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. The state does not currently require direct coding of the third and fourth characters of function codes or the third character of object codes, but may specify such coding in the future.

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 (NCGA Statement 1, ¶2).

Code	Description
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 – that is, for the benefit of the government or its citizenry (GASB 54, ¶35).
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 (GASB 54, ¶ 29).
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 (GASB 54, ¶34).
210	SBE/COBI Bonds. SBE/COBI bonds issued by the SBE on behalf of the school district under Section 9, Article XII of the State Constitution.
220	Special Act Bonds. Bonds or revenue certificates issued by the school district pursuant to authority granted by special acts of the Legislature.
230	Section 1011.14/1011.15, F.S., Loans. Loans negotiated under authority of the cited statutory provisions.
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 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 (GASB 54, ¶33).

310 COBI. State of Florida capital outlay bond issues are used to finance these capital projects. These projects include the construction of new schools, including capital equipment and additions to existing schools.

320 Special Act Bonds. Special Act bonds (including Racing Commission revenue bonds) are used to finance these capital projects, which vary in purpose depending on the specifications of the bond issue.

330 Section 1011.14/1011.15, F.S., Loans. Short-term (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 to address a roof that has been destroyed or refrigeration equipment that is no longer functional, for example.

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 – Section 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 may be used for each fiscal year levy to account for revenues, expenditures, and unexpended amounts.

380 Voted Capital Improvement Fund. A tax of up to one mill may be levied for capital projects for up to two years pursuant to Section 1011.73(1), F.S., if voted by the qualified electors of the 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 Section 212.055(6), F.S.), one-cent intergovernmental local sales tax revenue (referendum by group of local governments, approved by the voters pursuant to Section 212.055(2), F.S.), and lease-purchase agreements.

399 American Recovery and Reinvestment Act Economic Stimulus Capital Projects. Capital projects funded by the 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 (GASB 54, ¶30). Florida school districts should disclose in the notes to financial statements the purpose of each major special revenue fund, identifying which revenues and other resources are reported in each of those funds. Florida school districts should report federal categorical aid and food services as special revenue funds.

410 Food Services.

420 Other Federal Programs.

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

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

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

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

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

491-499 Miscellaneous Special Revenue.

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

711-715 Self-Insurance.

731 Consortium Programs.

791 Other Internal Service.

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

840-849 Investment Trust Funds.

850-859 Private-purpose Trust Funds.

870-879 Pension (and Other Employee Benefit) Trust Funds.

891 School Internal Funds.

892-899 Agency Funds.

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

911-914 Self-Insurance – Consortium.

915 ARRA – Consortium.

921-922 Other Enterprise Programs.

OBJECT CODES

The object classification indicates the type of goods or services obtained as a result of a specific expenditure. 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. These subobject codes use two of the three characters in the three-character field; the third character is reserved for future specification by the State of Florida. Although specified herein, the second character in the salaries object codes is not required, but is available for school districts' consideration. The optional third characters of the 100, 200, and 600 object codes are provided in Appendix B.

Code	Description
100	Salaries. Amounts paid to employees of the school system who are considered to be in positions of a permanent nature, including personnel under written contract substituting for individuals in permanent positions. See Subobject 750, Other Personal Services, for temporary services. This includes gross salary for personal services rendered while on the payroll of the district school board. Salaries shall be classified as follows.
110	Administrator. Persons with administrative duties who have authority 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 members 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 Section 1012.01, F.S., except classroom teachers and their substitutes. Examples include primary specialists, guidance counselors, psychologists, occupational/placement specialists, and media specialists. Salaries of personnel serving in positions that are part-time classroom teaching and part-time primary specialist (or other role) shall be apportioned to the two objects.
140	Substitute Teacher. Persons who substitute for classroom teachers either on a full-time or part-time basis.
150	Paraprofessional. Persons who are paraprofessionals under the supervision of a classroom teacher, library paraprofessionals, and other school-level paraprofessionals.
160	Other Support Personnel. Included 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.

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 employee retirement system paid by the school district, including the amount paid for employees assigned to federal programs.

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.

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

300 Purchased Services. Amounts paid for personal services rendered by personnel who are not on the payroll of the district school board, and other services that the board may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

310 Professional and Technical Services. Services that by their nature can be performed only by persons with specialized skills and knowledge acquired through intensive academic preparation. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, and accountants.

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

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

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

330 Travel. Costs for transportation, meals, 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.

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.

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

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.

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

390 Other Purchased Services. Expenditures for all other purchased services not included above, such as printing, binding, reproduction, pest control, and other nonprofessional purchased services. Distributions to charter schools are also included as other purchased services.

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

392 Subawards Under Subagreements – In Excess of $25,000. For subagreements reported under Other Purchased Services, record all

subawards in excess of $25,000, regardless of the period covered by the grant or subcontract.

400 Energy Services. Expenditures for the various types of energy used by the 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 consumable supplies for the operation of a school system, including freight. Examples include expenditures for instructional, custodial, and maintenance supplies.

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

530 Periodicals. Expenditures for all periodicals and newspapers. A periodical is any publication (paper or electronic) appearing at regular intervals of less than a year and continuing for an indefinite period.

540 Oil and Grease. Expenditures for oil and grease for all types of motor vehicles.

550 Repair Parts. Expenditures for repair parts, antifreeze, and supplies used in 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 USDA-donated commodities 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).

580 Commodities. Market value of USDA-donated commodities (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, and software.

610 Library Books. Expenditures for noncapitalized regular or incidental purchases of school library books (hard copy or electronic) available for general use by students, including any reference books, even though such reference books may be used solely in the classroom. Costs of freight for school library books are included.

620 Audiovisual (AV) Materials (Nonconsumable). Expenditures for nonconsumable materials such as film, filmstrips, recordings, exhibits, charts, maps, and globes, regardless of cost, are charged to this account.

621 Capitalized AV Materials.

622 Noncapitalized AV Materials.

630 Buildings and Fixed Equipment. All expenditures to acquire existing buildings or to construct new buildings and additions. Construction costs of buildings and additions consist of all expenditures for general construction; advertisements for contracts; payments on contracts for construction; installation of plumbing, heating, lighting, ventilating, and electrical systems; built-in lockers; elevators; architectural and engineering services; travel 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.

644 Noncapitalized Computer Hardware.

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, except motor vehicles of the type commonly called "pleasure cars" and that carry eight students or fewer (see Section 1006.25, F.S.).

651 Buses. Note: Buses purchased with Local Capital Improvement revenue should be recorded in the capital projects fund. All other bus purchases should be recorded in the general fund.

652 Other Motor Vehicles.

660 Land. Expenditures for the purchase of any land by the school district and any ancillary charges to prepare the land for its intended use. Examples of ancillary charges include rights of way, site preparation, attorney fees, and professional fees.

670 Improvements Other Than Buildings. Construction costs of permanent improvements and additions, other than buildings and additions, consisting of all expenditures for general construction, advertisements of contracts, payments, or construction. Examples of such improvements are excavation, fill dirt, grading, utility installation, sod, shrubs, fences, retaining walls, sidewalks, sewage treatment systems, original or expanded paving projects, the initial purchase of fixed playground equipment, flagpoles, gateways, and underground storage tanks that are not 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. 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 Section 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 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 and coordinate for 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.

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, and the payment of dues and fees.

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. Also included are tuition fees for employee training activities, administration fees paid to other organizations, fees relative to the issuance or service of debt, amortization of prepaid insurance costs associated with the issuance of debt, loan origination fees, initial direct costs of operating leases, and commissions for collection of taxes.

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), 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.

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.

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 the General Fund. Amounts disbursed to the general fund with no return or requirement for repayment.

920 Transfers to Debt Service Funds. Amounts disbursed to debt service funds with no return or requirement for repayment.

930 Transfers to Capital Projects Funds. Amounts disbursed to capital projects funds with no return or requirement for repayment.

940 Transfers to Special Revenue Funds. Amounts disbursed to special revenue funds with no return or requirement for repayment.

950 Interfund Transfers. Amounts disbursed to a fund within the same fund type with no return or requirement for repayment.

960 Transfers to Permanent Funds. Amounts disbursed to permanent funds with no return or requirement for repayment.

970 Transfers to Internal Service Funds. Amounts disbursed to internal service funds with no return or requirement for repayment.

990 Transfers to Enterprise Funds. Amounts disbursed to enterprise funds with no return or requirement for repayment.

FUNCTION

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

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

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 (see p. 4-6) on basis that reflects cost incidence.
Unemployment Compensation	Identify or allocate to employee function (see p. 4-6) on basis that reflects cost incidence. If immaterial, the expenditure may be charged to Function 7100.

Insurance	
Property	Function 7900
Boiler	Function 7900
Casualty (General Liability & Automobile)	Function 7900
Casualty – Student Transportation	Function 7800
Fidelity Bonds	Function 7100

Code	Description

5000 Instruction. Instruction includes the activities dealing directly with the teaching of students, or the interaction between teacher 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. It may also be provided through some other approved medium such as television, radio, computer, the 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.

5100 Basic (FEFP K-12). The Basic Program is that part of the district school board's full-time equivalent (FTE) instructional program that is not identified as Special Programs for Exceptional Students, Career Education, or Adult General Education. Programs for Students at Risk and English for Speakers of Other Languages are included in this function.

5200 Exceptional. Programs for exceptional student education (ESE) are determined by law. Criteria for each program are specified by SBE rules. This function includes Pre-K ESE.

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

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

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

5900 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 Instructional Support Services. Provides administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Instructional Support Services exist as adjuncts for the fulfillment of the behavioral objectives of the instruction functions, rather than as separate entities. Although some supplies and operational costs are generated in instructional support, the major cost will be in personnel.

6100 Student Personnel Services. Activities that are designed to assess and improve the well-being of students and to 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, and nurse services.

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 concerning the psychological aspects of these problems.

6150 Parental Involvement. This function primarily relates to federal projects that require parent participation as a requirement of the grant.

6190 Other Student Personnel Services. Student personnel services not classified elsewhere in 6100 subfunctions. This would include positions such as diagnostic and child find specialists. In preparing 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, but rather 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 (Noninstructional). Hiring substitute teachers to cover classes of teachers participating in training is a cost of in-service training and should be coded to Function 6400. Paraprofessional training should be coded to Function 7730.

6500 Instructional-Related Technology. Technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operation, network support services, hardware maintenance and support services, and technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks, and similar operations should be captured under this code.

7000 General Support Services. Activities concerned with establishing policy, operating schools and the school system, and providing the essential facilities and services for the staff and 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. Activities of the offices of the deputy superintendent and associate or assistant superintendents should be charged here unless they can be placed properly into another function.

7300 School Administration (Office of the Principal). Activities concerned with directing and managing the operation of a particular school. This function includes the activities performed by the principal, assistant principal, and other assistants in the general supervision of all operations of the school, evaluations of staff members of the school, assignment of duties to staff members, supervision and maintenance of the records of the school, and coordination of school instructional activities with the instructional activities of the school system. It includes clerical staff for these activities 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.

7410 Facilities Acquisition and Construction – Current Expenditures.

7420 Facilities Acquisition and Construction – Capital Outlay.

7500 Fiscal Services. Activities concerned with the fiscal operation of the school system. This function includes budgeting, receiving and disbursing cash, financial accounting, payroll, inventory control, 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.

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 judge an outcome based on established goals.

7720 Information Services. Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, or the general public through direct mailing, the various news media, e-mail, the 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, HVAC, moving furniture, routine maintenance of grounds, providing school crossing guards, security, and other such activities that are performed on a daily, weekly, monthly, or seasonal basis. Operation of plant does not encompass repairs and replacements of facilities and equipment. 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 the function of Instruction (Function 5000) when the amount of such services is material in relation to the cost of the programs. Equipment repair services rendered for the functions of Food Services (Function 7600) and Student Transportation Services (Function 7800) are to be charged to these functions. Routine maintenance of audiovisual equipment should be charged to Instructional Media Services (Function 6200). All other equipment repairs may be charged to Function 8100. If the maintenance labor force is used to construct facilities, the cost should be reclassified to Function 7400.

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

and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs.

9100 Community Services. Community Services consist of those activities that are not related to providing education for 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.

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.

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

FACILITY

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

PROGRAM

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

FISCAL YEAR

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

GRANT

Grant numbers are assigned by the DOE 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.