6521, Buildings. The amount charged as interest would be recorded in the Capital Projects Fund, Function Code 5230, Object Code 6623.

The total value of the construction project should be recorded in the district's General Fixed Assets Account Group and Subsidiary Accession Ledger (see PROCEDURE NO: PRC-513, Capital Expenditures and Accounting for Fixed Assets) if applicable to the district. Consideration should also be given to recording an entry in the General Long-Term Debt Account Group. Consultation with the district auditor would be of benefit in this process. **Remember, there will be no entry in the Debt Service Fund for the duration of this lease purchase. The Debt Service Fund is used only to service general obligation bonded indebtedness.** The entries are as follows:

Revenues (When a Capital Projects Fund levy is established)	DEBIT	CREDIT
1) Cash	50,000	
Revenues - Taxes, Current (5111)		26,000
Revenues - Taxes, Delinquent (5112)		13,000
Revenues - State Assessed Utility Tax (5221)		11,000

To record the receipt of various revenues.

Expenditures

2) Expenditures - Facilities Acquisition and Construction. (4050 Principal Amount of Lease Payment Only) (6521 Expenditure Object)	43,000	
Expenditures - Interest (5230.6623)	12,500	
Cash		55,500

To record yearly lease purchase payment.

The Not-for-Profit corporation pays all of the bills so these expenditures are not reflected in the school district's books thus eliminating the chance for doubling or inflating expenditures for the school district. If a school district had to lay out some up front money to a contractor or architect and the not-for-profit sends the school district a check, the district should deposit the check and record it as a credit against the expenditure account so as to reverse that initial expenditure transaction already on the books.

In districts utilizing a Modified Accrual basis of accounting, based upon the Financial Accounting Standards Board (FASB SFAS No. 13), ownership of the property transferring to the lessee (the school district) by the end of the lease term is one of the criteria by which a lease is to be capitalized. This capitalized lease then represents the purchase or construction of general fixed assets which should be shown as an expenditure and other financing source in a governmental fund (National Council on Governmental Accounting, NCGA -5).

The accrual district should record the total value of the leased assets in the General Fixed Assets Account Group. In the first year of acceptance of construction funds for the lease purchase, the total cost of the asset (building) will be booked as an expenditure under the proper function and object codes; (for example: Function 4050, Object 6521) and the total principal amount of the lease purchase agreement as Other Non-Current Revenue, Code 5690 to offset the indicated expenditure. In subsequent years, only the lease purchase principal and interest payments would be recorded in Function Code 5100, Principal and 5200, Interest (net interest),respectively. Keep in mind that only the net interest cost should be recorded as opposed to showing a revenue and a larger interest expenditure.

XXII. Bond Transactions

A school district may issue bonds for a variety of purposes as defined by Section 164.121, RSMo. A school district may issue original (or new) bonds or a district may refund (refinance) existing bonds. It is important to remember the correct placement of bond proceeds and the correct fund from which issuance costs may be paid. These are as follows:

1. *New bond issue:* Proceeds are always placed in the Capital Projects Fund since this is the fund from which all planned capital expenditures will be made. Issuance costs are typically paid from the Capital Projects Fund where the bond proceeds have been placed but may, at the discretion of the district, be paid from the General Fund. Typical issuance costs include bonding attorney costs, costs of bond sales, registration fees, bond printing costs and other costs associated with issuing the bonds. (NOTE: Paying agent fees are paid from the Debt Service Fund.)

2. *Refunding bond issue*: Proceeds are actually placed in an escrow account but are accounted for in the Debt Service Fund from which expenditures to pay off existing debt will be made. Issuance costs are always paid from the General Fund. Typical issuance costs include bonding attorney costs, costs of bond sales, registration fees, bond printing costs, and other costs associated with issuing the bonds. (NOTE: Paying agent fees are paid from the Debt Service Fund.)

The journal entries associated with either type of bond issue are complex. Further complicating the issue of bonds is a combined issuance where a district issues new bonds along with a refunding of existing bonds. In this case, care must be taken to ensure the proper entries are made for each transaction individually. Section "A" below provides a series of entries typically used to record a new issue of bonds. Section "B" provides a series of entries typically used to record various types of bond refundings.

Section A. Issuance of New Bonds:
The following transactions address a typical new issue scenario but may not address every situation encountered. If questions arise, the district auditor may be a valuable resource in resolving a journal entry question.

Assumptions:

New Bonds Issued	$18,000,000.00
Discount on Bonds Sold *	$133,768.90
Premium on Bonds Sold *	$159,591.65
Accrued Interest	$2,744.30
Costs of Issuance	$259.257.02

* There will not always be a discount and a premium. Most issues have neither. Some have either a discount or premium. This example happens to have both a premium and a discount.

The transaction above should appear on the Annual Secretary of the Board Report (ASBR) as follows:
Part II--Revenue Summary in the **Capital Projects Fund:**

5610 Sale of Bonds	18,000,000.00

Part II--Revenue Summary in the **Debt Service Fund:**

5140 Earnings on Investments	2,744.30
5143 Premium on Bonds Sold – Interest Adjustment	159,591.65

Part III—Expenditures in the **Capital Projects Fund:**

5310-6631 Issuance Costs for Bonded Indebtedness (May also be made from the **Incidental Fund**)	259,257.02

Part III—Expenditures in the **Debt Service Fund:**

5240-6624 Discount on Bonds Sold – Interest Adjustment	133,768.90

Part IV Section 3, Long and Short Term Debt

8001 Balance, Beginning of Year	$0.00
8002 Amount Borrowed During Year	18,000,000.00
8003 Amount Repaid During Year	0.00 *
8004 Balance, End of Year	18,000,000.00 *
8005 Interest Paid During Year	0.00 *

* These may be different if the new bonds require a payment during the fiscal year in which the bonds are issued.

Detail of Part I, 3412, Restricted Fund Balance By Fund:

1004 Bond Proceeds (Capital Projects Fund)	18,000,000.00

This represents the unspent bond proceeds at the end of the fiscal year (the example assumes total proceeds are unspent at the end of the fiscal year). These funds are restricted for the purposes for which the bonds were issued.

ISSUANCE OF NEW BONDS – JOURNAL ENTRIES

Example A – New bonds sold at par, premium, or discount when there are sufficient funds in the Debt Service Fund. If there are not sufficient funds in the Debt Service Fund to pay the discount, see Example B.

	Account Number	DR	CR
General Long-term Debt Account Group:			
Amount to be provided for Payment of Bonds	1611	$18,000,000.00	
Amount Available for Payment of Accrued Int.	1630	2,744.30	
Bonds Payable	2711		$18,000,000.00
Accrued Bond Interest Payable	2142		2,744.30
Capital Projects Fund:			
To record the issuance of the bonds.			
Cash	1111	$18,000,000.00	
Sale of Bonds	5610		$18,000,000.00
To record the payment of bond issuance costs. (May also be paid from the **General Fund**)			
Bond Issuance Costs	5310-6631	$ 259,257.02	
Cash	1111		$ 259,257.02
Debt Service Fund:			
To record the amount of monies received for accrued interest upon issuance of the bonds.			
Cash	1111	$ 2,744.30	
Accrued Interest on Bonds Sold	5142		$ 2,744.30
To record the bond premium.			
Cash	1111	$ 159,591.65	
Premium on Bonds Sold – Int. Adj.	5143		$ 159,591.65
To record the bond discount. (If there are not sufficient funds in the Debt Service Fund, see Example B.)			
Discount on Bonds Sold – Int. Adj.	5240-6624	$ 133,768.90	
Cash	1111		$ 133,768.90

Example B – New bonds sold at a discount when there are not sufficient funds in the Debt Service Fund to cover the discount. All entries are the same as Scenario 1, except the following two.

	Account Number	DR	CR
Capital Projects Fund:			
To record the issuance of the bonds and the bond discount that is owed to the Capital Projects Fund.			
Cash	1111	$17,866,231.10	
Due From Debt Service Fund	1296	$ 133,768.90	
Sale of Bonds	5610		$18,000,000.00
Debt Service Fund:			
To record the bond discount and the amount that is owed to the Capital Projects Fund.			
Due to Capital Projects Fund	2187	$ 133,768.90	
Discount on Bonds Sold – Int. Adj.	5240-6624		$ 133,768.90

When the district receives tax revenue and can reimburse the Capital Projects Fund for the amount of the discount, the following transactions need to be made.

Capital Projects Fund:			
Cash	1111	$ 133,768.90	
Due from Debt Service Fund	1296		$ 18,000,000.00
Debt Service Fund:			
To record the bond discount and the amount that is owed to the Capital Projects Fund.			
Cash	1111	$ 133,768.90	
Due to Capital Projects Fund	2187		$ 133,768.90

Section B. Issuance of Refunding Bonds:

There are two types of debt refundings:
Current refundings -- The old bond issue is callable within 90 days of the issuance of the new issue and the proceeds of the new issue are used immediately to repay the old issue.

Advance refundings -- The old bond issue is not callable within 90 days of the issuance of the new issue. Advance refundings are further identified as either **defeased** or **crossover**.

Defeased -- The proceeds of the new issue are placed into an escrow account and used to pay all of the portion of the old issue being refunded (principal and interest) up to and including the call date. This results in a defeasance of the portion of the debt being refunded as the old issue becomes the responsibility of the escrow account trustee and the district begins paying on the new issue immediately. Therefore, the portion of the old issue that is defeased is removed from the district's financial statements and the money in the escrow account is not reflected in the district's financial statements. In some cases, the district may have to add additional monies to the escrow account from the Debt Service Fund in order for the escrow account to be able to satisfy all of the payments on the old issue. Often the purpose of this type of refunding is to restructure the district's debt payments.

Crossover -- The proceeds of the new issue are placed into an escrow account. However, unlike defeased bonds, the escrow account pays only the interest payments on the new issue and the district continues to make all of the payments on the old issue until the optional call date of the old bonds. This date is often referred to as the crossover date. Under this type of refunding, the payments to be made by the district will not change until the crossover date. From the date of the refunding to the crossover date, the district will continue making the payments on the old bonds. The old bonds will remain on the district's books due to the fact that these bonds have not been defeased. Consequently, both the new issue and the old issue would be reported in the district's financial records until the crossover date. At the crossover date, the old bonds become callable, which means the old issue is defeased and removed from the district's financial statements. The district then begins making payments on the new issue. The district will record the refunding bonds (new issue) as a liability or increase in bonds

outstanding. The securities purchased or assets acquired from the bond proceeds (escrow account) will be recorded as an increase in the district's Debt Service Fund, with the escrow amount shown as "restricted". Therefore, there is no net increase in total debt outstanding as the escrow account assets offset the increased liability of the refunding bonds. The ultimate effect of a crossover refunding is to reduce the bond payments (cash flow requirements) from the crossover date to the final maturity of the old issue.

Differences in Advanced Refundings:

	Defeasance	Crossover
The district:	Immediately begins making all payments that are required for the new issue.	Continues to pay all required payments of the old bonds until the crossover date. At the crossover date the district begins making payments on the new issue.
The escrow account:	Is fully funded so that it can make all required payments of the old issue.	Pays the interest payments on the new issue until the crossover date. At the crossover date the balance in the escrow account pays off the old bonds.
The debt of the district includes:	Only the new bonds. The old bonds are completely written off the district's books.	Both the new and the old bonds until the old bonds are paid off on the crossover date.
Accrued interest is sent to:	The district.	The escrow account.

The following examples may not exactly correspond with the documents the district receives during the bond issuance. Some bond underwriters will net the costs of issuance against the bond proceeds and send a check (wire transfer) for the net difference. The following information shows what the district needs to report on the Annual Secretary of the Board Report.

The only expenditure for "Other Fees" that may be paid from the Debt Service Fund is for paying agent fees. If the bond transaction is a **refunding of existing bonds**, other fees such as the bond attorney costs, costs of bond sales, registration fees, bond printing, and other costs associated with issuing bonds are paid from the **General (Incidental) Fund**, (RSMo 108-180 & 108-140.1, MO Const Article VI, Sect 29). Based on these statutory and constitutional provisions, it appears that a district **cannot** receipt refunded bond proceeds into the General Fund for the payment of issuance costs, or for any other reason.

EXAMPLE A: CURRENT OR DEFEASED REFUNDING OF BONDS – ASBR REPORTING

Assumptions:

New Issue	$3,090,000.00
Old Issue Balance	3,100,000.00
Amount of District Contribution	400,700.63
Accrued Interest (Paid to the district on defeasance)	10,493.12
Costs of Issuance	61,800.00

Two wire transfers may occur on the settlement date:

1) Accrued interest is sent to the district	10,493.12
2) Net proceeds from the new issue are sent to the escrow account (New issue minus costs of issuance)	3,028,200.00

The district then sends a check to the escrow account to fully defease the old issue:

$ 61,800.00	costs of issuance (from General Fund)[2]
+ 10,000.00	principal difference in the old and new issues (from Debt Service Fund)
+ 328,900.63	future interest payments (from Debt Service Fund)[1]
$ 400,700.63	Total District Contribution

The above transaction should appear on the Annual Secretary of the Board Report (ASBR) as shown below:

Part II--Revenue Summary in the **Debt Service Fund (Column 3)**

5690 Other Non-Current Revenue	3,090,000.00
5142 Accrued Interest	10,493.12

Part III-B—Expenditures

5110-6611 Principal – Debt Service Fund	3,100,000.00
5210-6621 Interest – Debt Service Fund	328,900.63[1]
5310-6631 Other Fees, etc. (Debt Service Fund for Paying Agent Fees **or** General Fund (III-A, B, and C) for all other fees per footnote 2)	61,800.00[2]

Part IV Section 3, Long and Short Term Debt

8001 Balance, Beginning of Year	3,100,000.00
8002 Amount Borrowed During Year	3,090,000.00
8003 Amount Repaid During Year	3,100,000.00
8004 Balance, End of Year	3,090,000.00
8005 Interest Paid During Year	328,900.63

The defeased bonds are no longer on the district's books. Line 8003 shows that bonds have been paid. The money in the escrow account is not listed in fund balances.

EXAMPLE A: CURRENT OR DEFEASED REFUNDING OF BONDS – JOURNAL ENTRIES

	Account Number	DR	CR
General Long-Term Debt Account Group:			
Amount to be Provided for Payment of Bonds	1611	$3,100,000.00	
Amount Available for Payment of Accrued Int.	1630	10,493.12	
Bonds Payable	2711		$3,100,000.00
Accrued Bond Interest Payable	2142		10,493.12
Debt Service Fund:			
To record the amount of monies received for accrued interest upon issuance of the bonds.			
Cash	1111	$ 10,493.12	
Accrued Interest on Bonds Sold	5142		$ 10,493.12
To record the issuance of the bonds			
Cash	1111	$3,090,000.00	
Other Noncurrent Sources— Sale of Refunding Bonds	5692		$3,090,000.00

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1 Calculation of 5210-6621 Interest:

New Issue	$3,090,000.00
Costs of Issuance	61,800.00
Net Amount Received from New Issue	3,028,200.00
Plus Amount of District Contribution	400,700.63
Minus Old Issue	(3,100,000.00)
Interest Expense	$ 328,900.63

2 The only expenditure for "Other Fees" that may be paid from the Debt Service Fund is for paying agent fees. Other fees such as the bond attorney costs, costs of bond sales, registration fees, bond printing, and other costs associated with issuing bonds are paid from the **General (Incidental) Fund** if the bond transaction is a **refunding of existing bonds**.

To record the payment of principal.

Bond Principal	5110-6611	$3,100,000.00	
Cash	1111		$3,100,000.00

To record the district contribution to the escrow account that is required to fund the future interest payments to fully defease the old bond issue.

Interest	5210-6621	$ 328,900.63	
Cash	1111		$ 328,900.63

General (Incidental) Fund:

To record the payment of bond issuance costs.

Bond Issuance Costs	5310-6631	$ 61,800.00	
Cash	1111		$ 61,800.00

EXAMPLE B: CROSSOVER REFUNDING OF BONDS – ASBR REPORTING

When a crossover refunding occurs, the district continues to make the bond principal and interest payments on the old issue and the escrow account pays the interest on the new issue until the crossover date. Therefore, it is necessary in this example to reflect two separate types of transactions – issuance of the refunding bonds and payments made on the old issue. The majority of crossover refundings are partial refundings of old bonds rather than a refunding of the full issue.

Assumptions:

First Transaction:

New Issue	$1,690,000.00
Balance Outstanding on Old Issue (including callable bonds of $1,690,000.00)	2,500,000.00
Accrued Interest (Paid to escrow account on crossover)	2,572.01
Costs of Issuance	33,800.00

There may be some instances where the district would need to add to the escrow account from the Debt Service Fund to make sure the escrow account can fully pay interest payments as they come due. Please consult with School Finance and your bond counsel if this should happen.

Second Transaction:

Current Year Payment on Old Issue	70,000.00
Interest Payment on Old Issue	111,155.00

The first transaction above should appear on the Annual Secretary of the Board Report (ASBR) as follows:

Part I --Detail of Part I 3412 Restricted Fund Balance of Debt Service Fund

1005 Escrow Account for Crossover Refunding	1,692,572.01

Part II--Revenue Summary in the **Debt Service Fund (Column 3)**

5690 Other Non-Current Revenue	1,690,000.00
5140 Earnings on Investments	2,572.01

Part III--Expenditures

5300-6630 Other Fees, etc. (Debt Service Fund for Paying Agent Fees **or** General Fund (III-A,B, and C) for all other fees per footnote 2 pg. 234)	33,800.00

The second transaction above should appear on the ASBR as follows:

Part III-B--Expenditures

5110-6611 Principal	70,000.00
5210-6621 Interest	111,155.00

The second transaction above should appear on the ASBR as follows:

Part III-B--Expenditures

5110-6611 Principal	70,000.00
5210-6621 Interest	111,155.00

The two transactions together should appear as follows:

Part IV Section 3, Long and Short Term Debt

8001 Balance, Beginning of Year	$2,500,000.00
8002 Amount Borrowed During Year	1,690,000.00
8003 Amount Repaid During Year	70,000.00
8004 Balance, End of Year	4,060,000.00
8005 Interest Paid During Year	111,155.00

Detail of Part I, 3412, Restricted Fund Balance By Fund

1005 Escrow Amount for Crossover Refunding (Debt Service Fund)	1,692,572.01

Escrow account interest income and interest expense.

The money in the escrow account will earn the same interest rate being charged for the bonds. The escrow account will receive interest income equal to interest expense for the bonds. This transaction should be reported on the ASBR as:

Part II--Revenue Summary in the **Debt Service Fund (Column 3)**

5140 Earnings on Investments	$84,500

Part III-B--Expenditures

5210-6621 Interest	$84,500

EXAMPLE B: CROSSOVER REFUNDING OF BONDS – JOURNAL ENTRIES

	Account Number	DR	CR
General Long-Term Debt Account Group:			
Amount to be Provided for Payment of Bonds	1611	$1,690,000.00	
Amount Available for Payment of Accrued Int.	1630	2,572.01	
Bonds Payable	2711		$1,690,000.00
Accrued Bond Interest Payable	2142		2,572.01
Debt Service Fund:			
To record the initial issuance of the refunding of the bonds.			
Escrowed Cash	1151	$1,690,000.00	
Other Noncurrent Sources— Proceeds of Refunding Bonds	5692		$1,690,000.00
Escrowed Cash	1151	2,572.01	
Accrued Interest on Bonds Sold	5142		2,572.01
General (Incidental) Fund:			
To record the payment of bond issuance costs.			
Bond Issuance Costs	5310-6631	$ 33,800.00	
Cash	1111		$ 33,800.00

XXIII. Advance Funding

The Advance Funding Program or Cash Flow Financing is a program offered through the Missouri School Boards Association that allows school districts anticipating cash flow problems during the fiscal year to utilize their ability to borrow against anticipated tax revenue (through tax and revenue anticipation notes). Often the yield on the borrowed funds, particularly that portion of borrowed funds not being used by the district, exceed the cost of borrowing and thus earn interest revenue for the district. For districts that do not earn interest revenue there may be some reduction in total borrowing costs.

After a district determines that a cash flow deficit will occur during the year, the district may borrow through the Advance Funding Program in anticipation of this possibility by issuing Tax and Revenue Anticipation Notes which are then purchased by the Health and Educational Facilities Authority of the State of Missouri (MOHEFA) in an amount equal to the estimated cash flow deficit plus the next month expenditure in that fund. This borrowed money is then invested by the program for a period up to 13 months when it is not being used by the district. These funds are "drawn down" by the district as needed and reinvested when revenues become available.

When a school district participates in the Advanced Funding Program some portion of the money is never actually received by that district. In order to properly account for this transaction, the liability "in total" will be recorded. The district will be provided with anticipated cash flow projections by the finance corporation but these are only projections. All recorded accounting entries such as "paybacks" (drawdowns on funds) will be the amount actually sent by the district to the financial institution. Investment earnings will be recorded from statements of actual earnings sent by the financial institution. Transactions are recorded in the fund for which the loan was made. *For this example, the projected amounts are used (the liability and costs listed on a cash flow analysis are actual data).*

Sample Projected Data:	Transaction Principal Amount:	$780,559.49
	Less Cost	- 11,344.49
	Net Proceeds	769,215.00

Date	Net Proceeds Received	(Drawdowns) Paybacks[1]	Transaction Repayment	Investment Earnings[2]	Investment Balance
01-Aug-94	$769,215.00	($169,215.00)	$0.00		$600,000.00
01-Sep-94	0.00	3,000.00	0.00	$4,167.21	607,167.21
01-Oct-94	0.00	3,700.00	0.00	4,080.96	614,948.17
01-Nov-94	0.00	4,000.00	0.00	4,271.03	623,219.21
01-Dec-94	0.00	3,099.00	0.00	4,188.85	630,507.05
01-Jan-95	0.00	155,416.00	0.00	4,379.10	790,302.15
01-Feb-95	0.00	(34,215.00)	0.00	5,503.97	761,591.12
01-Mar-95	0.00	5,000.00	0.00	4,790.72	771,381.84
01-Apr-95	0.00	10,000.00	0.00	5,372.20	786,754.04
01-May-95	0.00	9,000.00	0.00	5,302.51	801,056.55
01-Jun-95	0.00	9,000.00	0.00	5,578.87	815,635.42
30-Jun-95	0.00	0.00	817,602.20	5,313.92	0.00
01-Aug-95	0.00	0.00	0.00	0.00	0.00
TOTAL	$769,215.00		$817,602.20[3]	$52,949.34	

[1] Paybacks recorded will be the actual amount sent by the district to the financial institution

[2] Recorded from statements of actual earnings sent by the financial institution.

[3] Includes loan interest

Transaction Repayment by Fund Type:

Special Revenue (Teachers) Fund	$ 0.00
General (Incidental) Fund	$ 0.00
Capital Projects Fund	$ 817,602.20
TOTAL	$ 817,602.20

1. To record the liability and drawdown on the Advance Funding Program:

	A/C No.	DEBIT	CREDIT
Cash in Banks	1111	$169,215.00	
Other Investments-Advance Funding Program	1149	600,000.00	
Other Fees, etc.	5321	11,344.49	
Loans Payable	2121		$780,559.49

2. To record payback into investment balance (e.g. Sept)

	A/C NO.	DEBIT	CREDIT
Other Investments-Advance Funding Program	1149	3,000.00	
Cash	1111		3,000.00

3. To record investment earnings (e.g. Sept)

Other Investments-Advance Funding Program	1149	4,167.21	
Earnings on Investments	5141		4,167.21

4. To record repayment at end of agreement period (cash will be a credit item if a balance is due from the district).

Loans Payable	2121	780,559.49	
Interest	5221	37,042.71	
Cash in Banks	1111	3,347.13	
Other Investments-Advance Funding Program	1149		815,635.41
Earnings on Investments	5141		5,313.92

The following amounts would be reported on the **Annual Secretary of the Board Report (ASBR)**:

Part	Code	Description	Amount
II	5140	Earnings on Investments	$ 52,949.33
III-A	5200	Interest	37,042.71
III-A	5300	Other Fees, etc.	11,344.49
III-B	5200-6600	Interest	37,042.71
III-B	5300-6600	Other Fees, etc.	11,344.49
III-C	6620	Interest	37,042.71
III-C	6630	Other Fees, etc.	11,344.49
IV/3	8002	Col 3, Other Short Term Debt (Borrowed)	780,559.49
IV/3	8003	Col 3, Other Short Term Debt (Repaid)	780,559.49
IV/3	8005	Col 3, Other Short Term Debt (Interest paid)	37,042.71

XXIV. Transportation Receipt/Expenditure Coding

The manual entitled **Missouri State Transportation Aid Document Preparation Manual** published annually by the School Transportation Section provides detailed information about various aspects of school transportation. This document should be the primary source of information concerning school transportation issues. The accounting manual procedure below addresses only information pertaining to transportation revenue and expenditure coding. All other transportation related questions should be directed to the manual mentioned above or the School Transportation Section at (573) 751-2626.

The calculation of state transportation aid is based on the transportation application, school bus, and facility depreciation schedules, and the following fields from the **Annual Secretary of the Board Report (ASBR)**:

1.	Part II	5640, Sale of School Buses
2.	Part II	5840, Transportation Amounts Received from Other LEAs
3.	Part III-B	2551, Contracted Pupil Transportation, and/or 2552, District Owned Pupil Transportation
4.	Part III-B	2553, Contracted Handicapped Transportation, and/or 2554, District Owned Handicapped Transportation
5.	Part III-B	2555, Payments to Other Districts for Transportation
6.	Part III-C	6341, Contracted To and From
7.	Part III-C	6342, Other Contracted Pupil Transportation -- Non-Route
8.	Part III-C	6552, Pupil Transportation Vehicles (School Buses)

Annual Secretary of the Board Report (ASBR) data entries:

REVENUES

REVENUE DESCRIPTION	PART II, REVENUE CODE	REMARKS
State Aid, Transportation	5312	Placed in the General and Special Revenue Funds based on the ratio of the adjusted tax rate for that fund to the total adjusted tax rate for the two funds.
Sale of School Buses	5640	Capital Projects Fund
Transportation Amounts Received from Other LEAs - Amounts received from other districts as a part of an interdistrict contract or districts who receive funds from a fiscal agent acting on behalf of a Co-op such as Early Childhood Special Education (ECSE)	5840	Placed in the General Fund.

EXPENDITURES

NOTE: The line total of Part III-A for each function code must equal Part III-B, 6100-6600, TOTAL for the same function code. When you make corrections to the Annual Secretary of the Board Report (ASBR), Part III-A or III-B, remember to make the corresponding corrections to the other appropriate parts of the report (III-A, III-B and III-C).

SECTION: ACCOUNTING PROCEDURES

SUBJECT: TRANSPORTATION RECEIPT/EXPENDITURE CODING PROCEDURES **PROCEDURE NO: PRC-524**

DESCRIPTION	PART #	FUNCTION	OBJECT
Construction or renovation of facilities such as a bus barn or maintenance garage. When the total expenditure in a fiscal year is **$1,000.00 or more**, those facility costs must be added to the Facility Depreciation Form.	III-A III-B III-C	4000 4000	 6500 6521, 31, 41 as appropriate
When the total expenditure for the construction or renovation of facilities in a fiscal year is **less than $1,000.00**, those facility costs shall not be added to the Facility Depreciation Schedule.	III-A III-B III-C	2552 2552	 6500 6521, 31, 41 as appropriate
School bus lease purchase principal payments (paid between July 1 and June 30). *A lease purchase principal repayment recorded in any other manner could result in a loss of state transportation aid.*	III-A III-B III-C	2552 2552	 6500 6552
School bus lease purchase interest payments (paid between July 1 and June 30).	III-A III-B III-C	5200 5200	 6600 6620
Any vehicle purchase other than school buses, (even if used to transport students) is a non-allowable expenditure.	III-A III-B III-C	2558 2558	 6500 6541
Regular Transportation, Contracted.	III-A III-B III-C	2551 2551	 6300 6341
Regular Transportation, District Operated. There is no specific entry on Part III-C because expenditures for district owned transportation are included in their appropriate object (6150-6500).	III-A III-B	2552 2552	 as appropriate
Handicapped Transportation, Contracted	III-A III-B III-C	2553 2553	 6300 6341
Handicapped Transportation, District Operated There is no specific entry on Part III-C because expenditures for district owned transportation are included in their appropriate object (6150-6500).	III-A III-B	2554 2554	 as appropriate
Payments to another district for transportation.	III-A III-B III-C	2555 2555	 6300 6341
Other Contracted Pupil Transportation, Non Route	III-A III-B III-C	1100-1400 1100-1400	 6300 6342

DESCRIPTION, Continued	PART #	FUNCTION	OBJECT
Early Childhood Special Education (ECSE) District Operated. *The district should utilize a project number extension code in order to isolate ECSE program expenditures for reporting purposes*. There is no specific entry on Part III-C because these expenditures are included in their appropriate object (6150-6500). NOTE: Transportation of K-12, Handicapped on separate routes, must be reported separately from regular transportation costs and are coded as in this example.	III-A III-B	2554 2554	 as appropriate
Early Childhood Special Education (ECSE), Contracted and K-12, Handicapped - Contracted on approved separate routes.	III-A III-B III-C	2553 2553	 6300 6341
Administrative costs for contracted services are limited by 5 CSR 30-261.040 (1) (I) to five percent (5%) of the total contracted cost. The total amount for administrative services in the object codes for function 2551 cannot exceed 5% of the total transportation expenditures. There is no specific entry on Part III-C because these expenditures are included in their appropriate object (6150-6500).	III-A III-B	2551 2551	 as appropriate
Administrative costs for district operated are limited by 5 CSR 30-261.040 (1) (I) to five percent (5%) of the total district operated cost. The total amount for administrative services in the object codes for function 2552 cannot exceed 5% of the total transportation expenditures. There is no specific entry on Part III-C because these expenditures are included in their appropriate object (6150-6500).	III-A III-B	2552 2552	 as appropriate
Fuel Expenditures such as gasoline, propane or diesel.	III-A III-B III-C	2551, 52, 54 2551, 52, 54	 6400 6486
Video surveillance equipment is not an allowable cost.	III-A III-B III-C	2558 2558	 6500 6541

Expenditures associated with Non-route miles may be coded in one of two ways. See the **Missouri State Transportation Aid Document Preparation Manual**. Contact the School Transportation Section with specific questions at (573) 751-2626.

Expenditure coding procedures for Title I, Summer School can be found in the **Missouri State Transportation Aid Document Preparation Manual**. Contact the School Transportation Section with specific questions.

NOTE: Vehicle gas tax refunds should be applied as a credit to transportation supply expenditures in the year received as is indicated in PROCEDURE NO: REQ-103, Accounting Principles and Policies, Item "I", 2.

XXV. Missouri Direct Deposit Program

The Missouri Direct Deposit Program was established by Senate Bill 301 in 1995. The program is administered by the Missouri Health and Educational Facilities Authority (MOHEFA). It was designed as a credit enhancement mechanism for public school bonds by authorizing the direct deposit of a portion of a school district's state aid payments by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payment to the paying agent on the bonds.

The advantages in participating in the program include:

a. Higher rating on bonds resulting in an interest savings.

b. Costs of issuance may be reimbursed in whole or in part. (Costs of issuance include underwriters' fees and expenses, attorneys' fees, printing, paying agent fees, registration with state auditor, rating agency fees, and other similar costs. It includes the cost of obtaining bond insurance, subject to the requirement that the interest savings must exceed the cost of obtaining such insurance.)

The following types of bonds are eligible for this program:

a. Bonds to finance construction or renovation projects approved by the voters after January 1, 1995.

b. Bonds issued to refinance construction or renovation projects.

c. Bonds issued to refinance lease purchase obligations.

A participating district is required to levy the full amount in the Debt Service Fund to meet the principal and interest payments on the bonds as they come due. The district will be authorized to transfer from the Debt Service Fund to the operating funds where the state aid would otherwise have been deposited for an amount equal to the amount directly deposited to the trustee.

SENATE BILL 301 JOURNAL ENTRIES

The following are accounting procedures for direct deposit of state aid moneys to a direct deposit trustee to pay general obligation bonds in accordance with Senate Bill 301 (Sections 160.534, 164.303, 165.091, 166.275, 166.300, 360.015, 360.106, and 360.111 - 360.118, RSMo). Although directly deposited with a trustee, the district continues to be the legal owner of the funds. The district must ensure that the recording allows the direct deposit moneys to eventually be credited to the correct fund to enable proper reporting of state aid (Basic Formula money or other moneys if so diverted) in the General (Incidental) and Special Revenue (Teachers) Funds, where it will be reflected on the Annual Secretary of the Board Report and compared with the DESE payment file. Journal entries are also included to account for the payment of principal, interest, and fees, and to record any interest income earned on the direct deposit account.

PROCEDURE A - Recording Monthly State Aid Payment

Assumptions:
1. District receives $1,000,000/month in state foundation aid
2. Principal and interest escrow is $24,000/month and is directly deposited to a trustee

The following two journal entries are to record the monthly state aid payment of $1,000,000. The $976,000 ($1,000,000 - 24,000) received from DESE is recorded as usual in the General (Incidental) Fund while the

$24,000 is recorded as an escrowed cash receipt in the district's Debt Service Fund (the $24,000 is actually directly deposited to and held by a trustee and is not received by the district).

	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Cash in Banks	1111	976,000	
Revenues (state aid)	5311*		976,000
Debt Service Fund			
Escrowed Cash	1151	24,000	
Temporary Direct Deposit Revenues	5691		24,000

* Refer to the revenue transmittal sheet received with the monthly payment for additional state revenue codes that may be reduced to account for the entire amount of funds diverted.

The following two journal entries are to record the $24,000 payment from the Debt Service Fund regular cash account 1111 (district Debt Service Fund bank account) to the General (Incidental) Fund to reflect the remaining portion of the state aid in the General (Incidental) Fund under revenue code 5311. This entry effectively reverses the revenue recorded earlier in the Debt Service Fund to eliminate double recording of the $24,000 state aid revenues in both the Debt Service Fund and the General (Incidental) Fund.

Since the Debt Service Fund is required by statute to be in a separate bank account, the district will be required to institute a banking transfer from the Debt Service Fund bank account to the account containing the General (Incidental) Fund at this time for the $24,000. The following journal entries should be made when these transfers actually occur. It would be beneficial for the district to initiate and record these transfers on a monthly basis; therefore avoiding any confusion regarding the transfer of interest earned on these moneys (Option #1). However, if the school district will incur a deficit fund balance in the Debt Service Fund, then the school district would only transfer moneys when the funds are available. If all moneys are not available to be transferred to the General (Incidental) Fund then a liability will need to be established (Option #2). See related journal entries below.

Option #1 - Example assumes that the Debt Service Fund has a sufficient balance to make the transfer.

	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Cash in Banks	1111	24,000	
Revenues (state aid)	5311*		24,000
Debt Service Fund			
Temporary Direct Deposit Revenues	5691	24,000	
Cash in Banks	1111		24,000

Option #2 - Example assumes that the Debt Service Fund only has a balance of $17,000.

	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Cash in Banks	1111	17,000	
Due From Debt Service Fund	1296	7,000	
Revenues (state aid)	5311		24,000
Debt Service Fund			
Temporary Direct Deposit Revenues	5691	24,000	
Due to General (Incidental) Fund	2182		7,000
Cash in Banks	1111		17,000

At this point, the Debt Service Fund owes the General (Incidental) Fund $7,000. When sufficient current tax receipts have been placed into the Debt Service Fund to repay the Incidental Fund the following transaction must be made:

General (Incidental) Fund			
Cash in Banks	1111	7,000	
Due from Debt Service	1296		7,000
Debt Service Fund			
Due to General Fund	2182	7,000	
Cash in Banks	1111		7,000

PROCEDURE B - Recording Semi-Annual Payment of Principal, Interest, and Fees

Bond payments are due March 1 and September 1. Payment is made by the direct deposit trustee to the paying agent from the escrowed cash (recorded in the Debt Service Fund although physically held by the direct deposit trustee). When the payment is made, the district reduces the amount in the escrowed Debt Service balance by the amount of the payment to reflect the payment on the district's books. The following journal entry reflects the payment made after six months, by the direct deposit trustee, of the principal, interest, and agent fees, if any.

	A/C NO.	DEBIT	CREDIT
Debt Service Fund			
Principal Reduction	5111-6611	130,000	
Interest Expense	5211-6621	11,500	
(Agent) Fees	5311-6631	2,500	
Escrowed Cash	1151		144,000

PROCEDURE C - Recording Interest Earned on Direct Deposit Account

Moneys placed in direct deposit with the trustee ***may*** be placed in an interest bearing account by the trustee. The school district ***shall*** receive the earnings, or a credit for such earnings, for any amounts invested which are attributable to the district. The district would need to make **one** of the following entries to record the interest in the Debt Service Fund.

To record interest income of $8,250 received on the direct deposit moneys held by the trustee. (This entry would be made if the trustee actually made a payment to the district and the money would be deposited into the Debt Service Fund bank account.)

	A/C NO.	DEBIT	CREDIT
Debt Service Fund			
Cash in Banks	1111	8,250	
Earnings from Temporary Deposits	5141		8,250

To record interest income of $8,250 earned on direct deposit moneys. (In this instance, interest is credited to the district's trustee direct deposit account as opposed to a payment actually being made to the district.)

	A/C NO.	DEBIT	CREDIT
Debt Service Fund			
Escrowed Cash	1151	8,250	
Earnings from Temporary Deposits	5141		8,250

PROCEDURE D - Recording of Issuance Costs

Reimbursement of issuance costs:
The district should record the expenditures incurred with issuance costs when they occur in either the General (Incidental) Fund using the 6600 series of object codes or the Capital Projects Fund using the 6500 series of object codes. Assuming that the reimbursement of those costs by the MOHEFA will be made in the year following the expenditure, the reimbursement will be recorded as a Prior Period Adjustment (Revenue Code 5195). If the reimbursement is in the same year as the expenditure, then reverse the original expenditure journal entry. Districts involved in a refunding of prior debt may not receive a 100 percent reimbursement of issuance costs.

There are two bonded debt situations which may occur. One is to refund prior debt in order to receive a better/enhanced interest rate on the bonds issued. The other situation is to issue new debt in order to finance capital projects. Due to the different nature of the two situations, the related accounting procedures and journal entries have been documented below.

Situation 1: The following entry would be made initially to record payment of issuance costs in the *General (Incidental) Fund* when the district is involved in the refunding of debt:

	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Bond Issuance Costs	5310-6631	9,000	
Cash in Banks	1111		9,000

Situation 2: The following entry would be made initially to record payment of issuance costs in the *Capital Projects Fund* when the district is involved in a new issue of debt with plans for the moneys to be used for capital projects:

Capital Projects Fund			
Bond Issuance Costs	4030-6521	9,000	
Cash in Banks	1111		9,000

Since the reimbursement from the MOHEFA for all or a portion of these issuance costs will be received in the year following the expenditure, the following entry would be made for the actual amount of reimbursement received.

	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Cash in Banks	1111	9,000	
Prior Period Adjustment	5195		9,000

OR

Capital Projects Fund			
Cash in Banks	1111	9,000	
Prior Period Adjustment	5195		9,000

AUDIT REQUIREMENTS
AUD-600

Missouri Statute (Section 165.121, RSMo) states that "[t]he school board of each six-director district shall cause an audit examination to be made at least biennially of all financial, transportation and attendance records of the districts...." Included in this statutory provision is authorization for the State Board of Education, with approval of the State Auditor, to prescribe minimum regulations and report form for the biennial audit. Cost of the audit report shall be paid for out of the General (Incidental) Fund of the district.

Additional audit requirements were established by federal law in the Single Audit Act, passed by Congress in October 1984, and in the implementing regulations of Circular A-128, issued by the Office of Management and Budget (OMB) in April 1985. In 1996 amendments to the Single Audit Act were passed. Circular A-128 is superseded by OMB Circular A-133 and will be effective for the 1996-97 school audits. If the single audit requirements are applicable to the district, each audit performed must comply with federal requirements as well as state requirements.

A written audit report is to be submitted to the local education agency's governing board with allowance for sufficient time for such board to study and approve or disapprove the report prior to the established date that the report is to be received by the Department of Elementary and Secondary Education. The requirements of the audit report are summarized below.

I. Reporting Requirements

A. State Reporting Requirements

State reporting requirements for Missouri school districts are annotated in the Revised Statutes of Missouri (Section 165.121.3, RSMo) and the Missouri Code of State Regulations (5 CSR 30-4.030) and are summarized as follows:

1. General Purpose Financial Statements (GPFS)

Although the auditor may prepare or help prepare the financial statements of the district, these financial statements are solely the representation of the district's management. Although the auditor may advise as to which accounting principles should be applied to the financial statements and the method of application, the selection and method of application is a determination to be made solely by district management.

GPFS should contain the following Statements:

* Combined Balance Sheet;

* Combined Statement of Revenues, Expenditures and Changes in Fund Balances;

* Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual;

* Combined Statement of Revenues, Expenses and Changes in Equity (if district utilizes proprietary funds[1]);

* Combined Statement of Cash Flows (if district utilizes proprietary funds[1]);

[1] *Most Missouri school districts will not have any proprietary fund types.*

* Combining balance sheets and statements (if applicable, applies to districts with more than one fund of a given fund type); and

* Accompanying Notes to the Financial Statements.

2. Auditor's report on the financial statements which includes:

* a statement of the scope of the examination;

* specific reference to the audit being made in accordance with generally accepted auditing standards and Government Auditing Standards;

* the auditor's opinion as to whether the financial statements present fairly the results of the operations during the period audited;

* a statement that the financial statements were prepared in accordance with generally accepted accounting principles or a statement that the basis of presentation is a comprehensive basis of accounting other than generally accepted accounting principles; or in the event the auditor is unable to express an opinion on the two previous items, the reason(s) an opinion was not rendered.

3. Auditor's opinion as to whether the district's budgetary and disbursement procedures conform to state statutes (Chapter 67, RSMo).

4. Auditor's opinion as to whether the attendance and transportation records are so maintained in order to disclose accurately the average daily attendance and average daily transportation of pupils during the audit period. *(NOTE: The auditor is not certifying the accuracy of average daily attendance and average daily transportation reported, but rather the auditor is issuing an opinion as to whether the method and internal controls surrounding the collection of this data would support accurate figures.)*

5. Schedule of Selected Statistics as specified annually by the Missouri Department of Elementary and Secondary Education (DESE). (Prior to year end each district will be sent a copy of the current Schedule with the monthly School Finance Section memo.)

6. The following Supplemental Schedules are not required by law at this time; however, they are strongly suggested by the DESE:

* Schedule of Revenues Collected by Source;

* Schedule of Expenditures by Object;

* Schedule of Transportation Costs Eligible for State Aid; and

* Schedule of State Financial Assistance.

B. Federal Reporting Requirements

Districts' audits conducted in accordance with the Federal Single Audit Act (districts with total federal expenditures which equal or exceed $300,000) will be expected to include reports and schedules as required by OMB Circular A-133.

II. Audit Report Filing Requirements

A. State Filing Requirements (Section 165.121.4-.5, RSMo, and 5 CSR 30-4.030 (6))

The audit report, the management letter, and the district's *Corrective Action Plan*, if applicable, shall be filed with the DESE in accordance with 5 CSR 30-4.030 **DESE Audit Policy and Requirements**. It is the school district's responsibility to mail the audit report to the DESE.

1. The audit and accompanying information noted above shall be filed with the Department of Elementary and Secondary Education, School Finance Section by October 31 of each odd-numbered year. Although this is a biennial audit requirement; districts may choose to have an annual audit performed.

   a. Local education agencies are advised that the due date for filing the annual audit report with the Department of Elementary and Secondary Education is prescribed by law. Officials of the Department of Elementary and Secondary Education are authorized to extend the date 60 days, if a proper request is received from the school district, at which time the report must be filed. **A request for the 60 day extension must be made in writing to:**

      Director, School Finance
      Department of Elementary and Secondary Education
      PO Box 480
      Jefferson City, MO 65102-0480

   b. In the event the properly prepared audit report is not received by the Department of Elementary and Secondary Education by the October 31 due date and the district is not granted the 60 day extension, the School Finance Section shall bring this to the attention of the Director of School Finance who shall notify the school district. **If the report is still not submitted as a result of such notification by the Director of School Finance, further state aid to the district shall be withheld** until the audit report has been received by the DESE.

2. Within 30 days of the receipt of the audit report, the school board shall cause a summary of the report to be prepared which shall include the following:

   * a summary statement of fund balances and receipts and disbursements by major classifications;

   * a summary statement of the scope of the audit examination;

   * the auditor's opinion on the financial statements included in the audit report; and

* information as to where the audit report is available for inspection and examination.

Upon completion of the summary, it shall be published in accordance with Section 165.121.5(3), RSMo.

B. Federal Filing Requirements (OMB Circular A-133)

1. School districts that expend less than $300,000 in federal funds (in total, not per program) have no **federal** filing requirements. School districts required to have a Single Audit pursuant to OMB Circular A-133 (those having $300,000 or more in federal expenditures) have specific filing requirements. These districts must file a complete reporting package and a data collection form with the Federal Audit Clearinghouse within the earlier of 30 days from receipt of the auditor's report or nine months after the end of the audit period.

2. The reporting package consists of the complete audit (financial statements and auditor's reports), and as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. The reporting package is also required to be submitted to pass-through entities under certain circumstances. The reporting package should always be submitted to the DESE, School Finance Section.

The Single Audit reporting package should be mailed to:

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132.

3. The audit report shall be made available by the school district for public inspection within 30 days after the completion of the audit.

III. Review of Audit Reports

A. Department of Elementary and Secondary Education Responsibilities

Audit reports submitted to the Department of Elementary and Secondary Education shall be received and accounted for by the School Finance Section.

1. The Commissioner of Education shall have access to all records of the local education agency as he/she may deem appropriate for the review and analysis of audit reports.

2. Audit reports will be reviewed by the Auditor, School Finance Section, for compliance with federal and state requirements. In an instance where a submitted audit report is not prepared in accordance with state and federal requirements, the school district and/or the independent auditor shall be notified and a corrected report or an explanation shall be requested.

a. School district officials will be expected to respond with clarifying information and, as appropriate, correct data or a corrected audit report issued by the independent

auditor conducting the original audit **within 30 days of notification** from DESE.

b. If such corrected report or explanation is not submitted within a reasonable time of the request, the Department of Elementary and Secondary Education shall take the necessary actions to withhold funds as described in II.A.1.b. above.

c. If an audit report reflects that penal laws have been violated, the Commissioner of Education shall address such information to the appropriate county or district attorney and to the Attorney General of Missouri.

B. State Auditor's Office

1. Programs under the jurisdiction of the Department of Elementary and Secondary Education are subject to audit review by the State Auditor. This review is not considered a full audit of the overall operation of each local education agency as is required biennially at local expense by Section 165.121, RSMo, or of those enterprise funds that are local in nature. This audit review is usually for programs operated by local education agencies for designated purposes that require special fund appropriations and/or separate accountability for the purpose of determining allocations such as transportation formula, basic formula, etc. This is not to imply that the Commissioner of Education, through the services of the State Auditor, will not examine records necessary for biennial audit review and other purposes necessary for executing his/her lawful duties.

2. State Auditor audits shall be made of applicable programs on the basis of:

a. Request by a petition signed by the requisite number of qualified voters of the school district;

b. Appropriate direction of executive, legislative, or judicial entity; or

c. Appropriate request by a local education agency, Department of Elementary and Secondary Education, or other appropriate governmental agency administrator.

The following information is provided as a guide to other areas regarding the audit process. This information is not intended to be all inclusive, but rather general information regarding the audit procurement process, preparation for the audit, the completion of the audit, audit follow-up, and release of audit information.

I. Procuring the Audit

An effective audit can improve management operations and yield significant dollar savings. Furthermore, taking steps to ensure a quality audit can help avoid wasting school district dollars on a substandard audit.

A. Hiring the auditor

Since certain federal and state requirements, relating to areas such as attendance and food service, require the auditor to perform tests of compliance while school is in session, it is advisable to hire the auditor before the end of the school year. Failing to do so may cause a limitation on the scope of the audit work to be performed.

B. Requirements of the Auditor

Audits conducted in accordance with Government Auditing Standards (GAS) require the auditor to possess the following:

* Experience with audits of similar entities (i.e., other school districts, governmental work in general) (GAS 3.4);

* Compliance with applicable continuing professional education requirements (GAS 3.6); and

* Compliance with applicable requirements for peer review (GAS 3.33).
The board of education, as the party contracting for the audit, has the right to review the auditor's most recent external quality control review report (GAS 3.36).

C. Bid Solicitation Frequency

It is important to note that generally, a school district cannot obligate future boards. Therefore, although a multiyear agreement may present certain cost savings, due to the auditor's familiarity with the district, the district is limited in its commitment to two years.

A change in auditor and regular solicitation of bids, in addition to fostering competition, may provide a fresh perspective on the audit which could yield significant cost savings through innovative audit recommendations.

It is up to the board of education to establish a policy regarding how often the annual or biennial audit will be bid.

D. Request For Proposal (RFP)

The following information is paraphrased from two handbooks:

* "How to Avoid a Substandard Audit: Suggestions for Procuring an Audit," July 1988 (prepared by the National Intergovernmental Audit Forum); and

?

* "Guidelines for Preparation of Requests for Audit Proposals," March 1986 (prepared by the Western Intergovernmental Audit Forum).

Although these guidelines are intended for a formal written request for proposal, they may also be applied when a less formal means of bidding is used.

1. Information provided to auditor for basis of bidding

Auditors should be provided with enough information to provide the bidders with a common basis by which to prepare their proposals. The following items should be included in the information supplied to the auditor from which you are requesting a bid:

* Description of the school district and the records to be audited;

* Nature of the services required (i.e., Single Audit, State requirements, etc.);

* Mandatory qualifications of the auditor;

* Exit conference requirements (V. below);

* Assistance available to proposers (what services will the administrative staff provide to the auditor during the engagement);

* Audit Opinions/Reports required (state and federal requirements);

* Time frame for the work to be performed;

* Basis by which the proposals will be judged;

* Total cost for the engagement; and

* Require that the auditor prepares the proposal in a standard way so that the review process may be expedited.

Other items to consider are noted in the listing of Engagement Letter items (II.A. below). Since these items are the same, if a written RFP is used, the engagement letter may refer to the terms of the RFP and those of the successful bidder's last proposal rather than repeating the information.

2. Evaluation of proposals

Developing a systematic procedure for evaluating the CPA's qualifications is essential. Although price is important, **technical qualifications should be a criterion** in selecting an auditor. The school district will be more likely to get a high quality audit for a fair price if both price and technical ability are taken into account in selecting the successful bidder. Proposals should be considered based on mandatory criteria first; proposals should not be considered for further evaluation unless they meet all of the mandatory criteria. (See I.B., "Requirements of the Auditor", for a partial listing of what should be included as mandatory criteria.)

II. Establishing the Terms of the Audit Engagement

The auditor conducts the audit for the board of education, not for the administrative staff, and the selection of the auditor rests with this body. It is imperative that a clear understanding of the audit requirements is reached between the board and the auditor. The relationship between the auditor and the local education agency is one of personal service and should properly be handled on a contractual basis. The contractual arrangement can be documented by a formal contract or, for most school districts, more commonly takes the form of an engagement letter.

A. The Engagement Letter

An engagement letter is typically written by the auditor to the board of education on the auditor's letterhead and defines the purpose, terms, nature and limitations of the audit. The engagement letter is signed by the auditor and the board of education. The board representatives' signature on the letter indicates that the engagement letter accurately summarizes the terms of the audit engagement. Therefore, if the school district feels that the engagement letter needs additional information for clarity, it can and should request the additional language be added to the engagement letter before signing the agreement. The following are *suggested* items that may be included in an engagement letter - the actual content of the letter will be determined by the auditor and the board:

* Addressee - The Board of Education;

* Identification of financial statements to be audited;

* Period covered - which fiscal year or project period for what fund or component program;

* Services to be provided - reference should be made to the Single Audit Act and OMB Circular A-133 (if applicable); Government Auditing Standards (The Yellow Book); and state statutes and regulations (as discussed in PROCEDURE NO: AUD-601, Audit Requirements);

* Terminology - auditing terms should be explained in non-technical language to ensure adequate understanding by all parties;

* Inherent audit limitations - The nature and extent of the auditor's responsibilities should be disclosed. This would include language regarding what the auditor is not responsible for and what the audit will not detect;

* Acceptance of responsibility for the financial statements - acknowledgment by the district that it retains responsibility for the financial statements and supporting records;

* Reportable conditions - acknowledgment that any significant deficiencies in the design or operation of the internal control structure ("reportable conditions") that the auditor becomes aware of are required to be reported;

* Channels to report irregularities such as fraud or embezzlement;

* Other services to be performed by the auditor which are considered outside the scope of the audit;

* Identification of services that the district's administrative staff will provide to the auditor during the audit - i.e., pulling invoices, preparing cash and other audit confirmations;

* Restrictions - where the auditor must work, whether the auditor will be allowed to remove original documents from the premises (consider that the district's personnel may have need to access these documents to address questions from the DESE);

* Access to working papers and retention of working papers;

* Timing - agreed upon dates to begin and complete the audit (keep in mind the regulatory deadlines);

* Number of copies of the audit report to be produced and how they are to be distributed. (This is a good opportunity to discuss responsibility for filing reports with regulatory agencies as discussed in PROCEDURE NO: AUD-601, Audit Requirements.);

* Fees for services - agreed upon fees or fee ranges for audit services and other services as agreed upon in the engagement letter, as well as how additional work requests (that are not considered part of the engagement) that may come up during the course of the audit will be handled. Payment terms and time of payment may also be discussed here;

* Withdrawal from the engagement - reasons that the auditor would withdraw from the engagement;

* Auditor's opinions - a description of the various reports to be delivered; and

* Assurances from the auditor regarding the following qualifications:
    * The auditor is a Certified Public Accountant in good standing with the Missouri State Board of Accountancy.
    * The auditor shall comply with generally accepted auditing standards and the Code of Professional Ethics of the AICPA.
    * The auditor complies with applicable requirements for peer review and continuing professional education.

III. Preparing for the audit

The audit is a methodical examination of the utilization of resources and concludes with a public report of the findings disclosed in the audit report. The audit primarily determines whether necessary controls are both available and being used, whether there has been proper stewardship of assets, and whether transactions have been legally performed. The auditor will not examine every transaction upon which the summary financial statements are based, therefore, the accuracy of the financial statements rests with the district's management.

A. Suggested Materials Listing

Preparation for the audit should begin with the preparation and adoption of the budget and continue throughout the year. Having items readily available for the auditor upon arrival will contribute to a more productive audit for everyone involved. The following listing includes items

that the auditor may need to perform the audit. The list is not intended to be exhaustive; the auditor may provide the school district with his/her own listing prior to arrival.

* a trial balance;

* copies of financial statements;

* a copy of each budget and amendments, as adopted;

* the resolutions showing board approval on actions concerning any fund should be available particularly regarding interfund transfers and amendments to fund balances;

* a copy of the minutes of each board meeting;

* an organizational chart showing the lines of responsibility;

* a copy of the district document flow chart (the complete history of a transaction from its origination to its final disposition);

* the monthly bank reconciliation's for each bank account;

* a list of the district's depositories and their addresses, including bank account numbers and account names in each depository;

* a listing of the district's investments by fund transaction including details for the year (the auditor may wish to examine investment documents, e.g. certificates of deposit, still in the district's possession.);

* a list of accounts payable at June 30;

* a schedule of insurance including names of companies, type of coverage, inclusive dates of the policies, and total cost per policy;

* the reconciliation of payroll and related items such as payroll taxes and retirement deductions;

* new bond issues approved and detail of any bond sales consummated, teacher contracts, leave schedules, and lease agreements;

* the records required for developing the audit report schedules;

* a copy of the prior year audit report;

* a yearly inventory of certain fixed assets should be accomplished. (Ask the auditor to review the district's procedures, provide the auditor with necessary information on costs and provide a copy of the district's inventory.) Be prepared to include the auditor on a portion of the physical examination and verification of the fixed assets annual inventory;

* copies of contracts and legal publications should be maintained for each fund;

* canceled (paid) coupons and/or cremation certificates as well as a list of those coupons due but not presented for payment should be available (Keep the accounts for refunded bonds, and related escrow funds, in a separate package.);

* all records and documents pertaining to food service operations, which would include participation data; income and expense information; free and reduced meal eligibility documentation; menu/food preparation documents; and inventory records;

* any "contingent liabilities" such as lawsuits pending or claims should be known and the auditor shall have access to and copies of attorneys' letters regarding these matters; and

* special note should be made if a district estimated eligible pupils (EP) for the basic formula payment calculation and the estimated EP was greater than the actual EP for that school year. The deduction and possible penalty expected in the following school years' basic formula payment should be computed and reported.

IV. Management Representation Letter

Auditing standards (SAS 19 and SAS 68) require the auditor to obtain written representations from responsible client officials regarding oral representations of specific matters discussed with the auditor during the audit as well as acknowledgment of primary responsibility for the accuracy of the financial statements. Other items specific to a school district engagement include representations regarding: proper classification of funds and account groups; identification of all federal assistance programs; compliance with budget statutes, grant requirements, and other laws and regulations applicable to the district; and proper approval of restrictions or designations of fund equities. (This list is not all inclusive.) In many client/auditor relationships, a management representation letter is utilized to meet this requirement.

Refusal by the district to furnish such written representations is considered a limitation on the scope of the engagement sufficient to cause an unqualified opinion. (SAS 19)

V. Exit Conference

In addition to the formal written document, the audit, an informal presentation may be made in advance of completion of this document. This is commonly known as the exit conference. It involves the school board and members of the administrative staff. An exit conference is not required; if the board desires such a conference it should notify the auditor beforehand and include it as part of the required deliverables of the audit. Notification of the exit conference shall be transmitted through the secretary of the board of education.

The exit conference often results in modification of attitudes on certain subjects for all parties concerned. Some time after the exit conference and usually coincident to the presentation of the formal audit, the auditor transmits the management letter to the Board of Education and Superintendent.

VI. Management Letter

The management letter may contain but is not limited to the following items:

* A presentation of findings and conclusions stated objectively and in language as clear and simple as the subject matter permits;

* The inclusion of factual information, findings, and conclusions that are adequately supported by enough evidence in the auditor's working papers to demonstrate or prove, if and when called upon, the basis for the matters reported and their correctness and reasonableness. Detailed supporting information is to be included in the letter to the extent necessary to make a convincing presentation;

* Includes, when possible, the auditor's recommendations for actions to effect improvements in problem areas noted in the audit and to otherwise make improvements in operations. Information on underlying causes of problems reported should be included to assist in implementing or devising corrective actions;

* Places primary emphasis on improvement rather than on criticism of the past; critical comments should be presented in balanced perspective, recognizing any unusual difficulties of circumstances faced by the operating officials concerned;

* Identifies and explains issues and questions needing further study and consideration by the auditor or others;

* Includes recognition of noteworthy accomplishments, particularly when management improvements in one program or activity may be applicable elsewhere; and

* Includes recognition of the views of responsible officials of the organization program, function, or activity audited toward the auditor's findings, conclusions, and recommendations. Except where the possibility of fraud or other compelling reasons may require different treatment, the auditor's tentative findings and conclusions are to be reviewed with such officials. When possible, without undue delay, their views should be obtained in writing and objectively considered and presented in preparing the final report.

VII. Accounting Principles

Although the auditor may advise as to which accounting principles should be applied to the financial statements and the method of application, the selection and method of application is a determination to be made solely by district management. Missouri Statutes, Missouri Regulations nor the DESE does not prescribe a method of accounting (i.e., cash basis, accrual, or modified accrual). Districts are encouraged to select the method that will suit the business needs and the needs of the administration and board of education.

VIII. Release of Audit Information by the Department of Elementary and Secondary Education

Information appearing in audit reports filed with the Department of Elementary and Secondary Education is public information and is to be released to any citizen on demand whenever:

* The required annual audit report has been reviewed by the local education agency's governing board;

* An audit performed by the State Auditor's Office has been submitted to the Department of Elementary and Secondary Education, and a copy of the audit report has been transmitted to the administrator or governing board of the local education agency concerned; and

* All legal provisions have been adhered to by the citizen requesting the audit information.

SAMPLE REQUEST FOR PROPOSAL (RFP)

To Whom it May Concern:

The _____ School District is inviting you to submit an audit proposal for conducting its 19XX-XX audit. Included you will find district information and proposal specifications to assist you in developing your proposal.

All proposals, to be considered, mu st be received by _____ (date) and should be sent to:

(Board of Education Designated Individual, Title)
(Name) School District
(School District Mailing Address)
(Town), MO (zip code +)

All proposals which are received become a part of the district's file and there is no obligation by the District to accept any proposal. Following the review of the proposals, the district may request that certain audit firms be present for interviews, which will be scheduled at mutually agreeable times between the dates of _____ and _____.

You are invited to submit a bid for each of the next three years; however, the initial contract will be for one year with the District having the option to renew the following years. The contract will be awarded _____ (date).

We look forward to receiving your proposal. If there is additional information needed, please contact us.

Sincerely,

Superintendent

Enclosure

SAMPLE

AUDIT PROPOSAL INFORMATION

School District Information

1. The _____ School District has a student population of about _____, approximately _____ employees, and budgeted expenditures of $_____ million.

2. The District maintains ____ bank accounts, a clearing account, a money market account, a payroll account and an accounts payable account. These are in addition to small petty cash accounts.

3. The District's financial accounting and payroll are computerized on a _____ system with a program developed by _____.

4. The District has maintained all funds on the (indicate cash or modified accrual) _____ method of accounting.

5. Financial reports for all funds are prepared monthly.

6. Examination to be made for the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the US General Accounting Office; the Single Audit Act of 1996; the provisions of OMB Circular A-133, Audits of State and Local Governments; and provisions of laws and regulations of the State of Missouri.

7. Other - Other items as specified by the district.

Assistance Available to Proposer

1. _____ prepared the audit for fiscal year ending _____.

2. Accounting department personnel will be available to reproduce documents, pull documents, prepare schedules, type confirmations, or assist in other ways as time permits.

Selection Process

The qualifications of the firms submitting proposals will be reviewed by the District's Board of Education.

INFORMATION TO BE SUBMITTED WITH PROPOSALS

Table of Contents

Include a clear identification of the material by section and by page number.

Scope Section

Clearly describe the scope of the required services to be provided. Assuming that the requested services include both an examination of financial statements and a compliance examination for certain federal or state funds, define the scope of services to be provided in those terms.

Identify the supervisors and staff who will work on the audit, including those from other than the local office. Resumes for management and supervisory personnel to be assigned to the audit should be included, and specific governmental experience should be indicated.

Audit Approach

Clearly describe your firm's approach to conducting the examination.

Profile of the Firm

1. State whether your firm is local, national, or international.

2. State whether your firm has a current permit to practice issued by the Missouri State Board of Accountancy.

3. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, and other professional staff employed at that office.

4. Describe the range of activities performed by the local office in the governmental area such as audit, accounting or management services.

5. Briefly describe your firm's quality control policies and procedures. State whether or not those policies and procedures are subjected to the professional's "peer review" program to provide for an independent review of its effectiveness.

Governmental Experience

Describe recent local office auditing experience similar to the type of audit requested and give the name and telephone numbers of client officials responsible for those audits listed.

Additional Data

Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, etc. Publications of your firm, such as directories, articles, and list of clients, may be included but should not be voluminous.

Fees

Proposals that are submitted in response to this letter should include a "not-to-exceed" fee of what the firm would charge to perform the District's audit in a separate sealed envelope attached to the first copy of the qualifications section and identified as "Cost Data".

Although the District cannot bind future governing bodies, it is anticipated that the firm selected to serve as the District's auditor will be retained for a _____ year period with annual evaluations made of its service.

If the firm desires to present its qualifications, please submit four copies to the district by _____(date). If the firm desires any additional information or clarifications, or would like to visit the District to review District financial records before preparing your proposal, please feel free to contact _____ at _____.

It should be understood that the District reserves the right to reject any and all proposals submitted and to request additional information. Furthermore, the professional accounting services purchased will be from the firm which, in the opinion of the District, is the best qualified.

SAMPLE

RFP EVALUATION CRITERIA

Proposals will be evaluated by the district administration and members of the Board of Education, and will be rated as follows:

1. Demonstrated experience and expertise in municipal auditing, accounting and financial affairs. 35%;
2. Past performance on similar audits. 20%;
3. Capability of the firm to complete the work within the required time frame. 15%;
4. Amount of fee on a not-to-exceed basis. 15%;
5. Completeness and quality of the proposal. 5%;
6. Proximity to or familiarity with the district. 5%; and
7. Capacity to offer professional services of interest to the district beyond audit work. 5%.

FEDERAL PROGRAM ACCOUNTING

FPA-800

I. Federal Program Accounting Characteristics

With increasing amounts of state and federal financial support of public education, it has become very important that the accounting system be designed to assure compliance with the laws and regulations related to funding for the various purposes designated. Common sense would indicate that such an accounting system should be integral to a school district's overall accounting system rather than "a separate set of books" as is all too often the case. To this end, there are included some reporting forms and accounting examples which accomplish federal reporting requirements and at the same time fit within the state statutory fund system.

A. Two critical elements in federal project accounting are the beginning and ending dates of the projects. In fact, even the project number assigned reflects the importance of the dating by its inclusion in the numeric sequence. This is important for the following reasons:

1. The project period for a program may or may not coincide with the state or federal fiscal year (July 1 to June 30 or October 1 to September 30, respectively). Additionally, the project period may overlap two or more state or federal fiscal years. Also, two or more projects from the same program may be operating simultaneously.

2. The funding period for some federally supported programs may include a "carryover" provision in which allocations of funds that are unused during the project period may be used for approved purposes during a subsequent period.

3. The application, budget, and program forms must be approved prior to expenditure transactions by the LEA. If a subsequent audit reveals expenditures charged against the project dated prior to the approval date, such expenditures will be disallowed by the Missouri Department of Elementary and Secondary Education (Department) for project reimbursement. Similarly, encumbrances may not be incurred to the project subsequent to the ending date of the project.

Managers of restricted state and federal programs who use this manual should be informed concerning the specialized vocabulary used in the regulation of these programs. Terms included in the glossary of this manual (Appendix A) which have particular significance for programs financially supported by state or federally funded restricted grants-in-aid are:

Allocation	Fiscal Agent
Allowable Cost	Indirect Cost
Ancillary	Maintenance of Effort
Approved Expenditures	Obligations
Commingle	Related Services
Discretionary Grant	Restricted Grants-In-Aid
Entitlement Grant	Supplant
Equipment	Supplement
Excess Cost	Supplies
Fair Market Value	Unrestricted Grants-In-Aid

B. Project Budgets

The project budget is one means of assuring that funds will be expended to accomplish specific objectives. Both the Department and the LEA view the budget as a control instrument and a benchmark against which to compare expenditure transactions each month or quarter.

Since the budget for a project plays such an important role, it is necessary that the LEA follow these steps:

1. Applications and the project budget must be approved by the Missouri Department of Elementary and Secondary Education or in some cases by the US Department of Education. Such budgets may be amended from time to time and submitted to these agencies for approval. In no event shall transactions covered by the proposed amendment be made until approval of the amendment is received by the LEA.

2. Encumbrances or expenditures may not exceed line item amounts in the approved budget and/or amendments except where regulations permit, and under no circumstances shall total encumbrances and expenditures exceed the total amount of the project budget.

C. Project Expenditures

The key to successful project accounting is the avoidance of commingling funds. The method used involves a source of funds code on all transactions for a particular project. Yet the transactions remain within the statutory funds to satisfy state reporting requirements. The following points must be observed in accounting for project expenditures:

1. Federal project monies are always used for designated purposes, and program funds must be used only for those purposes.

2. Expenditures may not be made from project funds by an LEA until such goods or services have been received. Evidence must be on file indicating that this requirement has been met.

3. Amounts may not be expended from project funds on an arbitrary basis. Costs must be supported by requisitions, itemized invoices or other acceptable itemized documents showing purposes and amounts. Monies may not be transferred from project funds to general operating funds simply because the funds have been budgeted.

4. Capital outlay expenditures from project funds must be accounted for in accordance with PROCEDURE NO: PRC-513: Capital Expenditures and Accounting for Fixed Assets. An inventory record showing at least the information illustrated in the accession ledger as indicated in PRC-513 must be maintained for project fixed assets.

D. Audit and Other Project Requirements

Accounting is always on a project basis and a schedule of revenues and expenditures is required to be submitted separately for each program or project. The biennial audit report must (eventually) cover the entire period of project operations. For example, if a project is approved for operation from July 1 through June 30, and there is a provision allowing encumbrance liquidation through

November 30, the final audit report (the second annual district fiscal year audit) would report all project financial transactions during that period.

II. Project Reporting

The LEA is required to report summaries of financial transactions to the Department. These reports may be quarterly, semi-annually, or annually in accordance with project requirements. These reports often serve to complement payments made on an advance basis by the Department to insure that the project is functioning and off to a good fiscal start. The final payment to the school district is based upon the Department's receipt and approval of the final report.

The auditor and Department personnel shall have access to the following information concerning a federal project.

Evidentiary material supporting the journals and ledgers must be preserved at least five years or until such time as when all audit exceptions are resolved. Such evidence should include but is not necessarily limited to:

1. Salary Records:

   a. Employment contracts

   b. Service records supporting years of experience

   c. College transcripts supporting degrees and teaching fields

   d. Individual earnings records - master file - and payroll journal presented in such a manner as to identify amounts paid from specific projects

   e. Required certificates, permits, or licenses

   f. Schedules, itineraries, or job descriptions

   g. Time and effort records

2. Other fiscal evidence:

   a. Purchase orders and contracts

   b. Itemized invoices, receipts, and statements

   c. Receiving reports signed by responsible district personnel

   d. Travel claims

3. Bank Records:

   a. Statements

   b. Deposit slips

   c. Canceled checks

   d. Debit and credit memos

I. Federal Project Accounting Methods

The source of funds codes are listed in PROCEDURE NO: CDE-409, Project Code Descriptions. The unique property of this particular code element is that it is to be attached to both revenue, expenditure, and general ledger account codes. Some users have mistakenly assumed that the project code applies only to expenditures.

By sorting the source of funds code, grant status may be determined across statutory funds, fiscal years and general ledger accounts. With minor adaptations, a balance sheet for a specific project may be constructed even though this is not a current requirement. This does, however, demonstrate that commingling of funds has not occurred. In addition to this reporting capability, the source of funds code can be used as a sort key to produce a schedule of revenue realized and unexpended budget balance.

According to the size of the district and management's desire for information accessibility, systems will be found ranging from hand-posted to pin-bar to bookkeeping machines to computers. Each such system will vary somewhat in data entry and report generation features. However, the end-reporting results of financial operations should be the same. Keeping this in mind, the following hand-posted examp les are offered as a guide to project accounting.

The school district receives approval of a Title I, ESEA, project involving $70,000. The district has on file with the Department of Elementary and Secondary Education an approved Indirect Cost Rate of 1.18%. The approved budget for this project is detailed below.

Approved Budget for Expenditures

Teachers' Salaries	207	1250	6111	51	$45,470
Teacher's Aides' Salaries	127	1250	6151	51	13,400
Teachers' Retirement	127	1250	6211	51	4,547
Non-Teacher Retirement	127	1250	6221	51	536
OASDI (Social Security) & Medicare	127	1250	6231/32	51	1,006
Classroom Rental	127	1250	6333	51	1,200
Supplies	127	1250	6411	51	2,759
Capital Outlay	427	1250	6541	51	269
					69,187

Approved Budget for Revenues

Title I, General Fund	127		5451	51	$23,448
Title I, Special Revenue Fund	127		5451	51	45,470
Title I, Capital Projects Fund	427		5451	51	269
Title I, Indirect	127		5451	00	813
					70,000

Note, on larger projects it is expected that some portion of Indirect Cost Revenues would be placed into the Special Revenue (Teachers) Fund to cover indirect cost of professional administrative personnel.

The approved budget would be introduced into the accounting records of the LEA via the General Journal.

DESCRIPTION	A/C NO.	DEBIT	CREDIT
General (Incidental) Fund			
Estimated Revenue Indirect	5010	$813	
Estimated Revenue-Project	5010.51	$23,717	
Fund Balance	3111		$813
Estimated Expenditure Project	6010.51		$23,717

To record Title I, ESEA approved budget and recognize possibility of indirect revenue to the General (Incidental) Fund.

Special Revenue (Teachers) Fund			
Estimated Revenue-Project	5010.51	$45,470	
Estimated Expenditure Project	6010.51		$45,470

The reader will note that the above entries are then posted to the General Ledger control accounts. Additionally, the budget is also posted to the appropriate detail subsidiary ledger. To make this example realistic, the transactions from earlier ESEA sample worksheets will be utilized. In addition to individual names and contract amounts supporting the encumbered salary amounts, retirement amounts and social security amounts, the following transactions are noted:

8-29-xx	Lease	Elks Trailer Sales	$1,200.00
9- 5-xx	PO #1	Hoover Bros. - Overhead	260.51
9- 5-xx	PO #6	Science Research Associates	826.20
9- 5-xx	PO #7	McGraw Hill	120.00
9- 5-xx	PO #12	Scott Foresman and Company	1,215.54

The above encumbrances were followed by writing a series of checks:

9-20-xx	Lease	Elks Trailer Sales	$600.00
9-20-xx	PO #1	Hoover Brothers	264.77
9-20-xx	PO #7	McGraw Hill	116.35
9-20-xx	PO #12	Scott Foresman (partial)	526.00
9-30-xx		Public School Retirement System	479.96
9-30-xx		Non-Teacher Retirement System	44.67
10-14-xx	Received approval from the Department of additional Revenue and Expense Budget		2,000.00
10-20-xx	PO #12	Scott Foresman (final)	698.72
10-30-xx		Teacher Retirement Board	479.96
10-30-xx		Non-Teacher Retirement Board	44.67

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - Teacher's Aide Salary
Title I - ESEA

FUND: 127
FUNCTION: 1250
OBJECT: 6151
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 31

DATE UNENCUMBERED	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	BALANCE
08-29-xx	GJ-12					13,400.00			13,400.00	13,400.00
08-29-xx	EJ-8			13,400.00			13,400.00			0.00
09-30-xx	PJ-3		1,488.90		1,488.90		11,911.10	1,488.90		0.00
10-31-xx	PJ-11		1,488.90		1,488.90		10,422.20	2,977.80		0.00
11-30-xx	PJ-18		1,488.90		1,488.90		8,933.30	4,466.70		0.00
12-31-xx	PJ-25		1,488.90		1,488.90		7,444.40	5,955.60		0.00

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - Teacher Retirement
Title I - ESEA

FUND: 207
FUNCTION: 1250
OBJECT: 6211
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 32

DATE	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	UNENCUMBERED BALANCE
08-29-xx	GJ-12					4,547.00			4,547.00	4,547.00
08-29-xx	EJ-8			4,547.00			4,547.00			0.00
09-30-xx	125		505.22		505.22		4,041.78	505.22		0.00
10-31-xx	240		505.22		505.22		3,536.56	1,010.44		0.00
11-30-xx	365		505.22		505.22		3,031.34	1,515.66		0.00
12-31-xx	480		505.22		505.22		2,526.12	2,020.88		0.00

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - Non-Teacher Retirement
Title I - ESEA

FUND: 127
FUNCTION: 1250
OBJECT: 6221
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 33

DATE	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	UNENCUMBERED BALANCE
08-29-xx	GJ-12					536.00			536.00	536.00
08-29-xx	EJ-8			536.00			536.00			0.00
09-30-xx	126		59.55		59.55		476.45	59.55		0.00
10-31-xx	241		59.55		59.55		416.90	119.10		0.00
11-30-xx	366		59.55		59.55		357.35	178.65		0.00
12-31-xx	481		59.55		59.55		297.80	238.20		0.00

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - OASDI (Social Security)
Title I - ESEA

FUND: 127
FUNCTION: 1250
OBJECT: 6231 & 6232
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 34

DATE	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	UNENCUMBERED BALANCE
08-29-xx	GJ-12					1,006.00			1,006.00	1,006.00
08-29-xx	EJ-8			1,006.00			1,006.00			0.00
09-30-xx	129		111.77		111.77		894.23	111.77		0.00
10-31-xx	xx		111.77		111.77		782.46	223.54		0.00
11-30-xx	xx		111.77		111.77		670.69	335.31		0.00
12-31-xx	xx		111.77		111.77		558.92	447.08		0.00

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - Classroom Rental
Title I - ESEA

FUND: 127
FUNCTION: 1250
OBJECT: 6333
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 35

DATE	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	UNENCUMBERED BALANCE
08-29-xx	GJ-12					1,200.00			1,200.00	1,200.00
08-29-xx	EJ-10			1,200.00			1,200.00			0.00
09-30-xx	EJ-130		600.00		600.00		600.00	600.00		0.00

ACCOUNT DESCRIPTION:
Culturally Different - Supplies
Title I - ESEA

FUND: 127
FUNCTION: 1250
OBJECT: 6411
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 36

DATE	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	UNENCUMBERED BALANCE
08-29-xx	GJ-12					2,759.00			2,759.00	2,759.00
09-05-xx	EJ-11	6		826.20			826.20			1,932.80
09-05-xx	EJ-11	7		120.00			946.20			1,812.80
09-05-xx	EJ-11	9		1,170.00			2,116.20			642.80
09-05-xx	EJ-11	12		1,215.54			3,331.74			(572.74)
09-20-xx	176	7	120.00		116.35		3,211.74	116.35		(569.09)
09-20-xx	177	12	526.00		526.00		2,685.74	642.35		(569.09)
10-14-xx	GJ-19					2,000.00			4,759.00	1,430.91
11-20-xx	252	12	689.54		698.72		1,996.20	1,341.07		1,421.73
12-31-xx	xx		111.77		111.77		1884.43	1452.84		1309.96

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different - Capital Outlay
Title I - ESEA

FUND: 427
FUNCTION: 1250
OBJECT: 6541
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 37

DATE UNENCUMBERED	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	BALANCE
08-29-xx	GJ-12					269.00			269.00	269.00
09-05-xx	EJ-11	1		260.51			260.51			8.49
09-20-xx	175	1	260.51		264.77		0.00	264.77		4.23

BUDGET ANALYSIS LEDGER-SUBSIDIARY EXPENDITURE

ACCOUNT DESCRIPTION:
Culturally Different -Teacher's Salaries
Title I - ESEA

FUND: 207
FUNCTION: 1250
OBJECT: 6111
OPERATIONAL UNIT: 402
PROJECT: 51
PAGE: 38

DATE UNENCUMBERED	VOUCHER REF.	PURCHASE ORDERS NO.	PURCHASE ORDERS LIQUIDATIONS	PURCHASE ORDERS PLACED	EXPENDITURES	BUDGET ENTRIES	OUTSTANDING PURCHASE ORDERS	TOTAL EXPENDITURES	BUDGET	BALANCE
08-29-xx	GJ-12					45,470.00			45,470.00	45,470.00
08-29-xx	EJ-8			45,470.00			45,470.00			0.00
09-30-xx	PJ-4		5,052.21		5,052.21		40,417.79	5,052.21		0.00
10-30.xx	PJ-12		5,052.21		5,052.21		35,365.58	10,104.42		0.00
11-30-xx	PJ-16		5,052.21		5,052.21		30,313.37	15,156.63		0.00
12-31-xx	PJ-20		5,052.21		5,052.21		25,261.16	20,208.84		0.00

This second example for handling federal project accounting is also based on Title I and illustrates accrual of receipts. The first example would also have to be placed on an accrual basis as of June 30, l9xx. Some districts will prefer the accrual method used throughout the year instead of only on June 30.

The school district receives approval of a Title I, ESEA, project involving $235,000. The Title I source of funds code is 51. The district has on file with the Department an approved Indirect Cost Rate of 2.00%. (Indirect Cost is not paid on Capital Outlay.) The budget for this project is detailed below:

Teachers' Salaries	$147,392
Aides' Salaries	36,848
Teacher Retirement (10.5%)	14,739
Non-Teacher Retirement (4%)	1,474
Social Security & Medicare (7.65%)	2,763
Pupil Transportation	16,288
Supplies	8,500
Capital Outlay	2,436
Sub Total	$230,440
Indirect Cost	4,560
	$235,000

To set this up in the district's books, the following General Journal entries have been made.

General Journal

General (Incidental) Fund	A/C NO.	DEBIT	CREDIT
Estimated Revenues	5010.51	$83,048	
Estimated Expenditures	6010.51		$83,048

To record project budget.

(The reader is cautioned at this point that the detail budget entries would then be posted to the appropriate detail subsidiary ledgers. Also note the use of the source of funds code on the general ledger accounts in A/C column.)

Special Revenue (Teachers) Fund

Estimated Revenues	6010.51	$147,392	
Estimated Expenditures	6010.51		$147,392

To record project budget.

Capital Projects Fund	A/C NO.	DEBIT	CREDIT
Estimated Revenues	5010.51	$2,436	
Estimated Expenditures	6010.51		$2,436

To record project budget.

(The reader is cautioned at this point that the detail budget entries would then be posted to the appropriate detail subsidiary ledgers. Also note the use of the source of funds code on the general ledger accounts in A/C column.)

The district is operating on an accrual basis and also wishes to make provision in its books for a record of indirect cost transactions.

General (Incidental) Fund	A/C NO.	DEBIT	CREDIT
Due From State for federal projects	1241.51	$84,690	
Realized Revenues and Noncash Revenues Control	5020.51		$83,048
Allowance for Indirect Costs	3310.51		1,642

To record receipt of project approval and allocation of 36 percent of indirect cost to the General (Incidental) Fund.

Special Revenue (Teachers) Fund

Due From State for federal projects	1241.51	$150,310	
Realized Revenues and Noncash Revenues Control	5020.51		$147,392
Allowance for Indirect Costs	3310.51		2,918

Assume that the first quarter has passed and the following transactions have occurred.

Cash Receipts Journal

General (Incidental) Fund

Cash	1111	$21,900	
Due From State for federal projects	1241		$21,900

Special Revenue (Teachers) Fund

Cash	1111.51	$36,850	
Due From State for federal projects	1241.51		$36,850

The district then decides that it wants to recapture the indirect cost at that time. In general, it would be better to wait until the end of the fiscal year so as to reduce the number of entries; but the following example is offered for those who choose to do the transaction more often. Assume that General Ledger Expenditure Control Account - 12x.6030.51 contains $15,300 and the similar account in Special Revenue (Teachers) Fund - 20x.6030.51 contains $36,890.

General Journal

General (Incidental) Fund	A/C NO.	DEBIT	CREDIT
Allowance for Indirect Costs	3310.51	$306	
Realized Revenues and Noncash Revenues - Control	5020.00		$306

To record receipt of indirect amount into General (Incidental) Fund from Title I. Note that it is computed as two percent of actual expenditures as of the end of the quarter.

The source of funds code, 51, is not used on this account because this is where the revenue becomes an asset of the non-categorical General (Incidental) Fund. From this point on it loses its identity as Title I revenue and the district can add it to all other general revenues, carry it over in the General (Incidental) Fund balance, or if it desires, appropriate it to be expended as a general operating (non-categorical) expense. This then treats indirect cost as an entity that cannot be labeled or identified as it is expended in the overall support of the categorical Title I program.

Special Revenue (Teachers) Fund	A/C NO.	DEBIT	CREDIT
Allowance for Indirect Costs	3310.51	$737.80	
Realized Revenues and Noncash Revenues - Control	5020.00*		$737.80

To record receipt of indirect amount into General (Incidental) Fund from Title I. Note that it is computed as two percent of actual expenditures as of the end of the quarter.

At this point, we have enough information to construct a balance sheet for Project 51.

Assets

	General (Incidental)	Special Revenue (Teachers)	Capital Projects	Total
Cash	$6,294.00	$(777.80)	$0.00	$5,516.20
Due from State for federal projects	60,354.00	113,460.00	2,436.00	176,250.00
	$69,084.00	$112,682.20	$2,436.00	$181,766.20

Liabilities

Allowance for Indirect Costs	$1,336.00	$2,180.20	$0.00	$3,516.20
Unexpended Budget Balance	65,312.00	110,502.00	2,436.00	178,250.00
	$69,084.00	$112,682.20	$2,436.00	$181,766.20

All general ledger accounts except cash are identified by the project code. To derive the cash figures one can either analyze cash transactions specifically involving Title I or make use of the self-balancing properties of the accounting equations, i.e., Cash + Other Assets = Fund Balance + Liabilities.

In addition to the balance sheet which shows financial position at one point in time, the following budget report also shows status over a broad period of time.

Project 51

	Budget	Realized Revenues	Unrealized Revenues
Project 51	$230,440.00	$230,440.00	-0-

	Budget	Expenditures	Unexpended Budget Balance
Teachers' Salaries	$147,392.00	$36,890.00	$110,502.00
Aides' Salaries	36,848,00	8,400.00	28,448.00
Teacher Retirement	14,739.00	3,504.55	11,234.45
Non-Teacher Retirement	1,474.00	252.00	1,222.00
OASDI (Social Security) & Medicare	2,763.00	491.40	2,271.60
Pupil Transportation	16,288.00	- 0 -	16,288.00
Supplies	8,500.00	1,652.05	6,847.95
Capital Outlay	2,436.00	1,000.00	1,436.00
	$230,440.00	$52,190.00	$178,250.00

The total unexpended budget balance ties back to the figure reported on the balance sheet on the previous page. The above example is incomplete in the sense that an additional column should be inserted between budget and expenditures. This column would be called encumbrances and is required in Title I to accurately depict the unencumbered balance at any point in time. The figures in this additional column are treated as expenditures in arithmetically arriving at the unencumbered balance column.

The reader will note the existence of a budgetary amount for transportation. If the school district uses an outside contractor, there should be no problem in handling coding and payment similar to any other invoice chargeable to Title I. However, if the district handles its own transportation, this becomes an intradistrict transaction with its attendant complications. The prime goal in recording and reporting such transactions is to avoid artificially overstating revenues and expenditures by recording them twice in the total district "books." Further, these expenditures could not be counted as eligible miles under 5 CSR 30-261.040, Application for State Transportation Aid.

With the above in mind, the following procedure has been developed:

Assume that the cost per mile of district owned transportation is $1.08. The Title I program records filed in a Journal Voucher indicate a project mileage of 500 miles.

General Journal

General (Incidental) Fund	A/C NO.	DEBIT	CREDIT
Expenditures-Control	6030.51	$540.00	
Expenditures-Control	6030.00		$540.00

Detail Sub Ledger for Expenditures:

1250	6341	51	$540.00
2550	6411	00	(540.00)

At the close of the project, actual expenditures will often be less than the approved budget. This results in the need for certain adjusting entries. First, the account receivable from the state for the fourth and final payment should be adjusted downward to reflect actual expenditures and matching revenues for the year. The Allowance for Indirect Costs will also need to be reduced accordingly.

The end of project fiscal report on the new coding format would appear as follows on the next page.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
Title I, ESEA
PO Box 480, Jefferson City, MO 65102-0480

FISCAL REPORT AT DECEMBER 31, 19xx

INSTRUCTION -- Please complete, sign and return this form no later than January 16, 19xx to the Department at the above address. If you have questions regarding this report, please contact the **Title I** Finance Section at (573) 751-2643.

1.	AMOUNT APPROVED IN 19xx-xx PROJECT BUDGET (or as amended)		$70,000.00 (1)
2.	TOTAL OF ALL CHECKS WRITTEN ON Title I MONIES FOR Title I SALARIES		$26,164.44 (2)
	Payments made with state exceptional pupil (State Aid) monies for Remedial Reading salaries.	$ 0.00	
3.	TOTAL OF ALL CHECKS WRITTEN ON Title I MONIES FOR Title I: EMPLOYEE BENEFITS, PURCHASED SERVICES, SUPPLIES, AND CAPITAL OUTLAY		$ 4,912.00 (3)
4.	TOTAL OF LINES 2 AND 3.		$31,076.44 (4)
5.	TOTAL Title I FUNDS RECEIVED FOR THE 19xx-xx PROJECT AS OF December 31, 19xx (include all payments and/or book transfers for the current project). DO NOT INCLUDE late payments for the 19xx-xx Title I project or state exceptional pupil payments for Remedial Reading teachers.		$35,000.00 (5)
6.	PERCENTAGE OF FUNDS RECEIVED WHICH HAS BEEN USED (line 4 divided by line 5.)		88.79 (6)

SIGNATURE_____ DATE_____

5. Activity Budget Estimate

Expenditure Accounts	Function Code	Salaries 6100	Employee Benefits 6200	Purchased Services 6300	Supplies 6400	Capital Outlay 6500	Total
1	2	3	4	5	6	7	8
A. Instruction-Special	1251						
B. Payment to Other Districts	1914						
C. Pupil Support Services	2100						
D. Staff Support Services	2200						
(1) Supervision	2211						
(2) Inservices	2213						
(3) Advisory Council	2219						
(4) Other	2219						
E. Business Services	2510						
F. Operation of Plant	2540						
G. Transportation	2550						
H. Food Services	2560						
I. Facilities Remodeling	4000						
TOTAL							

6. Describe Purchased Services indicated in column 5 of Activity Budget detailing each services and cost _____

7. Location of Activity _____

8a. Explain all budget entries in 2100 and 2219 "Other" _____

8b. Give a breakdown of Employee benefits by percentage and amount for teacher retirement, non-teacher retirement, workers compensation, rental, etc. EXAMPLE: If teacher salaries equal $20,000; 9.5% X $20,000 = $1,900 _____

APPENDIX

SECTION: APPENDIX A

SUBJECT: GLOSSARY

This appendix contains definitions of selected terms as used in this manual and definitions of some additional terms as seem necessary for a common understanding of LEA accounting systems. Extensive use of the glossary will help establish a high degree of comparability in LEA records and reports. The glossary is arranged alphabetically with appropriate cross-referencing. Where a definition has been modified, the manual reference is given; e.g., I, IIR, III, IV, VR, VI, and VII, followed by the letter "M."

Some of the definitions have been taken from Federal Handbooks: I[1], IIR[2], III[3], IV[4], VR[5], VI[6], and VII[7], in the State Educational Records and Reports Series. In such cases, the definition used in this manual is taken from the latest handbook in which the term is defined.

[1] Paul L. Reason, Emory M. Foster, and Robert F. Will, The Common Core of State Educational Information. Washington, DC: US Government Printing Office, 1953. US Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook I, Bulletin 1953, No. 8.

[2] Charles T. Roberts and Allan R. Lichtenberger, Financial Accounting Classifications and Standard Terminology for Local and State School Systems. Washington, DC: US Government Printing Office, 1972. US. Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook II, Revised No. 73-11800.

[3] Paul L. Reason and George G. Tankard, Jr., Property Accounting for Local and State School Systems. Washington, DC: US Government Printing Office, 1959. US Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook III, Bulletin 1959, No. 22.

[4] Allan R. Lichtenberger and Richard J. Penrod, Staff Accounting for Local and State School Systems. Washington, DC: US Government Printing Office, 1966. US Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook IV, Bulletin 1956, No. 18.

[5] John F. Putnam, "Student/Pupil Accounting". Manuscript, planned for publication in 1974, revising Pupil Accounting for Local and State School Systems, 1964. State Educational Records and Reports Series: Handbook V.

[6] John F. Putnam and W. Dale Chismore, Standard Terminology for Curriculum and Instruction in State and Local School Systems. Washington, DC: US Government Printing Office, 1970. US Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook VI, Bulletin 1970, No. 23052.

[7] Yeuell Y. Harris and Ivan N. Seibert, The State Education Agency. Washington, DC: US Government Printing Office, 1971. US Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook VII, Bulletin 1971, No. 23054.

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)

SECTION: APPENDIX A

SUBJECT: GLOSSARY

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 LEDGERS - 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.

ACCOUNTS PAYABLE - Amounts owing on open account to private persons, firms, or corporations for goods and services rendered by the LEA.

ACCOUNTS RECEIVABLE - Amounts owing on open account from private persons, firms, or corporations for goods and services furnished by the LEA (but not including amounts due from other funds of the same governmental unit). 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.

ACCRUAL BASIS ACCOUNTING - Recognizes measurable transactions when they occur, regardless of the timing of the cash flow.

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 - Interest accumulated between interest dates but not yet due. (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 the account Cash and crediting the account 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)

SUBJECT: GLOSSARY

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 system-wide 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 inspection 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.

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 on 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 postsecondary career, to prepare for postsecondary 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 the 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 the 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 operating purposes or retirement of debt.

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 postsecondary careers and/or postsecondary education programs.

ALLOCATION - The amount of funds that are, or the process by which funds are, assigned to a public school district, institution or agency to provide financial support for specific programs, services and/or activities.

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

ALLOTMENT - The amount appropriated 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)

ALLOWABLE COST - Cost of predetermined equipment, service, and/or activities that have been considered to be appropriate for authorization by the funding agency.

ALLOWANCE FOR 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.

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

AMOUNT AVAILABLE IN DEBT SERVICE FUND - A fund which designates the amount of assets available in the Debt Service 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 Account Group which represents the amount to be provided from taxes or other general revenue to retire outstanding general obligation term bonds.

ANCILLARY - Items purchased or activities which are supplemental to, but not a part of, the instructional process within a public school district, institution or agency.

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 operations; such funds have not been specifically collected as school taxes.

APPROPRIATION BALANCE - See Unencumbered Balance of Appropriation or Allotment and Unexpended 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 operations.

APPROVED EXPENDITURE - Amount that has been authorized for a specific purpose by the funding agency.

ARCHITECTURE AND ENGINEERING - Activities related to Land Acquisition and Improvements or 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)

AREA VOCATIONAL-TECHNICAL SCHOOL TRANSFER - The transfer of any amount necessary from the General (Incidental) Fund to the Capital Projects Fund to satisfy obligations in the Capital Projects Fund for state approved area vocational schools capital outlay not reimbursed by state or federal sources.

ASSETS - Probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. See also Fixed Assets.

ATTENDANCE, AGGREGATE DAYS - See Average Daily 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, and (c) determining whether transactions are accurately recorded on the accounts and in the statements. (II)

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

AVERAGE DAILY ATTENDANCE (ADA) - The total hours attended in a term by resident pupils between the ages of five and twenty-one divided by the actual number of hours school was in session (actual calendar) PLUS the summer school average daily attendance (ADA) (hours attended divided by 1044 hours). Summer school ADA is a part of the immediate preceding school year's total ADA.

BALANCE SHEET - A formal statement of assets, liabilities, and fund balance as of a specified 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 secretary of the board of education.

BOARD TREASURER - 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, and Surety 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. (II)

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, AMOUNT REMAINING - The amount remaining in bond proceeds (in the Bond Proceeds Subfund of the Capital Projects Fund) after the completion of a project for which bonds were issued. This amount remaining **SHALL** be transferred from the Capital Projects Fund to the Debt Service Fund. (See Section 165.011, RSMo.)

BOND PROCEEDS RECEIVABLE - An account used to designate the amount receivable upon sale of bonds. Revenue from bond sales is placed in the Capital Projects Fund, not in the Debt Service Fund.

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 the LEA enterprise. Sales may be recorded in separate accounts according to the type of product sold.

BOOK VALUE - Carrying amount as shown on the books. (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. Section 67.010, RSMo, is the statutory reference governing budgets. (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. (See Section 67.010, RSMo.)

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 built-in equipment, as well as building additions.

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)

CAPITAL PROJECTS FUND INTEREST TRANSFER - The transfer of interest earned on monies in the Regular Capital Outlay Subfund of the Capital Projects Fund to the General (Incidental) Fund.

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 GROUNDS - Pertains to maintaining the grounds and the equipment on the grounds (other than buildings) owned or used by the LEA in a state of good condition and repair.

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

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-BASIS ACCOUNTING - Recognizes transactions when cash is received or disbursed.

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 R)

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 system-wide 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 R)

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 the named person's 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 meetings 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 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)

COMMINGLE - Combining funds from two or more sources into one accounting system so that the sources of those funds lose their identity upon receipt or expenditure. Commingling of funds results in the lack of a clear audit trail concerning how the funds from a given source were expended. Commingling of funds received for a restricted federal program with local, state, and/or other restricted federal funds is prohibited. The Debt Service Fund cannot be commingled with other district funds. The Debt Service Fund must be maintained as a separate bank account per Section 165.011 (1), RSMo.

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

COMMUNITY RECREATION - Activities 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 - Activities 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, responses to public inquiry, arranging for tours of 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, Parents-As-Teachers (PAT), 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.

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 lawsuits, 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 expenses covered by the contract.

CONTRACTS PAYABLE - Amounts due on contracts for goods and services received by the LEA.

CONSTRUCTION CONTRACT PAYABLE - Amounts due by the 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 donor is expected. Separate accounts may be maintained for revenue unrestricted as to use, and revenue which is restricted as to use.

CONTROLLING ACCOUNT - An account usually kept in the general ledger in which the postings 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 postings 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 object, 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 R)

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 OPERATING COST - Total instruction and support expenditures in a fiscal year excluding capital outlay, long term or short term principal and interest minus revenues received for food service (local program and non-program, state, federal, and summer food program) and student activities in that fiscal year. Current operating cost is calculated for the district annually and used in computing the certificated salary compliance for the school district.

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.

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, checking hypotheses not formulated or tested previously, facilitating 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 REFUNDING - Bonds issued to pay off bonds already outstanding. (See PROCEDURE NO: PRC-523, Debt Refunding for Non-Callable Bonds.)

DEBT SERVICE - Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans. Per Section 165.011, RSMo, if a balance remains in the Debt Service Fund after total outstanding indebtedness for which the fund was levied is paid, the board MAY transfer the unexpended amount to the Capital Projects Fund. The Debt Service Fund must be maintained as a separate bank account.

DEBT SERVICE BALANCE TRANSFER - The amount transferred from the Debt Service Fund to the Capital Projects Fund. This is the remaining balance in the Debt Service Fund after the retirement of all bonded indebtedness and interest. The district is not required by state statute to make this transfer but may elect to do so.

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 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)

DISCRETIONARY GRANT - Grant funds made available usually for a predetermined purpose which are awarded to an applicant based on the judgment of the grantor.

DOUBLE ENTRY - A system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts 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 A GOVERNMENT - Amounts due from the reporting governmental unit to 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 for the reporting unit by another government. It is recommended that separate accounts be maintained for each interfund payable.

DUE FROM A FUND - A receivable account used to indicate amounts owed by a particular fund from another fund in the same LEA for goods and services rendered.

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.

DUE FROM FISCAL AGENT - Amounts due from fiscal agents, such as commercial banks, for servicing the LEA's maturing indebtedness. 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 a LEA's maturing indebtedness. It is recommended that separate accounts be maintained for each interfund payable.

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

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 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)

ELIGIBLE PUPIL (EP) - Average daily attendance (ADA) for the regular school term and summer school PLUS summer school ADA added a second time.

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.

ENCUMBRANCE ACCOUNTING - Use of a separate journal or incorporation into the Budget Analysis Ledger of encumbrances as defined below. Ultimately, at year end, they are in effect canceled but may be partitioned from fund balance into a special reserve account.

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 incurred. (VII)

ENERGY CONSERVATION LOAN TRANSFER - The transfer of any amount necessary from the General (Incidental) Fund to the Capital Projects Fund to satisfy the annual principal and interest payments on energy conversation loans paid from the Capital Projects Fund.

ENROLLMENT - Head count taken the last Wednesday of September and January of all resident and nonresident students K - 12 in the enrollment center. All students counted as one (no part time). Not reported for prekindergarten students.

ENTITLEMENT GRANT - A formula grant program that establishes a specific amount of funds to be distributed to each agency. Recipients of such funds determine how the funds are to be used according to the purposes authorized by the program.

ENTRY - The act of recording a transaction and the actual record of a financial transaction in an account.

EQUIPMENT - Items that are electrical or mechanical in nature or furniture and 1) have a useful life of at least one year; 2) would be repaired rather than replaced; 3) the cost of tagging and inventory is a small percent of the item's cost; and 4) cost more than $500.00 per unit.

EQUALIZED ASSESSED VALUATION (EAV) - The district assessed valuation adjusted for the county average sales ratio. The calculation to equalize the assessed valuation only adjusts real property assessed valuation. To calculate equalized assessed valuation: (Real Property AV x .3333 ? County Sales Ratio).

EQUALIZED OPERATING LEVY - The operating levy (General (Incidental) & Special Revenue (Teachers) Funds) as defined in Section 163.011, RSMo, adjusted for the county average sales ratio. To calculate equalized Operating Levy : (Operating Levy x County Sales Ratio ? .3333).

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)

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. (II R)

EXCESS COSTS - Those costs over and above identified and specific minimum amounts which must be allocated or expended for a designated purpose.

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

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

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

FACILITIES ACQUISITION AND CONSTRUCTION - 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.

FAIR MARKET VALUE - The current assessed value of a piece of equipment, service or activity.

FEDERAL REVENUE - Revenue provided by the federal government. Expenditures made with this revenue should be identifiable as federally supported expenditures.

FEDERAL AID FOR EDUCATION - Any grant made by the federal government for the support of education.

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 system. 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 AGENT - A specific local school district or intermediate agency that has been designated to submit applications/requests for federal project funds and is the recipient of such funds from the state agency.

FISCAL PERIOD - Any period at the end of which the 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 schools 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 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.

FOOD SERVICES TRANSFER - The transfer of an amount necessary from the General (Incidental) Fund to the Capital Projects Fund to pay for food service equipment paid from the Capital Projects Fund.

FREE AND REDUCED LUNCH ELIGIBLE COUNT (FRL/Line 14) - The number of pupils enrolled in the district AND eligible for free or reduced lunch on the last Wednesday in January. The number used on line 14 of the basic formula calculation in the current year is always the **previous year's January** count. This number bears no relationship to the number of children actually eating in the school cafeteria (School Food Services count). This number by definition is a different count from that used for the federal programs or School Food Services. Corrections to this data after it has been submitted should be sent to the School Finance Section.

FULL-TIME EQUIVALENCY - The amount of time for a less than full-time activity divided by the amount of time normally required in corresponding full-time activity. Full-time equivalency usually is expressed as a decimal fraction to the nearest tenth. (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 condition of a fund. (II)

FUND BALANCE - 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. (II R)

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

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

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 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 US 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, that summarizes the financial transactions of the LEA. General ledger accounts may be kept for any group of items or receipts or expenditures on which an administrative officer wishes to maintain a close check. (II)

GENERAL LONG-TERM DEBT ACCOUNT GROUP - 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.

GRANTS-IN-AID - Grants-in-aid are contributions made by a governmental unit to the 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.

GRANT MATCH TRANSFER - The transfer of an amount necessary from the General (Incidental) Fund to the Capital Projects Fund to fulfill the district's required obligation to match state or federal monies for capital outlay purchases from the Capital Projects Fund.

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 non-certificated personnel. (II)

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.

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.

INCLEMENT WEATHER - If school is dismissed because of inclement weather after it has been in session for three hours, that day shall count as a school day towards the minimum requirement of 174 days. This includes the afternoon session kindergarten (K-PM). If the aggregate hours lost in a term due to inclement weather decreases the total hours of the term below the required minimum of 1044 hours by more than twelve hours for all day students or six hours for one-half day kindergarten students, all such hours below the minimum must be made up in one half day or full day additions to the term except as provided in Section 171.033, RSMo. (See also Section 163.021, RSMo.)

INDIRECT COSTS - Costs incurred for services, materials, supplies, and/or equipment which are common to two or more programs and, therefore, are not identifiable with a particular program. There are restricted and nonrestricted indirect cost rates. The School Finance Section calculates the indirect cost rate for the next school year based on data submitted by the district on Core Data and on the **Annual Secretary of the Board Report (ASBR)** for the second preceding year. See also **Missouri School Finance Reporting and Compliance Manual**.

Restricted - An indirect cost rate based on the costs of central office administration, central services but excluding the office of the superintendent and the operation and maintenance of plant.

Nonrestricted - An indirect cost rate based on the costs of central office administration, central services, and operation and maintenance of plant.

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. See also Direct Expenses. (II)

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

INSTRUCTION - Instruction includes the activities dealing directly with the teaching of pupils. Teaching may be provided for pupils in a school classroom, in another location such as in 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.

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, worker'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 US 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. (See also PROCEDURE NO: PRC-518, Interfund Transfers.) (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 systems 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 employee's 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 or the LEA. It consists of such activities as news-gathering, writing, editing, photograph and newspaper reproduction, transmitted vocally, in person or by way of electronic equipment.

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 the LEA for resale rather than for use in its own operations.

INVESTMENT IN GENERAL FIXED ASSETS - An account in the General Fixed Assets Account Group 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 (Incidental) Fund revenues, federal project revenues, Capital Project Funds, 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, etc.. (II R)

JOURNAL - The book of original entry for recording financial transactions. (II R M)

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 for authorizing 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 the LEA as the result of court decisions, including condemnation awards in payment for private property taken for public use.

JUNIOR COLLEGE - A postsecondary institution which offers the first two 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." (VII)

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)

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) **Kindergarten Average Daily Attendance** (ADA) is calculated as follows: actual attendance hours divided by total hours in session of the first grade calendar for the building but in no case more than twice the K-A or K-P hours in session (actual calendar). **Kindergarten Membership** is calculated as follows: K-A, K-P or K-D reported membership will be multiplied by the ratio of that specific kindergarten actual calendar divided by the first grade actual calendar hours in session. In no case will the multiplier be less than .5.

LAND - A fixed asset account which reflects the acquisition value of land owned by the 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.

LEASE (RENTAL) - See Rentals Expended.

LEASE PURCHASE - A contract granting the specified use of equipment which a public school district, institution or agency cannot readily purchase outright during a specific period of time for a specified amount of funds. This contract could be expanded to purchase equipment only if the contract with option to purchase is annually renewable and creates an obligation to the district for only one fiscal year. Section 177.088, RSMo, specifies that a true lease purchase must run through a third party, not-for-profit corporation. **If there is an intent to take title, lease purchase expenditures must be paid for from the Capital Projects Fund.** If there is no intent to take title, this transaction would most likely be classified as a lease or rental and would be paid for from the General (Incidental) Fund. Section 177.088, RSMo, requires DESE to deduct from basic formula payments in the following year an amount equal to those amounts expended from the General (Incidental) Fund (for rentals) for real property for which title is transferred to the district.

LEDGER - Contains all the accounts of a particular fund as in the General Ledger or all these detail accounts which support particular Subsidiary Ledger accounts. See also General Ledger, Appropriation Ledger, Allotment Ledger. (II R M)

LEGAL SERVICES - Services provided by an attorney-at-law 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.

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.

LOCAL EDUCATION AGENCY (LEA) - An educational agency at the local level which exists primarily to operate school 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."

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

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, as lists of items or desired combinations with other items. (VII)

MAINTENANCE OF EFFORT - A requirement to spend as many dollars or as many dollars per student for a specific activity during the current school year as was spent during the previous year for a similar activity. Maintenance of effort is required for handicapped programs, Title I, and vocational education.

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

MAINTENANCE OF PLANT (PLANT REPAIRS OR REPAIR AND REPLACEMENT OF EQUIPMENT) 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 (those activities that are considered less than replacement or renovation of a building or room).

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.

MATERIALS - See Supplies.

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 the pupil presents himself/herself at school and is placed on the current roll until the pupil 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, and not necessarily the first day after the date of last attendance. Membership is obtained by adding the total original entries and the total reentry's 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) Membership for state aid purposes shall be the count of students taken the last Wednesday in September and January who were <u>enrolled on the count day</u> AND <u>in attendance</u> at least one of the previous ten school days. Part-time students are reported on a full-time equivalent (FTE) basis. Membership for Title I and extended day kindergarten should NOT be reported.

MEMORANDUM ACCOUNTING - An informal record of the 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)

MODIFIED ACCRUAL-BASIS ACCOUNTING - Recognizes measurable transactions when they occur within a given time frame.

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 - This is a term usually applied to revenue and means revenue from any or all sources which is not identifiable with specific expenditures; i.e., it is General (Incidental) 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 - Generally a student whose legal residence is outside the geographic area served by a specified school, LEA, or institution. (V B) (Missouri Statutes modify the definition of a nonresident student.)

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)

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

OBJECT CLASSIFICATION - Identifying a category of goods and services obtained.

OBLIGATIONS - The amounts of orders placed and subgrants awarded, services received, and similar transactions during a given period, which will require payment during the same or a future period. Obligations are considered to be incurred as follows: for personal property, when the LEA makes a binding commitment to acquire the property, usually by issuing a purchase order; for personal services and contracted services, when the services are performed (includes LEA employees); and, for travel, utilities, and rent, when the travel is taken, the utilities used, or rented facilities occupied.

OPERATING LEVY FOR SCHOOL PURPOSES - The sum of the adjusted tax rates levied in the General (Incidental)) Fund and Special Revenue (Teachers) Funds.

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.

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. See also Personnel, Full-Time. (II)

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 base. It would include payment made for privately owned property which is not subject to taxation on the same basis as other privately owned property due to action by the 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 on 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 system-wide 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 - See Clerical 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, OPERATIONAL - See Operational 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-PROGRAMMING-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 R 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 interest, 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)

PROBATING - 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 UTILITY 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 schools 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.

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 and is used as an encumbrance document. (II R)

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.

PURCHASING - Acquiring supplies, equipment, and materials used in the LEA operation.

REAL PROPERTY - See Real Estate.

REAL ESTATE - Land, improvements to site, and buildings; real property. (VII)

REBATES - Abatements or refunds. (II)

RECEIPTS - This term means cash received. See Revenue.

RECEIVING AND DISBURSING - Accepting and paying out funds. It includes the current audit of receipts, the preaudit or requisitions or purchase orders before the order is placed to determine whether the amounts are within the budgetary allowances, and to determine that such disbursements are lawful expenditures of the LEA.

RECORD MANAGEMENT - Establishing and maintaining an adequate and efficient system for controlling the records of the 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 five years, and short-term loans of less than five 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 R)

REFUNDING BONDS - Bonds issued to pay off outstanding bonds. (See PROCEDURE NO: PRC-522, Debt Refunding for Non-Callable Bonds). (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 R)

RELATED SERVICES - Support services provided to targeted students or groups of students to help them benefit from education.

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 RECEIVED - Money received from the rental of school property, real or personal. It does not include rental 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.

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, mobile classrooms, and similar rental agreements when there is no intent to acquire title. Be aware of the Missouri statutory distinction between lease or rental (with no intent to take title) and lease purchase where title will be conveyed to the district at some point. Rental expenditures are paid from the General (Incidental) Fund. Lease purchase expenditures with conveyance of title to the district must be paid from the Capital Projects Fund. Section 177.088, RSMo, requires DESE to reduce basic formula amounts to a district in an amount equal to the amount expended from the General (Incidental) Fund for real property in which title is eventually conveyed to the district. 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 and Maintenance Services.

REPAIRS - The restoration of a given piece of equipment, of a given building, or of grounds to original condition of completeness or efficiency from a worn, damaged, or deteriorated condition. See also Maintenance of Plant. (III)

REPAIRS AND MAINTENANCE SERVICE - 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 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 serving 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 R)

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 R)

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 - Generally a student whose legal residence is within the geographic area served (district boundary) by a specified school, LEA, or institution. It includes all children between the ages of five and twenty-one who are attending kindergarten through grade twelve. If a child is attending in a district other than the domicile (district of residence) district AND the child's parent is teaching in the district the child is attending, then that child shall be considered a resident pupil of that district for the period of time when that district of residence is not otherwise liable for tuition. (Sending elementary districts are not liable for tuition below grade nine so the receiving district would claim this child for state aid until the child enters high school/grade nine.) (V R) (Missouri Statutes modify the definition of a resident student.)

RESTRICTED GRANTS-IN-AID - Revenues received as grants by the LEA which must be used for a categorical or specific purpose.

REVENUES - Inflows or other enhancements of assets of an entity or settlement of its liabilities (or a combination of both) during a period from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations.

REVENUE TRANSFER - One of two transfers allowed in Section 165.011, RSMo, from the General (Incidental) Fund to the Capital Projects Fund in an amount not to exceed the calculated cap based on $.18 and $.06. This cap is calculated annually by the School Finance Section and carries statutory requirements to be able to make the transfers.

REVENUES COLLECTED IN ADVANCE - A liability account which represents revenues collected before they become due. (Also known as Deferred Income.)

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 as 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 sale of bonds, except that if bonds are not 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 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 twelve. (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 five 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 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.

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.

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 the 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 storerooms subject to requisition. (II)

STUDENT ACTIVITIES TRANSFER - The transfer of an amount as a result of monies earned and donated by student activities, clubs or organizations necessary from the General (Incidental) Fund to the Capital Projects Fund to cover the expenses of capital outlay purchased in the Capital Projects Fund as a result of planned donations by student activities, clubs or organizations.

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 TERM--DAY - A division of the school year which usually begins in June and ends in August and pupils attend the day sessions.

SUMMER TERM--EVENING - A division of the school year which usually begins in June and ends in August and pupils attend the evening sessions.

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.

SUPPLANT - To substitute a new source of funds to provide services or materials already in existence in the LEA and previously funded with other funds.

SUPPLEMENT - To add to that which the district is already providing due to a specific requirement or as a matter of previous practice. The LEA must be able to document that federal/state funds were used to increase the level of funding for an existing service or to begin a new service.

SUPPLIES - Items that are not electrical or mechanical in nature or furniture or which cost less than $500.00 per unit or items which have a useful life of less than one year. Usually a material item which is expended and consumed or worn out or deteriorated in use or has lost its identity through fabrication or incorporation into a more complex unit or substance. See also Materials.

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 identify against losses caused by the part of parties named in the document, through nonperformance or through misappropriation of monies; for example, a surety bond given by a contractor or by an official handling cash or securities. (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 property 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, whereever possible, on quantitative methods; the development of data processing procedures or application to electronic data processing equipment. (VII)

SYSTEM-WIDE - 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.

TAX ANTICIPATION NOTES - Short-term loan issued in the amount to not exceed 50 percent of the taxes levied by the respective school district. The loan may bear an interest rate not exceeding ten percent unless advertised; if advertised, fourteen percent. The loan does not count against any statutory debt limitation and the loan must mature within six months.

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. (II)

TAXES RECEIVABLE - The uncollected portion of taxes which the 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. (VI)

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 - Materials as defined in Section 171.050, RSMo, obtained primarily for use in certain classes, grades, or other particular student groups rather than for general school use. (VII)

TEXTBOOK FUND BALANCE TRANSFER - The required transfer of unexpended Free Textbook Fund revenue at the end of any year from the General (Incidental) Fund to the Special Revenue (Teachers) Fund. See Section 165.011, RSMo.

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 TO OTHER FUNDS - Money paid unconditionally from a particular fund to another fund without expectation of repayment. Such monies are revenues to 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 CALCULATED COST TRANSFER - The calculated transfer from the General (Incidental) Fund to the Capital Projects Fund of that amount expended for transportation allowable cost equipment that is considered an allowable expense under state board of education rules for transportation reimbursements during the current year. This transfer amount cap is calculated annually by the Pupil Transportation Section and is based on prior year data.

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 upon which the figures are taken is said to be "in balance." (II)

TUITION - Money charged by the LEA or education institution for a period of time, not including special charges as for books and laboratory fees. (VII)

TUITION STUDENT - A pupil for whom tuition is paid. (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.

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 R)

UNENCUMBERED BALANCE OF APPROPRIATION OR 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 R)

UNRESTRICTED GRANTS-IN-AID - Revenues received as grants by an agency which may be used for any legal purpose without restriction.

UNSPENT BOND PROCEEDS TRANSFER - The transfer from the Capital Projects Fund to the Debt Service Fund of any balance in bond proceeds remaining after the completion of the project for which the bonds were issued. This remaining balance must be transferred if the bonds were issued for a specific project or purpose and that project is complete. The actual requirement to make this transfer depends on the restrictive nature or wording of the ballot that was voted on.

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/her 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.

WAREHOUSE INVENTORY ADJUSTMENT - Amounts reflected as a deficit as a result of an audit or count of items held in a store 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 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. (II R 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 R)

WELFARE ACTIVITIES - Providing for personal needs of indigent persons, when such aid is restricted to indigent persons, and for 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)

"ZERO" TEACHERS FUND BALANCE TRANSFER - The monthly transfer from the General (Incidental) Fund to the Special Revenue (Teachers) Fund of those amounts required to bring the ending fund balance in the Special Revenue (Teachers) Fund to zero.

This page reserved for future use.

SECTION: APPENDIX B

SUBJECT: ACCOUNTING CODE QUICK REFERENCE LISTING

This appendix is included to allow a quick reference to the accounting codes. Appendix B is subdivided into eight sections:

B-1 Alphabetical listing of major account titles
B-2 Fund code listing
B-3 General ledger account code listing
B-4 Revenue object code listing
B-5 Function/program code listing
B-6 Expenditure object code listing
B-7 Operational unit code listing

SECTION: APPENDIX B-1

SUBJECT: ALPHABETICAL LISTING OF MAJOR ACCOUNT TITLES

More detailed information concerning the following listing of major account titles can be found as follows:

Fund -	PROCEDURE NO: CDE-402, Fund Code Descriptions;
General Ledger -	PROCEDURE NO: CDE-404, General Ledger Account Descriptions;
Revenue Object -	PROCEDURE NO: CDE-405, Revenue Object Code Descriptions;
Function -	PROCEDURE NO: CDE-406, Function Code Descriptions; and
Expenditure Object -	PROCEDURE NO: CDE-407, Expenditure Object Code Descriptions.

TITLE	CLASSIFICATION	NUMBER
Accounts Receivable	General Ledger	1200
Administration	Function	2300
Bonded Debt	General Ledger	1600
Capital Outlay	Expenditure Object	6500
Cash and Temporary Investments	General Ledger	1100
Capital Projects Fund	Fund	40X
Current Payables	General Ledger	2100
Data Processing Services	Function	2660
Debt Service Fund	Fund	30X
Employee Benefits	Expenditure Object	6200
Food Service/Enterprise Fund	Fund	50X
Fund Balances and Reserves	General Ledger	3000
General Fixed Assets Account Group	Account Group	80X
General Fixed Assets	General Ledger	1500
General (Incidental) Fund	Fund	l0X
General Long-Term Debt Account Group	Account Group	90X
Instruction	Function	1000
Intraschool Service Fund	Fund	70X
Inventories	General Ledger	1300
Long & Short Term Debt	Expenditure Object	6600
Other Current Assets	General Ledger	1400
Plant Services	Function	2540
Pupil Services	Function	2100
Purchased Services	Expenditure Object	6300
Revenue from Federal Sources	Revenue Object	5400
Revenue from Local and Other Intermediate Sources	Revenue Object	5100 & 5200
Revenue from State Sources	Revenue Object	5300
Salaries	Expenditure Object	6100
Student Activities/Trust Fund	Fund	60X
Supplies and Materials	Expenditure Object	6400
Special Revenue (Teachers) Fund	Fund	20X

SECTION: APPENDIX B-2

SUBJECT: FUND CODE LISTING

The fund code consists of three digits. The first digit denotes the fund group, the second digit indicates the subfund and the third digit (shown here as X) is the last number of the applicable fiscal year. For example, during fiscal year 1996-97, the Special Revenue (Teachers) Fund would be assigned the fund code 217. The 2 is the Special Revenue (Teachers) Fund, the (1) indicates a subfund and the 7 denotes the fiscal year. Additional information concerning funds can be found in PROCEDURE NO: CDE-402, Fund Code Descriptions.

CLASS	CODE DETAIL	TITLE
10X		General (Incidental) Fund
	11X	Payroll Subfund
	12X	Operating Subfund
	13X	Free Textbook Subfund
20X		Special Revenue (Teachers) Fund
30X		Debt Service Fund
40X		Capital Projects Fund
	41X	Bond Proceeds' Capital Outlay Subfund
	42X	Regular Capital Outlay Subfund
50X		Food Service/Enterprise Fund
60X		Student Activities/Trust Fund
70X		Intraschool Service Fund
80X		General Fixed Assets Account Group
90X		General Long-Term Debt Account Group

SECTION: APPENDIX B-3

SUBJECT: GENERAL LEDGER ACCOUNT LISTING

This listing of General Ledger Accounts provides a quick reference to the expanded list of account code descriptions found in PROCEDURE NO: CDE-404, General Ledger Account Descriptions.

CLASS	CODE	DETAIL	TITLE
1000			Assets
1100			Cash and Temporary Investments
		1111	Cash - Cash in Banks
		1121	Cash - Payroll Bank Account
	1130		Imprest Funds
	1140		Temporary Investments
	1150		Escrowed Cash
1200			Accounts Receivable
	1210		Local Accounts Receivable
	1220		County Accounts Receivable
	1230		State Accounts Receivable
	1240		Federal Accounts Receivable
	1260		Non-Current Accounts Receivable
	1290		Receivables Due From Other Funds
1300			Inventories
1400			Other Current Assets
1500			General Fixed Assets
	1510		Land
	1520		Buildings
	1530		Construction In Progress
	1540		Equipment
1600			Bonded Debt
	1610		Amounts to be Provided for Payment of Bond Principal
	1620		Amounts to be Provided for Payment of Bond Interest Future Coupon Maturities
2000			Liabilities
2100			Current Payables
	2110		Accounts Payable
	2120		Loans Payable
	2130		Bonds Payable
	2140		Bond Interest Payable
	2150		Payroll Deductions and Withholdings
	2170		Accrued Wages Payable
	2180		Due to Other Funds
2200			Deferred Income
2300			Reserve for Protested Taxes
2700			Bonded Debt Payable
	2710		Bonds Payable - Future Years
	2730		Bond Interest Payable - Future Coupon Maturities
2800			Pension Liability
3000			Fund Balances and Reserves
3100			Fund Balance
3200			Invested Reserves

SUBJECT: GENERAL LEDGER ACCOUNT LISTING

CLASS	CODE DETAIL	TITLE
	3210	Reserve for Investment in Inventories
	3220	Reserve for Investment in General Fixed Assets
3300		Indirect Cost and Casualty/Loss Clearing Accounts
	3310	Allowance for Indirect Costs
	3320	Casualty/Loss Clearing Account
3400		Restricted Fund Balance
4000		Encumbrance Reserves
	4110	Fund Balance Reserved for Encumbrance
5000		Revenues
	5010	Estimated Revenues and Noncash Revenues - Control
	5020	Realized Revenues and Noncash Revenues - Control
6000		Appropriations, Encumbrances, Expenditures
	6010	Appropriations - Control
	6020	Encumbrances - Control
	6030	Expenditures - Control

SECTION: APPENDIX B-4

SUBJECT: REVENUE OBJECT CODE LISTING

This listing of Revenue Object Codes provides a quick reference to the expanded list of revenue object codes found in PROCEDURE NO: CDE-405, Revenue Object Code Descriptions. Revenue codes with * symbol are not ordinarily susceptible to accrual. Modified accrual districts must accrue all other revenues as of June 30 for end of year financial statements and schedules.

CLASS	CODE	DETAIL	TITLE
5000			Revenues
5100			Revenues From Local Sources
	5110		Taxes
		5111	Taxes, Advalorem, Current Year
		5112	Taxes, Delinquent
		5113*	School District Trust Fund (Proposition C)
		5114	Financial Institution Taxes (Intangible)
		5115	M & M Surcharge
		5116	In Lieu of Tax
		5117	City Sales Tax
		5118	Kansas City Boulevard Tax
	5120		Tuition
		5121*	Regular Day School Tuition (K-12)
		5122*	Summer School Tuition (K-12)
		5123*	Adult/Continuing Education Tuition (Post-Secondary)
	5130		Transportation
		5131	Transportation Fees From Patrons
	5140		Earnings on Investments
		5141	Earnings From Temporary Deposits
		5142	Accrued Interest on Bonds Sold
	5150*		Food Service - Pupils
		5151	Sales to Pupils
	5160*		Food Service - Adults
		5161	Sales to Adults
		5165	Food Services - Non-Program
	5170*		Enterprise Sources
		5171	Admissions
		5172	Bookstore Sales
		5173	Student Organization Membership Dues and Fees
		5179	Other Pupil Activity Income
	5180*		Community Services
		5181	Community Services
	5190*		Other Revenue from Local Sources
		5191	Rentals
		5192*	Gifts
		5195*	Prior Period Adjustment
		5196*	Net Receipts from Clearing Accounts
		5198*	Miscellaneous Local Revenue
5200			Revenue From Intermediate Sources
	5210		Tax Related - County

CLASS	CODE DETAIL	TITLE
	5211	Fines, Forfeitures, Escheats, Overplus
	5220	Tax Collected by County For LEA
	5221	State Assessed Utility Tax
	5230	Other County Revenue
	5231	Federal Properties
	5234	Other County Revenue
5300		Revenue From State Sources
	5310	Foundation Formula, State Aid
	5311*	Basic Formula
	5312*	Transportation
	5313*	Exceptional Pupil
	5314	Early Childhood (3 & 4 Year Old) Special Education
	5315*	Remedial Reading
	5316*	Gifted
	5317	Career Ladder/Excellence in Education Act
	5318*	Free & Reduced Lunch/At-Risk
	5322	Vocational/At-Risk
	5324	Educational and Screening Program Entitlement/Parents As Teachers
	5330	State Revenue
	5331*	Foreign Insurance Aid (Free Textbook)
	5332	Vocational/Technical Aid
	5333	Food Service - State
	5334*	Fair Share (Cigarette Tax)
	5335*	Desegregation Aid
	5336	Excellence in Education Act (Incentive Grants)
	5337	Adult Basic Education (ABE) - State
	5338	Adult Basic Education Literacy Grant
	5351	Handicapped Census
	5352	Video Tax (State)
	5353	Job Development/Customized Training
	5354	Futures Program, Job Development, Adult Basic Education (ABE)
	5355	Futures Program, Job Development, Early Childhood/Parents As Teachers
	5356	Futures Program, Job Development, Job Training
	5357	Summer Child Care
	5358	Safe Schools Initiative Grant
	5359	Vocational-Technical Education Enhancement Grant
	5361	New Schools Pilot Project Grant
	5362	A+ Schools Grant
	5363	Incentives to Reduce Pupil/Teacher Ratio
	5364	Grants for School Technology

CODE CLASS	DETAIL	TITLE
	5365	Success Leads to Success Grants
	5366	MO Department of Natural Resources (DNR) Energy Loans
	5367	MO School Age Children's Health Services Grant
	5369	Residential Placement/Excess Cost
	5371	Readers for the Blind
	5372	State Emergency Management Agency (SEMA) Funds
	5373	MO Department of Conservation Landscape Grant
	5374	Educare Grant
	5376	Select Teachers As Regional Resource (STARR)
	5377	MO Department of Natural Resources (DNR) Energy Grant
	5378	Foreign Language Support Service Grant
	5379	English as a Second Language Support Service Grant
	5381	Extraordinary Costs Special Education
	5397	Other State Revenue
5400		Revenue From Federal Sources
	5410-19	Grants-In-Aid - Unrestricted, Direct
	5411	Impact Aid
	5412	Medicaid
	5413	Federal Disaster Assistance
	5416	Federal Housing
	5417	Federal Flood Counseling
	5418	Reserve Officer Training Corps (ROTC)
	5420-59	Grants-in-Aid - Restricted, Federal through State
	5421	Special Vocational Projects/Other
	5424	Vocational Education Act, Title II, Part B, Single Parent Homemakers
	5425	Vocational Education Act, Title II, Part B, Sex Equity
	5427	Vocational Education Act, Title II, Part C, Basic Grant
	5429	Vocational Education Act, Title III, Part B, Consumer Homemaking
	5431	Vocational Education Act, Title III, Part E, Tech Prep Program
	5435	Job Training Partnership Act (JTPA)
	5436	Adult Basic Education (ABE) - Federal
	5441	Individuals with Disabilities Act (IDEA)
	5442	Early Childhood Special Education - Federal
	5445	School Lunch Program

CODE CLASS	DETAIL	TITLE
	5446	School Breakfast Program
	5447	Special Milk Program
	5451	Title I - Elementary and Secondary Education Amendments of 1965 (ESEA)
	5452	Title I - ESEA, Migrant
	5455	Title VI - ESEA, Innovative Education Programs
	5456	Goals 2000, Title IV, LIFT Grant
	5457	Goals 2000, Educate America Act, Title III, Systemic Improvement Grant
	5458	Goals 2000, Teacher Preservice and Professional Development Grant
5460-79		Other Federal Restricted, Through the State
	5461	Title IV - ESEA, Safe and Drug Free Schools and Communities
	5462	Emergency Immigrant Education
	5463	Education for Homeless Children and Youth
	5464	Foreign Language Assistance Program
	5465	Title II - ESEA, Eisenhower Professional Development
	5466	Technology Literacy Challenge Fund (TLCF) Grant
	5467	Dependent Care Grant
	5468	Futures Program, Job Development, Adult Basic Education (ABE)
	5469	Futures Program, Job Development, Early Childhood/Parents as Teachers
	5471	Futures Program, Job Development, Job Training
	5472	Child Care Development Fund Grant
	5473	National and Community Service Trust Act of 1993
	5474	School to Work Grant
	5475	AIDS Education Grant
	5476	Even Start Family Literacy
	5477	Federal Emergency Management Agency (FEMA) Funds
	5478	Vocational Rehabilitation
	5479	English as a Second Language (ESL)/Bilingual
5480-89		Other Grants-In-Aid-Restricted, Federal
	5481	Summer Food Service Program
	5482	Job Training Partnership Act (JTPA)
	5483	Headstart
	5484	Pell Grants
	5485	Desegregation Aid

CLASS	CODE	DETAIL	TITLE
		5486	Impact Aid, Restricted Purpose
		5488	Goals 2000, Educate America Act, Title VII, Safe Schools
		5489	Facilities Infrastructure Improvement Grant
		5492	Technology Literacy Challenge Grant
		5497	Other Federal Revenue
5500			Noncash - Revenue from Federal Sources
	5510		Donated Commodities
5600			Non-Current Revenue
	5610		Sale of Bonds
		5611	Sale of Bonds
		5612	Premium on Bonds Sold
	5630*		Insurance
		5631	Net Insurance Recovery
	5640*		Sale of School Buses
		5641	Sale of School Buses
	5650		Sale of Other Property
		5651	Sale of Other Property
	5690		Other Non-Current Revenue
		5691	Temporary Direct Deposit Revenues
5800			Amounts Received from Other LEAs
	5810		Tuition from Other LEAs
	5820		Area Vocational School Fees from Other LEAs
	5830		Contracted Educational Services from Other LEAs
	5840		Transportation Amounts Received from Other LEAs

SECTION: APPENDIX B-5

SUBJECT: FUNCTION CODE LISTING

This listing of function (program) codes provides a quick reference to the expanded list of function codes found in PROCEDURE NO: CDE-406, Function Code Descriptions.

CLASS	CODE DETAIL	TITLE
1000		Instruction
1100		Regular Programs
	1110-20	Elementary
	1130-40	Middle/Junior High
	1150-80	High School
	1190	Other Regular Instruction
1200		Special Programs
	1210	Mentally Retarded
	1230	Physically Sensorially Handicapped
	1240	Emotionally/Behaviorally Disturbed
	1250	Culturally Different
	1260	Pupils with Learning Disabilities
	1270	Bilingual
	1280	Early Childhood Special Education
	1290	Other Special Programs
1300		Vocational Programs
	1310	Applied Biological
	1320	Health Occupations
	1330	Business, Marketing and Management (Distributive Education)
	1340	Personal and Public Services
	1350	Industrial Oriented Occupations
	1360	Other Vocational Programs
1400		Student Activities
1600		Adult/Continuing Education Programs
	1610	Adult/Continuing Basic Education Programs
	1620	Advanced Adult Education
	1630	Adult Occupational
	1640	Adult Upgrading in Current Occupation
	1650	Adult Retraining for New Occupation
	1660	Adult and Community Continuing Education
	1670	Community Education/Life Enrichment
	1690	Other Adult/Continuing Education Programs
1900		Payments to Other Districts
	1910	Tuition to Other Districts
	1920	Area Vocational School Fees
	1930	Tuition, Severely Handicapped Program
	1940	Contracted Educational Services
2000		Support Services
2100		Support Services - Pupils
	2110	Attendance and Social Work Services
	2120	Guidance Services
	2130	Health Services
	2140	Psychological Services

CLASS	CODE DETAIL	TITLE
	2150	Speech Pathology and Audiology Services
	2190	Other Support Services - Students
2200		Support Services - Instructional Staff
	2210	Improvement of Instruction Services
	2220	Educational Media Services
2300		Support Services - General Administration
	2310	Board of Education Services
	2320	Executive Administration Services
2400		Support Services - School Administration
	2410	Building Level Administration
	2490	Other Support Services - School Administration
2500		Support Services - Business
	2510	Business Support Services
	2520	Fiscal Services
	2540	Operation and Maintenance of Plant Services
	2550	Pupil Transportation
	2560	Food Services
	2570	Internal Services
	2590	Other Business Support Services
2600		Support Services - Central Office
	2610	Central Office Services
	2620	Planning, Research, Development and Evaluation Services
	2630	Information Services
	2640	Staff Services
	2650	Statistical Services
	2660	Data Processing Services
	2690	Other Support Services - Central
2900		Other Supporting Services
3000		Community Services
3200		Community Recreation Services
3300		Civic Services
3400		Public Library Services
3500		Early Childhood Program
3600		Welfare Activities Services
3700		Non-Public School Pupils' Services
3800		Custody and Care of Children Services
3900		Other Community Services
4000		Facilities Acquisition and Construction Services
	4020	Land Acquisition and Development Services
	4030	Architecture, Engineering, and Legal Services
	4040	Educational Specifications Development Services
	4050	Building Acquisition, Construction, and Improvement Services
	4090	Other Facilities Acquisition and Construction Services
5000		Long and Short Term Debt

SECTION: APPENDIX B-5

SUBJECT: FUNCTION CODE LISTING

CODE CLASS	DETAIL	TITLE
5100		Principal
	5110	Regular Bonded Indebtedness Principal
	5120	Short Term Loans Principal
	5130	Lease Purchase Agreement Principal
5200		Interest
	5210	Interest - Regular Bonded Indebtedness
	5220	Interest - Short Term Loans
	5230	Interest - Lease Purchase Agreements
5300		Other
	5310	Fees - Regular Bonded Indebtedness
	5320	Fees - Short Term Loans
	5330	Fees - Lease Purchase Agreements

SECTION: APPENDIX B-6

SUBJECT: EXPENDITURE OBJECT CODE LISTING

This listing of expenditure object codes provides a quick reference to the expanded list of expenditure object code descriptions found in PROCEDURE NO: CDE-407, Expenditure Object Code Descriptions.

CLASS	CODE	DETAIL	TITLE
6100			Salaries
	6110		Certificated Teacher Salaries
	6120		Certificated - Part-time
	6130		Certificated - Supplemental
	6140		Certificated Employees Unused Sick Leave and/or Severance Pay
	6150		Classified Salaries - Regular
	6160		Classified Salaries - Part-time
	6170		Classified Employees Unused Sick Leave and/or Severance Pay
6200			Employee Benefits
	6210		Teachers' Retirement
	6220		Non-Teacher Retirement
	6230		Old Age, Survivors and Disability Insurance (OASDI) and Medicare
	6240		Employee Insurance
	6260		Workers' Compensation Insurance
	6270		Unemployment Compensation
	6290		Other Employer Provided Services
6300			Purchased Services
	6310		Professional and Technical Services
		6311	Instruction Services
		6312	Instructional Program Improvement Services
		6313	Pupil Services
		6314	Staff Services
		6315	Audit Services
		6316	Data Processing Services
		6317	Legal Services
		6318	Election Services
		6319	Other Professional and Technical Services
	6330		Property Services
		6331	Cleaning Services
		6332	Repairs and Maintenance
		6333	Rentals, Land and Buildings
		6334	Rentals, Equipment
		6335	Water and Sewer
		6336	Trash Removal
		6339	Other Property Services
	6340		Transportation Services
		6341	Contracted Pupil Transportation To and From School
		6342	Other Contracted Pupil Transportation - Nonroute

CLASS	CODE	DETAIL	TITLE
		6343	Travel
		6349	Other Transportation Services
	6350		Insurance (Other Than Employee Benefits)
	6360		Communication
	6370		Dues and Memberships
	6390		Other Purchased Services
6400			Supplies and Materials
	6410		General Supplies
	6420		Free Textbooks
	6430		Regular Textbooks
	6440		Library Books
	6450		Periodicals and Instructional Resource Materials
	6460		Warehouse Inventory Adjustment
	6470		Food
	6480		Energy
	6490		Other Supplies
6500			Capital Outlay
	6510		Land
	6520		Buildings
	6530		Improvements Other Than Buildings
	6540		Equipment
	6550		Vehicles
	6590		Other Capital Outlay
6600			Long and Short Term Debt
	6610		Principal
		6611	Redemption of Principal - Bonded Indebtedness
		6612	Redemption of Principal - Short Term Loans
		6613	Redemption of Principal - Lease Purchase
	6620		Interest
		6621	Interest - Bonded Indebtedness
		6622	Interest - Short Term Loans
		6623	Interest - Lease Purchase
	6630		Fees
		6631	Fees - Bonded Indebtedness
		6632	Fees - Short Term Loans
		6633	Fees - Lease Purchase

SECTION: APPENDIX B-7

SUBJECT: FORM FOR OPERATIONAL UNIT CODE LISTING

The Operational Unit Code is a three digit code that refers to individual campuses within a district and individual components within the administration, school service, maintenance and operation divisions. The operational unit code is provided for use by districts to maintain accounts and exercise expenditure control by operational unit.

This level of detail is necessary to comply with Section 160.522, RSMo, (SB 380, 1993, Outstanding Schools Act), which requires the reporting of selected data down to the building level.

The local district should use the Department of Elementary and Secondary Education School Core Data Collection Cycle Codes for individual campuses, dropping the last digit or adjusting the third digit to distinguish separate campuses. If the district does not use the Core Data Collection Cycle Codes for individual campuses, it may record district specified operational units on this page. Additional information may be found in PROCEDURE NO: CDE-408, Operational Unit Codes.

CODE	DESCRIPTION	CODE	DESCRIPTION

SECTION: APPENDIX C

SUBJECT: EXPENDITURE CODING EXAMPLES

The following examples of expenditures function/object codes for various types of expenditures are the result of commonly asked questions and are provided as a general guide in determining proper coding. These are *examples* and the actual district specific expenditure code used may differ from those indicated below.

Many specific types of revenue received (such as a Goals 2000 Grant) DO NOT have program specific codes. In most cases where there is no specific function code, the district should first determine the use (for what purpose, how, and where the expenditure will occur) of the expenditure. In some cases, the actual code used will be one that is most reasonable for that particular expenditure.

Often a reasonable expenditure code may be found by simply browsing through PROCEDURE NO: CDE-406, Function Code Descriptions and PROCEDURE NO: CDE-407, Expenditure Object Code Descriptions.

Typical coding examples are:

EXPENDITURE (DESCRIPTION)	FUND	FUNCTION	OBJECT	REMARKS
Adult Education (Welding, Cake Baking)	GF	1671	6131	Night class taught by a contracted teacher.
Bonded Debt (Principal)	DS	5111	6611	
Bonded Debt (Interest)	DS	5211	6621	
Buy-out of Superintendent's Contract	SR	2310 (2321)	6359 (6141)	
Career Ladder (Salary/Elementary Teacher)	SR	1111	6111	
Early retirement/middle school teacher	SR	1131	6141	
Extra Milk	GF	2562	6472	
Food Supplies	GF	2562	6471	
Goals 2000 (use varies)	GF	1151	6312	Specific Service (varies)
Home Bound Instruction	SR	1234	6121	Substitute teacher provides instruction at the child's home. Could be Object 6131 if contracted teacher provides service after school.
Internet (Administrative Use)	GF	2634	6361	Initial Hook-up/Fees
Internet (Instructional Use)	GF	2223	6361	Initial Hook-up/Fees
IRS Penalty for late withholding payment	GF	2524	6359	

SECTION: APPENDIX C

SUBJECT: EXPENDITURE CODING EXAMPLES

EXPENDITURE (DESCRIPTION)	FUND	FUNCTION	OBJECT	REMARKS
Lease Purchase Principal (School Bus) (District Owned, Regular)	CP	2552/2554	6552	Object code to "capitalize" payment
Lease Purchase Interest (School Bus)	CP	5231	6623	Object code to "capitalize" payment
Lease Purchase Principal (Building)	CP	4051	6521	Object code to "capitalize" payment
Lease Purchase Principal (Instructional Equipment/High School)	GF or CP	1151	6542	Object code to "capitalize" payment
Lease Purchase Principal (Kitchen Equip)	CP	2562	6541	Object code to "capitalize" payment
Refund of Prior Year Revenue	GF	2320	6398	Fund could be SR or CP depending on prior year source or placement
School Nurse (District Employee)	GF	2134	6151	
School Nurse (Contracted Service with another District) students	GF	2134	6319	Object could be 6313 for Special Education
Spanish Instruction by Satellite Summer feeding programs	SR GF	1941 3600	6311	
Tuition paid to send a hearing impaired student to another district	GF or SR	1910 1237	6311	

SUBJECT MATTER INDEX

SUBJECT MATTER INDEX

SUBJECT	PAGE
Accession Ledger for Property (Example)	84
Accounting Code Explanation (Overview)	85
Accounting Code Quick Reference Listing	315
Accounting Concepts	
-Accrual Adjustments by Period	69, 184
-Accrual Items and Recommended Timing	65
-Cash Advances	66
-Cash versus Accrual Basis of Accounting	16, 64
-Direct Cost Reporting	62
-Encumbrances	66, 77
-End of Period Adjustments	66
-Inventory	66
-Investments	66
-Modified Accrual Accounting	65
-Modularity of Data	61
-Refunds and Reimbursements - Incoming to the District	17, 71
-Refunds and Reimbursements - Outgoing from the District	18, 71
-Refunds (Abatements) and Reversal of Revenue or Expense Transactions	71
-Reporting Standards	60
Accounting Principles and Policies	15
Accounts Payable and Cash Disbursements	179
-Separation of Duties When Handling Cash	180
Accounts Receivable and Cash Receipts	189, 191
Account Titles, Alphabetical Listing	316
Accrue Earned But Unpaid Salaries	18
Acquisition and Disposal of Fixed Assets	208
Advance Funding Accounting Procedures	237
Annual Inventory of Property	215
Audit Information, General	250
Audit Requirements	
-Filed with	248
-Request for Extension	247
-Sample Request for Proposal	258
Average Daily Attendance (ADA), Defined	284
Bad Checks	220
Basis of Accounting - Defined	64
Bond Proceeds Transfer	223
Bonds, General Obligation	230
Budget	
-Adoption of Budget by Board	28
-Budget Transfer Summary Detail	34
-Changes/Amendments to the Budget	28, 58
-Change Form Request (Example: Changes to the Budget)	59
-Cost Estimates	24
-Definition of Budget	22, 285
-General Summary Page	33
-Model Budget Document	30
-Preparation of the Budget	23
-Presentation of Draft Budget to Board	27
-Required Parts of a Budget (to comply with Section 67.010 RSMo)	22

SUBJECT MATTER INDEX

SUBJECT	PAGE
Budget, Continued	
-Request Forms (Budget Request Prepared by the Administrator)	59
-Revenue Estimate	25
-Time Schedule for Budget Preparation	27
Capital Expenditure, Definition	18, 83
Capital Expenditures and Accounting for Fixed Assets	83, 208
-Classification: Operating Expense or Fixed Asset	18, 83
-Disposal of a fixed asset	84, 208
-Property Records	84, 213
Capital Out Equipment Threshold (Equipment verses Supply)	18, 19, 83
Capital Projects Fund Transfers - Incoming	222
Categorical Revenue Transfer to the Capital Projects Fund	9
Cash Deposit	191
Cash Disbursement	179
Cash Disbursement Journal Example	196
Cash Receipts and Accounts Receivable	189
Cash Receipts Journal Example	198
Cash Receipts and Safe Guards	191
Cash versus Accrual Basis of Accounting	64
Casualty/Loss Clearing Account within the General Ledger Accounts	98
Checks - Bad Checks	220
Checks - Safeguards in Issuing	177, 179
Classification Codes	89
Closing and Opening Journal Entries	184
Coding Expenditure Examples	331
Counter Receipts and Cash Receipts	191
Current Year Taxes, Record Receipt	193
Debt Refunding for General Obligation Bonds	232
Debt Service Fund, Separate Bank Account	73
Debt Service Transfer	222, 225
Definitions, Glossary (Appendix A)	279
-Accrual Accounting	16, 64, 280
-Debt Service	289
-Budget	22, 285
-Capital Expenditure (Equipment Capital Outlay)	18, 83
-Direct Cost Reporting	62
-Double Entry System	17
-Eligible Pupil	291
-Equalized Assessed Valuation	292
-Equalized Operating Levy	292
-Function Code	84, 123
-Fund, Separate Fund Accountability	14
-Funds, Missouri Statutory Requirements	7
-Inclement Weather	296
-Membership	300
-Modified Accrual Accounting	65, 300
-Object Code	85, 149, 301
-Operational Unit Code	86
-Source of Funds/Project Code	86
Direct Deposit Program (SB 301 Redirect Program)	242

SUBJECT MATTER INDEX

SUBJECT	PAGE
Disposal of a Fixed Asset (Journal Entry Example)	84, 208
Double Entry System	17
Earned/Accrued But Unpaid Salaries	18
Eligible Pupil, Defined	291
Encumbrance Accounting	19, 77, 291
Encumbrance Journal (Example)	195
End of Period Adjustment	66
End of Year Report Requirements	21
Energy Savings Performance Contract	228
Enrollment, Defined	291
Equalized Assessed Valuation, Defined	292
Equalized Operating Levy, Defined	292
Equipment, Capital Outlay	18, 83
Equipment Record (Example)	213
Equipment Threshold (Equipment verses Supply)	18, 19, 83
Expenditure Coding Examples	331
Expenditure Function Codes	84, 125
Expenditure Journal (Example)	197
Expenditure Object Codes	85, 149
Expenditure Object Code Listing (Appendix B-6)	328
Extension Codes/Project Codes/Source Codes	164
Extension of Due Date for Audit	247
Federal Fund Requirements	13
Federal Program Accounting Characteristics	264
Federal Program Accounting Methods	267
Fiscal Report, Example	278
Finance Sub System Flow Chart	170
Fixed Assets, Accession Ledger	84
-Acquisition and Disposal of	208
-Definition of Fixed Asset	18, 83
-General Fixed Asset Account	83
Free and Reduced Lunch Eligible Pupil Count (Definition)	294
Free Textbook Transfer	222, 223
Function Code Definition	84, 123
Function Code Descriptions	125
Function Code Listing (Appendix B-5)	325
Fund Accounting	
-Fund Types and Account Groups	73
-General Fixed Asset Accounts	76, 208
-Special Projects Funds	75
-Transfers, Interfund Transactions Limited	9, 74, 222
Fund Code, Definition	85
Fund Code Descriptions	87
Fund Code Listing (Appendix B-2)	317
Fund Transfers, Allowable	74, 222
Funds Required by Missouri Statutes	7
Form For Local Operational Unit Code List	330
General Journal (Example)	199
General Ledger Accounts	90

SUBJECT MATTER INDEX

SUBJECT	PAGE
General Ledger Account Code Listing (Appendix B-3)	318
General Obligation Bonds	230
Glossary (Appendix A)	279
Guaranteed Energy Savings Performance Contract	228
Identification Codes for Summary Reporting	169
Imprest Petty Cash	219
Inclement Weather, Defined	296
Indirect Costs , Defined	296
Indirect Cost Rates for Federal Grants	217
Interfund Transfers	9,74, 222
Inventory	66, 297
Inventory Record, Example	215
Investments	66
Investment Record	226
Journal Vouchers	182
Journal and Ledgers	193
Kindergarten ADA and Membership, Defined	298
Lease Purchase Agreement Entered into After January 1, 1997	228
Lease Purchase – Energy Savings Performance Contract	228
Lease Purchase, Description and Journal Entries	229
Lease Purchase, Defined	299
Ledgers and Opening Entries	193
Legal Interfund Transfers	74, 222
Loans	181
Local Revenue Descriptions	103
Mail Receipts	191
Major Account Titles, Alphabetical Listing (Appendix B-1)	316
Matching Funds, Local Match	227
Membership, Defined	300
Missouri Direct Deposit Program (SB 301 Redirect Program)	242
Modified Accrual Accounting	65
Object Code Definition	85, 301
Object Code (Expenditure) Descriptions	149
Object Code (Revenue) Descriptions	100
Opening and Closing Journal Entries	184
Operating Levy for School Purposes, Defined	301
Operational Unit Codes	86, 162
Option for Lease Purchase	228
Original Entry and Recommended Ledgers	193
Payroll Accounting	80
-Payroll Records	177
Petty Cash	219
Prepaids	67
Project Code/Source Code/Extension Code Descriptions	164
Project Code/Source of Funds Definition	86
Property Listing, Fixed Assets	212

SUBJECT MATTER INDEX

SUBJECT	PAGE
Purchase Orders	173
Property Records, Example of Accession Ledger	84
Property Title Issues Relating to Lease Purchase	228
Purchase Requisitions	171
Receivables, End of Period Adjustments	66
Receiving Reports	176
Redirect Program (SB 301 Direct Deposit Program)	240
Refunding of Bonded Debt	232
Refunds or Reimbursements, In Current Year and For Prior Year	17, 71
Rental, Defined	306
Required Funds, Missouri Requirements	7
Requirements of Federal Funds	13
Resale of Vocational Projects	221
Resident Student, Defined	307
Revenue Code Descriptions	100
Revenue From County Sources - Placement by Fund	106
Revenue From Federal Sources - Placement by Fund	114
Revenue From Local Sources - Placement by Fund	103
Revenue From State Sources - Placement by Fund	107
Revenue Not to be Accrued	67
Revenue Transfers to Capital Projects Fund	9, 74, 222
Revenue Object Code Descriptions	100
Revenue Object Code Listing (Appendix B-4)	320
Safeguards When Issuing Checks	177, 179
Sale of Vocational Projects	221
Separate Fund Accountability	14
Separation of Duties-Handling of Cash	179, 189
Short Term Loans/Tax Anticipation	181
Source of Funds/Project Codes	86, 164
Special Project Funds	75
Special Revenue Fund Transfer	9, 74, 222
State Requirements for Public School Finance	7
State Revenue Descriptions	107
Summary Reporting Codes	169
Supply Inventory Requisitions	178
Tax Anticipation Loans/Short Terms Loans	181
Taxes, Record the Receipt of	193
Textbook Fund Balance Transfer	9, 74, 222
Title Issues Relating to Lease Purchase	228
Transfers, Interfund	9, 74, 222
Transportation Coding Procedures (Examples)	239
Vocational Project - Resale	221
Year-End Transfers	223
“Zero” Teachers Fund Balance Transfer	223