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Bureau of School Business Services
Office of Funding and Financial Reporting

Financial and Program Cost Accounting and Reporting for Florida Schools

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Chapter 1

Introduction

The primary purpose of this manual is to provide Florida school districts and charter schools with a uniform chart of accounts for financial, cost and budgetary reporting. This manual is also the basis for grant budgeting and reporting. For more information on reporting for grants, please see the Florida Department of Education (FDOE) publication, *Project Application and Amendment Procedures for Federal and State Programs* (Green Book).

Generally accepted governmental accounting standards, program cost accounting and reporting, and school internal funds are addressed in this manual. This document is incorporated by reference in rule 6A-1.001, Florida Administrative Code, pursuant to the requirements of sections 1010.01, 1010.20 and 1011.07, Florida Statutes.

The Florida chart of accounts included in this manual 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 state 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, 2003, 2009 and 2014 have also been incorporated into the state chart of accounts to ensure compatibility with national statistical reports.

OVERVIEW

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

Funds are defined as fiscal and accounting entities with self-balancing sets of accounts. They record changes in cash and other financial resources, together with all related liabilities and residual equities or balances. Funds 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 Governmental Accounting Statement 1 (as amended), ¶2]. The basic fund structure for Florida school districts follows generally accepted accounting principles (GAAP) 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 (and Other Employee Benefit) Trust Funds
  - Investment Trust Funds
  - Private-Purpose Trust Funds
  - Custodial 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 (see definition above)	Program
Function	Fiscal Year
Object	Grant
Facility (School)	Project

Function refers to the objective or purpose of an expenditure (or expense for government-wide and proprietary financial statement presentation). 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 students or the interaction between teachers and students. Instruction is further classified as Basic, Exceptional Student Education, Career Education, Adult General and Other Instruction. Other Instruction includes programs such as recreation, enrichment and prekindergarten instruction.

Student and Instructional Support Services. Student and Instructional Support Services are administrative, technical and logistical support services to facilitate and enhance instruction. Specific activities under this category include Student Support Services, Instructional Media Services, Instruction and Curriculum Development Services, Instructional Staff Training Services and Instruction-Related Technology.

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

Community Services. Community Services are activities that are not directly related to providing education for students in a school system, such as noninstructional services provided by the school system for the community.

Two other functional categories are necessary to support the school district, but do not include instruction, instructional support or administrative activities.

Debt Service. Debt Service represents payments of principal and interest to service debt and expenditures related to issuance and retirement of debt.

Capital Outlay. Capital Outlay includes expenditures related to, but not limited to, the procurement of land, the purchase of furniture and equipment, and the acquisition or construction of educational facilities.

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

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

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 FDOE 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 FDOE. School districts may elect to crosswalk from a local coding structure to the state-designated grant and project numbers.

The primary purpose of this publication is to provide a uniform chart of accounts for governmental fund financial and cost reporting; however, many of the asset, deferred outflow, liability and deferred inflow accounts are only used to satisfy the minimum reporting requirements for financial statement presentation. While the functional elements are used for reporting governmental fund expenditures, these same groupings are used as expenses for government-wide financial statement presentation and for reporting expenses in proprietary funds.

ACCOUNTING STANDARDS

GAAP for governmental entities are established by the Governmental Accounting Standards Board (GASB) 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, deferred outflows of resources, liabilities and deferred inflows of resources – are recognized in the accounts and reported in the financial statements. GAAP require the use of the modified accrual basis of accounting for governmental funds. This means that revenues are recognized when they become earned, measurable and available. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

Proprietary and fiduciary funds use the accrual basis of accounting. That is, revenues and expenses are generally 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 projects, debt service and permanent. As indicated above, the modified accrual basis should be used in accounting and reporting for these funds. School 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

The reporting model for school districts is based on GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement 103 *Financial Reporting Model Improvement*, and is updated through GASB Statement 10596, *Subsequent Events Guidance*~~*Subscription- Based Information Technology Arrangements (SBITAs)*~~. Florida school districts may use the basic model for financial reporting, which includes management's discussion and analysis (MD&A), basic financial statements and required supplementary information (RSI) other than the MD&A. Descriptions of all components of the basic financial statements can be found in section 2200 of the *Codification of Governmental Accounting and Financial Reporting Standards* published by the GASB.

- The MD&A is a component of RSI that precedes the basic financial statements.
- The basic financial statements should 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 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 financial statements reflect major funds and combined nonmajor 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 position 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 financial statements, and certain required eliminations.
    - The notes to the financial statements are an integral part of the basic financial statements and follow the fund financial statements.
- RSI (other than the MD&A) is supplementary financial information that must be presented after the basic financial statements and includes budgetary comparisons (between budgeted and actual) for the general fund and each major special revenue fund that has a legally adopted budget, pension plan information, other postemployment benefit plan schedules and notes to the RSI.

Chapter 2

Asset, Liability, Deferred Outflow and Inflow, Fund Balance and Net Position Accounts

This chapter provides balance sheet account numbers and related definitions.

1000 ASSETS

Assets are resources with present service capacity that the district school board presently controls [Governmental Accounting Standards Board (GASB) Concepts Statement 4, ¶8]. The present service capacity of a resource that is an asset is its existing capability to enable the school district to provide educational services. All assets should be listed in order of liquidity on the financial statements.

1100 Current Assets. Current assets include cash or other assets that are reasonably expected to be realized in cash or sold or consumed within a year.

1110 Cash. All funds on deposit with an official or agent designated as custodian of cash and bank deposits. Overdrafts that show negative cash should be reported as a current liability for fund financial statement presentation. Please see Account 2125, Cash Overdraft.

1111 Cash-on-Demand Deposits. Deposits with fiscal agents, such as commercial banks, for the payment of normal operating expenditures, 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 and advance refunding escrow deposits.

1115 Cash – Interest-Earning Deposits. Deposits that generate interest income, usually stipulating the duration of the 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 remain uncollected. This account should be closed on June 30, and amounts held by the tax collector on behalf of the

district school board should be recorded in Account 1220, Due From Other Agencies.

1130 Receivables. Amounts due for goods and services and pension plan contributions.

1131 Accounts Receivable. Amounts due on open account from private persons, firms or corporations for goods and services furnished by the school district. Accounts receivable should be netted against uncollectible amounts.

1132 Pension Contributions Receivable. Pension contributions for district single-employer pension plans reported in private pension trust funds.

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 purchased and donated foods and materials.

1160 Investments. Securities and nonfinancial assets, held primarily for income or profit, which have present service capacity based solely on their ability to generate cash or to be sold to generate cash. This account does not include assets used in school district operations. Separate accounts for each category of investments may be maintained.

1161 Investments – United States Government Securities. Securities of the United States 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 s. 1011.14, Florida Statutes (F.S.).

1163 Investments – SBOE/COBI Bonds. State Board of Education (SBOE)/Capital Outlay Bond Indebtedness (COBI) bonds issued

on behalf of school districts under Article XII, section 9 of the Constitution of the State of Florida.

1164 Investments – State Board of Administration. Amounts placed with the State Board of Administration for investment.

1165 Nonfinancial Investments. Capital assets acquired with the expectation of future income or profit. These assets should be classified as investments at the time of acquisition and remain classified as investments, even if the school district has changed its intended use.

1169 Other Governmental Securities. Securities of other governmental agencies authorized by Florida Statutes and not previously identified.

1170 Interest Receivable on Investments. The amount of interest receivable on investments, excluding purchased interest.

1180 Due from Insurer. Amounts to be recovered from insurance and 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 local sources. Amounts legislatively appropriated for the school district are typically included in this category.

1230 Prepaid Items. Disbursements that are made in one fiscal period but are more accurately reflected as an expenditure/expense in subsequent fiscal periods.

1300 Capital Assets. Land, land improvements, buildings, building improvements, vehicles, 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 measured at fair value at the time of acquisition. Capital assets are the least liquid asset on the financial statements. Capital assets may be netted in two categories for financial statement presentation: Nondepreciable Capital Assets and Depreciable Capital Assets, Net.

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 are not connected with the original purchase of the land and are 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 buildings. 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 motor vehicles used for student transportation and service vehicles (school buses, 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 motor 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 Leases and SBITAs. The net present value of lease or SBITA payments recorded as assets.

1379 Accumulated Amortization – Property Under Leases and SBITAs. The accumulation of systematic and rational allocations of the cost of property under leases or SBITAs over the useful lives of the assets.

1380 Audiovisual Materials and Computer Software. The cost of audiovisual materials and computer software that meet the criteria for capitalization.

1381 Audiovisual Materials. The cost of audiovisual 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 database 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 (GAAP) for lump-sum or basket purchases. Nevertheless, **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 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 software for proper recording of the removal or transfer.

1388 Accumulated Depreciation – Audiovisual 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 Noncurrent Assets.

1410 Other Postemployment Benefits Asset. To account for funded other postemployment 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.

1415 Pension Asset. To record the amount of the pension plan's fiduciary net position that exceeds the total pension liability as of the measurement date. Assets associated with different pension plans may be displayed in the aggregate in the financial statements and should be displayed separately from aggregated pension liabilities.

1420 Section 1011.13, F.S., Loan Proceeds. Proceeds, and any interest earnings thereon, placed in an irrevocable escrow account pursuant to s. 1011.13(2), F.S.

1425 Leases Receivable. Deferred inflows of resources for lessors.

1430 Prepaid Insurance Costs. Prepaid insurance costs associated with the issuance of debt, to be recognized as an expense in a systematic and rational manner over the duration of the related debt.

1460 Long-Term Investments. Investments that are not reasonably expected to be realized in cash within a year.

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 balances. Once a purchase order or contract is fulfilled, the encumbrance is removed from the accounting records.

1900 DEFERRED OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net assets by the school district that is applicable to a future reporting period (GASB Concepts Statement 4, ¶32). Deferred outflows of resources should be combined with assets to determine which elements meet the criteria for major fund determination.

1910 Accumulated Decrease in Fair Value of Hedging Derivatives. School districts should use hedge accounting, in which the changes in fair values of hedging derivative instruments are reported as either deferred outflows or deferred inflows of resources.

1920 Net Carrying Amount of Debt Refunding. This is used for either current refundings or advance refundings resulting in defeasance of debt. The amount is the increased difference between the reacquisition price and the net carrying amount of the old debt. The amount should be recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

1940 Pension. The collective deferred outflows of resources related to pensions arising from certain changes in the collective net pension liability. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

1950 Other Postemployment Benefits (OPEB). The collective deferred outflows of resources related to OPEB, which include certain changes in the net OPEB liability that have not been included in OPEB expense, and employer contributions subsequent to the measurement date of the net OPEB liability.

1960 Asset Retirement Obligation. Estimate of the current value of outlays expected to be incurred.

2000 LIABILITIES, FUND BALANCES AND NET POSITION

Liabilities are present obligations to sacrifice resources that the district school board has little or no discretion to avoid (GASB Concepts Statement 4, ¶17). All liabilities should be listed in order of how quickly they can be liquidated with financial resources on the financial statements.

2100 Current Liabilities. Current liabilities represent obligations whose liquidation is reasonably expected to require the use of existing resources properly classified as current assets or the creation of other current liabilities.

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

2115 Pension Liability. The portion or proportionate share of pension that is normally expected to be liquidated with expendable available financial resources.

2116 Other Postemployment Benefits Liability. The actuarially determined contribution/annual required contribution for the current period that will be liquidated either by the next actuarial valuation date, or within one year of the reporting date, whichever is later.

2120 Accounts Payable. Liabilities representing amounts due on open accounts to private persons or organizations for goods and services received by a school system, excluding amounts due to other funds or other governments.

2125 Cash Overdraft. The amount from overextending current available resources, resulting in a credit balance of cash.

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 withheld 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. Also include temporary loans of cash between funds allowable under s. 1011.09, F.S., for a period of 13 months or less.

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 school 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/Service Agents, 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/Service Agents, 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 school district's matured debt.

2250 Current Notes Payable. Amounts due on short-term debt. GAAP specifically indicate for governmental fund accounting that other financing sources should not be reported in connection with tax anticipation notes and revenue anticipation notes. Instead, the notes should be reported as fund liabilities.

2251 Section 1011.13, F.S., Anticipation Notes. Cash flows for operating, debt service and capital outlay expenditures from borrowing in anticipation of future receipts.

2252 Sections 1011.14 and 1011.15, F.S., Notes Payable. Obligations authorized under the provisions of ss. 1011.14 and 1011.15, F.S., if the board does not intend to extend the obligation beyond the one-year period.

2253 Bond Anticipation Notes. Short-term notes sold in anticipation of a bond issue. If the necessary legal steps and the ability to consummate refinancing criteria have not been met, these notes should be reported as a liability in the governmental fund as well as the government-wide statement of net position.

2254 Line of Credit.

2259 Other Short-Term Loan.

2260 Sales Tax Payable. Sales taxes collected by the school district that must be remitted to the state.

2270 Estimated Liability for Self-Insurance Program.

2271 Estimated Unpaid Claims – Self-Insurance Program. The self-insurance retention (SIR) limit (i.e., the maximum amount of any one loss that the school district determines it can sustain) for settling claims under the SIR threshold 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 Claims Adjustment. The additional amount needed to provide for the estimated unpaid claims for self-insurance programs 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 school district.

2280 Estimated Liability for Arbitrage Rebate. School districts with a calculated arbitrage rebate liability should not treat the amount of the rebate as a reduction of interest revenues. 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 custodial fund.

2300 Long-Term Liabilities. Long-term liabilities are debts that a school district plans to hold for more than one year. Long-term liabilities take the longest to be liquidated with financial resources and are reported as noncurrent liabilities on the financial

statements. Long-term liabilities may be netted in two categories for financial statement presentation: (1) Due Within One Year, and (2) Due in More Than One Year.

2310 Notes Payable. Unconditional written promises 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 on the notes.

2312 Sections 1011.14 and 1011.15, F.S., Notes Payable. Obligations authorized under the provisions of ss. 1011.14 and 1011.15, F.S., if the board's intent is to extend the obligation from year to year (with the consent of the lender) for a period not to exceed four years, or for a total of five years, including the initial year of the loan.

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 Leases and SBITAs. The present value of future payments on lease agreements or SBITAs.

2320 Bonds Payable. Long-term obligations of the school district for which repayment is supported by the full faith and credit of the school district in the form of its taxing ability. Bonds are reported net of unamortized premiums and discounts on the Statement of Net Position. The details of the premiums and discounts are disclosed in the notes to the financial statements.

2321 SBOE/COBI Bonds Payable. Principal balance due on bonds issued by the SBOE on behalf of the school district. Article XII, section 9 of the Constitution of the State of Florida authorizes district school boards to request that the SBOE issue bonds for and on behalf of the local district school boards. These bonds do not have to be approved in an election or referendum. The FDOE prepares the resolutions for validation proceedings; requests bids; prints and delivers the bonds sold; and computes the required reserve and the annual amount for the payment of principal, interest and bank charges. Such bonds have been designated SBOE or COBI.

2322 District Bonds Payable. Principal balance due on general obligation bonds issued by the school district, as authorized by the voters of the school district. This type of indebtedness is usually retired by a special tax levy on the nonexempt assessed value of the real and personal property within the school district that issued the bonds.

2323 Special Act Bonds Payable. Principal balance due on 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. Principal balance due on bonds or revenue certificates of the school district, as authorized by the legislature. These bonds are issued at the school district level, not to be confused with bonds issued on behalf of the school district under Article XII, section 9 of the Constitution of the State of Florida.

2326 Sales Surtax Bonds Payable. Principal balance due on bonds issued for capital facilities acquisition and construction. The debt is secured by the pledge of sales surtax revenue authorized pursuant to s. 212.055, F.S.

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 Lease-Purchase Agreements Payable. Obligations of lease-purchase agreements, which are financing instruments that provide the issuer with cash to finance construction or capital acquisitions. Lease-purchase agreements are reported net of unamortized premiums and discounts on the Statement of Net Position. The details of the premiums and discounts are disclosed in the notes to the financial statements.

2341 Certificates of Participation (COPS) Payable. Lease-purchase obligations resulting from the issuance of COPS, which are financing instruments that provide the issuer with cash to finance construction or capital acquisitions. The full faith and credit of the school district is not pledged for payment.

2342 Qualified Zone Academy Bonds (QZAB) Payable. Tax credit bonds categorized as lease-purchase obligations of the school district that provide federal tax credits in lieu of interest payments to the certificate holder. The proceeds of the bonds may be used for rehabilitating or repairing public school facilities, investing in new equipment and technology, and developing challenging course materials or training teachers, but cannot be used for new school construction.

2343 Qualified School Construction Bonds (QSCB) Payable. Tax credit bonds categorized as lease-purchase obligations authorized under the American Recovery and Reinvestment Act (ARRA) to finance school construction and other eligible projects for public schools, for which bondholders receive federal tax credits in lieu of the school district paying interest on the borrowing.

2344 Build America Bonds (BAB) Payable. Tax credit bonds categorized as lease-purchase obligations authorized under the ARRA to finance construction, rehabilitation or repair of public school facilities, and for other purposes. The agreement either provides a tax credit to the bondholder in lieu of part of the interest

or a reimbursement of a portion of the interest that the school district paid.

2349 Other Lease-Purchase Agreements Payable. Lease-purchase obligations from other tax-exempt programs used to finance the cost of acquisition, construction, installation and equipment of educational facilities.

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 Net Other Postemployment Benefits Obligation. To account for the actuarial calculations for OPEB net of funded amounts, resulting in a net obligation liability for government-wide and proprietary fund financial statement presentation.

2365 Net Pension Liability. The total pension liability less the amount of the pension plan's fiduciary net position (unfunded accrued liability). For cost-sharing plans, the school district's net pension liability is equal to its proportionate share of the total net pension liability for all participating employers, calculated based on the school district's proportionate share of total estimated long-term employer contributions. If the plan's valuation has not been performed as of the end of the pension plan's fiscal year, the total pension liability is required to be based on updated procedures to roll forward amounts from an earlier actuarial valuation. Liabilities associated with different pension plans may be displayed in the aggregate and should be displayed separately from aggregated pension assets. The school district should recognize a liability in the governmental fund financial statements for 1) defined contribution plan contributions that are due and payable pursuant to legal or contractual requirements; and 2) defined benefit plan payments that are due and payable and in excess of available resources in the pension trust.

2370 Estimated Public Education Capital Outlay (PECO) Advance Payable. Obligation for the repayment of PECO funds received pursuant to s. 1013.64(2), F.S.

2380 Other Long-Term Liabilities. Includes asset retirement obligations.

2390 Derivative Instrument. Liability for financial arrangements to manage specific risks or to make investments. Include derivative instruments associated with hedgeable items.

2400 Other Noncurrent Liabilities. All other liabilities not provided for in preceding subsections for obligations that are not reasonably expected to require the use of existing resources properly classified as current assets to liquidate.

2410 Unearned Revenues. Liabilities representing revenues collected but unearned.

2411 Unearned Revenue – PECO. The annual allocation of PECO funds for which encumbrance authorizations have not been issued.

2412 Unearned Revenue – Cash Advance From Grants. Grants received in advance of meeting eligibility requirements (other than timing).

2413 Unearned Revenues – Other.

2414 Unearned Revenue – Classrooms First Program. Unearned revenue 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 district 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.

2600 DEFERRED INFLOWS OF RESOURCES

A deferred inflow of resources is an acquisition of net assets by the school district that is applicable to a future reporting period (GASB Concepts Statement 4, ¶34). Deferred inflows of resources should be combined with liabilities to determine which elements meet the criteria for major fund determination.

2610 Accumulated Increase in Fair Value of Hedging Derivatives. School districts should use hedge accounting, in which the changes in fair values of hedging derivative instruments are reported as either deferred inflows or deferred outflows of resources.

2620 Deficit Net Carrying Amount of Debt Refunding. This is used for either current refunding or advance refunding resulting in defeasance of debt. The amount is the difference between the reacquisition price and the net carrying amount of the old debt, resulting in a deficit net carrying amount. The amount should be recognized as a component of interest expense in a systematic manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

2630 Deferred Revenue.

2631 Deferred Revenue – Cash Advance from Grants. Grants received in advance of meeting timing requirements.

2632 Deferred Revenue – Unavailable. Revenue that has been earned, but will not be received within 30 to 60 days after the end of the fiscal year, depending on the school district's policy.

2639 Deferred Revenue – Other. Includes leases receivable for lessors.

2640 Pension. The collective deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability. These changes include differences between expected and actual experience, changes in assumptions, and

differences between expected and actual earnings on plan investments. Amounts should be amortized as part of the calculation of pension expense.

2650 OPEB. The collective deferred inflows of resources related to OPEB, including changes in the net OPEB liability that have not been included in OPEB expense.

2700-2800 FUND BALANCES AND NET POSITION

On the balance sheet for governmental funds, assets plus deferred outflows of resources equal liabilities plus deferred inflows of resources, plus fund balance. On the statement of net position for proprietary and fiduciary funds and for government-wide financial statement presentation, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equal net position.

2710-2750 Fund Balance. The excess of assets plus deferred outflows of resources, over liabilities plus deferred inflows of resources, represents fund balance for governmental funds at the end of the fiscal year. Fund balance is reported in five classifications that comprise a hierarchy primarily based on the relative strength of the constraints that control how specific amounts can be spent.

2710 Nonspendable. Refers to 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 examples will be restricted, committed or assigned, then the proceeds should be included in an 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, therefore, should be classified as nonspendable.

2711 Inventory.

2712 Prepaid Amounts.

2713 Permanent Fund Principal.

2719 Other Not in Spendable Form. The school 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 the restricted component of net position, this classification will vary depending on the measurement focus and basis of accounting employed in reporting net position 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, Florida Administrative Code.

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 purposes for which they were raised. For example, pursuant to s. 1011.71(2), (3) and (4), F.S., levied tax may only be expended for specific purposes, and pursuant to s. 212.055(2) and (6), F.S., local sales tax is levied by authorization from the district 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 to maintain 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 school 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). Authorization that commits fund balance to a specific purpose should occur prior to the end of the reporting period, 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 similar 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 school 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 amounts that have been set aside for a specific purpose by an authorized government body or official, but for which the constraint imposed does not satisfy the criteria to classify the amount 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 committee 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 school 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 governmental 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).

2770-2790 Net Position. The residual of all other elements presented in the Statement of Net Position for government-wide financial statement presentation and for proprietary and fiduciary funds. It is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources (GASB Concepts Statement 4, ¶36).

2770 Net Investment in Capital Assets. The component of net position that consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds,

mortgages, notes or other borrowings that are directly attributable to the acquisition, construction or improvement of those assets.

2780 Restricted. The component of net position that consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. A liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability, or if the liability will be liquidated with the restricted assets reported. Restricted net position should distinguish between major categories of restrictions.

2785 Held in Trust for Pension Benefits and Other Purposes. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, of fiduciary funds.

2790 Unrestricted. The net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Chapter 3

Revenue Accounts

This chapter provides revenue account numbers and related definitions.

3100 Federal Direct. Revenues received by the school district directly from the federal government.

3120 Federal Impact Funds. Funds provided to the school 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 school district may qualify for revenue from this source during any fiscal year when minimum conditions are met. In order to be eligible, at least 3 percent of the total average daily attendance (K-12) must result from students 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 Florida Department of Education (FDOE).

3130 Head Start. Amounts received directly from the federal government to promote school readiness by enhancing the social and cognitive development of low-income children through the provision of comprehensive health, educational, nutritional, social and other services.

3170 Workforce Innovation and Opportunity Act. Amounts received directly from the federal government under the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.

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 Reserve Officers Training Corps (ROTC). Amounts received to assist school districts in establishing ROTC programs.

3192 Pell Grants. Direct grants awarded through participating school districts providing need-based awards to low-income students.

3199 Miscellaneous Federal Direct. Other sources of federal funding received directly from the U.S. Department of Education and other federal agencies not previously classified.

3200 Federal Through State and Local. Revenues from the federal government distributed through the state or an intermediate agency to the school district.

3201 Career and Technical Education. Grants under the Carl D. Perkins Career and Technical Education Act that provide an increased focus on the academic achievement of career and technical education students while strengthening the connections between secondary and postsecondary education.

3202 Medicaid. Funds received as reimbursement through the federal Medicaid program.

3220 Workforce Innovation and Opportunity Act. Amounts received from grants to help job seekers access employment, education, training and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.

3221 Adult General Education. Funds provided for adult education services to assist adults to become literate and obtain the knowledge, skills and credentials necessary for entering and/or retaining employment; entering into postsecondary education and training; and attaining self-sufficiency, including workplace literacy and family literacy services.

3222 English Literacy and Civics Education. Funds provided for adult education instruction designed to help individuals of limited English proficiency achieve competence in the English language and civics education.

3223 Adult Migrant Education. Funds provided to strengthen the ability of eligible migrant and seasonal farmworkers and their families to achieve economic self-sufficiency.

3224 Other WIOA Programs. Other programs administered under WIOA, including vocational rehabilitation services.

3225 Teacher and Principal Training and Recruiting – Title II, Part A. Amounts received to increase student academic achievement by improving teacher and principal quality and increasing the number of highly qualified teachers, principals and assistant principals.

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.

3230 Individuals with Disabilities Education Act (IDEA). Amounts received from grants for children with disabilities, including preschool children ages 3-5, to provide early intervention, special education and related services.

3240 Elementary and Secondary Education Act – Title I. Amounts received from Every Student Succeeds Act grants to assist in the education of students who are disadvantaged.

3241 Language Instruction – Title III. Amounts received from language instruction grants for limited English proficient and immigrant students.

3242 Twenty-First Century Schools – Title IV. Amounts received from grants for safe and drug-free schools, communities and community learning centers.

3255 National Forest Funds. Revenue received 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 Afterschool Snack Reimbursement. Federal reimbursement distributed by the state for snacks served through this program.
- 3264 Child Care Food Program. Florida Department of Health reimbursements, including afterschool meal and food and milk reimbursements.
- 3265 USDA-Donated Commodities. This account reflects the fair market value of foods donated by the United States Department of Agriculture (USDA). The school district must record the value of donations in reporting revenues and expenditures. The amount of donations in inventory should be recorded in asset Account 1150, Inventory, and liability Account 2410, Unearned Revenues.
- 3266 Cash in Lieu of Donated Foods. Amounts received in cash through the donated food program.
- 3267 Summer Food Service Program. Reimbursement program established to ensure children ages 18 and under continue to receive nutritious meals when school is not in session. This is not a part of the regular school lunch reimbursement program.
- 3268 Fresh Fruit and Vegetable Program. Federal reimbursement program to introduce school children to a variety of produce that they otherwise might not have the opportunity to sample. The funding allows schools to provide free fresh fruit and vegetables to children throughout the school day.
- 3269 Other Food Services. Other food service revenues not previously classified.

3271 Education Stabilization Funds – K-12. Elementary and secondary school emergency relief funding allocated to the districts through the state from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and

Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act.

3272 Education Stabilization Funds – Workforce. Other CARES, CRRSA, and ARP Act relief funding for workforce education students.

3273 Education Stabilization Funds – VPK. Other CARES, CRRSA, and ARP Act relief funding for voluntary prekindergarten (VPK) students.

3280 Federal Through Local. Federal indirect grants distributed to the school district that are passed through a local, regional or interstate intermediate government or agency.

3290 Other Federal Through State. Other federal funds received from state agencies.

3293 Emergency Immigrant Education Program. Federal programs for Cuban, Haitian, Indo-Chinese and other immigrant students.

3299 Miscellaneous Federal Through State. Other sources of federal indirect revenues that are passed through FDOE and other state agencies not previously classified, including funds received from the Federal Emergency Management Agency.

3300 Revenues from State Sources.

3310 Florida Education Finance Program (FEFP). Revenue received for current operations under this program. Included in the FEFP are the supplemental academic instruction allocation, and categorical program funding for instructional materials, mental health assistance, turnaround supplemental services, research-based reading instruction, safe schools, student transportation, teachers classroom supply assistance and digital classrooms.

3315 Workforce Development. Amounts received from state-funded programs for adult general education, career certificate, applied technology diploma and apprenticeship programs.

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 serving adults with disabilities.

3320 State Auto License, Capital Outlay and Debt Service (CO&DS). Since January 1, 1953, all state appropriations for CO&DS have been secured through the first receipts from the sale of state automobile license tags. The amount is computed pursuant to section 1010.57, Florida Statutes (F.S.). These funds are earmarked for approved CO&DS by the Constitution of the State of Florida and Florida Administrative Code.

3321 CO&DS Distributed. Funds remitted by the state to the school district that are available for approved projects.

3322 CO&DS Withheld for SBOE/COBI Bonds. Article XII, section 9 of the Constitution of the State of Florida authorizes the State Board of Education (SBOE) 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 CO&DS funds available to participating school districts. The state acts as fiscal and paying agent for the school districts and computes the annual requirement for reserves, principal, interest and other debt service items. The debt service requirement is deducted from the school district's CO&DS funding, and the amounts needed for reporting these items are provided by FDOE.

3323 CO&DS Withheld for Administrative Expenditure. The state acts as paying agent for SBOE bonds and plan review. The Constitution of the State of Florida authorizes a minor charge for these services. **This is a book entry provided by FDOE after the fiscal year end.**

3325 Interest on Undistributed CO&DS. Interest earnings on CO&DS funds held in trust for distribution to school districts in the subsequent fiscal year.

3326 SBOE/COBI Bond Interest. Interest earnings from required reserve maintained during the first three years of each SBOE bond issue, as provided by the resolution authorizing sale of SBOE bonds. The reserve is invested by the state and each school district is credited with its pro rata share of interest earnings, which will be provided by FDOE.

3335 Diagnostic and Learning Resources Centers. Funds for use in promotion of an exceptional child program, which are usually restricted by an approved plan or budget.

3337 School Breakfast Supplement. Revenue received for the elementary student breakfast supplement pursuant to ss. 595.405 and 595.406, F.S.

3338 School Lunch Supplement. State reimbursement to the school districts for required matching of federal funds.

3341 Sales Tax Distribution [s. 212.20(6)(d)6.a., F.S.]. Sales tax revenue provided to school districts in lieu of amounts previously provided from pari-mutuel wagering.

3342 State Forest Funds. Amounts received by those school districts in which a state forest is located.

3343 State License Tax. Receipts provided from mobile home licenses in accordance with s. 320.081, F.S.

3344 District Discretionary Lottery Funds. Funding allocated from the Educational Enhancement Trust Fund pursuant to appropriation by the legislature.

3350-3372 State Categorical Programs.

3355 Class Size Reduction Operating Funds. Revenue received in accordance with s. 1011.685, F.S., to be used to reduce class size as required in s. 1003.03, F.S.

3361 Florida School Recognition Funds. Funding for the Florida School Recognition Program awarded to schools that sustain high performance or demonstrate substantial improvement in student performance, pursuant to s. 1008.36, F.S.

3371 Voluntary Prekindergarten Program (VPK). Revenue received for the VPK Program, as provided in s. 1002.53, F.S.

3372 Preschool Projects. Programs and initiatives designed to provide funding and services in local communities to children, from birth to five years of age, and their families.

3373-3399 Miscellaneous State Revenues. Other amounts received from the state.

3373 Reading Programs. Revenue received for intensive reading programs to improve the reading proficiency of students.

3378 Full-Service Schools Program. Funding received for the continuation and expansion of the Full-Service Schools Program, established jointly with the Florida Department of Health pursuant to s. 402.3026, F.S.

3380 State Through Local. State revenues distributed to the school district that are passed through a local or regional intermediate government or agency.

3391 Public Education Capital Outlay (PECO). Capital outlay funds derived from the Gross Receipts Tax and distributed pursuant to s. 1013.65, F.S., are distributed based upon cash flow needs for projects rather than in a lump sum or annual disbursement. Allocations are initially recorded as deferred revenues, with revenue recognized on issuance of an encumbrance authorization.

3392 Classrooms First Program. Funding provided for the Classrooms First Program pursuant to s. 1013.68, F.S., for the construction, renovation, remodeling, repair or maintenance of educational facilities; or debt service on Classrooms First bonds. Allocations are initially recorded as advanced revenues, with revenue recognized on issuance of an encumbrance authorization.

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 Facility Construction Account.

3396 Class Size Reduction Capital Outlay. Capital outlay funds received in accordance with s. 1013.735, F.S., Classrooms for Kids Program, and s. 1013.736, F.S., District Effort Recognition Program.

3397 Charter School Capital Outlay Funding. Although capital outlay funds provided to charter schools, pursuant to s. 1013.62, F.S., are capital in nature, the distributions to charter schools are operating in nature. For fund financial accounting, the school district should transfer the charter school capital outlay funds from the capital projects fund to the general fund. Please see Object 794, Charter School State Capital Outlay, in chapter 4 for charter school capital outlay distributions.

3399 Other Miscellaneous State Revenues. Other sources of state funding not previously classified, including District Cost Differential supplements.

3400 Revenues From Local Sources.

3410 Taxes. Taxes levied by a school system on the assessed valuation of real and personal property located within the school district and local sales surtaxes levied by referendum. The budgeted tax revenues from the assessed valuation of property must represent at least 96 percent of the yield from the proposed millage (millage × assessed valuation × 96%).

3411 Required Local Effort and District Nonvoted Operating Discretionary Tax. Local tax revenue generated from the Required Local Effort in the Florida Education Finance Program and nonvoted operating discretionary tax, pursuant to s. 1011.71(1), F.S. Any revenue generated from the Prior Period Funding Adjustment Millage in s. 1011.62, F.S., is also included here.

3412 District Debt Service Taxes. Amounts from special tax millages levied for the purpose of retiring bonds issued pursuant to ss. 1010.41 through 1010.55, F.S.

3413 District Local Capital Improvement Tax. Revenue generated from a tax levy authorized by s. 1011.71(2) and (3), F.S., for the purposes specified by that statute. Per subsection (2), a district school board may levy 1.5 mills or less. Per subsection (3), a district school board may levy, in addition to the 1.5 mills, up to 0.25 mills for fixed capital outlay in lieu of levying an equivalent amount of the discretionary mills for operations. Revenue is reported in Fund 370, Nonvoted Capital Improvement Fund District School Tax [Section 1011.71(2), F.S.].

3414 District Voted Additional Operating Tax. Additional Ad Valorem tax generated from millage levy, by local referendum or in a general election for school operational purposes, pursuant to s. 1011.71(9) F.S. Funds levied shall be shared with charter schools based on each charter school's proportionate share of the district's total unweighted full-time equivalent student enrollment and used in a manner consistent with the purposes of the levy.

3415 District Voted Additional Capital Improvement Tax. Additional Ad Valorem tax generated from millage levy, as approved at an election by electors within the school district, pursuant to resolution adopted at a school district regular meeting, pursuant to s. 1011.73(1) F.S..

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 s. 212.055(2), F.S., Discretionary Sales Surtaxes, Local Government Infrastructure Surtax. The county may levy a discretionary sales surtax of 0.5 or 1 percent.

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 s. 212.055(6), F.S., Discretionary Sales Surtaxes, School Capital Outlay Surtax. The school board in each county may levy a discretionary sales surtax at a rate that may not exceed 0.5 percent.

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 Lease Revenue. Amounts received from the lease of property owned by the school district. Revenue systematically recognized over the term of the lease, corresponding with a reduction of the deferred inflow.

3430 Investment Income. Interest earnings from amounts held in daily balances, savings accounts, time deposits or investments and 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. Banking and investment fees directly related to generating revenues should offset investment income. A government is required to stop hedge accounting as soon as the hedge derivative instrument is terminated. The school district must recognize deferred outflows and deferred inflows of resources relating to the hedge derivative instruments as investment income. Termination should be determined based upon the guidance provided in Governmental Accounting Standards Board (GASB) Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended by GASB Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

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. The gain 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. Recognition of the change in fair value of investments.

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.

3445 Interest Income – Leases.

3450 Food Service. Revenues received from the 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 Fees.

3455 Student Snacks.

3456 Other Food Sales.

3460 Student Fees. Student fees that are authorized by statute and established by the district school board.

3461 Adult General Education Course Fees. Block tuition collected from adult students for enrollment in adult general education courses, as authorized by s. 1009.22(3), F.S. All funds received from the block tuition shall be used only for adult general education programs.

3462 Postsecondary Career Certificate and Applied Technology Diploma Course Fees. Tuition collected from adult students enrolled in adult postsecondary career and technical education courses, as authorized by proviso in the General Appropriations Act and s. 1009.22, F.S.

3463 Continuing Workforce Education Course Fees. Fees charged pursuant to s. 1009.22(3), F.S., as determined by the district school board. Expenditures for the continuing workforce education program must be fully supported by

fees. Also included here are amounts received from agencies other than FDOE or businesses in lieu of fees paid by students.

3464 Capital Improvement Fees. Capital improvement fees collected from students enrolled in postsecondary career and technical education courses pursuant to s. 1009.22(7)~~(6)~~, F.S.

3465 Postsecondary Lab Fees. Lab fees collected from students enrolled in postsecondary career and technical education or adult general education courses pursuant to s. 1009.22(10)~~(9)~~, F.S.

3466 Lifelong Learning Fees. Fees for adult noncredit courses defined by s. 1004.02(17), F.S.

3467 GED® Testing Fees. Testing fees collected from candidates who take the GED® test battery or individual exams, including retesting, as authorized in s. 1004.93(4)(a), F.S., and as provided in rule 6A-6.0201, Florida Administrative Code.

3468 Financial Aid Fees. Fees collected from adult students enrolled in postsecondary career and technical education courses authorized by s. 1009.22(6)~~(5)~~, F.S., and proviso in the General Appropriations Act (GAA).

3469 Other Student Fees. Other student fees authorized by statute in s. 1009.22, F.S., and not specified above. Include fees collected for technology authorized by s. 1009.22(8)~~(7)~~, F.S.

3470 Other Fees. Other fees authorized by statute or established by the district school board.

3471 Preschool Program Fees. Fees charged for preschool programs.

3472 Prekindergarten Early Intervention Fees. Fees charged for prekindergarten early intervention and voluntary pre-kindergarten 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 revenue generated by a proprietary fund from insurance premiums.

3489 Other Operating Revenues. 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 school 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 outings and field trips.

3493 Sale of Junk. Amounts received from the sale of items classified as junk for salvage or recycling.

3494 Receipt of Federal Indirect Cost Rate. Amounts received from federally contracted programs for indirect expenditures when an indirect cost rate has been approved by FDOE.

3495 Other Miscellaneous Local Sources. Other miscellaneous revenues not previously classified. E-rates, rebates and refunds offered by vendors should be reported as miscellaneous local revenue in the fund that generated the e-rate, rebate or refund. Please see Office of Management and Budget (OMB) Circular A-87, Attachment A, section C(4), regarding applicable credits. Refunds of the county fuel tax should be reported in this revenue account. Section 206.625, F.S., addresses allowed uses of the fuel tax refund.

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 Receipt of Food Service Indirect Costs. Collections from the Food Service Fund for indirect costs.

3600-3700 Other Financing Sources. Increases in the net position other than revenues. Only items identified as other financing sources in authoritative accounting standards may be classified as such. Those items are issuance of long-term debt (face amount and premium), inception of a lease, debt service on demand bonds reported as fund liabilities, sale of capital assets, insurance recoveries and transfers.

3600 Transfers. Nonreciprocal interfund activity represented by the disbursement of cash or goods from one fund within the school 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 from the sale of bonds reported in the Capital Projects Fund. Any 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. Any premium or discount should be reported separately as either an other financing source or other financing use. See chapter 2 for definitions of bond types.

3711 SBOE/COBI Bonds.

3712 District Bonds.

3713 Special Act Bonds.

3714 Motor Vehicle License Revenue Bonds.

3715 Face Value of Refunding Bonds.

3716 Sales Surtax Bonds.

3720 Loans. Proceeds of loans not repaid during the fiscal year in which obtained. See chapter 2 for definitions of loan types.

3721 Sections 1011.14 and 1011.15, F.S., Loans.

3722 Bond Anticipation Loans.

3724 Lease Agreements and SBITAs.

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 a 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 Lease-Purchase Agreements. Proceeds from the issuance of lease-purchase agreements, including certificates of participation, for the purpose of capital acquisition or construction. Investors buy shares of specified revenues rather than bonds secured by the revenues. Any premium or discount should be reported separately as either an other financing source or other financing use. See chapter 2 for definitions of lease-purchase agreement types.

3751 Certificates of Participation (COPS).

3752 Qualified Zone Academy Bonds (QZAB).

3753 Qualified School Construction Bonds (QSCB).

3754 Build America Bonds (BAB).

3755 Refunding Lease-Purchase Agreements.

3759 Other Lease-Purchase Agreements.

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 Facility Construction Account. Funds received from the Special Facility Construction Account, as authorized by s. 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 received in connection with the issuance of long-term debt. After conversion of the premium for government-wide financial statement presentation, the unamortized premium is included in the carrying amount of the liability. The amortization of the premium increases interest revenues.

3791 Premium on Sale of Bonds.

3792 Premium on Refunding Bonds.

3793 Premium on Lease-Purchase Agreements.

3794 Premium on Refunding Lease-Purchase Agreements.

Chapter 4

Fund Structure and Expenditure Accounts

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

NOTE: Function and object code field sizes are four and three characters, respectively. Unless specifically listed, the Florida Department of Education (FDOE) does not require direct coding of the third and fourth characters of function codes or the third character of object codes.

FUNDS

A fund is a fiscal and accounting entity with a self-balancing set of accounts. It records changes in cash and other financial resources, together with all related liabilities and residual equities or balances. Funds 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 Governmental Accounting Statement 1 (as amended), ¶2].

00X Permanent Funds. 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.

100 General Fund. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

2XX Debt Service Funds. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures 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.

- 210 SBOE/COBI Bonds. State Board of Education (SBOE) and Capital Outlay Bond Indebtedness (COBI) bonds issued by the SBOE on behalf of the school district under Article XII, section 9 of the Constitution of the State of Florida.
- 220 Special Act Bonds. Bonds or revenue certificates issued by the school district pursuant to authority granted by special acts of the legislature.
- 230 Sections 1011.14 and 1011.15, F.S., Loans. Loans negotiated under authority of ss. 1011.14 and 1011.15, Florida Statutes (F.S.).
- 240 Motor Vehicle Revenue Bonds. Bonds issued under this expired authority.
- 250 District Bonds. Bonds issued by the school district, as authorized by vote of the people of the school district.
- 291-298 Other Debt Service.
- 299 American Recovery and Reinvestment Act (ARRA) Economic Stimulus Debt Service. Debt service for ARRA 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.

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 are used to finance these capital projects, which vary in purpose depending on the specifications of the bond issue.

330 Sections 1011.14 and 1011.15, F.S., Loans. Short-term (one-year) loans for capital projects may be renewed by the district school board up to four times. Long-term, emergency loans may be secured for capital projects, such as to address a roof that has been destroyed or refrigeration equipment that is no longer functioning.

340 Public Education Capital Outlay (PECO). 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 school district's allocation from the state of Florida's CO&DS Program is used to fund projects such as the construction of new schools, including capital equipment and additions to existing schools.

370 Nonvoted Capital Improvement Fund District School Tax [s. 1011.71(2), F.S.] A tax levied by the district school board against the taxable value of property is used to finance projects advertised for expenditures pursuant to this authority. Subfunds should 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 s. 1011.73(1), F.S., if voted by the qualified electors of the school 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 [district school board referendum approved by the voters pursuant to s. 212.055(6), F.S.], one-cent intergovernmental local sales tax revenue [referendum by group of local governments, approved by the voters pursuant to s. 212.055(2), F.S.], and lease-purchase agreements.

399 American Recovery and Reinvestment Act Economic Stimulus Capital Projects. Capital projects funded by the ARRA 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 expenditures 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. Florida school districts should disclose in the notes to the 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. To report federal categorical aid revenues and corresponding state matching revenues.

441 CARES Act Elementary and Secondary School Emergency Relief (ESSER). Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on elementary and secondary schools.

442 Other CARES Act Relief (Including Governor's Emergency Education Relief Fund (GEER)). Federal CARES Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on K-12 education, workforce education and voluntary prekindergarten education.

443 CRRSA Act ESSER (ESSER II). Federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on elementary and secondary schools.

444 Other CRRSA Act Relief (Including GEER II). Federal CRRSA Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on K-12 education, workforce education and voluntary prekindergarten education.

445 ARP Act ESSER. Federal American Rescue Plan (ARP) Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on elementary and secondary schools.

446 Other ARP Act Relief. Federal ARP Act funding provided through the state as emergency relief to school districts to address the impact of COVID-19 on K-12 education, workforce education and voluntary prekindergarten education.

491-499 Miscellaneous Special Revenue. Funds are reported in the Miscellaneous Special Revenue Funds to reflect the resources that can be used by the school board to support its governmental and business-type activities and avoid overstating the fiduciary funds. The funds held in each Special Revenue Fund are restricted to a specific purpose. Following implementation of GASB 84, *Fiduciary Activities,* assets held by school districts and not reported in fiduciary funds should be reported in Miscellaneous Special Revenue funds. School districts are strongly encouraged to establish policies

and procedures regarding administrative involvement or direct financial involvement over such funds.

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 custodial 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 (and Other Employee Benefit) Trust Funds.

891 School Internal Funds.

892-899 Custodial Funds.

9XX Enterprise Funds. Funds 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 (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; or 3) policy decision of the governing board of management to recover the costs of providing services through fees or charges. Enterprise funds may be used for 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. Seven major object categories for expenditures and expenses are identified and described in this handbook: Salaries, Employee Benefits, Purchased Services, Energy Services, Materials and Supplies, Capital Outlay and Other. An additional object for other financing uses is included for transfers between funds. These broad categories are subdivided to capture more detailed information about expenditures. Unless specifically listed, FDOE does not require direct coding of the third character of object codes. The optional third characters of the 100, 200 and 600 object codes are provided in Appendix B.

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 over management policies in school district and/or school operations. Included 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 member assigned the professional activity of instructing students in courses.

130 Other Certified. Included are all other members of the instructional staff (teachers), as defined in s. 1012.01, F.S., except classroom teachers and their substitutes. Examples include primary specialists, school 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 Paraprofessionals. Persons who are paraprofessionals under the supervision of a classroom teacher, library paraprofessionals and other school-level paraprofessionals.

160 Other Support Personnel. Included are all district 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. The portion of salaries for teachers and administrators working outside of their field may be coded here using an appropriate function for their out-of-field work and assignments.

170 Board Members and Attorneys. Persons who serve as district school board members and individuals who are attorneys for the district 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 workers' compensation, a functional prorated amount based on an approximate premium cost is required.

210 Retirement. Employer's share of any state or local defined benefit plan arising from certain changes in the collective net pension liability, including benefits for employees assigned to federal programs. Also include costs incurred, proportionate share of expenses and amortization of deferred items related to the administration of the plans.

211 Pension Benefits. Expenditure or expense related to retirement payments. The pension expense reflects changes in the net pension liability independent of the actuarially determined pension contribution for funding purposes. The pension expenditure is the employer contribution made during the period, plus any increase in the amount reported as fund liability or employer contributions made during the period, less any decrease in the amount reported as a fund liability.

212 Other Postemployment Benefits. Expenditure or expense not provided through a pension plan related to postretirement healthcare benefits and postretirement benefits other than retirement income, such as disability benefits and life insurance. The Other Postemployment Benefits (OPEB) expense includes all contractually required payments related to the period, adjusted for the net OPEB obligation. Depending on the type of OPEB plan, the OPEB expenditure is the agreed-upon contribution related to the period or the sum of accrual amounts paid, adjusted for changes in the liability reported at the end of the previous year, if any.

220 Federal Insurance Contributions Act (FICA). Contributions of the employer's share of Social Security and Medicare for school 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 school 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, Board.

290 Other Employee Benefits. Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing and related supplements, moving expenditures, paid parking and termination benefits.

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. Salaries and benefits for school and school district personnel should be reported under Object 100, Salaries, and Object 200, Benefits, regardless of the funding source for the expenditure.

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. See Object 390, Other Purchased Services, for distributions to charter schools.

311 Subawards Under Subagreements – First $50,000~~$25,000~~. For subagreements reported under Professional and Technical Services, record the first $50,000~~$25,000~~ of each subaward.

312 Subawards Under Subagreements – In Excess of $50,000~~$25,000~~. For subagreements reported under Professional and Technical Services, record all subawards in excess of $50,000~~25,000~~, regardless of the period covered by the grant or subcontract.

319 Technology-Related Professional and Technical Services. For data-processing and coding services, and other professional and technical services expenditures related to technology.

320 Insurance and Bond Premiums. Expenditures for all types of insurance coverage (other than insurance described in Object 230, Group Insurance), such as property, liability, fidelity and bond premiums.

330 Travel. Costs for transportation, meals, hotels, registration fees and other expenditures associated with traveling on business for the district school board. Per diem payments in lieu of reimbursement for subsistence (room and board) are reported as travel expenditures. Also included is student travel authorized by the district school board, including student admission fees on field trips. See Object 730, Dues and Fees, for other student fees not considered travel.

350 Repairs and Maintenance. Expenditures for repairs and maintenance services not provided directly by school 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 Function 5000, Instruction. Equipment repair services rendered for Function 7800, Student Transportation

Services, and Function 7600, 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.

359 Technology-Related Repairs and Maintenance. Expenditures for technology-related repairs and maintenance.

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 should be used for transportation by chartered buses or other vehicles not owned and operated by the school district. Reimbursements among funds for field trips with school district personnel should be coded to the appropriate object, including salaries, benefits and fuel. This object code includes annual fees charged for support and maintenance of software, annual software licenses or subscription, annual access fees for electronic devices and fees for broadcast rights. See Object 690, Computer Software, for software licensure arrangements. Payments on short-term leases are recorded in this account. Payments on other leases are not recorded in this account, but are recorded as a reduction of principal and the recognition of expenditures.

369 Technology-Related Rentals. Expenditures for computer and related equipment rentals, licenses and fees for Internet research subscriptions.

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

379 Telephone and Other Data Communication Services. Expenditures for data communication services, including telephone service.

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

390 Other Purchased Services. Expenditures for all other purchased services not included above, such as printing, binding, reproduction, pest control and other nonprofessional purchased services. For information on reporting for grants, please see FDOE's *Project Application and Amendment Procedures for Federal and State Programs* (Green Book) .

391 Subawards Under Subagreements – First $50,000~~$25,000~~. For subagreements reported under Other Purchased Services, record the first $50,000~~25,000~~ of each subaward.

392 Subawards Under Subagreements – In Excess of $50,000~~$25,000~~. For subagreements reported under Other Purchased Services, record all subawards in excess of $50,000~~25,000~~, regardless of the period covered by the grant or subcontract.

393 Florida Education Finance Program (FEFP) Distributions to Charter Schools. For cash distributions to charter schools for FEFP funding. The district should communicate the administrative fees withheld pursuant to s. 1002.33(20), F.S., to the charter school for inclusion in revenues and expenditures.

394 Distributions to Charter Schools (Non-FEFP). For cash distributions to charter schools for payments other than FEFP funding (see Object 393 for FEFP distributions to charter schools) and state capital outlay funding (see Object 794 for distributions of state capital outlay funding to charter schools). The district should also provide the charter school a list of items paid on behalf of the charter school that are reported under other functions and objects for inclusion in revenues and expenditures for the charter school.

399 Other Technology-Related Purchased Services. Expenditures for all other technology-related purchased services not included above.

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

410 Natural Gas.

411 Natural Gas. Natural gas used in educational plant facilities.

412 Compressed Natural Gas. Natural gas used for student transportation.

420 Bottled Gas.

421 Bottled Gas. Bottled gas used in educational plant facilities.

422 Liquefied Petroleum Gas. Liquefied petroleum gas used for student transportation.

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 supplies for the operation of a school system, including freight. Examples include expenditures for instructional, custodial and maintenance supplies.

519 Technology-Related Supplies. Expenditures for supplies used for technology-related purposes, such as flash drives and other supply items not reported in Subobjects 644, Noncapitalized Computer Hardware; 649, Technology-Related Noncapitalized Fixtures and Equipment; or 692, Noncapitalized Software.

520 Textbooks. Expenditures for textbooks furnished free by school districts, including freight (s. 1006.40, F.S.). This category also includes the costs of electronic media (e-books), workbooks, textbook binding or repair and text-related materials.

529 Technology-Related Textbooks. Expenditures for electronic textbooks.

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.

539 Technology-Related Periodicals. Expenditures for electronic periodicals.

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 school district-owned vehicles used for student transportation or otherwise, with the exception of gas, oil, grease, gear lubricants, tires and tubes.

560 Tires and Tubes. Expenditures for tire and tube replacement, including recapping. If labor is performed in a school district-operated garage, costs should be recorded under salaries.

570 Food. Expenditures for food purchases or the market value of food donated by the United States Department of Agriculture (USDA) for use in the food service program (for school districts opting to use a single inventory system, as allowed by USDA). Food or food products used in instructional programs should be charged to materials and supplies (Object 510, Supplies).

580 Donated Foods. Market value of USDA-donated foods (for school 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 capital assets or additions to capital assets. These are expenditures for land or existing buildings, improvements to grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, new and replacement equipment, motor vehicles and software.

610 Library Books. Expenditures for 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. Costs of freight for school library books are included.

619 Technology-Related Library Books. Expenditures for electronic library books.

620 Audiovisual Materials. Expenditures for materials such as recordings, exhibits, charts, maps and globes, regardless of cost, are charged to this account.

621 Capitalized Audiovisual Materials.

622 Noncapitalized Audiovisual 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 expenditures 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.

Included in this category is computer hardware, which is a digital, electronic device capable of reading, processing and executing software programs designed for administrative and instructional uses. Also included are tablets, e-readers and other portable devices. 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 drives, CD-ROM drives, plotters, modems, computer projection devices, adaptive hardware and other peripherals that attach to the main unit.

641 Capitalized Furniture, Fixtures and Equipment.

642 Noncapitalized Furniture, Fixtures and Equipment.

643 Capitalized Computer Hardware and Technology-Related Infrastructure.

644 Noncapitalized Computer Hardware.

648 Technology-Related Capitalized Fixtures and Equipment.

649 Technology-Related Noncapitalized Fixtures and Equipment.

650 Motor Vehicles. Expenditures for all types of motor vehicles. Buses are motor vehicles regularly used for the transportation of public school students to and from school or to and from school activities (see s. 1006.25, F.S.). Other motor vehicles include driver's education vehicles, vehicles used for the maintenance or operation of educational plant and equipment, security vehicles and vehicles used for storing and distributing materials and equipment. Expenditures for riding mowers and golf carts are reported in Subobject 640, Furniture, Fixtures and Equipment.

651 Buses. 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 other 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 part of the 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. Nondepreciable 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 should be 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 s. 1013.01(17) and (18), F.S.] Repairs to

buildings and service systems are classified under Function 8100, Maintenance of Plant.

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 includes operating systems, programming languages and utility programs; and 2) **application programs** that are designed to perform tasks such as database 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 GAAP 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. See Object 360, Rentals, for annual license expenditures.

Included with computer software is enterprise resource software, which consists of programs and applications used district-wide for administration of the school district or used to comply with state-mandated reporting requirements. Such software includes software used district-wide to account for and coordinate resources and information related to items such as financial data, human resource information, and student and asset records, but does not include instructional software. This software must be classified as a capital asset in accordance with GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, and have a useful life of at least five years. Software may be created internally or purchased from a vendor. Software acquired through a licensure arrangement that meets the definition of a capital asset and is reported on the government-wide financial statements with a corresponding liability should also be reported as capitalized software.

691 Capitalized Software.

692 Noncapitalized Software.

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

the payment of dues and fees, payments of local capital improvement funds to charter schools and payments of charter school capital outlay state funding.

710 Redemption of Principal. Expenditures from current funds for the retirement of obligations.

720 Interest. Expenditures from current funds for interest on liabilities and obligations. Also included is the amortization of the net carrying amount of debt refunding.

730 Dues and Fees. Expenditures for dues and fees include dues paid to professional organizations, as determined by district school board policies and procedures. Fees include tuition for employee training activities, dual enrollment fees, registration fees for district-sponsored student activities and administration fees paid to other organizations. Also included are fees relative to the issuance or service of debt, amortization of prepaid insurance costs associated with the issuance of debt, loan origination fees and initial direct costs of operating leases. Commissions paid for collection of revenues and banking fees charged in the ordinary course of business are also included. Banking and investment fees directly related to generating revenue should offset investment income.

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 district 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), Florida Administrative Code (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 Refunding Escrow Agent. Payments escrowed pursuant to refunding contract.

761 Payments to Refunded Bonds Escrow Agent.

762 Payments to Refunded Lease-Purchase Agreements Escrow Agent.

770 Claims. Expenditures by Internal Service Fund to settle claims of participating funds or agencies.

780 Depreciation and Amortization Expense. The portion of the cost of a capital asset that is charged to expense during a particular period. See balance sheet accounts 1329, 1339, 1349, 1359, 1379, 1388 and 1389 in chapter 2.

790 Miscellaneous. Expenditures that cannot be assigned to any other category should be charged to this account. Included 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. Payments of local capital improvement funds to charter schools and payments of charter school capital outlay state funding should be reported here.

791 Other Debt Service.

792 Indirect Cost.

793 Charter School Local Capital Improvement. For use only in Fund 370, Nonvoted Capital Improvement Fund District School Tax [s. 1011.71(2), F.S.], Function 7430, Charter School Local Capital Improvement.

794 Charter School State Capital Outlay. For use only in Fund 100, General Fund, Function 7410, Facilities Acquisition and Construction – Current Expenditures.

795 Charter School Capital Outlay Sales Tax. For use only in the capital projects funds, Function 7440, Charter School Capital Outlay Sales Tax.

799 Miscellaneous Technology-Related. Technology-related expenditures that cannot be assigned to any other technology-related subobject.

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. After conversion of the discount for government-wide financial statement presentation, the unamortized discount is netted with the liability. The amortization of the discount increases interest expense.

891 Discount on Sale of Bonds.

892 Discount on Refunding Bonds.

893 Discount on Lease-Purchase Agreements.

894 Discount on Refunding Lease-Purchase Agreements.

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

910 Transfers to 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.

FUNCTIONS

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. Expenditures should be reported in the function that reflects the cost incidence.

The activities of a local school system are classified into five broad areas: Instruction, Instructional Support, General Support, Community Services and Nonprogram Charges (Debt Service and Transfers). Unless specifically listed, FDOE does not require direct coding of the third and fourth characters of function codes.

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

Employee Benefits	Function
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 on basis that reflects cost incidence (see page 4-6).
Unemployment Compensation	Identify or allocate to employee function on basis that reflects cost incidence. If immaterial, the expenditure may be charged to Function 7100, Board (see page 4-6).
Insurance	
Property	Function 7900, Operation of Plant
Boiler	Function 7900, Operation of Plant
Casualty – General Liability and Automobile	Function 7900, Operation of Plant
Casualty – Student Transportation	Function 7800, Student Transportation Services
Fidelity Bonds	Function 7100, Board

5000 Instruction. Instruction includes the activities dealing directly with the teaching of students, or the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, or in other learning environments such as those involving cocurricular activities. Teaching may also be provided through some other approved medium such as television, radio, computer, Internet, multimedia, telephone or correspondence. This function includes the activities of paraprofessionals or assistants of any type who assist in the instructional process. Student transportation costs, including trips for curricular or cocurricular activities, should be coded to Function 7800, Student Transportation Services.

5100 Basic. The Basic program is that part of the district school board's full-time equivalent (FTE) instructional program that is not identified as a special program for Exceptional Student Education (ESE), Career Education or Adult General Education. Programs for Students at Risk and English for Speakers of Other Languages are included in this function.

5200 Exceptional. ESE programs are determined by law. Criteria for each program are specified by SBOE rules. This function includes prekindergarten ESE programs.

5300 Career Education. Career Education programs are established by law, with program criteria established in SBOE rules. This function includes grades 9-12 career education, adult vocational education and continuing workforce development. The function also includes continuing workforce education expenditures related to the course fees collected and reported under Account 3463, Continuing Workforce Education Course Fees.

5400 Adult General. All Adult General course offerings, including GED® courses and testing.

5500 Prekindergarten. Prekindergarten program expenditures, including voluntary Prekindergarten program expenditures. Childcare programs, if fee-supported, should be coded to Function 9100, Community Services. Project or cost center accounting may be needed for such programs in order to capture support costs.

5900 Other Instruction. Other instruction not qualifying for FEFP funding, such as instruction provided in recreation and leisure courses, Lifelong Learning programs or Adults with Disabilities programs.

6000 Student and Instructional Support Services. Provides administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. Student and Instructional Support Services exist for the benefit and well-being of the students and are supplemental to instruction to maximize individual student success, rather than as separate entities. Although some supplies and operational costs are generated in student and instructional support, the major cost will be in personnel.

6100 Student Support Services. Activities that are designed to assess and improve the well-being of students and supplement the teaching process. These activities are classifiable under the following subfunctions:

6110 Attendance and Social Work. Pertains to promoting and improving attendance of students. It includes early identification of patterns of nonattendance, promotion of positive student and parent attitudes toward attendance, analysis of reasons for nonattendance and enforcement of compulsory attendance.

6120 Guidance Services. Pertains to helping students assess and understand their abilities, aptitudes, interests, environmental factors and educational needs; develop their understanding of educational and career opportunities; and optimize educational and career opportunities through the formulation of realistic goals. It includes counseling students and parents, evaluating the abilities of students, helping students make their own educational and career plans and choices, assisting students in making personal and social adjustments, and working with other staff members to plan and conduct guidance services.

6130 Health Services. Pertains to physical and mental health services that are not direct instruction. This function includes activities such as providing students with appropriate medical, school clinic, dental, psychiatric, nursing and vision services, as well as physical therapy-related services. This function also includes activities that identify, assess and treat students with speech, hearing and language impairments, as well as other conditions requiring the services of a speech or an occupational therapist.

6140 Psychological Services. This area includes the professional services of a psychologist for student test analysis and mental diagnosis. This function pertains to supplementing the school system's reservoir of information identifying the individuality, capacities, achievements, interests and needs of each student; studying individual students who are experiencing acute problems of educational development in order to furnish diagnostic information; and suggesting programs to address 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. Expenditures related to parental involvement other than federal projects may also be coded to this function.

6190 Other Student Support Services. Student support services not classified elsewhere in 6100 subfunctions. This includes positions such as diagnostic and child find specialists, who locate children who may be eligible for services under the Individuals with Disabilities Education Act and link them with needed services. On the program cost report, these specialists should be identified with appropriate FEFP programs through the use of school/program tables.

6200 Instructional Media Services. Activities concerned with directing, managing and supervising educational media services, 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; rather, they are charged to the instruction function. This includes printed and nonprinted sensory materials, school media centers (school libraries) and central media center operations. Routine repair and maintenance of audiovisual equipment should be coded to this function.

6300 Instruction and Curriculum Development Services. Activities designed to aid teachers in developing the curriculum, preparing and using special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students. 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., Definition of Qualified Instructional Personnel) during the time of their service to the district school board or school. Among these activities are workshops, demonstrations, school visits, courses for college credits, sabbatical leave and travel leave. All in-service training costs should be recorded in this function and Function 7730, Personnel Services, for noninstructional personnel. 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, Instructional Staff Training Services. Paraprofessional training should be coded to Function 7730, Personnel Services.

6500 Instruction-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 under this code.

7000-8000 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 students.

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 are expenditures of the board attorney and expenditures for other legal services, independent auditors, internal auditors who report directly to the district school 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. Federal indirect cost expenditures and activities of the offices of the deputy superintendent and associate or assistant superintendents should be charged here.

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 and bookkeeping associated with processing time reports for Title I personnel working additional hours in Title I, Part A, School Improvement Grant programs.

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 and includes payments of local capital improvement funds and capital outlay sales tax funds to charter schools.

7410 Facilities Acquisition and Construction – Current Expenditures.

7420 Facilities Acquisition and Construction – Capital Outlay.

7430 Charter School Local Capital Improvement.

7440 Charter School Capital Outlay Sales Tax.

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, internal auditing, and investments and funds management. Internal audit staff who do not report to the district school board should be included in this function. Independent auditors or auditors who report directly to the district school board should be coded to Function 7100, Board.

7600 Food Services. Activities concerned with providing food to students and staff in a school or school system. This function includes the preparation and service of regular and incidental meals, lunches and snacks in connection with school activities and the delivery of food. Food purchased and served outside the school 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. System-wide activities associated with conducting and managing programs of planning, research, development and evaluation. Planning services include selecting or identifying overall, long-range goals and priorities. Research services

include the systematic study of the various aspects of education. Development services include the deliberate, evolving process of improving educational programs. Evaluation services involve judging an outcome based on established goals and include expenditures for administering state and district assessments.

7720 Information Services. Activities concerned with writing, editing and other preparation necessary to disseminate educational and administrative information to students, staff, managers and the general public through direct mail, various news media, email, Internet and personal contact.

7730 Personnel Services. Activities concerned with maintaining efficient personnel for the school district, including such activities as supervision, recruitment and placement, staff transfers, maintenance of personnel information, health services and position control. Health services are medical services provided for school district employees, including physical examinations and emergency care. In-service training, including seminars, conferences, continuing professional education, tuition reimbursement and other activities related to the ongoing growth and development of noninstructional personnel 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 purchasing, receiving, storing and distributing supplies, furniture and equipment; duplicating and printing for the district school board; and mail room and courier services.

7790 Other Central Services.

7800 Student Transportation Services. Activities associated with the transportation of students to and from school activities, either between home and school, from school to school, or on trips for curricular or cocurricular activities. Expenditures for the administration of student transportation services are recorded under these accounts, together with other student transportation service expenditures. Transportation expenditures not related to student transportation services should be reported in the function related to the purpose of the expenditure.

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 rent and insurance costs associated with school buildings. This function includes cleaning, disinfecting, moving furniture, routine maintenance of grounds and heating, ventilation and air conditioning systems, providing school crossing guards, security and other such activities that are performed on a daily, weekly, monthly or seasonal basis. All expenditures related to activities associated with school resource officers should be reported in this function. Operation of plant does not encompass repairs and replacements of facilities and equipment. Tasks of custodians should be charged to this function, unless they can be coded appropriately to another function.

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 Function 5000, Instruction, when the amount of such services is material in relation to the cost of the programs. Equipment repair services rendered for Function 7600, Food Services, or Function 7800, Student Transportation Services, are to be charged to these 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. If the maintenance labor force is used to construct facilities, the cost should be reclassified to Function 7400, Facilities Acquisition and Construction.

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 students 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, Prekindergarten.

9200 Debt Service. To record **expenditures** related to the issuance and retirement of debt, including issuance fees, principal and interest payments, and other debt-related expenditures.

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

9300 Other Capital Outlay. To report capital expenditures that are not related to the acquisition and construction of facilities**. (This is a nontransactional account and should only be used for financial statement presentation in conjunction with capital purchases reported under Object 600, Capital Outlay.)** All capital outlay expenditures should be reported under an appropriate function. Any capital expenditures greater than the school district's capitalization threshold should be reclassified out of the original function into Function 9300, Other Capital Outlay, for financial reporting to the FDOE and for financial statement presentation.

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

9900 Proprietary and Fiduciary Expenses. To record the operating and nonoperating expenses of the enterprise and internal service proprietary funds and investment trust, private-purpose trust, pension trust and custodial fiduciary funds.

FACILITY

Florida law requires financial reporting on a school basis. According to s. 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 FDOE. Administrative departments are designated by the 9000 series of numbers.

PROGRAM

Section 1010.20, F.S., requires school districts to report costs by program. This reporting is to be accomplished as described in chapter 5 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 FDOE to control reporting of expenditures for state and federal grants. This is a five-character reporting field. School 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. School 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 using code structures for Grant and Project/Reporting. Public educational programs and purposes funded by the Educational Enhancement Trust Fund may include, but are not limited to, endowment, scholarship, matching funds, direct grants, research and economic development related to education, salary enhancement, contracts with independent institutions to conduct programs consistent with the state master plan for postsecondary education, or any other educational program or purpose deemed desirable by the legislature. Prior to the expenditure of these funds, each school district shall establish policies and procedures that define "enhancement" and the types of expenditures consistent with that definition.

Chapter 5

Program Cost Accounting and Reporting

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

Cost reporting has two central elements:

- Identification of direct program costs and aggregation of these costs by program; and
- 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 school district's accounting records. In fact, such a transaction-based system is difficult and expensive to manage because 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 statutes direct that expenditures of funded programs be accounted for on a school-by-school and a district-aggregate basis. Exceptional student education (ESE) program funding follows the student into all classes, not just special education classes. Students in English for Speakers of Other Languages (ESOL) programs are generally taught in basic program-funded classes, which also may include ESE students. The financial accounting system provides the foundation for program costing; however, this system precludes capturing all funding and costs at the program level. 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 cost reporting procedures.

COSTS TO BE REPORTED

All Function 5000-8200 expenditures from the general fund and special revenue funds will be included in program costs, except expenditures for prekindergarten and other programs not funded through the Florida Education Finance Program (FEFP), which should be reported in Functions 5500 and 5900, respectively. Capital outlay expenditures for land, land improvements, buildings and fixed equipment, and remodeling and renovations are excluded. 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 fund and special revenue funds:

Other Instruction (including Fund 490)
Prekindergarten
Nonprogram Capital Expenditures
Community Services (Function 9100)
Debt Service (Function 9200)

Food and student transportation service costs are reported on a school-by-school basis, but are not attributed as costs of programs. On the other hand, charter school distributions are not attributed to traditional schools and should be reported as reconciling items on the program cost report.

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, Florida Administrative Code (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 expenditure objects, as defined in chapter 4, used for direct costs are:

Salaries (Object 100)
Employee Benefits (Object 200)
Purchased Services (Object 300, Purchased Services; and Object 400, Energy Services, excluding charter school distributions) Note: Energy services referred to here are limited to energy (direct) that is used in the classroom to facilitate instruction, not general utilities.
Materials and Supplies (Object 500)
Other (Object 700)
Capital Outlay (Object 600, except Subobject 630, Buildings and Fixed Equipment; Subobject 660, Land; Subobject 670, Improvements Other Than Buildings; and Subobject 680, Remodeling and Renovations)

Direct costs of programs are those costs identified with Function 5000, Instruction, except costs under Function 5500, Prekindergarten, and Function 5900, Other Instruction, and charter school distributions. Fund 490 costs are to be reported along with Function 5900, Other Instruction, as annual financial report reconciliation items.

Direct salaries and benefits are the largest cost elements to be considered in program cost reporting. If a teacher serves more than one program, the total salary must be divided accurately among 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 Florida Department of Education (FDOE) for program cost reporting examines a teacher's schedule from student database records and equates reported class periods with time modules. Whether determined manually or through computer programming, the following procedures are followed:

- Determine the number of class periods or instructional modules for each instructor.
- Divide the instructor's salary by the number of class periods or modules.
- 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.
- In addition, if there are students from two grade groups (for example, grades 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 student load:

FEFP Program and Number of Students

Time Module/Period	Grades(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 ÷ 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.

Salary amounts determined by this methodology are shown 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, FTE teachers by program are determined concurrently with salaries by program and expressed as FTE positions.

The Program Cost Reporting System attributes salaries to programs and computes the FTE 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, Instruction, are a relatively small part of total program costs. These costs may be specifically identified to particular programs or attributed on the basis of FTE teachers (staff).

Indirect costs (Functions 6100-8200) are those costs 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, as follows:

Staff
Cost basis that tends to increase or decrease with the number of teachers or that is otherwise more related to staff than space usage (number of FTE teachers paid from general fund and special revenue funds).

Time and Space
Cost basis that varies with the amount of space used by programs.

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

FTE Students

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

Staff
Student Support Services, Instructional Media Services, Instruction and Curriculum Development Services, Instructional Staff Training Services, Instruction-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 student data by school and by program will be taken from the FTE student data submitted to FDOE.

The staff figures are based on the FTE 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. School 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 students, 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 school district's general fund is used for 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. Each school district designates additional school/program tables needed to accurately attribute costs to its programs. Fund 490 costs are not to be allocated to Fund 4 attribution tables.

At a minimum, school districts are required to have the following attribution tables for programs served:

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. ESE, Career Education, Workforce Development programs and Basic programs require separate tables.

Special Revenue Funds

Food Service Expenditures. Include schools with food service and exclude nonparticipating 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.

ESE Federal Project Expenditures. Include only schools and programs served.

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

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

SPECIAL CONSIDERATIONS

Paraprofessionals exclusively assigned to particular programs will be identified with those programs.

Contracted services expenditures that have been handled at the district level, but are incurred for specific programs, will be reported as direct costs for the specific programs. For example, a district school board may have contracted services for students reported in a physical or occupational therapy program, but because the contract was developed by the school district office, the expenditure may not have been reported as a direct cost for ESE programs 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.

ESE Programs

- Students receiving exceptional education services are reported in ESE programs for the full day. All teachers instructing Basic, Career Education and At-Risk programs who have 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).

- Costs related to all ESE teaching personnel (team teachers, co-teachers, facilitators, consulting teachers and lab teachers) will be reported as ESE direct costs.

Adult Education

- 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.

- 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 FDOE to accomplish the calculations required for distributing salaries to programs served, develop indirect cost attribution factors and attribute indirect costs using 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 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 FDOE's Program Cost Reporting System.

COST REPORTING

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

Capital outlay expenditures 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 FTE 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 the number of FTE 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.

Food and student transportation 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:

FTE STUDENTS	STAFF	SPACE
7600	6100	7400
7800	6200	7900
	6300	8100
	6400	
	6500	
	7100	
	7200	
	7300	
	7500	
	7700	
	8200	

Direct costs under Function 5000, Instruction, that cannot be identified to specific programs are to be attributed by 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 6 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 at 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 students, staff and space) are handled identically.

- 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, Board, 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.

- 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 school district.

- District-level indirect costs attributable to a single program. For example, consider the salary and benefits of a program coordinator accounted for under Function 6300, Instruction and Curriculum Development Services, 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 school district.

- School indirect costs recorded at the 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 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 the ESE program.

- School indirect costs recorded at the district level. These amounts are identified as school-level per rule 6A-1.014, F.A.C., but practicality requires recording them at the 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 costs. See the *Program Cost Report User's Guide*, Form 4A, for additional information on accurate reporting of this data.

- 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.

- Food and student transportation services. These amounts are not attributed to programs, but are based on each school's share of FTE students 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 6

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 (Governmental Accounting Standards Board 34, ¶68).

As a proprietary fund, an internal service fund uses 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), Florida Administrative Code, requires the use of an appropriate proprietary fund, as determined by generally accepted accounting principles, for all educational consortia activities. The authorizing statute is section 1001.42(14), Florida Statutes, which states that district 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:

- All monies received by a consortium shall be deposited to the official accounts of the host school district (recipient agency) and shall be separately accounted for in an internal service fund.

- 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 funds. Revenues generated by billing to participating school districts shall be recorded directly in the internal service funds.

- Expenditures for operating costs of the consortium, including any rent or service charge due the host school district's general fund, shall be charged to the fund. Contractual services performed by the consortium for the host school 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 fund or special revenue funds of the school district receiving services and revenues credited to the internal service funds). Amounts charged by the consortium shall be sufficient to cover all costs of goods or services provided to member school districts. Records of the consortium shall be in sufficient detail to determine that member school districts receive full value of purchased goods or services. For instance, if a member school 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 school district.

- 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 school district may, with the consent of the participating members, carry forward cash balances for use in the ensuing fiscal year.

- School districts that serve as the host school district for more than one consortium shall maintain separate records for each consortium.

- A consortium should use Account 3481, Charges for Services, when revenues are recognized from member school districts. The initial receipt of money from member school districts shall be handled on the books of the host school district as an advanced revenue. The participating member school 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 school district, and revenue shall be recognized on the host school 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:

- Programs:
  - Teacher Education Center
  - In-Service Training for Noninstructional Personnel
  - Federal Programs
  - Student Testing
  - State and Federal Mandated Programs

- Functions:
  - Instructional Services
  - Fiscal Services
  - Data Processing and Management Information Services
  - Student Support Services
  - Purchasing
  - Printing
  - Media Center

Any other services to member school 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 7

Fiduciary Funds

Fiduciary fund activities are reported in the fiduciary fund financial statements of the basic financial statements (Governmental Accounting Standards Board (GASB) 84, ¶14). Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity (Section 1300, paragraph .102, of the *Codification of Governmental Accounting and Financial Reporting Standards*).

GASB 84 identifies fiduciary funds as pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

Pension (and Other Employee Benefit) Trust Funds are used to report fiduciary activities for pension plans (GASB 67, ¶3) and OPEB plans (GASB 74, ¶3) that are administered through trusts that meet certain criteria; and other employee benefit plans, for which resources are in a trust that meets certain criteria and for which contributions and earnings on contributions are irrevocable (GASB 84, ¶15).

Investment Trust Funds are used to report fiduciary activities for the external portion of investment pools and individual investment accounts that are held in a trust that meets certain criteria (GASB 84, ¶16).

Private-Purpose Trust Funds are used to report all fiduciary activities that are not required to be reported in pension (and other employee benefit) trusts or investment trusts and are held in a trust that meets certain criteria (GASB 84, ¶17).

Custodial Funds are used to report fiduciary activities that are not required to be reported in one of the trust funds identified above (GASB 84, ¶17). See chapter 8 for principles and practices related to school internal funds. Following implementation of GASB 84, *Fiduciary Activities*, if the government controls the assets and has administrative involvement or direct financial involvement with the assets, the activity would be reported in a miscellaneous special revenue fund, which is subject to stricter financial reporting and internal control requirements as part of governmental funds.

Chapter 8

School Internal Funds

SECTION I – PRINCIPLES

1. The district school board, as the custodian, shall be responsible for safeguarding, record keeping, reporting and general oversight of internal funds held by the district school system, and in connection therewith shall:

    a. Adopt written rules governing the receipt and disbursement of all internal funds and the accounting for property pursuant to Florida Statutes; and

    b. Provide for an annual audit of internal funds.

2. In meeting a requirement of Governmental Accounting Standards Board (GASB) Statement 84, *Fiduciary Activities*, the financial transactions of school organizations shall be accounted for and reported as custodial funds, if designated as fiduciary. If the financial activities are not designated as fiduciary, the activities are reported in special revenue funds 491-499, Miscellaneous.

3. If district school board faculty or staff determine the general use of funds, or if funds are used for the benefit of faculty and staff, they should not be considered as custodial funds, but special revenue funds.

4. 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.

5. Each school organization, student club or other entity operating in the name of the school that holds custodial funds should establish appropriate policies and procedures that cover fee assessment, cash collection, purchasing authorization, check signing, and record keeping at a minimum, and are encouraged to adopt district school board policy, wherever applicable, as a best practice.

6. Funds collected by a cooperative school organization where the school participates with outside groups through planning, staging or conducting school-related activities, such as a Parent Teacher Association (PTA) or booster club, are generally not considered custodial funds, pursuant to GASB 84.

7. Custodial funds shall be used to benefit activities authorized by the district school board.

8. The objective and procedures of fundraising activities by any group within the school, or in the name of the school, shall not conflict with programs as administered by the district school board.

9. Funds collected shall be expended to benefit those students in school unless the funds are being collected for a specific documented purpose or are generated by career education production shops. Career education production revenues shall benefit the students or program that generated the funds, or the entire student body. Funds designated for general purposes shall be used to benefit the student body.

10. Collecting and expending custodial funds shall be in accordance with the Constitution of the State of Florida, Florida Statutes, Florida Administrative Code and district school board rules. Sound business practices should be observed in all transactions.

11. Each school organization should operate within a budget formulated by the organization members. The format of the budget shall be prescribed by district school board policies.

12. 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 district school board rules.

13. 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 responsible for handling and recording internal funds financial transactions shall be bonded through the school district.

2. Purchases from internal funds must be authorized in writing by the organization designee or members. Neither the school nor the district school board shall be liable for any purchase made in the name of the school without express written approval.

3. School district-approved, pre-numbered receipt forms shall be used to record and account for cash received.

4. Approved pre-numbered checks shall be used to disburse and account for funds, 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 district 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 school district who are compensated for additional services, such as working at athletic events, shall be paid through the school district payroll department or, when appropriate, as prescribed by district school board rules. 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 district school board at the end of the fiscal year.

8. Bank statements shall be reconciled as soon as received, preferably by a person other than the person who receives and disburses funds.

9. Monthly financial reports shall be made in approved written form to provide the school's administration with necessary financial information. An annual report will provide data for inclusion of internal funds in the school district's annual financial statements.

10. Account balances shall be subject to limits that the district 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 district school board, 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 an 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 used by designated area career centers, if required, in the administration of student grant or loan programs. The name of such grant or program shall be identified in the account title.

1.3 CHECK SIGNATURES

a. Each account shall have at least two authorized check signers. These names shall be kept on file for audit purposes. All checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy.

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**.

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 corrective action.

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. For all cases in which 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 district school board shall adopt policies pertaining to the investment of school funds not needed for immediate expenditures. The adopted policies shall provide 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 district school board using any medium of investment legal for public funds, and may not exceed insurance protection or other legal collateral limits.

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 uncollectible and written off the books only by action of the district 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 revenues 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 expenditures 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 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, fundraising activities, entertainment, assessments and donations; and approved requests for payment.

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 club or organization officer (when the club or organization has officers), members or designee.

e. A financial report shall be filed with the principal's office at the close of each fundraising 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 revenues.

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 fiscal year.

g. Departments may be structured similarly to classes and shall conduct financial activities subject to the principles already outlined.

2.4 TRUST ACCOUNTS

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 district school board policies.

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 district school board rules and the funds held in a trust account.

e. Collections for the district school board, such as out-of-state tuition, adult matriculation and tuition fees, course fees, reimbursement for damages and telephone charges, are trust funds. Sales tax collected for the state must be accounted for in a trust account.

f. Collections for parking decals issued by secondary schools and career centers may be restricted by the district 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 district 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 used 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

Each school organization or student club is responsible for establishing its own policies and procedures on purchasing authorization and procurement processes, and is encouraged to adopt school district purchasing policies as best practices.

3.2 RESPONSIBILITY

The designee or members of student organizations or clubs are fully responsible for all purchase and purchase commitments requiring present or future disbursements of internal fund monies. A signed commitment from the designee(s) or members 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 for inventory items that will be held for resale.

3.3 PETTY CASH

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

3.4 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.

a. Equipment, supplies, forms and postage for curricular or classroom use. The exception is for revenues derived from career education production shops, which may be used for this purpose.

b. Curricular-related travel. The exception is for revenues derived from career education production shops, which may be used for this purpose.

c. Professional, technical or consultant services. The exception is for revenues derived from career education production shops, which may be used for these purposes.

d. 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 Funding.

e. Personal memberships or subscriptions.

f. Salaries or other compensation for duties or assignments that are the responsibility of the school district.

g. Loans, credit or accommodation purchases for anyone.

h. Repairs and maintenance of district school board equipment for which district school board funds are available. The exception is for revenues derived from career education production shops, which may be used for these purposes.

3.5 PROPERTY ACQUISITION AND CONTROL

a. Tangible personal property, as defined in s. 274.01, F.S., purchased or acquired by donation, becomes the property of the student organizations or clubs and is subject to the board's procedures for property control.

b. Notification to the appropriate school district office is required when items that meet the criteria for capital assets are purchased with or acquired by donation to custodial funds. A full description of any equipment or property acquired must be given, including make, model, serial number, date acquired and total cost or fair market value for donated property.

c. Approval must be obtained from the superintendent or designee to change, alter or attach permanent fixtures to school property, or to use 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 school district-adopted procedures.

b. At the close of the fiscal year, the school internal fund's annual financial report shall be prepared in accordance with school district procedures, and the principal and preparer shall provide a signed attestation of the report's accuracy in reflecting the year's activity and year-end balances to be included in the school district's annual financial report.

4.2 AUDITS

a. The district school board shall provide for an annual audit of internal funds.

b. The signed, written report of the audit shall include notations of any failure to comply with Florida Statutes, Florida Administrative Code, district school board policy, or the school organization or student club's policy. The report, which must also provide commentary as to financial management and irregularities, shall be presented to the district school board while in session and filed as a part of the public record.

4.3 FUNDRAISING

School principals are to be made aware of, approve and oversee all fundraising activities and actions conducted on a school campus and approve all fundraising activities in the name of the school. Any fundraising activity conducted on school property is a school-connected activity.

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 district superintendent acts as the custodian of all school property pursuant to s. 1001.51(4), F.S., and may delegate responsibilities to the school principal. The principal shall control the fundraising activities conducted in the name of the school and ensure that the purposes are worthwhile and consistent with the school organizations or student clubs' missions.

1. Raffles and other activities of chance shall not be conducted by the school or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property. Encouraging or permitting minors to participate in games of chance by playing or betting money or other valuable things is prohibited pursuant to s. 849.04, F.S. Only a charitable, nonprofit organization exempt from federal income taxation pursuant to the Internal Revenue Code may conduct raffles or drawings by chance in the name of the school if the organization complies with all applicable provisions of chapter 496, F.S., and s. 849.0935, F.S., and the raffle is not conducted on school property.

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 district 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 district school board policy.

4.4 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.

4.5 SALES OF FOOD AND BEVERAGES

The sale of food or beverages to students by direct sale or through vending machines is governed by rule 5P-2.002, F.A.C.

5.0 MODIFICATION OF CHAPTER PROVISIONS

5.1 CENTRALIZED ACCOUNTING SYSTEMS

School 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

School 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.

SECTION IV

CHART OF ACCOUNTS
SCHOOL INTERNAL FUNDS

Fund Group	Funds 8XX, Fiduciary Funds	
Balance Sheet Accounts	As provided in chapter 2	
Revenue Accounts	Accounts 34XX for local sources of revenue	
Student Activity/Project	10000	Athletics
	20000	Music
	30000	Classes
	40000	Clubs
	50000	Departments
	60000	Trust
	70000	General
Expenditure Accounts		
Function	Function 9900, Proprietary and Fiduciary Expenses	
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 includes definitions of terms used in this guide and additional terms necessary for the understanding of financial accounting procedures for internal funds, which are reported as custodial funds (fiduciary) in the financial statements.

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.

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 Assets. Land, buildings, machinery, furniture and other equipment that the school system intends to hold or continues to use over a long period of time.

Capital Outlay. Expenditures for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings and 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 or her order, or to bearer from money on deposit to the credit of the maker. The check is canceled when it has been paid by the bank and has, thus, “cleared.”

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

Commemorative Items. 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.

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

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 is not yet 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 supplies and equipment while being used by the students.

Depositories. Banks or savings and loan institutions where schools deposit and withdraw 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 or obligation of available money by issuance of a purchase order.

Equipment. A material item of a nonexpendable 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 skills 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. For accounts kept on the cash basis, payments are termed "disbursements."

Fidelity Bond. A bond guaranteeing the district 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 activity 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 single employee performs a complete cycle of operations. The procedures to be followed are definitely identified 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 but not yet distributed to requisitioning units.

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

Investments. Securities and nonfinancial assets held primarily for income or profit that have present service capacity based solely on their ability to generate cash or to be sold to generate cash.

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).

Net Position. The residual of all other elements presented in the statement of net position for fiduciary funds. It is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources (GASB Concepts Statement 4, paragraph 36).

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 of the transaction.

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.

Present Service Capacity. The capacity of an asset or a resource that enables the entity to provide services, which in turn enables the entity to fulfill its mission.

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 between 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. Costs of new construction, renovation and remodeling are not included and 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, entertainment, publications, clubs, band and orchestra, which 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 nonperformance 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.

Travel Expenditures. Expenditures incurred by school district employees, students and sponsors of a school activity in connection with travel related to the activity, other than those costs directly chargeable to student transportation.

Trust and Custodial 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 or 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 either a supply or piece of 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 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; and/or

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; and

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 database. School districts may elect to use this third digit in order to provide information requested in the automated state database system.

SALARIES (100)

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

BENEFITS (210 Retirement)

3. Teachers' Retirement System
4. Defined Benefit Plan
5. Defined Contribution Plan
9. Other

BENEFITS (230 Group Insurance)

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