Special Supplement
to Financial Accounting and Reporting
Nonprofit Charter School Chart of Accounts

A MODULE OF THE

TEXAS EDUCATION AGENCY
FINANCIAL ACCOUNTABILITY SYSTEM
RESOURCE GUIDE

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What’s New

Net Asset Codes

Exhibit 1. Changes to Net Asset Codes in Section 1.4.2 - Update 5.0

<table>
<thead>
<tr>
<th>Net Asset Codes</th>
<th>Description of change(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>206 – ESEA Title X, Part C Education for the Homeless Children and Youth</td>
<td>Updated title</td>
</tr>
<tr>
<td>211 – ESEA Title I, Part A – Improving Basic Programs</td>
<td>Updated description</td>
</tr>
<tr>
<td>279 - Title II, Part D, Subpart 1 – Enhancing Education through Technology - ARRA (Stimulus)</td>
<td>New fund code effective fiscal year 2008/2009</td>
</tr>
<tr>
<td>286 - Title I SIP Academy Grant - ARRA (Stimulus)</td>
<td>New fund code effective fiscal year 2008/2009</td>
</tr>
<tr>
<td>428 – High School Allotment</td>
<td>Updated for phaseout to fund 420 with PIC 31</td>
</tr>
</tbody>
</table>

Function Codes

Exhibit 2. Changes to Function Codes in Section 1.4.3 - Update 5.0

<table>
<thead>
<tr>
<th>Function Codes</th>
<th>Description of change(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Object Codes

#### Exhibit 3. Changes to Object Code Sections 1.4.4 through 1.4.11 - Update 5.0

<table>
<thead>
<tr>
<th>Object Codes</th>
<th>Description of change(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5931 – School Health and Related Services (SHARS)</td>
<td>Updated 5931 for note regarding SHARS adjustment</td>
</tr>
<tr>
<td>6219 – Professional Services</td>
<td>Added clarification</td>
</tr>
<tr>
<td>6291 – Consulting Services</td>
<td>Clarification on definition of consulting</td>
</tr>
<tr>
<td>6339 – Testing Materials</td>
<td>Minor edit</td>
</tr>
<tr>
<td>6399 – General Supplies</td>
<td>Clarify exclude locally defined capital items &lt; $5000</td>
</tr>
<tr>
<td>8949 – Other Uses</td>
<td>Correction in account description</td>
</tr>
</tbody>
</table>

### Program Intent Codes

#### Exhibit 4. Changes to Program Intent Codes in Section 1.4.15 - Update 5.0

<table>
<thead>
<tr>
<th>Program Intent Codes</th>
<th>Description of change(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 – Bilingual Education and Special Language Programs</td>
<td>Clarify items included; clarify full salary is excluded—only stipends</td>
</tr>
<tr>
<td>30 – Title I, Part A Schoolwide Activities Related to State Compensatory Education (SCE) and Other Costs on Campuses with 40% or more Educationally Disadvantaged Students</td>
<td>Updated PIC 30 for Title I information</td>
</tr>
<tr>
<td>31 – High School Allotment</td>
<td>Added effective fiscal year</td>
</tr>
</tbody>
</table>
1.4 Account Codes

1.4.1 Overview of Account Codes

Sections 12.104 and 12.111 of the Texas Education Code (Code or TEC) require nonprofit charter school fiscal accounting systems to be compatible with the Public Education Information System (PEIMS) data standards (as adapted for nonprofit charter school accounting in this special supplement). The system must conform with Generally Accepted Accounting Principles (GAAP). These sections of the TEC further require financial information be sufficient to enable the state board of education to monitor the funding process, and to determine educational system costs by nonprofit charter school, campus and program.

The Texas Education Code, Section 12.111, requires each nonprofit charter school to have an annual independent audit. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the nonprofit charter school through the Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the nonprofit charter school’s fiscal data to be reported through the PEIMS system for the fiscal period under audit.

A major purpose of the following accounting code structure is to establish guidelines for a nonprofit charter school fiscal accounting system that is compatible with PEIMS. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the net asset groups and classes and chart of accounts, are to be uniformly used by all nonprofit charter schools in accordance with generally accepted accounting principles. With the exception of the codes that may be used at local option, all charter schools must use the account code structure as described in this supplement. Failure to use the account code structure as discussed in this supplement should be disclosed as a noncompliance issue in the Schedule of Findings and Questioned Costs included with the Annual Financial and Compliance Report.

Applicability

This supplement discusses financial accounting and reporting requirements applicable to open-enrollment charter schools operated by a private or independent institution of higher education as defined under Section 61.003 of the Texas Education Code (TEC 61.003) or an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)). The financial accounting and reporting requirements discussed in this supplement do not apply to an open-enrollment charter school operated by an institution of higher education as defined in TEC 61.003 or a governmental entity. An open-enrollment charter school operated by an institution of higher education or a governmental entity must adhere to the financial accounting and reporting requirements discussed in the FASRG.
Exhibit 5. Account Code Structure

The Code Structure

| X | X | X | - | X | X | X | - | X | X | X | - | X | X | X | - | X | X | X | - | X | X | X | - | X | X | X | - | X | X | X | - | X | X |
| Major Detail | Major Detail | Account Classification | Major Detail |

Net Account Codes (1XX - 8XX)

Function Codes (11 - 81)

Object Codes:

- Assets (1XXX)
- Liabilities (2XXX)
- Net Assets (3XXX)

- Revenues (5XXX)
- Expenses (6XXX)
- Gains/Net Assets Released From Temporary Restrictions (7XXX)
- Losses/Net Assets Released From Temporary Restrictions (8XXX)

Local Option Codes 1 and 2 (XX)

Organization Codes (001 - 999)

Fiscal Year Code (0 - 9)

Program Intent Codes (11 - 99)

Local Option Code 3 (X)

Local Option Codes 4 and 5 (XX)

--- Indicates a mandatory code for State reporting purposes

--- --- --- --- Indicates a code that may be used at local option

BASIC SYSTEM CODE COMPOSITION:

Net Assets Code

A mandatory 3-digit code is to be used for all financial transactions to identify the net asset group and specific net asset class, if the charter school does not participate in grant projects or any federal program accounted for under account codes 200-499. If the charter school does participate in any grant project or federal program then these account codes are used in connection with all revenues and expenses in order to maintain accountability for all transactions pertaining to grants project and federal program.

The first digit refers to the net asset class and the second and third digit specifies the net asset group and the individual grant or project. These codes also serve the dual purpose of providing separate accountability for grant funds. Accordingly, if a nonprofit charter school receives grant funds then the three digit code is to be used to separately identify
revenues and expenses pertaining to each grant project and federal program.

Example:

A Temporarily Restricted Net Assets Class could be coded 211. The 2 indicates the Temporarily Restricted Net Assets Group, the 11 specifies ESEA Title I Part A - Improving Basic Programs.

**Function Code**

A mandatory 2 digit code applied to expenses that identify the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.

Example:

The function "Health Service" is coded 33. The first 3 specifies Support Services - Student (Pupil) and the second 3 is Health Services.

**Object Code**

A mandatory 4 digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

Example:

Money received for current year taxes is classified in account 5729. The 5 denotes revenue, the 7 shows Local and Intermediate Sources, the 2 denotes services rendered to other schools and the final 9 specifies all other code designation.

**Optional Codes 1 and 2**

A 2 digit code for optional use to provide special accountability at the local level.

**Organization Code**

A mandatory 3 digit code identifying the organization, i.e., High School, Middle School, Elementary School, Administrator’s office, etc. An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each nonprofit charter school in the Texas School Directory.

Example:
Expenses for a high school might be classified as 001. This is a campus organization code that is defined in the Texas School Directory for that high school.

**Fiscal Year Code**

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Examples:

For the 2006-2007 fiscal year of the nonprofit charter school, a 7 would denote the fiscal year.

An ESEA Title I Part A - Improving Basic Programs grant for the project year from July 1, 2007 through June 30, 2008 would be indicated by an 8. A grant for the project year from July 1, 2008 through June 30, 2009 would be indicated by a 9. Therefore, 10 months of the ESEA Title I Part A - Improving Basic Programs grant funds would be accounted for under project year 8 and 2 months would be accounted for under project year 9 during the 2008 state fiscal year beginning September 1, 2008.

**Program Intent Code**

A 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served.

Example:

An entire class of physics is taught at the basic level. Program intent code 11 would designate Basic Educational Services.
Optional Code 3

A single code that is used at the local option.

Optional Codes 4 and 5

An optional 2 digit code that may be used by the nonprofit charter school to further describe the transaction.
1.4.2 Net Assets Account Codes

Nonprofit charter school accounting systems are organized and operated on a net asset class basis. A net asset class is an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. A nonprofit charter school designates the net asset class’ financial resources for a distinct purpose. The net asset class’ purpose can be established by the state or federal government as well as the nonprofit charter school.


The Code Structure

The three digit code designates the net asset class if the charter school does not participate in grant projects or any federal program accounted for under account codes 200-499. If the charter school does participate in any grant project or federal program, then the three digit account code is used to identify the revenues and expenses restricted to the specific uses under the applicable state and federal law, rules and regulations. This means that when expenses are incurred for grants accounted for under the temporarily restricted net asset class then the charter school will not utilize the object code net assets released from temporary restrictions for general ledger and PEIMS reporting purposes. Instead the expense will be recorded and maintained in the general ledger with

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the appropriate specific or generic grant account code in the 200-499 range. This accounting treatment is required in order to provide information to oversight entities. Oversight entities are required to ensure separate detailed accountability is maintained in order to be able to determine charter schools’ compliance with applicable state and federal rules and regulations. The object code net assets released from temporary restrictions will be utilized in annual financial statements.

Nonprofit charter schools should establish and maintain those net asset classes and grant accounting required by law and sound financial administration. Only the minimum number of net asset classes consistent with legal and operating requirements should be established since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration. This is particularly important in the area of grant administration because all grants must have separate accountability for revenues and expenses.

The \textit{R} by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.
100 UNRESTRICTED NET ASSETS GROUP

Unrestricted Net Assets Class for Texas nonprofit charter schools consist of one net asset group (Unrestricted Net Assets) that account for the acquisition, use and balances of expendable financial resources and related liabilities as required by law or rule.

100 UNRESTRICTED NET ASSETS GROUP

The unrestricted net asset group has budgetary control which is used to show transactions resulting from operations of on-going organizations and activities from a variety of revenue sources for which net assets are controlled by and retained for the use of the local education agency. The unrestricted net asset group utilizes the full accrual basis of accounting. To maintain separate revenue and expense accounts to assure the integrity of specific revenue purposes when required by law or rule, the unrestricted net asset class is to employ the classifications defined below.

R 101 Food Service

This classification is to be used by the nonprofit charter school for a food service program, under certain circumstances.

Food Service is considered a part of the unrestricted net assets class if it meets the following criteria:

- No user fees are charged; i.e., students are not charged for meals, and
- Participation in the National School Lunch Program (NSLP) is not a factor. Whether the nonprofit charter school participates or not, the unrestricted net asset class subsidizes Food Service for all amounts required in excess of the NSLP reimbursements

The net asset amount of Food Service may not exceed three months of food service operations, and such balances are to be used exclusively for allowable child nutrition program purposes. (10.553, breakfast; 10.555, lunch) (Note: See net asset code 240 which is an alternative method of accounting for Food Service, depending on the guidelines established by the nonprofit charter school.)
The Summer Feeding Program funded by the Texas Health and Human Services Commission (HHSC) is not to be classified in this net asset class, but rather in the temporarily restricted net asset class Code 242.

102-160 **Reserved for Future State Definition**

These classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

161-198 **Locally Defined Classifications (Convert to Net Asset Class 199 for PEIMS)**

These classifications are used, at the option of the nonprofit charter school, to further classify specific revenues and related expenses for local requirements. For PEIMS reporting these accounts are converted to Net Asset Class 199.

**R 199 Unrestricted Net Assets Class**

This classification must be used to account for those net assets the local governing board designates. The local governing board has wide discretion in their use as provided by law. Temporarily restricted net assets are accounted for using the net asset code category temporarily restricted net asset class codes 201-499. Any locally defined codes that are used at the local option for unrestricted net assets are to be converted to Net Asset Class 199 for PEIMS reporting.

(See net asset code 420 and 429. All state aid not required to be reported under net asset codes 380-418 must be reported under net asset codes 420 and 429, as applicable.)

200/300/400 **TEMPORARILY RESTRICTED NET ASSET GROUP**

Temporarily restricted net asset group and individual classes are used to account for the proceeds of specific revenue sources that are legally and temporarily restricted to expenses for specified purposes. This excludes permanently restricted net asset revenues that are permanently restricted. These net assets utilize the full accrual basis of accounting.

When accounts are designated as “Education Service Centers Only,” nonprofit charter schools are not to use these net asset classifications.

Temporarily restricted net asset classes are grouped in the following categories:
<table>
<thead>
<tr>
<th>Net Asset Class</th>
<th>Category/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>200-289</td>
<td>Temporarily Restricted Net Assets (Federal Programs)</td>
</tr>
<tr>
<td></td>
<td>This group of net asset classes is used to account for federally funded temporarily restricted net asset classes. Each federal net asset class has a number assigned in the Catalog of Federal Domestic Assistance (CFDA). These numbers are reflected at the end of the definition of each net asset class. For those funds that are administered by the Texas Commission on Alcohol and Drug Abuse (TCADA), the appropriate TCADA code is also designated.</td>
</tr>
<tr>
<td>380-429</td>
<td>Temporarily Restricted Net Assets (State Funded)</td>
</tr>
<tr>
<td></td>
<td>This group of net asset classes is used to account for state funded temporarily restricted net asset classes.</td>
</tr>
<tr>
<td>460-499</td>
<td>Temporarily Restricted Net Assets (Local Programs)</td>
</tr>
<tr>
<td></td>
<td>This group of net asset classes is used to account for temporarily restricted net asset classes from local sources.</td>
</tr>
</tbody>
</table>

200  TEMPORARILY RESTRICTED NET ASSETS GROUP (FEDERAL PROGRAMS)

Federal Programs that are used by nonprofit charter schools and education service centers are designated by Net Assets Class Codes 201 through 289. Most, but not all, of these revenues must be applied for through a Standard Application System (SAS).

201-202  Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

203  Child Care Development Block Grant
Financial Accounting and Reporting

Net Asset Class Codes

<table>
<thead>
<tr>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

This net asset classification is to be used to account, on a project basis, for revenues granted under Title XX of the Social Security Act. (93.575) (U. S. Department of Health and Human Services)

R 204  
ESEA Title IV, Part A -- Safe and Drug-Free Schools and Communities Act

This net asset classification is to be used to account, on a project basis, for revenues granted as a result of the NCLB Act of 2001. These revenues are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs. This grant is funded by P.L. 107-110. (84.186A) (U.S. Department of Education)

R 205  
Head Start

This net asset classification is to be used to account, on a project basis, for revenues granted for the Head Start Program by the United States Department of Health and Human Services. (93.600) (U.S. Department of Health and Human Services)

R 206  
ESEA Title X, Part C -- Education for the Homeless Children and Youth

This net asset classification is to be used to account, on a project basis, for revenues granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110. McKinney-Vento Homeless Education Assistance Improvement of 2001. (84.196) (U.S. Department of Education)

207  
Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

R 208  
Human Immunodeficiency Virus (HIV) Education

This net asset classification is to be used to account, on a project basis, for revenues granted for educator training programs in human immunodeficiency virus (HIV) education for school-aged populations. Education Service Centers receive support to provide technical assistance, workshops and materials, and collection of data on HIV
Educational programs and practices. (93.938) (U.S. Department of Health and Human Services)

Energy Conservation for Institutional Buildings

This net asset classification is to be used to account, on a project basis, for revenues granted for energy conservation by the US Department of Energy. (81.052)

Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

ESEA Title I Part A -- Improving Basic Programs

This net asset classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This grant is funded by P.L. 107-110. (84.010A) (U.S. Department of Education)

Note: This fund code is also used for ESEA Title I Part D, Subpart 2 - LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

ESEA Title I Part C -- Education of Migratory Children

This net asset classification is to be used to account, on a project basis, for revenues granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen. This grant is funded by P.L. 107-110. (84.011) (U.S. Department of Education)

ESEA Title I Part B -- Even Start Family Literacy

This fund classification is to be used to account, on a project basis, for funds granted for programs to help parents become full partners in their
children's education, help children reach their full potential as learners, and provide literacy training for their parents by integrating adult education and early childhood education into a unified family-centered program. This grant is funded by P.L. 107-110 Title I, Part B, Subpart 3, William F. Goodling Even Start Family Literacy Program. (84.213) (U.S. Department of Education)

<table>
<thead>
<tr>
<th>Net Asset Class Codes</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>XX</td>
<td></td>
</tr>
</tbody>
</table>

214 -217 **Reserved for Future State Definition**

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

218 **ESEA Title V, Part D, Subpart 6, Jacob K. Javits Gifted and Talented Students Education Act**

This fund classification is to be used to account, on a project basis, for funds granted to carry out programs designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use of gifted and talented services, materials, and methods for all students. (P.L. 107-110, Title V, Part D, Subpart 6) (U.S. Department of Education)

219 **Reserved for Future State Definition**

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

220 **Adult Education (ABE) - Federal**

This fund classification is to be used to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Educational services include basic educational skills (reading, writing, speaking and mathematics), English as a Second Language instruction, and secondary level competencies for acquisition of a high school diploma or equivalent. This includes sections 322, 326, and 353 under P.L. 91.230 as amended by P.L. 102.73, The National Literacy Act. If a school district has more than one section, separate accountability must be maintained. This may be accomplished by using...
one of the locally defined segments of the code structure. (84.002) (U.S. Department of Education)

221 Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

R 222 National and Community Service Trust Act -- Learn and Serve America

This net asset classification is to be used to account, on a project basis, for funds allocated for enabling students to apply classroom learning to real life experiences. This grant is funded by P.L. 103-382. (94.004) (Corporation for National and Community Services)

R 223 Temporary Assistance for Needy Families (TANF)

This net asset classification is to be used to account, on a project basis, for revenues granted to provide or support programs for educational services to adults who are recipients of Aid to Families with Dependent Children funds, who are beyond compulsory school attendance age, and not enrolled in school and function at less than secondary completion level. Educational services include basic educational skills (reading, writing, speaking and mathematics), English as a Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. This grant is funded by PL 104-193. (93.558) (U.S. Department of Health and Human Services)

R 224 IDEA -- Part B, Formula

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) sub grants. (84.027) (U.S. Department of Education)

R 225 IDEA -- Part B, Preschool
This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities. This grant is funded by P.L. 105-17. (84.173) (U.S. Department of Education)

R 226  IDEA -- Part B, Discretionary

This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component and also:

- Targeted support to LEAs
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

(84.027) (U.S. Department of Education)

R 227  IDEA -- Part B, Deaf

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) deaf sub grants. (84.027) (U.S. Department of Education)

R 228  IDEA -- Part B, Preschool Deaf

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities by P.L. 105-17. (84.173) (U.S. Department of Education)

R 229  IDEA - Part D, Deaf-Blind

This fund classification is to be used to account, on a project basis, for federal grant funds for the Texas Deaf-Blind Project for Children Who Are Deaf-Blind. (CFDA#84-326-C) (84.025) (U.S. Department of Education)

R 230  IDEA - Part D, Personnel Training
This fund classification is to be used to account, on a project basis, for funds granted for programs related to the training and preparation of school personnel who provide educational services to students with disabilities. (84.029) (U.S. Department of Education)

231 - 235  Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

236  Substance Abuse Prevention and Treatment Block Grant -- Intervention

This net asset classification is to be used to account, on a project basis, for revenues granted through the Texas Department of State Health Services for intervention services for youth up to age 18. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YIN) (93.959) (U.S. Department of Health and Human Services)

237  ESEA Title IV -- Safe and Drug-Free Schools and Communities Act

This net asset classification is to be used to account, on a project basis, for revenues granted through the Office of the Governor, Criminal Justice Division, for prevention/intervention services for youth (up to age 18), including DARE. This grant is funded by P.L. 103-382. (CJD code ED) (84.186A) (U.S. Department of Education)

238  Substance Abuse Prevention and Treatment Block Grant -- Females

This net asset classification is to be used to account, on a project basis, for revenues granted through the Texas Department of State Health Services for intervention services for females under the age of 18. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YPF) (93.959) (U.S. Department of Health and Human Services)

239  Substance Abuse Prevention and Treatment Block Grant -- Prevention
This net asset classification is to be used to account, on a project basis, for revenues granted through the Texas Department of State Health Services for prevention services for youth. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YPP) (93.959) (U.S. Department of Health and Human Services)

R 240 National School Breakfast and Lunch Program

This net asset classification is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture (USDA). The Food Service Fund is considered a Temporarily Restricted Net Assets Class if it meets the following criteria:

- User fees are charged to supplement the National School Lunch Program (NSLP) reimbursement -- i.e., students are charged for meals.
- The Unrestricted Net Assets Class subsidizes the Food Service Fund for all amounts required in excess of the NSLP reimbursements and user fees.
- The nonprofit charter school does not intend for the Food Service Fund to be self-sustaining.

This fund may have a net asset not to exceed three months of food service operations, and such balances are to be used exclusively for allowable child nutrition program purposes. (10.553, breakfast; 10.555, lunch)

R 241 Education Service Center Child Nutrition

This net asset classification is also to be used to account, on a project basis, for funds to operate a regional program of administrative support for the child nutrition program by the education service centers.

R 242 Summer Feeding Program, Texas Department of Agriculture (TDA)

This net asset classification is to be used to account, on a project basis, for funds received from the Texas Department of Agriculture that are awarded for meals provided to the community based on the average number of daily participants. This net asset class should be used regardless of whether a nonprofit charter school’s National School
Breakfast and Lunch Program is accounted for in the Unrestricted Net Assets Class (101), or a Temporarily Restricted Net Assets Class (240). (10.559)

**R 243 Career and Technical -- Technical Preparation**

This net asset classification is to be used to account, on a project basis, for revenues granted to provide a combined secondary and postsecondary program (grade 9 through high school and two years of postsecondary) of technical skills in the areas of:

- Engineering
- Science
- Mechanical, industrial or practical arts or trades
- Agriculture
- Health
- Business

(84.243A) (U.S. Department of Education)

**R 244 Career and Technical -- Basic Grant**

This net asset classification is to be used to account, on a project basis, for revenues granted to provide career and technical education to develop new and/or improve career and technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas. (84.048) (U.S. Department of Education)

**R 245 Career and Technical -- Single Parent**

This net asset classification is to be used to account, on a project basis, for revenues granted to provide marketable skills through programs, services and activities (including dependent care and transportation) for individuals who are single parents, displaced homemakers or single pregnant women. (84.048A) (U.S. Department of Education)

**R 246 Career and Technical -- Sex Equity**

This net asset classification is to be used to account, on a project basis, for revenues granted to use for programs, services (including preparatory
services and support services, comprehensive career guidance and counseling) and activities to eliminate sex bias and stereotyping in career and technical education. (84.048A) (U.S. Department of Education)

**R 247 Career and Technical -- Curriculum Development**

This net asset classification is to be used to account, on a project basis, for revenues granted to develop, disseminate and field test curriculum. This especially includes curriculum that integrates vocational and academic methodologies and provides a coherent sequence of courses through which academic and occupational skills may be measured. (84.048A) (U.S. Department of Education)

**R 248 Career and Technical -- Professional Development**

This net asset classification is to be used to account, on a project basis, for revenues used for career and technical education teachers and academic teachers who are working with career and technical education students. The personnel included are corrections educators and counselors, and educators and counselors in community-based organizations. Services include in-service and pre-service training of teachers in state-of-the-art programs and techniques, such as integration of vocational and academic curriculum, with particular emphasis on training of minority teachers. (84.048A) (U.S. Department of Education)

**R 249 Career and Technical -- Community Based Organization**

This net asset classification is to be used to account, on a project basis, for revenues granted for joint projects of eligible recipients and community-based organizations that provide special career and technology education services and activities. (84.174A) (U.S. Department of Education)

**R 250 Career and Technical -- Apprenticeship**

This net asset classification is to be used to account, on a project basis, for revenues granted for work-site programs such as:

- Cooperative training
- Internships
- Joint programs
- Services and activities with community-based organizations, work study and apprenticeship programs
Net Asset Class Codes

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(84.048A) (U.S. Department of Education)

R 251 Career and Technical -- Quality Work Force

This net asset classification is to be used to account, on a project basis, for revenues granted for the operation of a Quality Work Force Planning Committee (partnership between educators and employers). (84.048A) (U.S. Department of Education)

R 252 Career and Technical -- Other Program Improvement

This net asset classification is to be used to account, on a project basis, for revenues granted for career and technical used for other program improvement activities such as assessment and promotion of partnerships among:

- Business
- Education
- Industry
- Labor
- Community-based organizations
- Governmental agencies
- Supplemental Federal Grant to States for Facilities, Equipment and Other Program Improvements (Title III, Part F)

(84.253A) (U.S. Department of Education)

R 253 IDEA, Part C, Early Intervention (Deaf)

This net asset classification is to be used to account on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher. This grant is funded by P.L. 101-119. (84.181A) (U.S. Department of Education)

254 Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.
R 255 ESEA, Title II, Part A: Teacher and Principal Training and Recruiting

This fund classification is to be used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement. (P.L. 107-110) (84.367) (U.S. Department of Education)

R 256 ESEA, Title I, Part F, Comprehensive School Reform

This fund classification is to be used to account on a project basis, for funds granted to develop comprehensive school reforms, based on reliable research and effective practices and including an emphasis on basic academics and parental involvement. This program is authorized under P.L. 107-110 (84.010B) (U.S. Department of Education)

257 Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

R 258 Public Charter Schools

This fund classification is to be used to account on a project basis, for funds granted to public charter schools for planning, program design, implementation, assisting other schools and/or to disseminate information about the charter school. This program is authorized under P.L. 107-110, Title V, Part B, Subpart 1. (84.282) (U.S. Department of Education)

R 259 Matching Funds for Library Purchases

This fund classification is to be used to account, on a project basis, for federal matching funds received by the district for expenditures for books and other school library materials that are catalogued and circulated from a central source in each school building. The Texas Education Agency provides a 30% match for each dollar expended, not to exceed one dollar expended per student enrolled, in each year of the
260  **Reserved for Future State Definition**

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

261  **Reading First**

This fund classification is to be used to account, on a project basis, for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3 (P. L. 107-110, Title I, Part B, Subpart 1) (84.357) (U.S. Department of Education).

262  **Title II, Part D, Subpart 1, Enhancing Education through Technology**

This fund classification is to be used to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P. L. 107-110, Title II, Part D, Subpart 1) (84.318) (U.S. Department of Education).

263  **Title III, Part A, English Language Acquisition and Language Enhancement**

This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards (P. L. 107-110, Title III, Part A, Subpart 1) (84.365) (U.S. Department of Education).

264  **Community Service Grant Program**
This fund classification is to be used to account, on a project basis, for funds granted to carry out programs under which students expelled or suspended from school are required to perform community service (P. L. 107-110, Title IV, Part A, Subpart 2) (84.184c) (U.S. Department of Education).

R 265 Title IV, Part B, 21st Century Community Learning Centers

This fund classification is to be used to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students (P. L. 107-110, Title IV, Part B) (84.287) (U.S. Department of Education).

R 266 ARRA of 2009, Title XIV, State Fiscal Stabilization Fund (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted to improve basic programs authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001; the Individuals with Disabilities Education Act (IDEA); the Adult and Family Literacy Act; the Carl D. Perkins and Technical Education Act of 2006, or for the modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system. (84.394). This grant is funded by the American Recovery and Reinvestment Act (ARRA) of 2009, Title XIV.

R 267 Improving Academic Achievement (Grants for State Assessments and Related Activities)

This fund classification is to be used to account, on a project basis, for funds granted to increase educational achievement through the development and administration of state assessments and standards and through professional development aligned with student standards and assessments (P. L. 107-110, Title VI, Part A, Subpart 1, Section 6111) (84.369) (U.S. Department of Education).
Improving Academic Achievement (Grants for Enhanced Assessment Instruments)

This fund classification is to be used to account, on a project basis, for funds granted to increase educational achievement through the development and administration of state assessments and standards and through professional development aligned with student standards and assessments (P. L. 107-110, Title VI, Part A, Subpart 1, Section 6112) (84.368) (U.S. Department of Education).

Title V, Part A - Innovative Programs

This fund classification is to be used to account, on a project basis, for funds granted to implement or expand innovative assistance programs to improve student, teacher, and school performance through a variety of local reform and improvement activities. This program is authorized under P.L. 107-110 (84.298) (U.S. Department of Education).

Any funds from Title VI, Innovative Education Program Strategies (fund code 235) will roll forward into this code.

Some of the matching funds for library materials are funded from Title V, Part A and would use fund code 269. Refer to the Notice of Grant award for the FAR code to be used. A local option code must be assigned to account for the matching library funds separately from the Title V, Part A formula funds.

ESEA, Title VI, Part B, – Rural and Low-Income School Program

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable them to address the unique needs of rural school districts. This program is authorized under P.L. 107-110 (84.358) (U.S. Department of Education)

Workforce Investment Act Youth Activities (Effective September 1, 2005)

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to help low income youth between the ages of 14 and 21 acquire the educational and occupational skills, training and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.
This program is authorized under P.L.105-220 (17.259) (Department of Labor)

R 272 Medicaid Administrative Claiming Program – MAC (Effective September 1, 2005)

This fund classification is to be used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan. Expenditures attributed to the required matching amount are recorded in the General Fund and are to be accounted for with use of a local option account code, as needed, for local monitoring of compliance with federal matching requirements. (93.778)

R 273 Mathematics and Science Partnerships (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to eligible partnerships to improve the academic achievement of students in mathematics and science by providing professional development to improve teaching and by recruiting math, engineering, and science majors to teaching. This grant is authorized under Title II Part B of the No Child Left Behind Act, P. L. 107-110. (84.336B) (U.S. Department of Education)

R 274 GEAR UP (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities. (84.334S) (U.S. Department of Education)

R 275 School Dropout Prevention (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to provide for school dropout prevention and reentry
programs and to raise academic achievement levels to ensure that all children attain their highest academic potential and have substantial and ongoing opportunities through school wide programs proven effective in school dropout prevention and reentry. This grant is authorized under Title I Part H of the No Child Left Behind Act, P. L. 107-110. (84.360A) (U.S. Department of Education)

\(276\) Title I SIP Academy Grant (Effective fiscal year 2008/09)

Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P. L. 107-110. (84.377A) (U.S. Department of Education). This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners.

\(277-278\) Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the nonprofit charter school.

\(279\) Title II, Part D, Subpart 1 – Enhancing Education through Technology – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P.L. 107-110, Title II, Part D, Subpart 1)

\[280\] ESEA, Title X, Part C – Education for the Homeless Children and Youth – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C. (84.387) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

- **281-282 Reserved for Future State Definition**

These fund classifications are reserved for future state designation and are not to be used by the school district.

\[283\] IDEA - Part B, Formula – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. (84.391) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

\[284\] IDEA - Part B, Preschool – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds for preschool children with disabilities. This grant is funded by P.L. 105-17.

\section{285 ESEA, Title I, Part A – Improving Basic Programs – ARRA (Stimulus)
(Effective fiscal year 2008/2009)}

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.389) (U.S. Department of Education) (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).

Note: This fund code is also used for ESEA Title I Part D, Subpart 2 – LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

\section{286 Title I SIP Academy Grant – ARRA (Stimulus) (Effective fiscal year 2008/2009)}

Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P.L. 107-110. (84.388) (U.S. Department of Education). This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners. (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).
287-288  Federally Funded Temporarily Restricted Net Assets Class -- Locally Defined (Convert to Net Asset Class 289 for PEIMS)

These net asset classifications are used, at the option of the nonprofit charter school, to classify federally funded temporarily restricted net asset classes not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Net Asset Class 289.

289  Federally Funded Temporarily Restricted Net Assets Class

This net asset classification is to be used to account, on a project basis, for federally funded temporarily restricted net asset classes that have not been specified above. Any locally defined codes that are used at the local option are to be converted to Net Asset Class 289 for PEIMS reporting.

290-379  Reserved for Future State Definition

These net asset classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

380-429  TEMPORARILY RESTRICTED NET ASSET GROUP (STATE PROGRAMS)

State grant programs in nonprofit charter schools are designated by Net Assets Class Codes 381 through 429.

381  Adult Basic Education (ABE) -- State

This fund classification is to be used to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults 16 and above, who do not have a high school diploma and are out of school. Funds can be used for same purposes as federal adult education funds.

382  Temporary Assistance for Needy Families (TANF) - State, TEC §29.252.

This net asset classification is to be used to account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy
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Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills (reading, writing, speaking and mathematics), English as Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. Funded under TEC §29.252.

**R 383 Professional Staff Development**

This net asset classification is to be used to account, on a project basis, for revenues used to provide preservice and staff development training in technology and innovative teaching practices for teachers and administrators. Public schools and ESCs may serve as fiscal agents for the establishment of a center for professional development (funded under TEC 21.047) under the direction of an institution of higher education or may receive funds directly to provide training and staff development in technology and innovative teaching practices.

**R 384 Texas After School Initiative**

This fund classification is to be used to account, on a project basis, for funds granted to implement quality after-school programs serving students of middle school age.

**R 385 State Supplemental Visually Impaired (SSVI)**

This fund classification is to be used to account for State Supplemental Visually Impaired funds. This fund is to be used by single school districts, on a project basis, to account for any of these funds received from the ESC or district fiscal agent of a shared services arrangement.

**R 386 Regional Day School for the Deaf**

This net asset classification is to be used to account, on a project basis, for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.
### Net Asset Classification Codes

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### R 387 Quality Work Force Planning -- State

This net asset classification is to be used to account, on a project basis, for funds for the benefit of a quality work force planning committee.

### R 388 Innovative Education Grants

This net asset classification is to be used to account, on a project basis, for grants awarded to campuses for innovative programs. These grants are funded by the Public Education Development Fund.

### R 389 Master Mathematics Teacher

This fund classification is to be used to account, on a project basis, for stipends to school districts with Master Mathematics teachers who are certified according to the provisions in TEC 21.0482.

### R 390 Early Childhood Limited English Proficient (LEP) Summer Program

This net asset classification is to be used to account, on a project basis, for funds for summer school programs for LEP students only if a bilingual program is part of the standard curriculum. Monies may be used to fund both required summer school and voluntary summer school for LEP students. (TEC 29.058)

### R 391 Year Round Schools Incentive

This net asset classification is to be used to account, on a project basis, for noncompetitive awards for year round schools.

### R 392 Nominated Community-Based Support

This fund classification is to be used to account, on a project basis, for the provision of noneducational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of these services. The support services may include transportation, respite for the parents, case management, social work, in-home family support and other items. (TEC 29.013)

### R 393 Texas Successful Schools Program
This net asset classification is to be used to account, on a project basis, for grant monies applied for by nonprofit charter schools after being notified by TEA of their eligibility based on Academic Excellence Indicator System (AEIS) criteria. (TEC 39.091)

R 394 Life Skills Program

This net asset classification is to be used to account, on a project basis, for revenues granted to provide pregnant and parenting students the services needed to keep them in school until completion. (TEC 29.085)

R 395 Comprehensive Developmental Guidance Program on Elementary Campuses for Students in At-Risk Situations Program

This net asset classification is to be used to account, on a project basis, for revenues granted for the planning, implementation and evaluation of comprehensive, developmental guidance and counseling programs on elementary school campuses with high concentrations of students in at-risk situations. The objectives of this project are to:

- Provide appropriate counseling and guidance for the changing social, emotional and academic needs of students
- Provide direct services to students to help them manage academic and social needs
- Support the efforts of teachers and parents in promoting the students’ self-esteem, academic readiness, social and interpersonal sensitivity and skills and awareness of academic and future career opportunities.

(TEC 33.005)

R 396 Communities in Schools

This net asset classification is to be used to account, on a project basis, for revenues granted for an in-school multi-disciplinary approach to decreasing the dropout rate in the nonprofit charter school by increasing each participant’s chance of being successful in school.

R 397 Advanced Placement Incentives

This net asset classification is to be used to account, on a project basis, for funds awarded to nonprofit charter schools under the Texas
Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

₅ 398  
**Children's Trust Fund of Texas**  
This net asset classification is to be used to account, on a project basis, for revenues granted by the private agency, Children's Trust Fund of Texas. This agency encourages community support and the use of volunteers within the program.

₅ 399  
**Investment Capital Funds/Campus Deregulation and Restructuring to Improve Student Achievement**  
This fund classification is to be used to account, on a project basis, for funds to help individual public school campuses implement practices and procedures consistent with school deregulation and school restructuring to improve student achievement and increase parental involvement in the schools through staff development and training under the Investment Capital Funds. (TEC 7.024)

₅ 400  
**School Health (Education Service Centers Only)**  
This net asset classification is to be used to account, on a project basis, for funds to operate a program of comprehensive school health services to schools.

₅ 401  
**State-Funded Optional Extended-Year Program**  
This net asset classification is to be used to account, on a project basis, for funds received for extended-year programs funded under §29.082 TEC.

₅ 402  
**Texas Ready to Read Program**  
This fund classification is to be used to account, on a project basis, for funds granted to provide preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of improving pre-reading skills of three- and four-year old students.

₅ 403  
**Certification (Education Service Centers Only)**  
This net asset classification is to be used to account, on a project basis, for funds to operate a program of regional certification of officers.
**Student Success Initiative**

This fund classification is to be used to account, on a project basis, for funds granted for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.

**Gifted and Talented (Education Service Centers Only)**

This net asset classification is to be used to account, on a project basis, for funds to operate a program of support for nonprofit charter school efforts in the area of gifted and talented education.

**Teacher Recruitment (Education Service Centers Only)**

This net asset classification is to be used to account, on a project basis, for funds to operate a program of teacher recruitment.

**Bilingual Education (Education Service Centers Only)**

This net asset classification is to be used to account, on a project basis, for funds to operate a program of support for nonprofit charter school efforts in the area of bilingual education/ESL.

**Technology (Education Service Centers Only)**

This net asset classification is to be used to account, on a project basis, for funds to operate a program of support for nonprofit charter school efforts in the area of technology.

**High School Completion and Success/Texas High School Project**

This fund classification is to be used to account, on a project basis, for funds granted to schools to implement programs to support the improvement of high school graduation rates and post-secondary readiness.

**State Textbook Fund**
This net asset classification is to be used to account, on a project basis, for funds awarded to nonprofit charter schools under the textbook allotment (see 411 Technology Allotment). (TEC Chapter 31, Subchapter B)

**R 411 Technology Allotment**

This net asset classification is to be used to account, on a project basis, for funds awarded to nonprofit charter schools to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials. (TEC Chapter 32, Subchapter A)

**R 412 Public School Child Care Services**

This net asset classification is to be used to account, on a project basis, for funds awarded to nonprofit charter schools for child care service for school-age children. (TEC 33.902)

**R 413 Telecommunication Infrastructure Fund**

This net asset classification is to be used to account, on a project basis, for funds awarded by the Telecommunication Infrastructure Board.

**R 414 Texas Reading Initiative / Texas Reading, Math and Science Initiative**

This net asset classification is to be used to account, on a project basis, for funds granted to improve student achievement in reading, math, and science through the provision of materials, professional development, student instructional programs, and other related activities.

**R 415 Kindergarten and Prekindergarten Grants**

This fund classification is to be used to account, on a project basis, for funds granted to implement or expand kindergarten or prekindergarten programs not required under TEC 29.153.

**R 416 State Head Start**

This fund classification is to be used to account, on a project basis, for funds granted to provide an educational component to federal Head Start
programs or similar government-funded early childhood care and education programs.

\textbf{R 417 \ Educational Technology (Ed Tech) Pilot}

This fund classification is to be used to account, on a project basis, for funds granted to design, implement and administer pilot programs that explore the impact of delivering curriculum content via various technologies. TEC 32.035

\textbf{R 418 \ Active Employee Health Insurance Coverage or Supplemental Compensation (Deleted Effective August 31, 2007)}

This fund classification must be used to account for revenues that are legally restricted to the TRS supplemental compensation under Article 3.50-8, Insurance Code, and the expenditure of the TRS supplemental compensation. The payment of the TRS supplemental compensation amount to an eligible employee is not reported by the district to the TRS in the covered aggregate annual compensation amount for the employee that is being reported for retirement benefit contribution purposes. If at the end of the fiscal year, funds received are less than the TRS supplemental compensation amount expended, then an entry will be recorded to “due from state.” If at the end of the fiscal year, funds received are more than the TRS supplemental compensation amount expended, then an entry will be recorded to “due to state.” The net assets for this net asset class are zero at the end of the charter school’s fiscal year.

The charter school is responsible for employer-paid payroll taxes that are attributed to the TRS supplemental compensation amount, including Medicare, Unemployment Compensation, and Workers Compensation, and in some instances, Social Security (in accordance with the charter school’s agreement with the federal government to participate as an entity in the Social Security program for all or certain classes of eligible employees). All employer-paid payroll taxes expended from this fund must be reimbursed from other net asset classes, including the unrestricted net asset class, other temporarily restricted net asset classes (within the designated purpose projects’ budgetary authority and if payroll-related costs are included in allowable cost provisions) and other net asset classes, as applicable. As a second option for situations wherein accounting systems do not efficiently facilitate a direct charge to other funds for the employer-paid payroll taxes attributed to the TRS supplemental compensation, the charter school is to record net asset
released from temporary restrictions (object code 8911) in the unrestricted net assets and record net assets released from temporary restrictions (object code 7999) under net asset code 418 for the full amount of employer-paid payroll taxes recorded as an expenditure in net asset code 418.

R 419 Head Start-Ready to Read / Early Childhood School Readiness

This fund classification is to be used to account, on a project basis, for funds granted to preschool programs to provide scientific, research-based, pre-reading instruction for three- and four-year old children.

R 420 Foundation School Program and other State Aid

House Bill 6, 77th Legislative Session, states that funds received by a charter holder after September 1, 2001 pursuant to Section 12.106, as amended, of the Texas Education Code (TEC) are public funds held in trust by the charter holder for the benefit of the students of the charter school. This net asset class usually includes transactions as a result of revenues from taxes passed through by school districts, foundation entitlements, State and County available and other Foundation School Program sources which are not identified on warrants for foundation entitlements. State aid required to be reported under net asset codes 380–418 must not be reported under this net asset code.

R 421 Master Reading Teacher

This fund classification is to be used to account, on a project basis, for stipends to school districts with Master Reading teachers who are certified according to the provisions in TEC 21.0481.

R 422 Matching Funds for Library Purchases

This fund classification is to be used to account, on a project basis, for matching funds received by the district for expenditures for books and other school library materials that are catalogued and circulated from a central source in each school building. The Texas Education Agency provides a 30% match for each dollar expended, not to exceed one dollar expended per student enrolled, in each year of the biennium, to be used for the purchase of library books and other library materials.
<table>
<thead>
<tr>
<th>Net Asset Class Codes</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>XX</td>
<td></td>
</tr>
</tbody>
</table>

**R 423 Limited English Proficient (LEP) Student Success Initiative (Effective fiscal year 2008/09)**

This fund classification is to be used to account, on a project basis, for funds granted to schools to provide intensive programs of instruction for limited English-proficient (LEP) students and teacher training resources specific to instruction of LEP students. [TEC 39.024(d) and (e)]

**R 424 School Leadership Pilot Program (Effective fiscal year 2008/09)**

This fund classification is to be used to account, on a project basis, for funds granted to develop and implement a school leadership pilot program for principals. [TEC 11.203]

**R 425 Teacher Induction and Mentoring Program (Effective fiscal year 2008/09)**

This fund classification is to be used to account, on a project basis, for funds granted to schools that assign mentor teachers to classroom teachers who have less than two years of teaching experience. [TEC 21.458]

**R 426 Texas Educator Excellence Award Grant Program (Effective fiscal year 2008/09)**

This fund classification is to be used to account, on a project basis, for funds granted to schools which have an approved campus incentive plan to award teachers and other school staff for improving student achievement. [TEC Subchapter N, Awards for Student Achievement]

**427 State Funded Temporarily Restricted Net Assets Class -- Locally Defined (Convert to Net Asset Class 429 for PEIMS)**

These net asset classifications are to be used to account, on a project basis, for funds that are received from the state that are not listed elsewhere. For PEIMS reporting, these funds convert to Net Asset Class 429.

**R 428 High School Allotment (Effective fiscal year 2007/08 for actual; 2006/07 for budget)**
<table>
<thead>
<tr>
<th>Net Asset Class Codes</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X        XX</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This fund classification is to be used to account for the $275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12. If the district meets certain college readiness and completion rate standards, there are less restrictions on how the funds are spent—see TEC 39.234.

This amount is not paid separately, but is combined with other Foundation School Program funds. The breakdown of the amount is provided on the Summary of Finance for journal entry purposes.

See the High School Allotment section of the HB1 implementation page for general information and a link to TAC 61 for rules on high school allotment.

This fund may be used through fiscal year 2009/10 to record any remaining fund balance at the end of fiscal year 2008/09; however, after that point it should be coded to fund 420 and program intent code 31 to align with the movement to Tier I funding beginning with fiscal year 2009-10.

### 429 State Funded Temporarily Restricted Net Assets Class

State funded temporarily restricted net asset classes not listed above are to be accounted for in this net asset class. Any locally defined codes that are used at the local option are to be converted to net asset class 429 for PEIMS reporting.

### 430-459 Reserved for Future State Definition

These net asset classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

### 460-499 TEMPORARILY RESTRICTED NET ASSET GROUP (LOCAL PROGRAMS)

Net Assets Class Codes 461 through 499 are to be used to account for local programs such as campus activity funds or grants from local businesses or organizations that require that the funds be expended for a specific purpose.
Net Asset Class Codes

<table>
<thead>
<tr>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

461 Campus Activity Net Asset Class

This net asset classification is to be used to account for transactions related to a principal's activity net asset class if the monies generated are not subject to recall by the nonprofit charter school's board of directors into the Unrestricted Net Assets Class. Gross revenues from sales are recorded in revenue object code 5755. The cost of goods sold is recorded in Function 36, using the appropriate expense object code.

462-480 Reserved for Future State Definition

These net asset classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

481-498 Locally Funded Temporarily Restricted Net Assets Class -- Locally Defined (Convert to Net Asset Class 499 for PEIMS)

These net asset classifications are used, at the option of the nonprofit charter school to classify locally funded temporarily restricted net asset classes such as grants by corporations to specific campuses not defined elsewhere. For PEIMS reporting, these funds convert to Net Asset Class 499.

499 Locally Funded Temporarily Restricted Net Assets Class

Locally funded temporarily restricted net asset classes not listed above are to be accounted for in this net asset class. Any locally defined codes that are used at the local option are to be converted to Net Asset Class 499 for PEIMS reporting.

800 - 849 PERMANENTLY RESTRICTED NET ASSETS GROUP

This group of net asset classes is used to account for assets held by a nonprofit charter school in a trustee capacity, or as an agent for individuals, private organizations, other governmental units and/or other funds.

800 PERMANENTLY RESTRICTED NET ASSETS GROUPS

These net asset classes are accounted for on the full accrual basis of accounting. Examples of permanently restricted net assets are gifts, donations or bequests received from individuals and/or organizations for
permanently restricted specific purposes for which the principal, and earned interest or revenue may be used (such as endowments for library support, building programs, and purchase of equipment).

801-805  **Reserved for Future State Definition**

These net asset classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

806-829  **Permanently Restricted Net Assets Class -- Locally Defined (Not Reported to PEIMS)**

These net asset classifications are used to account for locally defined permanently restricted net asset classes.
### 1.4.3 Function Codes

A function represents a general operational area in a nonprofit charter school and groups together related activities. Most nonprofit charter schools use all of the functions in the process of educating students or organizing the resources to educate students. For example, in order to provide the appropriate atmosphere for learning, nonprofit charter schools transport students to school, teach students, feed students and provide health services. Each of these activities is a function.

---

**Exhibit 7. Function Code Structure**

**The Code Structure**

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code</th>
<th>Local Option Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>1 and 2</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Account Classification</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

---

1. Indicates a mandatory code for State reporting purposes
2. Indicates a code that may be used at local option

---
Functions are grouped according to related activities in the following major areas/classes:

- **10** Instruction and Instructional-Related Services
- **20** Instructional and School Leadership
- **30** Support Services -- Student (Pupil)
- **40** Administrative Support Services
- **50** Support Services -- Non-Student Based
- **60** Ancillary Services
- **70** Debt Service
- **80** Fund Raising

Each of these major areas is further defined by detail function codes. The \( R \) by a code indicates that the code is required for PEIMS reporting purposes if such costs are applicable to the nonprofit charter school.

### 10 Instruction and Instructional-Related Services

This function code series is used for expenses that:

- Provide direct interaction between staff and students to achieve learning
- Provide staff members with the appropriate resources to achieve the appropriate student learning outcomes through either materials or development

### 11 Instruction

This function is used for activities that deal directly with 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, and in other learning situations. It may also be provided through some other approved medium such as television, radio, telephone, telecommunications, multimedia and correspondence. This function includes expenses for direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.
Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 11 -- Costs to Include:</th>
<th>Function 11 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses associated with:</td>
<td>Salaries and related expenses associated with:</td>
</tr>
<tr>
<td>Classroom teachers</td>
<td>Curriculum development (Function 13)</td>
</tr>
<tr>
<td>Teacher aides</td>
<td>Salaries or salary supplements related to department heads (Function 13), curriculum writers (Function 13), program directors (Function 21)</td>
</tr>
<tr>
<td>Classroom assistants</td>
<td>School leadership costs such as principals, assistant principals and their staffs (Function 23)</td>
</tr>
<tr>
<td>Graders</td>
<td></td>
</tr>
<tr>
<td>Staff working in the classroom on a dedicated basis</td>
<td></td>
</tr>
<tr>
<td>Adult basic education teachers</td>
<td></td>
</tr>
<tr>
<td>Substitute teachers (ALL instructional substitutes effective 2008-09 fiscal year)</td>
<td></td>
</tr>
<tr>
<td>Teachers that deliver instruction by television, satellite, etc.</td>
<td></td>
</tr>
<tr>
<td>TI-IN services provided by education service centers</td>
<td></td>
</tr>
<tr>
<td>Classes taught to students by education service centers</td>
<td></td>
</tr>
<tr>
<td>Special education instructional</td>
<td></td>
</tr>
</tbody>
</table>

Texas Education Agency -- Resource Guide Supplement For Charter Schools January 2010
### Function 11 -- Costs to Include:

- services, including speech, occupational and physical therapy
- Upkeep and repairs to instructional materials and equipment in the classroom
- Instruction in health
- Field trips
- Band instruments purchased by the nonprofit charter school or donated by band boosters or other groups
- Instructional computer networks, software, licensing fees, maintenance, supplies, staff and instructional computer lab teacher
- Network manager for instructional networks
- Technology coordinator for instructional networks
- Testing materials for tests developed and administered by teachers
- Salaries for instruction, including that portion of the salary for the regular school day that is for teaching physical education (P.E. equivalent) courses for credit when athletic activities are being practiced or are taking place
- Instructional supplies including but not limited to classroom supplies, grade books, grade book software, report cards, student handbooks and related costs
- Insurance for driver’s education vehicles

### Function 11 -- Costs to Exclude (with Correct Function):

- (Function 53)

  - Salaries and expenditures/expenses for webmaster (excluding costs attributable to instructional settings) (Function 53)

  - Salaries and expenditures/expenses for technology network, data, or system security (excluding costs attributable to instructional settings) (Function 53)

  - Salaries and expenditures/expenses information technology developer, programmer, tester, or systems analyst (excluding costs attributable to instructional settings) (Function 53)

  - Supplies and services for upkeep and maintenance of buildings and grounds, including utilities (Function 51)

  - Testing materials for standardized tests (Function 31)

  - Band Uniforms (Function 36)

  - Insurance on band instruments (Function 51)

  - Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)
### Function Codes

| Major | Detail | X | X |

<table>
<thead>
<tr>
<th>Function 11 -- Costs to Include:</th>
<th>Function 11 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Graduation expenditures/expenses</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for instructional purposes, including driver education</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Function 12 -- Costs to Include:</th>
<th>Function 12 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses associated with:</td>
<td>Salaries and related expenses associated with:</td>
</tr>
<tr>
<td>• Librarians</td>
<td>• Encyclopedias and other</td>
</tr>
</tbody>
</table>

#### R 12 Instructional Resources and Media Services

This function is used for expenses that are directly and exclusively used for resource centers, establishing and maintaining libraries and other major facilities dealing with educational resources and media.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th><strong>Function 12 -- Costs to Include:</strong></th>
<th><strong>Function 12 -- Costs to Exclude (with Correct Function):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Library aides and assistants</td>
<td>reference books in the classroom (Function 11)</td>
</tr>
<tr>
<td>Substitute pay for library staff</td>
<td>Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>(ALL substitutes effective 2008-09 fiscal year)</td>
<td>Textbooks (Function 11)</td>
</tr>
<tr>
<td>Media or resource center personnel who work in an audiovisual center, television studio or related work-study areas</td>
<td>Teaching supplies used in the classroom (Function 11)</td>
</tr>
<tr>
<td>Selecting, preparing, cataloging and circulating books and other printed materials</td>
<td>Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>Planning the use of the library by students, teachers and other members of the instructional staff</td>
<td>Staff who conduct in-service training on the use of technology (Function 13)</td>
</tr>
<tr>
<td>Building individuals ability in their use of library books and materials</td>
<td>Technology coordinator for instructional networks (Function 11)</td>
</tr>
<tr>
<td>Selecting, preparing, maintaining and making available to members of the instructional staff equipment, films, filmstrips, transparencies, tapes, TV programs, software, CD/DVDs and similar materials</td>
<td>Network manager for non-instructional networks (Function 53)</td>
</tr>
<tr>
<td>Planning, programming, writing and presenting educational programs or segments of programs by closed circuit or broadcast television</td>
<td></td>
</tr>
<tr>
<td>Studio crews that record educational programs or segments of programs by closed circuit or broadcast television, including those for TI-IN</td>
<td></td>
</tr>
<tr>
<td>Function Codes</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Major</td>
<td>Detail</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Function 12 -- Costs to Include:
- Library books, films, video cassettes, CD/DVD disks, and other media that are maintained by a resource center or library
- Supplies for binding and repairing books or other media contained in the resource center
- Upkeep and repairs to media, library and resource center materials and equipment
- Media and Living Science services provided by an education service center
- Pre/post employment physicals or drug testing for personnel classified in this function
- Purchase of vehicles for instructional resources and media purposes

### Function 12 -- Costs to Exclude (with Correct Function):

**R 13 Curriculum Development and Instructional Staff Development**

This function is used for expenses that are directly and exclusively used to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students. Expenses include in-service training and other staff development for instructional or instructional-related personnel (Functions 11, 12 and 13) of the nonprofit charter school. This function also includes expenses related to research and development activities that investigate, experiment, and/or follow-through with the development of new or modified instructional methods, techniques, procedures, services, etc.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However,
benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 13 -- Costs to Include:</th>
<th>Function 13 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff that research and develop innovative, new or modified instruction</td>
<td>Salaries of instructional staff when attending in-service training or staff development (Function 11 or 12, as applicable)</td>
</tr>
<tr>
<td>Fees for outside consultants conducting in-service training or staff development for instructional and instructional related staff</td>
<td>Substitute pay for instructional staff attending staff development or in-service training (Function 11)</td>
</tr>
<tr>
<td>Staff who prepare and/or conduct in-service training or staff development for instructional and instructional related staff (includes instructional technology)</td>
<td>Substitute pay for library staff attending staff development or in-service training (Function 12)</td>
</tr>
<tr>
<td>Curriculum coordinator (not responsible for supervising instructional staff)</td>
<td>Assistant/Deputy Administrator(s) for Instruction (Function 21)</td>
</tr>
<tr>
<td>Subject area or grade level department heads and related support staff</td>
<td>Instructional supervisors (Function 21)</td>
</tr>
<tr>
<td>Assistant/Deputy Chief administrator(s) for Curriculum</td>
<td>Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>Travel and subsistence for instructional and instructional related staff to attend in-service or staff development meetings</td>
<td>In-service training or staff development for staff that are not classified in functions 11, 12 or 13 (use appropriate function)</td>
</tr>
<tr>
<td>Tuition and fees paid by the</td>
<td>Additional costs associated with</td>
</tr>
<tr>
<td>Function Codes</td>
<td>Function 13 -- Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>X X</td>
<td>serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Function Codes</th>
<th>Function 13 -- Costs to Include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X</td>
<td>school for instructional staff to attend college for additional hours of credit</td>
</tr>
<tr>
<td></td>
<td>• Supplies, materials and equipment for curriculum development or in-service training</td>
</tr>
<tr>
<td></td>
<td>• Upkeep and repairs to equipment used for curriculum development or in-service training</td>
</tr>
<tr>
<td></td>
<td>• Paid sabbatical leaves for instructional staff</td>
</tr>
<tr>
<td></td>
<td>• Staff development or in-service training provided by an education service center</td>
</tr>
<tr>
<td></td>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
</tr>
<tr>
<td></td>
<td>• Technology coordinator for instructional networks</td>
</tr>
<tr>
<td></td>
<td>• Purchase of vehicles for staff development or curriculum development purposes</td>
</tr>
</tbody>
</table>

### 20 Instructional and School Leadership

This function code series is used for expenses that relate to the managing, directing, supervising and leadership of staff who are providing either instructional or instructional-related services. This function code series also includes the general management and leadership of a school campus.

### 21 Instructional Leadership

This function is used for expenses that are directly used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services.
Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 21 -- Costs to Include:</th>
<th>Function 21 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional supervisors</td>
<td>Principals, assistant principals and related staff (Function 23)</td>
</tr>
<tr>
<td>Special population or educational program coordinators or directors (Chapter 1, Special Education, Career and Technical Education, etc.) and related support staff</td>
<td>Staff members who perform accounting, personnel, or other administrative functions (Function 41)</td>
</tr>
<tr>
<td>Upkeep and repairs to materials and equipment related to instructional leadership</td>
<td>Staff development and in-service training personnel (Function 13)</td>
</tr>
<tr>
<td>Assistant/Deputy Administrator(s) for Instruction</td>
<td>Assistant/Deputy Administrator(s) for Curriculum (Function 13)</td>
</tr>
<tr>
<td>Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td>Curriculum coordinator not responsible for supervising instructional staff (Function 13)</td>
</tr>
<tr>
<td>Purchase of vehicles for instructional leadership purposes</td>
<td>Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td></td>
<td>Additional costs associated with serving as coaches, athletic directors, band directors,</td>
</tr>
</tbody>
</table>
Function Codes
Major Detail
X X

<table>
<thead>
<tr>
<th>Function 21 -- Costs to Include:</th>
<th>Function 21 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
</tbody>
</table>

R 23

School Leadership

This function is used for expenses that are used to direct and manage a school campus. They include the activities performed by the principal, assistant principals and other assistants while they:

- Supervise all operations of the campus
- Evaluate staff members of the campus
- Assign duties to staff members maintaining the records of the students on the campus

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 23 -- Costs to Include:</th>
<th>Function 23 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Principals, assistant principals and related staff</td>
<td>• Staff who compile administrator’s annual report</td>
</tr>
</tbody>
</table>
### Function Codes

<table>
<thead>
<tr>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

#### Function 23 -- Costs to Include:

- Staff to record, compile and report pupil attendance data, such as attendance databases, including enrollment records
- Campus staff that maintain principals activity or student activity net asset class
- All expenses related to teacher appraisal (even if the appraisal is conducted by a teacher peer group)
- Upkeep and repairs to equipment related to school leadership
- Microcomputers that are used exclusively by the school leadership staff, whether networked or stand alone
- Purchase of vehicles for school leadership purposes
- Pre/post employment physicals or drug testing for personnel classified in this function
- Design of campus improvement plans

#### Function 23 -- Costs to Exclude (with Correct Function):

- Networked microcomputers, minicomputers or mainframe computers that are used for multiple functions -- e.g., general administration in conjunction with school leadership (Function 53)
- Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)
- Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)

### 30 Student Support Services --

This function code series is used for expenses that directly support students.

#### R 31 Guidance, Counseling and Evaluation Services

This function is used for expenses that are directly and exclusively used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes costs of
psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

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<table>
<thead>
<tr>
<th><strong>Function 31 -- Costs to Include:</strong></th>
<th><strong>Function 31 -- Costs to Exclude (with Correct Function):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Counselors and related staff, including career and technical or occupational counselors</td>
<td>- Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>- Staff who evaluate student performance using assessment instruments</td>
<td>- Costs for providing physical health services to students (Function 33)</td>
</tr>
<tr>
<td>- Mental health screening</td>
<td>- Testing materials for student tests developed and administered by teachers (Function 11)</td>
</tr>
<tr>
<td>- Psychologists</td>
<td></td>
</tr>
<tr>
<td>- Psychiatrists</td>
<td></td>
</tr>
<tr>
<td>- Diagnosticians</td>
<td></td>
</tr>
<tr>
<td>- Assistant/Deputy Administrator(s) for Guidance and Counseling</td>
<td></td>
</tr>
<tr>
<td>- Student appraisal services</td>
<td></td>
</tr>
<tr>
<td>- Maintaining information on home and family background,</td>
<td></td>
</tr>
</tbody>
</table>
### Function 31 -- Costs to Include:
- Standardized test results and school performance
- Maintaining information on course of study for each student
- Placement services
- Testing materials for standardized tests
- Contracted testing services for standardized tests
- Student/parent counseling
- Upkeep and repairs to equipment related to guidance and counseling services
- Purchase of vehicles for guidance and counseling personnel
- Supplies for guidance, counseling and evaluation services
- Pre/post employment physicals or drug testing for personnel classified in this function

### Function 31 -- Costs to Exclude (with Correct Function):

<table>
<thead>
<tr>
<th>Social Work Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>This function is used for expenses that are directly and exclusively used for activities such as:</td>
</tr>
</tbody>
</table>
• Investigating and diagnosing student social needs arising out of the home, school or community

• Casework and group work services for the child, parent or both

• Interpreting the social needs of students for other staff members

• Promoting modification of the circumstances surrounding the individual student which are related to his or her social needs. (This includes referrals to and interaction with other governmental agencies.)

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

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<table>
<thead>
<tr>
<th>Function 32 -- Costs to Include:</th>
<th>Function 32 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Truant/attendance officers</td>
<td>• Staff that record and compile student attendance -- e.g., attendance databases (Function 23)</td>
</tr>
<tr>
<td>• Personnel transferring migrant student records</td>
<td>• Staff that record and compile administrator’s report on attendance (Function 41)</td>
</tr>
<tr>
<td>• Social workers</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Assistant/Deputy Administrator(s) for Social Services</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for social work services</td>
<td></td>
</tr>
</tbody>
</table>
Function Codes

<table>
<thead>
<tr>
<th>Function 32 -- Costs to Include:</th>
<th>Function 32 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Upkeep and repairs to materials and equipment related to social work services</td>
<td>• Parent education/involvement liaison or coordinator (Function 61)</td>
</tr>
<tr>
<td>• Supplies for social work services</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>
### Function 33 -- Costs to Include:

- School physicians (including ophthalmologists), dentists, optometrists, nurses and nurses’ aides that are used to maintain the health of students or provide health services for the well-being of the students
- Contracted medical services including doctor visits, dental visits, vision services and nurses services
- Staff and student inoculations
- Medical and health supplies for the use of students to assist in health care
- Medicaid administrative expenses
- Student physical health screening and referral
- Upkeep and repairs to materials and equipment related to health services
- Pre/post employment physicals or drug testing for personnel classified in this function
- Industrial nurses
- Purchase of vehicles for health services

### Function 33 -- Costs to Exclude (with Correct Function):

- Medical and health supplies to be used for athletics (Function 36, Program Intent Code 91)
- Instruction in health (Function 11)
- Speech, health, physical and occupational therapy to assist special education students in the learning process (Function 11)
- Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)
- Pre/post employment physicals or drug testing for personnel classified in other functions (charge to appropriate function)
- Medical and health supplies to be used for athletics (Function 36)
- Physical examinations for purposes of athletics (Function 36)

**R 34**  
Student (Pupil) Transportation
This function is used for expenses that are incurred for transporting students to and from school.

Expenses for regular bus routes to and from school are to be recorded using Program Intent Code 99 (Undistributed), and Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

Expenses for transportation specifically and exclusively for purposes of transporting students relating to enhanced program intents such as Career and Technical and Services to Students with Disabilities (Special Education), etc., are to be recorded in Function 34 with the appropriate program intent codes.

<table>
<thead>
<tr>
<th>Function Codes</th>
<th>Function 34 -- Costs to Include:</th>
<th>Function 34 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Detail</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
### Function 34 -- Costs to Include:

- Transportation specifically for students that participate in special programs as defined in program intent codes -- e.g., Services to Students with Disabilities (Special Education), Career and Technical, etc. Include the appropriate program intent code when applicable.
- Transportation supervisors, directors, bus drivers and bus maintenance personnel.
- Fuel, tires, etc. for buses.
- Contracted repair of buses.
- Bus driver training and certification.
- Fleet insurance for buses.
- Bonding expenses for bus drivers.
- Assistant/Deputy Administrator(s) for Transportation.
- Pre/post employment physicals or drug testing for personnel classified in this function.
- Initial purchase of school buses.

### Function 34 -- Costs to Exclude (with Correct Function):

- Field trips (Function 11).
- Student organization trips -- e.g., FFA, National Honor Society (Function 36).
- Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36).
- Financing costs – e.g. interest for acquisition of buses (Function 71).
- Vehicles other than those used for student transportation (charge to appropriate function).

### R 35 Food Services

This function is used for food service operation expenses, including the cost of food, labor, and other expenses necessary for the preparation, transportation and storage of food to provide to students and staff. Expenses are used directly and exclusively for supervision and maintenance of a food service operation.
Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

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<table>
<thead>
<tr>
<th>Function 35 -- Costs to Include:</th>
<th>Function 35 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Food service supervisors or directors and related staff</td>
<td>• Food purchases to instruct students on food preparation (Function 11)</td>
</tr>
<tr>
<td>• Cooks</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds,</td>
</tr>
<tr>
<td>• Snack bar staff</td>
<td>including utilities (Function 51)</td>
</tr>
<tr>
<td>• Food purchases</td>
<td>• Concession stands at athletic events (Function 36)</td>
</tr>
<tr>
<td>• Non-food purchases such as plates, silverware, napkins, etc.</td>
<td>• Snacks, food and drinks for resale in an activity net asset class (Function 36)</td>
</tr>
<tr>
<td>essential to providing food services to students</td>
<td></td>
</tr>
<tr>
<td>• Commodities</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles and other transportation costs for the</td>
<td></td>
</tr>
<tr>
<td>purpose of transporting food from central locations to satellite</td>
<td></td>
</tr>
<tr>
<td>locations</td>
<td></td>
</tr>
<tr>
<td>• Purchase of food service equipment (Contact School Meals Programs at the Texas)</td>
<td></td>
</tr>
</tbody>
</table>
Function Codes

<table>
<thead>
<tr>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Function 35 -- Costs to Include:

- Department of Agriculture for clarification regarding equipment that is eligible under the food service program
- Pre/post employment physicals or drug testing for personnel classified in this function

Function 35 -- Costs to Exclude (with Correct Function):

R 36 Extracurricular Activities

This function is used for expenses for school-sponsored activities outside the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting. Extracurricular activities include athletics and other activities that normally involve competition between schools (and frequently involve offsetting gate receipts or fees such as football, baseball, volleyball, track and tennis). Other kinds of related activities are included (such as drill team, pep squad and cheerleading University Interscholastic League competition such as one-act plays, speech, debate, band, Future Farmers of America (FFA), National Honor Society, etc.

If the school has activity funds, the goods purchased for resale are to be classified in this function, with the gross sale of goods recorded in Revenue Object Code 5755, Results from Activity Funds and/or Clearing Accounts.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

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codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

If the nonprofit charter school has activity funds, the goods purchased for resale are to be classified in this function, with the gross sale of goods recorded in Revenue Object Code 5755, Results from Enterprising Activities, Activity Funds and/or Clearing Accounts.

<table>
<thead>
<tr>
<th>Function 36 -- Costs to Include:</th>
<th>Function 36 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Athletic salary supplements paid exclusively for coaching, directing or sponsoring extracurricular athletics, drill team, pep squad or cheerleaders (use Program Intent Code 91)</td>
<td>• Salaries for instruction, including that portion of the salary for the regular school day that is for teaching physical education (P.E. equivalent) courses for credit when athletic activities are being practiced or are taking place (Function 11)</td>
</tr>
<tr>
<td>• Athletic Directors/assistants and trainers (use Program Intent Code 91)</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Expenses for insurance to cover student injuries that take place while participating in athletics (use Program Intent Code 91)</td>
<td>• Property insurance for band uniforms, instruments and other equipment (Function 51)</td>
</tr>
<tr>
<td>• Physical examinations for purposes of athletics (use Program Intent Code 91)</td>
<td>• Band instruments purchased by the nonprofit charter school or donated by band boosters or other groups (Function 11)</td>
</tr>
<tr>
<td>• Medical and health supplies to be used for athletics (use Program Intent Code 91)</td>
<td>• Security for cocurricular/extracurricular events (Function 52)</td>
</tr>
<tr>
<td>• Athletic supplies and equipment, including, uniforms, etc. (use Program Intent Code 91)</td>
<td>• Property insurance for athletic uniforms and equipment (Function 51)</td>
</tr>
<tr>
<td>• Game officials (use Program Intent Code 91)</td>
<td></td>
</tr>
<tr>
<td>• Travel for coaches, trainers, sponsors, and students</td>
<td></td>
</tr>
<tr>
<td>Function 36 -- Costs to Include:</td>
<td>Function 36 -- Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>including meals and lodging (use Program Intent Code 91)</td>
<td></td>
</tr>
<tr>
<td>• Travel for band director, sponsors of debate, science competition, etc. and students including meals and lodging for student competition and extracurricular activities (use Program Intent Code 99)</td>
<td></td>
</tr>
<tr>
<td>• Membership fees and dues for coaches (use Program Intent Code 91)</td>
<td></td>
</tr>
<tr>
<td>• Gatekeepers, timers, scorekeepers at athletic events (use Program Intent 91)</td>
<td></td>
</tr>
<tr>
<td>• Additional costs associated with serving as band directors, sponsors for UIL speech, debate, science competition, etc., class sponsors, student organization sponsors -- e.g., Future Farmers of America, National Honor Society, etc. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (use Program Intent Code 99)</td>
<td></td>
</tr>
<tr>
<td>• Band uniforms (use Program Intent Code 99)</td>
<td></td>
</tr>
<tr>
<td>• Items (food, drinks, pencils, pens, paper, etc.) for resale in an activity net asset class (use Program Intent Code 99)</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for cocurricular/extracurricular</td>
<td></td>
</tr>
</tbody>
</table>
40 Administrative Support Services

A function code series for the overall general administrative support services of the nonprofit charter school.

R 41 General Administration

This function is for expenses that are for purposes of managing or governing the nonprofit charter school as an overall entity. This function covers multiple activities that are not directly and exclusively used for costs applicable to specific functions. General administration is an indirect cost applicable to other expense functions of a nonprofit charter school.

Program Intent Code 99 is to be used for all expenses for Function 41. The organization codes specified in the 700 organization code group are the only organization codes to be used with Function 41 costs and may not be used in any other function, other than specific costs in Function 53 (Data Processing) that relate to the functions of the business office.

<table>
<thead>
<tr>
<th>Function 41 -- Costs to Include:</th>
<th>Function 41 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses for board of directors, including travel, training and legal fees</td>
<td>Portion of administrator’s salary associated with other duties such as instruction, campus leadership and support services (charge to appropriate function)</td>
</tr>
<tr>
<td>Salary of chief officer of the nonprofit charter school -- e.g., administrator while performing administrative duties directly related to the superintendency</td>
<td>Building and property insurance (Function 51)</td>
</tr>
<tr>
<td>Other salaries and expenses related to the office of the superintendent</td>
<td>Supplies and services for upkeep and maintenance for</td>
</tr>
</tbody>
</table>
## Function 41 -- Costs to Include:

- administrator
- Salaries and expenses related to budgeting, accounting and fiscal affairs, including payroll and internal auditing expenses, property accounting (fixed assets), inventory and purchasing
- Salaries and expenses related to human resources (personnel services)
- Salaries and expenses related to textbook custodian
- Salaries and expenses related to support services for aggregating attendance reports to administrator’s report

Salaries and/or other expenses associated with legal and risk management issues:
- Stand alone or networked computers used primarily by Function 41 personnel for administrative purposes
- Salaries and expenses associated with planning and research
- Salaries and expenses associated with community/public relations
- Vehicles (including acquisition, maintenance and supplies) used for administrative personnel
- Expenses for bonding administrative personnel
- Costs associated with records

## Function 41 -- Costs to Exclude (with Correct Function):

- buildings and grounds, including utilities (Function 51)
- Salaries and expenses related to a warehouse operation (Function 51)
- Salaries and expenses related to personal computer networks, minicomputers and mainframes that include student and general administrative software and serve multiple functions (Function 53)
- Management Information Services (MIS) directors (Function 53)
### Function 41 -- Costs to Include:

- Insurance for administrative automobiles
- Purchase of vehicles for administrative staff
- Liability insurance for board of directors and administrative personnel
- Design of district improvement plan
- Pre/post employment physicals or drug testing for personnel classified in this function
- Amounts paid for monitors, conservators or management teams required by TEA

### Function 41 -- Costs to Exclude (with Correct Function):

- Management

---

#### 50 Support Services -- Non-Student Based

**Support Services (New title effective September 1, 2005)**

This function code series is used for expenses that are used for nonprofit charter school support services.

#### 51 Facilities Maintenance and Operations (New title effective September 1, 2005)

This function is used for expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair and insured. This function is used to record expenses for the maintenance and operation of the physical facilities and grounds. This function also includes expenses associated with warehousing and receiving services.
Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

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<table>
<thead>
<tr>
<th>Function 51 -- Costs to Include:</th>
<th>Function 51 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and other expenses for custodian services</td>
<td>• Security and monitoring expenses (Function 52)</td>
</tr>
<tr>
<td>• Salaries and other expenses for building and appliance maintenance</td>
<td></td>
</tr>
<tr>
<td>• Salaries and other expenditures/expenses for property/casualty insurance</td>
<td></td>
</tr>
<tr>
<td>• Supervisors, Directors, Assistant/Deputy Administrators for facilities maintenance and operation</td>
<td></td>
</tr>
<tr>
<td>• Premiums for blanket casualty insurance for physical facilities, including food service operations</td>
<td></td>
</tr>
<tr>
<td>• Property insurance for band instruments, uniforms and other equipment</td>
<td></td>
</tr>
<tr>
<td>• Property insurance for athletic</td>
<td></td>
</tr>
</tbody>
</table>
Function 51 -- Costs to Include:

- Uniforms and other athletic equipment
- Acquisition of supplies and contracted maintenance for vehicles used for facilities maintenance and operation, including food service operations
- Utilities for the entire nonprofit charter school, including food service operations
- Salaries and expenses related to a warehouse operation
- Pre/post employment physicals or drug testing for personnel classified in this function
- Security systems that are part of a smoke detector system
- Vehicles purchased for facilities maintenance and operation

Function 51 -- Costs to Exclude (with Correct Function):

- Acquisition of supplies and contracted maintenance for vehicles used for facilities maintenance and operation, including food service operations
- Vehicles purchased for facilities maintenance and operation

R 52

Security and Monitoring Services

This function is used for expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

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<table>
<thead>
<tr>
<th>Function 52 -- Costs to Include:</th>
<th>Function 52 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Security guards</td>
<td>• Security systems that are part of a smoke detector system (Function 51)</td>
</tr>
<tr>
<td>• Hall monitors for security purposes</td>
<td>• Truant officers (Function 32)</td>
</tr>
<tr>
<td>• School bus security monitors</td>
<td>• Social workers (Function 32)</td>
</tr>
<tr>
<td>• School crossing guards</td>
<td>• Parent education/involvement liaison or coordinator (Function 61)</td>
</tr>
<tr>
<td>• Campus police</td>
<td>• School bus aides for special education (Function 11)</td>
</tr>
<tr>
<td>• Security at school-sponsored events, including cocurricular/extracurricular events</td>
<td>• Supplies, equipment and contracted services for the safekeeping of students and staff, including metal detectors, drug dogs, surveillance devices, etc.</td>
</tr>
<tr>
<td>• Security vehicles and communication devices for personnel assigned to this functional area</td>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
</tr>
</tbody>
</table>

**R 53**  
Data Processing Services
This function is for expenses for data processing services, whether in-house or contracted. Examples of Function 53 costs are costs for computer facility management, computer processing, systems development, analysis of workflows, processes and requirements; coding, testing, debugging and documentation; systems integration; design of applications supporting information technology infrastructure; maintenance of programs; maintenance of networks; and design, and those interfacing costs associated with general types of technical assistance to data users. Specific types of applications include student accounting, financial accounting and human resources/personnel. Personal Computers (PC’s) that are stand alone are to be charged to the appropriate function. Peripherals including terminals and printers are to be charged to the appropriate function. Costs associated with mainframe, minicomputers, servers, and networked or stand alone microcomputers that provide services to multiple functions are to be recorded here.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

For data processing expenses associated with business office functions such as accounting and payroll, Organization Code 750 is to be used.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 53 -- Costs to Include:</th>
<th>Function 53 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and expenses (including hardware/software maintenance) for PC networks that include student and general administrative software, license</td>
<td>• Stand alone or networked computers used by a specific functional area (Charge to appropriate function)</td>
</tr>
<tr>
<td>Function 53 -- Costs to Include:</td>
<td>Function 53 -- Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>fees and serve multiple functions</td>
<td>• Instructional computer networks, software, licensing fees, maintenance, supplies, staff and instructional computer lab teacher (Function 11)</td>
</tr>
<tr>
<td>• Network managers for non-instructional computer networks</td>
<td>• Instructional Technology Coordinator (Function 13)</td>
</tr>
<tr>
<td>• Salaries and expenses (including hardware/ software maintenance) for minicomputers that include student and general administrative software and serve multiple functions</td>
<td>• Staff who prepare and/or conduct in-service training or staff development for instructional and instructional related staff (includes instructional technology) (Function 13)</td>
</tr>
<tr>
<td>• Salaries and expenses (including hardware/ software development and maintenance) for mainframe computers that include student and general administrative software and serve multiple functions</td>
<td>• Webmaster in instructional setting (Function 11)</td>
</tr>
<tr>
<td>• Management Information Services (MIS) directors</td>
<td>• Library system software/license including stand alone and networked applications (Function 12)</td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses for webmaster (excluding costs attributable to instructional settings)</td>
<td></td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses for technology network, data, or system security (excluding costs attributable to instructional settings)</td>
<td></td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses information technology developer, programmer, tester, or systems analyst (excluding costs attributable to instructional settings)</td>
<td></td>
</tr>
</tbody>
</table>
Function Codes
Major Detail
X X

Function 53 -- Costs to Include: | Function 53 -- Costs to Exclude (with Correct Function):
--- | ---

60 Ancillary Services

This function code series is used for expenses that are for nonprofit charter school support services supplemental to the operation of the nonprofit charter school.

R 61 Community Services

This function is used for expenses that are for activities or purposes other than regular public education and adult basic education services. These types of expenses are used for services or activities relating to the whole community or some segment of the community. This includes providing resources to non-public schools, institutions of higher education, and any proprietary types of services incurred for outside entities in the community.

Certain expenses must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

Nonprofit charter schools are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the nonprofit charter school in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the nonprofit charter school is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the nonprofit charter school is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

Function 61 -- Costs to Include: | Function 61 -- Costs to Exclude (with Correct Function):
--- | ---
• Salaries and related expenses | • Upkeep and maintenance for
### Function Codes

<table>
<thead>
<tr>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Function 61 — Costs to Include:</th>
<th>Function 61 — Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>for community recreation services such as the operation of a school library, swimming pool, and playgrounds for the public</td>
<td>buildings and grounds (Function 51)</td>
</tr>
<tr>
<td>• Parenting programs</td>
<td>• Summer feeding program (Function 35)</td>
</tr>
<tr>
<td>• Parental involvement programs</td>
<td>• After hours tutorial and enrichment (Function 11)</td>
</tr>
<tr>
<td>• Parent education/involvement liaison or coordinator</td>
<td>• Adult basic education (Function 11)</td>
</tr>
<tr>
<td>• Parental and education services to adults other than adult basic education</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenses for child care for teen parents attending school</td>
<td></td>
</tr>
<tr>
<td>• Staff for child care for teachers or working parents</td>
<td></td>
</tr>
<tr>
<td>• Baby-sitting after hours and after school daycare</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenses for amnesty programs</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenses for civic centers</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenses for public health programs</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenses for conducting meetings with parental advisory committees</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>
This function code series is used for expenditures that are used for the payment of debt interest.

**R 71 Debt Service**

This function is used for expenditures that are for related debt service fees and for all debt interest. Principal payments are to be recorded in the appropriate liability account.

<table>
<thead>
<tr>
<th>Function 71 - Costs to Include:</th>
<th>Function 71 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Interest on bonds</td>
<td>• Principal payments (record initial liability and repayment as a credit and debit to liability account)</td>
</tr>
<tr>
<td>• Capital lease purchase interest</td>
<td></td>
</tr>
<tr>
<td>• Interest on long-term debt</td>
<td></td>
</tr>
<tr>
<td>• Interest on short term notes</td>
<td></td>
</tr>
<tr>
<td>• Interest on school bus loans</td>
<td></td>
</tr>
</tbody>
</table>

**80 Fund Raising**

This function code series is used for expenses related to fund raising activities.

**R 81 Fund Raising**

This function is used for expenses related to fund raising activities, including activities involved in attracting gifts from individuals, and/or corporate gifts and grants, such as tax deductible contributions.
For this function the nonprofit charter school is to use Program Intent Code 99 (Undistributed), and Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 81 -- Costs to Include:</th>
<th>Function 81 -- Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Travel</td>
<td></td>
</tr>
<tr>
<td>• Advertising</td>
<td></td>
</tr>
<tr>
<td>• Payroll of staff involved in fundraising</td>
<td></td>
</tr>
</tbody>
</table>
1.4.4 Asset Object Codes

Assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. Asset codes are four digit object codes, and are the sixth through ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “1.” Nonprofit charter schools may optionally account for transactions at a more detailed level than the level indicated. The \( R \) by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.

Exhibit 8. Asset Object Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Account Classification</td>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Major Detail</td>
</tr>
</tbody>
</table>

Object Codes: Assets (1XXX)

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
1000

ASSETS AND OTHER DEBITS

Assets are recorded as debits in three categories:

(1) current assets
(2) fixed assets, and
(3) restricted assets

1100

CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments of a nonprofit charter school are recorded in the 1100 series of accounts.

1101-1109

Cash and Temporary Investments (These accounts are converted to 1110 for financial statement purposes)

These accounts are to be used, at the option of the nonprofit charter school, to record the nonprofit charter school’s cash on deposit and cash on hand as well as temporary investments. A nonprofit charter school may elect to utilize these account codes to identify separately different cash and investment types. Nonprofit charter schools may elect to maintain separate accounts for various cash and temporary investment types. Cash and temporary investments include the following:

- Cash in Banks

This account is debited with all cash receipts, the contra entry being a credit to a receivable account, revenue, deferred revenue or losses account. Credits to this account arise from disbursements or return of checks previously deposited.

- Cash in Office

This account is debited on August 31 with any receipts which are attributable to the fiscal year then ending because a lack of time prevented the receipts from being processed and deposited prior to August 31. This account would be cleared on September 1.

- Payroll Bank Account
This account is debited with the amount of the net payroll (gross payroll less employee deductions) or the gross payroll depending on which basis of the two is selected by nonprofit charter school. Credits to this account arise from the issuance of payroll checks.

- **Imprest Funds**

This account represents the amount of cash and evidence of cash disbursements that are held on an imprest basis (petty cash).

- **Temporary Investments**

Temporary investments is debited with the cost of securities purchased and the transfer of cash from demand bank account to time deposits. Credits to this account arise from retirement, sale or maturity of the investment. The following accounts are included in this classification:

  - **Time Deposits**

    Time deposits represent deposits to accounts, other than demand accounts, that at specified times, pay interest compounded on both principal and any previously earned interest. An example is a savings account with a bank.

  - **Certificates of Deposit**

    Certificates of deposit represents an instrument that earns interest with a bank or similar institution, based on a fixed principal for a predetermined period of time. There is usually a penalty provision for early withdrawal.

  - **Securities**

    Securities represents bonds, notes, or other forms of negotiable or non-negotiable instruments in which a nonprofit charter school may invest in accordance with law.

  - **Other Investments**

    Other investments represents temporary investments other than those described above.
### Asset Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

#### 1110 Cash and Temporary Investments

This account is to be used to record all of a charter school’s cash on deposit and cash on hand as well as temporary cash equivalents. A charter school may elect to utilize the preceding accounts to identify separately different cash and cash equivalents. Charter schools may elect to maintain separate accounts for various cash and cash equivalents.

#### 1120 Investments – Current

This account is to be used to record all securities that are expected to be held for less than one year and that generate revenue in the form of interest or dividends. This account includes certain items (e.g., most certificates of deposit) that are classified as deposits in the notes to the financial statements to disclose custodial credit risk.

See account 1910 for long-term investments.

#### 1200 RECEIVABLES

Receivables due for outlays made and expected receipts are charged to the 1200 series of accounts. The credit entry is to deferred revenues, a revenue account, allowance for uncollectible receivables or net asset. When monies are received, the appropriate receivable account is debited and the credit entry is to a cash account. The following accounts are included in this classification:

#### 1210 Property Taxes to Be Passed Through School Districts

This account is debited with earned receivable amount of property taxes to be passed through school districts.

#### 1220 Contributions Receivable

This account is used to record contributions receivable.

#### 1230 Allowance for Uncollectible Receivables (Credit)
This account represents a credit against receivables for property taxes to be passed through school districts and contributions receivable.

1240 Due from Governments

These accounts are used to record amounts receivable from governmental entities.

R 1241 Due from State

This account represents amounts earned/allocated to a nonprofit charter school from state sources (including federal funds received from state sources) that exceed amounts received during the fiscal year.

R 1242 Due from Federal Agencies

This account represents amounts earned by a nonprofit charter school under a federal financial assistance program in excess of cash receipts during the fiscal year.

R 1243 Due from Governments

This account represents amounts receivable from governmental entities, including counties, councils of government, cities and other nonprofit charter schools.

R 1250 Accrued Interest

This account is used to record the amount of interest earned and measurable through month end or fiscal year end on all interest-bearing cash accounts and investments outstanding at that date.

R 1290 Other Receivables

This account includes all other accounts receivable not specifically identified above. Examples may consist of amounts due from employees, due from external sources (other than from governments), rents, fees, insurance recoveries etc.

1300 INVENTORIES

These accounts include value, at cost, of stored non-capital goods on hand that will be charged as expenses when issued for use.
(consumption method of accounting for inventory items). Inventories are sometimes controlled through a central location.

**R1310 Inventories -- Supplies and Materials**

This account includes inventories of supplies and materials for nonprofit charter schools.

**1400 OTHER CURRENT ASSETS**

These accounts are debited with any items which are properly chargeable to the operations of future periods, the contra entry being a credit to cash, a liability account or, in the case of an adjustment, an expense account. Credits to these accounts arise from journal entries recording period charges, the contra entry being a debit to an expense account.

**R1410 Deferred Expenses**

This account represents certain disbursements that may need to be made in one period but are more accurately reflected in part as an expense of the next fiscal year. The credit entry is to cash. This is reversed in a subsequent fiscal period with a credit here and a debit to the appropriate expense account.

**R1420 Capitalized Bond and Other Debt Issuance Cost**

This account represents certain bond and other debt issuance costs, including lease-purchase debt issuance costs, that are capitalized.

**R1430 Premium and Discount on Issuance of Bonds (Delete effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)**

This account represents amounts to be amortized as debt premium and/or discount in connection with the issuance of debt. Historically, amounts have been recorded in Account 1430; however, moving to account number 2516 is more consistent with reporting the discount or premium as a direct deduction from or addition to the face amount of
the liability. The same effect can be produced by grouping account 1430 with the debt accounts in a report-writer package for financial statement preparation purposes.

### 1490 Other Current Assets

This account includes all other current assets not specifically identified above.

### 1500 LAND, BUILDINGS AND EQUIPMENT

These accounts include the value of land, buildings, furniture and equipment. Fixed assets of nonprofit charter schools are recorded at cost or estimated cost at the time of acquisition. If fixed assets are donated, assets are recorded at estimated fair market value at the time of acquisition.

### 1510 Land Purchase and Improvements

This account includes the value of land that is owned outright, whether purchased or donated. Included in the value of land are capital improvements, other than buildings, acquisition costs and other costs necessary to alter the land for its intended purpose.

### 1520 Buildings and Improvements

This account includes the value of buildings that are owned outright, whether purchased, constructed or donated. Included in the value of buildings are capital improvements, permanently attached furniture and equipment, and any costs incurred in acquisition.

### 1530 Furniture and Equipment

This account includes the value of furniture and equipment meeting capital outlay criteria, $5,000 cost per unit or more and a useful life of more than one year. These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as, expenses for freight and installation, and other costs necessary to render the item operable.

### 1531 Vehicles
<table>
<thead>
<tr>
<th>Codes</th>
<th>Asset Object Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>Major</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**1539 Furniture and Equipment**

**1540 Fixed Assets - Nonprofit charter school Defined**

This account is used at the discretion of the nonprofit charter school if the school’s policy requires the capitalization of items that individually or, as a group, are less than the $5,000 criterion identified in the 1530 accounts or local criteria for grouped assets. These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as expenses for freight and installation, and other costs necessary to render the item operable.

**1541 Vehicles**

**1549 Furniture and Equipment**

**1550 Assets Purchased Under Capital Leases**

This includes the total value of items under long-term capital leases. These types of lease agreements may include a purchase provision. At the inception of the capital lease, the appropriate fixed asset account shown below is debited in the amount of the net present value of the capital lease payments. Types of fixed assets that may be under capital lease are:

**1551 Buildings**

**1559 Furniture and Equipment**

**1560 Library Books and Media**

Use this code grouping to record the value of library books and media. Library books and media such as CDs/DVDs, learning diskettes, software and film may be recorded in a fixed assets system as a block of items purchased; however, the library should maintain an acquisition ledger that records the detailed cost of each book.

**1569 Library Books and Media**
Accumulated Depreciation

- **1570** Accumulated Depreciation
  - **1571** Accumulated Depreciation -- Buildings
  - **1572** Accumulated Depreciation -- Vehicles
  - **1573** Accumulated Depreciation -- Furniture and Equipment
  - **1574** Accumulated Depreciation -- Library Books and Media
  - **1576** Accumulated Depreciation -- Capital Leases
  - **1577** Accumulated Depreciation – Infrastructure
  - **1578** Accumulated Depreciation – Art and Collections
  - **1579** Accumulated Depreciation – Historical Treasures

Other Capital Assets – Infrastructure, Art, Historical Treasures, and Collections

These accounts include the value of infrastructure assets, art, historical treasures, collections and similar assets. Capital assets of school districts are recorded at cost or estimated cost at the time of acquisition. If infrastructure assets, art, collections and /or historical treasures are donated, these assets are recorded at estimated fair market value at the time of acquisition or donation.

- **1591** Infrastructure Assets – Roads
- **1592** Infrastructure Assets – Drainage Systems
- **1593** Infrastructure Assets – Water Systems
- **1594** Infrastructure Assets – Sewer Systems
- **1595** Infrastructure Assets – Lighting Systems
- **1596** Infrastructure Assets – Other
<table>
<thead>
<tr>
<th>Asset Object Codes</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>Major</td>
<td>Detail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**1597**  
**Infrastructure Assets – Network or Subsystems of a Network**

**1598**  
**Art and Collections**

**1599**  
**Historical Treasures**

**1900**  
**OTHER ASSETS**

These accounts are to be used to account for other assets not specified above.

**1910**  
**Long-Term Investments**

This account is to be used to account for long-term investments, which are investments that are expected to be held for more than a year or the current operating cycle, whichever is longer.

See account 1110 for temporary investments.

**1990**  
**Other Assets**

This account is to be used to account for other assets not specified above.
1.4.5 Liability Object Codes

Liabilities are probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liability codes are four digit object codes, and are the sixth through ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “2.” Nonprofit charter schools may optionally account for transactions at a more detailed level than the level indicated. The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.

Exhibit 9. Liability Object Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Major Detail: Indicates a mandatory code for State reporting purposes

- Indicates a code that may be used at local option

Object Codes: Liabilities (2XXX)
2000  **LIABILITIES**

*Liabilities* are recorded as credits in two broad categories:

(1) current liabilities, and
(2) long-term debts

---

2100 **CURRENT PAYABLES**

**2110 Accounts Payable**

This account represents credit entries for actual liabilities for goods and services received, with the debit entry to an expense account. Included in this account would be:

- Trade payable -- represents amounts due to outside entities resulting from goods or services received. This represents amounts due to vendor that have not been paid at the end of an accounting period.
- Judgments payable- represents amounts currently due to claimants or plaintiffs as a result of insurance claims, settlements, court judgments, etc.

**2120 Bonds and Loans Payable -- Current Year**

**2121 Bonds Payable -- Current Year**

This account represents amounts due for current bond coupons or other bond principal payments.

**2122 Loans Payable -- Current Year**

This account represents amounts due for the current year on notes, warrants, or other evidence of nonbonded indebtedness.

**2123 Other Liabilities -- Current**

This account represents amounts due (recognized as accrued current liabilities) within one year for miscellaneous liabilities, including compensated absences, workers’ compensation, self-funded insurance,
legal claims and judgments, certain pension plan liabilities and other current liabilities (debt to be repaid within twelve months).

R 2130  Capital Leases Payable — Current Year

This account represents amounts due as a result of a capital lease agreement.

2140  Interest Payable

These accounts are credited as interest become currently payable. The contra entries are debits to the respective Interest Expense accounts (account 6520 series).

R 2142  Loan Interest Payable

R 2143  Capital Lease Interest Payable

2150  Payroll Deductions and Withholdings

These accounts are credited when the net payroll check which is issued to an employee is recorded as a credit to cash and a debit to accrued wages payable. A debit to these accounts occurs when cash is credited and this account is debited as Teacher Retirement System of Texas (TRS), etc., is paid.

R 2151  Federal Income Taxes

R 2152  FICA and Medicare Taxes

R 2153  Group Health and Life Insurance

R 2154  Credit Union

R 2155  Teacher Retirement

R 2159  Other

R 2160  Accrued Wages Payable

This account represents amounts earned by employees, but not yet paid.
<table>
<thead>
<tr>
<th>Liability Object Codes</th>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>XX</td>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

### 2180 Due to Governments

These accounts are used to record amounts owed to governmental entities.

- **R 2181 Due to State**
  
  This account is used to record amounts owed to state entities.

- **R 2182 Due to Federal Agencies**
  
  This account is used to record amounts owed to federal agencies.

- **R 2183 Due to Governments**
  
  This account is used to record amounts owed to governmental entities, including counties, councils of government, and cities.

### 2200 OTHER ACCRUED EXPENSES

- **R 2210 Accrued Expenses**
  
  This account is used to record other liabilities obligations incurred in the current period which will not be paid until a later period, not appropriately recorded under another account, such as, accounts payable. The contra entry is to the appropriate expense account. This account is debited when the expense is paid.

### 2300 DEFERRED REVENUE

- **R 2310 Deferred Revenue**
  
  This account is credited for the amount of receipts not properly recognized at the time as revenues. An example is a cash advance for a federally funded grant that is not recognized as revenue until such time that an expense is made or a required activity occurs. As revenues are recognized, this account is debited and the appropriate revenue accounts are credited. Other examples of deferred revenues include preseason football ticket sales and pre-payment of long term vendor contracts.
Payable from Restricted Assets

These accounts are used to record liabilities that relate to restricted assets. Payables from restricted assets generally are the result of operations from Permanently Restricted Net Assets Class. An example is a payment due as a result of a scholarship grant.

2500 Bonds and Loans Payable -- Long-Term

2510 Bonds Payable -- Long-Term

This account represents amounts of outstanding bonded indebtedness to be retired in future accounting periods.

2511 Deferred Gain/Loss on Defeasance of Bonds

This account represents deferred gain or loss in connection with the defeasance of bonds.

2512 Accumulated Accretion on Capital Appreciation Bonds

This account represents the cumulative amount of accreted interest on capital appreciation bonds (CABs). The amount recorded under this object code is accounted for by individual CAB. At the maturity of a CAB, the accreted amount of interest for the CAB plus the discounted value recorded for the CAB debt will equal the face value of the debt instrument.

2516 Premium and Discount on Issuance of Bonds (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)
This account represents amounts to be amortized as debt premium and/or discount in connection with the issuance of debt. Previously, amounts have been recorded in Account 1430 with the same name; however, this account number is more consistent with reporting the discount or premium as a direct deduction from or addition to the face amount of the liability. The same effect can be produced by grouping account 1430 with the debt accounts in a report-writer package for financial statement preparation purposes.

\[2520\] Loans Payable -- Long-Term

This account is used to record the liability for long-term loans. As installments become currently payable, this account is debited and Account 2122, Loans Payable - Current Year, is credited.

\[2530\] OTHER LONG-TERM DEBT PAYABLE

\[2531\] Capital Leases Payable -- Long-Term

This account is used to record amounts due in future accounting periods as the result of a capital lease agreement. The amount recorded for a capital lease is the current value of the future lease payments.

\[2532\] Vested Vacation Benefits Payable

This account is used to record vested vacation benefits.

\[2590\] Other long-term Liabilities

This account is used to record long-term liabilities not defined elsewhere.
1.4.6 Net Assets Object Codes

Net assets represents the difference between the assets and liabilities of a net assets class/group. Net Assets codes are four digit object codes, and are the sixth through ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “3.” Nonprofit charter schools may optionally account for transactions at a more detailed level than the level indicated. The R, by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.


The Code Structure

Object Codes:
Fund Equity (3XXX)

Indicates a mandatory code for State reporting purposes
Indicates a code that may be used at local option
3000  NET ASSETS

Net Assets are recorded as credits to three categories:

(1) Permanently Restricted Net Assets
(2) Temporarily Restricted Net Assets
(3) Unrestricted Net Assets

3400-3600  NET ASSETS

3400  PERMANENTLY RESTRICTED NET ASSETS

This account is used to record permanently restricted net assets. Permanently restricted assets equal assets less liabilities of the permanently restricted net assets group.

R3490  Permanently Restricted Net Assets

This account is used to record permanently restricted net assets.

3500  TEMPORARILY RESTRICTED NET ASSETS

This account is used to record temporarily restricted net asset. Temporarily restricted net assets equals assets less liabilities of the temporarily restricted net asset group.

R3590  Temporarily Restricted Net Assets

This account is used to record temporarily restricted net assets.

R3600  UNRESTRICTED NET ASSETS

The unrestricted net asset amount is currently available to finance any legal expense of the nonprofit charter school.
1.4.8 Revenue Object Codes

Revenues are defined as an increase in a nonprofit charter school’s current financial resources. These codes are distinguished from other types of object codes as they always begin with the digit “5.”

The nonprofit charter school’s accounting records are to reflect revenues at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (both budget and actual) purposes. If a nonprofit charter school needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

The $R$ by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.
Revenue object codes are four digit object codes, and are the sixth through ninth digits in the code structure.

**5000**  
**REVENUE ACCOUNTS**

**5700-5900**  
**REVENUES**

Revenues are credited in the accounting period in which they become available and measurable.

**5700**  
**REVENUES FROM LOCAL AND INTERMEDIATE SOURCES**
### 5710 Local Real and Personal Property Taxes Passed Through By School Districts

All revenues from local real and personal property taxes passed through school districts to the nonprofit charter school are to be recorded in this code class.

### 5711-5715 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 5716-5718 Local Property Taxes Passed Through By School Districts -- Locally Defined (Convert to Object Code 5719 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify tax revenues not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5719, Local Property Taxes Passed Through By School Districts.

### R 5719 Local Property Taxes Passed Through By School Districts

This code is used to classify revenues realized as a result of tax revenues passed through by school districts to the nonprofit charter school.

### 5720 Local Revenues Realized as a Result of Services Rendered to Other Schools

### 5721-5726 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 5727-5728 Local Revenues Resulting from Services Rendered to Other Schools- Locally Defined (Convert to Object Code 5729 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify revenues resulting from services rendered to other schools not defined elsewhere. For PEIMS reporting, these accounts are...
Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

converted to account 5729, Local Revenue Resulting from Services Rendered to Other Schools.

\[5729\] **Local Revenues Resulting from Services Rendered to Other Schools**

This code is used to classify revenues realized from services rendered to other schools. Examples include printing, transportation and maintenance.

Any locally defined accounts that are used at the local option are to be converted to account 5729 for PEIMS reporting.

\[5730-5739\] **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

\[5740\] **Other Revenues from Local Sources**

\[5741\] **Earnings from Permanently Restricted Net Assets and Endowments**

This code is used to classify revenues realized as a result of earnings from permanently restricted net assets and endowments, including net earnings from rentals and leases of property purchased from, or set aside as, part of the permanently restricted net assets.

<table>
<thead>
<tr>
<th>Object 5741 Revenue to Include:</th>
<th>Object 5741 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Earnings from permanent school funds and endowments</td>
<td>• All other revenues</td>
</tr>
</tbody>
</table>

\[5742\] **Earnings from Temporary Deposits and Investments**

This code is used to classify revenues realized as a result of earnings from deposits and investments.

<table>
<thead>
<tr>
<th>Object 5742 Revenue to Include:</th>
<th>Object 5742 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Object Codes</td>
<td>Class</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Object 5742 Revenue to Include:</th>
<th>Object 5742 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from:</td>
<td>• Earnings from local permanent funds and endowments (Object 5741)</td>
</tr>
<tr>
<td>• U.S. government agency securities</td>
<td></td>
</tr>
<tr>
<td>• Commercial paper</td>
<td></td>
</tr>
<tr>
<td>• Sweep accounts</td>
<td></td>
</tr>
<tr>
<td>• Certificates of deposit</td>
<td></td>
</tr>
<tr>
<td>• Texas local governments (Texas municipalities)</td>
<td></td>
</tr>
<tr>
<td>• Investment pools</td>
<td></td>
</tr>
</tbody>
</table>

### R 5743 Rent

This code is used to classify revenues realized from rental of facilities or other property.

<table>
<thead>
<tr>
<th>Object 5743 Revenue to Include:</th>
<th>Object 5743 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rent of a stadium, activity center, gym, school or other district owned facility</td>
<td>• Ticket sales to athletic events (Object 5752)</td>
</tr>
<tr>
<td></td>
<td>• Revenue from extracurricular/cocurricular activities other than athletics (Object 5753)</td>
</tr>
</tbody>
</table>

### R 5744 Gifts and Bequests

This code is used to classify contributions received from philanthropic or private organizations, or individuals. Contributed services and items are recorded at market value at the time of donation.
Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Object 5744 Revenue to Include:</th>
<th>Object 5744 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Donations of cash or the value of items donated</td>
<td>• State and federal grants (Object 58XX or 59XX)</td>
</tr>
</tbody>
</table>

5745-5747 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5748 Other Revenues from Local Sources – Locally Defined (Convert to Object Code 5749 for PEIMS)

This code is used, at the option of the nonprofit charter school, to classify revenues realized from local sources not defined elsewhere. For PEIMS reporting, this account is converted to account 5749, Other Revenue from Local Sources.

5749 Other Revenues from Local Sources

This code is used to classify other revenues realized from local sources not specified above. Any locally defined codes that are used at the local option are to be converted to account 5749 for PEIMS reporting.
## Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

### Object 5749 Revenue to Include:

- Miscellaneous revenue not identified in other revenue coding 57XX. For example:
  - Library fines
  - Revenue from sale of materials requested under open records
  - Sale of curriculum materials
  - Revenue from copy machines usage
  - Concession sales not specifically attributable to athletics (in accordance with local policy)

### Object 5749 Revenue to Exclude:

- Concession sales specifically attributable to athletics (in accordance with local policy; Object 5752)

### 5750 Revenues from Cocurricular, Enterprising Services or Activities

#### 5751 Food Service Activity

This code is used to classify revenues realized from food service activities, including payments for meals from students and adults. This account does not include revenues for USDA Donated commodities which are classified in account 5923, National School Breakfast Program account 5921, and National School Lunch Program account 5922.
### Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

#### Object 5751 Revenue to Include:
- price payments for student and adult meals including:
  - Sale of milk
  - Catering fees
  - Reduced meal prices paid by students
  - Sale of a la carte items

#### Object 5751 Revenue to Exclude:
- In the Unrestricted Net Assets Group and Temporarily Restricted Net Asset Group:
  - A. Federal School Breakfast Program (Object 5921), Federal School Lunch Program (Object 5922), and Department of Agriculture (USDA) Donated Commodities (Object 5923)

### R 5752 Athletic Activities

This code is used to classify revenues realized from athletic activities, including admission and gate receipts.

#### Object 5752 Revenue to Include:
- Ticket sales to athletic events
- Concession sales specifically attributable to athletics (in accordance with local policy)

#### Object 5752 Revenue to Exclude:
- Rental of a stadium, gym or other athletic facility (Object 5743)
- Concession sales not specifically attributable to athletics (in accordance with local policy; Object 5749)

### R 5753 Extracurricular Activities Other than Athletics

This code is used to classify revenues realized from extracurricular activities other than athletics.

#### Object 5753 Revenue to Include:

#### Object 5753 Revenue to Exclude:
Object 5753 Revenue to Include:

- Ticket sales or entry fees for extracurricular events where recorded by the district rather than by a student activity fund, according to local policy

Object 5753 Revenue to Exclude:

- Athletic gate receipts (Object 5752)

5754 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

5755 Enterprising Services Revenue

This account should be used to classify gross revenues realized from vending machines, school stores, coke machines, etc., not related to the regular food service program and that are part of an activity fund. Items purchased for resale are to be classified in the appropriate expense object code in Function 36, Cocurricular/Extracurricular Activities.

5756 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

5757-5758 Cocurricular, Enterprising Services or Activities — Locally Defined (Convert to Object Code 5759 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify revenues realized from cocurricular or enterprising services or activities not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5759, Cocurricular, Enterprising Services or Activities.

5759 Cocurricular, Enterprising Services or Activities

This code is used to classify revenues realized from cocurricular or enterprising services/activities not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5759 for PEIMS reporting.

5760 Revenues from Intermediate Sources
5761-5765  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5766-5768  **Revenues from Intermediate Sources -- Locally Defined (Convert to Object Code 5769 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify revenues realized from intermediate sources not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5769, Miscellaneous Revenue from Intermediate Sources.

5770-5790  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.
STATE PROGRAM REVENUES

5810 Per Capita and Foundation School Program Act Revenues

This code is used to classify revenues realized from the Texas Education Agency, allocated on the basis of state law relating to the Foundation School Program Act.

\[\text{Revenue Object Code: 5811} \]

Per Capita Apportionment

This code is used to classify revenues realized from the State Available School Fund.

<table>
<thead>
<tr>
<th>Object 5811 Revenue to Include:</th>
<th>Object 5811 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Available School Fund revenues</td>
<td>• State technology and textbook allotment (Object 5829)</td>
</tr>
<tr>
<td></td>
<td>• Foundation School Fund revenues (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Public Education Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Optional Extended Year (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Parenting, Education and Pregnancy Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• State Supplemental Visually Impaired or Regional Day School for the Deaf (Object 5812)</td>
</tr>
</tbody>
</table>

\[\text{Revenue Object Code: 5812} \]

Foundation School Program Act Entitlements

This code is used to classify revenues realized for public schools participating in, and eligible for, benefits under the Foundation School Program Act.

<table>
<thead>
<tr>
<th>Object 5812 Revenue to Include:</th>
<th>Object 5812 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The portion of a Chapter 41 receipt received from a Chapter</td>
<td>• State technology and textbook allotment (Object 5829)</td>
</tr>
</tbody>
</table>
### Objective 5812 Revenue to Include:

- 41 district that corresponds to the reduction in state aid of a Chapter 42 district
- Foundation School Fund Chapter 42 revenues
- Optional Extended Year
- Parenting, Education and Pregnancy Grant (PEP)
- State Supplemental Visually Impaired or Regional Day School for Deaf
- Public Education Grant
- High School Allotment

### Objective 5812 Revenue to Exclude:

- Available School Fund revenues (Object 5811)
- Federal revenue passed through a state agency (Object 5939)

### R 5813 Foundation School Program Act Incentive Aid

This code is used to classify revenues realized to assist eligible nonprofit charter schools under incentive aid sources.

### 5814-5816 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 5817-5818 Foundation School Program Act Revenues -- Locally Defined (Convert to Object Code 5819 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify revenues realized from the foundation fund not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5819, Other Foundation Fund Program Act Revenues.

### R 5819 Other Foundation School Program Act Revenues
This code is used to classify revenues realized from the foundation school program not specified above. Any locally defined codes that are used at the local option are to be converted to account 5819 for PEIMS reporting.

5820 State Program Revenues Distributed by Texas Education Agency

This code is used to classify revenues realized from the Texas Education Agency for state programs that may be funded through appropriations other than from the Foundation School Program Act.

5821-5825 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5826-5828 Revenues from Other State Programs -- Locally Defined (Convert to Object Code 5829 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify revenues realized from other state programs not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5829, State Program Revenues Distributed by Texas Education Agency.

5829 State Program Revenues Distributed by Texas Education Agency

This code is used to classify revenues realized from the Texas Education Agency for programs not specified above. Any locally defined codes that are used at the local option are to be converted to account 5829 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5829 Revenue to Include:</th>
<th>Object 5829 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State technology and textbook allotment</td>
<td>• Federal revenue passed through a state agency (Object 5939)</td>
</tr>
<tr>
<td>• Revenues realized from the Texas Education Agency for</td>
<td>• Available School Fund revenues (Object 5811)</td>
</tr>
<tr>
<td>Class</td>
<td>Major</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Object 5829 Revenue to Include:</th>
<th>Object 5829 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>programs not specified above</td>
<td>• The portion of a Chapter 41 receipt received from a Chapter 41 district that corresponds to the reduction in state aid of a Chapter 42 district (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Foundation School Fund Chapter 42 revenues (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Optional Extended Year (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Parenting, Education and Pregnancy Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• State Supplemental Visually Impaired or Regional Day School for the Deaf (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Regional Day School for Deaf or Visually Impaired (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Public Education Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• High School Allotment (Object 5812)</td>
</tr>
</tbody>
</table>

5830  
**State Revenues from State of Texas Government Agencies (Other than Texas Education Agency)**

This code is used to classify state revenues from state agencies other than Texas Education Agency.

5831  
**Reserved for Future State Definition.**

5832  
**TRS Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/07)**

This code was used to classify revenues from funds distributed (through the TEA payment system) to school districts by the Teacher Retirement
Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

System (TRS) in accordance with provisions of the Active Employee Health Insurance Coverage or Compensation Supplementation program.

HB 1 of the 79th Legislature, 3rd called session, converted this amount to salary; therefore, this code is no longer necessary.

5833-5835 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5836-5838 State Revenues from State of Texas Government Agencies (Other than Texas Education Agency) -- Locally Defined (Convert to Object Code 5839 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify state revenues realized from other State of Texas government agencies not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5839, State Revenues from State of Texas Government Agencies (Other Than Texas Education Agency).

R 5839 State Revenues from State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify state revenues from State of Texas government agencies, other than Texas Education Agency, not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5839 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5839 Revenue to Include:</th>
<th>Object 5839 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Funds received from the Telecommunications Infrastructure Fund (TIF)</td>
<td>• Federal revenues passed through a state agency (Object 5939)</td>
</tr>
</tbody>
</table>

5840-5890 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5900 FEDERAL PROGRAM REVENUES
Federal program revenues are recognized after an allowable expense has been incurred. Each federal grant has a unique Catalog for Federal Domestic Assistance (CFDA) identification number that can be found listed with the net asset class definitions, except for the School Health and Related Services Program (see account 5931).

### 5910 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

This code is used to classify revenues realized from entities of the Federal government passed through a city, education service center, council of government, etc., and is not received directly from a state or federal agency. Each federal grant has a unique Catalog for Federal Domestic Assistance (CFDA) identification number that can be found listed with the net asset class definitions.

### 5911-5915 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 5916-5918 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies - Locally Defined (Convert to Object Code 5919 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify federal revenues realized from a government agency other than a state or federal agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5919, Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies.

### 5919 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

This code is used to classify revenues realized for federal programs passed through another governmental entity, such as cities, education service centers, councils of government, etc. Any locally defined codes that are used at the local option are to be converted to account 5919 for PEIMS reporting.
### Revenue Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

#### 5920 Federal Revenues Distributed by the Texas Education Agency

This code is used to classify revenues realized from entities of the Federal government, passed through the Texas Education Agency.

#### R 5921 School Breakfast Program

This code is used to classify revenues realized as the result of the federally-funded breakfast program administered by the Texas Department of Agriculture. (10.553)

#### R 5922 National School Lunch Program

This code is used to classify revenues realized as a result of federally-funded lunch program administered by the Texas Department of Agriculture. (10.555)

<table>
<thead>
<tr>
<th>Object 5922 Revenue to Include:</th>
<th>Object 5922 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>National School Lunch Program revenues</td>
<td></td>
</tr>
<tr>
<td>Revenues received for a summer Feeding Program (Object 5939)</td>
<td></td>
</tr>
<tr>
<td>Revenues from School Breakfast Program (Object 5921)</td>
<td></td>
</tr>
</tbody>
</table>

#### R 5923 United States Department of Agriculture (USDA) Donated Commodities

This code is used to classify revenues realized from USDA commodities donated to the school lunch program. Under the consumption method, revenues are realized as commodities are used. Since actual cash is not received, a debit entry is made simultaneously to an asset code 1310, Inventory - Supplies and Materials (consumption method). (10.555)

#### 5924-5926 Reserved for Future State Definition
These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5927-5928  Federal Revenues Distributed by Texas Education Agency – Locally Defined (Convert to Object Code 5929 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify federal revenues realized from Texas Education Agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5929, Federal Revenues Distributed by Texas Education Agency.

5929  Federal Revenues Distributed by Texas Education Agency

This code is used to classify revenues realized for federal programs passed through Texas Education Agency not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5929 for PEIMS reporting.

5930  Federal Revenues Distributed by Other State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify revenues realized from entities of the federal government, passed through state agencies other than Texas Education Agency.

5931  School Health and Related Services (SHARS)

This net asset classification is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the nonprofit charter school for school-based health services, which are provided to special education students enrolled in the Medicaid Program. These receipts are not considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. In addition, the expenditures associated with SHARS reimbursements will be subtracted from special education expenditures for maintenance of effort purposes.

5932  Medicaid Administrative Claiming Program -MAC
This code is to be used to account for funds received from the Texas Department of Human Services (TDHS) that are awarded to reimburse school districts for administrative activities they perform to help the State implement the Medicaid state plan (outreach, explaining various health program, helping students and their families to complete paperwork to become eligible for Medicaid and other federal programs, helping students secure doctor appointments, explaining the side effects of a medication, etc.). The reimbursement for school districts will be based on the overall district Medicaid eligibility, not on specific students. These receipts are considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. (93.778)

5933-5935 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

5936-5938 Federal Revenues Distributed by State of Texas Government Agencies (Other than Texas Education Agency) -- Locally Defined (Convert to Object Code 5939 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify federal revenues realized from state government agencies other than Texas Education Agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5939, Federal Revenues Distributed by State of Texas Governmental Agencies (Other Than Texas Education Agency).

5939 Federal Revenues Distributed by State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify revenues realized for federal programs passed through state agencies other than Texas Education Agency not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5939 for PEIMS reporting.

5940 Federal Revenues Distributed Directly From the Federal Government
This code is used to classify revenues realized directly from agencies of the Federal government.

**5941-5945  **Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**5946-5948  **Federal Revenues Distributed Directly from the Federal Government — Locally Defined (Convert to Object Code 5949 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify revenues realized from directly from federal agencies not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5949, Federal Revenues Distributed Directly From the Federal Government.

**R 5949  **Federal Revenues Distributed Directly from the Federal Government

This code is used to classify revenues realized for federal programs received directly from the federal government not otherwise listed above. Any locally defined codes that are used at the local option are to be converted to account 5949 for PEIMS reporting.

**5950-5990  **Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.
1.4.9 Expense Object Codes

Expenses should be classified by the major object classes according to the types of items purchased or services obtained.

An expense account identifies the nature and object of an account, or a transaction. The nonprofit charter school's accounting records are to reflect expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenses are reported to the second digit of detail (6100, 6200, etc.) If a nonprofit charter school needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit “6.”

The \( \text{R} \) by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.
Exhibit 12. Expense Object Code Structure

The Code Structure

Expense codes are four digit object codes, and are the sixth through ninth digits in the code structure.

Expenses

Expenses are debited in the accounting period in which a measurable net asset liability is incurred. Expense codes are four digit object codes, and are the sixth through ninth digits in the code structure.
The following table summarizes the major categories of operating expense object codes. See the following pages for the detailed codes for posting transactions.

<table>
<thead>
<tr>
<th>SUMMARY EXPENSE OBJECT CODES</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100 PAYROLL COSTS</td>
</tr>
<tr>
<td>6110 TEACHERS AND OTHER PROFESSIONAL PERSONNEL</td>
</tr>
<tr>
<td>6120 SUPPORT PERSONNEL</td>
</tr>
<tr>
<td>6130 EMPLOYEE ALLOWANCES</td>
</tr>
<tr>
<td>6140 EMPLOYEE BENEFITS</td>
</tr>
<tr>
<td>6200 PROFESSIONAL AND CONTRACTED SERVICES</td>
</tr>
<tr>
<td>6210 PROFESSIONAL SERVICES</td>
</tr>
<tr>
<td>6220 TUITION AND TRANSFER PAYMENTS</td>
</tr>
<tr>
<td>6230 EDUCATION SERVICE CENTER SERVICES</td>
</tr>
<tr>
<td>6240 CONTRACTED MAINTENANCE AND REPAIR SERVICES</td>
</tr>
<tr>
<td>6250 UTILITIES</td>
</tr>
<tr>
<td>6260 RENTALS - OPERATING LEASES</td>
</tr>
<tr>
<td>6290 MISCELLANEOUS CONTRACTED SERVICES</td>
</tr>
<tr>
<td>6300 SUPPLIES AND MATERIALS</td>
</tr>
<tr>
<td>6310 SUPPLIES AND MATERIALS FOR MAINTENANCE AND/OR OPERATIONS</td>
</tr>
<tr>
<td>6320 TEXTBOOKS AND OTHER READING MATERIALS</td>
</tr>
<tr>
<td>6330 TESTING MATERIALS</td>
</tr>
<tr>
<td>6340 FOOD SERVICE AND OTHER RESALE ITEMS</td>
</tr>
<tr>
<td>6390 SUPPLIES AND MATERIALS - GENERAL</td>
</tr>
<tr>
<td>6400 OTHER OPERATING EXPENSES</td>
</tr>
<tr>
<td>6410 TRAVEL, SUBSISTENCE AND STIPENDS</td>
</tr>
<tr>
<td>6420 INSURANCE AND BONDING COSTS</td>
</tr>
<tr>
<td>6440 DEPRECIATION EXPENSE</td>
</tr>
<tr>
<td>6490 MISCELLANEOUS OPERATING COSTS</td>
</tr>
<tr>
<td>6500 DEBT SERVICE</td>
</tr>
<tr>
<td>6520 INTEREST EXPENSE</td>
</tr>
<tr>
<td>6590 OTHER DEBT SERVICE EXPENSES</td>
</tr>
</tbody>
</table>
### Expense Object Codes

<table>
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<tr>
<th>Class</th>
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</table>

#### 6000 EXPENSE ACCOUNTS

#### 6100 PAYROLL COSTS

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The nonprofit charter school acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the nonprofit charter school, the amount paid to that employee is considered a payroll cost.

#### 6110 Teachers and Other Professional Personnel

These account codes are to be used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by the nonprofit charter school to be a professional staff member. Substitute teachers and/or other professional personnel are also classified in these account codes.

#### 6111 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

#### 6112 Salaries or Wages for Substitute Teachers and Other Professionals

This code is used to classify the gross salary and wage expenses for substitute teachers and may be used with Function 11 (Instruction). Substitutes for other professionals should be coded to the same function code as the payroll record of the professional being replaced.

#### 6113-6115 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.
6116-6118 Salaries or Wages for Teachers and Other Professional Personnel -- Locally Defined (Convert to Object Code 6119 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify salaries or wages not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6119.

6119 Salaries or Wages -- Teachers and Other Professional Personnel

This code is used to classify the gross salary and wage expenditures/expenses for teachers and other professional exempt personnel as defined by the Fair Labor Standards Act. This includes:

- Gross salary and wage expenses
- Wages paid to employees for performing duties beyond the normal working day
- Amounts above the nonprofit charter school’s standard pay for additional certification requirements, such as a Bilingual teacher
- Amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring and department heads

Any local option codes that are used at the local option are to be converted to account 6119 for PEIMS reporting.

6120 Support Personnel

This code is used to classify the gross salary and wage expenses for support personnel.

6121 Extra Duty Pay/Overtime -- Support Personnel

This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or for amounts above the nonprofit charter school’s standard pay for additional qualifications.

6122 Salaries or Wages for Substitute Support Personnel (effective fiscal year 2008-09; September 1 or July 1 depending on fiscal year end)
### Expense Object Codes

<table>
<thead>
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<th>Class</th>
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</table>

This code is used to classify the gross salary and wage expenditures/expenses for substitute support personnel and should be used with the function code being used for payroll record purposes.

#### 6123-6124 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

#### 6125-6128 Salaries or Wages for Support Personnel – Locally Defined (Convert to Object Code 6129 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify salaries or wages not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6129.

#### 6129 Salaries or Wages for Support Personnel

This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff defined as non-exempt by the Fair Labor Standards Act. Any local option codes that are used at the local option are to be converted to account 6129 for PEIMS reporting.

#### 6130 Employee Allowances

Employee allowances are amounts paid to employees for which the employee is not required to render a detailed accounting.

#### 6131 Contract Buyouts

This code is used to identify expenses for employee contract buyouts. Such expenses may include direct payments made by a nonprofit charter school as severance and any other benefits extended as part of a contract buyout agreement. Such costs should be recorded in the function(s) in which the individual was classified. These payments are subject to federal withholding, social security (if applicable) and Medicare (if applicable). These payments are not subject to TRS.

#### 6132 Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/07)
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<th>Class</th>
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</table>

This code was used to classify the gross TRS supplemental compensation distributed to eligible employees in accordance with provisions of the Active Employee Health Insurance Coverage or Compensation Supplementation program. These payments were subject to federal withholding, social security, Medicare and other related payroll costs, if applicable. These payments were not subject to TRS.

HB 1 of the 79th Legislature, 3rd called session, converted this amount to salary; therefore, this code is no longer necessary.

**6133 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6134-6138 Employee Allowances -- Locally Defined (Convert to Object Code 6139 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify other employee allowances not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6139.

**R 6139 Employee Allowances**

This code is used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting. Examples include:

<table>
<thead>
<tr>
<th>Object 6139 Expenditures to Include:</th>
<th>Object 6139 Expenditures to Exclude:</th>
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</thead>
</table>

Texas Education Agency -- Resource Guide Supplement For Charter Schools  January 2010
### Expense Object Codes

<table>
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<tr>
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</table>

### Object 6139 Expenditures to Include:

- Automobile allowances
- Housing allowances
- Uniform and meal allowance
- Cell phone allowance
- In-kind payments unless exempted under Internal Revenue Service (IRS) Code Automobile allowances

### Object 6139 Expenditures to Exclude:

- Mileage reimbursement for travel for actual miles driven (Object code 641X)

In-kind payments such as rent-free housing or employer-furnished automobiles are to be debited to this account and credited to the appropriate revenue account 5743, Rent or account 5749, Other Revenue from Local Sources.

Any local option codes that are used at the local option are to be converted to account 6139 for PEIMS reporting.

Questions regarding taxable income for the employee for these allowances should be directed to the Internal Revenue Service. See Other Tax Issues section for further guidance.

### 6140 Employee Benefits

Employee benefits are those amounts paid by the nonprofit charter school to provide benefits to employees. This does not include the amount deducted from the employee’s salary or wages, which are considered employee contributions toward a benefit.

### 6141 Social Security/Medicare

This code is used to classify expenses required to provide employee benefits under the Federal Social Security program. This excludes employee contributions.

### 6142 Group Health and Life Insurance
Expense Object Codes

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<th>Class</th>
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</table>

This code is used to classify expenses made to provide personnel with group health and life insurance benefits.

**R 6143 Workers' Compensation**

This code is used to classify expenses made to provide personnel with workers' compensation benefits. There are no employee contributions.

**6144 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**R 6145 Unemployment Compensation**

This code is used to classify expenses made to provide personnel with unemployment compensation. There are no employee contributions.

**R 6146 Teacher Retirement/TRS Care**

This code is used to classify expenses made from local, state and federal program funds and/or private grants to pay state matching of teacher retirement on the above state minimum contribution or the required matching amount from federal funds. Also included in this account is any employer contribution for the retired teachers' health insurance plan.

**6147 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6148 Employee Benefits – Locally Defined (Convert to Object Code 6149 for PEIMS)**

This code is used, at the option of the nonprofit charter school, to classify employee benefits not defined elsewhere. For PEIMS reporting, this account is converted to Object Code 6149.

**R 6149 Employee Benefits**

This code is used to classify expenses made to provide personnel with other employee benefits not detailed above. Any local option codes that
Expense Object Codes

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are used at the local option are to be converted to account 6149 for PEIMS reporting.

### 6150-6190 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 6200 PROFESSIONAL AND CONTRACTED SERVICES

The major account classification is used to record expenses for services rendered to the nonprofit charter school by firms, individuals and other organizations. Normally, professional and contracted services represent a complete service that is rendered for the nonprofit charter school, and no attempt should be made to separate labor from supplies.

### 6210 Professional Services

This code is used to classify expenses for professional services rendered by personnel who are not on the payroll of the nonprofit charter school, including all related expenses covered by the professional services contract.

#### 6211 Legal Services

This code is used to classify fees, associated travel and other related costs for legal services. All expenditures/expenses coded to object code 6211 are to be coded to function 41, General Administration.

#### 6212 Audit Services

This code is used to classify fees, associated travel and other related costs for audit services. All expenditures/expenses coded to object code 6212 are to be coded to function 41, General Administration.

### 6213 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.
### Expense Object Codes

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#### 6214  Lobbying (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)

This code is used to classify fees, associated travel and other related costs for lobbying services. Refer to the [Texas Ethics Commission](https://www.texasethics.gov) for guidelines regarding what is lobbying.

#### 6215  Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

#### 6216-6218  Professional Services -- Locally Defined (Convert to Object Code 6219 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify professional fees and related costs not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6219.

#### 6219  Professional Services

This code is used to classify expenses for professional services rendered by personnel who are not on the payroll of the nonprofit charter school and contributed professional services. [Government Code 2254.002](https://www.texaslegis.gov/Acts/PreviousActs/2015-2016/Docs/SB%2010%20-%20Definitions%20%282%20of%202%29.pdf) defines professional services to be the following:

- Architecture
- Optometry
- Landscape architecture
- Professional engineering
- Land surveying
- Real estate appraising
- Medicine
- Professional nursing
- Accounting (audit services belong in object code 6212)
These professionals are required to be licensed or registered with the state. Professional/consulting services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the nonprofit charter school. This includes all related expenses covered by a professional services contract, if the contracted service is not detailed above in object codes 6211 through 6214.

This does not include any costs required to be capitalized as ancillary charges necessary to place the asset into service. Those costs should be recorded in the appropriate 1500 series asset object codes.

### 6220 Tuition and Transfer Payments

Tuition payments are made when the nonprofit charter school pays for tuition to institutions of higher education on behalf of a staff member or a student. Transfer payments are made when the nonprofit charter school pays for students to attend another nonprofit charter school, either private or public.

#### R.6221 Staff Tuition and Related Fees -- Higher Education

This code is used to classify expenses for services rendered by institutions of higher learning for the benefit of nonprofit charter school personnel. Expenses classified in this account are excluded from the calculation of indirect cost rates.

#### R.6222 Student Tuition -- Public Schools

This code is used to classify expenses for tuition if a nonprofit charter school is under contract with public schools to provide instructional services to students.

#### R.6223 Student Tuition -- Other than to Public Schools

This code is used to classify expenses for tuition if a nonprofit charter school is under contract with an institution of higher learning.
Expense Object Codes

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**6224-6226 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6227-6228 Tuition -- Locally Defined (Convert to Object Code 6229 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify expenses for tuition not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6229.

**R 6229 Tuition and Transfer Payments**

This code is used to classify expenses for tuition and transfer payments not detailed above. Any local option codes that are used at the local option are to be converted to account 6229 for PEIMS reporting.

**6230 Education Service Center Services**

Each nonprofit charter school is a member of an education service center that provides various services to the nonprofit charter schools. The function code in conjunction with the expense object code defines the type of service provided.

**6231-6233 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6234-6238 Education Service Center Services -- Locally Defined (Convert to Object Code 6239 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify services provided by the education service center not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6239.

**R 6239 Education Service Center Services**

This code is used to classify all contracted services provided by the education service center. Included in this account are:

- Data processing services
### Expense Object Codes

<table>
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<th>Class</th>
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- Accounting services
- Media services
- Special education services
- Career and technical education services
- Staff development
- Curriculum development
- Drug training
- Grant writing services, etc. that the education service center provides to nonprofit charter schools

This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center, but does include a fee assessed for providing the service. Any local option codes that are used at the local option are to be converted to account 6239 for PEIMS reporting.

#### 6240 Contracted Maintenance and Repair Services

These expense object codes are used to classify expenses for maintenance and repair services rendered by firms, individuals, or other organizations, other than the nonprofit charter school. Maintenance and repair services are for normal upkeep, repair and minor restorations, but do not include such costs as new building construction, renovating and remodeling of buildings, etc. When contracted maintenance and repair services are rendered, the total cost of the service, including labor and parts, is to be included in the appropriate contracted services account. Maintenance contracts are to be included in the appropriate expense object codes defined below.

#### 6241-6243 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

#### 6244-6248 Contracted Maintenance and Repair – Locally Defined (Convert to Object Code 6249 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify expenses for contracted maintenance and repair not specifically
**Expense Object Codes**

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Defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6249.

**6249 Contracted Maintenance and Repair**

This code is used to classify expenses for normal contracted maintenance and repair of items. This includes expenses for normal upkeep, repair and restoration of:

**Object 6249 Expenditures to Include:**

- Office equipment
- Furniture
- Computers
- Copiers
- Nonprofit charter school District-owned telephone systems
- Facsimile machines
- Software upgrades
- Maintenance agreement fees
- Other equipment when the repairs are provided by an outside individual or firm
- Buildings and grounds (janitorial/landscaping, etc.)

**Object 6249 Expenditures to Exclude:**

- Purchase of furniture, technology equipment, software, and capital outlay items (Object 6399 or 1XXX)
- Purchase of site licenses, single user software, etc. (Object 6399, or 1XXX)

For vehicles, this includes expenses for normal upkeep and contracted repair of vehicles, including buses, maintenance vehicles, driver education vehicles and any other vehicles used by nonprofit charter school staff or students.
Expense Object Codes

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For buildings and grounds, this includes expenses for normal upkeep of buildings and grounds. This includes contracted costs of maintenance for buildings including heating, ventilation, air conditioning, and any related maintenance agreements.

Services may be provided on an on-call basis or within the terms of a maintenance agreement.

Any local option codes that are used at the local option are to be converted to account 6249 for PEIMS reporting.

6250 Utilities

Utilities are comprised of water, electricity, gas for heat, cooking and cooling, ongoing telephone (including telecommunications and cellular telephones) and facsimile charges.

6251-6254 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6255-6258 Utilities -- Locally Defined (Convert to Object Code 6259 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify expenses for utilities not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6259.

6259 Utilities

This code is used to classify expenses for utilities. This includes:

- Water, wastewater treatment, and sanitation (garbage disposal)
- Telephone services and telecommunication charges for cellular telephones, pagers, modem line charges, facsimile charges, etc.
- Electricity
- Natural gas, propane, coal and any other fuel used for the heating and cooling of buildings
Any local option codes that are used at the local option are to be converted to account 6259 for PEIMS reporting. All expenses coded to object code 6259 are to be coded to either function 51, Facilities Maintenance and Operations or 81, Facilities Acquisition and Construction. A school may code a cellular telephone or pager to the function code of its user.

**6260 Rentals -- Operating Leases**

These codes are used to record expenses for renting or leasing either equipment or property under operating lease agreements. Refer to the Debt section (Other Types of Debt) for further guidance.

**6261-6263 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6264-6268 Rentals -- Operating Leases -- Locally Defined (Convert to Object Code 6269 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify expenses for rentals under operating leases not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6269.

**R 6269 Rentals -- Operating Leases**

This code is used to classify expenses for other rentals - operating leases. This includes, but is not limited to, rental or lease of:

- Furniture
- Computers
- Telecommunications equipment
- Audio-visual equipment
- Vehicles (including buses)
- Land
- Buildings
- Space in buildings
- Grounds
Any local option codes that are used at the local option are to be converted to account 6269 for PEIMS reporting.

**6270-6289 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6290 Miscellaneous Contracted Services**

These expense object codes are used to classify expenses for miscellaneous contracted services not included above.

**R 6291 Consulting Services (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)**

This code is used to classify expenditures/expenses for consulting services. Consulting services refer to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and cross-fertilization of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration.

Consulting does not include a routine service/activity that is necessary to the functioning of a charter school’s programs, such as hiring additional people on contract to supplement present staff. It also does not apply to services provided to conduct organized activities (such as training or other similar educational activities.)

Professional services are coded to 6219.

Education Service Center services are coded to 6239.

Normal contracted maintenance and repair of items is coded to 6249.

Other miscellaneous services would be coded to 6299.
### Expense Object Codes

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<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

6292-6293  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6294-6298  **Miscellaneous Contracted Services -- Locally Defined (Convert to Object Code 6299 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify contracted services not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6299.

6299  **Miscellaneous Contracted Services**

This code is used to classify expenses for miscellaneous contracted services not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6299 for PEIMS reporting.

6300  **SUPPLIES AND MATERIALS**

This major classification includes all expenses for supplies and materials.

6310  **Supplies and Materials for Maintenance and/or Operations**

This group of accounts is used to classify expenses for supplies and materials necessary to maintain and/or operate furniture, computers, equipment (including telecommunications equipment), vehicles, grounds and facilities of the nonprofit charter school. Normally expenses in this group of accounts arise when nonprofit charter school employees purchase supplies for use by the nonprofit charter school as opposed to supplies that are provided by a contractor as part of a contracted service.

6311  **Gasoline and Other Fuels for Vehicles (Including Buses)**

...
This code is used to classify expenses for gasoline, motor oil and other fuels required for operating vehicles.

6312-6314  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6315-6318  **Supplies for Maintenance and/or Operations -- Locally Defined (Convert to Object Code 6319 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify supplies and materials for maintenance and/or operations not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6319.

6319  **Supplies for Maintenance and/or Operations**

This code is used to classify expenses for supplies and materials necessary for maintenance and/or operations not detailed above. Expenses in this account include, but are not limited to:

- Janitorial or custodian supplies
- Building maintenance supplies for minor repairs and upkeep by maintenance staff
- Supplies for upkeep of furniture and equipment

Any local option codes that are used at the local option are to be converted to account 6319 for PEIMS reporting.

6320  **Textbooks and Other Reading Materials**

This group of accounts is used to classify expenses for textbooks purchased by the nonprofit charter school and magazines, periodicals, newspapers and reference books that are placed in the classroom or in an office. Expenses in this group of accounts do not meet the capitalization criteria.

6321  **Textbooks**
This code is used to classify expenses for textbooks purchased by the nonprofit charter school and furnished free to students, certain classes or grades. This does not include the cost of state-adopted textbooks.

6322-6324 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6325-6328 Reading Materials — Locally Defined (Convert to Object Code 6329 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify reading materials that do not meet the capitalization criteria. For PEIMS, these accounts are converted to Object Code 6329.

6329 Reading Materials

This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries whether in print or electronic format. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. Additionally, this code also includes library books and media that do not meet the capitalization criteria of the school and have a per unit value of less than $5,000 and/or a useful life of one year or less. Any local option codes that are used at the local option are to be converted to account 6329 for PEIMS reporting.

630 Testing Materials

This group of accounts is used to classify expenses for testing materials such as test booklets. Test scoring is not to be classified here, but rather, in the 6200 series of accounts, Professional and Contracted Services.

6331-6333 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6334-6338 Testing Materials — Locally Defined (Convert to Object Code 6339 for PEIMS)
These codes are used, at the option of the nonprofit charter school, to classify testing materials. For PEIMS, these accounts are converted to Object Code 6339.

### Expense Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
<td>Testing Materials</td>
</tr>
<tr>
<td>R</td>
<td>6339</td>
<td></td>
<td>Testing Materials</td>
</tr>
</tbody>
</table>

This code is used to classify expenses for testing materials including test booklets and study materials related to those tests. Any local option codes that are used at the local option are to be converted to account 6339 for PEIMS reporting.

### Food Service and Other Resale Items

These expense object codes are used to classify supplies and materials for the operation of the food service program of the nonprofit charter school. Also included are items for sale through vending machines, school stores, etc., that are not related to the regular food service program. These items for resale are classified in Function 36, Cocurricular/Extracurricular Activities.

<table>
<thead>
<tr>
<th>R</th>
<th>6341</th>
<th>Food</th>
</tr>
</thead>
</table>

This code is used to classify expenses for food, including related costs such as transportation, handling, processing, etc.

<table>
<thead>
<tr>
<th>R</th>
<th>6342</th>
<th>Non-Food</th>
</tr>
</thead>
</table>

This code is used to classify expenses for non-food items such as napkins, straws, brooms, etc.

<table>
<thead>
<tr>
<th>R</th>
<th>6343</th>
<th>Items for Sale</th>
</tr>
</thead>
</table>

This code is used to classify expenses for such items as soft drinks, food, or other goods to be sold through vending machines, school stores, etc., not related to the regular food service program.

<table>
<thead>
<tr>
<th>R</th>
<th>6344</th>
<th>USDA Donated Commodities</th>
</tr>
</thead>
</table>

These codes are used, at the option of the nonprofit charter school, to classify testing materials. For PEIMS, these accounts are converted to Object Code 6339.
Expenses in this account should agree with the revenue realized in account 5923, USDA Donated Commodities.

**6345-6347 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6348 Food Supplies – Locally Defined (Convert to Object Code 6349 for PEIMS)**

This code is used, at the option of the nonprofit charter school, to classify food supplies not defined above. For PEIMS, this account is converted to Object Code 6349.

**6349 Food Service Supplies**

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere. Any local option codes that are used at the local option are to be converted to account 6349 for PEIMS reporting.

**6350-6380 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6390 Supplies and Materials -- General**

These expense object codes are used to classify general supplies and materials not specified in other supplies and materials accounts.

**6391-6394 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6395-6398 Supplies and Materials -- Locally Defined (Convert to Object Code 6399 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify supplies and materials. For PEIMS, these accounts are converted to Object Code 6399.
### Expense Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

**6399 General Supplies**

This code is used to classify expenses for those items (cost less than capitalization rate that may not exceed $5,000) of relatively low unit cost (even though used in large quantities) necessary for the instruction process and/or for administration. These items include:

<table>
<thead>
<tr>
<th>Object 6399 Expenditures to Include:</th>
<th>Object 6399 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>These items include:</td>
<td></td>
</tr>
<tr>
<td>• Consumable teaching and office items such as paper, pencils, forms, postage, etc.</td>
<td>• Purchase of furniture, technology equipment, software, and capital outlay items having a per-unit cost of $5,000 or more (Object 1539)</td>
</tr>
<tr>
<td>• Workbooks</td>
<td>• Items that don’t meet the individual $5,000 capital asset criteria, but by school district policy are defined to be a capital asset or aggregated item equal or exceed $5,000 (example: library books) (Object 1549 or 1569)</td>
</tr>
<tr>
<td>• Audio-visual aids such as filmstrips, CD/DVD disks, diskettes, computer tapes, software</td>
<td></td>
</tr>
<tr>
<td>• Site licenses, single use software that has a per-unit cost of less than $5,000</td>
<td></td>
</tr>
<tr>
<td>• Purchase of furniture, technology equipment, software, and capital outlay items</td>
<td></td>
</tr>
<tr>
<td>• Supplies for a satellite dish and other supplies for technology</td>
<td></td>
</tr>
</tbody>
</table>

Any local option codes that are used at the local option are to be converted to account 6399 for PEIMS reporting.

**6400 OTHER OPERATING COSTS**

This major classification is used to classify expenses for items other than Payroll Costs, Professional and Contracted Services, and Supplies and Materials that are necessary for the operation of the nonprofit charter school.

**6410 Travel, Subsistence and Stipends**
These expense object codes are to be used to classify travel, subsistence and stipends to both employees and non-employees.

**R 6411  Travel and Subsistence -- Employee Only**

This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business. Travel expenses must conform to IRS and OMB Circular A-122 regulations. Any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act.

The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, in-service training, etc. Membership dues are classified in account 6499, Miscellaneous Operating Costs.

**R 6412  Travel and Subsistence -- Students**

This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events. (Do not use function 34)

**R 6413  Stipends -- Non-Employees**

This code is used to classify stipends paid to individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities. Expenses relating to travel for individuals not employed by the nonprofit charter school should be classified in account 6419, Travel and Subsistence. Expenses classified in this account are excluded from the calculation of indirect cost.

**6414-6416 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**6417-6418 Travel and Subsistence -- Locally Defined (Convert to Object Code 6419 for PEIMS)**
Financial Accounting and Reporting

### Expense Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

These codes are used, at the option of the nonprofit charter school, to classify travel and subsistence not specifically defined elsewhere. For PEIMS, these accounts are converted to Object Code 6419.

**6419 Travel and Subsistence -- Non-Employees**

This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. This includes expenses for the following groups:

- Travel for individuals not employed by the nonprofit charter school

  This includes travel expenses incurred while traveling to nonprofit charter school authorized activities, including transportation expenses paid:

  - To parents
  - For board member travel
  - For individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities

Registration fees associated with attending conferences, including seminars, in-service training, etc. are also classified in this account.

Travel expenses must conform to IRS and OMB Circular A-122 regulations and any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act. Any local option codes that are used at the local option are to be converted to account 6419 for PEIMS reporting.

**6420 Insurance and Bonding Costs**

This code is used to classify expenses for insurance and bonding costs. Property insurance should be classified in Function 51, Facilities Maintenance and Operations, including building insurance and property insurance for band and athletic/UIL equipment. Other types of insurance are to be classified in the appropriate function. For example, insurance to cover student injuries that take place while participating in athletics are classified in Function 36, Extracurricular/Extracurricular Activities. Textbook custodian and administrative bonding expenses
are classified in Function 41, General Administration. School bus driver bonding and liability insurance are classified in Function 34, Student (Pupil) Transportation.

6421-6424 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6425-6428 Insurance and Bonding Costs -- Locally Defined (Convert to Object Code 6429 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify insurance and bonding costs. For PEIMS, these accounts are converted to Object Code 6429.

6429 Insurance and Bonding Costs

This code is used to classify costs for insurance, including property insurance, liability insurance, bonding costs, athletic insurance, etc. Any local option codes that are used at the local option are to be converted to account 6429 for PEIMS reporting.

6440 Depreciation Expense

This code is used to classify depreciation expense of fixed assets of a nonprofit charter school.

6441-6443 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

6444-6448 Depreciation Expense -- Locally Defined (Convert to Object Code 6449 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify depreciation expense. For PEIMS, these accounts are converted to Object Code 6449.
<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

**6449 Depreciation Expense**

This code is used to classify depreciation expense of fixed assets. Any local option codes that are used at the local option are to be converted to account 6449 for PEIMS reporting.

**6450-6480 Reserved for Future State Definition**

These code classifications are reserved for future state designation and are not to be used by the nonprofit charter school.

**6490 Miscellaneous Operating Costs**

This code is used to classify expenses for operating costs not mentioned above.

**6491-6493 Reserved for Future State Definition**

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

**6494 Reclassified Transportation Expenses**

This code can be used as an option to identify expenses for transportation costs other than those incurred for the purpose of transporting students to and from school. Expenses from various expense object codes for salaries, fuel, etc. in Function 34 (Student Transportation) should be reclassified to this expense object code with the appropriate function assigned. Examples of such costs include those associated with field trips (Function 11) and cocurricular/extracurricular activities (Function 36). Identification of the costs of transporting students for any purpose other than to and from school is required under Section 34.010, TEC.

**6495 Dues (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)**

This code is used to identify expenditures/expenses for dues paid to clubs, committees, or other organizations. Examples of organizations are TASA, TASP, TASB, Lions Club, Rotary Club, local chambers of commerce and other associations. This does not include any
registration fees associated with attending conferences or seminars, which are coded to account 6411. Dues paid on behalf of an employee should be coded to that employee’s function code; dues paid on behalf of the district should be coded to function 41. Prior to this change, dues were included in object code 6499.

6496 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the nonprofit charter school.

6497-6498 Miscellaneous Operating Costs -- Locally Defined (Convert to Object Code 6499 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to classify miscellaneous operating costs. For PEIMS, these accounts are converted to Object Code 6499.

6499 Miscellaneous Operating Costs

This code is used to classify expenses for all other operating costs not mentioned above. This account includes:

- Fees (not associated with travel)
- Awards
- Bid notices
- Graduation expenses
- Food/refreshments for school-related meetings

Any local option codes that are used at the local option are to be converted to account 6499 for PEIMS reporting.

6500 DEBT

This major classification includes all expenses for debt interest and fees.

6520 Interest Expenses

These expense object codes are used to classify all interest expenses.
<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
<th>Expense Object Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
<td></td>
</tr>
</tbody>
</table>

**R 6521 Interest on Bonds**

This code is used to classify expenditures/expenses to pay interest on bonds.

**R 6522 Capital Lease Interest**

This code is used to classify expenses to pay interest on capital leases.

**R 6523 Interest on Debt**

This code is used to classify expenses to pay interest on debt.

**R 6524 Amortization of Bond and Other Debt Related Costs**

This code is used to classify expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds.

**R 6525 Amortization of Premium and Discount on Issuance of Bonds**

This code is used to classify expenses amortized as debt premium and/or discount in connection with the issuance of debt.

**R 6526 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**R 6527-6528 Interest Expenses -- Locally Defined (Convert to Object Code 6529 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify interest expenses not specified elsewhere. For PEIMS, these accounts are converted to Object Code 6529.

**R 6529 Interest Expenses**

This code is used to classify expenses to pay interest not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6529 for PEIMS reporting.

### 6530-6580 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 6590 Other Debt Expenses

These object codes are used to classify all other debt related expenses.

### 6591-6593 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 6594-6598 Other Debt Service Expenses — Locally Defined (Convert to Object Code 6599 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to record debt service expenses, excluding principal and interest. For PEIMS, these accounts are converted to Object Code 6599.

### 6599 Other Debt Fees

This code is used to classify expenses for any allowable fees. Any local option codes that are used at the local option are to be converted to account 6599 for PEIMS reporting.
1.4.10 Gains/Net Assets Released From Temporary Restrictions

The nonprofit charter school's accounting records are to reflect gains and net assets released from temporary restrictions, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (budgeted and actual data) purposes. If a nonprofit charter school needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit "7."

The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.

---

**Exhibit 13. Gains/Net Assets Released From Temporary Restrictions Object Code Structure**

<table>
<thead>
<tr>
<th>Net AssetsGroup</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X</td>
<td>X X</td>
<td>X X</td>
</tr>
</tbody>
</table>

Major Detail Major Detail Account Classification

Object Codes:

- Gains/Net Assets Released From Temporary Restrictions (7XXX)

---

<table>
<thead>
<tr>
<th>Indicates a mandatory code for State reporting purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicates a code that may be used at local option</td>
</tr>
</tbody>
</table>
Financial Accounting and Reporting
Gains/Net Assets Released From Temporary Restrictions

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

## 7000 GAINS/NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS

## 7900 Gains/Net Assets Released From Temporary Restrictions

### 7911 Issuance of Bonds
This code is used to record the face amount of bonds that are issued.

### 7916 Premium or Discount on Issuance of Bonds
This code is used to classify the premium or discount on the issuance of bonds.

### 7917 Prepaid Interest
This code is used to classify prepaid interest in connection with the issuance and/or defeasance of bonds.

### 7919 Extraordinary Items
This code is used to classify extraordinary items.

## 7950 Gains

### 7951 Gain on Sale of Real and Personal Property
This code is used to classify the net gains from the sale of land, buildings, equipment, furniture, vehicles, etc.

### 7952-7954 Reserved for Future State Definition
These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

### 7955-7958 Gains -- Locally Defined (Convert to 7989 for PEIMS)
These codes are used, at the option of the nonprofit charter school, to classify gains not defined elsewhere. For PEIMS reporting, these accounts are converted to account 7989.
**Gains/Net Assets Released From Temporary Restrictions**

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

**R 7959 Other Gains**

This code is used to classify amounts received from other sales of assets for gains.

**7990 Net Assets Released From Temporary Restrictions**

This code is used to record net assets released from temporary restrictions.

**7991-7994 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**7995-7998 Net Assets Released From Temporary Restrictions- Locally Defined (Convert to 7999 for PEIMS)**

These codes are used, at the option of the nonprofit charter school, to classify net assets released from temporary restrictions. For PEIMS reporting, these accounts are converted to account 7999.

**R 7999 Net Assets Released From Temporary Restrictions**

This code is used to classify net assets released from temporary restrictions.
1.4.11 Losses/Net Assets Released From Temporary Restrictions

The nonprofit charter school's accounting records are to reflect losses and net assets released from temporary restrictions at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, losses and net assets released from temporary restrictions are reported to the second digit of detail (8900). If a nonprofit charter school needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit “8.”

The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the nonprofit charter school.
Exhibit 14. **Losses/Net Assets Released From Temporary Restrictions Object Code Structure**

**The Code Structure**

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X    X    X</td>
<td>X    X</td>
<td>X</td>
<td>X   X   X</td>
<td>X   X</td>
<td>X   X</td>
<td>X   X   X</td>
<td>X   X</td>
<td>X   X</td>
</tr>
</tbody>
</table>

- Major Detail - Major Detail - Major Classification - Major Detail - Major Classification - Major Classification - Major Classification - Major Classification

**Object Codes:** Losses/Net Assets Released From Temporary Restrictions (**XXX**)

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
Losses/Net Assets Released From Temporary Restrictions Object Codes

<table>
<thead>
<tr>
<th>Class</th>
<th>Major</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

### 8000 LOSSES/NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS

#### 8900 Losses/Net Assets Released From Temporary Restrictions

- **8910 Net Assets Released From Temporary Restrictions**
  
  Net Assets Released From Temporary Restrictions (8911-8949) is debited in the accounting period in which use and/or time restrictions are met. Credit entries are to a liability or an asset account.

- **R 8911 Net Assets Released From Temporary Restrictions**
  
  This code is used to classify net assets released from temporary restrictions.

- **R 8913 Extraordinary Items**
  
  This code is used to classify extraordinary items.

- **8914-8939 Reserved for Future State Definition**
  
  These codes are reserved for future state designation and are not to be used by the school district.

- **8940-8948 Net Assets Released From Temporary Restrictions - Locally Defined (Convert to Account 8949 for PEIMS)**
  
  These codes are used, at the option of the school district, to classify net assets released from temporary restrictions not defined elsewhere. For PEIMS reporting, these accounts are converted to account 8949.

- **R 8949 Other Uses**
  
  This object code is used to record net assets released from temporary restrictions not provided for above.

- **8950 Losses**

- **R 8951 Loss on Sale of Real and Personal Property**
8952-8954  Reserved for Future State Definition

8954-8988  Losses -- Locally Defined (Convert to Account 8989 for PEIMS)

8989 Losses

This code is used to record losses from the sale of assets of the nonprofit charter school.
1.4.12 Optional Codes 1 and 2

A nonprofit charter school may use the optional codes 1 and 2 if there is a need to account for information not otherwise provided in the mandatory chart of accounts. If a nonprofit charter school uses these optional codes, a locally devised chart of accounts is to be uniformly used in the accounting system. The local chart of accounts should be made part of the nonprofit charter school's copy of Resource Guide, and should be made available for auditing and other purposes.

Exhibit 15. Optional Codes 1 and 2 Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X X</td>
<td>X X X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
</tr>
</tbody>
</table>

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option

Local Option Codes 1 and 2 (XX)
1.4.13 Organization Codes

An organization is a group of employees who are obligated to complete a specific responsibility. Usually, an organization has an identifiable leader or an individual who is accountable for the overall completion of the responsibility.

Exhibit 16. Organization Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
</tr>
</tbody>
</table>

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option

There are two distinct types of organization units: (1) a campus organization unit, which usually is a group of employees who are obligated to complete the responsibilities of the teaching of, supporting the teaching of and providing the necessary services (such as social services and health services) to a set of students; and (2) an administrative or other organization unit which is a group of people who perform a specific responsibility such as those in the chief administrator’s office, the board of directors or those who perform the business functions for the nonprofit charter school. An organization does not necessarily correspond with a physical location. The activity, not the location, defines the organization. For example, a high school computer science class
might be taught at the central administration office, in which case, the appropriate high school organization code would be assigned.

Presented below is an overview of mandatory organization accounting for the Unrestricted Net Assets Class and Temporarily Restricted Net Assets Class:

- **Payroll Costs:**

  Using the criteria shown in the Campus Accounting/Coding section below (payroll costs under the direct or indirect supervision of the campus principal), campus organization codes as defined in the Texas School Directory are mandated for payroll costs (except Expenditure Object Codes 6112) for Instruction (Function 11); Instructional Resources and Media Services (Function 12); School Leadership (Function 23); Guidance, Counseling and Evaluation Services (Function 31); Social Work Services (Function 32); Health Services (Function 33); Cocurricular/Extracurricular Activities (Function 36); Security and Monitoring Services (Function 52); Data Processing Services (Function 53); Community Services (Function 61); and Fund Raising (Function 71). The chart below depicts campus accounting requirements.

For payroll costs, under the direct or indirect supervision of the campus principal, use organization code for:

<table>
<thead>
<tr>
<th>Net Asset Class</th>
<th>Unrestricted Net Assets</th>
<th>Temporarily Restricted Net Assets (Net Asset Class 1XX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functions</td>
<td></td>
<td>(Net Asset Class 2XX, 3XX, 4XX)</td>
</tr>
<tr>
<td>• Instruction</td>
<td></td>
<td>(Function 11)</td>
</tr>
<tr>
<td>• Instructional Resources and Media Services</td>
<td></td>
<td>(Function 12)</td>
</tr>
<tr>
<td>• School Leadership</td>
<td></td>
<td>(Function 23)</td>
</tr>
<tr>
<td>• Guidance, Counseling and Evaluation Services</td>
<td></td>
<td>(Function 31)</td>
</tr>
<tr>
<td>• Social Work Services</td>
<td></td>
<td>(Function 32)</td>
</tr>
<tr>
<td>• Health Services</td>
<td></td>
<td>(Function 33)</td>
</tr>
<tr>
<td>• Cocurricular/Extracurricular Activities</td>
<td></td>
<td>(Function 36)</td>
</tr>
<tr>
<td>• Security and Monitoring Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.4.13.1 Campus Accounting/Coding

With the advent of site-based decision-making and campus accountability, it has become necessary for nonprofit charter schools to provide financial information at all levels of the decision making process. Specifically, a new emphasis is being placed upon providing information on the use of public resources at the campus and program to facilitate legislative budgetary decisions. An impact of the development of the financial accountability system is the reorganization of the system of certain information and collection processes and the redefinition of some of the basic data elements to ensure that campus level payroll costs are appropriately identified.

Nonprofit charter schools are mandated to record payroll costs (not to be confused with the 090 record responsibility data collection through PEIMS) by campus level for educational personnel including professional and paraprofessional personnel. The criteria to determine if the payroll costs of such personnel should be recorded to a particular campus/organization is as follows:

- **Other Costs:**
  - Campus organization codes as defined in the Texas School Directory are to be used for all other costs clearly attributable to a specific organization. Other costs may be coded to a specific organization or nonprofit charter schools may utilize the TEA-provided cost accounting formula.
  - Administrative organization unit codes (701-750) are mandated for all Function 41, General Administration, costs and with Function 53, Data Processing for those expenses that are attributable to the business office of the nonprofit charter school.

Nonprofit charter schools are to use organization codes in any function when a cost is *clearly attributable* to a specific organization. However the recording of costs other than those specified above is optional. For those costs that are not recorded to specific organization codes, organization codes 998 (Unallocated, at the local option) or 999 (Undistributed) are to be used. Refer to Appendix 6 for a chart depicting required organization accounting by expense object code and function. Guidance is provided on other methods of allocating costs other than direct recording in the Cost Accounting section of this module.

<table>
<thead>
<tr>
<th>Class Object</th>
<th>Payroll Costs, except Substitute Teachers</th>
<th>Object codes 6100 except object code 6112</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Data Processing Services</td>
<td>Function 52</td>
<td></td>
</tr>
<tr>
<td>- Community Services</td>
<td>Function 53</td>
<td></td>
</tr>
<tr>
<td>- Fund Raising</td>
<td>Function 61</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>Function 81</td>
<td></td>
</tr>
</tbody>
</table>

158 - Financial Accounting and Reporting
• The individual must be dedicated to the day-to-day operations of the campus (partially or fully) and be under the direct or indirect supervision of the campus principal. Personnel that would be recorded to a campus would generally include:
  – Classroom teachers
  – Teacher aides
  – Classroom assistants
  – Librarians
  – Principals
  – Counselors
  – Social workers

However the above is not an all-inclusive list of personnel.

• Payroll costs of substitute teachers may be coded to a campus or to the Undistributed Organization Unit (999)

### 1.4.13.2 Compliance Monitoring - Organization Codes

TEA provides software in Reports+ containing a formula to allocate costs recorded in Organization Code 999, Undistributed, according to instructional FTEs (as reported in PEIMS) assigned to organization codes. The formula will allocate costs in Organization Code 999, Undistributed, to campus organizations for functions specified in State Board of Education rules relating to indirect costs. The allocation process is a report type of template and does not change transaction information within the general ledger system. The allocation process uses payroll and staff data for instructional FTEs, as recorded under function 11, Instruction, as a basis to allocate costs. Accordingly, full use of specific organization codes in function 11 is essential for the optimum functionality of the allocation process. The formula-based allocation will be used for state and federal compliance monitoring purposes, such as monitoring indirect costs, maintenance of effort and comparability requirements. Costs which are classified in Organization Code 998, Unallocated, will not be allocated by the formula; therefore, such costs will not be considered for compliance purposes unless charged to a specific Enhanced Program Intent Code.
001-699 Organization Units -- Campuses

Use the campus numbers defined in the Texas School Directory for the nonprofit charter school. As new campuses are opened, TEA is to be notified and a new campus number will be assigned.

001-040 High School Campuses

Use the campus numbers assigned to high school campuses for the nonprofit charter school in the Texas School Directory.

041-100 Junior High/Middle School Campuses

Use the campus numbers assigned to junior high/middle school campuses for the nonprofit charter school in the Texas School Directory.

101-698 Elementary School Campuses

Use the campus numbers assigned to elementary school campuses for the nonprofit charter school in the Texas School Directory.

699 Summer School Organization

Use this organization code for any summer school and intersession that is provided by the nonprofit charter school.

700 Organization Units -- Administrative

Use this organization code series for all expenses related to general administration (Function 41). Organization units 701 through 749 are to be used in Function 41 only. Organization unit 750 is to be used only in Functions 41 and 53 (for those data processing costs that are related to the business functions of the nonprofit charter school).

Administrative personnel (principals, assistant principals, etc.) classified in Function 23 are to be charged to the appropriate campus number, 001-699.

701 Organization Unit -- Chief Administrator’s Office

Use this organization code for all expenses related to the chief administrator’s office (Function 41 only).
Organization Codes

**702** Organization Unit -- Board Of Directors

Use this organization code for all expenses related to the board of directors (Function 41 only).

**703-708** Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**709-719** Organization Unit -- Direct Costs -- Locally Defined (Convert to Organization Code 720 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to define administrative organizational units that are considered direct costs when calculating indirect cost rates. For PEIMS, these accounts convert to 720.

**720** Organization Unit -- Direct Costs in Function 41 (General Administration)

Use this organization code for all expenses related to direct costs not attributed to the chief administrator or board of directors organization units. Direct costs, for the purposes of this organization unit, are defined in the Calculation of Indirect Cost Rate section.

**721-725** Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the nonprofit charter school.

**726-749** Organization Unit -- Indirect Costs -- Locally Defined (Convert to Organization Code 750 for PEIMS)

These codes are used, at the option of the nonprofit charter school, to define administrative organizational units that are considered indirect costs when calculating indirect cost rates. For PEIMS, these accounts convert to 750.

**750** Organization Units -- Indirect Costs in Function 41 (General Administration), including Business Office/Personnel/Payroll/Human Resources/Purchasing
Use this organization code for all expenses related to costs attributed to business office, personnel, payroll, human resources and purchasing functions in General Administration (Function 41) of the nonprofit charter school.

These costs are considered indirect costs when calculating the indirect cost rates. Nonprofit charter schools may, at the local option, use codes 726-749 to account for these areas separately.

Those data processing charges that relate to administrative applications and are classified in Function 53 (Data Processing) should use this organization unit as well. See the Calculation of Indirect Cost Rate section for further guidance.

### 751-799 Organization Units – Reserved for Future State Definition

These organization units are reserved for future state definition and are not to be used by the nonprofit charter school.

### 800-997 Organization Units – Locally Defined (Convert to Organization Code 999 for PEIMS)

These organization units may be used, at the option of the nonprofit charter school, to provide further accountability for organization units. For PEIMS, these accounts are converted to Organization Code 999.

### 998 Unallocated Organization Unit

This organization unit may be used, at the option of the nonprofit charter school, for any costs which the nonprofit charter school does not wish to be allocated according to the formula developed by TEA, i.e., costs that should not be allocated to various campus organizations and program intents based upon instructional FTEs. Such costs may be charged to a specific program intent; however, if they are charged to the Undistributed Program Intent Code (99), they will not be allocated. Since these costs will not be distributed to campus organizations or program intents, they will possibly not benefit the nonprofit charter school in relation to monitoring compliance for indirect costs, maintenance of effort, and comparability requirements, unless charged to a specific Enhanced Program Intent Code.

### 999 Undistributed Organization Unit
Use this organization code for any undistributed costs i.e., costs that are not a campus or summer school or an administrative unit (Function 41).
1.4.14 Fiscal Year Code

The fiscal year code is a mandatory code to be used by all nonprofit charter schools. For the nonprofit charter school’s fiscal year, the last digit of the school year is to be used (e.g., 2008-09 fiscal year is represented by a “9.”) For projects such as local grants, state grants accounted for as special revenue funds, debt service funds, or construction funds, the current fiscal year code should be used.

Fiscal year code determination is unique for federally funded projects accounted for as special revenue funds. For example, if funding for a federal project begins on July 1, 2007 and ends June 30, 2008, then the fiscal year code used would be “8”. This is done so that the fiscal year code used corresponds with the federal fiscal year in which the funding originated.

Once the fiscal year is assigned to a project, revenues and expenses reflect that number for the entire duration of the project, even though it may span multiple nonprofit charter school fiscal years.

Exhibit 17. Fiscal Year Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
</tr>
<tr>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Account Classification</td>
<td>Major Detail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fiscal Year Codes (0-9)

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
The following are examples of fiscal year codes:

<table>
<thead>
<tr>
<th>CODE</th>
<th>DESCRIPTION</th>
<th>CODE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2009-10</td>
<td>5</td>
<td>2004-05</td>
</tr>
<tr>
<td>1</td>
<td>2010-11</td>
<td>6</td>
<td>2005-06</td>
</tr>
<tr>
<td>2</td>
<td>2011-12</td>
<td>7</td>
<td>2006-07</td>
</tr>
<tr>
<td>3</td>
<td>2012-13</td>
<td>8</td>
<td>2007-08</td>
</tr>
<tr>
<td>4</td>
<td>2013-14</td>
<td>9</td>
<td>2008-09</td>
</tr>
</tbody>
</table>
1.4.15 Program Intent Codes

These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served. In the case of state programs, state law may determine the intent and the permissible use of allotments. Nonprofit charter schools should consider the implications of some federal requirements (e.g., maintenance of effort and comparability) when determining local policies on the minimum level of coding expenses.

Exhibit 18. Program Intent Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Net Assets/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>- X X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X X X X</td>
<td>X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
</tr>
</tbody>
</table>

- X - X - X Indicates a mandatory code for State reporting purposes
- X - X Indicates a code that may be used at local option

1.4.15.1 Basic and Enhanced Program Intent Codes

Nonprofit charter schools are encouraged to use program intent codes with any transaction that is directly attributable to the program intent code. The following depicts mandatory use of Basic and Enhanced Services Program Intent Codes for the Unrestricted Net Assets Class and Temporarily Restricted Net Assets Class:
- **Payroll Costs:**

For payroll costs directly attributable to a specific program intent code, Basic and Enhanced Program Intent Codes are mandated for payroll costs (except Expenditure Object Codes 6112 and 6144) for Functions 11 (Instruction), 12 (Instructional Resources and Media), 13 (Curriculum Development and Instructional Staff Development), 21 (Instructional Leadership), 31 (Guidance, Counseling and Evaluation Services), 32 (Social Work Services) and 33 (Health Services). See chart below.

For payroll costs directly attributable to a specific program intent code, use specific intent codes for:

<table>
<thead>
<tr>
<th>Net Asset Class</th>
<th>Unrestricted Net Assets</th>
<th>All Temporarily Restricted Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functions</td>
<td></td>
<td>(Net Asset Class 1XX)</td>
</tr>
<tr>
<td></td>
<td>Instruction</td>
<td>(Function 11)</td>
</tr>
<tr>
<td></td>
<td>Instructional Resources and Media</td>
<td>(Function 12)</td>
</tr>
<tr>
<td></td>
<td>Curriculum Development and Instruction Staff Development</td>
<td>(Function 13)</td>
</tr>
<tr>
<td></td>
<td>Instructional Leadership</td>
<td>(Function 21)</td>
</tr>
<tr>
<td></td>
<td>Guidance Counseling and Evaluation Services</td>
<td>(Function 31)</td>
</tr>
<tr>
<td></td>
<td>Social Work Services</td>
<td>(Function 32)</td>
</tr>
<tr>
<td></td>
<td>Health Services</td>
<td>(Function 33)</td>
</tr>
<tr>
<td></td>
<td>Cocurricular/Extracurricular</td>
<td>(Function 36)</td>
</tr>
<tr>
<td>Class Object</td>
<td>Payroll Costs, except Substitute Teachers</td>
<td>Object codes 6100 except object code 6112</td>
</tr>
</tbody>
</table>

- **Other Costs:**

Coding of costs other than payroll to Basic and Enhanced Program Intent Codes is optional. As discussed below, costs that are clearly attributable to a specific program intent code are to
be charged to the applicable code. The TEA-provided formula for cost allocation will be applied to all undistributed (Program Intent Code 99) costs.

Nonprofit charter schools are to use program intent codes in any function when a cost is clearly attributable to a specific program intent. However the recording of costs other than those specified above is optional, with the exception of costs of athletic and related activities. Refer to Appendix 6 for additional guidance on program intent accounting. Guidance is provided on other methods of allocating costs other than direct recording in the Cost Accounting section in this module.

1.4.15.2 Athletics and Related Activities Program Intent Code

The following overviews the Program Intent Code 91 (Athletics and Related Activities) accounting requirements:

- **Payroll Costs:**

  The Athletics and Related Activities Program Intent Code is mandated for payroll costs (except Expenditure Object Code 6112) for Function 36 (Cocurricular/Extracurricular Activities) and other functions if applicable. See chart below.

<table>
<thead>
<tr>
<th>Net Asset Class</th>
<th>Unrestricted Net Assets</th>
<th>(Net Asset Class 1XX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functions</td>
<td>Cocurricular/Extracurricular Activities</td>
<td>(Function 36)</td>
</tr>
<tr>
<td></td>
<td>Other functions if applicable</td>
<td>(Function XX)</td>
</tr>
<tr>
<td>Class Object</td>
<td>Payroll Costs</td>
<td>Object codes 6100</td>
</tr>
</tbody>
</table>

- **Other Costs:**

  For the Unrestricted Net Assets Class for Function 36 (Cocurricular/Extracurricular Activities) and other functions if applicable, all other expenses are to be classified to the Athletics and Related Activities Program Intent Code when the expense is clearly attributable to this code. Coding of costs other than payroll to the Athletics and Related Activities Program Intent Code is optional.

1.4.15.3 Undistributed Program Intent Code

A Basic or Enhanced Program Intent Code is to be charged with costs directly attributable to it. In some cases, this may require the allocation of costs among several program intent codes.
However, the allocation of costs should be performed only when, in the judgment of nonprofit charter school management, there would be a material effect on the financial records of either an individual transaction or the total amount of a certain type of transaction. Consideration should also be given to the effort involved in gathering the information necessary to perform the allocation compared to the benefit derived from the allocation of costs.

If a nonprofit charter school elects not to allocate costs to Basic or Enhanced Program Intent Codes or the Athletics and Related Activities Program Intent Code, the Undistributed Program Intent Code 99 is to be used.

1.4.15.4 Compliance Monitoring - Program Intent Codes

TEA will provide a formula to allocate costs recorded in Program Intent Code 99, Undistributed, according to instructional FTEs (on the Fall Snapshot) assigned to Basic and Enhanced Program Intent Codes. The formula-based allocation will be used for state and federal compliance monitoring purposes, such as monitoring indirect costs, maintenance of effort and comparability requirements. The total costs which will be considered for compliance monitoring purposes are represented by the following formula. The allocation process is a report type of template and does not change transaction information within the general ledger system. The allocation process uses payroll and staff data for instructional FTEs, as recorded under function 11, Instruction, as a basis to allocate costs. Accordingly, full use of specific program intent codes in function 11 is essential for the optimum functionality of the allocation process.

\[
\text{Expenses coded by the nonprofit charter school to specific Enhanced PICs} + \text{Allocations of expenses to Enhanced PICs from the Undistributed PIC (99)} = \text{Total expenses used for monitoring purposes such as maintenance of effort, comparability and compliance with State Board of Education rules on indirect costs based upon instructional FTEs}
\]
1X BASIC SERVICES

R 11 Basic Educational Services

The costs incurred to provide the basic level of education/instruction to students in grades PK-12 prescribed by state law as well as adult basic and secondary education services. Basic is defined as the curriculum provided for those students that are not in special education. Basic educational services include the costs to evaluate, place, and provide educational services to students in honors, college preparatory and advanced placement courses.

<table>
<thead>
<tr>
<th>Program Intent Code 11 Costs to Include</th>
<th>Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred relating to:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• Basic level of education/instruction (PK-12) prescribed by Texas law, including:</td>
<td>• Gifted and talented services (PIC 21)</td>
</tr>
<tr>
<td>- Regular education program for limited English proficiency students</td>
<td>• Advanced placement services designated as part of a gifted and talented program (PIC 21)</td>
</tr>
<tr>
<td>• PK funded from basic education allotment during one-half of full-day program</td>
<td>• Additional salaries and related expenditures/ expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations social clubs, (i.e., NHS, Beta Club, Letterman’s Club) (PIC 99)</td>
</tr>
<tr>
<td>• District/campus improvement plan</td>
<td>• Additional salaries and related expenditures/ expenses associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (i.e., additional days employed reduction of class load, length of day, etc.) (PIC 91)</td>
</tr>
<tr>
<td>• Honors, college preparatory courses</td>
<td>• Basic services for DAEPs (PIC 28)</td>
</tr>
<tr>
<td>• Advanced placement courses not designated as part of a gifted and talented program</td>
<td></td>
</tr>
<tr>
<td>• Adult basic and secondary education services</td>
<td></td>
</tr>
<tr>
<td>• Section 504 students</td>
<td></td>
</tr>
<tr>
<td>• Physical education (P.E.) classes when athletic activities take place, but P.E. or P.E. equivalent credit is issued</td>
<td></td>
</tr>
<tr>
<td>• Foreign language courses</td>
<td></td>
</tr>
<tr>
<td>Program Intent Code 11 Costs to Include</td>
<td>Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code)</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>• TEKS for foundation curriculum and electives in enrichment curriculum as needed for high school graduation</td>
<td>• Services for alternative education programs (nondisciplinary) that do not represent costs for providing services to students at risk of dropping out of school, as defined under Section 29.081 TEC (PIC 31)</td>
</tr>
<tr>
<td>• Day Care Cost</td>
<td>• Costs for nondisciplinary alternative education programs (PIC 26)</td>
</tr>
<tr>
<td>• In School Suspension Program</td>
<td>• AEP costs (Basic and Supplemental)</td>
</tr>
<tr>
<td>• Parenting Classes</td>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• Services for an elective alternative education program for students not at risk of dropping out of school</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td></td>
<td>• Title I, Part A services</td>
</tr>
</tbody>
</table>

2X ENHANCED SERVICES

21 Gifted and Talented

The costs incurred to assess students for program placement and provide instructional services (which are guided by the state plan) beyond the basic educational program and that are designed to meet the needs of students in gifted and talented programs.
### Program Intent Code 21
#### Costs to Include
- Gifted and talented programs
- Advanced placement courses designated as part of a gifted and talented program

#### Costs to Exclude (with Correct Program Intent Code)
- Honors, college preparatory courses (PIC 11)
- Advanced placement courses not designated as part of a gifted and talented program (PIC 11)
- Summer camps, summer schools, field trips or other summer enrichment programs (PIC 11)

### Career and Technical

**R 22**

The costs incurred to evaluate, place and provide educational and/or other services to prepare students for gainful employment, advanced technical training or for homemaking. This may include apprenticeship and job training activities.

### Program Intent Code 22
#### Costs to Include
- Career and Technical Education for Handicapped (VEH)
- Employment preparation services
- Apprenticeship and job training activities
- All career and technical courses (grades 7-12)
- Career and Technical

#### Costs to Exclude (with Correct Program Intent Code)
- Vocational adjustment classes -- VAC (PIC 23)
- Quasi-Career and Technical classes in Middle and Junior High (PIC 11)
- All DAEP related cost
Program Intent Code 22
Costs to Include

<table>
<thead>
<tr>
<th>Supervisor or Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Vocational Counselors</td>
</tr>
<tr>
<td>• Programs which follow the State Plan for Career and Technical Education</td>
</tr>
</tbody>
</table>

Program Intent Code 22
Costs to Exclude (with Correct Program Intent Code)

Services to Students with Disabilities (Special Education)

- The costs incurred to evaluate, place and provide educational and/or other services to students who have Individual Educational Plans (IEP) approved by Admission, Review and Dismissal (ARD) committees. These plans are based on students’ disabilities and/or learning needs.

- Incremental costs associated with providing services to students in an inclusionary setting should also be included in this code.

Program Intent Code 23
Costs to Include

<table>
<thead>
<tr>
<th>Costs incurred relating to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Students who are served in the special education program under identified instructional settings such as:</td>
</tr>
<tr>
<td>- Homebound</td>
</tr>
<tr>
<td>- Hospital class</td>
</tr>
<tr>
<td>- Speech therapy</td>
</tr>
<tr>
<td>- Resource room</td>
</tr>
<tr>
<td>- “Self-contained, mild, moderate or severe” classroom</td>
</tr>
<tr>
<td>- Off home campus setting (multi-nonprofit charter)</td>
</tr>
</tbody>
</table>

Program Intent Code 23
Costs to Exclude (with Correct Program Intent Code)

<table>
<thead>
<tr>
<th>Costs incurred relating to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Services to Section 504 students (PIC 11)</td>
</tr>
<tr>
<td>• Career and Technical Education for Handicapped (VEH) (PIC 22)</td>
</tr>
<tr>
<td>• Regular education services in the basic educational program, including the salaries of regular education personnel (PIC 11)</td>
</tr>
<tr>
<td>Program Intent Code 23 Costs to Include</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>school, community class and self-contained separate campus</td>
</tr>
<tr>
<td>- Residential facility</td>
</tr>
<tr>
<td>- Nonpublic contract</td>
</tr>
<tr>
<td>- Mainstream (support for students in inclusive setting)</td>
</tr>
<tr>
<td>• Students with identified disabilities under the Individuals with Disabilities Education Act and TEC</td>
</tr>
<tr>
<td>• Special Education directors, coordinators or supervisors</td>
</tr>
<tr>
<td>• State funded special education extended year program</td>
</tr>
</tbody>
</table>

**R 24 Accelerated Education**

The costs incurred to use instructional strategies in accordance with campus/district improvement plans to provide services in addition to those allocated for basic services for instruction thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.

FSP compensatory education expenditures are attributable to program intent code 24, Accelerated Education, only if the expenditures are supplemental. Activities reflected in expenditures attributable to FSP compensatory education are those activities that supplement the regular education program for students at risk of dropping out of school.
As a goal, accelerated education seeks to provide a challenging and meaningful instructional program to close the achievement gap between children at risk of dropping out of school and their peers.

<table>
<thead>
<tr>
<th>Program Intent Code 24 Costs to Include</th>
<th>Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplem ental costs to the Regular Education Program for additional instructional programs and instructional related services specifically designed to benefit students at risk of dropping out of school, as defined by Section 29.081, Texas Education Code.</td>
<td></td>
</tr>
<tr>
<td>• Intensive instructional programs</td>
<td></td>
</tr>
<tr>
<td>• State Compensatory Education (SCE) supplemental instructional activities for students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Concentrated instructional staff resources</td>
<td></td>
</tr>
<tr>
<td>• Reduction of class size</td>
<td></td>
</tr>
<tr>
<td>• Teacher assistants</td>
<td></td>
</tr>
<tr>
<td>• Staff development activities for teachers and teacher assistants to add new competencies specifically geared to the needs of students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Extension of the instructional day, week and/or year</td>
<td></td>
</tr>
<tr>
<td>• Implementation of individual and small group tutorials</td>
<td></td>
</tr>
<tr>
<td>• Purchase of specialized</td>
<td></td>
</tr>
<tr>
<td>Costs incurred relating to:</td>
<td></td>
</tr>
<tr>
<td>• Basic services (PIC 11)</td>
<td></td>
</tr>
<tr>
<td>• Services for nondisciplinary alternative education programs (Basic and Supplemental Costs)</td>
<td></td>
</tr>
<tr>
<td>• Services for disciplinary alternative education programs (Basic and Supplemental Costs)</td>
<td></td>
</tr>
<tr>
<td>• SCE costs incurred to provide services in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
<td></td>
</tr>
<tr>
<td>• Day Care Cost (PIC 11)</td>
<td></td>
</tr>
<tr>
<td>• In School Suspension Program (PIC 11)</td>
<td></td>
</tr>
<tr>
<td>• Parenting Classes (PIC 11)</td>
<td></td>
</tr>
<tr>
<td>Program Intent Code 24 Costs to Include</td>
<td>Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code)</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>computer-assisted instruction</td>
<td></td>
</tr>
<tr>
<td>• Purchase of specialized instructional supplies and materials</td>
<td></td>
</tr>
<tr>
<td>• Specialized instructional equipment</td>
<td></td>
</tr>
<tr>
<td>• TAKS remediation</td>
<td></td>
</tr>
<tr>
<td>• Dropout recovery/dropout intervention services at high school/middle school campuses/centers</td>
<td></td>
</tr>
<tr>
<td>• School Reform programs</td>
<td></td>
</tr>
<tr>
<td>• Individualized instruction programs</td>
<td></td>
</tr>
<tr>
<td>• Summer/intersession programs</td>
<td></td>
</tr>
<tr>
<td>• Local programs to &quot;close the gap&quot;</td>
<td></td>
</tr>
<tr>
<td>• Visiting teachers</td>
<td></td>
</tr>
<tr>
<td>• Improvements and enhancements to programs for limited English proficiency (LEP) students</td>
<td></td>
</tr>
<tr>
<td>• Mentorship programs</td>
<td></td>
</tr>
<tr>
<td>• Residential placement programs</td>
<td></td>
</tr>
<tr>
<td>• Costs for modified curriculum for instructional services provided to migrant students</td>
<td></td>
</tr>
<tr>
<td>• Supplemental instructional services in support of a Title I, Part A Targeted Assistance Program</td>
<td></td>
</tr>
<tr>
<td>Program Intent Code 24 Costs to Include</td>
<td>Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code)</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Costs of services for a modified curriculum program specifically designed to</td>
<td></td>
</tr>
<tr>
<td>improve the academic performance of students at risk of dropping out of school,</td>
<td></td>
</tr>
<tr>
<td>as defined under Section 29.081, Texas Education Code</td>
<td></td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related</td>
<td></td>
</tr>
<tr>
<td>disorder as required by Section 38.003 in proportion to the percentage of students</td>
<td></td>
</tr>
<tr>
<td>served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td></td>
</tr>
<tr>
<td>• An Accelerated reading instruction program under Section 28.006 (g) in proportion</td>
<td></td>
</tr>
<tr>
<td>to the program that meet the criteria in Section 29.081 (d) or (g)</td>
<td></td>
</tr>
</tbody>
</table>

R 25  
**Bilingual Education and Special Language Programs**

The costs incurred to evaluate, place and provide educational and/or other services that are intended to make the students proficient in the English language, primary language literacy, composition and academic language related to required courses. These services include the bilingual basic program of instruction and special assistance to increase cognitive academic language proficiencies in English.
## Program Intent Code 25 - Costs to Include:

Costs incurred relating to:
- Services intended to make students proficient in English
- Provision of a bilingual program
- Provision of ESL instruction
- Instruction in primary language
- Increase in cognitive academic language proficiencies
- Bilingual services to immigrant students
- Program and student evaluation
- Instructional materials and equipment
- Staff development
- Supplemental staff expenses
- Salary supplements for teachers
- Supplies required for quality instruction and smaller class size

## Program Intent Code 25 - Costs to Exclude (with Correct Program Intent Code):

Costs incurred relating to:
- Foreign language courses (PIC 11)
- All DAEP related cost
- Full salary of bilingual/ESL instructors

### R 26 Nondisciplinary Alternative Education Programs - AEP Services (Effective September 1, 2004)

All costs incurred to provide the base level program (non supplemental) services to students who are separated from the regular classroom to a nondisciplinary alternative education program and at risk of dropping out of school. Services must be described in the campus improvement plan.
<table>
<thead>
<tr>
<th>Program Intent Code 26 Costs to Include</th>
<th>Program Intent Code 26 Costs to Exclude (with Correct Program Intent Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nondisciplinary AEP education program costs:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• A program specifically designed to serve students at risk of dropping out of school, as defined by TEC, Section 29.081</td>
<td>• State Compensatory Education (SCE) costs to provide services in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• English language arts, mathematics, science, history, and self-discipline</td>
<td>• Costs incurred to provide supplemental services in support of Title I, Part A targeted assistance program (PIC 24)</td>
</tr>
<tr>
<td>• Educational and behavioral needs</td>
<td>• Services under Title I, Part A</td>
</tr>
<tr>
<td>• Supervision</td>
<td>• Services for an elective alternative education program for students not at risk of dropping out of school (PIC 11)</td>
</tr>
<tr>
<td>• Counseling</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• Parental involvement</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Security</td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td></td>
</tr>
<tr>
<td>• An Accelerated reading instruction program under Section 28.006 (g) in proportion to the program that meet the criteria in Section 29.081 (d) or (g)</td>
<td></td>
</tr>
</tbody>
</table>

**R 28**

**Disciplinary Alternative Education Program – DAEP Basic Services**

All costs incurred to provide the base line program (nonsupplemental) services to students who are separated from the regular classroom to a
disciplinary alternative education program. For the purpose of analyzing compliance with the 85% minimum expenditure rule for the FSP compensatory education allotment for each fiscal year (beginning with fiscal year 2003 or beginning with the twelve month period ended on June 30, 2003 or August 31, 2003), the Texas Education Agency will automatically include base level costs recorded under this program intent code in an amount up to 18% of the FSP compensatory education allotment. Services must be described in the campus improvement plan.

<table>
<thead>
<tr>
<th>Program Intent Code 28 Costs to Include:</th>
<th>Program Intent Code 28 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAEP base level education program costs:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• English language arts, mathematics, science, history, and self-discipline</td>
<td>• Nondisciplinary AEPs (Basic and supplemental costs)</td>
</tr>
<tr>
<td>• Educational and behavioral needs</td>
<td>• Supplemental costs for disciplinary alternative education program services (PIC 29)</td>
</tr>
<tr>
<td>• Supervision</td>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• Counseling</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td>• Parental involvement</td>
<td>• Services under Title I, Part A</td>
</tr>
<tr>
<td>• Security</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>• An Accelerated reading instruction program under Section 28.006 (g) in proportion to the program that meet the criteria in Section 29.081 (d) or (g)</td>
<td></td>
</tr>
</tbody>
</table>
### Program Intent Code 28

**Costs to Include:**

(g)

### Program Intent Code 28

**Costs to Exclude (with Correct Program Intent Code):**

### Program Intent Code 29

**Costs to Include:**

**Disciplinary Alternative Education Program – DAEP State Compensatory Education Supplemental Costs**

The supplemental costs incurred to provide services to students who are separated from the regular classroom to a disciplinary alternative education program. These costs are **supplemental** costs in relation to standards for base level education resource allocations and must be described in the campus improvement plan.

<table>
<thead>
<tr>
<th>Program Intent Code 29 Costs to Include:</th>
<th>Program Intent Code 29 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAEP supplemental SCE costs:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• English language arts, mathematics, science, history, and self-discipline</td>
<td>• Basic services for DAEPs (PIC 28)</td>
</tr>
<tr>
<td>• Educational and behavioral needs</td>
<td>• Nondisciplinary AEPs (Basic and supplemental costs)</td>
</tr>
<tr>
<td>• Supervision</td>
<td>• AEP costs (Basic and Supplemental)</td>
</tr>
<tr>
<td>• Counseling</td>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• Parental involvement</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program (PIC 24)</td>
</tr>
<tr>
<td>• Security</td>
<td></td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet</td>
<td></td>
</tr>
</tbody>
</table>
Program Intent Code 29
Costs to Include:

- the criteria in Section 29.081(d) or (g)
- An Accelerated reading instruction program under Section 28.006 (g) in proportion to the program that meet the criteria in Section 29.081 (d) or (g)

Program Intent Code 29
Costs to Exclude (with Correct Program Intent Code):

- Title I, Part A services
- Day Care Cost (PIC 11)
- In School Suspension Program (PIC 11)
- Parenting Classes (PIC 11)

30

Title I, Part A Schoolwide Activities Related to State Compensatory Education (SCE) Costs on Campuses with 40% or More Educationally Disadvantaged Students

The SCE costs incurred to supplement federal awards for use on Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students (including fund code 211,) in the amount of the SCE allotment used to supplement federal awards. This program intent code is also used in the temporarily restricted net assets for fiscal budget approved in notice of grant awards (NOGA) for schoolwide federal projects benefiting Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students.

State law provides flexibility with the use of SCE funds on Title I, Part A campuses at which at least 40% of the students are educationally disadvantaged. SCE funds used to support a Title I, Part A program must be part of the campus budget and all SCE expenditures must be tracked back to the SCE fund code, and all generally accepted accounting principles must be followed. As with Title I funds, SCE funds used to upgrade the educational program must also meet the same guidelines required of NCLB in that SCE funds may only be used to incorporate instructional strategies that scientifically-based research has shown are effective with teaching low-achieving students.

SCE funds may be used on a Title I, Part A Schoolwide campus to upgrade the educational program where the actual poverty percentage of the campus is 40% or greater as long as the SCE funds allocated to the campus are supplemental to the costs of the regular education program. To determine a campus’ poverty percentage, school districts
will use the same auditable poverty data used for Title I, Part A for identifying Title I campuses in the NCLB Consolidated Application for Federal Funding, located on the Title I Campus Selection Schedule. The use of these funds just be described and evaluated in the schoolwide campus improvement plan.

Although activities conducted with SCE funds may be used to support the Title I program, the campus must continue to receive its fair share of state and local funds for conducting the regular education program, and the intent and purpose of the SCE Program must still be met.

<table>
<thead>
<tr>
<th>Program Intent Code 30 Costs to Include:</th>
<th>Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCE costs incurred to supplement the following eight components of a Title I, Part A schoolwide program</td>
<td>SCE costs incurred relating to:</td>
</tr>
<tr>
<td>(1) A comprehensive needs assessment of the entire school, including the needs of any migratory children in attendance. This assessment is based on information about the achievement of children in relation to the Texas state Academic Standards (TAKS). It should identify gaps between the current status of the school and its vision of where it wants to be, relative to key indicators or focus areas. Data obtained from the needs assessment provide the foundation for the goals of the comprehensive schoolwide plan.</td>
<td>• Basic and supplemental services at AEPs and DAEPs</td>
</tr>
<tr>
<td>(2) Schoolwide reform strategies that: provide opportunities for all children to meet the state's academic standards, particularly low-achieving children. The schoolwide plan also should</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td></td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td></td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td></td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>Program Intent Code 30 Costs to Include:</td>
<td>Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| address how the school will determine if student needs have been met.  
  • ;  
  (3) Instruction by highly qualified teachers (refer to the NCLB Program Coordination web page for additional information: http://www.tea.state.tx.us/nclb/) .  
  (4) High quality and ongoing professional development for teachers, principals, and paraprofessionals, and if appropriate, pupil services personnel, parents, and other staff.  
  (5) Strategies to attract high-quality highly qualified teachers . .  
  (6) Increase parental involvement activities.  
  (8) (7) Assistance for preschool children in the transition from early childhood programs, such as Head Start, Even Start, Early Reading First, or a state-run preschool program, to local elementary school programs. Inclusion of teachers in the decisions regarding the use of academic assessments in order to provide information on, and to improve, the achievement of individual students and the overall instructional program.  
  (9) Provision of effective, timely additional assistance and activities to students who experience difficulty mastering |
Program Intent Code 30 Costs to Include:

the proficient or advanced levels of academic achievement standards. This shall include measures to ensure that students’ difficulties are identified on a timely basis and provide sufficient information on which to base effective assistance.

(10) Coordination and integration of federal, state, and local services and programs.

Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):

High School Allotment (effective fiscal year 2009/10)

This program intent code is to be used to account for the $275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 though 12. If the district meets certain college readiness and completion rate standards, there are less restrictions on how the funds are spent—see TEC 39.234.

This amount is not paid separately, but is combined with other Foundation School Program funds. The breakdown of the amount is provided on the Summary of Finance for journal entry purposes.

See the High School Allotment section of the HB1 implementation page for general information and a link to TAC 61 for rules on high school allotment.

This PIC is to be used beginning in fiscal year 2009/10 with fund 199 to align with the movement to Tier I funding; however, before that time it may be coded to fund 428 to record any remaining fund balance at the end of fiscal year 2008/09.

Reserved for Future State Definition
These program intent codes are reserved for future state definition and are not to be used by nonprofit charter schools.

**7X-8X**

**Reserved for use by Education Service Centers**

This group of program intent codes is reserved for use by education service centers to provide special accountability in areas such as bus driver training and driver education. These codes are not to be used by nonprofit charter schools.

**9X**

**OTHER**

**R 91 Athletics and Related Activities**

The costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf, swimming, wrestling, gymnastics, baseball, tennis, track, volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad or any other organized activity to support athletics. However, this does not include band.

<table>
<thead>
<tr>
<th>Program Intent Code 91 Costs to Include:</th>
<th>Program Intent Code 91 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred relating to:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• Additional salaries associated</td>
<td>• Additional salaries and related expenses associated with band,</td>
</tr>
<tr>
<td>with serving as coaches,</td>
<td>UIL speech, debate, science competition, class sponsors, student</td>
</tr>
<tr>
<td>athletic directors drill team</td>
<td>organizations, social clubs (i.e., NHS, Beta club, Letterman’s</td>
</tr>
<tr>
<td>sponsors, cheerleader sponsors,</td>
<td>Club) (PIC 99)</td>
</tr>
<tr>
<td>pep squad sponsors, or other</td>
<td></td>
</tr>
<tr>
<td>organized activity to support</td>
<td></td>
</tr>
<tr>
<td>athletics (i.e., additional days</td>
<td></td>
</tr>
<tr>
<td>employed, reduction of class load,</td>
<td></td>
</tr>
<tr>
<td>length of day, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

**R 99 Undistributed**

All charges which are not readily distributed to program intent codes are classified here. This code may be used with any function except Function 11, of which only substitute teachers and teacher retirement on-behalf payment may be classified in this code.
1.4.16 Optional Code 3

This account group/category code is used, at the option of the nonprofit charter school, to provide more detailed accountability at the local level, if needed for management purposes. This code is not reported through PEIMS and may be used for any purpose that the nonprofit charter school chooses. The following page suggests a use for the code; however the suggested used should not be construed as mandatory. The nonprofit charter school may use the code in any manner.
Exhibit 19. Optional Code 3 Structure

The Code Structure

This code was previously used, at the local option, to account for the educational span. The nonprofit charter school may choose to use the optional codes listed below for that purpose.

A Pre-Kindergarten

A beginning group or class that is organized to provide educational experiences for children during the year or years preceding kindergarten. These educational experiences are a part of the sequential program of the elementary school and are under the direction of a qualified teacher.

B Kindergarten

A group or class that is organized to provide educational experiences for children during the year immediately preceding the first grade.
These educational experiences are a part of the sequential program of the elementary school and are under the direction of a qualified teacher.

C Grade 1
D Grade 2
E Grade 3
F Grade 4
G Grade 5
H Grade 6
I Grade 7
J Grade 8
K Grade 9
L Grade 10
M Grade 11
N Grade 12
O Post 12th Grade

Day or evening education programs of instruction designed to meet the needs of youth who have completed their formal secondary education.

P Elementary

Education in a school classified as "elementary" and composed of any span of grades not above 6, including special schools and institutions. Elementary is normally reported as grades 1 through 6.

Q Secondary

Education in a school classified as "secondary" and composed of any span of grades beginning with the next grade following elementary school and ending with grade 12, including junior high schools, different types of high schools, and special schools and institutions. Secondary is normally reported as grades 7 through 12.
R Middle

A class designated as lying between elementary and secondary education.

S Non-Graded Elementary

An elementary class which is not organized on the basis of grade and has no standard grade designation. Such classes may contain pupils of different ages who are identified according to level of performance rather than grade or age level.

T Non-Graded Secondary

A secondary class which is not organized on the basis of grade and has no standard grade designation. Such classes may contain pupils of different ages who are identified according to level of performance rather than grade or age level.

U Non-Graded, Other

Other education conducted on a non-graded basis.

V Additional local option codes

W Additional local option codes

X Additional local option codes

Y Additional local option codes

Z Additional local option codes
1.4.17 Optional Codes 4 and 5

These codes are used, at the option of the nonprofit charter school to provide local option coding as needed or desired. A chart of locally assigned accounts should be kept for managerial, auditing and other purposes.

Exhibit 20. Optional Codes 4 and 5 Structure

Indicates a mandatory code for State reporting purposes

Indicates a code that may be used at local option

Some suggested uses for these codes include:

- Tracking multiple projects within one net asset class
- Providing instructional costs by grade level
- Providing detail instructional costs by subject area such as Algebra I, Algebra II, etc.
- Providing major groupings by subject area such as mathematics, science and English
- Providing separate accountability for federal projects that have overlapping fiscal periods
• Providing detail for the state fiscal year for federal projects that have a fiscal year that differs from the current state fiscal year
Appendix 1 - Account Code Listings

Net Assets Account Codes

100 THROUGH 600 UNRESTRICTED NET ASSETS GROUP

<table>
<thead>
<tr>
<th>100-199</th>
<th>UNRESTRICTED NET ASSETS CLASSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Food Service</td>
</tr>
<tr>
<td>102-160</td>
<td>Reserved for Future State Definition</td>
</tr>
<tr>
<td>161-198</td>
<td>Locally Defined Classifications (Convert to Net Asset Class 199 for PEIMS)</td>
</tr>
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<td>199</td>
<td>Unrestricted Net Assets Class</td>
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200/300/400 TEMPORARILY RESTRICTED NET ASSET GROUP

<table>
<thead>
<tr>
<th>200-379</th>
<th>TEMPORARILY RESTRICTED NET ASSETS CLASSES (FEDERAL PROGRAMS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Reserved for Future State Definition</td>
</tr>
<tr>
<td>202</td>
<td>Reserved for Future State Definition</td>
</tr>
<tr>
<td>203</td>
<td>Child Care Development Block Grant</td>
</tr>
<tr>
<td>204</td>
<td>ESEA Title IV, Part A Safe and Drug Free Schools and Community Act</td>
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<tr>
<td>205</td>
<td>Head Start</td>
</tr>
<tr>
<td>206</td>
<td>ESEA Title III Subtitle B -- Education for the Homeless Children and Youth</td>
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<td>207</td>
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<tr>
<td>Net Asset Class Number</td>
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<tr>
<td>208</td>
<td>Human Immunodeficiency Virus (HIV) Education</td>
</tr>
<tr>
<td>209</td>
<td>Energy Conservation for Institutional Buildings</td>
</tr>
<tr>
<td>210</td>
<td>(Reserved for future state use.)</td>
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<tr>
<td>211</td>
<td>ESEA Title I Part A -- Improving Basic Programs</td>
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<tr>
<td>212</td>
<td>ESEA Title I Part C -- Education of Migratory Children</td>
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<td>213</td>
<td>ESEA Title I Part B -- Even Start Family Literacy</td>
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<td>218</td>
<td>ESEA Title V Part D, Subpart 6, Jacob Javits Gifted and Talented Students Education Act</td>
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<td>Adult Basic Education (ABE) -- Federal</td>
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<td>222</td>
<td>National and Community Service Act -- Learn and Serve America</td>
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<td>Temporary Assistance for Needy Families (TANF)</td>
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<td>224</td>
<td>IDEA -- Part B, Formula</td>
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<td>225</td>
<td>IDEA -- Part B, Preschool</td>
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<td>226</td>
<td>IDEA -- Part B, Discretionary</td>
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<td>227</td>
<td>IDEA -- Part B, Deaf</td>
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<td>228</td>
<td>IDEA -- Part B, Preschool Deaf</td>
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<td>IDEA -- Part D, Deaf-Blind</td>
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<td>IDEA -- Part D, Personnel Training</td>
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<td>236</td>
<td>Substance Abuse Prevention and Treatment</td>
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<td>Block Grant -- Intervention</td>
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<td>237</td>
<td>ESEA Title IV -- Safe and Drug Free Schools</td>
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<td>and Community Act</td>
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<td>238</td>
<td>Substance Abuse Prevention and Treatment</td>
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<td>Block Grant -- Females</td>
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<td>239</td>
<td>Substance Abuse Prevention and Treatment</td>
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<td></td>
<td>Block Grant -- Prevention</td>
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<td>240</td>
<td>National School Breakfast and Lunch Program</td>
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<td>241</td>
<td>Education Service Center Child Nutrition</td>
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<td>242</td>
<td>Summer Feeding Program, Texas Health and Human Services Commission (HHSC)</td>
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<td>243</td>
<td>Career and Technical Education -- Technical Preparation</td>
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<td>Career and Technical Education -- Basic Grant</td>
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<td>245</td>
<td>Career and Technical Education -- Single Parent</td>
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<td>246</td>
<td>Career and Technical Education -- Sex Equity</td>
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<td>247</td>
<td>Career and Technical Education -- Curriculum Development</td>
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<td>248</td>
<td>Career and Technical Education -- Professional Development</td>
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<td>Career and Technical Education -- Community Based Organization</td>
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<td>Career and Technical Education -- Apprenticeship</td>
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<td>Career and Technical Education -- Quality Work Force</td>
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<td>252</td>
<td>Career and Technical Education -- Other Program Improvement</td>
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<td>253</td>
<td>IDEA, Part C, Early Intervention (Deaf)</td>
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<td>255</td>
<td>ESEA Title II, Part A: Teacher and Principal Training and Recruiting</td>
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<td>ESEA Title I Comprehensive School Reform Demonstration Program, Improving Teaching and Learning</td>
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<td>258</td>
<td>Public Charter Schools</td>
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<td>Matching Funds for Library Purchases</td>
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<td>261</td>
<td>Reading First</td>
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<td>262</td>
<td>Title II, Part D, Subpart 1, Enhancing Education Through Technology</td>
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<td>263</td>
<td>Title III, Part A, English Language Acquisition and Language Enhancement</td>
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<td>265</td>
<td>Title IV, Part B 21st Century Community Learning Centers</td>
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<td>267</td>
<td>Improving Academic Achievement (Grants for State Assessments and Related Activities)</td>
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<td>268</td>
<td>Improving Academic Achievement (Grants for Enhanced Assessment Instruments)</td>
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<td>269</td>
<td>Title V, Part A – Innovative Programs</td>
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<td>270</td>
<td>ESEA, Title VI, Part B, Subpart 2 – Rural and Low-Income School Program</td>
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<td>271</td>
<td>Workforce Investment Act Youth Activities <em>Effective 9/1/05</em></td>
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<td>272</td>
<td>Medicaid Administrative Claiming Program – MAC <em>Effective 9/1/05</em></td>
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<td>273</td>
<td>Mathematics and Science Partnerships <em>Effective fiscal year 2008/09</em></td>
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<td>274</td>
<td>GEAR UP <em>Effective fiscal year 2008/09</em></td>
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<td>275</td>
<td>School Dropout Prevention (Effective fiscal year 2008/09)</td>
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<td>276</td>
<td>Title I SIP Academy Grant (Effective fiscal year 2008/09)</td>
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<td>277-278</td>
<td>Reserved for Future State Definition</td>
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<td>279</td>
<td>Title II, Part D, Subpart 1 – Enhancing Education through Technology - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>ESEA, Title X, Part C – Education for the Homeless Children and Youth - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>IDEA – Part B, Formula - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>IDEA – Part B, Preschool - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>285</td>
<td>ESEA, Title I, Part A – Improving Basic Programs - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>286</td>
<td>Title I SIP Academy Grant - ARRA (Stimulus) (Effective fiscal year 2008/09)</td>
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<td>287-288</td>
<td>Federally Funded Temporarily Restricted Net Assets Class -- Locally Defined (Convert to Net Asset Class 289 for PEIMS)</td>
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<td>Net Asset Class Number</td>
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<td>Federally Funded Temporarily Restricted Net Assets Class</td>
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<td>380-429</td>
<td>TEMPORARILY RESTRICTED NET ASSET CLASSES (STATE PROGRAMS)</td>
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<td>381</td>
<td>Adult Basic Education (ABE) -- State</td>
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<td>Adult Education State Funds (AFDC/JOBS) TEC §29.251</td>
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<td>Title change: Temporary Assistance for Needy Families (TANF), effective 9/98</td>
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<td>383</td>
<td>Professional Staff Development</td>
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<td>384</td>
<td>Texas After School Initiative</td>
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<td>Visually Impaired</td>
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<td>Quality Work Force Planning -- State</td>
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<td>388</td>
<td>Innovative Education Grants</td>
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<td>Master Mathematics Teacher (Deleted effective 8/31/04)</td>
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<td>Early Childhood Limited English Proficient (LEP) Summer Program</td>
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<td>Net Asset Class Number</td>
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<td>391</td>
<td>Year Round Schools Incentive</td>
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<td>Texas Successful Schools Program</td>
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<td>Life Skills Program</td>
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<td>Comprehensive Developmental Guidance Program on Elementary Campuses for Students in At-Risk Situations Program</td>
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<td>Communities in Schools</td>
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<td>Advanced Placement Incentives</td>
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<td>Children's Trust Fund of Texas</td>
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<td>Campus Deregulation and Restructuring to Improve Student Achievement Investment Capital Funds</td>
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<td>401</td>
<td>State-Funded Optional Extended-Year Program</td>
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<td>Texas Ready to Read Program</td>
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<td>Certification (Education Service Centers Only)</td>
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<td>404</td>
<td>Student Success Initiative</td>
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<td>Gifted and Talented (Education Service Centers Only)</td>
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<td>406</td>
<td>Teacher Recruitment (Education Service Centers Only)</td>
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<td>Bilingual Education (Education Service Centers Only)</td>
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<td>Technology (Education Service Centers Only)</td>
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<td>409</td>
<td>High School Completion and Success/Texas High School Project</td>
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<td>410</td>
<td>State Textbook Fund</td>
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<td>411</td>
<td>Technology Allotment</td>
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<td>Public School Child Care Services</td>
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<td>Telecommunication Infrastructure Fund</td>
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<td>414</td>
<td>Texas Reading Initiative / Texas Reading, Math and Science Initiative</td>
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<td>415</td>
<td>Kindergarten and Prekindergarten Grants</td>
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<td>416</td>
<td>State Head Start</td>
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<td>417</td>
<td>Educational Technology (Ed Tech) Pilot</td>
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<td>Active Employee Health Insurance Coverage or Supplemental Compensation (Fund Code Deleted effective 8/31/07)</td>
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<td>419</td>
<td>Head Start-Ready to Read/Early Childhood School Readiness</td>
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<td>Foundation School Program and other State Aid</td>
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<td>Master Reading Teacher/Master Mathematics Teacher</td>
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<td>422</td>
<td>Matching Funds for Library Purchases</td>
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<td>Limited English Proficient (LEP) Student Success Initiative (effective fiscal year 2008/09)</td>
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<td>Net Asset Class Number</td>
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<td>424</td>
<td>School Leadership Pilot Program (effective fiscal year 2008/09)</td>
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<td>Teacher Induction and Mentoring Program (effective fiscal year 2008/09)</td>
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<td>Texas Educator Excellence Award Grant Program (effective fiscal year 2008/09)</td>
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<td>428</td>
<td>High School Allotment (through 2009/10)</td>
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### 460-499 TEMPORARILY RESTRICTED NET ASSET CLASSES (LOCAL PROGRAMS)

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<td>462-480</td>
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<td>Locally Funded Temporarily Restricted Net Assets Class - Locally Defined (Convert to Net Asset Class 499 for PEIMS)</td>
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### 800 THROUGH 829 PERMANENTLY RESTRICTED NET ASSETS GROUP

**800-829 PERMANENTLY RESTRICTED NET ASSET CLASSES**
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<td>806-829</td>
<td>Permanently Restricted Net Assets -- Locally Defined (Not Reported to PEIMS)</td>
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## Function Codes

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<td>Instruction</td>
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<td>12</td>
<td>Instructional Resources and Media Services</td>
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<td>13</td>
<td>Curriculum Development and Instructional Staff Development</td>
</tr>
<tr>
<td>21</td>
<td>Instructional Leadership</td>
</tr>
<tr>
<td>23</td>
<td>School Leadership</td>
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<tr>
<td>31</td>
<td>Guidance, Counseling and Evaluation Services</td>
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<tr>
<td>32</td>
<td>Social Work Services</td>
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<td>33</td>
<td>Health Services</td>
</tr>
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<td>Student (Pupil) Transportation</td>
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<td>Food Services</td>
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<td>Extracurricular Activities</td>
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<td>General Administration</td>
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<td>Facilities Maintenance and Operations</td>
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<td>Security and Monitoring Services</td>
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<td>53</td>
<td>Data Processing Services</td>
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<td>Community Services</td>
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<td>Debt Service</td>
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<td>81</td>
<td>Fund Raising</td>
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Asset Object Codes

1000  ASSETS AND OTHER DEBITS

1100  CASH AND TEMPORARY INVESTMENTS

1101-1109  Cash and Temporary Investments

R 1110  Cash and Temporary Investments

1200  RECEIVABLES

R 1210  Property Taxes Passed Through School Districts - Current

R 1220  Contributions Receivable

R 1230  Allowance for Uncollectible Receivables (Credit)

1240  Due from Governments

R 1241  Due from State

R 1242  Due from Federal Agencies

R 1243  Due from Governments

R 1250  Accrued Interest

R 1290  Other Receivables

1300  INVENTORIES

R 1310  Inventories -- Supplies and Materials

1400  OTHER CURRENT ASSETS

R 1410  Deferred Expenses

R 1420  Capitalized Bond and Other Debt Issuance Cost
Qualified and Discount on Issuance of Bonds (Deleted
effective fiscal year 2008/09; September 1 or July 1 depending on
fiscal year end)

1490 Other Current Assets

1500 LAND, BUILDINGS AND EQUIPMENT

1510 Land Purchase and Improvements

1520 Buildings and Improvements

1530 Furniture and Equipment

1531 Vehicles

1539 Furniture and Equipment

1540 Fixed Assets -- Nonprofit charter school Defined

1541 Vehicles

1549 Furniture and Equipment

1550 Assets Purchased Under Capital Leases

1551 Buildings

1559 Furniture and Equipment

1560 Library Books and Media

1569 Library Books and Media

1570 Accumulated Depreciation

1571 Accumulated Depreciation -- Buildings

1572 Accumulated Depreciation -- Vehicles

1573 Accumulated Depreciation -- Furniture and Equipment
Accumulated Depreciation -- Library Books and Media
Accumulated Depreciation -- Capital Leases
Accumulated Depreciation – Infrastructure
Accumulated Depreciation – Art and Collection
Accumulated Depreciation – Historical Treasures

Other Capital Assets – Infrastructure, Art, Historical Treasures, and Collections

Infrastructure Assets – Roads
Infrastructure Assets – Drainage Systems
Infrastructure Assets – Water Systems
Infrastructure Assets – Sewer Systems
Infrastructure Assets – Lighting Systems
Infrastructure Assets – Other
Infrastructure Assets – Network or subsystems of a Network
Art and Collections
Historical Treasures

Reserved for Future State Definition
Reserved for Future State Definition
Reserved for Future State Definition

OTHER ASSETS

Long-Term Investments
R1990  Other Assets

Liability Object Codes

2000  LIABILITIES

2100  CURRENT PAYABLES

R2110  Accounts Payable

2120  Bonds and Loans Payable -- Current Year

R2121  Bonds Payable – Current Year

2122  Loans Payable -- Current Year

R2123  Other Liabilities -- Current

R2130  Capital Leases Payable -- Current Year

2140  Interest Payable

R2142  Loan Interest Payable

R2143  Capital Lease Interest Payable

2150  Payroll Deductions and Withholdings

R2151  Federal Income Taxes

R2152  FICA Taxes and Medicare

R2153  Group Health and Life Insurance

R2154  Credit Union

R2155  Teacher Retirement

R2159  Other

R2160  Accrued Wages Payable
2180 Due to Other Governments
  R 2181 Due to State
  R 2182 Due to Federal Agencies
  R 2183 Due to Governments

2200 ACCRUED EXPENSES
  R 2210 Accrued Expenses

2300 DEFERRED REVENUE
  R 2310 Deferred Revenue

2400 PAYABLE FROM RESTRICTED ASSETS
  R 2430 Accrued Interest
  R 2440 Other

2500 BONDS AND LOANS PAYABLE -- Long-Term
  R 2510 Bonds Payable – Long-Term
  R 2511 Deferred Gain/Loss on Defeasance of Bonds
  R 2512 Accumulated Accretion on Capital Appreciation Bonds
  R 2516 Premium and Discount on Issuance of Bonds (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)
  R 2520 Loans Payable -- Long-Term

2530 OTHER LONG-TERM DEBT PAYABLE
  R 2531 Capital Leases Payable -- Long-Term
  R 2532 Vested Vacation Benefits Payable

R 2590 Other Long-Term Liabilities
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<td>NET ASSETS</td>
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<td>3400-3600</td>
<td>NET ASSETS</td>
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<tr>
<td>3400</td>
<td>PERMANENTLY RESTRICTED NET ASSETS</td>
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<tr>
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<td>Permanently Restricted Net Assets</td>
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<tr>
<td>3500</td>
<td>TEMPORARILY RESTRICTED NET ASSETS</td>
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<td>Temporarily Restricted Net Assets</td>
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<tr>
<td>5700</td>
<td>REVENUES FROM LOCAL AND INTERMEDIATE SOURCES</td>
</tr>
<tr>
<td>5710</td>
<td>Local Property Taxes Passed Through From School Districts</td>
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<tr>
<td>5711-5715</td>
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<tr>
<td>5716-5718</td>
<td>Local Property Taxes Passed Through By School Districts -- Locally Defined (Convert to Object Code 5719 for PEIMS)</td>
</tr>
<tr>
<td>5719</td>
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</tr>
<tr>
<td>5720</td>
<td>Local Revenues Realized as a Result of Services Rendered to Other Schools</td>
</tr>
<tr>
<td>5721-5726</td>
<td>Reserved for Future State Definition</td>
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<tr>
<td>5727-5728</td>
<td>Local Revenues Resulting from Services Rendered to Other Schools - Locally Defined (Convert to Object Code 5729 for PEIMS)</td>
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<tr>
<td>5729</td>
<td>Local Revenues Resulting from Services Rendered to Other Schools</td>
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5740 Other Revenues from Local Sources

5741 Earnings from Permanently Restricted Net Assets and Endowments

5742 Earnings from Temporary Deposits and Investments

5743 Rent

5744 Gifts and Bequests

5745-5747 Reserved for Future State Definition

5748 Other Revenues from Local Sources -- Locally Defined (Convert to Object Code 5749 for PEIMS)

5749 Other Revenues from Local Sources

5750 Revenues from Cocurricular, Enterprising Services or Activities

5751 Food Service Activity

5752 Athletic Activities

5753 Extracurricular Activities Other than Athletics

5754 Reserved for Future State Definition

5755 Enterprising Services Revenue

5756 Reserved for Future State Definition

5757-5758 Cocurricular, Enterprising Services or Activities -- Locally Defined (Convert to Object Code 5759 for PEIMS)

5759 Cocurricular, Enterprising Services or Activities

5760 Revenues from Intermediate Sources

5761-5765 Reserved for Future State Definition

5766-5768 Revenues from Intermediate Sources -- Locally Defined (Convert to Object Code 5769 for PEIMS)

5769 Miscellaneous Revenues from Intermediate Sources
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5800  STATE PROGRAM REVENUES

5810  Per Capita and Foundation School Program Act Revenues

₅₈₁₁  Per Capita Apportionment

₅₈₁₂  Foundation School Program Act Entitlements

₅₈₁₃  Foundation School Program Act Incentive Aid

₅₈₁₄-₅₈₁₆  Reserved for Future State Definition

₅₈₁₇-₅₈₁₈  Foundation School Program Act Revenues -- Locally Defined
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₅₈₁₉  Other Foundation School Program Act Revenues

5820  State Program Revenues Distributed by Texas Education Agency

₅₈₂₁-₅₈₂₅  Reserved for Future State Definition

₅₈₂₆-₅₈₂₈  Revenues from Other State Programs -- Locally Defined
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₅₈₂₉  State Program Revenues Distributed by Texas Education Agency

5830  State Revenues from State of Texas Government Agencies
(Other than Texas Education Agency)

5832  $1000 TRS Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/2007)

₅₈₃₃-₅₈₃₅  Reserved for Future State Definition
5836-5838  State Revenues from State of Texas Government Agencies (Other than Texas Education Agency) – Locally Defined (Convert to Object Code 5839 for PEIMS)

5839  State Revenues from State of Texas Government Agencies (Other than Texas Education Agency)

5840-5890  Reserved for Future State Definition

5900  FEDERAL PROGRAM REVENUES

5910  Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

5911-5915  Reserved for Future State Definition

5916-5918  Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies - Locally Defined (Convert to Object Code 5919 for PEIMS)

5919  Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

5920  Federal Revenues Distributed by the Texas Education Agency

5921  School Breakfast Program

5922  National School Lunch Program

5923  United States Department of Agriculture (USDA) Donated Commodities

5924-5926  Reserved for Future State Definition

5927-5928  Federal Revenues Distributed by Texas Education Agency – Locally Defined (Convert to Object Code 5929 for PEIMS)

5929  Federal Revenues Distributed by Texas Education Agency

5930  Federal Revenues Distributed by Other State of Texas Government Agencies (Other than Texas Education Agency)
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<td>5936-5938</td>
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<td>5946-5948</td>
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</tr>
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<td>6110</td>
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</tr>
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<td>6111</td>
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<td>6112</td>
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6116-6118 Salaries or Wages for Teachers and Other Professional Personnel - Locally Defined (Convert to Object Code 6119 for PEIMS)

6119 Salaries or Wages -- Teachers and Other Professional Personnel

6120 Support Personnel

6121 Extra Duty Pay/Overtime -- Support Personnel

6122 Salaries or Wages for Substitute Support Personnel (effective fiscal year 2008/09)

6123-6124 Reserved for Future State Definition

6125-6128 Salaries or Wages for Support Personnel -- Locally Defined (Convert to Object Code 6129 for PEIMS)

6129 Salaries or Wages for Support Personnel

6130 Employee Allowances

6131 Contract Buyouts

6132 $1000 TRS Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/2007)

6133-6133 Reserved for Future State Definition

6134-6138 Employee Allowances -- Locally Defined (Convert to Object Code 6139 for PEIMS)

6139 Employee Allowances

6140 Employee Benefits

6141 Social Security/Medicare

6142 Group Health and Life Insurance

6143 Workers' Compensation

6144 Reserved for Future State Definition
6145  Unemployment Compensation
6146  Teacher Retirement/TRS Care
6147  Reserved for Future State Definition
6148  Employee Benefits -- Locally Defined (Convert to Object Code 6149 for PEIMS)
6149  Employee Benefits
6150-6190  Reserved for Future State Definition

6200  PROFESSIONAL AND CONTRACTED SERVICES
6210  Professional Services
6211  Legal Services
6212  Audit Services
6213  Reserved for Future State Definition
6214  Lobbying (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)
6215  Reserved for Future State Definition
6216-6218  Professional Services -- Locally Defined (Convert to Object Code 6219 for PEIMS)
6219  Professional Services
6220  Tuition and Transfer Payments
6221  Staff Tuition and Related Fees -- Higher Education
6222  Student Tuition -- Public Schools
6223  Student Tuition -- Other than Public Schools
6224-6226  Reserved for Future State Definition
6227-6228 Tuition -- Locally Defined (Convert to Object Code 6229 for PEIMS)

\[ 6229 \] Tuition and Transfer Payments

6230 Education Service Center Services

6231-6233 Reserved for Future State Definition

6234-6238 Education Service Center Services -- Locally Defined (Convert to Object Code 6239 for PEIMS)

\[ 6239 \] Education Service Center Services

6240 Contracted Maintenance and Repair Services

6241-6243 Reserved for Future State Definition

6244-6248 Contracted Maintenance and Repair -- Locally Defined (Convert to Object Code 6249 for PEIMS)

\[ 6249 \] Contracted Maintenance and Repair

6250 Utilities

6251-6254 Reserved for Future State Definition

6255-6258 Utilities -- Locally Defined (Convert to Object Code 6259 for PEIMS)

\[ 6259 \] Utilities

6260 Rentals -- Operating Leases

6261-6263 Reserved for Future State Definition

6264-6268 Rentals -- Operating Leases -- Locally Defined (Convert to Object Code 6269 for PEIMS)

\[ 6269 \] Rentals -- Operating Leases

6270-6280 Reserved for Future State Definition

6290 Miscellaneous Contracted Services

\[ 6291 \] Consulting Services (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)
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<td>Reserved for Future State Definition</td>
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<tr>
<td>6294-6298</td>
<td>Miscellaneous Contracted Services -- Locally Defined (Convert to Object Code 6299 for PEIMS)</td>
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<td>Miscellaneous Contracted Services</td>
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<tr>
<td>6300</td>
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<tr>
<td>6310</td>
<td>Supplies and Materials for Maintenance and/or Operations</td>
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<tr>
<td>6311</td>
<td>Gasoline and Other Fuels for Vehicles (Including Buses)</td>
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<tr>
<td>6312-6314</td>
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<td>6315-6318</td>
<td>Supplies for Maintenance and/or Operations -- Locally Defined (Convert to Object Code 6319 for PEIMS)</td>
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<td>Textbooks and Other Reading Materials</td>
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<td>6321</td>
<td>Textbooks</td>
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<td>6322-6324</td>
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<td>6325-6328</td>
<td>Reading Materials -- Locally Defined (Convert to Object Code 6329 for PEIMS)</td>
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<td>6329</td>
<td>Reading Materials</td>
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<tr>
<td>6330</td>
<td>Testing Materials</td>
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<td>6331-6333</td>
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<td>6334-6338</td>
<td>Testing Materials -- Locally Defined (Convert to Object Code 6339 for PEIMS)</td>
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<tr>
<td>6339</td>
<td>Testing Materials</td>
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<tr>
<td>6340</td>
<td>Food Service and Other Resale Items</td>
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<tr>
<td>6341</td>
<td>Food</td>
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R 6342 Non-Food

R 6343 Items for Sale

R 6344 USDA Donated Commodities

6345-6347 Reserved for Future State Definition

6348 Food Supplies -- Locally Defined (Convert to Object Code 6349 for PEIMS)

R 6349 Food Service Supplies

6350-6380 Reserved for Future State Definition

6390 Supplies and Materials -- General

6391-6394 Reserved for Future State Definition

6395-6398 Supplies and Materials -- Locally Defined (Convert to Object Code 6399 for PEIMS)

R 6399 General Supplies

6400 OTHER OPERATING COSTS

6410 Travel, Subsistence and Stipends

R 6411 Travel and Subsistence -- Employee Only

R 6412 Travel and Subsistence -- Students

R 6413 Stipends -- Non-Employees

6414-6416 Reserved for Future State Definition

6417-6418 Travel and Subsistence -- Locally Defined (Convert to Object Code 6419 for PEIMS)

R 6419 Travel and Subsistence -- Non-Employees

6420 Insurance and Bonding Costs

6421-6424 Reserved for Future State Definition
6425-6428 Insurance and Bonding Costs -- Locally Defined (Convert to Object Code 6429 for PEIMS)

6429 Insurance and Bonding Costs

6440 Depreciation Expense

6441-6443 Reserved for Future State Definition

6444-6448 Depreciation Expense -- Locally Defined (Convert to Object Code 6449 for PEIMS)

6449 Depreciation Expense

6450-6489 Reserved for Future State Definition

6490 Miscellaneous Operating Costs

6491-6493 Reserved for Future State Definition

6494 Reclassified Transportation Expenses

6495 Dues (effective fiscal year 2008/09)

6496 Reserved for Future State Definition

6497-6498 Miscellaneous Operating Costs -- Locally Defined (Convert to Object Code 6499 for PEIMS)

6499 Miscellaneous Operating Costs

6500 DEBT

6520 Interest Expenses

6521 Interest on Bonds

6522 Capital Lease Interest

6523 Interest on Debt

6524 Amortization of Bond and Other Debt Related Costs
R 6525 Amortization of Premium and Discount on Issuance of Bonds

6526 Reserved for Future State Definition

6527-6528 Interest Expenses -- Locally Defined (Convert to Object Code 6529 for PEIMS)

R 6529 Interest Expenses

6530-6580 Reserved for Future State Definition

6590 Other Debt Expenses

6591-6593 Reserved for Future State Definition

6594-6598 Other Debt Expenses -- Locally Defined (Convert to Object Code 6599 for PEIMS)

R 6599 Other Debt Fees

Gains/Net Assets Released From Restrictions

7000 GAINS/NET ASSETS RELEASED FROM RESTRICTIONS

7900 Gains/Net Assets Released From Restrictions

R 7911 Issuance of Bonds

R 7916 Premium or Discount on Issuance of Bonds

R 7917 Prepaid Interest

R 7919 Extraordinary Items

7950 Gains

R 7951 Gain on Sale of Real and Personal Property

7952-7954 Reserved for Future State Definition
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<td>Other Gains</td>
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<tr>
<td>7991-7994</td>
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<tr>
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<td>-- Locally Defined (Convert to 7999 for PEIMS)</td>
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## Losses/Net Assets Released From Temporary Restrictions

| 8000 | LOSSES/NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS |
| 8900 | Losses/Net Assets Released From Temporary Restrictions |
| 8910 | Net Assets Released From Temporary Restrictions |
| R 8911 | Net Assets Released From Temporary Restrictions |
| R 8913 | Extraordinary Items |
| 8912-8939 | Reserved for Future State Definition |
| 8940-8948 | Net Assets Released From Temporary Restrictions - Locally Defined (Convert to Account 8949 for PEIMS) |
| R 8949 | Other Uses |
| 8950 | Losses |
| R 8951 | Loss on Sale of Real and Personal Property |
| 8952-8954 | Reserved for Future State Definition |
| 8955-8988 | Losses -- Locally Defined (Convert to Account 8989 for PEIMS) |
| R 8989 | Losses |
## Organization Codes

### 001-699  Organization Units -- Campuses

- **001-040** High School Campuses
- **041-100** Junior High/Middle School Campuses
- **101-698** Elementary School Campuses
- **699** Summer School Organization

### 700  Organization Units -- Administrative

- **701** Organization Unit -- Chief Administrator’s Office
- **702** Organization Unit -- Board of Directors
- **703-708** Reserved for Future State Definition
- **709-719** Organization Unit -- Direct Costs -- Locally Defined (Convert to Organization Code 720 for PEIMS)
- **720** Organization Unit -- Direct Costs in Function 41 (General Administration)
- **721-725** Reserved for Future State Definition
- **726-749** Organization Unit -- Indirect Costs -- Locally Defined (Convert to Organization Code 750 for PEIMS)
- **750** Organization Units -- Indirect Costs in Function 41 (General Administration), including Business Office/Personnel/Payroll/Human Resources/Purchasing
- **751-799** Organization Units -- Reserved for Future State Definition
- **800-997** Organization Units -- Locally Defined (Convert to Organization Code 999 for PEIMS)
- **998** Unallocated Organization Unit -- Local Option
- **999** Undistributed Organization Unit
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<td>2X</td>
<td>ENHANCED SERVICES</td>
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<td>Gifted and Talented</td>
</tr>
<tr>
<td>22</td>
<td>Career and Technical</td>
</tr>
<tr>
<td>23</td>
<td>Services to Students with Disabilities (Special Education)</td>
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<td>24</td>
<td>Accelerated Education</td>
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<td>25</td>
<td>Bilingual Education and Special Language Programs</td>
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<td>26</td>
<td>Nondisciplinary Alternative Education Programs – AEP Basic Services</td>
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<td>27</td>
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<td>9X</td>
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