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## ACTIVITY FUND

The following words and terms, when used in this section, shall have the following meaning, unless the context clearly indicates otherwise:

“**School activities**” means cocurricular or extracurricular activities. Cocurricular activities are school-sponsored activities, under the guidance and supervision of LEA staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Activities normally supplement the regular instructional program.

“**Extracurricular activities**” means all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities are usually not offered for school credit nor required for graduation; are conducted outside school hours, or a time agreed upon by the participants if partly during school hours and approved by school authorities; and their content of activities is determined primarily by the student participants.

“The board of education of each school district shall exercise control over all funds and revenues on hand or hereafter received or collected, as herein provided, from student or other extracurricular activities or other revenue-generating sources listed in subsection B of this section that are conducted in the school district. Such funds shall be deposited to the credit of the account maintained for the benefit of the particular activity within the school activity fund. Deposits of funds subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals less than One Hundred Dollars (\$100.00), a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds One Hundred Dollars (\$100.00). Provided, a school district shall deposit accumulated monies into the fund not less than one (1) time per week, regardless of whether the monies total One Hundred Dollars (\$100.00). Disbursements from each of the activity accounts shall be by check countersigned by the school activity fund custodian and shall not be used for any purpose other than that for which the account was originally created. The board of education, at the beginning of each fiscal year and as needed during each fiscal year, shall approve all school activity fund subaccounts, all subaccount fund-raising activities and all purposes for which the monies collected in each subaccount can be expended. The board of education may direct, by written resolution, any balance in excess of the amount needed to fulfill the function or purpose for which an account was established may be transferred to another account by the custodian.

The board of education of each school district may designate that any of the following revenue be deposited for the use of specific school activity accounts, or to a general activity fund within the school activity fund:

1. Admissions to athletic contests, school or class plays, carnivals, parties, dances and promenades;
2. Sale of student activity tickets;
3. Concession sales, including funds received from vending concession contracts and school picture contracts approved by the district board of education, and cafeteria or luncheon collections;
4. Dues, fees and donations to student clubs or other organizations, provided that membership in such clubs or organizations shall not be mandatory;
5. Income or revenue resulting from the operation of student organizations or club projects, provided, such revenue is not derived from the lease, rental or sale of property, supplies, products, or other assets belonging to the school district. When approved by the board of education, student organizations or club projects may include fund-raising activities, the

revenues from which may be used for the purpose of purchasing goods or services otherwise considered to be general fund expenditures;

6. Deposits for or collections for the purchase of class pictures, rings, pins, announcements, calling cards, annuals, banquets, student insurance and other such personal items; provided the cost of such items shall not be charged against other school funds; and
7. Other income collected for use by school personnel and other school-related adult functions.

The board of education of such district may establish petty cash accounts to be used only for the purpose of making small cash expenditures, such as postage, freight or express charges, provided no single expenditure from a petty cash account shall be made in excess of Seventy-five Dollars (\$75.00), and the total expenditures during any one (1) fiscal year shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00) per school building. The school activity fund custodian shall initiate petty cash accounts by filing a claim against the general fund of the school district for the authorized amount of each petty cash account which shall not exceed Two Hundred Dollars (\$200.00) per school building. The general fund warrants issued in payment of said claim shall be deposited in a "Petty Cash Account" in the school activity fund.

All disbursements from the petty cash accounts shall be made in the same manner as other disbursements from the school activity fund, except no disbursement shall be made from a petty cash account unless a prenumbered, dated receipt be obtained and signed by the person receiving payment. A school board may designate a petty cash custodian to countersign petty cash checks in place of the activity fund custodian. The school activity fund custodian shall file claims against the general fund of the school district for reimbursement of a petty cash account whenever the need shall arise. Such claims shall be itemized in the same manner as other claims filed against the general fund and shall have attached thereto the receipts covering each of the expenditures claimed for reimbursement. The total of a petty cash account balance and the receipts on hand awaiting reimbursement should equal at all times the authorized amount of a petty cash account.

None of the provisions pertaining to a petty cash account shall be construed to authorize the use of one (1) fiscal year's fund to pay obligations of another fiscal year. Any remaining balance in each petty cash account shall be transferred to the general fund on or before June 30 of each year.

The State Board of Education shall adopt appropriate rules and regulations and design standard forms for the proper conduct of the various school activity accounts.

The school activity fund custodian and the petty cash custodian shall be appointed by the board of education of the school district. The school activity fund custodian and the petty cash custodian shall give a surety bond in an amount determined by the board of education, but not less than One Thousand Dollars (\$1,000.00). The premium of the surety bond shall be paid from the school activity fund.

The local board of education is hereby authorized to invest activity funds as it determines appropriate. Upon direction of the local board of education, the custodian of the activity fund shall invest activity funds in any or all of the investments permitted and listed in Section 5-115 of this title.

The board of education of a school district may establish, by board resolution, a general fund refund subaccount within the school activity fund. The balance in the subaccount shall be determined by need, and it shall be funded by refunds and reimbursements received, including but not limited to, rental income, reimbursements for lost and damaged textbooks, summer school and adult tuition, overpayments and tax refunds, as well as transfers, by treasurer's check, from the school district general fund. The subaccount may be expended only for the refund of revenues previously received and deposited either into the subaccount or directly into the general fund. Any remaining balance in the refund subaccount shall be transferred to the school district general fund on or before June 30 of each year.

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The board of education of a school district may authorize the custodian of the school activity funds to provide cash advances to the sponsors for travel expenses on behalf of school district students and sponsors of certain school activities. The cash advances may only come from the school activity fund subaccount directly involved in the travel of such students or sponsor and only if the travel is one of the stated functions or purposes for the establishment of the subaccount. Receipts for all expenditures of the cash advances shall be kept and turned in to the custodian of the school activity fund following said trip.

Any invoice submitted to a school district which is to be paid from a school activity fund and is for payment of an authorized expenditure in an amount equal to or greater than the threshold amount stated in Section 310.9 of Title 62 and Section 3109 of Title 74 of the Oklahoma Statutes shall conform to the requirements set forth in these sections. (70 O.S. § 5-129)

Board approval on school activity funds and subaccounts shall be specific. However, the language for approval for the various methods for raising funds and the purpose for which they are to be expended can be of a general nature. The board may delegate authority through a board policy to school administrators to approve specific fund-raising activities during the year to be approved by the board at the next regular board meeting.

Title 70 O.S. § 5-129.1 provides: "Those funds which are collected by programs for student achievement and by parent-teacher associations and organizations that are sanctioned by the school district board of education shall be exempt from the provisions as outlined in Section 5-129 of this title. Each school district board of education shall adopt policies providing guidelines for the sanctioning of organizations and associations exempted or applying to be exempted pursuant to the provisions of this section. The guidelines may include but not be limited to examinations of financial and performance audits performed on each such organization and association."

Disbursements from the school activity fund shall be by check, countersigned by the school activity fund custodian and some other person or persons designated by the board of education. Deposits to or transfers from any account may be authorized by the board of education except the refund subaccount and petty cash accounts. The school activity fund custodian shall not use funds in one account for another purpose unless a transfer is granted as provided by law. Accounts may be established by the board of education of each district by whatever name or style it deems best suited to its needs for the revenue collected.

Purchases from activity funds for materials or equipment shall not be paid for unless invoices or delivery tickets are furnished. Receipts for collections shall be given by the school activity fund custodian. Prenumbered tickets should be used for admissions in order to establish internal control. All tickets not sold by the gatekeeper should be accounted for at the end of each event and a written reconciliation made of tickets sold to actual revenues collected. Reconciliation documents should be filed in date order as part of the documentation for the activity fund.

Standard forms are not prescribed. Many good forms are now in use and each board of education shall determine if its forms meet legal requirements.

School districts shall report all school activity financial transactions using the Oklahoma Cost Accounting System.

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Specific procedures for all activity funds are as follows:

1. Prenumbered School Activity Fund receipts shall be issued for every subaccount for each fiscal year.
2. The secretary-treasurer of each organization or subaccount shall issue receipts and keep records of credits, debits and balances.
3. The books of each account must reconcile the records of the School Activity Fund.
4. Requisition or purchase request is presented to the School Activity Fund custodian or their designee.
5. Purchase order is then approved by purchasing agent and the order is placed with the vendor.
6. Checks will be issued only when invoice or supporting document and merchandise have been received.
7. All checks will be issued by the School Activity Fund custodian and countersigned. No check will be issued in excess of subaccount balance.
8. Record of all bad checks shall be kept and charged to proper Sub-Account.
9. Each School Activity Fund subaccount shall be reported to the State Department of Education through curricular subject dimension of OCAS, where applicable. Reports will be transferred by magnetic media.
10. The School Activity Fund custodian shall furnish a report to superintendent and board of education monthly. This report should show previous balance in each subaccount and total School Activity Fund balance. The Activity Fund custodian shall reconcile the bank statement when received. This information will be included in the monthly report to the superintendent and board of education.
11. Every teacher in the school system should be informed that all money received is to be turned in to the School Activity Fund custodian.
12. The petty cash account is the only one Student Activity subaccount that can be reimbursed from the general fund.
13. A general fund refund subaccount within the School Activity Fund may be established by board resolution.

[OAC 210:25-5-13]

### ACTIVITY FUND CODING QUESTIONS

#### What are the basic funding codes?

OCAS designates the following codes to the activity fund. The coding in the activity fund should be varied and dependent upon the purchase orders. There is no “one” code for the activity fund. Each invoice needs to be coded on an individual basis. Do not code all (or majority) expenditures to only one or two functions; please use the appropriate codes for the exact purpose. Please refer to your OCAS manual for the specific codes as well as the examples provided below.

- Fund: **60**
- Project Reporting Codes: **8\*\*** (801–998—assign your own number, it will roll to 800)
- Program: **100** (For Instructional expenditures)  
**8\*\*** (Athletics [801–899—assign your own number, it will roll to 800])  
**9\*\*** (Nonathletic—Extracurricular [901–999—assign your own number, it will roll to 900])
- Source of Revenue: **1810–1890** (Athletics)  
**1910–1990** (Activities)

**OCAS is applicable for all funds.** You need 26 digits as required by OCAS. The function and object codes serve the same purpose for all funds. Some dimensions may only require the use of “000”; however, all dimensions must be recorded.

For example, when using Function 1000, Instruction, you will need to code through the program and subject. When coding salaries, whether from activity **or** general fund, you will need to code in the job classification dimension. For instance, if football is a credit class, and out of the activity fund you are paying a part-time high school coach, the coding would be:

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
60	<u>XXX</u>	1000	130	<u>XXX</u>	<u>3300</u>	201	XXX

Another type of example would be that the senior class has decided to rent a large auditorium for graduation ceremonies, instead of using the gym. They hold a fund raiser to cover the costs by purchasing items for resale. The code for the expenditures would be:

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
60	<u>XXX</u>	3200	670	<u>XXX</u>	0000	000	XXX

After the fund raiser, they will need to make a deposit of the monies collected. The coding for the revenue would be:

Fund	Project	Source of Revenue	Program	Operational Unit
60	<u>XXX</u>	1950	<u>XXX</u>	XXX

Payment for the rental of the auditorium would be coded as:

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
60	<u>XXX</u>	2620	440	<u>XXX</u>	0000	000	XXX

(Underlined items will roll to the bold code and XXX=locally assigned.)

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**How do you track activity accounts by individual fund raisers?**

Tracking can be done by activity group or by fund raiser, but not both. There cannot be two project codes for one activity. The activity identification is what the OCAS code was intended to capture. However, the sponsor of each activity can track each fund raiser by keeping separate ledgers for the different fund raiser or activity.

**How does a "general activity fund" differ from an activity account?**

A "general activity fund" can be set up within the activity fund by assigning it a project reporting code. It can be used for the "whole" school, rather than a designated activity account. You can deposit revenue from admission to events, sale of activity tickets, donations, or student insurance. The monies could be spent for student events.

**What can be coded instructional?**

First look at the definitions. Cocurricular activities are school-sponsored activities, under the guidance and supervision of the local educational agency (LEA) staff, designed to provide students with such experiences as motivation, enjoyment, and improvement of skills. Cocurricular activities are offered as credit classes and supplement the regular instructional program.

Extracurricular activities are all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities are usually not offered for school credit nor required for graduation; are conducted outside school hours, or time agreed upon by the participants if partly during school hours and approved by school authorities; and the content of activities is determined primarily by the student participants.

So, ask these questions: Does the student get credit for this? Does the activity provide credit toward graduation? Is the activity conducted during school hours? Are school personnel conducting the activity? Does the activity supplement the teaching process? If so, then uniforms, supplies, trips, instructors, etc., would be coded to Function 1000. But please remember, just because there is a student involved does not necessarily make it an instructional cost.

**How do you code extra-duty pay?**

Use the function of the personnel, then code the object to extra duty (object 192 for certified or 193 for noncertified). These codes are for district employees performing work outside, above, and beyond their contract, or on a one-time or irregular basis. For example, scorekeepers, gatekeepers, game officials.

**Which taxes are coded to an activity fund?**

None. There should never be any tax levy monies in the activity fund.

(Underlined items will roll to the bold code and XXX=locally assigned.)

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**What is the difference between tuition, registration, and fees?**

Object code 560 series is for STUDENTS. This is for payments made to other LEAs or private sources for tuition for students; i.e., transfer students would fall into this category. Object code 860 is for staff registration and tuition. This would include professional conventions, seminars, and/or university classes. Object 810 would include organizational fees and/or dues. This would also cover the fees for students to attend special workshops or conventions. You would also code the district's membership to organizations similar to, but not limited to, the Oklahoma Secondary Schools Activities Association, North Central Association, etc. However, none of the above codes would allow for payment for a staff member's dues to an organization: Chamber of Commerce, Kiwanis, etc.

**Do we pay Teachers' Retirement on gatekeepers?**

Is this an employee of the district or outside help? If it is for employees already on contract with the district, then you need to set a precedence. If you pay retirement on one, you have to pay it on all. You cannot wait until two years BEFORE the employee retires to start paying. You need to be consistent across the board. However, if it is for someone who is NOT a contracted employee, then no, you do not pay into teachers' retirement. For further clarification, please call Teachers' Retirement at (405) 521-2387.

**Do booster clubs and/or parent organizations have to use the activity fund?**

Title 70 O.S. § 5-129.1 provides: "*Those funds which are collected by programs for student achievement and by parent-teacher associations and organizations that are sanctioned by the school district board of education shall be exempt from the provisions as outlined in Section 5-129 of this title. Each school district board of education shall adopt policies providing guidelines for the sanctioning of organizations and associations exempted or applying to be exempted pursuant to the provisions of this section. The guidelines may include but not be limited to examinations of financial and performance audits performed on each such organization and association.*"

It is important to provide clear and concise guidelines. After the board of education has established guidelines, they cannot pick and choose organizations to be sanctioned unless there is ample documentation pertaining to a specific club, organization, or individual's inability to operate outside the district. For example, an officer of a booster club applying to be sanctioned has been convicted of embezzlement or is being investigated for criminal activities.

Districts should also advise organizations of other legal requirements that will be placed on them once they have been sanctioned outside the district. These organizations will no longer be allowed to use the district's tax exemption nor will they be covered under the district's liability insurance. The organizations will need to apply for their own 501(c)(3) nonprofit status. This is extremely important. The Internal Revenue Service has audited individuals because they used personal identification and information when opening bank accounts for their organizations. The banks will report the revenue deposited into these accounts as personal income to the IRS. Further, it may be several years before this occurs and the individual may no longer be associated with the organization or district.



## ADMINISTRATIVE COSTS

- D. *“For purposes of this section, “administrative services” means costs associated with:*
1. *Staff for the board of education;*
  2. *The secretary/clerk for the board of education;*
  3. *Staff relations;*
  4. *Negotiations staff;*
  5. *Staff for the superintendent;*
  6. *Any superintendent, elementary superintendent, or assistant superintendent;*
  7. *Any employee of a school district employed as a director, coordinator, supervisor, or who has responsibility for administrative functions of a school district; and*
  8. *Any consultant hired by the school district.*
- E. *If an employee of a school district is employed in a position where part of the employee’s time is spent as an administrator and part of the time is spent in nonadministrative functions, the percentage of time spent as an administrator shall be included as administrative services. Except for a superintendent who spends part of the time teaching in the classroom, the total amount of time a superintendent of a school district spends performing services for a school district shall be included as administrative services even if part of the time the superintendent is performing nonadministrative service functions and the total amount received by a superintendent from the school district as salary shall be recorded under the code for superintendent salary as provided for in the Oklahoma Cost Accounting System.” (70 O.S. § 18-124)*

### Coding

To calculate Administrative Costs beginning July 1, 2004, the Oklahoma Cost Accounting System (OCAS) section will use all funds (11 through 60) and the following codes:

#### **Staff for the Board of Education:**

Functions: 2313 (Board Treasurer Services)  
 2318 (Audit Services)  
 2319 (Other Board of Education Services)

Objects: 100 and 200 Series (Salaries and related burdens and benefits)  
 310 (Official/Administrative Services)

#### **Secretary/Clerk of the Board of Education:**

Function: 2312 (Board Clerk/Deputy Clerk/Minute Clerk Services)

Objects: 100 and 200 Series (Salaries and related burdens and benefits)  
 310 (Official/Administrative Services)

#### **Staff Relations and Negotiations Staff:**

Function: 2316 (Staff Relations and Negotiations Services)

Objects: 100 and 200 Series (Salaries and related burdens and benefits)  
 310 (Official/Administrative Services)

#### **Staff for the Superintendent:**

Function: 2321 (Office of the Superintendent Services)

Objects: 100 and 200 Series (Salaries and related burdens and benefits)  
 and Object 310 (Official/Administrative Services)

Job Classes: 615 (Regular or Substitute Secretary/Clerk)  
 690 (Superintendent’s Secretary)

**Superintendent, Elementary Superintendent, and Assistant Superintendent:**

<u>Functions:</u>	All
<u>Objects:</u>	100 and 200 Series (Salaries and related burdens and benefits)
<u>Job Classes:</u>	106 Deputy/Associate/Assistant Superintendent/Commissioner 115 Superintendent/Commissioner

**Director, Coordinator, Supervisor, or Administrator:**

<u>Function:</u>	All
<u>Objects:</u>	100 and 200 Series (Salaries and related burdens and benefits)
<u>Job Classes:</u>	101 Administrative/Supervisory/Ancillary Services Officer 107 Executive Assistant 109 Manager 301 Accountant 303 Administrative Intern 332 Network Administrator 513 Supervisor 601 Bookkeeping/Accounting/Auditing Clerk 612 Office Manager

**Consultants (Staff):**

<u>Function:</u>	All
<u>Objects:</u>	100 and 200 Series (Salaries and related burdens and benefits)
<u>Job Classes:</u>	108 Instructional Program Director/Coordinator/Consultant 110 Noninstructional Program Director/Coordinator/Consultant 325 Grant Developer

**Section 414. Expenditures for Administrative Services in Districts with ADA Exceeding 1,500 Students.**

A. Any school district with an average daily attendance (ADA) of more than one thousand five hundred (1,500) students for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more than six percent (6%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the six percent (6%) withheld the following year from the Foundation and Salary Incentive Aid for the school district.

B. Any school district with an average daily attendance (ADA) of more than five hundred (500) students but not more than one thousand five hundred (1,500) students for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more than eight percent (8%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the eight percent (8%) withheld the following year from the Foundation and Salary Incentive Aid for the school district.

C. Any school district with an average daily attendance (ADA) of five hundred (500) or fewer students for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more than ten percent (10%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the ten percent (10%) withheld the following year from the Foundation and Salary Incentive Aid for the school district.

## BOND FUNDS

A bond fund holds proceeds from the sale of bonds from which all expenditures for bond projects are paid. The governmental entity calling an election shall set forth in the call of election a general statement of all purposes and specific projects for which 70 percent of the proceeds shall be expended. Once such bond issue is approved at an election, the particular governmental entity shall expend all of the proceeds of such bond issue for the purposes set out in the proposition voted upon and shall expend not less than 85 percent of the monies allocated to each specific project unless such project can be completed for a lesser amount of money. In such event, the governmental entity may expend that amount less than the specified 85 percent and may use the surplus funds on other projects within the same general purpose or to reduce the sinking fund.

### Steps for Establishing Bond Funds

Once the bonds are sold, establish a new fund utilizing the fund numbers and titles listed on page B-2 of the OCAS Manual. If one bond issue specified numerous projects, project reporting codes should be assigned for tracking purposes. Assigning project codes will keep your budgets in order and will provide detailed documentation if questions should arise concerning bond issue projects.

#### Example:

##### Fund 31:

Capital Improvements Bond Fund of 2005

Project 020: Reroof of Classroom Buildings and Administration Building

Project 021: New Gymnasium Floors at Elementary and High School

Project 022: New Windows at Elementary School

##### Fund 32:

Transportation Bond Fund of 2006

Once you have established your fund, you may begin coding your revenue and expenditures as you would with any other fund. Specific questions on adding a new fund to your software system should be directed toward your vendor.

### Revenue Coding

Very few Source of Revenue codes will be used in a bond fund. The appropriate codes are listed below:

<b>Revenue</b>	<b>Source of Revenue Code</b>
Proceeds on sale of bond (face/par value)	Source 5112
Accrued interest on bond sales (interest received at sale of bond)	Source 1340
Interest earnings (interest earned through investment)	Source 1310
Insurance loss recoveries (if item originally purchased from bond fund)	Source 1510

Premium on bonds sold, Source of Revenue 5111, is that amount received over and above the face value of the bond, excluding accrued interest. The premium should be deposited in the sinking fund (Fund 41).

**Bond Debt Payoff**

Bond debt is paid using ad valorem taxes collected in the district’s sinking fund (Fund 41). No other function/object combinations should appear in a sinking fund. The only codes to be used are:

- 41-000-5100-832-000-0000-000-050 (bond interest)
- 41-000-5100-831-000-0000-000-050 (bond principal)

**Expenditure Coding**

Coding of expenditures in the bond fund are treated the same as any other fund. Be sure to use the appropriate project code if one has been assigned. In the example, we established Fund 32 for a transportation bond. When a bus is purchased, the line of coding is as follows:

32-000-2720-760-000-0000-000-050

We also established Fund 31 for capital improvements. Three projects were set out within this bond fund, each a contracted service.

- |  |                                  |
|--|----------------------------------|
| 1. Reroof classroom buildings:<br>(without changes to the structure of roof) | 31-020-4700-450-000-0000-000-xxx |
| Reroof administration building:  | 31-020-4700-450-000-0000-000-050 |
| 2. Replace gym floor at elementary:  | 31-021-4700-450-000-0000-000-xxx |
| Replace gym floor at high school:  | 31-021-4700-450-000-0000-000-xxx |
| 3. Window replacement at elementary:   | 31-022-4700-450-000-0000-000-xxx |
| 4. Reroof classroom buildings<br>(with changes to the structure of roof)     | 31-020-4700-450-000-0000-000-xxx |

Expenses associated with a bond fund election may be paid utilizing the bond proceeds (70 O.S. § 15-107). You should not code these items using Function 5100, Debt Service, as these expenses do not service the debt. Code such expenses as follows:

- xx-000-2314-310-000-0000-000-050 (miscellaneous)
- xx-000-2314-810-000-0000-000-050 (agent’s fee)

**—REMINDER—**

**ALL BOND AND SINKING FUND TRANSACTIONS MUST BE RECORDED ON YOUR OKLAHOMA COST ACCOUNTING SYSTEM DATA.**

(xxx=Locally assigned.)

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## CAPITAL EXPENDITURES

As found in 70 O.S. § 1-117, expenditures in the general fund must be “noncapital in nature.” Capital expenditures are to be made out of the building or bond funds.

**What are capital expenditures?** As described in 70 O.S. § 1-117 (C), they result in the acquisition of fixed assets or additions to fixed assets and shall include, but shall not be limited to:

- \*Purchase of land;
- \*Purchase of existing buildings;
- \*Purchase of real property;
- \*Improvement of land and sites for construction purposes;
- \*All expenditures for construction of buildings;
- \*Additions and/or remodeling of buildings that involves changes to:
  - Roof structures
  - Load-Bearing walls
- \*Professional services, salaries, and expenses of architects and engineers

As a general rule capital expenditures are coded to the Function 4000 series, Facilities Acquisition and Construction Services. It is important to review the actual work being performed before any decision is made regarding which fund to use as well as the appropriate function code.

However, paragraphs (F), (G), and (H) of 70 O.S. § 1-117 outlines specific circumstances such as emergencies and donations that allow for capital expenditures in the general fund.

Further, districts can apply to the State Board of Education to expend \$50,000 from their general fund for capital expenditures if they meet the criteria outlined in paragraph K of 70 O.S. § 1-117. Also, the State Superintendent of Public Instruction can certify expenditures up to five percent of the general fund revenue if the district has met requirements found in paragraph L. **NOTE:** In both of these circumstances, approval must be granted **PRIOR** to making such expenditures.

## Comprehensive Secondary Programs and Oklahoma Department of Career and Technology (Career Tech) Education Program Incentive Assistance Funds

### PROPER USE OF PROJECT CODES 411, 412, AND 491

#### Use of Project Reporting Codes:

- Project Reporting Code 411 is used for the salary and benefits associated with a Career Tech instructor. If a public school district is receiving funding from the Oklahoma Department of Career and Technology Education, the amount received would be coded to Project 411 and the appropriate, specific Program Code within the 300 series.
- Project Reporting Code 412 is used for all other costs such as materials, supplies, equipment, and professional development associated with a Career Tech program. If a public school district is receiving funds from the Oklahoma Department of Career and Technology Education, virtually all nonsalary costs associated with the Career Tech program would be coded to Project 412.
- Project Reporting Code 491 is used for restricted funds allocated by the Oklahoma Department of Career and Technology Education for the purpose of purchasing equipment to be used in vocational programs.

Regardless of the Project Reporting Code, once the Career Tech monies have been expended, the remaining amount (if any) to be paid by the school district will be coded to the appropriate, specific Project Reporting Code and the appropriate, specific Program Code within the 300 series. Remember: The Project Reporting Code identifies the funding source being expended and the Program Code identifies the program. The entire cost will be captured using the Program Code.

#### Use of Program Codes:

- Program series 300 (Vocational Programs) is always used with all Career Tech expenditures, regardless of the funding source. Use the appropriate, specific program code identifying the exact program.

#### Use of Subject Codes:

- Subject series 8000 - 9000 (Career Technology Education) will be used with expenditures coded to Function 1000 (Instruction). Use the appropriate, specific subject code identifying the exact subject.

#### Examples:

- A public school district pays salary and benefits for a Career Tech agriculture education instructor. The coding would be as follows:

For the amount received from the Career and Technology Center:

8-11-411-1000-xxx-311-8210-210-015  
xxx=appropriate object code for either salary or related benefits

For the amount expended from local school district noncategorical funds:

8-11-000-1000-xxx-311-8210-210-015  
xxx=appropriate object code for either salary or related benefits

- A public school district purchases materials, supplies, or items other than salary or benefits from the Activity Fund for the Career Tech agriculture education class:

For the amount received from the Career and Technology Center:

8-11-412-1000-xxx-311-8210-000-015  
xxx=appropriate object code for the specific purchase

For the amount expended from the Activity Fund:

8-60-vvv-1000-xxx-311-8210-000-015  
vvv=project reporting code assigned to the specific subaccount  
xxx=appropriate object code for the specific purchase

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## CHILD NUTRITION PROGRAM

Child nutrition funds are to be deposited into a separate appropriated fund (Fund 22/Project Reporting 385) or into the general fund account (Fund 11/Project Reporting 385). Fund 22 is a special revenue fund reserved exclusively for the receipt of child nutrition program revenue including state revenue, federal revenue, and local collections. The fund will be under the auspice of the school district treasurer. Child nutrition funds shall be used only for the benefit of the food service program.

The beginning fund balance each year, combined with all actual revenues including collected and estimated revenues, must be appropriated before being expended. Purchase orders shall be issued against available appropriations and once goods or services have been received, either payable or nonpayable warrants shall be issued in payment of all purchase orders. Fund 22 shall be reported as a separate appropriated fund in all the financial reports of the school district including the estimate of needs and financial statement.

By board resolution, a school district may opt to establish a bank account in the local area for local collections only. At the end of each fiscal year, the balance in that account will be closed (70 O.S. § 5-129 [G]) and transferred to the applicable appropriated account (general or child nutrition). This will ease the problem of districts utilizing the services of a county treasurer and daily district travel for deposits. It will also allow schools to clear checks written to their district and process insufficient checks back through the system before the funds are deposited into the appropriated account. This will be done as a school activity subaccount and the custodian will need to be bonded for this subaccount. This will be presented to the board along with other school activity fund subaccounts, listing income as local collections and expenses as checks written to the treasurer for payment of obligations. Even if school districts elect this option, state and federal reimbursements will be electronically transferred to the school district treasurer.

As stated above, reimbursement of child nutrition program expenses involve four sources of revenue: local collections, state matching, state reimbursement, and federal reimbursement. When utilizing these four sources of revenue for expenditures made from the special revenue fund (Fund 22) or general fund (Fund 11), districts must use Project Reporting 385. However, for the summer food service program, Project Reporting 766 should be used, and for child and adult care food program, Project Reporting 769 should be used. All additional expenditures for the child nutrition program from the general, building, or bond funds must use project reporting code 000; however, the function code must be in the 3000 series.

" . . . The statement of estimated needs shall be itemized so as to show, by classes: first, the several amounts necessary for the current expenses of the political subdivision and each officer and department thereof as submitted in compliance with the provisions of Section 2485 of this code; second, the amount required by law to be provided for sinking fund purposes; third, the probable income that will be received from all sources, including interest income and ad valorem taxes . . . " [68 O.S. § 3002]

A combination of general fund (Fund 11) and child nutrition fund (Fund 22) may be used if a loan agreement exists and the child nutrition program meets the following criteria:

1. The general fund subsidizes the child nutrition fund for all expenditures in excess of the National School Lunch Program reimbursement and income from students.
2. The general fund supports the child nutrition fund until the child nutrition fund can reimburse the general fund.
3. There is no intent on the part of the local education agency (LEA) to have the child nutrition program be self-sustaining.

Reimbursements may be made to the general fund from the child nutrition fund for food service expenditures paid from the general fund. Such reimbursement should be properly documented and based solely on actual general fund expenditures. The reimbursement to the general fund will be coded Fund 22, Project Reporting 385, Function 5200, Object 930, Program 000, Job Classification 000, Operational Unit 050. The general fund should code the receipt of the reimbursement as Fund 11, Project Reporting 000, Source of Revenue 5150.

A school district, by board resolution, may use its general fund monies to invest its funds in its own nonfundable warrants. By board resolution, that investment may be forgiven. (62 O.S. § 348.1 and 70 O.S. § 115)

Each year, the State Department of Education sees an improvement in the coding of local collections of the child nutrition program. It seems the majority of the districts are utilizing the activity fund subaccount to collect the local funds, then transferring those monies into the child nutrition fund. As a refresher, the following steps should be taken to ensure accurate coding:

Sell ticket to the student and deposit in the Activity Fund subaccount:

**Revenue: 60-xxx-1710-000->>>**

(xxx-Activity Fund subaccount project code; >>>=Operational unit code)

Weekly or monthly transfer into the Child Nutrition Fund:

**Expenditure: 60-xxx-5200-930-000-0000-000->>>**

Receipt transfer into the Child Nutrition Fund:

**Revenue: 22-385-5160-000->>>**

You may also reclass your revenue from Fund 60 to Fund 22. If you reclass the entries, Fund 60 should show no child nutrition revenues at the end of the year.

Please be aware of double coding the revenue. A few districts showed Source of Revenue 1710 in Fund 60 as well as Fund 22. Since the dollar amounts were identical, it was obvious the revenue was being counted twice.

#### **REMEMBER:**

All child nutrition funds deposited into an activity fund subaccount must be zeroed out and transferred to the applicable appropriated fund (general or child nutrition) prior to June 30 (70 O.S. § 5-129 [G]).

#### **FUNCTION SERIES TO USE WITH THE CHILD NUTRITION FUND**

When coding in the child nutrition fund (Fund 22), the function series 3100 is the only series which should be used. This includes:

- 3120 Food Preparation and Dispensing Services.
- 3130 Food and Supplies Delivery Services.
- 3140 Other Direct and/or Related Child Nutrition Programs Services.
- 3150 Food Procurement Services.
- 3160 Nonreimbursable Services.
- 3180 Nutrition Education and Staff Development.
- 3190 Other Child Nutrition Programs Operations.

There are some 5000 and 8000 functions which would also be used. For example, Function 5200 (Fund Transfer/Reimbursement) may be used for those transactions involving the repayment of a loan agreement with the general fund. Function 8900 would be used for refund of lunch tickets.

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## REFUNDING PREPAID LUNCH TICKETS

To refund unused lunch tickets, there are three options. First, you may generate a warrant from your child nutrition fund (or general fund if that is where your child nutrition program operates). Many districts chose this method to maintain accountability. Once board approval to refund the money is acquired, warrants are mailed to the home of the student. The second method is to refund the money out of the cafeteria's local collections. Local collections are most often deposited into an activity fund subaccount. If a refund of prepaid lunch tickets is requested, a check from this subaccount may be written. Please note that no other expenditures are permitted from the local collections' subaccount. All funds must be deposited into the child nutrition fund for appropriation.

The last method of refunding prepaid lunch tickets is through a refund subaccount in the activity fund. Oklahoma Statute 70 O.S. § 5-129 allows a district to “. . . establish, by board resolution, a general fund refund subaccount within the school activity fund.” This also applies to the child nutrition fund. This law allows a district to refund individuals for unused portions of monies held in reserve. Any balance in this account, as with the petty cash account, shall be transferred to an appropriated fund on or before June 30 of each year.

Transfer funds into an activity fund refund subaccount for child nutrition purposes:

**Expenditure: 22-385-5200-930-000-0000-000-050**

Deposit Funds into the refund subaccount:

**Revenue: 60-xxx-5190-000-050**

(xxx=Project Code assigned by the district for refund subaccount)

Check written to student for unused lunch ticket:

**Expenditure: 60-xxx-8900-930-000-0000-000-050**

At year's end, all remaining funds in the refund subaccount are returned to Fund 22:

**Expenditure: 60-xxx-5200-930-000-0000-000-050**

Return of Assets into Fund 22:

**Revenue: 22-385-5160-000-050**

**Loan Agreement for Food Service Deficits**

This contract and agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the General Fund hereinafter referred to as First Party, and the Child Nutrition Program account, hereinafter referred to as Second Party, of \_\_\_\_\_ school district, witnesseth:

The First Party contracts and agrees to furnish the Second Party the cost of an amount not to exceed \$ \_\_\_\_\_ as a contingent liability subject to repayment as funds become available from the party of the Second Party. This loan agreement must ensure that the party of the Second Party will use these funds only for the operation and improvement of the nonprofit Child Nutrition Program for children. This loan agreement may include items such as utilities, indirect costs/overhead, and the coverage of the end-of-year shortfalls (salaries, inventory, etc.).\*

The Second Party agrees to the loan and to pay as specified the costs of the same shown on the agreement on or before June 30, \_\_\_\_\_.

It is further mutually agreed between the parties hereto, as follows:

1. Any change in services or costs of services shall be made only by mutual agreement of each of the parties hereto in writing by attaching a copy of such change or changes to this contract as an addendum thereto.
2. Rights and obligations of the parties hereto shall be governed by the United States Department of Agriculture Instruction 93-SP-23 and federal and state laws.
3. This contract and all of the provisions hereto shall be binding upon the successors and assigns of the parties hereto insofar as the parties may bind their successors and assigns under the laws of the State of Oklahoma.

Witness our hands the day and year first above written.

\_\_\_\_\_  
Clerk/Board of Education  
(General Fund Manager)

\_\_\_\_\_  
Child Nutrition Program Manager

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_, \_\_\_\_\_.

\*If utilities and indirect costs/overhead are to be paid from the Child Nutrition Program account, they must be a part of this contract.

**COLLEGE TUITION REIMBURSEMENT  
For Teachers and Staff**

Using federal, state, or local funds to pay college tuition for employees must be reimbursed directly to the individual and be paid as Salary in Lieu of Other Fringe Benefits (Object Code 115 for certified staff and 125 for noncertified staff). This includes college tuition, books, travel, parking permits, etc. All related costs are to be included as taxable income. Do not code any of these times to “registration” or “travel.”

The applicable function code for staff training should be used (Function 2213 for instructional staff and 2573 for noninstructional staff).

**Example**

A technology teacher is taking nine hours of college course work. When the teacher has successfully completed the course, the district is going to reimburse the costs (tuition, books, travel, etc.) using Title II, Part D funds. The coding would be as follows:

Year	Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
x	11	546	2213	115	100	0000	210	050

If the employee is noninstructional, be sure to use Function Code 2573 and remember to use the applicable salary code of the individual.

**NOTE:** This does not apply to staff employees attending workshops for the betterment of their jobs. Workshop costs will continue to be coded to registration if paid on behalf of employee and staff travel if employee is being reimbursed.

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## COOPERATIVES

“The boards of education of two or more school districts may enter into cooperative agreements and maintain joint programs including, but not limited to, courses of instruction for handicapped children, courses of instruction in music and other subjects, practical instruction for trades and vocations, practical instruction in driver training courses, and health programs including visual care by persons legally licensed for such purpose, without favoritism as to either profession. The revenues necessary to operate a joint program approved in cooperative agreements, whether from federal, state or local sources, including the individual contributions of participating school districts, shall be deposited into a fund separate from all other appropriated funds. The beginning fund balance each year, combined with all actual revenues, including collected and estimated revenues, must be appropriated before being expended. Purchase orders shall be issued against available appropriations and, once goods or services have been received, either payable or nonpayable warrants shall be issued in payment of all purchase orders. The fund shall be reported as a separate appropriated fund in all the financial reports of the school district which is chosen by the other school districts to keep the accounting records of the joint program.” (70 O.S. § 5-117)

Many districts state they are not in a cooperative agreement; they are only acting as a fiscal agent for other districts. The law does not allow a district to be a cognizant agency for state or federal monies for another school district. A district must be purchasing services for their students if a warrant is being issued to another district, or if a district is receiving funds from another district, services must be provided in return for those funds.

Office of Management and Budget (OMB) A-87 “Cost Principles for State, Local, and Indian Tribal Government” states federal monies must be for costs that are reasonable and necessary for operating these programs, and funds are not to be used for general expenses required to carry out other responsibilities of a state or its subrecipients.

The State Department of Education (SDE) will not pay a school federal dollars until goods and services have been purchased. Based on the federal regulations, the SDE’s Policy and Procedures requires a computer-generated claim for reimbursement from the district’s warrant register. The claim must show warrant dates, purchase order numbers and dates, and a vendor. The reimbursement process eliminates the need for any interest earned on federal grants to be returned to the government.

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## COOPERATIVE/CONSORTIUMS/INTERLOCALS

### REVENUE CODING

The State Department of Education sends funds to the local educational agency (LEA) or interlocal that is the fiscal agent for the cooperative/consortium. The fiscal agent will in turn provide services for the school districts in a cooperative/consortium agreement. The LEA and interlocal will receipt funds in as:

12-xxx-^^^--000-050  
 xxx=Specific Federal Project Code (500-799)  
 ^^>=Specific Federal Source of Revenue Code (4000 series)

Members of the program agreement may send additional local monies for the program. The LEA/interlocal would receipt these additional funds in as:

12-xxx-1290-000-050  
 xxx=Assigned Local Project Code to track local funds required for the cooperative (000-199)

### EXPENDITURE CODING

#### Fiscal Agent and Interlocal

The LEA/interlocal will use applicable Function and Object Codes for the purpose of the expenditure. The project reporting codes will be dependent on the source of revenue being expended; i.e., 000-199 for local funds, 300 series for state-designated funds, or 500-799 for the program specific funds.

#### Member of Cooperative/Consortium/Interlocal

To send *additional, local* funds to the LEA/interlocal:

11-xxx-1000-561-^^-^^-000->>>  
 xxx=Locally assigned project code assigned by the district  
 ^^=Program code (i.e., Regular Programs 100, Special Education 239, Alternative Education 430)  
 ^^=Subject code (i.e., Music 2900, Foreign Language 3100, Special Education 6516)  
 >>>=Site code for the students receiving the cooperative services, or if several sites, it could be 050

#### OR

11-xxx-VVVV-591-^^-^^-000->>>  
 xxx=Locally assigned project code assigned by the district  
 VVVV=Specific function code (Instructional Staff Training 2213, Speech Pathology 2152, Psychological Services 2140)  
 ^^=Program code (i.e., Regular Programs 100, Special Education 239, Alternative Education 430)  
 ^^=Subject code (i.e., Music 2900, Foreign Language 3100, Special Education 6516)  
 >>>=Site code for the students receiving the cooperative services, or if several sites, it could be 050

**COOPERATIVE/CONSORTIUMS/INTERLOCALS**  
**INDIVIDUAL SCHOOL DISTRICTS**

School districts can provide a program locally, yet may need to purchase one or two specific services (testing, speech, etc.) from a cooperative/consortium/interlocal. The school district can apply for and receive their full allotment for federal program funds and then contract for the needed services. The cooperative/consortium/interlocal will then bill the school district for those services rendered.

**Revenue Coding**

11-xxx-\*\*\*\*-000-050  
xxx=Specific Federal Project Code (500-799)  
\*\*\*\*=Specific Federal Source of Revenue Code (4000 series)

**To Purchase Services from a Cooperative/Consortium/Interlocal**

Instructional Services

11-xxx-1000-561-^^^°°°-000->>>

xxx=Specific project reporting code (000-199 as assigned by the district or applicable 500-799 for federal funds)  
^^^=Program code (i.e., Regular Programs 100, Special Education 239, Alternative Education 430)  
°°°=Subject code (i.e., Music 2900, Foreign Language 3100, Special Education 6516)  
>>>=Site code for the students receiving the cooperative services, or if several sites, it could be 050

**OR**

Support Services

11-xxx-VVVV-591-^^^°°°-000->>>

xxx=Specific project reporting code (000-199 as assigned by the district or applicable 500-799 for federal funds)  
VVVV=Specific function code (Instructional Staff Training 2213, Speech Pathology 2152, Psychological Services 2140)  
^^^=Program code (i.e., Regular Programs 100, Special Education 239, Alternative Education 430)  
°°°=Subject code (i.e., Music 2900, Foreign Language 3100, Special Education 6516)  
>>>=Site code for the students receiving the cooperative services, or if several sites, it could be 050

**Alternate Method: “Dual Allocation”**

A school district may elect to apply and receive funds directly under the grant application and at the same time allocate a specific amount of the grant to a cooperative or interlocal for specific services. The district will complete a “contract service” page and allocate an amount and reduce their budget by the amount required for the services from the cooperative/interlocal.

The contract service page will list the services the district will be purchasing from the cooperative/interlocal (instruction, administration, psychometric, etc.) and establish the dollar amount to be transferred to the cooperative/interlocal. At this point, the district will no longer account for these funds.

The cooperative/interlocal will then establish a budget using the transferred funds from the various school districts. The cooperative/interlocal will file a budget with the SDE and submit claims for these expenditures on a monthly or quarterly reimbursement basis.

The expenditures will be coded as submitted on the budget. The revenue will retain the original federal project reporting and source codes:

0-11-xxx-\*\*\*\*-000-050  
xxx=Specific Federal Project Code (500-799)  
\*\*\*\*=Specific Federal Source of Revenue Code (4000 series)

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**COOPERATIVE/CONSORTIUMS/INTERLOCALS****Purchasing Interlocals  
Effective July 1, 2003**

“A. . . . Two or more school districts may enter into an interlocal cooperative agreement for the purpose of forming buying pools or purchasing interlocals.” (70 O.S. § 5-117)

The established interlocal purchases goods and services in “bulk,” thus saving money. These goods and services can consist of, but are not limited to: instructional materials and supplies, psychometric testing equipment, office supplies, buses, etc. The interlocal then “sells” these items to the members of the interlocal.

To ensure revenue and expenditures are not overstated, the following OCAS codes must be used:

**Interlocal Coding**

Initial purchase of any good or services:  
12-000-5600-960-000-0000-000-050

Revenue from member districts as they make purchases:  
12-000-5600-000-050

**Interlocal Member Coding**

Use appropriate codes for the purchase of any item from the interlocal. For example, to purchase districtwide instructional supplies, the coding will be as follows:

12-000-1000-610-100-7650-000-050

**COOPERATIVE PROGRAM PRORATION**

Our office calculates a Per Pupil Expenditure (PPE) for each school district using the Oklahoma Cost Accounting System (OCAS) data. To ensure an accurate calculation, we are required to take the expenditures in Fund 12 for cooperatives and prorate the amount for distribution to the individual members.

School districts that have reported expenditures in Fund 12 are notified and requested to identify the type of program(s) provided by their district as well as the members of the cooperative and the number of students served. The following is a sample of the information needed:

Type of program: <u>Special Education</u>	
(Special Education, Alternative Education, etc. Make copies as necessary.)	
Total Expenditures:	\$ 10,000
Cooperative Members	Number of Students
<u>Any Public School District (LEA)</u> _____	<u>25</u>
<u>Any Public School District (Member)</u> _____	<u>15</u>
<u>Any Public School District (Member)</u> _____	<u>10</u>
_____	_____
Total Number of Students:	<u>50</u>

**CALCULATING PER PUPIL**

Our office takes the total expenditures and calculate the cost per pupil, then prorate the amount back to the member school district. Using the sample above, the calculation would be as follows:

$$\begin{aligned} \text{Total expended} / \text{total students} &= \text{per pupil} \\ \$10,000 / 50 &= \$200 \text{ per pupil} \end{aligned}$$

- LEA: \$200 x 25 = \$5,000 prorated
- Member #1: \$200 x 15 = \$3,000 prorated
- Member #2: \$200 x 10 = \$2,000 prorated

This is a simplistic explanation and example. When the proration is actually calculated, each program is identified by project reporting and program codes and calculated accordingly.

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## FEDERAL PROGRAMS REIMBURSEMENT FILING REQUIREMENTS WITH THE STATE DEPARTMENT OF EDUCATION

Computer program-generated expenditure reports are mandatory. The format of the computer program-generated report must ensure that all information is in the same relative location as it appears on the standard report samples.

- The primary heading on the expenditure report should reflect the federal program section at the State Department of Education (SDE) that is responsible for authorizing funding of the designated project.
- The signature date must be manually filled in by the chief executive officer or authorized representative at the time the report is signed. The date that the report is generated may be printed elsewhere on the report, but it is not required.
- The report order must be sequential by function and object.
- Total expenditures must never exceed the beginning budgeted balance. The district's computer system must edit for this.
- All summary information must be reported on a separate summary report.
- Every school district must submit a summary budget for each state-administered federal project, by fiscal year and project reporting code. On the summary budget, the function dimension will be summarized to the third digit (e.g., 2110, 2130), and the object dimension will be summarized to the first digit (e.g., 100, 200).
- Expenditures must continue to be coded to the bold or the detail level. Both detail and summary expenditure reports must be submitted for audit review of funds received.
- All vendors, including service bureaus and school districts with in-house generated Oklahoma Cost Accounting System (OCAS) software, are required to provide computer programs to generate detail and summary expenditure reports in 8 ½-inch by 11-inch, SDE-approved format. All expenditure reports must be computer program-generated. No report will be processed that has any manual changes.
- There may be expenses that need to be itemized on the report that do not have purchase orders or warrant numbers. Indirect cost is one. It may be listed without purchase order and warrant numbers as long as the function and object codes for indirect cost are used.
- Warehouse requisitions for materials that are included in the approved budget for a federal program may be listed. Warehouse materials requisitioned must be itemized by function and object. The requisition number and date requisitioned should be listed on the purchase order number and date columns.
- Journal entries **to adjust a federal expenditure are acceptable.** The original purchase order number and date should be documented on all entries involved in the adjustment. Journal entries to clear balances from reports will be acceptable.
- Claims for reimbursement of legal expenditures whose function and object category falls within an approved summary budget function and object category will be processed for payment. Expenditures (except indirect cost and fund transfers) will be allowed to exceed the approved budgeted function-object category by 100 percent; provided the sum of all expenditures does not exceed the total budget. No variance will be allowed on indirect cost or fund transfers.

- Budget revisions will be required when:
  1. An expenditure exceeds the maximum allowable variance for an individual function/object category;
  2. Approved program changes require the addition of a function/object category; or
  3. Unobligated first-year funds are carried over as indicated on a Revised Allocation Notification.
- Budget revisions and narrative justifications for program changes must be submitted prior to the obligation of funds.
- Subgrants of federal funds to local educational agencies (LEA) are available for obligation for two state fiscal years (24 months). Allocations to LEAs for the first fiscal year (12 months) must be obligated as current year funds. Obligations incurred by the end of the fiscal year must be liquidated within 90 days of the end of the obligation period and a final expenditure report filed with the State Department of Education by August 1.

Any balance of first-year funds unobligated by June 30 will remain available for obligation as first-year carryover for a second fiscal year (12 months). Carryover funds unobligated by June 30 will remain as unclaimed funds for three months. Districts failing to meet the August 1 reporting deadline will remove the federal project reporting code and goods and services will be paid from noncategorical funds. Current year funds remaining will become carryover funds beginning October 1.

## INDEPENDENT CONTRACTORS

There have been questions and confusion regarding if an individual would be an “independent contractor” or an “employee.” Regardless of the term or title you give an individual, the Internal Revenue Service (IRS) states it is the relationship that will determine how they are classified. If there is an employer-employee relationship, then it is an employee.

The specific rules and requirements can be found in Internal Revenue Service, Publication 15, Circular E: Employer’s Tax Guide. This publication, along with other valuable resources, can be downloaded from their Web site, <[www.irs.gov](http://www.irs.gov)>, and select *Forms and Publications*.

Using the IRS, Publication 15, the following consists of questions that help identify whether it is an employee or independent contractor:

	Yes/No
Does the <i>contractor</i> provide their own liability insurance? No = Employee	_____
Does the <i>contractor</i> provide their own workers’ compensation? No = Employee	_____
Does the <i>contractor</i> have a separate tax identification number? No = Employee	_____
Does the <i>contractor</i> provide a W-9 with tax information? No = Employee	_____
Does the <i>contractor</i> have control over the job? When and where to do the work What tools or equipment to use What workers to hire or assist with the work Where to purchase the supplies and services What work must be performed by a specified individual What order or sequence to follow  No = Employee	_____
Does the district already pay wages to the <i>contractor</i> ? Yes and all the above questions are NO = Employee  Yes and all the above questions are YES = Contractor (The individual may own their own business “on the side” and be self-employed. Further, the services being provided must be apart and different than their contract with the district. Example: teaching versus lawn service.)	_____

All wages paid to employees, regardless of the amount, are required to be run through payroll and all applicable taxes withheld.

## INSUFFICIENT FUND CHECKS

When a check is returned to the district for insufficient funds, the district needs to contact the patron as soon as possible and collect the amount in cash. All transactions are conducted on the revenue side only.

The first step is to bring the check back into the **revenue** side as a credit:

Fund	Project	Source of Revenue	Program	Operational Unit	
60	<u>XXX</u>	5300	<u>XXX</u>	XXX	-\$15

If the check is collected in the same year, a debit is made to **revenue**, along with the bank charges collected.

Fund	Project	Source of Revenue	Program	Operational Unit	
60	<u>XXX</u>	5300	<u>XXX</u>	XXX	+\$15

By using the Source of Revenue, the districts can easily track the amount to be collected without affecting the original account and making double, unnecessary entries. However, if the check is NOT collected, the original account and coding needs to be corrected and the original deposit amount credited:

Fund	Project	Source of Revenue	Program	Operational Unit	
60	<u>XXX</u>	5300	<u>XXX</u>	XXX	+\$15
60	<u>XXX</u>	****	<u>XXX</u>	XXX	-\$15
(****=Original Source of Revenue)					

At the end of the school year, the district can run a detailed report on Source of Revenue 5300 and will be able to track the amount of outstanding insufficient checks that need to be collected.

It is also very important to collect all bank service charges and fees from the patron.

**NOTE:** All persons involved need to be informed of any account changes. For example, the district activity fund custodian receives an insufficient fund check for the junior class subaccount and will do the collection process. The custodian needs to keep the sponsor informed of all actions. This will enable the sponsors to keep their books balanced with the activity fund custodian's books, or the activity fund custodian may turn the check over to the sponsor for collection. When this occurs, the sponsor, in turn, needs to keep the custodian informed of all actions.

## INTERFUND TRANSFERS

Source of Revenue 6200, Interfund Transfer:  
Amount available from another fund which may not be repaid.

This source code is to be used when transferring monies from one fund to another without issuing a warrant.

For example, the Child Nutrition Fund has a loan agreement in place with the General Fund. This loan agreement allows for the Child Nutrition Fund to reimburse the General Fund for expenditures made when the money becomes available. Both banking accounts for these funds are at the same bank (or could even be in the same banking account); therefore, a transfer from one fund to the other can take place without issuing a warrant. Both funds would use Source of Revenue 6200; the Child Nutrition would be negative and the General Fund would be positive:

22-385-6200-000-xxx	\$	-10,000
11-385-6200-000-xxx	\$	+10,000

Therefore, if there is a positive amount in this source, then there must also be a negative for the exact amount in another fund. Please note: If a transfer transpired strictly within the same fund; for example, subaccounts within the Activity Fund, the amounts transferred will cancel each other and there will be no balance.

If a warrant (check) was coded, reported, and issued as an expenditure using Function 5200 from another fund, please use the appropriate Source of Revenue 5100 series to reflect the purpose of the transfer.

(XXX=locally assigned)

## INVESTMENT OF FUNDS

The amount to be reported and submitted on the expenditure side of the Oklahoma Cost Accounting System (OCAS) data is the amount actually invested on June 30:

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
xx	000	5700	990	000	0000	000	050

**NOTE**

The investment codes are for tracking purposes only.

Do not “recode” each rollover or reinvestment of the same dollars. By doing so, you have doubled the actual amount invested.

If the investment has matured and you need to bring the funds back into the district bank account, reverse the original transactions on the expenditure side and bring the interest earned back in on the revenue side. Example:

Expenditure  
Original Purchase of Investment

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit	
xx	000	5700	990	000	0000	000	050	+ \$1,000

Expenditure  
Redeposit of Matured Investment

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit	
xx	000	5700	990	000	0000	000	050	- \$1,000

Revenue  
Deposit of Interest Earned on Investment

Fund	Project	Source of Revenue	Program	Operational Unit	
xx	000	1310	000	000	+ \$30

Using the above scenario, if the district brought all invested amounts back into the bank prior to June 30, the amount recorded on OCAS would be \$0.

However, if the district purchased additional investments which were still invested on June 30, then the amount reported on OCAS would only be the actual amount invested.

xx = Applicable fund: General (11), Building (21), or Child Nutrition (22), etc.

## MEDICAID REIMBURSEMENT

School districts are required to track and code all Medicaid revenue and expenditures; however, the Oklahoma Health Care Authority (OHCA) has simplified the “match” requirement by reimbursing 100 percent of the amount a district claims for reimbursement. The district will classify 70 percent of the reimbursement as federal funds and 30 percent as state. Then to meet the match requirement, the district will simply pay back the OHCA the 30 percent state funds. The district still needs to elect whether they are to going to “reclass” or “reinvest” 70 percent of the reimbursement for expenditure purposes.

The following coding examples are based on a claim for \$25,000.

### Revenue

Reimbursement revenue received from the OHCA:

11-698-4580-000-050	\$ 17,500
11-000-3690-000-050	<u>\$ 7,500</u>
	\$ 25,000

### Expenditures

#### Reclassing

The district can reclass the original expenditures to reflect 70 percent of the amount reimbursed. In the following example, a portion of the occupational therapist is also claimed through IDEA-B:

The original purchase order for the occupational therapist’s salary was coded:

11-000-2135-120-239-0000-334-050	\$ 17,500
11-621-2135-120-239-0000-334-050	<u>\$ 17,500</u>
Total salary:	\$ 35,000

After reclassing the Medicaid reimbursement, the coding would be as follows:

11-621-2135-120-239-0000-334-050	\$ 17,500
11-698-2135-120-239-0000-334-050	\$ 17,500

To reimburse the OHCA the 30 percent state match, the coding will be:

11-000-8900-930-239-0000-000-050	\$ 7,500
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## REINVESTING

Instead of reclassing the expenditure, the district “reinvests” the reimbursement and pays for future special education and/or health-related services. Expenditures that are made with reinvested monies will be spent using the 698 Project Reporting Code and will be identified with Program Code 239 for special education and Function Codes 2113 or 2130 through 2153 for health-related services.

## ADMINISTRATIVE COST FEE

Districts are required to pay the OHCA a one percent administrative fee. This expenditure will be coded as follows: 11-000-2319-810-239-0000-000-050. Please note: The funds received from the OHCA can not be used to pay this administrative fee. The fee must be paid with local, general fund monies.

## Multiple Employee Contracts Effective July 1, 2003

“D. . . . The boards of education of two or more school districts may enter into a mutual contract or separate contracts with a superintendent, administrator, or teacher or with a person to provide support services, to serve as superintendent, administrator, or teacher, as appropriately qualified, or to provide support services, for each contracting district upon such terms and conditions as the parties may agree. Nothing in this act shall be construed to authorize or require annexation or consolidation of any school districts or the closing of any school site except pursuant to law as set forth in Section 7-101 et seq. of this title.” (70 O.S. § 5-117)

Districts may either have complete separate contracts with the individual or one district can employ, report, and account for the individual and bill the other district for those services. To do so, District “A” will pay all salaries and benefits, and District “B” will reimburse for services received.

To accurately report these transactions on the OCAS, the coding will be as follows:

### District “A”

#### Expenditure for Salary:

11-xxx-VVVV-###-^^-°°°-000->>>

xxx=Locally assigned project code assigned by the district if needed

VVVV=Specific function code (Instruction 1000, Superintendent 2321, Treasurer 2313)

###=Specific object code (Salaries 100, Benefits and Related Burdens 200)

^^=Program code (i.e., Regular Programs 100, Special Education 239, Alternative Education 430)

°°°=Subject code (i.e., Music 3000, World Language 3100)

>>>=Site code for the students receiving the cooperative services; or if several sites, it could be 050

#### Reimbursement Revenue from District “B”:

11-xxx-1590-000-050

xxx=Locally assigned project code assigned by the district if needed

### District “B”

#### Expenditure for contract for services with District “A”:

11-xxx-VVVV-591-000-0000-000-050

xxx=Locally assigned project code assigned by the district if needed

VVVV=Specific function code (Instruction 1000, Superintendent 2321, Treasurer 2313)

## PETTY CASH

There still seems to be quite a lot of confusion about petty cash funds. As established by state laws, no more than \$200 shall be allowed per site. It is to be used for incidentals, not for the daily operation of the school; for example, a letter comes in with postage due, or to pay for freight, or, a teacher on a field trip needs to cover an unexpected expense. You can reimburse the teacher out of petty cash. It is just like any other subaccount and will be paid by check. Yes, even if it is for 50 cents, it still has to be paid by check. **At no time is there to be cash kept at the sites for such purposes.**

Procedures for petty cash involve several coding transactions. The following is the step-by-step process for establishing, expending, replenishing, and closing out a petty cash account.

1. The activity fund custodian files a claim against the general fund to establish a petty cash subaccount within the activity fund. A project report code of 801–999 is assigned to track the subaccount.
2. The general fund transfers the start-up funds into the petty cash subaccount.

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
11	000	5200	960	000	0000	000	XXX

3. The warrant is deposited in the petty cash subaccount in the activity fund.

Fund	Project	Source of Revenue	Program	Operational Unit
60	<u>XXX</u>	5190	<u>XXX</u>	XXX

4. Each expenditure made from the petty cash account runs through the clearing account and is coded as follows:

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
60	<u>XXX</u>	5600	960	<u>XXX</u>	0000	000	XXX

A prenumbered, dated, and signed receipt must be obtained from each individual who receives a payment from the petty cash subaccount. On the receipt itself, write in the proper coding of the expenditure, i.e., postage for the principal’s office 11-000-2620-530-000-0000-XXX. This is how the expense will be recorded in the general fund once you request replenishment of the petty cash subaccount.

5. To request reimbursement of the petty cash subaccount, a claim should be made against the general fund. All receipts pertaining to the claim for reimbursement must be attached. The general fund codes out each expenditure as noted on the petty cash subaccount receipts and the warrant is written to the petty cash subaccount. If a claim for \$63 was submitted, the general fund would reimburse \$63 to the petty cash subaccount. Code the deposit to Fund 60 as Source of Revenue 5600.
6. At the close of the year, the petty cash subaccount is closed out. All receipts are submitted to the general fund along with a check for any remaining balance.

Fund	Project	Function	Object	Program	Subject	Job Class	Operational Unit
60	<u>XXX</u>	5200	960	<u>XXX</u>	0000	000	XXX

(Underlined items will roll to the bold code and XXX=locally assigned.)

7. All receipts are coded as noted into the general fund and the check is deposited.

Fund	Project	Source of Revenue	Program	Operational Unit
11	000	5130	000	XXX

All expenditures need to run through the clearing account (5300) in the petty cash subaccount to prevent double-counting the costs. If we were to code out the expenses in both the activity fund and again in the general fund, district expenses would be inflated. Clearing account transactions are not considered as expenditures.

Cash/change for school activities or for the cafeteria is handled in the same manner as the petty cash transaction. The start-up transaction is coded 5200-950. Once the money is returned for deposit back into the fund from which it came, the revenue is coded as Source of Revenue 5120, (Return of Assets) Cash or Change.

(Underlined items will roll to the bold code and XXX=locally assigned.)

## REFUNDS AND REBATES (Correcting Entries)

Refunds and rebates require a three-step coding process. The treasurer and encumbrance clerk must work together to ensure such transactions are coded correctly. In this example, the purchase of a heat pump and subsequent rebates are used to illustrate this point.

The district purchases out of the general fund a new heat pump for the high school and codes the transaction as:

<b>Expenditure:</b>	11-000-2620-739-000-0000-xxx	+\$2,500
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(If the heat pump was installed by a contractor, the object would have been 450.)

In the same fiscal year, the heat pump manufacturer mails the district a rebate check in the amount of \$250. The treasurer codes the rebate as:

<b>Revenue:</b>	11-000-5600-000-xxx	+250
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The encumbrance clerk must now decrease the original cost of the heat pump purchase.

<b>Expenditure:</b>	11-000-2620-739-000-0000-xxx	-\$250
	11-000-5600-930-000-0000-xxx	+\$250

Refunds received by the district are handled in the same manner as the above illustration.

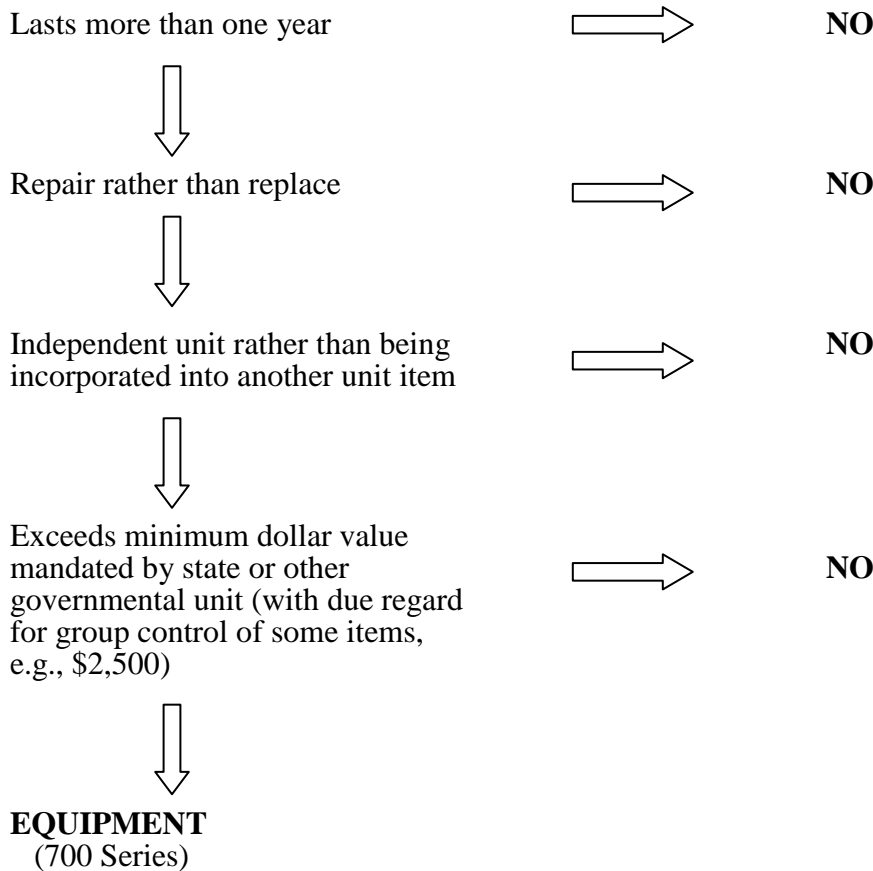
It is important to note that when using a correcting entry, the refund or rebate must be received in the same fiscal year as the original expenditure. If the rebate or refund is received in another fiscal year, the revenue would be coded as Source of Revenue 1680, Refund of Prior Year's Expenditures, and no action would be taken on the expenditure side of the system.

(xxx=Locally assigned.)

## DISTINGUISHING EQUIPMENT FROM MATERIALS AND SUPPLIES

At first NO, item is declared “supply.”

*However, durable supplies are required to be tagged and inventoried (see definitions below).*



## INVENTORY

**Supplies:**

Consumable: General supplies that intended to be used up or discarded after use rather than repaired (i.e., paper products, cleaning products, disks, CDs) with an acquisition cost of less than \$2,500. These items are not tagged and inventoried. Refer to Object Code 610 series.

Durable: Items lasting longer than one year (i.e., computers, furniture) with an acquisition cost of less than \$2,500. These items are tagged and inventoried. Refer to Object Code 650 series.

**Equipment:** Expenditures for the initial, additional, and replacement of equipment with an acquisition cost of more than \$2,500. These items are tagged and inventoried. Refer to Object Code 730 series.

## TRANSITIONAL SCHOOL-TO-WORK

The Oklahoma Department of Rehabilitation Services (ODRS) contracts with school districts to “assist in empowering individuals with disabilities to maximize employment opportunities, economic self-sufficiency, independence, and inclusion and integration into society” (ODRS).

The school district provides the employment opportunities to disabled students and files for reimbursement from ODRS. The reimbursement system is similar to other Special Education program funds administered through the Oklahoma State Department of Education.

This program is funded under Special Education and Rehabilitative Services, Catalog of Federal Domestic Assistance (CFDA) 84.126 and falls under the auditing requirements as outlined in Office of Management and Budget (OMB) Circular A-133.

While these funds are not subject to the Federal Insurance Contributions Act (FICA) or Federal Unemployment Tax Act, these funds must still be run through the payroll for state reporting purposes and Workers’ Compensation reporting.

To ensure these funds are accurately accounted for and tracked, the following Oklahoma Cost Accounting System (OCAS) codes have been assigned.

### REVENUE

- Project Reporting Code 456: Job Training – OJT (Federal – Department of Human Services or ODRS) (CFDA 84.126).
- Source of Revenue 4617: Rehabilitation Services (CFDA 84.126).

Year	Fund	Project	Example Source of Revenue	Program	Operational Unit
x	xx	456	4617	000	050

### EXPENDITURES

- Project Reporting Code 456: Job Training – OJT (Federal – Department of Human Services or ODRS) (CFDA 84.126).
- Function Code: Applicable to the services being performed: Custodial: 2620, Cafeteria: 3120, etc.
- Object Code
  - 120: Regular Noncertified Salaries – or –
  - 140: Temporary Salaries
- Program Code 239: Special Education.
- Subject Code: Not applicable.
- Job Classification Code: Applicable to the services being performed: Custodial: 954, Cafeteria: 958, etc.

Year	Fund	Project	Function	Object	Example Program	Subject	Job Class	Operational Unit
x	xx	456	2620	120	239	0000	954	050

x = Applicable year  
 xx = Applicable fund: General (11), Building (21), or Child Nutrition (22).

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## WORKERS' COMPENSATION

Workers' compensation premiums are usually paid in lump sum, advance payments. Most districts find it easiest to code the advance payments through the clearing account as follows:

**Expenditures:** 11-000-5300-290-000-0000-000-050

The problem arises when districts neglect to reclass this expenditure at the end of the year. If you recall, clearing account activity is not considered an expense on the districts' final records. Perhaps you paid a premium for \$60,000. If you submitted your data without reclassing that payment, your current expenditures for the year would be incorrect.

By the year's end you will know how much workers' compensation to charge each salary function. Break down the \$60,000 and reclass it accordingly. You will need to make a determination as to the percentages that need to be reclassified to the proper salary function codes for the various employees. For example, there should be workers' compensation coded to Instruction, Administration, Child Nutrition, Operation and Maintenance of Plant, and Transportation, depending on the district's payroll functions. Use the appropriate object codes 273 or 283, depending on whether they are certified or noncertified staff. **When you are ready to submit your magnetic media to the State Department of Education, workers' compensation prepayments should be completely reclassified.**

## OKLAHOMA COST ACCOUNTING SYSTEM DEFINED

Permits local education agencies (LEAs) to accumulate expenditures and revenue to meet a variety of specialized management and reporting requirements, regardless of whether they are district, state, or federal, with the following categories for:

### EXPENDITURES

FY	Fund	Project Reporting	Function	Object	Program	Subject	Job Class	Oper'l. Unit
X	XX	XXX	XXXX	XXX	XXX	XXXX	XXX	XXX

### REVENUE

FY	Fund	Project Reporting	Source of Revenue	Program	Oper'l. Unit
X	XX	XXX	XXXX	XXX	XXX

- The law requires a 26-digit accounting system for expenditures.
- Cost shall be reported by curricular subject where applicable, with the exception of Function 1000 which requires a subject code for all expenditures.
- A program code is required for all expenditures coded to Function 1000.
- The State Department of Education requires a program and subject code be used with designated, restricted program funds (i.e., advance placement, alternative education, gifted and talented, and special education) regardless of the function code.
- Zeroes should be used in program and subject if function 1000 or designated program monies are not used.
- Zeroes should be used in job classification if not coding salaries (objects 100 or 200).
- The law requires a 16-digit accounting system for revenue.



Physical/occupational therapist	2135	231
Physical/occupational therapist assistant	2135	241
School psychologist	2140	231
Speech pathologist	2152	231
Teachers' Retirement		
Teacher	1000	251
Teacher assistant (Noncertified)	1000	261
Support (code to function of employee)		261
Counselor	2120	251
Physical/occupational therapist	2135	251
Physical/occupational therapist assistant	2135	261
School psychologist	2140	251
Speech pathologist	2152	251
Unemployment compensation		
Teacher	1000	271
Teacher assistant (Noncertified)	1000	281
Support (code to function of employee)		281
Counselor	2120	271
Physical/occupational therapist	2135	271
Physical/occupational therapist assistant	2135	281
School psychologist	2140	271
Speech pathologist	2152	271
Workers' compensation		
(Note: If workers' compensation is paid on a prepayment basis, redistribution must be completed at the end of the fiscal year.)		
Teacher	1000	273
Teacher assistant (Noncertified)	1000	283
Support (code to function of employee)		283
Counselor	2120	273
Physical/occupational therapist	2135	273
Physical/occupational therapist assistant	2135	283
School psychologist	2140	273
Speech pathologist	2152	273
Binding and repair (classroom books)	1000	646
(library books)	2220	646
Bloodborne pathogens (clean-up supplies)	2620	610
Board member workshop		
Registration	2573	860
Travel	2573	580
Bond		
Lease purchase of revenue bonds		
For new building	4700	430
Bond payments (fund 41 only)		
Principal	5100	831
Interest	5100	832
Bond Elections (financial advisor)	2314	310
(paying agent)		810
Books		
Instructional classroom	1000	641
Library	2220	641

State-adopted	1000	643
Nonstate-adopted	1000	644
Books on tape or CD-ROM (classroom books)	1000	652
(library books)	2220	652
Building permits	4600	810
(Note: Building or bond fund only unless approved by State Board of Education per 70 O.S. §1-118)		
Buses	2720	
Insurance		524
Maintenance (see Transportation)		
Purchase (General fund, bond fund, activity fund)		760
Tags		810
<b>-C-</b>		
Cash advancement to sponsors	5200	930
(Activity fund only -- handled the same way as petty cash)		
Cash management agent fee	2511	310
Cellular phones		
General usage	2620	530
Bus/Student transportation usage	2720	530
Child Nutrition Program (either fund 11 or 22)		
Bus driver	3190	120
Contracted services	3120	570
Food purchase	3150	630
Department of Human Services (commodity assessment fee)	3140	599
Equipment purchase (>\$2,500)	3140	730(s)
(<\$2,500)	3140	650(s)
Equipment repair	3140	430
Extermination	3140	420
Postage	3140	530
Registration for meetings/workshops	3180	860
Reimbursement for travel (professional development)	3180	580
Indistrict travel (site-to-site)	3120	580
Refund of unused lunch tickets	8900	930
Supplies (nonedibles from vendor or warehouse)	3140	610
Salaries (reimbursement to general fund)	5200	930
Uniforms		
Purchase	3160	659
Cleaning	3160	420
Cheerleading		
Camp fees		
Curriculum credit allowed	1000	810
Noncredit -- activity fund only	2199	810
Travel	2720	
Lodging		515
Meals		516
Uniforms (purchase)		
Curriculum credit allowed	1000	659
Noncredit -- activity fund only	2199	659

Choreographer (music department/band - contract service)	1000	320
Claims against school		
Attorney fees	2317	320
Due process settlement (judgment rendered) fund 41 only	5100	820
Tort liability (judgment rendered/insurance company to make payment) fund 84 only	7500	820
Classroom assistant/Paraprofessional education testing (as required under No Child Left Behind)	2571	810
Classroom supplies (general/miscellaneous)	1000	610
Clinician (contract service)	2132	330
Consultant		
Instructional staff development	2213	360
Curriculum development	2212	320
Student assessment	2240	320
Federal/state grant application	2330	310
Computer equipment (>\$2,500)		733
(<\$2,500)		650
Instruction	1000	
Administration	2511	
Data center	2580(s)	
Instructional	1000	
Maintenance department	2620	
Principal's office	2410	
Transportation	2720	
Copier (code to function for which it will be used)		
Products (toner, ink, etc.)		610
Purchase (>\$2,500)		739
(<\$2,500)		656
Lease purchase		440
Interest on lease purchase		834
Repair	2640	430
Copyright fees	1000	810
Crossing guard	2670	120
Curriculum Development Services		
District Travel (site-to-site or workshop)	2212	580
Postage	2620	530
Supplies	2212	610
Registration for meetings/workshops	2573	860
<b>-D-</b>		
Diplomas (see graduation expenses)	1000	610
Drivers Education		
Vehicle	1000	760
Drug testing		
In-house testing (use individual salary function)		610
Contracted services (use individual salary function)		330
Employment	2571	330
Dues/fees (not for individual use)		
Instructional programs (music, band, etc.)	1000	810
National Association of Secondary School Principals	2410	810

North Central Association	2544	810
Oklahoma Association for Service to Impacted Schools	2319	810
Oklahoma Association of Secondary Schools	2319	810
Oklahoma Coalition for Public Education	2319	810
Oklahoma Commission on Educational Administration	2319	810
Oklahoma Curriculum Improvement Commission	2212	810
Oklahoma Secondary School Athletic Association	2490	810
Oklahoma State School Boards Association	2319	810
<b>-E-</b>		
Election expenses	2314	310
Engineer (for construction)	4600	330
(Note: Building or bond fund only unless approved by State Board of Education per 70 O.S. §1-118)		
Encumbrance Clerk (Job Class 601)	2511	120
Equipment		
Purchase (>\$2,500)		732
(<\$2,500)		650(s)
Audiovisual (housed in media center)	2220	
Instructional (used in classrooms)	1000	
Other (code to function for which it will be used)		
Repair		430
Audiovisual (housed in media center)	2220	
Instructional (computers, etc.)	1000	
Other	2640	
<b>-F-</b>		
Federal funds (refund of prior years' overpayment)	8100	930
Fees/dues (see Dues)		
Financial advisor (bond elections, etc.)	2314	310
Flowers (For staff members. Approved activity fund only.)	2575	610
<b>-G-</b>		
Game officials	1000	
Noncertified employees		193
Certified employees		192
Gate workers	1000	
Certified employees		192
Noncertified employees		193
Graduation expenses		
Faculty/administration regalia	2490	610
Flowers or Decorations	2490	610
Speakers	1000	320
Diplomas	1000	610
Grant writers	2541	320
Guidance office		
Counselor	2120	110
Consultant (contracted service)	2120	320
Equipment repair (office machines)	2640	430
Indirect costs	5400	970

Miscellaneous office supplies	2120	610
Miscellaneous instructional supplies (for classroom use)	1000	610
Parent committees (use applicable object code)	2194	
Postage	2620	530
Registration fees	2573	860
Reimbursement for travel		
Inservice	2573	580
Mileage (site-to-site)	2120	580
<b>-H-</b>		
<b>-I-</b>		
Indirect cost	5400	970
Insufficient funds	Source of Revenue	5300
Insurance premiums (other than health)		
Buses	2720	524
Driver education vehicles	1000	521
Fleet Insurance (all vehicles other than buses or drivers education)	2650	521
Liability	2319	522
Property	2620	523
Surety bonds		
Activity fund custodian	2511	525
Treasurer	2313	525
Deputy clerk	2312	525
Workers' compensation (prepayment only)	5300	290
<b>At end of year, redistribute workers' compensation         payment to function of salary. See Benefits.</b>		
Inservices/Workshops/Staff Development Meetings		
Registration		
Instructional staff	2213	860
Noninstructional staff	2573	860
Child nutrition	3180	860
Travel/Per Diem		
Instructional staff	2213	580
Noninstructional staff	2573	580
Child nutrition	3180	580
In-house third party vendor (all costs inclusive)		
Instructional staff	2213	360
Noninstructional staff	2573	360
Child nutrition	3180	360
Instructional materials and supplies	1000	610
Interest		
Cash management funds	2511	310
Nonpayable warrants (within one year)	2511	833
Lease purchase (use function for which it will be used)		834
Interfund Transfer	5200	930
Internet Fee	2620	530

**-J-**

## Judgments

Court rendered -- taxes levied (fund 41)	5100	820
Tort liability -- payment covered by insurance (fund 84)	7500	820

**-K-****-L-**

Land purchase (Note: Building or bond fund only unless approved by State Board of Education per 70 O.S. §1-118)	4200	710
Landscaping	4300	
Contracted services		450
District staff (use applicable object code; i.e., supplies, salaries)		
Late payment charge	2511	890
Lease purchase (use applicable function code)		440
Lease purchase interest (use applicable function code)		834

**-M-**

## Maintenance expenses

## Contracted Services:

Asphalt	2630	450
Concrete	2630	450
Custodial services for buildings and grounds	2620	450
Electrical services	2620	450
Fire extinguisher service	2620	430
Roof repair	2620	450
Waste disposal services	2620	420
Carpet	2620	450
Custodial equipment (sweepers, buffers, etc., >\$2,500)	2620	739
Custodial supplies	2620	610
Equipment care (purchase of parts for repair)	2640	610
Equipment repair (contracted services)	2640	430
Equipment purchase (tools, saws, etc., >\$2,500)	2620	736
Equipment purchase (<\$2,500)	2620	650(s)
Grounds care equipment (mowers, etc., >\$2,500)	2630	736
General/miscellaneous supplies	2620	610
Postage	2620	530
Registration for meetings/workshops	2573	860
Travel		
Site-to-site	2620	580
Inservice	2573	580
Tractor purchase	2640	760
Vehicle purchase	2620	760
Maintenance of district vehicles (Function code remains the same, use appropriate object code)	2650	

**Note: When making repairs to driver education vehicles, use Function 1000 and the appropriate object code. You must also code through program and subject.**



Instruction-related technology staff	2213	860
Administrative technology staff	2573	860
Child Nutrition staff	3180	860
Refunds		
Unrestricted	8900	930
Federal or state	8100	930
Remodel/renovation (noncapital only in general fund)		
Building improvements (contracted service) (i.e., installing air-conditioning systems, plumbing services, roofing)	4700	450
Repairs to buildings (not affecting roofs or load-bearing walls)		
Contracted service	2620	450
Repair and maintenance to equipment		
Instruction	1000	430
All other equipment	2640	430
Report cards (student evaluation)	2544	610
Resale items	3200	
Costs recovered for profit		670
Costs recovered not for profit		660
Residency program stipend (formerly entry year)	2212	170
<b>-S-</b>		
Scholarships (activity, endowment, or gift fund)	7100	890
Scoreboard	4700	
LEA staff installed (>\$2,500)		734
Outside contractor		450
Secretary / Administrative Assistant		
Child Nutrition Secretary (job class 615)	3190	120
Financial secretary (job class 615)	2511	120
Principle Secretary (job class 615)	2410	120
Superintendent Secretary (job class 690)	2321	120
Smoke detectors (>\$2,500)	2670	734
(<\$2,500)		654
Security Guard	2660	120
Security Camera	2660	654
Special Area Administrator (Coordinator) expenses	2330 (designated funds)	
	2340 (noncategorical)	
Equipment (>\$2,500)		730(s)
(<\$2,500)		654
Postage	2620	530
Supplies		610
Testing materials (psychological)	2140	610
Registration for meetings/workshops	2573	860
Mileage		
Site-to-site	2330	580
Workshop	2573	580
Student payment for work (use appropriate function code; i.e, custodial, cafeteria)		120



Salary		
Administrative (Instructional)	1000	110
Administrative (Noninstructional)	2511	120
Repairing equipment (Instructional)	1000	120
Repairing equipment (Noninstructional)	2620	120
Technology staff (Instructional)	1000	110
Tort claims (fund 74)	7500	820
Tournament contracts (athletic)	1000	850
Transfer tuition	1000	560(s)
Transportation expenses		
Maintenance on student transportation vehicles	2740	
Gasoline		625
Diesel		623
Parts for repair & maintenance (includes glass, mirrors, oil, tires)		610
Realignment		430
Replacement of glass (contract service)		430
Replacement of motors		760
Safety inspection stickers		810
Seat repair		430

**Note: When making repairs to driver education vehicles, use Function 1000 and the appropriate object code. You must also code through program and subject.**

Treasurer	2313	120
Contract		310
Truant Officer	2112	
Contract services		340
Staff		120

**-U-**

Uniforms		
Band	1000	610
Child nutrition program	3140	610
Custodian	2620	610
Athletic (curriculum credit allowed)	1000	610

**-V-**

Vehicle purchase		760
Buses	2720	
Driver education	1000	
Maintenance director	2620	
Other maintenance vehicles (tractors, trucks, vans)	2630	
Other warehouse vehicles (trucks, mail van)	2520	
Superintendent, deputy, assistant	2321	
Transportation director	2720	
Vocational-agriculture	1000	
Warehouse director	2520	
Vocational Rehabilitation (School-To-Work use appropriate function code; i.e, custodial, cafeteria)		120

<b>-W-</b> Warehouse expenses	2520	610
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**-X-**

**-Y-**

**-Z-**

## Job Class Definitions

<u>Job Code</u>	<u>Job Classification (Name)</u>	<u>USE: Certified/Noncertified (Support)/Both</u>
<b>100</b>		
<b>Series</b>	<b>Official - Administrative</b>	<b>Certified Only</b>
108	Instruction Program Director/Coordinator/Consultant	If Noncertified/Support use code 513-Supervisor
109	Manager Noninstructional Program	If Noncertified/Support use code 513-Supervisor
110	Director/Coordinator/Consultant	If Noncertified/Support use code 513-Supervisor
<b>200</b>		
<b>Series</b>	<b>Professional - Educational</b>	<b>Both Certified &amp; Noncertified/Support</b>
205	Education Diagnostician	If Noncertified/Support use code 510-Psychometrist If Noncertified/Support use code 407-Extracurricular Activity Aide
208	Student Activity Advisor/Nonathletic Coach	
<b>300</b>		
<b>Series</b>	<b>Professional - Other</b>	<b>Both Certified &amp; Noncertified/Support</b>
301	Accountant (Use this if this person is a CPA)	If Noncertified/Support use code 601-Bookkeeping/Accounting/Auditing Clerk
315	Computer Systems Analyst	If Noncertified/Support use code 502-Computer Technician
322	Family/Community Support Coordinator	Use for OPAT (Okla. Parents as Teachers) Teachers
323	Financial Aid Officer	If Noncertified/Support use code 408-Financial Aid Specialist
324	Functional Application Support Specialist	If Noncertified/Support use code 502-Computer Technician If Noncertified/Support use code 512-Speech Language Technician
353	Speech Pathologist/Therapist	
354	Staff Developer/Teacher Trainer	Use for Mentor Teacher Stipend
<b>400</b>		
<b>Series</b>	<b>Paraprofessional</b>	<b>Noncertified/Support Only - Except for *409, *414 &amp; *415</b>
*409	<i>Monitor/Prefect</i>	<i>Both Certified &amp; Noncertified/Support</i>
*414	<i>Teaching Assistant</i>	<i>Both Certified &amp; Noncertified/Support</i>
*415	<i>Tutor</i>	<i>Both Certified &amp; Noncertified/Support</i>
407	Extracurricular Activity Aide	If Certified use code 208-Student Activity Advisor/Nonathletic Coach
408	Financial Aid Specialist	If Certified use code 323-Financial Aid Officer
<b>500</b>		
<b>Series</b>	<b>Technical</b>	<b>Noncertified/Support Only</b>
502	Computer Technician	If Certified use either 315-Computer Systems Analyst or 324-Functional Application Support Specialist
507	Licensed Practical Nurse	If Certified use 333-Nurse Practitioner
510	Psychometrist	If Certified use 205-Education Diagnostician
512	Speech Language Technician	If Certified use 353-Speech Pathologist/Therapist
513	Supervisor	If Certified use one of the following: 108 - Instruction Program Director/Coordinator/Consultant 109 - Manager 110 - Noninstructional Program Director/Coordinator/Consultant
<b>600</b>		
<b>Series</b>	<b>Office/Clerical Noncertified/Support</b>	<b>Noncertified/Support Only</b>
601	Bookkeeping/Accounting/Auditing Clerk	Use this for Encumbrance Clerk and District Treasurer If Certified use 301-Accountant
614	Records Clerk	Use this for Board Clerk & Minutes Clerk

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<b>700</b>		
<b>Series</b>	<b>Crafts and Trades</b>	<b>Noncertified/Support Only</b>
<b>800</b>		
<b>Series</b>	<b>Operative</b>	<b>Noncertified/Support Only</b>
<b>900</b>		
<b>Series</b>	<b>Laborer</b>	<b>Noncertified/Support Only</b>
<b>950</b>		
<b>Series</b>	<b>Service Work</b>	<b>Noncertified/Support Only</b>

**NOTE: Anything with "Aide" should be used as Noncertified/Support**

## *OCAS CODING INDEX*

### Revenue

It is important to note the project reporting codes and sources of revenue for federal programs do not include transferability. If your district has a consolidated application and/or REAPs federal programs, you must refer to the payment voucher for the correct project reporting codes and appropriate sources of revenue.

\* = This is locally assigned between 001-199 and will roll, when bolded, to 000; or between 801-999 and will roll, when bolded, to 800.

\*\* = This is locally assigned between 801-998 and will roll, when bolded, to 800.

(s) = Use appropriate code within the listed series.

	<b>Project Reporting Code</b>	<b>Source of Revenue</b>
<b>-A-</b>		
Ad Valorem (Current Year)	000	1110
Ad Valorem (All prior/previous years)	000	1120
Additional Homestead Reimbursement (Double Homestead)	000	3610
Admissions (Athletics)	*	1810
Admissions (Student Activities)	**	1910
Adult Education		
Local Tuition and Fees	000	1210(s)
Matching (from state Legislature)	319	3430
Basic (CFDA #84.002)	731	4611
TANF (through SDE, CFDA #93.021)	735	4613
TANF (through SDVTE, CFDA #93.558)	452 or 453	4619
English Literacy/Civics (CFDA #84.002)	732	4611
Welfare-To-Work (CFDA #17.253)	455	4615
Workforce Incentive Act (CFDA #17.255)	454	4616
Rehabilitation Services (CFDA #84.126)	456	4617
Rural Health	457	4618
Advance Placement		3470
Equipment/Materials Grant	368	
Incentive	369	
International Baccalaureate Equipment/Materials	393	
International Baccalaureate Incentive	394	
Vertical Team Grant	396	
Alternative and High Challenge Education		
High Challenge	325	3310
Academies Contract (TACs)	326	3310
Comprehensive School-Based Services	328	3310
Competitive	381	3310
Grant	388	3310
Transfer Fees from other LEAs	000	1246
Arts Council Grant (State)	337	3690
Arts-in-Education Community Network	336	3390

Athletics		
Admissions	*	1810
Advertising/Programs	*	1820
Concessions	*	1830
Dues/Memberships	*	1840
Fees, Penalties, Fines	*	1850
Game Contracts/Guarantees	*	1860
State Play-offs Revenue	*	1870
Supplies/Materials Sold to Student	*	1880
<b>-B-</b>		
Bilingual (See Title III)		
Bonds		
Interest	000	1310
Premium on Bonds Sold	000	5111
Accrued Interest on Bond Sales	000	1340
Proceeds from Sale of Original Bonds	000	5112
Bookstore		
Student-Sponsored	**	1980
School-Sponsored	000	1450
<b>-C-</b>		
Catering	385 or *	1790
Child Nutrition		
Daily:		
Student Lunches, Breakfasts, à la carte, Special		
Milk	385	1710
Adult Meals	385	1730
Contract Meals	385	1760
Other (Catering, gifts/donations, rebates)	385	1790
Federal Sources:		
Summer Food Program	766	4740
Child & Adult Care Food Program	769	4750
Lunches	385	4710
Breakfasts	385	4720
Special Milk Program	385	4730
Fresh Fruits and Vegetable Program	768	4760
State Sources:		
Reimbursement	385	3710
Matching	385	3720
Commissions	000 or *	1460
Community Education	382	3330
Concession Sales (Student Activities)	**	1920
Contract Meals	385	1760
County 4-Mill	000	2100
County 4-Mill Implement Tax		2100
County 4-Mill Manufacturing Tax		2100
County 4-Mill in-lieu of		2100
County 4-Mill Protest Tax		2100

County Apportionment	000	2200
Custodial Services & Utilities	000	1570
<b>-D-</b>		
Damages to property	000	1530
Disaster Assistance		
State	000	3240
FEMA	594	4120
Distinguished Schools (Title I)	517	4210
Distinguished Educators (Title I)	518	4210
Dividends on Insurance Policies	000	1320
Donations	000 or *	1610
Double Homestead	000	3610
Drivers Education		
State reimbursement	317	3440
Student paid tuition	000 or *	1290
Drug Education (CFDA #84.186)	551	4441
<b>-E-</b>		
Education Flexible Benefit Allowance		
In-lieu of benefit (certified)	331	3250
In-lieu of benefit (noncertified)	332	3250
Insurance premium--certified personnel	334	3250
Insurance premium--noncertified personnel	335	3250
<b>-F-</b>		
Farm Implement Stamp	000	3160
Federal Emergency Management Agency (FEMA)	594	4120
Flood Control	770(s)	4162
Forest Reserve Rentals (Bureau of Land Management)	770(s)	4163
Foundation and Salary Incentive Aid	000	3210
<b>-G-</b>		
Great Expectations Summer Institute	318	3414
Gross Production (Oklahoma Tax Commission)	000	3110
<b>-H-</b>		
Highly Qualified Teachers and Principals (See Title II)		
Homestead Reimbursement (Double)	000	3610
<b>-I-</b>		
Impact Aid (Title VIII, CFDA #84.041)		4130
Basic	591	
Disabled (Special Education Add-on)	592	
Building (Section 8007)	593	
In-Lieu Taxes		
Local	000	1130
Public Housing (Federal)	770(s)	4161
Indian Education (Title VII, CFDA #84.060)	561	4140
Insurance Loss Recoveries	000	1510

Interest on Investments	000	1310
Interest on Taxes	000	1350
<b>-J-</b>		
Johnson O'Malley (CFDA #15.130)	563 or 564	4550
<b>-K-</b>		
<b>-L-</b>		
Learn & Serve (CFDA #94.005) School-Based	781	4685
Lost Textbooks	000 or *	1540
<b>-M-</b>		
Media Services	000	1560
Medicaid Reimbursement	698	4580
Portion to be returned	000	3690
Mentor Teacher	000	3230
Motor Vehicle Collections		
State	000	3120
Tribe	000	1130
Mobil Homes/Manufactured Houses		
Moved into district	000	1110
Yearly tag	000	1130
First time purchase and tag	000	3150
<b>-N-</b>		
No Child Left Behind (See Title Programs)		
<b>-O-</b>		
Oklahoma Parents as Teachers (OPAT)	338	3570
<b>-P-</b>		
Partnerships in Character Education (CFDA #84.215)	767	4463
Professional Development		3411
ADA Basis	311	
Contracts	312	
Stipend	316	
<b>-Q-</b>		
<b>-R-</b>		
Reading First (Title I, CFDA #84.357)	513	4221
Reading Proficiency Act	386	3690
Reading Sufficiency Act	367	3415
Reapportionment (Prior Year Ad Valorem)	000	1120
Rental of Facilities	000 or	

Rental of property other than facilities	* 000 or *	1410  1420
Resale		
Carpentry Housing	000	1491
Program Live/Work	000	1492
Industry Training	000	1493
Resale of Property Fund Distribution (County)	000	2300
Rural Electric Cooperative Tax (REA-OK Tax Commission)	000	3130
<b>-S-</b>		
School Dropout Prevention (Title I, Part H, CFDA #84.360)	770(s)	4170
Special Education		
IDEA-B (CFDA #84.027)		4310
Discretionary, Categorical	613	
Project Echo	615	
Flow-Through	621	
Early Intervening Services	623	
Flow-Through, P.L. 108-446, IDEA Part-B, Private Schools	625	
Preschool, P.L. 105-17 (CFDA #84.173)		4340
Basic	641	
Discretionary, Competitive	651	
Head Start Funds to Schools	691	4560
State Arts Council	337	3690
State Land Reimbursement	000	3620
State School Land Earnings	000	3140
Student Activity Funds:		
Admissions	**	1910
Concessions	**	1920
Merchandise Sold (except student store)	**	1950
Activity Tickets (gym use, etc.)	**	1960
Clubs/Organizations Dues	**	1970
Donations	**	1970
Student Store	**	1980
Other Receipts	**	1990
<b>-T-</b>		
Textbooks	333	3420
Title I		
Part A (CFDA #84.010)		4210
Basic	511	
Three-Month	512	
School Support	515	
Federal Academic Achievement Award	517	
Title 1, Part A, Neglected	518	
Accountability	519	
Part B		
Reading First (CFDA #84.357)	513	4221
Even Start (CFDA #84.213)	514	4222
Part C (CFDA #84.011)		4230
Migrant Education	521	
Migrant Incentive Grant	522	
Part D (CFDA #84.013)		4230

Neglected, Delinquent, IASA	531	
Local Delinquent	532	
Part F (CFDA #84.332)		
Comprehensive School Reform Demonstration (CSRD)	516	4260
Part H (CFDA #84.360)		
School Dropout Prevention	770(s)	4170
Title II, Highly Qualified Teachers and Principals		
Part A, Training and Recruiting (CFDA #84.367)	541	4271
Part B, Mathematics and Science (CFDA #84.366)	542	4273
Part D, Education through Technology (CFDA #84.318X)	546 or 547	
Title III, Language Instruction		
Part A (CFDA #84.365)		4281
Immigrant Education	571	
English Language Acquisition	572	
Part B, Improving Language Instruction	578	4282
Title IV, 21st Century Schools		
Part A, Safe and Drug-Free Schools (CFDA #84.186)	551	4441
Part B, Community Learning Centers (CFDA #84.287)	553	4443
Title V, Promoting Informed Parental Choice and Innovative		
Part A, Innovative Programs (CFDA #84.298)	556	4461
Part B, Public Charter Schools (CFDA #84.282)	558	4462
Title VI, Rural Education Initiative		
Part B, REAP (Use appropriate source on payment voucher)	586	
Subpart 1, Small, Rural School Achievement (CFDA #84.368)	587	4180
Subpart 2, Rural and Low-Income (CFDA #84.358)	588	4470
Title VII (See Indian Education)		
Title VIII (See Impact Aid)		
Title X, Part C, Homeless Children Education (CFDA #84.196)	596	4480
Tobacco Use Prevention and Cessation Program	397	3690
Twenty-first Century (See Title IV)		
<b>-U-</b>		
<b>-V-</b>		
Vehicle Tax Stamp	000	3150
VISION Technology Training for Teachers	395	3690
Vocational Rehabilitation (School-To-Work) (CFDA #84.126)	456	4617
<b>-W-</b>		
<b>-X-</b>		
<b>-Y-</b>		
<b>-Z-</b>		