

**FINANCIAL AND PROGRAM COST
ACCOUNTING AND REPORTING
FOR FLORIDA SCHOOLS**

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Chapter One

Introduction

The primary purpose of this manual is to provide Florida school districts with a uniform chart of accounts for budgeting and financial reporting. Topics including governmental accounting standards, program cost accounting and reporting, and school internal funds are also addressed. This document is incorporated by reference in Rule 6A-1.001, Florida Administrative Code (F.A.C.), pursuant to the requirements of Sections 1010.01, 1010.20, and 1011.07, Florida Statutes (F.S.).

The chart of accounts included herein is adapted from the United States Department of Education publication, Financial Accounting for Local and State School Systems, which establishes a comprehensive and uniform structure for reporting education fiscal data. The Florida chart of accounts was modified following the initial publication of the federal manual in 1957 and its major revision in 1973. Subsequent federal revisions in 1980, 1990, and 2003 have also been incorporated into the state chart of accounts to ensure compatibility in national statistical reports.

OVERVIEW

This section presents a brief overview of the accounting structure including fund, revenue, and expenditure classifications.

Fund. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations (National Council on Government Accounting (NCGA) Statement 1, Paragraph 2). The basic fund structure for Florida school districts follows generally accepted accounting principles for governments.

- Governmental Funds
 - General Fund
 - Special Revenue Funds
 - Debt Service Funds
 - Capital Projects Funds
 - Permanent Funds
- Proprietary Funds
 - Enterprise Funds
 - Internal Service Funds
- Fiduciary Funds
 - Pension Funds
 - Investment Trust Funds
 - Private-purpose Trust Funds
 - Agency Funds

Revenues are categorized by fund, source, and appropriation. Since revenues are usually determined by law, revenue accounts are structured by source (federal, state, and local) and specific appropriation.

Expenditures are categorized using the following elements.

Fund	Program
Function	Fiscal Year
Object	Grant
Facility (School)	Project

Function refers to the objective or purpose of an expenditure. Functions are the activities performed to accomplish the objectives of the organization. The activities of school districts are classified into four major functional categories as follows:

Instruction. Instruction includes activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Instruction is further classified as Basic (K-12), Exceptional, Vocational-Technical, and Adult General. "Other Instruction" is provided for programs such as recreation, enrichment, and pre-kindergarten instruction.

Instructional Support Services. This category includes administrative, technical, and logistical support to facilitate and enhance instruction. Instructional Support Services include Pupil Personnel Services, Instructional Media, Instruction and Curriculum Development Services, Instructional Staff Training Services, and Instructional-Related Technology.

General Support Services. The General Support Services category includes activities associated with establishing policy, operating schools and the school system, and providing the necessary facilities and services for the staff and pupils. This includes salaries and expenses for the Board, General Administration, School Administration, Facilities Acquisition and Construction, Fiscal Services, Food Services, Central Services, Pupil Transportation Services, Operation of Plant, Maintenance of Plant, and Administrative Technology Services.

Community Services. Community Services consist of those activities that are not directly related to providing education for pupils in a school system. These include noninstructional services provided by the school system for the community.

Object refers to the goods purchased or the services obtained. There are eight major object categories provided in this manual:

- Salaries
- Employee Benefits
- Purchased Services
- Energy Services
- Materials and Supplies
- Capital Outlay
- Other Expenses
- Transfers

Facility refers to the school or office location that is the center for accumulation of costs.

Program refers to activities, operations, or organizational units designated to accomplish an objective or purpose. Educational programs are established by law for Florida school districts and are the basis for the program cost accounting and reporting system (see Chapter 5).

Fiscal Year denotes the 12-month period to which the annual budget applies. This designation is useful in analyzing costs of programs that extend beyond one fiscal year.

Grant refers to code numbers assigned by the Florida Department of Education (DOE) for reporting state and federal grants.

Project refers to a classification that is used to identify expenditures related to a specific activity such as a construction project or a project funded through grants.

For reporting purposes, grant and project numbers are five-character codes that are designated by the DOE. Districts may elect to crosswalk from a local coding structure to the state-designated grant and project numbers.

ACCOUNTING STANDARDS

Generally accepted accounting principles for governmental entities are established by the Governmental Accounting Standards Board and provide the foundation for financial accounting and reporting for school districts.

Basis of accounting refers to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Generally accepted accounting principles require the use of the modified accrual basis of accounting for governmental funds. This means that revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

Proprietary and fiduciary funds utilize the “full accrual” basis of accounting. That is, revenues and expenses are recognized when they occur regardless of the timing of the related cash flows.

Florida school districts operate the following types of budgetary funds: general, special revenue, capital project, debt service, and permanent. As indicated above, the modified accrual basis should be used in accounting and reporting for these funds. Districts maintaining proprietary and fiduciary funds should apply the accrual basis of accounting.

Most grants accounted for in the special revenue funds require the expenditure of funds as the primary determinant of eligibility for funding. Therefore, the date of expenditure also becomes the point of revenue recognition for the grant.

An encumbrance system that charges each purchase order, contract, or salary commitment to an appropriation should be used as part of a budgetary accounting system. Transactions cease to be encumbrances when paid or canceled, or when the actual liability is recorded.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 34

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, which requires all governments, including special-purpose governments such as school districts, to implement a new financial reporting model. The model includes management’s discussion and analysis (MD&A), basic financial statements, notes to the financial statements, and certain other required supplementary information (RSI).

- The MD&A is a component of RSI that precedes the financial statements.
- The basic financial statements include 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.
 - The government-wide financial statements report information for the government as a whole, except for its fiduciary funds. These statements reflect the economic resources measurement focus and the full accrual basis of accounting.
 - The fund financial statements for governmental, proprietary, and fiduciary funds follow the government-wide financial statements. The governmental and enterprise fund statements reflect major funds and combined non-major funds rather than a fund-type presentation. The fiduciary and proprietary funds continue to use the economic resources measurement focus and accrual basis of accounting, while the governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. A reconciliation is required to explain the differences between the change in fund balances reported in the fund financial statements and the change in net assets reported in the government-wide financial statements. The need to reconcile items arises from differences in the measurement focuses and bases of accounting between the statements, and certain required eliminations.
 - The notes to the financial statements are an integral part of the basic financial statements, and additional disclosures are required for the new reporting model.
- RSI is supplementary financial information that must be presented with the basic financial statements. Required budgetary comparisons include the original and final budgets for the general fund and each major special revenue fund that has a legally adopted annual budget. The current funded status of other postemployment benefit plans as of the most recent actuarial valuation date is also required.

One of the primary differences between the government-wide statements and the fund financial statements is the measurement focus and basis of accounting. The government-wide statements reflect the economic resources measurement focus and the full accrual basis of accounting, while the fund financial statements for governmental funds reflect the current financial resources measurement focus and the modified accrual basis of accounting.

Chapter Two

Balance Sheet Accounts

This chapter provides balance sheet account numbers and related definitions.

1000 ASSETS AND OTHER DEBITS

Assets are probable future economic benefits obtained or controlled by an entity as a result of past transactions or events. Other debits are budgetary accounts that normally have debit balances.

1100 Current Assets. Current assets include cash or other assets that are expected to be converted to cash within the operating cycle.

1110 Cash. All funds on deposit with an official or agent designated as custodian of cash and bank deposits.

1111 Cash on Demand Deposit. Deposits with fiscal agents, such as commercial banks, for the payment of normal operating expenditures and subject to withdrawal by board warrant.

1112 Petty Cash. Cash on hand maintained for the purpose of paying small obligations when the issuance of a formal voucher and check is not cost-effective.

1113 Cash Change Funds. Cash on hand maintained for the purpose of providing cash register change.

1114 Cash with Fiscal/Service Agents. Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest. Also, deposits with self-insurance plan agents.

1115 Cash – Interest Earning Deposits. Deposits which generate interest income usually stipulating the duration of deposit and rate of interest.

1117 Cash on Hand. Currency, coins, and checks received but not yet deposited.

1120 Taxes Receivable. The uncollected portion of taxes that a governmental unit has levied and billed.

1121 Taxes Receivable. Taxes that were levied for the current operating year but are uncollected. This account should be closed on June 30 and amounts held by the Tax Collector on behalf of the School Board should be recorded in account 1220, Due From Other Agencies.

1130 Accounts Receivable. Amounts due on open account from private persons, firms, or corporations for goods and services furnished by the school district.

1139 Allowance for Uncollectible Accounts Receivable (Credit). An estimate of the uncollectible portion of accounts receivable.

- 1140 Due From Other Funds. Amounts due for goods or services provided by a particular fund to another fund or for interfund loans.
 - 1141 Due From Budgetary Funds. Amounts due from one fund to another. Separate accounts should be maintained for each interfund loan.
 - 1142 Due From Internal Funds. Amounts due for advances to internal accounts. Separate accounts should be maintained for each advance.
- 1150 Inventory. Materials and supplies on hand for future use in operations. Subaccounts within this category may be used to identify different types of inventory such as materials, purchased food, and commodities.
- 1160 Investments. Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. This account does not include assets used in school district operations. Separate accounts for each category of investments may be maintained.
 - 1161 Investments – U. S. Government Securities. Securities of the U. S. Government acquired by the district school board as authorized by statute and held for the production of income in the form of interest.
 - 1162 Investments – Section 1011.14, F.S., Loans. Amounts invested from proceeds of loans made pursuant to Section 1011.14, F.S.
 - 1163 Investments – SBE/COBI Bonds. State Board of Education (SBE)/Capital Outlay Bond Indebtedness (COBI) bonds issued on behalf of school districts under Section 9, Article XII of the State Constitution.
 - 1164 Investments – State Board of Administration. Amounts placed with the State Board of Administration for investment.
 - 1169 Other Governmental Securities. Securities of other governmental agencies authorized by Florida Statutes and not identified above.
- 1170 Interest Receivable on Investments. The amount of interest receivable on investments, excluding purchased interest.
- 1180 Due from Reinsurer. Amounts to be recovered from reinsurance policies.
- 1200 Other Current Assets. All other assets, current in nature, that are not specifically provided for in other sections.
 - 1210 Deposits Receivable. Funds deposited by the school district as a prerequisite to receiving services and/or goods.
 - 1220 Due From Other Agencies. Amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.
 - 1230 Prepaid Items. Disbursements that are made in one accounting period but are more accurately reflected as an expenditure/expense in the next fiscal period.

- 1300 Capital Assets. Land, land improvements, buildings, machinery, furniture, equipment, and all other tangible and intangible assets that are used in operations and have useful lives that extend beyond a single accounting period. If acquired through donation, the capital asset should be recorded using the fair value at the time of acquisition.
- 1310 Land. The acquisition cost of land owned by a school system. If land is purchased, this account includes the purchase price and other costs incurred to prepare the land for use such as legal fees, filling and excavation costs, and other improvements.
- 1315 Land Improvements – Nondepreciable. The cost of permanent improvements to land that is not subject to depreciation.
- 1320 Improvements Other Than Buildings. The cost of nonpermanent improvements, other than buildings, that add value to land. Examples include fences, retaining walls, sidewalks, sewage treatment systems, original or expanded paving projects, fixed playground equipment, flagpoles, gateways, and underground storage tanks, that are not part of the building service systems.
- 1329 Accumulated Depreciation – Improvements Other Than Buildings. The accumulation of systematic and rational allocations of the cost of improvements other than buildings over the useful lives of the assets.
- 1330 Buildings and Fixed Equipment. The cost of permanent structures used to house persons and property owned by a school system. If buildings are purchased or constructed, this account includes the acquisition or construction costs of permanent buildings and fixtures attached to and forming a permanent part of such building. This account includes all building improvements, including upgrades made to building wiring for technology.
- 1339 Accumulated Depreciation – Buildings and Fixed Equipment. The accumulation of systematic and rational allocations of the cost of buildings and fixed equipment over the useful lives of the assets.
- 1340 Furniture, Fixtures, and Equipment. The cost of furniture, fixtures, and equipment owned by a school system. This account includes teaching, laboratory, research, diagnostic and testing, and administrative equipment used by or for students.
- 1349 Accumulated Depreciation – Furniture, Fixtures, and Equipment. The accumulation of systematic and rational allocations of the cost of furniture, fixtures and equipment over the useful lives of the assets.
- 1350 Motor Vehicles. The cost of all transportation equipment including vehicles used for pupil transportation and service vehicles (trucks, vans, scooters, motorcycles, passenger cars, and other motorized units).
- 1359 Accumulated Depreciation – Motor Vehicles. The accumulation of systematic and rational allocations of the cost of vehicles over the useful lives of the assets.

- 1360 Construction in Progress. The actual cost incurred to date for construction work undertaken but not yet completed. This account reflects the total construction costs recorded as expenditures in the capital projects funds.
- 1370 Property under Capital Lease. The net present value of lease payments capitalized as assets. When title to the property passes, the value is transferred to the appropriate capital asset account.
- 1379 Accumulated Depreciation – Property under Capital Lease. The accumulation of systematic and rational allocations of the cost of property under capital lease over the useful lives of the assets.
- 1380 Audio-visual Materials and Computer Software. The cost of audio-visual materials and computer software which meet the criteria for capitalization.
- 1381 Audio-visual Materials. The cost of audio-visual materials owned by a school district.
- 1382 Computer Software. The cost of computer software purchased by a school district. Specifically, this refers to the set of programs and associated documentation used to control the operation of a computer. The two primary types of software are (1) **systems software** which includes operating systems, programming languages, and utility programs; and (2) **application programs** that are designed to perform tasks such as data base management, spreadsheet functions, instruction, and word processing. Generally, when software is acquired with computer hardware for a single purchase price and the relative value of the software is material to the total cost, it is necessary to allocate the acquisition cost to both the software and hardware in accordance with generally accepted accounting principles for lump-sum or basket purchases. However, **systems software** acquired in conjunction with computer hardware may be recorded as part of the equipment purchase (no allocation of cost to the software) when the software will not be removed, transferred, or in any way separated from the original hardware. If the software which was originally recorded as equipment is subsequently removed, transferred, or detached from the original hardware, it would be necessary to retroactively allocate a portion of the original cost, if material, to the software for proper recording of the removal or transfer.
- 1388 Accumulated Depreciation – Audio-visual Materials. The accumulation of systematic and rational allocations of the cost of audiovisual materials over the estimated useful lives of the assets.
- 1389 Accumulated Amortization – Computer Software. The accumulation of systematic and rational allocations of the cost of computer software over the estimated useful lives of the assets.
- 1400 Other Debits.
- 1410 Other Post-Employment Benefits Asset. To account for funded other post-employment benefits (OPEB) assets set aside to pay for future benefits,

resulting in a net obligation asset for government-wide and proprietary fund financial statement presentation.

1500 Budgetary Debits. A group of general ledger accounts that normally have debit balances and are used to achieve budgetary integration within the accounting system.

1510 Estimated Revenues. The amount of revenues estimated to be realized during a budget period, whether collected in the same or subsequent periods.

1520 Encumbrances. Commitments in the form of purchase orders or contracts that are chargeable to an appropriation and that represent a reserve of the budgetary fund balance. Once a purchase order or contract is fulfilled, the encumbrance is removed from the accounting records.

2000 LIABILITIES, OTHER CREDITS, AND FUND BALANCES/NET ASSETS

Liabilities represent probable future sacrifices of economic benefits arising from present obligations to transfer assets or provide services as a result of past transactions. Other Credits are budgetary accounts that normally have credit balances.

2100 Current Liabilities. Current liabilities represent obligations expected to be paid from current financial resources usually within the operating cycle or one year.

2110 Accrued Salaries and Benefits. Costs incurred during the current accounting period that are not payable until a subsequent accounting period.

2120 Accounts Payable. Liabilities representing amounts due on open account to private persons or organizations for goods and services received by a school system. (Does not include amounts due to other funds or other governments.)

2130 Judgments Payable. Amounts owed as a result of court decisions, including condemnation awards for private property taken for public use.

2140 Construction Contracts Payable. Amounts due by a school system on contracts for construction of buildings or other structures, and other improvements.

2150 Construction Contracts Payable – Retained Percentage. Amounts due on construction contracts representing a percentage of the total contract price that is not paid pending final inspection, the lapse of a specified time, or both.

2160 Due to Other Funds. Amounts owed for goods and services rendered by a particular fund to another fund within the school district or interfund loans due within one year.

2161 Due To Budgetary Funds. Amounts owed by a particular fund to another fund within the school district (excluding amounts due to school internal funds).

2162 Due to Internal Funds. Amounts owed by a particular fund to school internal funds within the district. Separate accounts should be maintained for each liability.

- 2170 Payroll Deductions and Withholdings. Amounts deducted from employees' salaries for withholding taxes and other purposes. A separate liability account may be used for each type of deduction.
- 2180 Matured Bonds Payable. Unpaid bonds that have reached or passed their maturity date. Account 1114, Cash with Fiscal Agent, should be used to record amounts remitted to the paying agent for payment of this liability.
- 2190 Matured Interest Payable. Unpaid interest on bonds that have reached or passed their maturity date. Account 1114, Cash with Fiscal Agent, should be used to record amounts remitted to the paying agent for payment of this liability.
- 2200 Other Current Liabilities. All other current liabilities that are not provided for specifically in preceding subsections.
- 2210 Accrued Interest Payable. Interest due within one year.
- 2220 Deposits Payable. Liability for deposits received as a prerequisite to providing services and/or goods.
- 2230 Due to Other Agencies. Amounts owed by the reporting school district to other governmental units. Separate accounts may be maintained for each liability.
- 2240 Due to Fiscal Agent. Amounts due to fiscal agents, such as commercial banks, for servicing the district's matured debt.
- 2250 Section 1011.13, F.S., Notes Payable. Amounts due on current loans authorized by Section 1011.13, F.S.
- 2260 Sales Tax Payable. Sales taxes collected by the district that must be remitted to the state.
- 2270 Estimated Liability for Self-Insurance Program.
- 2271 Estimated Unpaid Claims – Self-Insurance Program. Amount needed to provide for the estimated ultimate cost of settling claims for events that have occurred on or before the balance sheet date, including reported claims and claims incurred but not reported.
- 2272 Estimated Liability for Claim Adjustment Expenses. Amount needed to provide for the estimated ultimate cost required to investigate and settle claims relating to insured events that have occurred on or before the balance sheet date, whether or not reported to the district.
- 2280 Estimated Liability for Arbitrage Rebate. Districts with a calculated arbitrage rebate liability should not treat the amount of the rebate as a reduction of interest revenue. In addition, the liability should not be recognized in the governmental fund until it is due and payable. When due and payable the liability should be recorded in the governmental fund that generated the interest earnings that are subject to rebate.

- 2290 Internal Accounts Payable. Amounts held on behalf of others in the internal accounts agency fund.
- 2300 Long-Term Liabilities. Long-term liabilities are debts that a school district plans to hold more than one year.
- 2310 Notes Payable. An unconditional written promise signed by the maker to pay a certain sum of money on demand or at a fixed or determinable future time, either to the bearer or to the person designated therein.
- 2312 Section 1011.14/1011.15, F.S., Notes Payable. Obligations authorized under the provisions of Sections 1011.14 and 1011.15, F.S. This includes installment loan contracts approved under this statutory authority.
- 2313 Bond Anticipation Notes. Short-term notes sold in anticipation of a bond issue that are full faith and credit obligations of the school district and are to be retired from the proceeds of the bonds to be sold.
- 2315 Obligations Under Capital Leases. The present value of future payments on capitalized lease agreements.
- 2320 Bonds Payable. The face value of obligations representing a written promise to pay a specified sum of money at a designated maturity date with a fixed rate of interest payable periodically.
- 2321 State Board of Education/Capital Outlay Bond Indebtedness (COBI) Bonds Payable. Principal balance due on bonds issued by the SBE on behalf of the school district under Section 9, Article XII, of the State Constitution. Such bonds have been designated SBE or COBI.
- 2322 District Bonds Payable. Principal balance due on bonds issued by the school district as authorized by the voters of the district.
- 2323 Special Act Bonds Payable. Balance due on the principal amount of bonds or revenue certificates issued by the school district pursuant to authority granted by special acts of the Legislature.
- 2324 Motor Vehicle License Revenue Bonds Payable. Balance due on principal amount of bonds or revenue certificates of the school district as authorized by the Legislature.
- 2330 Liability for Compensated Absences. Amounts owed to employees for unpaid vacation and sick leave liabilities based on the right to receive compensation for future absences attributable to services already rendered.
- 2340 Certificates of Participation Payable. Obligations resulting from the issuance of certificates of participation, which are financing instruments that provide the issuer with cash to finance construction or capital acquisitions.
- 2350 Estimated Liability for Long-Term Claims. Amounts due for long-term claims that are not otherwise classified, including estimates of insurance claims and judgments.

- 2360 Other Post-Employment Benefits Liability. To account for the actuarial calculations for OPEB benefits net of funded amounts, resulting in a net obligation liability for government-wide and proprietary fund financial statement presentation.
- 2370 Estimated PECO Advance Payable. Obligation for the repayment of Public Education Capital Outlay (PECO) funds received pursuant to Section 1013.64(2), F.S.
- 2380 Other Long-Term Liabilities.
- 2400 Other Credits. All other liabilities not provided for in preceding subsections.
 - 2410 Deferred Revenues. Liabilities representing revenues collected but unearned.
 - 2411 Deferred Revenue – Public Education Capital Outlay (PECO). The annual allocation of PECO funds for which encumbrance authorizations have not been issued.
 - 2412 Deferred Revenue – Cash Advance From Grants. Unearned revenues represented by cash advanced for grants.
 - 2413 Deferred Revenue – Other.
 - 2414 Deferred Revenue – Classrooms First Program. Unearned revenues represented by cash advanced for the Classrooms First Program.
- 2500 Budgetary Credits. A group of general ledger accounts that normally have credit balances and are used to achieve budgetary integration within the accounting system.
 - 2510 Appropriations. Authority granted by the school board to make expenditures and to incur obligations in the name of the school district for specified purposes and amounts during the fiscal year.
- 2700 Fund Equity. The excess of assets over liabilities. In governmental funds, this difference represents fund balance. In proprietary funds, fiduciary funds, and government-wide financial statement presentation, the difference represents net assets.
 - 2710 Nonspendable. The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, *not in spendable form* means that an item is not expected to be converted to cash [GASB 54, ¶6]. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. If the use of the proceeds from any of the above will be restricted, committed, or assigned, then they should be included in the appropriate fund balance classification other than nonspendable. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact, and should, therefore, be classified as nonspendable.
 - 2711 Inventory.

- 2712 Prepaid Amounts.
- 2713 Permanent Fund Principal.
- 2719 Other Not in Spendable Form. The district is encouraged to identify the cause for which fund balance is not in spendable form on the face of the financial statements.
- 2720 Restricted. The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance [GASB 54, ¶8]. Although similar to restricted net assets, this classification will vary due to the different measurement focuses and bases of accounting employed in reporting net assets and fund balance.
- 2721 Economic Stabilization. The term stabilization refers to economic stabilization, revenue stabilization, budgetary stabilization, and other similarly intended arrangements, including “rainy-day” funds. The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises in the required note disclosure related to stabilization arrangements.
- 2722 Federal Required Carryover Programs. The segregated portion of fund balance representing the unexpended balances of federal program funds carried forward to the subsequent fiscal year to be expended for the specific purpose of the program.
- 2723 State Required Carryover Programs. The segregated portion of fund balance representing the unexpended balances of categorical program funds and earmarked funds carried forward to the subsequent fiscal year pursuant to Rule 6A-1.0141, F.A.C.
- 2724 Local Sales Tax and Other Tax Levy. The segregated portion of fund balance representing the unexpended balances of funds raised through local sales tax or other tax levy to be expended in accordance with the purpose for which they were raised. For example, pursuant to Section 1011.71(2), (3), and (4), F.S., levied tax may only be expended for specific purposes; and pursuant to Section 212.055(2) and (6), F.S., local sales tax is levied by authorization from the school board or through an intergovernmental agreement for capital improvement.
- 2725 Debt Service. The restricted portion of fund balance for debt service from funds that were not raised by tax levy, or a requirement of maintaining a certain level of fund balance based upon the amount of outstanding debt.
- 2726 Capital Projects. The restricted portion of fund balance for capital projects from funds that were not raised by local sales tax or other tax levy.

- 2729 Other Restrictions. The district is encouraged to identify the purpose for which fund balance is restricted on the face of the financial statements.
- 2730 Committed. The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the district school board. These amounts cannot be used for any other purpose unless the district school board removes or changes the specified use by taking the same action it employed to previously commit the amounts [GASB 54, ¶10]. The authority that commits fund balance to a specific purpose should occur prior to the end of the reporting year, but the committed amounts may be determined in the subsequent period before financial statements are issued.
- 2731 Economic Stabilization. The term stabilization refers to economic stabilization, revenue stabilization, budgetary stabilization, and other similarly intended arrangements, including “rainy-day” funds. The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises in the required note disclosure related to stabilization arrangements.
- 2732 Contractual Agreements. Contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- 2739 Other Commitments. The district is encouraged to identify the purpose for which fund balance is being committed on the face of the financial statements.
- 2740 Assigned. The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed [GASB 54, ¶13]. The authority for assigning fund balance need not be the highest decision-making level of the governmental entity – in this case, the district school board. It could be a division of the governing body or an individual delegated the authority by the district school board. Assigned amounts should be established prior to the end of the reporting period.
- 2741 Special Revenue. The residual classification for Special Revenue Funds other than negative amounts.
- 2742 Debt Service. The residual classification for Debt Service Funds other than negative amounts.
- 2743 Capital Projects. The residual classification for Capital Projects Funds other than negative amounts.
- 2744 Permanent Fund. The residual classification for the Permanent Fund other than negative amounts.

- 2749 Other Assignments. Other assigned purposes in the general fund that are neither restricted nor committed. This amount cannot cause a deficit in the unassigned fund balance. The district is encouraged to identify the purpose for which fund balance is being assigned on the face of the financial statements.
- 2750 Unassigned. The portion of fund balance that is the residual classification for the general fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes. For other funds, if the residual is still negative after eliminating assigned fund balances, the negative residual amount should be classified as unassigned fund balance [GASB 54, ¶17].
- 2770 Net Assets, Invested in Capital Assets, Net of Related Debt. The component of the difference between assets and liabilities of proprietary funds that consists of capital assets less accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of those assets.
- 2780 Net Assets, Restricted. The component of the difference between assets and liabilities of proprietary and fiduciary funds that consists of assets with constraints placed on their use by external parties or through constitutional provisions or enabling legislation.
- 2785 Net Assets, Held in Trust. The difference between assets and liabilities of fiduciary funds.
- 2790 Net Assets, Unrestricted. The difference between assets and liabilities of proprietary funds that is not reported as net assets, invested in capital assets, net of related debt or restricted net assets.

Chapter Three

Revenue Accounts

This chapter provides revenue account numbers and related definitions.

- 3100 Federal Direct. Revenue received by the district directly from the federal government.
- 3120 Federal Impact Funds. Funds provided to the district as non-earmarked funds to be used for the support of the total school program when increased enrollment is attributable to federally connected activities.
- 3121 Federal Impact, Current Operations. These are non-earmarked funds, accounted for through the district school fund, to be used for the support of the total school program. A district may qualify for revenue from this source during any school year, when minimum conditions are met. In order to be eligible, not less than three percent (3%) of the total average daily attendance (K-12) must result from pupils who have a parent employed on an eligible federally owned property within the State of Florida. The parent may be a member of the Armed Forces stationed on such property as a private individual, a civil service employee, or an employee of a contractor working on this property. Application forms and instructions are available from the Department of Education.
- 3170 Workforce Investment Act. Amounts received directly from the federal government to assist in providing training and education for the economically disadvantaged that will lead to maximum employment opportunities.
- 3180 Community Action Programs. Funds provided by the federal government for community action programs to meet critical community needs and to help urban and rural communities mobilize their resources to combat poverty (includes volunteer programs).
- 3190 Other Federal Direct. Other amounts received directly from the federal government.
- 3191 R.O.T.C. Amounts received to assist districts in establishing Reserve Officers Training Corps programs.
- 3199 Miscellaneous Federal Direct. Other sources of direct federal funding not previously classified.
- 3200 Federal Through State and Local. Revenue distributed through the state or an intermediate agency to the district.
- 3201 Vocational Education Acts. Formula grant funds provided to assist in conducting and strengthening vocational education programs.
- 3202 Medicaid. Funds received as reimbursement through the federal Medicaid program.
- 3210 State Fiscal Stabilization Funds – K-12. American Recovery and Reinvestment Act Stabilization Funds received for K-12.
- 3211 State Fiscal Stabilization Funds – Workforce. American Recovery and Reinvestment Act Stabilization Funds received for Workforce Education.

- 3212 State Fiscal Stabilization Funds – Voluntary Prekindergarten Program (VPK). American Recovery and Reinvestment Act Stabilization Funds received for VPK.
- 3214 Race to the Top. American Recovery and Reinvestment Act grant for the purpose of achieving key educational goals for student achievement.
- 3215 Education Jobs Act. Federal stimulus program to save or create education jobs. Program money is to be spent on educational and related services for early childhood, elementary, and secondary education at the school building level.
- 3220 Workforce Investment Act. Amounts received to assist in providing training and education for the economically disadvantaged that will lead to maximum employment opportunities. Programs include Carl Perkins and Adult Literacy.
- 3226 Math and Science Partnerships – Title II, Part B. Funds received to improve the skills of teachers and the quality of instruction in mathematics and science in elementary and secondary schools.
- 3227 Drug-Free Schools. Funds received for drug and alcohol abuse education and prevention programs.
- 3230 Individuals with Disabilities Education Act (IDEA). Amounts received from grants for handicapped students, including preschool children ages 3-5.
- 3240 Elementary and Secondary Education Act, Title I. Amounts received from grants to assist in the education of disadvantaged and handicapped students.
- 3251 Adult General Education. Funds provided to encourage and expand basic educational programs for adults.
- 3253 Vocational Rehabilitation. Funds provided for vocational rehabilitation training.
- 3255 National Forest Funds. Revenue received by a district from the sale of timber and forest products from a national forest within the boundaries of the county.
- 3260 National School Lunch Act. Funds, grants-in-aid, and other assistance for providing an adequate supply of foods and facilities for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs.
- 3261 School Lunch Reimbursement. Federal reimbursement distributed by the state for lunches served through this program.
- 3262 School Breakfast Reimbursement. Federal reimbursement distributed by the state for breakfasts served through this program.
- 3263 After School Snack Reimbursement. Federal reimbursement distributed by the state for snacks served through this program.
- 3264 Child Care Food Program. Reimbursements for food served in daycare centers, including food and milk reimbursements.
- 3265 USDA Donated Commodities. This account reflects the fair market value of foods donated by USDA. The district must record the value of donations in

reporting revenues and expenses. The amount of donations in inventory should be recorded in Inventory and Deferred Revenue accounts.

- 3266 Cash in Lieu of Donated Foods. Amounts received in cash through the donated food program.
- 3267 Summer Food Service Program. Reimbursement for feeding programs, usually conducted during the summer. This is not a part of the regular school lunch reimbursement program.
- 3268 Fresh Fruit and Vegetable Program. Federal reimbursement distributed by the state for selected schools to make available free fresh fruits and vegetables to children.
- 3269 Other Food Services. Other food service revenue not previously classified.
- 3280 Federal Through Local. Revenues from the federal government distributed through an intermediate agency.
- 3290 Other Federal Through State. Other federal funds received from the state. Account 3293 is provided for federal funds administered through the state for programs for Cuban, Haitian, Indo-Chinese, and other immigrant students.
- 3293 Emergency Immigrant Education Program.
- 3299 Miscellaneous Federal Through State. Other sources of federal through state revenues not previously classified.
- 3300 Revenue from State Sources.
 - 3310 Florida Education Finance Program (FEFP). Revenue received for current operations under this program.
 - 3315 Workforce Development. Amounts received from state-funded program for adult general education, technical certificate programs, Approved Training Organization (ATO) programs, apprenticeship programs, and continuing education.
 - 3316 Workforce Development Capitalization Incentive Grant. Grant funds provided by the state to defray the costs associated with the start-up or expansion of workforce development programs.
 - 3317 Workforce Education Performance Incentives. To account for workforce education performance incentives identified in the General Appropriations Act.
 - 3318 Adults With Disabilities. Amounts received from the state to fund programs for adults with disabilities.
- 3320 State Auto License, Capital Outlay and Debt Service (CO&DS). Since January 1, 1953, all state appropriations for capital outlay and debt service have been secured through the first receipts from the sale of state automobile license tags. The amount is computed pursuant to Section 1010.57, F.S. These funds are earmarked for approved capital outlay and debt service by the Florida Constitution and State Board of Education rules.

- 3321 CO&DS Distributed. Funds remitted by the state to the district that are available for approved projects.
- 3322 CO&DS Withheld for SBE/COBI Bonds. Section 9, Article XII, of the Florida Constitution authorizes the State Board of Education to sell bonds and revenue certificates for and on behalf of district school boards. These bonds, when issued, must be retired from a portion of the capital outlay and debt service funds available to participating districts. The state acts as fiscal and paying agent for the districts and computes the annual requirement for reserves, principal, interest, and other debt service items. The debt service requirement is deducted from the district's CO&DS funding and the amounts needed for reporting these items are provided by the Department of Education.
- 3323 CO&DS Withheld for Administrative Expense. The state acts as paying agent for SBE bonds and plan review. The Florida Constitution, implemented by State Board rules, authorizes a minor charge for these services. **This is a book entry provided by the state.**
- 3324 Cost of Issuing SBE/COBI Bonds. An additional charge made to districts participating in the SBE bond sale during the current fiscal year. **This is a book entry provided by the state.**
- 3325 Interest on Undistributed CO&DS. Interest earnings on CO&DS funds held in trust for distribution to districts in the subsequent fiscal year.
- 3326 SBE/COBI Bond Interest. Interest earnings from required reserve maintained during the first three years of each SBE bond issue as provided by the resolution authorizing sale of SBE bonds. The reserve is invested by the state and each district is credited with the pro rata share of interest earnings. The amount of the revenue will be provided by the Department of Education.
- 3330 Categorical State Sources.
- 3335 Diagnostic and Learning Resources Centers. Funds for use in promotion of an exceptional child program usually restricted by an approved plan or budget.
- 3337 School Breakfast Supplement. Revenue received for the elementary student breakfast supplement pursuant to Section 1006.06(5), F.S.
- 3338 School Lunch Supplement. State reimbursement to the districts for required matching of federal funds.
- 3340 Other State Revenue.
- 3341 Racing Commission Funds. Revenue provided to districts pursuant to law from pari-mutuel wagering. Funds may be restricted by terms of this act.
- 3342 State Forest Funds. Amounts received by those districts in which a state forest is located.
- 3343 State License Tax. Receipts provided from mobile home licenses in accordance with Section 320.081, F.S.

- 3344 District Discretionary Lottery Funds. Funding allocated from the Educational Enhancement Trust Fund pursuant to appropriation by the Legislature.
- 3350- Other Categorical Sources.
3370
- 3355 Class Size Reduction Operating Funds. Revenue received in accordance with Section 1011.685, F.S., to be used to reduce class size as required in Section 1003.03, F.S.
- 3361 School Recognition Funds. Funding for the School Recognition Program awarded to schools that sustain high performance or demonstrate substantial improvement in student performance, pursuant to Section 1008.36, F.S.
- 3363 Excellent Teaching Program. Revenue received to fund monetary incentives and bonuses, including the employer's share of payroll taxes and retirement contributions for teachers who qualify for national board certification in accordance with Section 1012.72, F.S. (Dale Hickam Excellent Teaching Program).
- 3371 Voluntary Prekindergarten Program. Revenue received for Voluntary Prekindergarten Program as provided in Section 1002.53, F.S.
- 3372 Preschool Projects. Programs and initiatives designed to provide funding and services in local communities to children, from birth to 5 years of age, and their families. Includes Prekindergarten Early Intervention, Florida First Start, Collaborative Partnership Incentives, Migrant Pre-School, and Regional Assistance.
- 3373 Reading Programs. Revenue received for intensive reading programs targeted at improving the reading proficiency of students.
- 3378 Full-Service Schools. Funding received for the continuation and expansion of the Full-Service Schools Program.
- 3390 Miscellaneous State Revenue. Other amounts received from the state.
- 3391 Public Education Capital Outlay (PECO). Capital outlay funds derived from the Gross Receipts Tax and distributed pursuant to Section 1013.65, F.S. Funds are distributed based upon cash flow needs for projects rather than in a lump sum or annual disbursement. Allocations are initially recorded as deferred revenue with revenue recognition on issuance of an encumbrance authorization.
- 3392 Classrooms First Program. Funding provided for the Classroom First Program pursuant to Section 1013.68, F.S., for the construction, renovation, remodeling, repair, or maintenance of education facilities; or debt service on Classrooms First bonds. Allocations are initially recorded as deferred revenue, with revenue recognized on issuance of an encumbrance authorization.
- 3393 School Infrastructure Thrift (SIT) Program. Revenue awarded through the SIT program pursuant to Section 1013.42, F.S.

- 3394 Effort Index Grants. Revenues received through Effort Index Grants for educational facilities construction projects pursuant to Section 1013.73, F.S.
- 3395 Smart Schools Small County Assistance Program. Funding provided to small counties for the construction, expansion, repair, and renovation of school facilities. This program is a supplement to the Special Facilities Construction Account.
- 3396 Class Size Reduction Capital Outlay. Capital outlay funds received in accordance with Section 1013.735, F.S., Classrooms for Kids Program, and Section 1013.736, F.S., District Effort Recognition Program.
- 3397 Charter School Capital Outlay Funding. Capital outlay funds provided to charter schools pursuant to Section 1013.62, F.S. (for Capital Projects Funds only).
- 3399 Other Miscellaneous State Revenue. Other sources of state funding not previously classified, including District Cost Differential supplements.
- 3400 Revenue From Local Sources.
- 3410 Taxes. Taxes levied by a school system on the assessed valuation of real and personal property located within the district. The budgeted tax revenues must represent at least 96 percent of the yield from the proposed millage (millage X assessed valuation X 96%).
- 3411 District School Taxes. Tax revenues generated from the operating tax millage.
- 3412 District Debt Service Taxes. Amounts from special tax millages levied for the purpose of retiring bonds issued pursuant to Sections 1010.41 through 1010.55, F.S.
- 3413 District Local Capital Improvement Tax. Revenues generated from a tax levy authorized by Section 1011.71(2), F.S., for the purposes specified by that statute.
- 3418 County Local Sales Tax. Funds received from a capital outlay sales surtax levied through an interlocal agreement by which the surtax is levied under the county's authority as provided by Section 212.055(2), F.S.
- 3419 School District Local Sales Tax. Funds received from a capital outlay sales surtax levied under the authority of a district school board as provided by Section 212.055(6), F.S.
- 3421 Tax Redemptions. Revenue received during the fiscal year from the clerk of the circuit court for tax redemptions and from the sale of lands acquired for delinquent taxes.
- 3422 Payment in Lieu of Taxes. Amounts received from a local housing authority or similar agency in lieu of the payment of taxes.
- 3423 Excess Fees. All excess fees received from the tax collector.
- 3424 Tuition. Amounts received for the education of nonresidents.
- 3425 Rent. Amounts received from the rental of property owned by the district and currently used for school purposes or rent from property other than school facilities.

- 3430 Interest, Including Profit on Investment. Interest earnings from amounts held in daily balances, savings accounts, time deposits, or investments. Also, profit on the sale of investments. (Interest or profit should be recorded in the fund that produced the earnings unless specified otherwise by bond resolution or legal documents.)
- 3431 Interest on Investments. Interest earnings on investments in United States Treasury bills, notes, bonds, savings accounts, time certificates of deposit, mortgages, or other interest-bearing obligations.
- 3432 Gain on Sale of Investments. Gains realized from the sale of investments (i.e., the excess of sales proceeds over cost or other basis at the date of sale).
- 3433 Net Increase (Decrease) in the Fair Value of Investments. Account established to recognize the change in fair value of investments in accordance with GASB Statement 31.
- 3440 Gifts, Grants, and Bequests. Amounts received from a philanthropic foundation, private individual or organization, or county commission for which no repayment or special service to contributor is expected.
- 3450 Food Service. Revenue received from sale of meals and other related food service activities, including receipts from other agencies or projects for meals provided under contract to various groups or agencies. The following accounts are provided to further classify the various types of receipts such as breakfast, lunch, and milk, as required by approved forms.
- 3451 Student Lunches.
- 3452 Student Breakfasts.
- 3453 Adult Breakfasts/Lunches.
- 3454 Student and Adult à la Carte.
- 3455 Student Snacks.
- 3456 Other Food Sales.
- 3460 Student Fees. Student fees that are authorized by statute and established by the school board.
- 3461 Adult General Education Course Fees. Fees charged to adult students for enrollment in adult general education courses as authorized by Section 1009.22, F.S., and annual appropriations provisions.
- 3462 Postsecondary Vocational Course Fees. Fees charged to adult students enrolled in adult vocational courses as authorized by appropriations proviso and Section 1009.22, F.S.
- 3463 Continuing Workforce Education Course Fees. Fees charged pursuant to Section 1009.22, F.S.

- 3464 Capital Improvement Fees. Capital improvement fees charged to students enrolled in postsecondary adult vocational or adult general courses pursuant to Section 1009.22, F.S.
- 3465 Postsecondary Lab Fees. Lab fees charged to students enrolled in postsecondary adult vocational or adult general courses pursuant to Section 1009.22, F.S.
- 3466 Lifelong Learning Fees. Fees for adult noncredit courses defined by Section 1004.02(18), F.S.
- 3467 General Education Development (GED) Testing Fees. Testing fees charged to candidates who take the General Education Development (GED) test battery or individual exams including retesting, as authorized in Section 1004.93(4)(a), F.S., and as provided in Rule 6A-6.021, F.A.C.
- 3468 Financial Aid Fees. Fees charged to adult students enrolled in adult vocational and adult general education courses authorized by Section 1009.22, F.S., and appropriations proviso.
- 3469 Other Student Fees. Other student fees authorized by statute and not specified above.
- 3470 Other Fees. Other fees authorized by statute or established by the school board.
- 3471 Preschool Program Fees. Fees charged for preschool programs.
- 3472 Prekindergarten Early Intervention Fees. Fees charged for prekindergarten early intervention programs.
- 3473 School-Age Child Care Fees. Fees charged for school-age child care programs.
- 3479 Other Schools, Courses, and Classes Fees. Other student fees.
- 3480 Operating Revenues. Proprietary fund revenues directly related to the fund's primary activities. These revenues consist primarily of user charges for goods and services.
- 3481 Charges for Services. Operating revenues generated by a proprietary fund from rendering services to customers.
- 3482 Charges for Sales. Operating revenues generated by a proprietary fund from the sale of goods to customers.
- 3484 Premium Revenue. Operating revenues generated by a proprietary fund from insurance premiums.
- 3489 Other Operating Revenue. Other operating revenues generated by a proprietary fund not previously classified.
- 3490 Miscellaneous Local Sources. Other amounts received from local sources.
- 3491 Bus Fees. Fees received for the use of school buses (except for school activities), including payments from other districts.

- 3492 Transportation Services Rendered for School Activities. Amounts received from school internal accounts in payment of transportation costs for school-related activities such as football games, band, and field trips.
- 3493 Sale of Junk. Amounts received from the sale of items classified as junk for salvage or recycle purposes.
- 3494 Receipt of Federal Indirect Cost Rate. Amounts received from federal contracted programs for indirect expenses when an indirect cost rate has been approved by the Department of Education.
- 3495 Other Miscellaneous Local Sources. Other miscellaneous revenues not previously classified.
- 3496 Impact Fees. Revenue received from intergovernmental agencies derived from fees assessed for development of real property.
- 3497 Refunds of Prior Year's Expenditures.
- 3498 Collections for Lost, Damaged, and Sold Textbooks. Amounts received locally for lost and damaged textbooks and sale of textbooks.
- 3499 Receipts of Food Service Indirect Costs. Collections from the Food Service Fund for indirect costs.

3600- Other Financing Sources. Increases in current financial resources other than revenues.
3700

3600 Transfers. Nonreciprocal interfund activity represented by disbursement of cash or goods from one fund within the district to another fund without an equivalent return and without a requirement for repayment.

3610 Transfers from General Fund. Amounts received from the general fund with no return or requirement for repayment.

3620 Transfers from Debt Service Funds. Amounts received from debt service funds with no return or requirement for repayment.

3630 Transfers from Capital Projects Funds. Amounts received from capital projects funds with no return or requirement for repayment.

3640 Transfers from Special Revenue Funds. Amounts received from special revenue funds with no return or requirement for repayment.

3650 Interfund. Amounts received from one fund by another fund within the same fund type with no return or requirement for repayment.

3660 Transfers from Permanent Funds. Amounts received from permanent funds with no return or requirement for repayment.

3670 Transfers from Internal Service Funds. Amounts received from internal service funds with no return or requirement for repayment.

- 3690 Transfers from Enterprise Funds. Amounts received from enterprise funds with no return or requirement for repayment.
- 3700 Face Value of Long-term Debt and Sale of Capital Assets. Increases in current financial resources resulting from the issuance of long-term debt and sale of capital assets.
- 3710 Issuance of Bonds. The par value or discounted amount realized from the sale should be credited to this account in the Capital Projects Fund. Any premium or accrued interest is used to reduce the interest payable on the issue and should be credited to Accrued Interest Payable in the Debt Service Fund until the first interest payment date following the date of sale.
- 3711 SBE/COBI Bonds. Face value of State Board of Education Bonds. Section 9, Article XII, of the State Constitution authorizes district school boards to request the State Board of Education to issue bonds for and on behalf of the local school boards. These bonds do not have to be approved in an election or referendum. The Department of Education acts as agent for the district school board in preparing the resolutions for validation proceedings; requesting bids; printing and delivering the bonds sold; and computing the required reserve and the annual amount for the payment of principal, interest, and bank charges.
- 3712 District No. 1 Bonds. Face value of bonds as authorized by Florida Statutes. This type of indebtedness is usually retired by a special tax levy on the non-exempt assessed value of the real and personal property within the district that issued the bonds.
- 3713 Race Track Revenue Bonds. Face value of bonds pursuant to a special act of the Legislature pledging race track revenue accruing to the district.
- 3714 Motor Vehicle License Revenue Bonds. Face value of bonds pledging motor vehicle license revenue distributed to the districts by the state.
- 3715 Face Value of Refunding Bonds.
- 3716 Sales Surtax Bonds. Face value of bonds issued for capital facilities acquisition and construction. The debt is secured by the pledge of sales tax revenue authorized by Section 212.055, F.S.
- 3720 Loans. Proceeds of loans not repaid during the fiscal year in which obtained.
- 3721 Section 1011.14/1011.15 Loans. Proceeds of loans authorized under Section 1011.14 or 1011.15, F.S., which permits the school board to borrow money for specific purposes when approved, including installment purchases under Section 1011.14, F.S.
- 3722 Bond Anticipation Loans. Proceeds of notes issued in anticipation of bond sale. These notes must be retired from the proceeds of the bond sale.
- 3724 Capital Lease Agreements. Source of funds for recording assets acquired under capital lease. Lease must be conditioned on the right of the board to terminate the lease at the end of each fiscal year (Attorney General's Opinion (AGO) 063-53).

- 3730 Sale of Capital Assets. Proceeds from sale of capital assets of a school district.
- 3731 Sale of Land. Proceeds from sale of real property (unimproved).
- 3732 Sale of Buildings. Proceeds from sale of land and buildings.
- 3733 Sale of Equipment. Proceeds from sale of equipment.
- 3740 Loss Recoveries. Amounts received from insurance or other sources as result of the loss of school district property from fire, theft, or other causes.
- 3741 Insurance Loss Recovery.
- 3742 Other Loss Recovery.
- 3750 Proceeds of Certificates of Participation. Proceeds from the issuance of certificates of participation for the purpose of capital acquisition or construction. (Investors buy shares of specified revenues rather than bonds secured by the revenues.)
- 3760 Proceeds of Forward Supply Contract. Amounts received at the time of bond refunding representing proceeds from a forward supply contract that provides payment to the bond issuer for future interest to be earned on sinking fund investments that are made between the date of maturity and the date of scheduled interest or principal payments.
- 3770 Proceeds from Special Facilities Construction Advance. Funds received from the Special Facilities Construction Account as authorized by Section 1013.64(2), F.S.
- 3780 Gain on Disposition of Assets. The excess of the financial inflows over the carrying value of the disposed assets.
- 3790 Premium on Long-term Debt. The amount of premium paid in connection with the issuance of long-term debt.
- 3791 Premium on Sale of Bonds.
- 3792 Premium on Refunding Bonds.
- 3793 Premium on Certificates of Participation.

Chapter Four

Fund Structure and Expenditure Accounts

This chapter presents fund and expenditure account numbers and the related definitions.

NOTE: Function and object code field sizes are four and three characters, respectively. The state does not currently require direct coding of the third and fourth characters of function codes or the third character of the object code, but may specify such coding in the future.

FUNDS

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

<u>Code</u>	<u>Description</u>
00X	<u>Permanent Funds.</u> Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs – that is, for the benefit of the government or its citizenry. [GASB 54, ¶35]
100	<u>General Fund.</u> The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. [GASB 54, ¶ 29]
2XX	<u>Debt Service Funds.</u> Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. [GASB 54, ¶34]
210	<u>SBE/COBI Bonds.</u> State Board of Education (SBE)/Capital Outlay Bond Indebtedness (COBI) bonds issued by the SBE on behalf of the school district under Section 9, Article XII of the State Constitution.
220	<u>Special Act Bonds.</u> Bonds or revenue certificates issued by the school district pursuant to authority granted by special acts of the Legislature.
230	<u>Section 1011.14/1011.15, F.S. Loans.</u> Loans negotiated under authority of the cited statutory provisions.
240	<u>Motor Vehicle Revenue Bonds.</u> Bonds issued under this expired authority.
250	<u>District Bonds.</u> Bonds issued by the district as authorized by vote of the people of the district.
291-298	<u>Other Debt Service.</u>
299	<u>American Recovery and Reinvestment Act Economic Stimulus Debt Service.</u> Debt Service for American Recovery and Reinvestment Act school construction bonds.

- 3XX Capital Projects Funds. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. [GASB 54, ¶33]
- 310 COBI. State of Florida capital outlay bond issues are used to finance these capital projects. These projects include the construction of new schools, including capital equipment and additions to existing schools.
- 320 Special Act Bonds. Special Act bonds (including Racing Commission revenue bonds) are used to finance these capital projects, which vary in purpose depending on the specifications of the bond issue.
- 330 Section 1011.14/1011.15, F.S., Loans. Short-term loans (one year) for capital projects may be renewed by the school board up to four times. Long-term, emergency loans may be secured for capital projects to address a roof that has been destroyed or refrigeration equipment that is no longer functional, for example.
- 340 PECO (Public Education Capital Outlay). The gross receipts tax used to finance capital projects.
- 350 District Bonds. Bonds issued as the result of a referendum passed by voters are used to finance these capital projects. Most bonds are issued for the construction of new schools, but any capital project approved by the voters may be financed with these bonds.
- 360 Capital Outlay and Debt Service (CO&DS) Program. The district's allocation of the State of Florida's Capital Outlay and Debt Service Program is used to fund projects such as the construction of new schools, including capital equipment and additions to existing schools.
- 370 Non-voted Capital Improvement Fund District School Tax – Section 1011.71(2), F.S. A tax levied by the school board against the taxable value of property is used to finance projects advertised for expenditure pursuant to this authority. Subfunds may be used for each fiscal year levy to account for revenues, expenditures, and unexpended amounts.
- 380 Voted Capital Improvement Fund. A tax of up to one mill may be levied for capital projects for up to two years pursuant to Section 1011.73(1), F.S., if voted by the qualified electors of the district.
- 391-398 Other Capital Projects. Capital projects funded by other sources including class size reduction funding from the State of Florida, half-cent sales tax revenue (school board referendum approved by the voters pursuant to Section 212.055(6), F.S.), one-cent intergovernmental local sales tax revenue (referendum by group of local governments, approved by the voters pursuant to Section 212.055(2), F.S.), and lease-purchase agreements.
- 399 American Recovery and Reinvestment Act Economic Stimulus Capital Projects. Capital projects funded by the American Recovery and Reinvestment Act related to construction, renovation, and remodeling.

4XX Special Revenue Funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds should not be used to account for resources held in trust for individuals, private organizations, or other governments. [GASB 54, ¶30] Florida school districts should disclose in the notes to financial statements the purpose of each major special revenue fund, identifying which revenues and other resources are reported in each of those funds. Florida school districts should report federal categorical aid and food services as special revenue funds.

410 Food Services.

420 Other Federal Programs.

430 Federal Economic Stimulus Programs. Select federal funds to be disbursed through the state and received as federal-direct grants. Due to the unprecedented scope and importance of these federal programs, these special revenue funds are subject to additional and more rigorous reporting requirements than normally apply to other federal programs. The federal grants that fall under this special revenue grouping include the American Recovery and Reinvestment Act (ARRA), the Race to the Top grant, and the Education Jobs Act. The funds listed below include both ARRA grants and other stimulus programs.

431 American Recovery and Reinvestment Act State Fiscal Stabilization Funds. State fiscal stabilization funding that is to be disbursed over a two-year period for the stabilization of local school district funding.

432 Targeted American Recovery and Reinvestment Act Stimulus Funds. Stimulus funds targeted for specific programs, including Title I and IDEA.

433 Other American Recovery and Reinvestment Act Stimulus Grants. Stimulus funds provided for other purposes. These funds may be disbursed through the state or received as federal-direct grants.

434 American Recovery and Reinvestment Act Race to the Top. Stimulus grant awarded to Florida for the purpose of achieving its three key goals for student achievement to 1) double the percentage of incoming high school freshmen who ultimately graduate from high school, go on to college, and achieve at least a year's worth of college credit; 2) cut the achievement gap in half in 2015; and 3) increase the percentage of students scoring at or above proficient on the National Assessment of Educational Progress by 2015, to or beyond the performance levels of the highest-performing states.

435 Education Jobs Act. Federal program to save or create education jobs. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education at the school building level.

491-499 Miscellaneous Special Revenue.

7XX Internal Service Funds. Funds established to account for any activity within the school district that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Use of an internal service fund is appropriate only when the school district is the predominant participant in the activity.

711-715 Self-Insurance.

731 Consortium Programs.

791 Other Internal Service.

8XX Fiduciary Funds. Funds used to report resources held by the school district in a trustee or agency capacity for others that, therefore, cannot be used to support the school district's own programs.

840-849 Investment Trust Funds.

850-859 Private-purpose Trust Funds.

870-879 Pension Trust Funds.

891 School Internal Funds.

892-899 Agency Funds.

9XX Enterprise Funds. This fund may be used to account for any activity for which a fee is charged to external users for goods or services. Enterprise funds are required to be used to account for any activity whose principal revenue sources meet any of the following criteria: 1. debt backed solely by revenues from fees and charges (thus, not debt that is backed by the full faith and credit of the school district); 2. legal requirement to recover costs through fees and charges; and 3. policy decision of the governing board of management to recover the costs of providing services through fees or charges. Some examples of enterprise funds are activities such as the bookstore operation, the athletic stadium, and the community swimming pool. All public entity risk pools (Self Insurance – Consortiums) are required to be accounted for as enterprise funds.

911-914 Self Insurance – Consortium.

915 ARRA – Consortium.

921-922 Other Enterprise Programs.

OBJECT CODES

The object classification indicates the type of goods or services obtained as a result of a specific expenditure. Eight major object categories are identified and described in this handbook: Salaries, Employee Benefits, Purchased Services, Energy Services, Materials and Supplies, Capital Outlay, Other Expenses, and Transfers. These broad categories are subdivided to capture more detailed expenditure information. These subobject codes use two of the three characters in the three-character field; the third character is reserved for future specification by the State of Florida. Although specified herein, the second character in the salaries object codes is not required, but is available for district consideration. The optional third characters of the 100, 200, and 600 object codes are provided in Appendix B.

Code

Description

- 100 Salaries. Amounts paid to employees of the school system who are considered to be in positions of a permanent nature, including personnel under written contract substituting for individuals in permanent positions. See Subobject 750, Other Personal Services, for temporary services. This includes gross salary for personal services rendered while on the payroll of the district school board. Salaries shall be classified as follows.
- 110 Administrator. Persons with administrative duties who have authority for management policies in district and/or school operations. Included here are the superintendent; deputy, associate, assistant, and area superintendents; executive and general directors; assistant directors; supervisors; coordinators; administrators on special assignment; principals; assistant principals; and curriculum coordinators, deans, and persons who carry out the job responsibilities indicated above with an alternate job title.
- 120 Classroom Teacher. Staff members assigned the professional activity of instructing students in courses.
- 130 Other Certified. Included here are all other members of the instructional staff (teachers) as defined in Section 1012.01, F.S., except classroom teachers and their substitutes. Examples include primary specialists, guidance counselors, psychologists, occupational/placement specialists, and media specialists. Salaries of personnel serving in positions that are part-time classroom teaching and part-time primary specialist (or other role) shall be apportioned to the two objects.
- 140 Substitute Teacher. Persons who substitute for classroom teachers either on a full-time or part-time basis.
- 150 Paraprofessional. Persons who are paraprofessionals under the supervision of a classroom teacher, library paraprofessionals, and other school-level paraprofessionals.
- 160 Other Support Personnel. Included here are all school board employees not listed in another category. Examples include clerical/secretarial staff, technicians, transportation workers, custodians, cafeteria workers, accountants, architects, computer programmers, nurses, skilled craftsmen, engineers, mechanics, and unskilled laborers.
- 170 Board Members and Attorneys. Persons who serve as school board members and individuals who are attorneys for the school board.

- 200 Employee Benefits. Amounts paid by the school system on behalf of employees. These amounts are not included in gross salary. Such payments are fringe benefits and, while not paid directly to employees, are part of the cost of employing staff. Benefits should be identified with the function in which the salaries are recorded. In the special case of Worker's Compensation, a functional prorated amount based on an approximate premium cost is required.
- 210 Retirement. Employer's share of any state or local employee retirement system paid by the school district, including the amount paid for employees assigned to federal programs.
- 220 FICA. Contributions of the employer's share of Social Security and Medicare for district personnel (including hourly personnel).
- 230 Group Insurance. Expenditures to provide group insurance coverage (including life, health, and accident insurance) for school personnel.
- 240 Workers' Compensation. Expenditures to provide workers' compensation coverage.
- 250 Unemployment Compensation. Expenditures for the district's share of unemployment compensation claims arising from former employees. If claims of any year are material, the cost should be distributed to functions on the basis of salaries paid in the current year. If the claims are immaterial, the costs may be charged to Function 7100.
- 290 Other Employee Benefits. Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing and related supplements, moving expenses, and paid parking.
- 300 Purchased Services. Amounts paid for personal services rendered by personnel who are not on the payroll of the district school board, and other services that the Board may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 310 Professional and Technical Services. Services that by their nature can be performed only by persons with specialized skills and knowledge acquired through intensive academic preparation. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, and accountants.
- 311 Subawards Under Subagreements – First \$25,000. For subagreements reported under Professional and Technical Services, record the first \$25,000 of each subaward.
- 312 Subawards Under Subagreements – In Excess of \$25,000. For subagreements reported under Professional and Technical Services, record all subawards in excess of \$25,000 regardless of the period covered by the grant or subcontract.
- 320 Insurance and Bond Premiums. Expenditures for all types of insurance coverage (other than group insurance as described in Object 230), such as property, liability, fidelity, and bond premiums.

330 Travel. Costs for transportation, meals, hotel, registration fees, and other expenses associated with traveling on business for the district school board. Payments for per diem in lieu of reimbursement for subsistence (room and board) are charged here. Also included is student travel authorized by the school board.

350 Repairs and Maintenance. Expenditures for repairs and maintenance services not provided directly by district personnel. This includes contracts and agreements covering the upkeep of grounds, buildings, and equipment. Costs for new construction, renovations, and remodeling are capital expenditures and, therefore, are not included.

NOTE: Equipment repair services that are direct costs of specific programs within the FEFP shall be charged to the appropriate code under the “Instruction” function. Equipment repair services rendered for the functions of “Transportation” and “Food Services” should be charged to those functions. Routine maintenance of audiovisual equipment should be charged to Function 6200 (Instructional Media Services). All other equipment repairs may be charged to Function 8100 (Maintenance of Plant).

360 Rentals. Expenditures for leasing or renting land, buildings, films, and equipment for both temporary and long-range use of the district school board. This object code includes annual fees charged for support and maintenance of software and for broadcast rights. Payments on capital leases are not recorded in this account, but are recorded as a reduction of principal and the recognition of expense.

370 Communications. Expenditures to provide telephone service, cellular phones, telegraph service, and postage for the district school system. Telephone service should be charged to Function 7900. Other communication costs should be identified with the appropriate functions.

380 Public Utility Services Other than Energy Services. Expenditures for services usually provided by public utilities except energy services (see Object 400). Examples include water, sewage, and garbage collection.

390 Other Purchased Services. Expenditures for all other purchased services not included above, such as distributions to charter schools from unrestricted funds, printing, binding, reproduction, pest control, and other nonprofessional purchased services.

391 Subawards Under Subagreements – First \$25,000. For subagreements reported under Other Purchased Services, record the first \$25,000 of each subaward.

392 Subawards Under Subagreements – In Excess of \$25,000. For subagreements reported under Other Purchased Services, record all subawards in excess of \$25,000 regardless of the period covered by the grant or subcontract.

400 Energy Services. Expenditures for the various types of energy used by the district should be classified as follows:

410 Natural Gas.

- 420 Bottled Gas.
- 430 Electricity.
- 440 Heating Oil.
- 450 Gasoline.
- 460 Diesel Fuel.
- 490 Other Energy Services.

- 500 Materials and Supplies. Amounts paid for items of an expendable nature that are consumed, worn out, or deteriorated in use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

- 510 Supplies. Expenditures for consumable supplies for the operation of a school system, including freight and cartage. Examples include expenditures for instructional, custodial, and maintenance supplies.
- 520 Textbooks. Expenditures for textbooks furnished free by districts, including freight (Section 1006.40, F.S.). This category also includes the costs of electronic media (e-books), workbooks, textbook binding or repair, and text-related materials.
- 530 Periodicals. Expenditures for all periodicals and newspapers. A periodical is any publication (paper or electronic) appearing at regular intervals of less than a year and continuing for an indefinite period.
- 540 Oil and Grease. Expenditures for oil and grease for all types of motor vehicles.
- 550 Repair Parts. Expenditures for repair parts, antifreeze, and supplies used in district-owned vehicles, pupil transportation or otherwise, with the exception of gas, oil, grease, gear lubricants, tires, and tubes.
- 560 Tires and Tubes. Expenditures for tires and tube replacement, including recapping. If labor is done in a district-operated garage, those costs should be recorded under salaries.
- 570 Food. Expenditures for food purchased or market value of U.S. Department of Agriculture (USDA) donated commodities for use in the food service program (for districts opting to use single inventory system as allowed by USDA). Food or food products used in instructional programs should be charged to materials and supplies (Object Code 510).
- 580 Commodities. Market value of USDA-donated commodities (for districts opting not to use a single inventory system as allowed by USDA).
- 590 Other Materials and Supplies. Expenditures for all other supplies and materials not included above.

- 600 Capital Outlay. Expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements to grounds, construction

of buildings, additions to buildings, remodeling of buildings, initial equipment, and additional equipment.

610 Library Books. Expenditures for noncapitalized regular or incidental purchases of school library books (hard copy or electronic) 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 freight for school library books.

620 Audio-visual (AV) Materials (Non-Consumable). Expenditures for non-consumable materials such as film, filmstrips, recordings, exhibits, charts, maps, and globes, regardless of cost, are charged to this account.

621 Capitalized AV Materials.

622 Noncapitalized AV Materials.

630 Buildings and Fixed Equipment. All expenditures to acquire existing buildings or to construct new buildings and additions. Construction costs of buildings and additions consist of all expenditures for general construction; advertisements for contracts; payments on contracts for construction; installation of plumbing, heating, lighting, ventilating, and electrical systems; built-in lockers; elevators; architectural and engineering services; travel expenses incurred in connection with construction; paint and other interior and exterior decorating; and any other costs connected with planning and construction of buildings or additions to buildings. (Additions to buildings extend the floor area, while remodeling or improvements usually take place within the existing floor area).

640 Furniture, Fixtures and Equipment. Expenditures for initial or additional items of equipment such as furniture, furnishings, machinery, and portable bleachers that are not integral parts of the building or building service systems.

641 Capitalized Furniture, Fixtures and Equipment.

642 Noncapitalized Furniture, Fixtures and Equipment.

643 Capitalized Computer Hardware. A computer is a digital, electronic device capable of reading, processing, and executing software designed for administrative and instructional uses. The term "computer" refers to not only the main processing unit, but also expansion cards, upgrade devices, and peripherals, such as: operating system software (ROM-based), installable memory, processor upgrades, video boards, sound cards, network connectivity boards or cards, other expansion and upgrade devices, monitors, printers, scanners, internal and external hard disk drives, floppy disk drives, CD-ROM drives, plotters, modems, computer projection devices, adaptive hardware, and other peripherals that attach to the main unit.

644 Noncapitalized Computer Hardware.

650 Motor Vehicles. Expenditures for all types of motor vehicles. Buses are motor vehicles regularly used for the transportation of pupils of the public school to and from school or to and from school activities, except motor vehicles of the type

commonly called pleasure cars and carrying eight pupils or fewer (see 1006.25, F.S.).

- 651 Buses. Note: Buses purchased with Local Capital Improvement revenue should be recorded in the capital projects fund. All other bus purchases should be recorded in the general fund.
- 652 Other Motor Vehicles.
- 660 Land. Expenditures for the purchase of any land by the school district and any ancillary charges to prepare the land for its intended use. Examples of ancillary charges include rights of way, site preparation, attorney fees, and professional fees.
- 670 Improvements Other Than Buildings. Construction costs of permanent improvements and additions, other than buildings and additions, consisting of all expenditures for general construction, advertisements of contracts, payments, or construction. Examples of such improvements are excavation, fill dirt, grading, utility installation, sod, shrubs, fences, retaining walls, sidewalks, sewage treatment systems, original or expanded paving projects, the initial purchase of fixed playground equipment, flagpoles, gateways, and underground storage tanks, that are not parts of building service systems. If the improvements are purchased or constructed, the purchase or contract price and related costs should be recorded. If improvements are obtained by gifts, the fair market value at time of acquisition should be recorded. Include under this classification permanent bleachers requiring footings or foundations, and swimming pools, including the necessary filtering and plumbing equipment.
- 671 Capitalized Improvements Other Than Buildings. Fixed assets recorded in capital assets, Account 1320, Improvements Other Than Buildings. Examples include sidewalks, parking lots, driveways, retaining walls, sewage treatment plants, fences, underground storage tanks, and fixed playground equipment.
- 672 Noncapitalized Improvements Other Than Buildings. Fixed assets recorded in capital assets, Account 1315, Land Improvements – Nondepreciable. Examples include excavation, fill, grading, utility installation, and landscaping demolition.
- 680 Remodeling and Renovations. Expenditures for major permanent structural alterations and the initial installation of heating and ventilating systems, electrical systems, plumbing systems, fire protection systems, and other service systems in existing buildings are renovations that should be capitalized. Installation of replacement systems should be capitalized and the replaced systems removed from the accounting records. Remodeling projects should be capitalized. Remodeling or improvement of buildings usually takes place within the existing floor area, while a building addition extends the floor area. See Section 1013.01(17) and (18), F.S. Repairs to buildings and service systems are classified as Maintenance of Plant (Function 8100).
- 681 Capitalized Remodeling and Renovations. Fixed assets recorded in capital assets, Account 1330, Buildings and Fixed Equipment. Examples include permanent structures, relocatables, modular/fixed furniture,

sprinkler systems, electrical systems, water systems, heating/cooling/air circulation, and roofing.

682 Noncapitalized Remodeling and Renovations. Remodeling and renovation purchases that will not be capitalized.

690 Computer Software. The set of programs and associated documentation used to control the operation of a computer. The two primary types of software are (1) **systems software**, which include operating systems, programming languages, and utility programs; and (2) **application programs** that are designed to perform tasks such as data base management, spreadsheet functions, instruction, and word processing. Generally, when software is acquired with computer hardware for a single purchase price and the relative value of the software is material to the total cost, it is necessary to allocate the acquisition cost to both the software and hardware in accordance with generally accepted accounting principles for lump-sum or basket purchases. However, **systems software** acquired in conjunction with computer hardware may be recorded as part of the equipment purchase (no allocation of cost to the software) when the software will not be removed, transferred, or in any way separated from the original hardware. In the event that software that was originally recorded as equipment is subsequently removed, transferred, or detached from the original hardware, it would be necessary to retroactively allocate a portion of the original cost, if material, to the software for proper recording of the removal or transfer.

691 Capitalized Software.

692 Noncapitalized Software.

700 Other Expenses. Amounts paid for goods and services not otherwise classified above. This includes expenditures for the retirement of debt, the payment of interest on debt, judgments against the school system, and the payment of dues and fees.

710 Redemption of Principal. Expenditures from current funds to retire serial bonds or Section 1011.14, F.S., loans.

720 Interest. Expenditures from current funds for interest on serial bonds, Section 1011.14, F.S., or Section 1011.13, F.S., loans.

730 Dues and Fees. Expenditures for dues and fees include dues paid to professional organizations as determined by school board policy and procedures. Also included are tuition fees for employee training activities. Administration fees paid to other organizations and fees paid relative to the issuance or service of debt and commissions for collection of taxes are also recorded here.

740 Judgments/Settlement of Litigation Against School System. Expenditures from current funds for all judgments (except as indicated) against the school system that are not covered by insurance. Judgments against the school system 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. Settlements of litigation should also be recorded in this account.

750 Other Personal Services. Salaries paid to persons (including substitute teachers not under written contract) on temporary appointment. These services may be in lieu of

those rendered by an absent regular employee or for the creation of temporary additional capacity as authorized by the school board. The annual budget should anticipate the payment of such compensation. Payments made from these funds are not subject to retirement deductions (see definition of “temporary position” for retirement purposes in Rule 60S-1.004(5), F.A.C.); however, federal income tax must be withheld in accordance with the withholding tables. Other Personal Services may be budgeted in any area of responsibility.

- 760 Payments to Refunded Bond Escrow Agent. Payments escrowed pursuant to refunding contract.
- 770 Claims Expense. Expenditures by Internal Service Fund to settle claims of participating funds or agencies.
- 780 Depreciation Expense. The portion of the cost of a fixed asset that is charged to expense during a particular period. See balance sheet accounts 1329, 1339, 1349, 1359, 1379, 1388, and 1389.
- 790 Miscellaneous Expense. Expenditures for other expenses that cannot be assigned to one of the above categories should be charged to this account. Included here are the expenditures for Federal Indirect Cost for projects, which should be assigned to Function 7200, General Administration, and for Food Service Indirect Cost, which is assigned to Function 7600, Food Services.
- 810 Loss on Disposition of Assets. The excess of the carrying value of the disposed assets over the financial inflows generated from the disposition of assets.
- 890 Discount on Long-term Debt. The amount of discount required in connection with the issuance of long-term debt.
 - 891 Discount on Sale of Bonds.
 - 892 Discount on Refunding Bonds.
 - 893 Discount on Certificates of Participation.
- 900 Transfers. Nonreciprocal interfund activity represented by disbursement of cash or goods from one fund within the district to another fund without an equivalent return and without a requirement for repayment.
 - 910 Transfers to the General Fund. Amounts disbursed to the general fund with no return or requirement for repayment.
 - 920 Transfers to Debt Service Funds. Amounts disbursed to debt service funds with no return or requirement for repayment.
 - 930 Transfers to Capital Projects Funds. Amounts disbursed to capital projects funds with no return or requirement for repayment.
 - 940 Transfers to Special Revenue Funds. Amounts disbursed to special revenue funds with no return or requirement for repayment.

- 950 Interfund Transfers. Amounts disbursed to a fund within the same fund type with no return or requirement for repayment.
- 960 Transfers to Permanent Funds. Amounts disbursed to permanent funds with no return or requirement for repayment.
- 970 Transfers to Internal Service Funds. Amounts disbursed to internal service funds with no return or requirement for repayment.
- 990 Transfers to Enterprise Funds. Amounts disbursed to enterprise funds with no return or requirement for repayment.

FUNCTION

Function classifications indicate the overall purpose or objective of an expenditure. Functions are group-related activities aimed at accomplishing a major service or regulatory responsibility. The activities of a local school system are classified into five broad areas: Instruction, Instructional Support, General Support, Community Services, and Non-program Charges (Debt Service and Transfers). The four character field required for function codes does not currently specify the third and fourth characters. The subfunction codes presently identified for 6100 and 7700 are recommended but not required.

The following expenditures should be classified by function as indicated below:

<u>Employee Benefits</u>	<u>Function</u>
Employee Health Life and Accident	Identify or allocate to employee function on basis that reflects cost incidence.
Cafeteria Benefits	Identify or allocate to employee function on basis that reflects cost incidence.
Workers Compensation	Identify or allocate to employee function (see p. 4-6) on basis that reflects cost incidence.
Unemployment Compensation	Identify or allocate to employee function (see p. 4-6) on basis that reflects cost incidence. If immaterial, expenditure may be charged to Function 7100.
 <u>Insurance</u>	
Property	Function 7900
Boiler	Function 7900
Casualty (General Liability & Automobile)	Function 7900
Casualty – Pupil Transportation	Function 7800
Fidelity Bonds	Function 7100

<u>Code</u>	<u>Description</u>
5000	<u>Instruction.</u> Instruction includes the activities dealing directly with the teaching of pupils, or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital, or in other learning environments such as those involving co-curricular activities. It may also be provided through a nontraditional medium such as television, radio, telephone, or correspondence. This function includes the activities of paraprofessionals or assistants of any type who assist in the instructional process. Pupil transportation costs, including trips for curricular or co-curricular activities, should be coded to Function 7800.
5100	<u>Basic (FEFP K-12).</u> The Basic Program is that part of the school board's full-time equivalent (FTE) eligible instructional program that is not identified as Special Programs for Exceptional Students, Career Education, or Adult General Education. Programs for Students at Risk and English for Speakers of Other Languages are included in this function.
5200	<u>Exceptional.</u> Programs for exceptional student education are determined by law. Criteria for each program are specified by State Board of Education Rule. This function includes Pre-K exceptional student education.
5300	<u>Career Education.</u> Career Education programs are established by law with program criteria established through State Board of Education Rule. This function includes 9-12 career education, adult vocational, and continuing workforce development. It also includes continuing workforce education expenditures related to the course fees collected and reported under Account 3463, Continuing Workforce Education Course Fees.
5400	<u>Adult General.</u> All Adult General course offerings, including GED.
5500	<u>Prekindergarten.</u> Prekindergarten program expenditures, including voluntary prekindergarten. Childcare programs, if fee supported, should be coded to Function 9100. Project or cost center accounting may be needed for such programs in order to capture support costs.
5900	<u>Other Instruction.</u> Other instruction not qualifying for FEFP funding, such as instruction provided in recreation and leisure courses, Lifelong Learning programs, or Adults with Disabilities.
6000	<u>Instructional Support Services.</u> Provides administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Instructional Support Services exist as adjuncts for the fulfillment of the behavioral objectives of the instruction functions, rather than as separate entities. Although some supplies and operational costs are generated in instructional support, the major cost will be in personnel.
6100	<u>Pupil Personnel Services.</u> Activities that are designed to assess and improve the well-being of pupils and to supplement the teaching process. These activities are classifiable under the following subfunctions:
6110	<u>Attendance and Social Work.</u> Pertains to promoting and improving attendance of pupils. It includes early identification of patterns of nonattendance, promotion of positive pupil and parent attitudes toward

attendance, analysis of reasons for nonattendance, and enforcement of compulsory attendance.

- 6120 Guidance Services. Pertains to helping pupils assess and understand their abilities, aptitudes, interests, environmental factors, and educational needs; develop their understanding of educational and career opportunities; and make optimum use of educational and career opportunities through the formulation of realistic goals. It includes counseling pupils and parents, evaluating the abilities of pupils, helping pupils make their own educational and career plans and choices, assisting pupils in personal and social adjustments, and working with other staff members in planning and conducting guidance services.
- 6130 Health Services. Pertains to physical and mental health services that are not direct instruction. This function includes activities such as providing pupils with appropriate medical, school clinic, dental, psychiatric, and nurse services.
- 6140 Psychological Services. This area includes the professional services of a psychologist for pupil test analysis and mental diagnosis. This function pertains to supplementing the school system reservoir of information identifying the individuality of each pupil, his capacities, achievements, interests, potentialities, and needs; studying individual pupils who are experiencing acute problems of educational development in order to furnish diagnostic information; and suggesting programs concerning the psychological aspects of these problems.
- 6150 Parental Involvement. This function primarily relates to federal projects that require parent participation as a requirement of the grant.
- 6190 Other Pupil Personnel Services. Pupil personnel services not classified elsewhere in 6100 subfunctions. This would include positions such as diagnostic and child find specialists. In making the program cost report, these specialists should be identified with appropriate FEFP programs through use of school/program tables.
- 6200 Instructional Media Services. Activities concerned with directing, managing, and supervising educational media services (e.g., supervisory personnel) as well as such activities as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning for the use of the library by students, teachers, and other members of the instructional staff; and guiding individuals in their use of library books, reference guides and materials, catalog materials, special collections, and other materials, whether maintained separately or as a part of an instructional materials center. These activities include developing and acquiring library materials and operating library facilities. Textbooks are not charged to this function but rather to the instruction function. This includes printed and non-printed sensory materials, school media centers (school libraries), and central media center operations. Routine repair and maintenance of audio-visual equipment should be coded to this function.
- 6300 Instruction and Curriculum Development Services. Activities designed to aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques that stimulate

and motivate pupils. Included in this function are the following instructional support specialists: primary, technology, learning resource, and behavioral. In preparing the program cost report, these specialists should be identified with appropriate FEFP programs through use of school/program tables.

- 6400 Instructional Staff Training Services. Activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff (defined in Rules 6A-1.0502, F.A.C., Non-certificated Instructional Personnel, and 6A-1.0503, F.A.C., Qualified Instructional Personnel) during the time of their service to the school board or school. Among these activities are workshops, demonstrations, school visits, courses for college credits, sabbatical leaves, and travel leaves. All in-service training costs should be recorded in this function and Function 7730 (Non-Instructional). Hiring substitute teachers to cover classes of teachers participating in training is a cost of in-service training and should be coded to Function 6400. Paraprofessional training should be coded to Function 7730.
- 6500 Instructional-Related Technology. Technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operation, network support services, hardware maintenance and support services, and technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks, and similar operations should be captured in this code.
- 7000 General Support Services. Activities concerned with establishing policy, operating schools and the school system, and providing the essential facilities and services for the staff and pupils.
- 7100 Board. Consists of the activities of the elected or appointed body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. Also included here are expenses of the Board Attorney and other legal services, independent auditors, internal auditors who report directly to the Board, negotiators, and lobbyists.
- 7200 General Administration (Superintendent's Office). Activities performed by the superintendent and assistant superintendents in the general direction and management of all affairs of the school system. This includes all personnel and materials in the office of the superintendent. Activities of the offices of the deputy superintendent and associate or assistant superintendents should be charged here unless they can be placed properly into another function.
- 7300 School Administration (Office of the Principal). Activities concerned with directing and managing the operation of a particular school. This function includes the activities performed by the principal, assistant principal, and other assistants in the general supervision of all operations of the school, evaluations of 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 the instructional activities of the school system. It includes clerical staff for these activities.

- 7400 Facilities Acquisition and Construction. Activities concerned with the acquisition of land and buildings, remodeling buildings, construction of buildings and additions, initial installation or extension of service systems and other built-in equipment, and improvements to sites. This function is not limited to purchases made with capital funds.
- 7410 Facilities Acquisition and Construction – Current Expenditures.
- 7420 Facilities Acquisition and Construction – Capital Outlay.
- 7500 Fiscal Services. Activities concerned with the fiscal operation of the school system. This function includes budgeting, receiving and disbursing cash, financial accounting, payroll, inventory control, and internal auditing. Internal audit staff who do not report to the Board should be included in this function. Independent auditors or auditors who report directly to the Board should be coded to Function 7100.
- 7600 Food Services. Activities concerned with providing food to pupils and staff in a school or school system. This function includes the preparation and service of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food. Food purchased and served outside the district's defined food services program must be charged as a purchased service of the applicable function.
- 7700 Central Services. Activities, other than general administration, that support the other instructional and supporting services programs. These activities are defined in the following subfunctions:
- 7710 Planning, Research, Development, and Evaluation Services. Activities, on a system-wide basis, associated with conducting and managing programs of planning, research, development, and evaluation.
- 7720 Information Services. Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to pupils, staff, managers, or the general public through direct mailing, the various news media, or personal contact.
- 7730 Staff Services. Activities concerned with maintaining an efficient staff for the school district, including such activities as recruiting and placement, staff transfers, staff health services, and position control. In-service training of non-instructional personnel, including teaching paraprofessionals, must be recorded as a cost of this function.
- 7740 Statistical Services. Activities concerned with manipulating, relating, and describing statistical information.
- 7760 Internal Services. Activities concerned with buying, storing, and distributing supplies, furniture, and equipment; duplicating and printing for the school board; and mail room and courier services.
- 7790 Other Central Services.

7800 Pupil Transportation Services. Activities that have as their purpose the conveyance of pupils to and from school activities, either between home and school, from school to school, or on trips for curricular or co-curricular activities. Expenditures for the administration of pupil transportation services are recorded under these accounts, together with other pupil transportation expenses.

7900 Operation of Plant. Activities concerned with keeping the physical plant open and ready for use. Major components of this function are utilities, including telephone service, custodial costs, building rental, and insurance costs associated with school buildings. This function includes cleaning, disinfecting, HVAC, moving furniture, routine maintenance of grounds, school crossing guards, security, and other such activities that are performed on a daily, weekly, monthly, or seasonal basis. Operation of plant does not encompass repairs and replacements of facilities and equipment. Custodians may do light maintenance tasks, but should be coded to this function, not Maintenance of Plant.

8100 Maintenance of Plant. Activities that are concerned with maintaining the grounds, buildings, and equipment at an acceptable level of efficiency through repairs or preventive maintenance.

NOTE: Equipment repair services that are direct costs of specific programs within the FEFP shall be charged to the function of Instruction (Function 5000) when the amount of such services is material in relation to the cost of the programs. Equipment repair services rendered for the functions of Pupil Transportation (Function 7800) and Food Services (Function 7600) are to be charged to these functions. Routine maintenance of audio-visual equipment should be charged to Instructional Media Services (Function 6200). All other equipment repairs may be charged to Function 8100. If the maintenance labor force is used to construct facilities, the cost should be reclassified to Function 7400.

8200 Administrative Technology Services. Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities include expenditures for internal technology support, as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs.

9100 Community Services. Community Services consist of those activities that are not related to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, civic activities, public libraries, programs of custody and care of children, financial aid, and community welfare activities. This function does not include instructional programs. Fee-supported instructional programs should be coded to Function 5500.

9200 Debt Service. Payments of principal and interest for the retirement of debt.

9299 Issuance Discounts and Payments to Escrow Agent. To record other financing uses associated with the original issuance and refunding of debt.

9700 Transfers. Nonreciprocal interfund activity represented by disbursement of cash or goods from one fund within the district to another fund without an equivalent return and without a requirement for repayment.

9900 Proprietary Expenses. To record the operating expenses of the Enterprise and Internal Service Funds.

FACILITY

Florida law requires financial reporting on a school basis. According to Section 1003.01(2), F.S., a school is defined as “. . . an organization of students for instructional purposes on an elementary, middle or junior high school, secondary or high school, or other public school level, authorized under rules of the State Board of Education.” In many instances, “facility” is synonymous with “school.” Accounting for the financial transactions of a school district will require the identification of a number of facilities or cost centers that are not schools; however, the operating costs associated with such centers will be attributed to schools on program cost reports. The four-digit numbers for schools are assigned by the Department of Education. Administrative departments are designated by the 9000 series of numbers.

PROGRAM

Section 1010.20, F.S., requires program cost reporting. This reporting is to be accomplished as described in Chapter Five of this manual.

FISCAL YEAR

Fiscal year denotes a 12-month period of time to which the annual budget applies and at the end of which a school system determines its financial position and the results of its operations.

GRANT

Grant numbers are assigned by DOE to control reporting of expenditures for state and federal grants. This is a five-character reporting field. Districts may elect to crosswalk from a locally designed code structure.

PROJECT/REPORTING

This dimension is used to account for expenditures on specific projects funded through grants and to account for construction projects. This is a five-character field. Districts may elect to crosswalk from a locally designed code structure.

NOTE: The expenditure of money received and recorded under revenue Account 3344, District Discretionary Lottery Funds, shall be recorded and reported through Grant and Project/Reporting. Expenditures recorded must be consistent with policies and procedures established by the district to define “enhancement” and expenditures consistent with that definition.

Chapter Five

Program Cost Accounting and Reporting

Section 1010.20, F.S., requires program cost accounting and reporting on a school-by-school basis.

Cost reporting has two central elements:

1. Identification of direct program costs and aggregation of these costs by program, and
2. Attribution of indirect costs to programs on an appropriate basis.

Program costing is not accomplished solely by the day-to-day transactions as recorded on the district's accounting records. In fact, such a transaction-based system is difficult and expensive to manage since many transactions involve more than one program and the attributed indirect costs would have to be adjusted several times during the fiscal year. Effective budgetary control, an essential component of the accounting system, becomes an increasingly complex matter under such a system. This is particularly true in Florida, where statute directs that funded programs must be costed. Exceptional education program funding follows the student into all classes, not just special education classes. Students identified as needing English for Speakers of Other Languages (ESOL) programming are generally taught in Basic Programs funded classes (which also may include exceptional education students in membership). The financial accounting system provides the foundation for program costing; however, this system precludes capturing all funding and costs at the program level, as shown by the preceding sentences. At the time program costs are prepared, certain cost accounting procedures must be applied to the amounts produced by the financial accounting system. These procedures are applied on a systematic basis and are documented for audit trail purposes. The following sections detail Florida's program costing procedures.

COSTS TO BE REPORTED

With the exception of capital object expenditures for land, land improvements, buildings and fixed equipment, and remodeling/renovations, ALL Function 5000-8200 expenditures from the General Fund and Special Revenue Funds will be included in program costs (except Functions 5500 and 5900). Separate cost reports for the General Fund and the Special Revenue Funds must be prepared for each school.

Each set of school reports is aggregated to produce reports for the General Fund and Special Revenue Funds. The aggregate reports include the following items, which should be reconciled to the annual financial report expenditure totals from the General and Special Revenue Funds:

- Recreation & Enrichment Programs
- Other Specified Programs
- Non-Program Capital Expenditures
- Community Services (Function 9100)
- Debt Service (Function 9200)

Transportation and Food Services are reported on a school-by-school basis, but not attributed as costs of programs.

COST ELEMENTS

Cost reporting elements include direct and indirect costs. Direct costs are classified into major objects. Indirect costs are classified as school-level or district-level. Rule 6A-1.014, F.A.C., distinguishes costs as

school-level or district-level. The distinction is made with regard to the nature of the cost, rather than the cost center to which the expenditure is charged.

The major objects of direct costs are:

- Salaries (Object 100 as defined in the Red Book)
- Benefits (Object 200)
- Purchased Services (Purchased Services, Object 300, and Energy Services, Object 400)
- Materials and Supplies (Object 500)
- Other Expenses (Object 700)
- Capital Outlay (Object 600, except Buildings and Fixed Equipment (630), Land (660), Land Improvements Other Than Buildings (670), and Remodeling and Renovation (680))

Direct costs of programs are those costs identified with Function 5000 (Instruction), except costs under Functions 5500 (Pre-kindergarten) and 5900 (Other Instruction).

Direct salaries and benefits are the largest cost elements to be considered in program costing. In those instances in which a teacher serves more than one program, it is necessary to divide the total salary accurately between programs. This requires examining the teacher's schedule relative to the time devoted to teaching each program. The time structure of a teacher's schedule may vary from the traditional five or six periods of a secondary school to the daylong schedule of an elementary school teacher. The computer software provided by the Department of Education for program cost reporting examines a teacher's schedule from student data base records and equates reported class periods with time modules. Whether determined manually or through the computer programming, the following procedure is followed:

1. Determine the number of class periods or instructional modules for each instructor.
2. Divide the instructor's salary by the number of class periods or modules.
3. Calculate the salary for each program as the product of the number of time modules in each of the designated programs and the time module salary.
4. In addition, if there are students from two grade groups (for example, 4-8 and 9-12), or two programs within a time module, it is necessary to split the time module salary accordingly. Examples include Basic Program students and Basic Program students with ESE services, and Basic Program students and ESOL students.

Example: Consider a teacher earning \$50,000 with the following time schedule and Basic Program pupil load:

FEFP Program and Number of Students

Time Module/Period	Grade(s) Taught	Basic	Basic with ESE Services	ESOL
1	10th	20	0	0
2	10th	19	0	0
3	10th & 11th	15	5	0
4	10th	16	5	4
5	11th	16	5	4

Excluding any planning period and using five instructional modules, \$10,000 will be assigned to each student contact period or time module ($\$50,000 \div 5$).

Periods 1 and 2 are devoted to Basic Program students in the Grades 9-12 program. Therefore, \$20,000 of the teacher's salary is allocated to that FEFP program. Periods 3, 4, and 5 are allocated to FEFP programs based on the number of students in each period relative to the total number of students in each period.

Salaries determined by this methodology in this illustration are as follows:

Period	Basic 9-12	Basic 9-12, ESE	ESOL
1	\$10,000		
2	\$10,000		
3	\$7,500	\$2,500	
4	\$6,400	\$2,000	\$1,600
5	\$6,400	\$2,000	\$1,600

This information will also be used to determine full-time equivalent (FTE) staff positions for the staff attribution schedule. Indirect costs are attributed on three bases: staff (number of teachers), FTE students, and time/space. For this purpose, full-time equivalent teachers by program are determined concurrently with salaries by program and expressed as full-time equivalent positions.

The Program Cost Reporting System attributes salaries to programs and computes the full-time equivalent staff positions by program when assignment data by time module, annual salary data, and days worked of annual contract period are entered for each teacher. An alternative calculation using hours worked and hourly rate is provided for hourly rate teachers of adult education classes.

The other objects of Function 5000 are a relatively small part of total program costs. These costs may be specifically identified to particular programs or attributed on the basis of full-time equivalent teachers (staff).

Indirect costs (Functions 6100-8200) are those that cannot be readily or accurately identified with a program. For example, the custodial staff of a school cleans areas used by all programs of the school.

ATTRIBUTION OF COSTS

Two bases are used for attributing indirect costs to the instructional programs.

Staff (number of full-time equivalent teachers paid from General Fund and Special Revenue Funds) for those costs that tend to increase or decrease with the number of teachers or that are otherwise more related to staff than space usage.

Time and Space are used for those costs that vary with the amount of space used by programs.

Three bases are related to Instructional Support and General Support functions as follows:

FTE Students

Food Service and Pupil Transportation Services (allocated to schools, not to programs).

Staff

Pupil Personnel Services, Instructional Media, Instruction and Curriculum Development, Instructional Staff Training Services, Instructional Related Technology, Board, General Administration, School Administration, Fiscal Services, Central Services, and Administrative Technology Services.

Instructional Time/Space

Operation of Plant, Maintenance of Plant, and Facilities Acquisition and Construction.

SOURCES OF ATTRIBUTION FACTORS

Annual FTE by school and by program will be taken from the FTE submitted to the Department of Education.

The staff figures are based on the full-time equivalent teachers by program. "Full-time" is defined as a teacher serving a regular teaching contract for the school year. Short courses and summer courses must be equated to the regular term. The Florida Inventory of School Houses (FISH) reports all spaces for each school. Time usage of space must be established with reference to the class schedule. Districts may use space models in which a typical program space is used for each teacher identified with the program.

ATTRIBUTION TABLES

The attribution factors (FTE, staff, and space) of all programs constitute the overall attribution table for indirect costs. These factors provide for the attribution of indirect costs for both school-level and district-level expenditures. One attribution table is not adequate for accurate distribution of all expenditures. For example, a district's General Fund is involved with all schools and all programs, while expenditures benefiting only certain programs (Exceptional Education) should be restricted to specified schools and programs. Thus, school/program tables are used to attribute indirect costs and to prorate certain residual direct costs. All costs must be associated with a school/program table. Five mandated tables have been established to collect the American Recovery and Reinvestment Act (ARRA) funds and Education Jobs Act funds. Tables 43100 – State Fiscal Stabilization Funds, 43200 – Targeted ARRA Stimulus Funds, 43300 – Other ARRA Stimulus Grants, 43400 – ARRA Race to the Top, and 43500 – Education Jobs Act, must be used. Each district designates additional school/program tables needed to accurately attribute costs to its programs.

For example:

General Fund

General Fund Expenditures. All General Fund expenditures except those specified to other tables. This table includes all schools and programs.

Transportation Expenditures. Exclude schools and programs not served, such as Adult Education.

Administrative and support costs restricted to specific programs. Exceptional Education, Career Education, Workforce Development Programs, and Basic Programs require separate tables.

Special Revenue Funds

American Recovery and Reinvestment Act Expenditures. Report on tables specified by the Commissioner of Education.

Food Service Expenditures. Include schools having Food Service and exclude non-participating programs such as Adult Education.

Title I Expenditures. Include only schools and programs served.

Migrant Program Expenditures. Include only schools and programs served.

Career Education Project Expenditures. Include only schools and programs served.

Adult Basic Education Project Expenditures. Include only schools and programs served.

Exceptional Student Education, Federal Project Expenditures. Include only schools and programs served.

Since Special Revenue projects are generally directed to targeted schools and/or programs, a table including all schools and programs is usually not appropriate.

Districts will generally have more tables than indicated here. The number of tables will vary based on the district's programs and the identification of programs in its accounting system.

SPECIAL CONSIDERATIONS

1. Paraprofessionals exclusively assigned to particular programs will be identified with those programs.
2. Contracted services expenditures that have been handled at the district level, but which are incurred for specific programs, will be reported as direct costs for the specific programs.

For example, a school board may have contracted for services for students reported in a physical or occupational therapy program, but because the contract was developed by the district office, the expenditure may not have been reported as a direct program cost for ESE at schools where the services were rendered.

Contractual expenditures that are similar to the cited example will be reported as costs of the program benefited. This can be accomplished through use of special tables in the cost reporting system.

3. Exceptional Student Education Programs
 - a. Students receiving exceptional education service are reported in ESE for the full day. Therefore, all Basic, Career Education, and At-Risk teachers with ESE students in their classes will be reported as ESE in proportion to the number of ESE students to all students in their classes (period by period).
 - b. All ESE teaching personnel (team teachers, co-teachers, facilitators, consulting teachers, and lab teachers) will be reported as ESE direct costs.
4. Adult Education
 - a. Plant Operating Costs – When separate school numbers are assigned to day and evening programs conducted in the same plant, operating costs (utilities, custodial and maintenance) will be attributed to both schools.
 - b. Director of Adult Education Costs – When the Director of Adult Education also performs the function of principal of an adult school, administrative costs will be split between school-level and district-level indirect categories.

COMPUTER PROGRAMS FOR COST ACCOUNTING

The Program Cost Reporting System was developed by the Department of Education to accomplish the calculations required for distributing salaries to programs served, develop indirect cost attribution factors, and attribute indirect costs by these factors. The system distributes salary and develops staff and time/space factors; creates attribution tables; and using additional expenditure data, produces the required reports and supplemental cost analysis reports.

The program logic of the Program Cost Reporting System is consistent with the requirements found in this chapter. Any alternative computer programming used by a school district for program cost reporting must employ the same logic for identifying direct costs by school and program and attributing costs as

specified by this chapter. Alternative systems must produce edit reports that include the input data and calculated results like those produced by the state's Program Cost Reporting System.

COST REPORTING PROCESS

Direct salaries for teachers must be determined programmatically by the process described earlier and summarized as follows: If a teacher teaches more than one time module and different programs are involved in each time module, the year-to-date salary of the teacher will be divided by the number of time modules taught and then multiplied by the percent of students in the categories within the time modules.

Direct salaries for substitute teachers (when not specifically identified with a program because of the nature of the substitute service) are to be attributed on a staff basis. Direct salaries for classroom paraprofessionals serving more than one program are to be attributed on a staff basis, if the time of service for each program is not readily determinable. Salary supplements generally will be distributed in the same manner as regular pay; however, when the supplement is not related to regular duties, a staff attribution will be used to distribute the supplement. Other salary amounts paid to teachers (conversion of sick leave on retirement and sabbatical leave) will be handled with a district-wide staff attribution.

Employee benefits are calculated by the software system based on a district percentage of benefits paid to salaries paid.

Direct purchased services may be recorded from transactions for programs. The balance of direct purchased services, after deducting transactions identified to specific programs, is prorated on a staff basis, either through school or district proration.

Other expenses may be recorded directly from transactions for programs. The balance of direct other expenses, after deducting transactions identified to specific programs, is prorated on a staff basis, either through school or district proration.

Capital outlay expenses may be recorded directly from transactions for programs. The balance of direct capital outlay, after deducting for transactions identified to specific programs, is prorated on a staff basis, either through school or district proration.

Indirect school costs are those indirect costs that are either identified to the school by transaction or are prorated to the school on an approved basis. These indirect school costs are attributed to cost programs within the school on the basis of either the number of full-time equivalent staff members in the program or the space used by the program.

Indirect district-wide costs are those indirect costs that are identified to district-wide support activities.

Indirect district-wide costs are attributed to programs within schools based either on number of full-time equivalent staff members or space used by the programs of the school.

District indirect costs applicable to all programs are distributed to all programs. Indirect costs applicable only to one program or to a subset of programs are distributed only to those program(s) through use of a school/program table for that purpose.

Pupil Transportation and Food Service costs are not attributed to programs, but are displayed below program costs on each applicable school report. These costs are attributed to schools on an FTE student basis using separate school/program tables.

DESCRIPTION OF ATTRIBUTION PROCESS

Within each school/program table, attribution bases are applied to indirect cost function codes as follows:

<u>FTE</u>	<u>STAFF</u>	<u>SPACE</u>
7600	6100	7400
7800	6200	7900
	6300	8100
	6400	
	6500	
	7100	
	7200	
	7300	
	7500	
	7700	
	8200	

Direct costs (Function 5000) that cannot be identified to specific programs are to be attributed by full-time equivalent staff.

Salaries and Benefits will be directly identified to a program as described earlier in this chapter; however, salary amounts for instructional paraprofessionals (not exclusively assigned to particular programs) and substitutes, plus some supplemental salary payments as described previously, may be attributed. These small amounts not directly identified with a program are termed “residual amounts” and are direct in nature, but identification stops short of a program (school or district level). The other objects of direct costs constitute about six percent of program costs. The nature of a large portion of these items is such that direct identification to programs is impractical. Accordingly, these objects are frequently recorded in the financial accounting system only to the school level. The Program Cost Reporting System provides for attribution of these residual amounts to programs.

CALCULATION

Within each school/program table, the calculation of attributed amounts is the same. The school/program table defines the schools and programs within schools for which attribution factors are to be included in the distribution of costs associated with the school/program table. Calculations for each attribution base (FTE, staff, and space) are handled identically.

1. District level indirect costs attributable to all schools and programs. An example is Function 7100 (Board). The amount will be attributed to all programs at all schools. For each program at each school, the amount will be the product of multiplying the dollar amount of Function 7100 by a fraction. The numerator of the fraction will be the number of staff for the program at the school and the denominator will be the number of staff for all programs at all schools.
2. District level indirect costs attributable to a group of programs only. An example is the cost of supporting the office of the Assistant Superintendent for Career Education. This cost is part of Function 7200, General Administration, but the benefit is limited to career education. This cost will be attributed only to career education programs. Accordingly, through use of a table devoted to career education programs, the cost can be distributed to each career education program at each school by a fraction in which the numerator is the number of staff in the particular career education program at that school and the denominator is the number of staff in all career education programs in the district.

3. District level indirect costs attributable to a single program. An example is the salary and benefits of a Program Coordinator (Function 6300) who serves only one program. This situation calls for use of a special table devoted to the program. The cost can be distributed to each school by multiplying the dollar amount by a fraction in which the numerator is the number of staff in the program at the school and the denominator is the number of staff in the program for the district.
4. School indirect costs recorded to school level. The amount attributed to each program at a given school will be determined by the factor (staff or space, as determined by the function) for each program relative to the aggregate of that factor for all programs at the school. For example, if one teacher is employed in the Exceptional Student Education (ESE) program of a school and there are nine other full-time teachers, then one-tenth of school indirect costs to be attributed on a staff basis will be attributed to ESE.
5. School indirect costs recorded at district level. These amounts are identified as school-level per Rule 6A-1.014, F.A.C., but practicality requires recording at district level. An example of such costs is maintenance labor. These amounts are attributed in the same manner as district indirect costs, but reported as additions to school indirect. See the Program Cost Report User's Guide, Form 4A, for additional information on accurate reporting of this data.
6. Residual direct amounts. The nature of these items is described in the preceding section. These amounts are attributed in the same manner as district or school indirect amounts, except that the amounts are added to the particular object of direct costs.
7. Food Service and Transportation. These amounts are not attributed to programs, but are based on each school's share of FTE exclusive of Adult Education programs and off-campus career education programs. Schools not served will be deleted from the tables needed for the functions.

Chapter Six

Internal Service Funds

Internal service funds are established to account for any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. An internal service fund should be used only when the reporting government is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund (GASB 34, paragraph 68).

As a proprietary fund, an internal service fund utilizes the total economic resources measurement focus and the accrual basis of accounting. Therefore, revenues are recognized in the accounting period in which they are earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. Although generally accepted accounting principles do not require the use of an internal service fund, Rule 6A-1.099(2)(e), F.A.C., requires the use of an internal service fund for all educational consortia activities. The authorizing statute is Section 1001.42(14), F.S., which states that school boards “may establish and participate in educational consortia that are designed to provide joint programs and services to cooperating school districts, consistent with the provisions of s. 4(b), Art. IX of the State Constitution.”

The following principles regarding internal service funds (or enterprise funds required for self-insurance pools) apply to educational consortia:

1. All monies received by a consortium shall be deposited to the official accounts of the host district (recipient agency) and shall be separately accounted for in an internal service fund.
2. All transactions for the consortium shall be recorded in the proper account within the fund. Projects submitted on behalf of the consortium shall be recorded directly in the internal service fund. Revenues generated by billing to participating districts shall be recorded directly in the internal service fund.
3. Expenditures for operating costs of the consortium, including any rent or service charge due the host district’s general fund, shall be charged to the fund. Contractual services performed by the consortium for the host district shall be accounted for in the same manner as those for other consortium members (i.e., an expenditure should be charged to the general or special revenue fund of the school district receiving services and revenue credited to the internal service fund). Amounts charged by the consortium shall be sufficient to cover all costs of goods or services provided to member districts. Records of the consortium shall be in sufficient detail to determine that member districts receive full value of purchased goods or services. For instance, if a member district pays \$10,000 for goods or services from the consortium, the records of the consortium shall reflect that \$10,000 of goods or services were provided to the member district.
4. The disposition of unexpended cash balances at the end of each fiscal year should be by refund to the participating consortium members; however, the host district may, with the consent of the participating members, carry forward cash balances for use in the ensuing fiscal year.
5. Districts that serve as the host district for more than one consortium shall maintain separate records for each consortium.

6. A consortium should use Account 3481, Charges for Services, when revenues are recognized from member districts. The initial receipt of money from member districts shall be handled on the books of the host district as deferred revenue. The participating member district shall record disbursements to the consortium as receivables until goods or services are received. At that time, an expenditure shall be recorded on the accounts of the member district and revenue shall be recognized on the host district's accounts.

Contracted services and activities rendered by an educational consortium may include, but are not limited to, bidding, contracting, and purchasing arrangements to implement the following types of programs or functions:

1. Programs:
 - a. Teacher Education Center
 - b. Inservice Training for Non-instructional Personnel
 - c. Federal Programs
 - d. Student Testing
 - e. State and Federal Mandated Programs

2. Functions:
 - a. Instructional Services
 - b. Fiscal Services
 - c. Data Processing and Management Information Services
 - d. Pupil Personnel Services
 - e. Purchasing
 - f. Printing
 - g. Media Center

Any other services to member districts deemed necessary by the board of directors of the consortium may also be rendered.

Additional information regarding the account structure necessary to record the activity described above can be found in Chapters 2, 3, and 4 of this manual.

Chapter Seven

Fiduciary Funds

Fiduciary funds should be used to report assets held in trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting except for the recognition of certain liabilities of defined benefit pension plans and certain post-employment healthcare plans (GASB 34, paragraph 107). GASB 34 specifically excludes fiduciary funds from presentation in the government-wide financial statements, but requires fiduciary fund financial statements to be reported by fund type.

GASB 34 identifies fiduciary funds as pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Trust funds are used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. Trust funds are distinguished from agency funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held (GASB 34, paragraph 69).

Pension Trust Funds should be used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other employee benefit plans (GASB 34, paragraph 70).

Investment Trust Funds should be used to report the external portion of investment pools reported by the school district (GASB 34, paragraph 71).

Private-Purpose Trust Funds should be used to report all other trust arrangements under which principal and/or income benefit individuals, private organizations, or other governments. Scholarship trust funds should be classified as private-purpose trusts (GASB 34, paragraph 72).

Agency Funds should be used to report resources held by the school district in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments (GASB 34, paragraph 73). School Internal Funds are classified as agency funds. See Chapter 8 for School Internal Funds principles and practices.

Chapter Eight

School Internal Funds

SECTION I – PRINCIPLES

1. The school board shall be responsible for administration and control of internal funds of the district school system, and in connection therewith shall:
 - a. Adopt written rules governing the receipt and disbursement of all internal funds and for the accounting for property pursuant to Florida Statutes.
 - b. Provide for an annual audit of internal funds in accordance with Rule 6A-1.087, F.A.C.
2. The financial transactions of school organizations shall be accounted for in the school internal funds. All funds handled by school board employees during normal working hours shall be included in and become part of the internal funds of the school unless accounted for in the district-level accounting system. All organizations of the school, or organizations operating in the name of the school, that obtain money from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. If authorized by school board rule, a school-based, direct-support organization as authorized by Section 1001.453, F.S., may have all financial transactions accounted for in school internal funds.
3. Funds collected by and used for the benefit of faculty and staff may be exempt from the preceding requirements at the option of the school board.
4. School internal account funds shall be used to benefit activities authorized by the district school board.
5. Student participation in fundraising activities shall not be in conflict with the program as administered by the school board.
6. The objective of fundraising activities by the school, by any group within the school, or in the name of the school shall not conflict with programs as administered by the school board.
7. Funds collected shall be expended to benefit those students in school unless those funds are being collected for a specific documented purpose or are generated by vocational production shops. Vocational production revenue shall benefit the students or program that generated the funds or the student body. Those internal account funds designated for general purposes shall be used to benefit the student body.
8. Collecting and expending of school internal account funds shall be in accordance with the Florida Constitution, Florida Statutes, State Board of Education rules, and school board rules. Sound business practices should be observed in all transactions.
9. Each school organization should operate within a budget formulated by the organization members. The format of the budget shall be prescribed by the principal if not prescribed by school board rule.

10. Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by school board rule. Purchases to support instructional programs may be made from revenue derived from production work of career education programs.
11. An adequate system of internal controls shall be maintained in order to safeguard the assets of the school internal funds.

SECTION II – GENERAL PRACTICES

1. All employees having responsibility for handling and recording internal funds financial transactions shall be bonded through the district.
2. Purchases from internal funds must be authorized in writing by the principal or designee. Neither the school nor the school board shall be liable for any purchase made in the name of the school without express written approval.
3. District-approved, pre-numbered receipt forms shall be used as the means of recording cash received, and as the basis for entries to the accounting records.
4. Approved pre-numbered checks shall be used as the means for disbursing funds, and as the basis for accounting entries, with the exception of disbursements from properly established petty cash funds.
5. Promissory notes, installment contracts, and lease purchase agreements shall not be executed in the name of a school or any school organization except as authorized by the school board.
6. Internal funds shall not be used to cash checks to accommodate individuals, make any kind of loans, pay any form of compensation directly to employees, or extend credit. Employees of the district who are compensated for additional services, such as game personnel to work at athletic events, shall be paid through the district payroll department or, when appropriate, as prescribed by school board rule. Designated area career centers may cash checks and make loans as necessary to administer student grant and loan programs funded by federal, state, and private sources.
7. Internal funds shall be accounted for on the same fiscal year basis as all other school district funds. No school organization shall make expenditures that exceed the cash resources available to that organization. All accounts payable shall be disclosed to the school board at year end.
8. Bank statements shall be reconciled as soon as received, preferably by a person other than the person who receipts and disburses funds.
9. Monthly financial reports shall be made in approved written form to provide the school's administration with financial information necessary for decision making. An annual report will provide data for inclusion of internal funds in the district's annual financial statement.
10. Account balances shall be subject to limits that the school board may prescribe.

SECTION III – STANDARDS, PRACTICES AND PROCEDURES

1.0 CONTROL OF CASH RESOURCES

1.1 DEPOSITORIES FOR INTERNAL FUNDS

Depositories in which internal funds are kept must be qualified public depositories, approved by the school board, and required to furnish the same type of security for deposits as is required for other district school board funds.

1.2 BANK ACCOUNTS

Each school shall have only one checking account, which shall be entitled “(SCHOOL NAME) Internal Fund, The School District of _____ County Florida,” or alternative that clearly identifies the school and school district. The account title must be imprinted on all internal fund checks and deposit slips. All monies received by the school will be deposited intact as collected into this account and all disbursements will be made by checks drawn on this account. Savings or investment accounts shall be titled in the same manner. Additional checking accounts may be utilized by designated area career centers if required in the administration of student grant or loan programs. The name of such program shall be identified in the account title.

1.3 CHECK SIGNATURES

- a. Each account shall have at least two authorized check signers, one of whom must be the principal. These names shall be kept on file for audit. All checks must be signed with two signatures as prescribed by the principal if not prescribed by school board rule.
- b. The principal is responsible for all financial transactions and proper check signatures.
- c. Under no circumstances shall checks be presigned.

1.4 CASH COLLECTIONS AND DEPOSITS

- a. All money collected by the school must be substantiated by pre-numbered receipts, consecutively numbered class receipt records, reports of monies collected, pre-numbered tickets, reports of tickets issued and sold, or other auditable records.
- b. Insofar as is practicable, all money should be collected in the school office. Collections made outside of the school office must be turned in to the school office no later than the next business day.
- c. All money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. **IN ANY EVENT, FUNDS COLLECTED MUST BE DEPOSITED WITHIN FIVE (5) WORKING DAYS AFTER RECEIPT.**
- d. All deposits must equal the total amount of money taken in and recorded on receipts for the period covered by the deposit. Deposit slips shall be made in the number of copies necessary to meet the approved accounting procedures. All checks received shall be deposited with a restrictive endorsement of “for deposit only” and specifying the account title and number.
- e. The principal or designee shall be notified immediately of any errors in deposits or disbursements and shall take appropriate action to effect correction.
- f. All checks, receipt forms, and tickets shall be pre-numbered and perpetual inventories of each shall be maintained. Inventories shall show the beginning and ending numbers of all documents acquired and issued. In all cases where tickets are used, ticket reports and

unsold tickets must be available for audit. Any pre-numbered documents shall be accompanied by a certified statement of the numbers received.

1.5 INVESTMENTS

- a. The school board shall adopt policies pertaining to the investment of school funds not needed for immediate expenditures. The adopted policies shall make provisions for investing or placing on deposit all such funds in order to earn the maximum possible yield under the circumstances.
- b. Internal funds that are temporarily idle shall, as required by law, be invested pursuant to policies of the school board using any medium of investment legal for public funds, and may not exceed insurance protection or other legal collateral limits (Rule 6A-1.085, F.A.C.).

1.6 COLLECTION OF WORTHLESS CHECKS

- a. The principal is responsible for seeking reimbursement for any unpaid check returned by the bank.
- b. A check can be declared uncollectable and written off the books only by action of the school board or designated officer. This action will be taken only after every legal and reasonable effort at collection by the principal has been exhausted.
- c. The school principal may require payment for school obligations in cash, money order, or other form of guaranteed payment if it is deemed necessary.

2.0 STUDENT ACTIVITY/PROJECTS

2.1 ATHLETICS

All revenue and expenditures involving athletic business transacted at the school level shall be recorded in accounts in this classification.

2.2 MUSIC

- a. Proceeds from activities of musical organizations, donations to these groups, and their expenses for supplies and trips shall be recorded in this classification.
- b. Collections from students for rental or maintenance of uniforms or instruments shall be recorded in separate accounts in this classification, or in trust if restricted as to use.

2.3 CLASSES, CLUBS, AND DEPARTMENTS

- a. Class and club accounts are those that support a group of students within a community of interest with a roster of members, officers, and a sponsor. Approval for the existence of all club and class activities is the responsibility of the principal.
- b. The sponsor of each school club or organization is responsible for providing adequate financial documents and records to the principal and is responsible for retaining duplicates of said documents and records. These records may include an organization budget; duplicate receipts for all income from dues, fund-raising activities, entertainments, assessments, and donations; and approved requests for payments.
- c. All collections received by any club or school organization must be deposited in the school internal fund.
- d. All disbursements by any club or school organization must be made by an internal fund check, or from an approved petty cash fund. Disbursements shall be approved by the

appropriate organization officer (when the organization has officers), the sponsor, and the principal.

- e. A financial report shall be filed with the principal's office at the close of each fund-raising activity. To accommodate collection of data for this report, a separate account for the activity may be established. The organization sponsor shall participate, along with the finance clerk, in the designation of transactions to be recorded in each of the organization's accounts.
- f. Class and club monies shall be expended for the benefit of the class or club or for purposes designated by the class or club that participated in generation of the revenue.
 - 1. Any remaining balance in the account of a class that has graduated shall be transferred to the general miscellaneous account at the discretion of the principal.
 - 2. Any remaining balance in the account of an inactive student organization shall be considered as belonging to the general miscellaneous account and shall be closed at the end of the following school year.
- g. Departments may be structured similarly to classes and shall conduct financial activities subject to the above.

2.4 TRUST

- a. Funds collected for a specific, restricted purpose shall be accounted for in a trust account.
- b. Trust funds shall be expended only for the purpose for which collected. When the purpose of the trust fund has been accomplished or becomes inoperative, unused trust funds shall be returned to the person(s) from whom collected, if practicable. Donors may designate an alternative purpose. Funds that cannot be returned shall be handled in accordance with school board policy.
- c. At no time shall a trust account have a deficit.
- d. If a school organization undertakes a project extending beyond the current fiscal year, or receives a restricted donation to be used over a period of time beyond the year in which received, approval must be granted in accordance with school board rules, and the funds held in a trust account.
- e. Collections for the school board, such as out-of-state tuition, adult matriculation and tuition fees, course fees, reimbursement for damages, or telephone charges, are trust funds. Sales tax collected for the state is also a trust account.
- f. Collections for parking decals issued by secondary schools and career centers may be restricted by the school board as to use, and if so, should be accounted for separately in a trust account.
- g. Funds collected from students as deposits for use of locks, and restricted by the school board as to use, shall be accounted for separately in a trust account.

2.5 GENERAL

- a. This category encompasses all other accounts for funds that are to be utilized for the general welfare of the student body.

- b. Separate accounts shall be maintained for activities such as the school store and other activities when it is good business practice to separately monitor the financial status of the activity. Activities not accounted for separately shall be recorded in a miscellaneous account.

3.0 PURCHASING

3.1 REQUIREMENTS

- a. The requirements pertaining to purchases and securing bids on purchases made from public tax funds shall be observed when purchases are made from internal funds, except that:
 - 1. School board approval of internal account vouchers is not required unless specifically provided for by school board rule.
 - 2. School board requirements for internal funds may be more strict than requirements for tax funds (Rule 6A-1.091, F.A.C.).
- b. If possible, purchases of the same or a similar nature to be used in more than one school should be combined and purchased only after approval of the school board (Rule 6A-1.091, F.A.C.).

3.2 RESPONSIBILITY

- a. The school principal is fully responsible for all purchases and purchase commitments requiring present or future disbursements of internal fund monies. A signed commitment from the principal or designee(s) must be on file before any purchase is made. Vendors shall be notified of this policy. No purchase shall be made unless sufficient resources are available, except items for resale.
- b. The school board may delegate by rule to such individuals as it may deem appropriate the authority to make purchases from internal funds, secure quotations, and award contracts (Rule 6A-1.091, F.A.C.).
- c. No person, unless authorized to do so under regulations of the school board, may make any purchase involving the use of school funds (Rule 6A-1.012, F.A.C.).

3.3 BIDS

- a. Bids shall be requested from three or more sources for any authorized purchase exceeding amounts set forth in a scale of district sizes and purchase amounts (Rule 6A-1.012, F.A.C.).
- b. The school board shall have authority to reject any or all bids and request new bids. In acceptance of bids, the school board shall accept the lowest and best bid (Rule 6A-1.012, F.A.C.).
- c. School boards may establish requirements for bids that are stricter than those established under the state rule.
- d. School boards may establish procedures requiring competitive quotations for all or selected types of purchases in amounts under the board-adopted bid limit requirement. Such quotations shall be documented.

- e. Proposed purchases in excess of the district bid limit must comply with bid requirements of Florida Statutes, State Board of Education Rules, and school board rules. These will be referred to the district purchasing department for development of specifications, bids, advertising, and processing.
- f. When the district has a bid in effect, purchases of items covered must be made from the approved vendor unless the same item may be purchased elsewhere at a lower cost.

3.4 PETTY CASH

If authorized by school board rule, petty cash funds may be established for internal funds.

3.5 RESTRICTED EXPENDITURES

The following expenditures from internal funds are deemed inappropriate and shall not be made except from trust funds collected for a specifically identified purpose.

1. Equipment, supplies, forms, and postage for curricular or classroom use for which school board funds are available. The exception is revenue derived from career education production shops that may be used for these purposes.
2. Curricular-related travel; professional, technical, or consultant services; or other items for which school board funds are available. The exception is revenue derived from career education production shops that may be used for these purposes.
3. Articles for the personal use of any student, employee, or other person, except those items that are identifiable as being in recognition of service or promotion of school activities and those items identified under Rule 6A-1.0143, F.A.C., Promotion and Public Relations Expenditures.
4. Personal memberships or subscriptions.
5. Salaries or other compensation for duties or assignments that are the responsibility of the school district.
6. Loans, credit, or accommodation purchases for anyone.
7. Repairs and maintenance of school board equipment for which school board funds are available. The exception is revenue derived from career education production shops that may be used for these purposes.

3.6 PROPERTY ACQUISITION AND CONTROL

- a. Tangible personal property as defined in Section 274.01, F.S., purchased or acquired by donation, becomes the property of the school board and is subject to the board's procedures for property control.
- b. Notification to the appropriate district office is required when items that meet the criteria for fixed assets are purchased or received as a donation. A full description of any equipment or property acquired by a school must be given, including make, model, serial number, date acquired, and total cost or fair market value for donated property.
- c. Expenditures for buildings, remodeling, renovation, repairs, or alteration to the facilities, or any property involving risk, must have the prior written approval of the superintendent or designee.

- d. Approval must be obtained from the superintendent or designee to change, alter, or attach permanent fixtures to school property, or to utilize more than the ordinary amount of utilities.

4.0 GENERAL STANDARDS, PRACTICES, AND PROCEDURES

4.1 REPORTS

- a. The principal's financial report and any other interim reports shall be prepared and submitted according to the schedule and format prescribed in district-adopted procedures.
- b. At the close of the school year, the annual report shall be prepared as district procedures provide, and shall be attested to by the principal and the preparer by their signatures as to its accuracy in reflecting the year's activity and year-end balances to be included in the District Annual Financial Report.

4.2 AUDITS

- a. The school board shall provide for an annual audit of internal funds.
- b. In accordance with Rule 6A-1.087(2), F.A.C., the signed, written report of the audit shall include notations of any failure to comply with Florida Statutes, State Board of Education Rules, or rules of the school board. The report, which must also provide commentary as to financial management and irregularities, shall be presented to the school board while in session and filed as a part of the public record.

4.3 COOPERATIVE ACTIVITIES

- a. A cooperative activity is one in which the school participates with outside groups such as the P.T.A. or booster clubs through planning, staging, or conducting school-related activities. Such activities may be held on or off the school grounds and will usually take the form of fund-raising events such as carnivals, paid entertainments, or food sales.
- b. Such activities must be approved by the principal and be beneficial to students. District procedures shall be followed to provide appropriate accounting for funds and to ensure compliance with policies contained herein. If a share of the proceeds is to be disbursed to the cooperating group, a prior written agreement should be executed.

4.4 FUNDRAISING

- a. Each fundraising activity shall be planned to finance a specified objective.
- b. Each fundraising activity shall have the approval of the organization sponsor and the principal.
- c. The principal shall control the fundraising activities conducted in the name of the school and ensure that the purposes are worthwhile.
 - 1. Raffles and other activities of chance shall not be conducted for school-connected activities.
 - 2. Fundraising activities for which students are charged an admission shall not be presented during school hours.
- d. When any school organization or group is involved in a fundraising activity or any function exposing the school board to extraordinary liability, approval must be obtained in advance from the superintendent or designee.

- e. Collections for all school-sponsored fundraising activities must be deposited in the internal fund, and all transactions in connection with the activity must be conducted in accordance with school board rules.

4.5 RETENTION OF RECORDS

- a. Chapters 119 and 257, F.S., provide that no public official may mutilate, destroy, sell, loan or otherwise dispose of any public record unless under the consent of the records and information management program of the Division of Library and Information Services of the Department of State. Provided applicable audits have been released, records may be disposed of in accordance with procedures established by the records and information management program. Examples of such records for internal funds include check requisitions and documentation, canceled checks, recap of collections, journals, ledgers, financial reports, purchase orders, and serialized forms.
- b. Procedures for destruction of records shall be in accordance with Chapters 119 and 257, F.S.

4.6 SALES OF FOOD AND BEVERAGES

The sale of food or beverages to students by direct sale or through vending machines shall be in accordance with Rule 6A-7.0411(2)(c), F.A.C..

5.0 MODIFICATION OF CHAPTER PROVISIONS

5.1 CENTRALIZED ACCOUNTING SYSTEMS

Districts that use centralized accounting systems for internal funds may apply to the Commissioner of Education for modification of the policies and procedures in this chapter.

5.2 EMERGENCY MODIFICATIONS

Districts may apply to the Commissioner of Education for modification of the policies and procedures in this chapter. Such application shall state the specific provision herein and the emergency or reason for which relief is sought. Approval of any modification shall be valid for up to one year.

5.3 CAREER CENTERS

The director of a designated area career center shall assume the duties and responsibilities assigned to the position of principal by this chapter.

5.4 ECONOMIC EDUCATION PROJECTS

Economic education projects may be exempted from Sections I-III of this chapter at the discretion of school boards with the following stipulations:

1. Administrative oversight continues to ensure that activities are in the best interest of the students and the school.
2. Involved employees are bonded.
3. Checks drawn on bank accounts are controlled so that a teacher's or sponsor's authorization is required.
4. Bank statements are currently reconciled and reviewed by the principal.

Economic education projects include Junior Achievement programs and similar programs that link the curriculum with appropriate economic education activities.

SECTION IV

CHART OF ACCOUNTS
SCHOOL INTERNAL FUNDS

Fund Group	800	
Balance Sheet Accounts	As provided in Chapter 2	
Revenue Accounts	3900	
Student Activity/Project	10000	Athletics
	20000	Music
	30000	Classes
	40000	Clubs
	50000	Departments
	60000	Trust
	70000	General
Expenditure Accounts		
Function	9800	
Object	As provided in Chapter 4	
Student Activity/Project	10000	Athletics
	20000	Music
	30000	Classes
	40000	Clubs
	50000	Departments
	60000	Trust
	70000	General

SECTION V – SCHOOL INTERNAL FUND DEFINITIONS

This section contains definitions of terms used in this guide and such additional terms as seem necessary to achieve common understandings concerning financial accounting procedures for internal funds. Internal funds are defined as all local school funds derived by any public school from all activities or sources. The glossary is arranged alphabetically with appropriate cross-referencing where necessary.

Account – A record of financial transactions that are similar in terms of a given frame of reference, such as purpose, objective, or source.

Accounting Period – A period of time for which financial statements are prepared (e.g., July 1 through June 30).

Accounts Payable – Unpaid balances or invoices against an internal fund that are owed.

Accounts Receivable – Amounts owed to the internal funds.

Accrual Basis – Recording of revenues and expenditures at the time revenue is earned or at the time an expenditure results in a liability, regardless of when the actual cash receipt or disbursement occurs.

Asset – Something of value that is owned by an entity.

Assets, Current – Cash and other assets readily converted into cash, such as accounts receivable, inventory, and some prepaid expenses.

Assets, Fixed – Land, buildings, machinery, furniture, and other equipment that the school system intends to hold or continue in use over a long period of time. “Fixed” denotes probability of intent to continue use or possession, and does not indicate immobility of an asset.

Audit – An examination of records and documents by an auditor in the process of securing evidence for one or more of the following purposes: 1) determining the propriety of completed transactions, 2) ascertaining whether all transactions have been recorded, and 3) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

Balance – The difference between the total debits and the total credits of an account, or the total of an account containing only debits or only credits.

Bank Deposit – The total amount of money taken in and recorded on receipts for a specified time period and deposited intact with a depository.

Capital Outlay – Expenditures for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

Cash – Currency, checks, postal and express money orders, and bank deposits including certificates of deposit.

Cash Basis – The basis of accounting under which revenues are recorded only when actually received and only cash disbursements are recorded as expenditures.

Cash Discount – An allowance received or given if payment is completed within a stated period. The term is not to be confused with “trade discount.”

Change Fund – An amount of money obtained by issuing a check to a designated individual for the purpose of making change for a specific event. No expenditures are to be made from these monies.

Check – A written order on a bank to pay on demand a specified sum of money to a named person, to his order, or to bearer from money on deposit to the credit of the maker. It is canceled when it has been paid by the bank and thus “cleared” and returned to the writer.

Closing the Books – The process of putting the account books in order at the end of a month, or a fiscal period, so that a trial balance and financial reports may be prepared.

Commemorative Item – Personalized articles such as class jewelry, announcements, caps and gowns, yearbooks, cards and invitations, insignia, and school pictures.

Commission – A share of sale proceeds from any company or individual given the school in return for the sale, rental, or promotion of any items within the school.

Concession – The act of granting to an individual or group a right that resides with the school.

Deficit – The excess of the obligations of an account over its resources.

Deposit in Transit – A deposit that has been transmitted to the bank and recorded in the school ledgers but not reflected on the monthly bank statement because it was not received before the bank’s preparation of the statement.

Deposit, Property – Money collected from students and held in a school account for return at a designated time for the purpose of covering loss or damages to school-owned supply and equipment items while being used by the students.

Depositories – Banks or savings and loan institutions where schools conduct the business of depositing and withdrawing money.

Disbursements – Money paid out.

Double Entry – A system of bookkeeping that requires, for every entry made to the debit side of an account or accounts, an entry for the corresponding amount or amounts made to the credit side of another account or accounts.

Dues – A regular charge made to students for the privilege of being a member of a particular club or student body organization.

Encumbrance – A restriction of available money by issuance of a purchase order.

Equipment – A material item of a non-expendable nature, such as a built-in facility, a movable or fixed unit of furniture or furnishings, an instrument or apparatus, a machine (including attachments), instructional skill-training device, or a set of small articles whose parts are replaceable or repairable, the whole retaining its identity and utility over a period of time that is characteristic for items of its class.

Expenditures – Decreases in net financial resources. If accounts are kept on the accrual basis, this includes total charges incurred, whether paid or unpaid. On the cash basis, payments are termed “disbursements.”

Expense, Travel – Expenses incurred by students and sponsors of a school activity in connection with travel related to the activity other than those expenses directly chargeable to student transportation.

Fidelity Bond – A bond guaranteeing the school board against losses resulting from the dishonest actions of employees.

Finance Clerk – Person assigned responsibilities for internal accounts bookkeeping.

Financial Statement – A formal written presentation that sets forth information concerning the financial condition of the school internal funds.

Fiscal Period – Any period at the end of which a school determines its financial condition and the results of its operations, and closes its books.

Fiscal Year – As it pertains to internal funds, July 1 through June 30.

General Ledger – A book, file, or other device in which accounts are kept to the degree of detail necessary to summarize the financial transactions of the school. General ledger accounts may be kept for any group of receipts or expenditures over which an administrative officer wishes to maintain fiscal control.

Gift – Something of value received for which no repayment or special service to the contributor is expected.

Grant – Money received by a school activity for which no repayment is expected but for which certain conditions exist relative to the disbursement of funds.

Inactive Account – An account is considered inactive upon declaration of the principal when: 1) no financial transactions have occurred within one year and the need for the organization has passed, or 2) a class has graduated.

Intact, or Deposit Intact – The practice in which money is presented to a bank or bookkeeper for the credit of the school's internal fund in the same form as received. This means that any receipt of funds in the form of cash shall be deposited as cash. The cashing of a check from funds on hand would be a violation of this concept, as would be the substitution of a check for cash.

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, work is subdivided so that no one employee performs a complete cycle of operations. 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.

Inventory – The cost of supplies and equipment on hand not yet distributed to requisitioning units.

Inventory Record – A detailed list or record showing quantities, descriptions, values, units of measure, and unit prices.

Investments – Temporarily idle funds placed in interest-earning accounts.

Invoice – A vendor's notification of merchandise provided or services rendered to a purchaser with the quantity, prices, and charges stated. Other information customarily shown on the invoice includes the customer's order number, order date, date of delivery or shipping, and terms of payment.

Journal – The accounting record in which financial transactions of the school are formally recorded for the first time.

Liabilities – Debt or other legal obligations arising out of transactions that are payable but not necessarily due. (Encumbrances are not liabilities; they become liabilities when the services or materials for which they were established have been rendered or received.)

Memoranda (Memo) Account – An informal record of an internal fund transaction that cannot be recorded under the regular financial accounts, but for which a record is desired (e.g., encumbrances).

Outstanding Check – A check issued and recorded by the school that has not been presented to the bank for payment prior to issuance of the monthly bank statement.

Outstanding Deposit – (See Deposit in Transit)

Overdrawn – A situation in which a check has been written for an amount in excess of that on deposit. An overdraft is the amount by which withdrawals exceed the depositor's available balance.

Perpetual Inventory – An inventory system that is initiated by a physical inventory and perpetuated by entry of receipts and withdrawals, thereby reflecting current balances on hand for each item.

Petty Cash – Cash paid out in small amounts for authorized expenditures. Petty cash may be used to reimburse persons or to make a direct purchase. (Petty cash funds must be authorized.) Payments must be evidenced by petty cash vouchers, which are signed receipts that show the purpose, date, and amount.

Posting – The act of recording to an account in a ledger the detailed or summarized data contained in the documents of original entry.

Pre-Numbered Documents – Checks, receipt forms, tickets, and similar items that have been consecutively numbered and controlled before use.

Prior Authorization – A written approval granting authority to enter into a contract, to obligate funds for a purchase, or to receive a benefit, before such an action occurs.

Purchase Order – A document issued to a vendor authorizing the delivery of goods or services that implies the obligation of funds.

Reconciliation of Bank Statement – A statement of the details of the differences between the bank statement and the cash account record to show agreement of the adjusted balances.

Refund – An amount paid back or credit allowed.

Reimbursement – Repayment of authorized expenditures made on behalf of the school's internal fund.

Repairs, Minor – The restoration to a usable condition of a given piece of equipment, building, or grounds. Cost of new construction, renovation, and remodeling are not included here, but are considered capital outlay.

Reports – Written statements of information that are made by a person, unit, or organization for the use of some other person, unit, or organization.

Requisition – A written request, usually from one department to the purchasing officer or to another department, for specified articles or services.

Student Activities – Direct and personal services for public school students, such as interscholastic athletics, entertainments, publications, clubs, band, or orchestra, that are managed or operated by students under the guidance and direction of authorized adults, and are not part of the regular instructional program.

Student Organization – Any group of students organized on campus into a single body for the purpose of pursuing common goals and objectives. This includes the various types of student clubs and class organizations that, with proper approval by school authorities, are managed and operated by students under the direction or supervision of authorized adults.

Subsidiary Ledger – A record of the financial transactions of a given activity showing the receipts, expenditures, transfers, adjustments, and balances for the activity's account.

Supply – An item of expendable nature that is consumed, worn out, or deteriorated in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

Supporting Documentation – Evidence attesting to the authenticity, accuracy, and authority of a financial transaction.

Surety Bond – A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through non-performance or through defalcation. For example, a surety bond may be required of a contractor or an official handling cash or securities.

Trade Discount – An allowance made to individuals engaged in certain businesses and allowable irrespective of the time when the account is paid. The term should not be confused with “Cash Discount.”

Transfer – Money that is taken from one account and added to another account. Transfers are not receipts or expenditures.

Trust and Agency Funds – Funds used to account for money and property held by a governmental unit in the capacity of trustee, custodian, or agent.

Voided Check – A check that has been declared void. A check on which an error has been made in writing, such as an incorrect amount, signature, or a discrepancy in the information included. The check is made void by mutilating the signature space and the check is retained.

APPENDIX A

SUPPLIES AND EQUIPMENT CRITERIA

An ever-present challenge in financial accounting is that of distinguishing between supplies and equipment. This section provides criteria for classifying an item as supply and criteria for classifying an item as equipment. Equipment built-in or fixed to the building or grounds is considered a part of the building or land improvement and should be charged to those respective accounts.

CRITERIA FOR SUPPLY ITEMS

A supply item is any article or material that meets any one or more of the following conditions:

1. It is consumed in use.
2. It loses its original shape or appearance with use.
3. It is expendable. That is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
4. It is an inexpensive item, having characteristics of equipment but with a small unit cost that makes it inadvisable to capitalize the item.
5. It loses its identity through incorporation into a different or more complex unit or substance.

CRITERIA FOR EQUIPMENT ITEMS

An equipment item is a material unit that meets all of the following conditions:

1. It retains its original shape and appearance with use.
2. It is nonexpendable. That is, it is usually more feasible to repair it rather than replace it with an entirely new unit.
3. It represents an investment of money that makes it feasible and advisable to capitalize the item.
4. It does not lose its identity through incorporation into a different or more complex unit or substance.

APPENDIX B

OPTIONAL OBJECT CODES

The optional third-digit object account shown below is compatible with the current automated state data bases as adopted. Districts may elect to use this third digit in order to provide information requested in the automated state data base system.

SALARIES (100)

1. Regular Pay
2. Overtime Pay
3. Supplements
4. Terminal Pay (payment for unused annual leave)
5. Sick Leave Buy Back (payment for unused sick leave)
6. Sabbatical Leave
7. Merit Pay
8. (Not assigned)
9. Other (e.g., uniform allowance)

BENEFITS (200)

1. Health and Hospitalizations
2. Life Insurance
3. Commercial or Merit and Insurance Annuity Plan
4. Cafeteria Plan
9. Other

LIBRARY BOOKS (Object 610 Only)

1. New Libraries
2. Existing Libraries