



Arizona Department of Education

Local Education Agency,
Education Service Agency/
County School Superintendent,
Community College,
And Small State Agency
Federal Indirect Cost Proposal



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INDIRECT COST RATE PLANS FOR LOCAL EDUCATION AGENCIES, EDUCATION SERVICE AGENCIES/COUNTY SCHOOL SUPERINTENDENT, COMMUNITY COLLEGES AND SMALL STATE AGENCIES

1.0 Introduction

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance), sets forth the standards for determining the allowable costs of federally funded grants and contracts administered by state and local governments and contains provisions for determining indirect cost rates for grantees and sub-grantees of federal grants. Guidelines from the Uniform Grant Guidance are:

1. The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
2. The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
3. The non-Federal entity has primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.
4. The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
5. In reviewing, negotiating and approving indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals.

The advantage of an indirect cost proposal and an approved indirect cost rate is that it is a simplified means for determining a fair share of indirect costs for federal grants which are acceptable to federal grantor agencies.

2.0 Authority

A) Federal Oversight Authority

1. U.S. Department of Education (US-DOE) is the cognizant agency for ADE.
2. US-DOE reviews and approves the LEA Indirect Cost Plan implemented by ADE.

B) Regulatory Authority

1. ADE must follow the Office of Management and Budget (OMB) cost principles set forth in the Code of Federal Regulations (CFR) for Federal Awards.
2. The CFR provides cost guidance to determine allowable costs and how costs are classified.

C) Code of Federal Regulations

1. 34 CFR Parts 75, 76, and 79 are the federal statutory regulations dealing with federal education grants and awards.
 - i. 34 CFR Part 75 sets forth provisions to allow State Education Agencies (SEAs) and Local Education Agencies (LEAs) to claim indirect costs associated with federal programs through the use of an indirect cost rate.
2. 2 CFR Part 200 sets for the uniform administrative requirements, and cost principles applicable to indirect cost rates.
3. ADE follows the Education Department General Administrative Regulations (EDGAR) and the Uniform Grant Guidance (UGG).

D) ADE is the cognizant agency for school districts, charter holders, and county school superintendent offices. ADE calculates and issues indirect cost rates to these entities annually in compliance with the LEA Indirect Cost Plan.

E) ADE can issue indirect rates to entities that have another federal agency as their cognizant agency if the entity provides ADE a copy of their federally approved rate. These include non-profits, universities and colleges, other state agencies, and local governments.

F) ADE has the authority to issue a new LEA the average for that LEA type (school district or charter holder) as of July 1st of the applicable fiscal year.

G) ADE has the authority to issue County Educational Service Agencies (ESAs) an indirect cost rate based on their indirect cost plan to be used for direct federal awards only.

3.0 Definitions / Terms / Acronyms

ADE	Arizona Department of Education
AFR	Annual Financial Report filed by LEAs pursuant to A.R.S. 15-904.
ARS	Arizona Revised Statutes
Award	Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property, in lieu of money, by the Federal Government to an eligible recipient.
Awarding Agency	(1) With respect to a grant, the Federal agency, and (2) with respect to a subgrant, the party that awarded the subgrant.
Carry Forward	The difference between the estimated costs and the actual costs is carried forward as an adjustment to a subsequent period for which a rate is established.
CFDA	Catalog of Federal Domestic Assistance
Cognizant Agency	The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under the Code of Federal Regulations on behalf of all Federal agencies.
County School Superintendent/Educational Service Agencies (ESAs)	Is designated as a local education agency for the purpose of serving as an education service agency that is eligible to receive and spend local, state, and federal monies to provide programs and services to school districts and charter schools within the county.
Direct Costs	Those costs that can be identified specifically with a particular final cost objective, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
Direct Cost Pool	The accumulated direct costs used to distribute indirect costs to individual Federal awards.
Disallowed Costs	Those charges to an award that the Secretary determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.
US-DOE	United States Department of Education
EDGAR	Education Department General Administrative Regulations
Education Institutions	Colleges, universities, and community colleges
Federal Awarding Agency	The Federal agency that provides an award to the recipient.
Fixed with Carry Forward	Indirect cost rate that has a change between actual and estimated costs. The difference is carried forward as an adjustment to the next period's rate computation rather than a repayment.
Funding Period	Period of time when Federal funding is available for obligations by the recipient.
Government	State or local government or a federally recognized Indian tribal government.

Grant	An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee.
Grantee	(1) The government to which a grant is awarded and which is accountable for the use of the funds provided. (2) The legal entity other than a government subject to 34 CFR 76 to which a grant is awarded and which accountable to the Federal Government for the use of the funds provided. (3) The grantee is the entire legal entity if only a particular component of the entity is designated.
Grant Period	The period for which funds have been awarded.
Indirect Costs	Those costs of a general nature which are not readily identifiable with the activities of the grant but are, nevertheless, incurred for the joint benefit of those activities and other activities or programs of the organization.
Indirect Cost Pool	The accumulated indirect costs.
Indirect Cost Rate	A device for determining, in a reasonable manner, the proportion of indirect costs each program should bear. It is the ration (expressed as a percentage) of the indirect costs to a direct cost pool.
Local Education Agency	(1) A public board of education or other public authority legally constituted within a state for either administrative control of, or direction of, or to perform service functions for public elementary, or secondary schools in a city, county, township, school district, or other political subdivision of a state or such combination of school districts or counties a state recognizes as an administrative agency for its public elementary or secondary schools. (2) Any other public institution or agency that has administrative control and direction of a public elementary or secondary school. (3) It also includes any other public institution or agency that has administrative control and direction of a vocational education program.
Local Government	A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, any other regional or interstate government entity, or any agency or instrumentality of a local government.
Nonprofit	As applied to an agency, organization, or institution, means that it is owned and operated by one or more corporations or associations whose net earnings do not benefit, and cannot lawfully benefit, any private shareholder or entity.
Non-Federal Audit Services	Fees paid for audit services which do not include fees paid for completion of a federal single audit. These cannot be included in indirect costs.
OMB	Office of Management and Budget

Restricted Rate	Programs or grants which have a statutory requirement prohibiting the use of federal funds to supplant non-federal funds must use this rate.
Severance Pay	Actual expenditures paid to employees for unused vacation and sick leave that have terminated employment during the past fiscal year.
State Education Agency	The state board of education or other agency or officer primarily responsible for the supervision of public elementary and secondary schools in the state.
Subaward	An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee.
Subgrantee	The government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of funds.
Title 15	Education Statutes under the Arizona Revised Statutes.
Unrestricted Rate	Programs or grants which do not have a statutory requirement prohibiting the use of federal funds to supplant non-federal funds will use this rate.
USFR	Uniform System of Financial Records established pursuant to ARS 15-271. Represents the accounting systems, accounting methods, and procedures to be used by school districts.
USFRCS	Uniform System of Financial Records for Charter Schools established pursuant to ARS 15-271. Represents the accounting systems, accounting methods and procedures to be used by charter schools.

4.0 Indirect Cost Rate Information

An indirect cost rate is a means of determining in a reasonable manner the percentage of allowable general management costs that each federal grant should bear. Indirect costs are generally administrative costs such as the salaries and expenses for people who are engaged in administrative activities from which the entire Local Education Agency (LEA) benefit.

Generally, an indirect cost rate is a ratio of total indirect costs to total direct costs, based on an LEA's actual expenditures, exclusive of any extraordinary or distorting expenditure such as capital outlay and major sub-contracts. When calculating the indirect cost rate the expenditures for the second preceding fiscal year are used. For example, expenditures for Fiscal Year (FY) 2015-16 will be used when calculating the rates for FY 2017-18. The second preceding year is used because the actual costs for the immediately preceding year will not be available at the time the LEA needs to calculate the rate for the following year.

LEAs are required to use the fixed with carry-forward rate for indirect costs. This means that the following year's rates will be reduced or increased for under- or over-application of indirect costs in the current year. For example, in FY 2017-18, the actual indirect costs from FY 2015-16 will be compared to the estimated FY 2015-16 indirect costs used to calculate

the indirect cost rate in that year. The difference will be applied to the FY 2017-18 estimated indirect cost used in the calculation of the FY 2017-18 indirect cost rate.

Indirect costs are recovered only to the extent of direct costs incurred. Once a rate is received it is applied to the net direct cost amount expended (total direct costs less expenditures for Capital Assets, the portion of individual sub-awards exceeding \$25,000 and pass-through monies). The approved rate is the maximum rate and can be applied at less than the maximum.

5.0 Approval Process

An indirect cost rate calculated by the Arizona Department of Education (ADE) is established for a specific state fiscal year. The rate is valid from July 1 through June 30 of the applicable fiscal year of approval. To recover indirect costs, the LEA applies the indirect cost rate to the grant expenditures during that fiscal year.

The sources of information utilized to determine indirect cost rates are the LEA's Indirect Cost Report (ICR) and supporting documentation. Therefore, it is essential that LEAs classify expenditures uniformly and consistently. Types of expenditures, which are identified as indirect costs, shall not also be included as direct costs. All expenditures detailed on the ICR must have been made, and records supporting them must be maintained by the LEA. ADE has, in cooperation with the U.S. Department of Education (US-DOE), developed an indirect cost proposal to be used by LEAs in Arizona. The department has been delegated the authority by the US-DOE to establish indirect cost rates for their LEAs. In order to bill/recover indirect costs for a particular fiscal year, LEAs must obtain the department's indirect cost rate approval for that particular fiscal year. A new indirect cost rate must be obtained for every fiscal year beginning July 1. Indirect cost rates are available on the ADE Grants Management website.

6.0 2 CFR 200.412 Classification of Costs

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose is treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double charging of Federal awards.

6.1 2 CFR 200.413 Direct Costs:

Direct costs are those that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award.

6.2 2 CFR 200.414 Indirect Costs:

Indirect costs, as defined in 2 CFR 200.56, are “those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.” A cost may not be allocated to a federal program as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal program as a direct cost. Typical examples of indirect costs may include: certain State/Local-wide central service costs, general administration, accounting and personnel services performed, and the cost of operating and maintaining facilities of the non-Federal entity.

6.3 Unallowable Costs:

Uniform Grant Guidance classifies certain items of cost as unallowable. Unallowable costs cannot be shared to federal awards. For rate computation purposes, unallowable costs should be included in the allocation base if such costs benefit from allowable indirect activities. Examples of unallowable costs are bad debts; contingencies; entertainment; fines/penalties; general governance; and contributions/donations to outside organizations.

6.4 Excluded Costs:

Certain items of costs are classified as extraordinary or distorting expenditures and are excluded from the computation of the indirect cost rate. Excluded costs include capital outlay, debt service, judgments against the LEA, food, and internal service fund expenditures. Indirect cost recoveries are also categorized as excluded costs.

7.0 Rate Types

7.1 Restricted Rates:

As defined in the Code of Federal Regulations at 34 CFR 75.563 and 34 CFR 76.563 restricted rates apply to grants that have a statutory requirement prohibiting the use of Federal funds to supplant non-Federal funds. This means that the funds are for support in addition to state and local funding. Such amounts are intended to supplement, but in no way replace, local funds. Most of the federal grants that the LEA obtains through the department are of the "restricted" type. Restricted grants include only indirect costs consisting of **general management costs** and **fixed charges** as defined below:

General Management Costs: Consist of the salaries and expenses for employees performing accounting, payroll preparation, or personnel management activities. Those activities that are limited to one school, subject, or phase of operation, are not general management costs such as the salaries and expenditures related to the direction and supervision of such functions as instruction, guidance, attendance, transportation, community services, and student services. The costs of these functions are considered direct costs.

Generally, salaries and expenses for auditing, budgeting, payroll, personnel, purchasing, and employee relations are examples of services which typically benefit several activities and programs for which costs may be attributed by means of an indirect cost rate. In theory, all such costs can be charged directly. However, practical limitation and consideration of efficiency in accounting preclude such an approach and therefore these costs are considered indirect.

As stated in 34 CFR 76.565, "general management costs mean the costs of activities that are for the direction and control of the grantee's affairs that are organization-wide. An activity is not organization-wide if it is limited to one activity, one component of the grantee, one subject, one phase of operations, or other single responsibility. General management costs include the costs of performing a service function, such as accounting, payroll preparation, or personnel management, that is normally at the grantee's level even if the function is physically located elsewhere for convenience or better management."

When calculating a **restricted indirect cost rate**, the term "General Management Costs" does not include expenditures for:

1. The governing body (members of the board of education) of the grantee;
2. Compensation of the Chief Executive Officer (Superintendent of a school district) of the grantee; and heads of component offices; and
3. Operation of the immediate offices of these officers.

Defined in 34 CFR 76.565 as, "Components of the grantee are those organizational units supervised directly or indirectly by the Chief Executive Officer. These organizational units generally exist one management level below the executive office of the grantee." Accordingly, the Superintendent's salary and benefits and communications/telephone charges and other expenditures related directly to the operation of the Superintendent's and Governing Board offices, Heads of Components and Executive Administration specifically, are not included in indirect costs and are considered, for rate computation purposes, to be disallowed costs in the calculation of the **restricted indirect cost rate**.

Compensation for personal services may also include fringe benefits. Costs of total compensation for individual employees are allowable if the compensation:

1. Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;

2. Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
3. Is determined and supported as provided in paragraph (i) 2 CFR 200.430 (i), Standards for Documentation of Personnel Expenses, when applicable.

Charges for individuals whose time is divided between district-wide management responsibilities and specific program or administrative activities will be based on 2 CFR 200.430 Compensation - Personal Services. If the Superintendent is part-time, both Superintendent-time and Non-Superintendent-time must be captured by time distribution records.

An individual principal's salary, benefits and expenditures related to the operation of the principal's immediate offices are also not considered indirect costs. These costs are disallowed costs and are considered to be direct costs for rate computation purposes for the **restricted rate**. However, for the unrestricted rate these costs are allowed as indirect costs.

Fixed costs: Fixed costs classified as indirect costs are limited to those amounts which are associated with general management costs. The fixed costs can be viewed as appended to those administrative functions, and the classification rules are the same as those applied to salaries. These expenditures are exclusively identified as:

1. Employee retirement
2. Social Security
3. Pension fund payments
4. Premium expenditures for:
 - a. employee insurance
 - b. liability insurance
 - c. property insurance
5. Unemployment and workers compensation, and
6. All similar costs normally considered employee fringe benefits.

No other items are to be classified as indirect fixed costs.

7.1.1 Severance Pay:

The CFR provides the criteria for Severance Pay as follows:

1. Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer-employee agreement, (c) established written policy, or (d) circumstances of that particular employment.

2. Severance payments (but not accruals) associated with normal turnover is allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.
3. Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if advance approval is received by the cognizant Federal agency.

When computing the restricted indirect cost rate, terminal leave costs to employees who are indirect for the Unrestricted Rate, but direct for the Restricted Rate (i.e. superintendent and their office), are considered direct cost payments for rate calculation purposes only.

7.1.2 Retiree Health Expense:

Any LEA paid Post-Retirement Health Benefits ("PRHB") is treated as indirect costs for both the Restricted and Unrestricted rate regardless of where the employees' salary is recorded with one exception. When computing the restricted indirect cost rate, retiree health expenses for employees who are indirect for the Unrestricted Rate, but direct for the Restricted Rate (i.e. superintendent and their office), are considered direct cost payments for rate calculation purposes only.

7.1.3 Mass or Abnormal Severance Costs:

The Arizona Department of Education (ADE) will not issue advance approvals to charge mass or abnormal severance costs to federal programs as an indirect cost. All costs associated with mass or abnormal severance will be treated as direct/disallowed costs for purposes of calculation of the restricted and unrestricted indirect cost rates. Accordingly, early retirement incentive payments (ERIP) are treated as a disallowed cost for purposes of indirect cost rate calculation.

7.1.4 Unused Leave Costs:

LEA's shall report leave costs on the cash basis of accounting. The cost of unused leave is recognized in the period that the leave is taken and paid for. The CFR states payments for unused leave when an LEA employee retires or terminates employments are allowable in the year of the payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component. The unused leave costs associated with normal turnover are treated as indirect costs when computing the Restricted and Unrestricted indirect cost rate with one exception. When computing the restricted indirect cost rate, unused leave costs to employees who are indirect for the Unrestricted Rate, but direct for the Restricted Rate (i.e. superintendent and their office), are considered direct cost payments for rate calculation purposes only. Payments to separating employees for unused leave are NOT charged as direct costs to any federal awards.

7.1.5 Pension Plan Costs:

Arizona State Retirement System contributions are on actuarial cost and due within 14 calendar days. Pension plans financed on a pay as you go basis are allowable; however, the costs are limited to those representing actual payments to retirees or their beneficiaries. Pension plans calculated using an actuarial cost method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Any pension costs funded after the six month period are allowable in the year funded.

7.2 Unrestricted Rates:

Unrestricted rates apply to grants not subject to restricted rates.

1. **Indirect Costs** - Expenditure for Heads of Components and Executive Administration in addition to operations and maintenance of plant are classified as an indirect cost when calculating an unrestricted rate. All other costs are classified the same as the restricted rate calculations.
2. **Direct Costs, Disallowed Costs, and Excluded Costs** are also classified the same as the restricted rate calculations.

8.0 Profile of LEAs In Arizona State Department of Education

1. Which basis of accounting is used by the LEAs?
 - a. Cash **X**
 - b. Accrual _____
2. Number of LEAs in the State **758**
District **265**
Charter **493**
3. Number of LEAs requesting indirect cost rates **288**
4. Describe Rates calculated (Unrestricted/Restricted/Other **Unrestricted and Restricted**)
5. Type of Rate Calculated (Fixed or Predetermined) **Fixed w/carry forward**
6. If Predetermined, is the rate discounted? **Yes** Discount % = **5%** only for Education Service Agency/County School Superintendent
7. Frequency of indirect cost rates calculated **Annual Basis**
8. Are unused leave payments in the indirect cost pool for calculation of the unrestricted indirect cost rate? **Yes**
9. Are the salaries and related costs of Superintendents, Deputy Superintendents, and Heads of Components, adjusted in the Restricted Rate calculation? **Yes**
10. Are unused leave payments charged directly to federal award? **No**
11. Are all building related expenditures in the direct cost base for calculation of the restricted indirect cost rate? **No, pursuant to 2 CFR 200.439 and 200.452 costs for Facilities Acquisition and Construction are excluded from the calculation entirely.**
12. Does the base include only the first \$25,000 of subaward expenditures? **Yes**
13. If the answer in #12 is “no”, describe the treatment of subawards in the base? **N/A**
14. Are any types of retirement incentives included in the proposal or planned in the next fiscal year? If yes, describe the expenditures. **Determined at LEA’s discretion**

9.0 Indirect Cost Rate Calculation Methodology

LEA's are required to record expenditures/expenses accurately and consistently by Uniform Chart of Accounts (USFR and USFRCS), as prescribed by the Arizona Department of Education, Arizona Auditor General's Office, and the Uniform Grant Guidance. See Appendix B and C for detail and descriptions of all expenditure/expense accounts; detail and descriptions of object accounts; and Table 1 and 2 for examples of the Indirect Cost Rate Calculation Tables for District and Charter. LEA's Indirect Cost Report (ICR) data will be used to calculate the Indirect Cost Rates using the following methodology:

9.1 District Indirect Cost Rate Calculation:

To calculate the Unrestricted and Restricted Cost Pools, direct and indirect, expenditures from all funds are used except Unemployment Insurance (575), Fiduciary (800-899), and Internal Service (950-989) Funds.

Expenditures are determined to be excluded, direct, or indirect based on their nature and as outlined in **Attachment A**.

For the restricted rate, functions for general administration, school administration, central services, and other support services make up the indirect cost pool (Step 1). The unrestricted rate will include the aforementioned functions and also include the heads of components, and operation and maintenance of plant (Step 2).

The carry forward is added to the Indirect Cost Pool (as determined in Step 1 and 2) to determine the Total Indirect Costs (Step 3).

The direct cost pool includes all functions not listed as indirect costs except: election services (2340), facilities acquisition and construction (4000), debt service (5000), and other financing uses (6000). Object codes for food (6630-6634), property (6700¹), and debt and miscellaneous expenditures (6800) are also excluded. Heads of component functions are considered direct costs for the restricted rate (Step 4).

The indirect cost pool plus carry forward is divided by the direct cost pool to determine the indirect cost rate.

¹ Property: Objects for property under \$5,000: 6731, 6732, 6737, and 6738 are allowable as direct costs.

9.2 Charter Indirect Cost Rate Calculation:

To calculate the Unrestricted and Restricted Cost Pool, expenditures from all projects are used.

Expenditures are determined to be excluded, direct, or indirect based on their nature and as outlined in **Attachment B**.

For the restricted rate, functions for general administration, school administration, central services, and other support services make up the indirect cost pool (Step 1). The unrestricted rate will include the aforementioned functions and also include the heads of components, and operation and maintenance of plant (Step 2).

The carry forward is added to the Indirect Cost Pool (as determined in Step 1 and 2) to determine the Total Indirect Costs (Step 3).

The direct cost pool includes all functions not listed as indirect costs except: facilities acquisition and construction (4000), debt service (5000), and other financing uses (6000). Object codes for food (6630-6633), property (6700¹), and debt and miscellaneous expenditures (6800) are also excluded. Heads of component functions are considered direct costs for the restricted rate (Step 4).

The indirect cost pool plus carry forward is divided by the direct cost pool to determine the indirect cost rate.

¹ Property: Objects for property under \$5,000: 6731, 6732, 6737, and 6738 are allowable as direct costs.

9.3 Calculations for New LEAs

New LEAs that open within the state will have the ability to apply for the state average of that LEA type (school district or charter holder) as July 1st of the applicable fiscal year. For example, a new LEA in Fiscal Year 2018 requesting an indirect cost rate will receive the FY18 state average as of July 1, 2017 for the applicable entity type.

9.4 Calculation for Entities Where ADE Is Not the Cognizant Agency

For entities where ADE is not the cognizant agency, ADE will issue indirect cost rates to the entity if the entity provides ADE a copy of their federally approved rate. These include non-profits, universities and colleges, other state agencies, and local governments. ADE will issue these rates up to the administrative limits set by ADE.

9.5 Carry-Forward Calculation

To calculate the Carry-Forward amount (Unrestricted and Restricted rates), the actual costs are evaluated against the estimated costs used when initially requesting the previous rate (for a FY18 rate, data for FY16 that was estimated with data from FY14). The total indirect costs for FY16 are evaluated by looking at the Actual Indirect Costs plus the carry forward used for the FY16 rate, this is the actual amount that should have been recovered. Then, the actual direct costs from FY16 are multiplied by the Indirect Cost Rate issued for FY16 to determine the “carry forward”. Then, the amount that should have been recovered is reduced by the carry forward figure and becomes the Carry-Forward for the current FY rate.

Table 1
Sample Restricted Indirect Cost Rate Calculation for a District

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Table 1.1
Sample Unrestricted Indirect Cost Rate Calculation for a District

	Enter Value	UNRESTRICTED RATE - Not endorsed by ADE	
a) <u>APPLIED COSTS:</u>		FY 2016	FY 2018
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 99.9%) (A/B)		{ #DIV/0! (B)	#DIV/0! A divided by B
Direct Costs (34 CFR 75.567)			0 (B) From Indirect Cost Report
Indirect Costs:			
Indirect Cost Pool		{	0 From Indirect Cost Report
Carry Forward			#DIV/0! From the bottom of this page
Total Indirect Costs		0 (A)	#DIV/0! (A) Sum of the above two items
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs		From Indirect Cost Report 0	
Actual Indirect Costs:			
Indirect Cost Pool		From Indirect Cost Report 0	
Carry Forward		From FY16 0	
Total Indirect Costs		Sum of the above two items 0	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
#DIV/0! X 0		#DIV/0! (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		0 (F)	
Under or (Over) Recovered Actual (E - F)		#DIV/0!	
(For use in 2018)			
*Over Recovered amounts are used to reduce Indirect Costs			

Table 2
Sample Restricted Indirect Cost Rate Calculation for a Charter School

	Enter Value	RESTRICTED RATE	
a) <u>APPLIED COSTS:</u> (From 2 years prior)		FY 2016	FY 2018
Fixed Rate Per Negotiation Agreement (Max 12%) (A/B)		#DIV/0!	#DIV/0! A divided by B
Direct Costs (34 CFR 75.567)		0 (B)	0 (B) From Indirect Cost Report
Indirect Costs:			
Adjusted Indirect Cost Pool	Data from 2 years prior		0 From Indirect Cost Report
Carry Forward			#DIV/0! From the bottom of this page
Total Indirect Costs		0 (A)	#DIV/0! (A) Sum of the above two items
b) <u>ACTUAL COSTS:</u> (From FY 2016)			
Actual Direct Costs	From Indirect Cost Report	0	
Actual Indirect Costs:			
Adjusted Indirect Cost Pool	From Indirect Cost Report	0	
Carry Forward	From FY16	0	
Total Indirect Costs	Sum of the above two items	0	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
#DIV/0! X 0		#DIV/0! (E)	
Should Have Recovered Actual Indirect Costs for (From FY 2016)		0 (F)	
Under or (Over) Recovered Actual (E - F) (For use in 2018)		#DIV/0!	
*Over Recovered amounts are used to reduce Indirect Costs			Process to determine Carry Forward

Table 2.1
Sample Unrestricted Indirect Cost Rate Calculation for a Charter School

Enter Value		UNRESTRICTED RATE - Not endorsed by ADE	
		FY 2016	FY 2018
a) <u>APPLIED COSTS:</u>			
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 99.9%) (A/B)			#DIV/0! A divided by B
Direct Costs (34 CFR 75.567)		#DIV/0! (B)	0 (B) From Indirect Cost Report
Indirect Costs:			
Adjusted Indirect Cost Pool			0 From Indirect Cost Report
Carry Forward			#DIV/0! From the bottom of this page
Total Indirect Costs		0 (A)	#DIV/0! (A) Sum of the above two items
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs	From Indirect Cost Report	0	} Process to determine Carry Forward
Actual Indirect Costs:			
Adjusted Indirect Cost Pool	From Indirect Cost Report	0	
Carry Forward	From FY16	0	
Total Indirect Costs	Sum of the above two items	0	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
#DIV/0! X 0		#DIV/0! (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		0 (F)	
Under or (Over) Recovered Actual (E - F)		#DIV/0!	
(For use in 2018)			
*Over Recovered amounts are used to reduce Indirect Costs			

10.0 Carry-Forward Computation School Districts and Charter Schools

10.1 General

A fixed rate with carry-forward provision will be computed for each year based on an assumption that the future year's level of operations will be similar to the base period. However, when the actual costs of that year become known, the difference between the estimated costs and the actual costs is carried-forward as an adjustment. An adjustment will be carried-forward and applied to the second fiscal year following the year being adjusted.

10.2 Determination of Carry-Forward Amounts

The formula to be used for the restricted and unrestricted carry-forward sample computations are shown on Table 3 and Table 4.

Examples of Carry-Forward Computations:

10.3 Local Education Agency (LEA) Carry-Forward Computation Indirect Cost Rate

The sample computation below (see Table 3) shows indirect costs of \$10,132,829 in FY 2016 divided by direct costs of \$228,463,270 (as estimated from FY14 actuals). This results in an actual indirect cost rate of 4.44%. The actual direct costs from FY 2016 were \$292,723,909, and the indirect costs were \$12,479,730. Based on the actual direct costs from FY 2016 the recovery amount would be \$12,996,942 (Fixed Rate 4.44% multiplied by the actual direct costs \$292,723,909). The amount that should have been recovered is \$12,530,441 (actual indirect costs \$12,479,730 plus the carry-forward of \$50,711). Now we can calculate the carry-forward for the upcoming fiscal year, 2018. The difference between the actual costs and the amount that should have been recovered (\$12,996,942 less \$12,530,441) determines that there was an over recovery of \$466,501, which will be used to reduce the FY 2018 indirect cost pool.

Table 3
Local Education Agency (LEA)
Carry-Forward Computation
Indirect Cost Rate Proposal

	RESTRICTED RATE	
a) <u>APPLIED COSTS:</u>	FY 2016	FY 2018
(From 2 years prior)		
Fixed Rate Per Negotiation Agreement (Max 10%) (A/B)	4.44%	4.10%
Direct Costs (34 CFR 75.567)	228,463,270 (B)	292,723,909 (B)
Indirect Costs:		
Indirect Cost Pool	10,082,118	12,479,730
Carry Forward	50,711	-466,501
Total Indirect Costs	10,132,829 (A)	12,013,229 (A)
b) <u>ACTUAL COSTS:</u>		
(From FY 2016)		
Actual Direct Costs	292,723,909	
Actual Indirect Costs:		
Indirect Cost Pool	12,479,730	
Carry Forward	50,711	
Total Indirect Costs	12,530,441	
c) <u>CARRY FORWARD COMPUTATION:</u>		
Actual Direct Costs		
Fixed Rate % X Actual Direct Costs		
4.44% X 292,723,909	12,996,942 (E)	
Should Have Recovered Actual		
Indirect Costs for (From FY 2016)	12,530,441 (F)	
(Under) or Over Recovered Actual (E - F)	466,501	
(For use in 2018)		
*Over Recovered amounts are used to reduce Indirect Costs		

Note:

There will be differences between the restricted vs. the unrestricted indirect cost rates due to the different treatment of direct and indirect costs when calculating the cost pools. However, the methodology for determining the carry-forward is the same.

11.0 Community Colleges and Small State Agencies

For expediency, small state agencies (receiving all or most of their federal funding from the ADE) and Arizona Community College Districts may utilize the Indirect Cost Report (ICR) to request a rate, or create a Cost Allocation Plan that will be reviewed and approved by ADE.

12.0 Issuance of Additional Indirect Rate to Be Used for Direct Federal Awards

The ESA/CSSs that receive the awards directly from federal government will be required to submit to ADE an indirect cost plan that details the expenditures and explanation of how the indirect cost rate has been calculated. Additionally, ADE will review the plans before the indirect cost rate is issued to the ESA/CSSs and no indirect cost rate will exceed the grant limitations that are already in place.

Attached is an example of an ESA/CSS's Indirect Cost Plan (see Appendix A, pages a-i through a-v).

13.0 Education Service Agency/County School Superintendent Indirect Cost Rate

13.1 General

In accordance with the Arizona Revised Statutes, the Education Service Agency (ESA)/County School Superintendent (CSS) is charged with providing educational services to unserved children in their county through accommodation schools, and other alternative education programs. In addition, a major responsibility is the maintenance of official financial records and the issuance of warrants for the school districts located in the county.

The accommodations schools are school districts, therefore, their indirect cost rates are determined per the procedures and policies described in Section 7.0 of this plan and they are excluded from the ESA/CSS's indirect cost rate.

To address the costs incurred by the ESA/CSS's maintaining the financial records and issuing warrants for the federal programs operated by the schools in their county, ADE determines a separate indirect cost rate for the county office following the steps outlined in Sections 13.2. A predetermined rate with a discount is calculated annually for the counties.

13.2 Calculation of Predetermined Rate with a Discount

Information for Lines 1-4 of the calculation is taken from the Annual Financial Report of the County School Superintendent as follows (refer to Table 6, page 22 for exact line reference):

Line 1. Expenditures from county funds for salaries and benefits.

Line 2. Expenditures from county funds for supplies and other expenses.

Line 3. Expenditures from the indirect cost fund for salaries and benefits.

Line 4. Expenditures from the indirect cost fund for supplies and expense.

Note: Capital outlay is not to be included as an expenditure.

Line 5. Total Lines 1-4.

Line 6. Governance from the Calculation of Governance (see Table 7 page 23). Governance is the expense of the County School Superintendent's Office that is directly related to managing a county office and not related to assisting school districts. All of the County School Superintendent's salary and benefits are to be considered governance. Other expenses (i.e.; travel, subscriptions, dues and memberships) or administrative staff that directly relate to the County School Superintendent's duties as a county official are included in governance.

Line 7. Subtract Governance (Line 6) from Total Expenditures (Line 5).

Line 8. Federal Transaction Ratio Counts (see Table 8 page 24).

Line 9. Multiply the Total Administrative Office Expenses (Line 7) by the Federal Transaction Ratio (Line 8) to determine Indirect Cost Pool.

Line 10. Total Federal Expenditures from the Federal Project Expenditure Schedule (all of the calculation cells contain formulas so please do not override just fill in the data) (Tables 9&10 page 25).

Section 1 - Please include all Federal Project Expenditures (Table 9 page 25).

Section 2 – Please list any Capital expenditures from Federal Projects that do allow for Indirect Cost recovery.

Section 3 – Subtract any Federal Project Expenditures that Do Not Allow for Indirect Cost Recovery. (Please list the name Federal Project and Fund number in the boxes below (Table 10 page 25)).

Line 11. Divide Total Indirect Cost Pool (Line 9) by Total Federal Project Expenditures (Line 10).

Line 12. Calculated Indirect Cost Rate (Line 11) will be reduced by 5% to establish the Final Indirect Cost Rate for FY15.

The County School Superintendent or his/her designee must sign and date the form.

Calculation Of Education Service Agency/County Indirect Cost Rate for FY15

Page 1

23

Table 5
Calculation of Governance
Education Service Agency/County School Superintendent

Calculation Of Governance			
County -			
Col. 1	Col. 2	Col. 3	Col.4
Expense	Amount	% of Time	Amount For Governance (Col.2 X Col.3)
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
Total from Additional Sheets			
Total Governance			\$0.00

Table 6
Federal Transaction Counts
Education Service Agency/County School Superintendent

Federal Transaction Counts		
Section 1 County - <div style="display: inline-block; vertical-align: middle;"> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> </div>	<div style="display: inline-block; vertical-align: middle;"> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> </div>	Month Year
Section 2 <div style="color: red; font-weight: bold; margin-top: 10px;"> **Remember not to include any Transaction counts in column 2 for those Federal Project Expenditures which do not allow for Indirect Cost Recovery. However, they must be included in column 3. </div>		
Col. 1	Col. 2	Col. 3
School District	# or Federal Transactions	Total # of ALL Transactions
Totals	0	0
Federal Transaction Ratio (Col. 2/Col. 3) = transaction ratio		#DIV/0!
Page 3		

Table 7
Federal Project Expenditures
Education Service Agency/County School Superintendent

Section 1																				
Federal Project Expenditures																				
County -	Title I 100-130	Prof. Dev. Title II 140-150	Title IV 21st Century 160	Title V Pro. Inform 170-180	Title III Lin. Eng. 190	Title VII Indian Ed. 200	Title VI Flex & Acct. 210	IDEA Part B 220	Johnson O'Malley 230	WIA 240	AEA Adm. Ed. 250	Voc. Ed. 260-270	Title X Homes Ed 280	Medicaid Reimb. 290	National Forest Fees 340	Taylor Grazing Fees 350	E-Rate 374	Impact Aid 376	Other (excludes 349, 350, 374 & 376) 360-369	Total
School District																				\$ -
																				\$ -
																				\$ -
																				\$ -
Total From Additional Sheets																				\$ -
Total Federal Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Federal Capital Expenditures listed below																				\$ -
Total Federal Project Expenditures that do not allow for Indirect Cost Recovery																				\$ -
Total Federal Project Expenditures less Capital Expenditures and Federal Projects that do not allow for Indirect Cost Recovery																				\$ -

[illegible]

Page 4

Table 8
Federal Project Expenditures - No Indirect Cost Recovery Allowed
ESA/CSS

[illegible]

**** Please list the name of the Federal Project and Fund number below. I will create a complete list to share with all counties.**

--	--

Page 5

Table 9

Annual Financial Report

Education Service Agency/County School Superintendent

FY2012-2013
County School Superintendent AFR
(Pursuant to A.R.S. §15-302)

DUE DATE: October 1, 2013

Email to: SFBudgetTeam@azed.gov

County: _____

Contact Person: _____

Phone Number: _____

Email Address: _____

I. COUNTY SCHOOL OFFICE ADMINISTRATION

A. County Funds Appropriated

Expenditures:

Salaries and Benefits

Supplies and Expenses

Capital Outlay

Total Expenditures from County Funds for Administration

Balance of County Funds Reverted June 30, 2013

B. Indirect Cost

County School Office Admin Bal Fwd July 1, 2012

Federal Receipts for County Office Administration

Total Funds Available for Indirect Cost

Expenditures:

Salaries and Benefits

Supplies and Expenses

Capital Outlay

Total Expenditures from Indirect Cost

Balance at June 30, 2013

II. COUNTY SCHOOL FUND

Balance Forward July 1, 2012

Receipts (Pursuant to A.R.S. §15-1000)

Forest Reserve Funds

Other (Specify)

Transfers from Special County Reserve Fund/Misc Revenue

Total Available

Total Expenditures

Transfers Out

Total Expenditures and Transfers Out

Balance at June 30, 2013

III. SPECIAL COUNTY SCHOOL RESERVE FUND OPERATIONS

Balance Forward July 1, 2012

Appropriation by Board of Supervisors (Pursuant to A.R.S. §15-1001)

State Aid for Transportation

District Service Program Fund (Pursuant to A.R.S. §15-365.A)

Small District Service Program Fund (Pursuant to A.R.S. §15-365)

County Jails Program

County Juvenile Detention Program

Transfers In

Other (Specify)

Total Available

Expenditures:

Pupil Transportation (Pursuant to A.R.S. §15-1002)

\$10 / Month per Pupil Payments (Pursuant to A.R.S. §15-826)

Supp Paymnt: Maint 1 & 2 Room School Dist

Small School Service Pgm (Pursuant to A.R.S. §15-1002.A.7)

County Jails Program

County Juvenile Detention Program

Other (Specify)

Total Expenditures

Transfers to Accommodate Schools from Spec. Receipts

Transfers to County School Fund

Total Expenditures and Transfers

Balance at June 30, 2013

Attachment A

District Indirect Cost Guide

Account			Unrestricted						Restricted					
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
1000		INSTRUCTION												
	6100	Salaries						X						X
	6200	Employee Benefits						X						X
	6300	Professional/Technical Services						X						X
	6400	Property Services						X						X
	6500	Other Services						X						X
	6600	Supplies						X						X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2000		Support Services												
2100		Students												
	6100	Salaries						X						
	6200	Employee Benefits						X						X
	6300	Professional/Technical Services						X						X
	6400	Property Services						X						X
	6500	Other Services						X						X
	6600	Supplies						X						X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2170		Heads of Components Supp Serv-Students			X		X				X		X	
	6100	Salaries	X											X
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services	X											X
	6400	Property Services	X											X
	6500	Other Services	X											X
	6600	Supplies	X											X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2200		Instructional Staff												
	6100	Salaries							X					X
	6200	Employee Benefits							X					X
	6300	Professional/Technical Services							X					X
	6400	Property Services							X					X
	6500	Other Services							X					X
	6600	Supplies							X					X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2240		Heads of Components Supp Serv-Instruction									X		X	
	6100	Salaries	X											X
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services	X											X
	6400	Property Services	X											X
	6500	Other Services	X											X
	6600	Supplies	X											X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2300		General Administration												
	6100	Salaries	X						X					
	6200	Employee Benefits	X						X					
	6300	Professional/Technical Services	X						X					
	6400	Property Services	X						X					
	6500	Other Services	X						X					
	6600	Supplies	X						X					
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2320		Executive Administration												
	6100	Salaries	X											X
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services	X											X
	6400	Property Services	X											X
	6500	Other Services	X											X
	6600	Supplies	X											X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2340		Election Services												
	6100	Salaries												
	6200	Employee Benefits					X						X	
	6300	Professional/Technical Services					X						X	
	6400	Property Services					X						X	
	6500	Other Services					X						X	
	6600	Supplies					X						X	
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	
2351		Executive Administration and Heads of Components												
	6100	Salaries	X											X
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services	X											X
	6400	Property Services	X											X
	6500	Other Services	X											X
	6600	Supplies	X											X
	6700	Property				X						X		
	6800	Debt Service and Miscellaneous			X		X			X			X	

Attachment A District Indirect Cost Guide

Account			Unrestricted					Restricted						
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
2400	School Administration													
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	2410	Office of the Principal												
6100		Salaries	x											x
6200		Employee Benefits	x											x
6300		Professional/Technical Services	x											x
6400		Property Services	x											x
6500		Other Services	x											x
6600		Supplies	x											x
6700		Property				x						x		
6800		Debt Service and Miscellaneous			x		x				x			x
2500		Central Services												
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	2530	Heads of Components Support Services - Central												
6100		Salaries	x											x
6200		Employee Benefits	x											x
6300		Professional/Technical Services	x											x
6400		Property Services	x											x
6500		Other Services	x											x
6600		Supplies	x											x
6700		Property				x						x		
6800		Debt Service and Miscellaneous			x		x				x			x
2550		Planning, Research, Development, and Evaluation Services												
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	2560	Public Information Services												
6100		Salaries						x						x
6200		Employee Benefits						x						x
6300		Professional/Technical Services						x						x
6400		Property Services						x						x
6500		Other Services						x						x
6600		Supplies												x
6700		Property				x						x		
6800		Debt Service and Miscellaneous			x		x				x			x
2600		Operation and Maintenance of Plant												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	2680	Heads of Components Operation and Maintenance of Plant												
6100		Salaries	x											x
6200		Employee Benefits	x											x
6300		Professional/Technical Services	x											x
6400		Property Services	x											x
6500		Other Services	x											x
6600		Supplies	x											x
6700		Property				x						x		
6800		Debt Service and Miscellaneous			x		x				x			x
2700		Student Transportation												
	6100	Salaries						x						x
	6200	Employee Benefits						x						x
	6300	Professional/Technical Services						x						x
	6400	Property Services						x						x
	6500	Other Services						x						x
	6600	Supplies												x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	2740	Heads of Components Student Transportation												
6100		Salaries	x											x
6200		Employee Benefits	x											x
6300		Professional/Technical Services	x											x
6400		Property Services	x											x
6500		Other Services	x											x
6600		Supplies	x											x
6700		Property				x						x		
6800		Debt Service and Miscellaneous			x		x				x			x

Attachment A District Indirect Cost Guide

Account			Unrestricted					Restricted						
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
2900	Other Support Services													
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
	Heads of Components Support Services - Other													
2910	6100	Salaries	x											
	6200	Employee Benefits	x											
	6300	Professional/Technical Services	x											
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
3100	FOOD SERVICES													
	6100	Salaries						x						x
	6200	Employee Benefits						x						x
	6300	Professional/Technical Services						x						x
	6400	Property Services						x						x
	6500	Other Services						x						x
	6600	Supplies						x						x
	6630	Food		x						x				
	6700	Property				x								
	6800	Debt Service and Miscellaneous			x		x				x			x
Heads of Components Food Service Operations														
3110	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
3200	ENTERPRISE OPERATIONS													
	6100	Salaries						x						x
	6200	Employee Benefits						x						x
	6300	Professional/Technical Services						x						x
	6400	Property Services						x						x
	6500	Other Services						x						x
	6600	Supplies						x						x
	6700	Property												
	6800	Debt Service and Miscellaneous			x		x				x			x
	Heads of Components Enterprise Operations													
3210	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
3300	COMMUNITY SERVICES													
	6100	Salaries						x						x
	6200	Employee Benefits						x						x
	6300	Professional/Technical Services						x						x
	6400	Property Services						x						x
	6500	Other Services						x						x
	6600	Supplies												
	6700	Property				x		x						x
	6800	Debt Service and Miscellaneous			x		x				x			x
	Heads of Components Community Service Operations													
3310	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property				x						x		
	6800	Debt Service and Miscellaneous			x		x				x			x
3400	BOOKSTORE OPERATIONS													
	6100	Salaries						x						x
	6200	Employee Benefits						x						x
	6300	Professional/Technical Services						x						x
	6400	Property Services						x						x
	6500	Other Services						x						x
	6600	Supplies						x						x
	6700	Property				x								
	6800	Debt Service and Miscellaneous			x		x				x			x

Attachment A

District Indirect Cost Guide

Account			Unrestricted					Restricted						
Function	Object	Description	Indirect (A)	Food	Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Debt	Capital	Other	Direct (C)
3410	Heads of Components Bookstore Operations													
	6100	Salaries	X											X
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services	X											X
	6400	Property Services	X											X
	6500	Other Services	X											X
	6600	Supplies	X											X
	6700	Property												X
6800	Debt Service and Miscellaneous			X	X	X			X			X		
4000	Facilities Acquisition and Construction													
	6100	Salaries					X						X	
	6200	Employee Benefits					X						X	
	6300	Professional/Technical Services				X	X					X	X	
	6400	Property Services				X	X					X	X	
	6500	Other Services				X	X					X	X	
	6600	Supplies		X		X	X		X			X	X	
	6700	Property				X						X		
6800	Debt Service and Miscellaneous			X	X	X			X		X	X		
4800	Heads of Components Facilities Acquisition and Construction													
	6100	Salaries	X											
	6200	Employee Benefits	X											X
	6300	Professional/Technical Services					X						X	
	6400	Property Services					X					X	X	
	6500	Other Services					X					X	X	
	6600	Supplies		X			X		X			X	X	
	6700	Property				X						X		
6800	Debt Service and Miscellaneous			X		X			X			X		
5000	Debt Service													
6800	Debt Service and Miscellaneous			X		X				X		X		
6000	Other Financing Uses						X						X	

Attachment B

Charter Indirect Cost Guide

Account			Unrestricted					Restricted						
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
1000		INSTRUCTION												
		6100 Salaries						X						X
		6200 Employee Benefits						X						X
		6300 Professional/Technical Services						X						X
		6400 Property Services						X						X
		6500 Other Services						X						X
		6600 Supplies						X						X
		6700 Property												
		6800 Other Expenses and Losses				X	X					X	X	
2000		Support Services												
	2100	Students												
		6100 Salaries						X						X
		6200 Employee Benefits						X						X
		6300 Professional/Technical Services						X						X
		6400 Property Services						X						X
		6500 Other Services						X						X
		6600 Supplies						X						X
		6700 Property												
		6800 Other Expenses and Losses				X	X					X	X	
	2110	Heads of Components Supp Serv-Students												
		6100 Salaries	X											X
		6200 Employee Benefits	X											X
		6300 Professional/Technical Services	X											X
		6400 Property Services	X											X
		6500 Other Services	X											X
		6600 Supplies	X											X
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	
	2200	Instructional Staff												
		6100 Salaries						X						X
		6200 Employee Benefits						X						X
		6300 Professional/Technical Services						X						X
		6400 Property Services						X						X
		6500 Other Services						X						X
		6600 Supplies						X						X
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	
	2210	Heads of Components Supp Serv-Instruction												
		6100 Salaries	X											X
		6200 Employee Benefits	X											X
		6300 Professional/Technical Services	X											X
		6400 Property Services	X											X
		6500 Other Services	X											X
		6600 Supplies	X											X
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	
	2300	General Administration												
		6100 Salaries	X						X					
		6200 Employee Benefits	X						X					
		6300 Professional/Technical Services	X						X					
		6400 Property Services	X						X					
		6500 Other Services	X						X					
		6600 Supplies	X						X					
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	
	2320	Retiree Health												
		6100 Salaries	X											X
		6200 Employee Benefits	X											X
		6300 Professional/Technical Services	X											X
		6400 Property Services	X											X
		6500 Other Services	X											X
		6600 Supplies	X											X
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	
	2321	Executive Administration and Heads of Components												
		6100 Salaries	X											X
		6200 Employee Benefits	X											X
		6300 Professional/Technical Services	X											X
		6400 Property Services	X											X
		6500 Other Services	X											X
		6600 Supplies	X											X
		6700 Property				X						X		
		6800 Other Expenses and Losses				X	X					X	X	

Attachment B Charter Indirect Cost Guide

Account			Unrestricted					Restricted						
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
2400		School Administration												
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property							x					
	6800	Other Expenses and Losses												
2410		Office of the Principal												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property												x
	6800	Other Expenses and Losses												
2500		Central Services												
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property							x					
	6800	Other Expenses and Losses												
2510		Heads of Components Support Services - Central												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property												x
	6800	Other Expenses and Losses												
2520		Planning, Research, Development, and Evaluation Services												
	6100	Salaries	x						x					
	6200	Employee Benefits	x						x					
	6300	Professional/Technical Services	x						x					
	6400	Property Services	x						x					
	6500	Other Services	x						x					
	6600	Supplies	x						x					
	6700	Property							x					
	6800	Other Expenses and Losses												
2530		Public Information Services												
	6100	Salaries							x					x
	6200	Employee Benefits							x					x
	6300	Professional/Technical Services							x					x
	6400	Property Services							x					x
	6500	Other Services							x					x
	6600	Supplies												
	6700	Property							x					x
	6800	Other Expenses and Losses												
2600		Operation and Maintenance of Plant												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property												
	6800	Other Expenses and Losses												
2610		Heads of Components Operation and Maintenance of Plant												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property												
	6800	Other Expenses and Losses												
2700		Student Transportation												
	6100	Salaries							x					x
	6200	Employee Benefits							x					x
	6300	Professional/Technical Services							x					x
	6400	Property Services							x					x
	6500	Other Services							x					x
	6600	Supplies												
	6700	Property							x					x
	6800	Other Expenses and Losses												
2710		Heads of Components Student Transportation												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x

Attachment B Charter Indirect Cost Guide

Account			Unrestricted					Restricted							
Function	Object	Description	Indirect (A)	Food	Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Debt	Capital	Other	Direct (C)	
2900	6500	Other Services	X											X	
	6600	Supplies	X											X	
	6700	Property				X						X			
	6800	Other Expenses and Losses			X		X			X			X		
		Other Support Services													
	6100	Salaries	X						X						
	6200	Employee Benefits	X						X						
	6300	Professional/Technical Services	X						X						
	6400	Property Services	X						X						
	6500	Other Services	X						X						
	6600	Supplies	X						X						
	6700	Property				X			X						
	6800	Other Expenses and Losses			X		X				X			X	
		Heads of Components Support Services - Other													
	6100	Salaries	X												X
	6200	Employee Benefits	X												X
	6300	Professional/Technical Services	X												X
	6400	Property Services	X												X
	6500	Other Services	X												X
	2910	6600	Supplies	X											X
6700		Property							X						X
6800		Other Expenses and Losses			X		X				X			X	
		Heads of Components Support Services - Other													
6100		Salaries	X												X
6200		Employee Benefits	X												X
6300		Professional/Technical Services	X												X
6400		Property Services	X												X
6500		Other Services	X												X
6600		Supplies	X												X
6700		Property				X						X			X
6800		Other Expenses and Losses			X		X				X			X	
3100			FOOD SERVICES												
6100		Salaries						X							X
6200		Employee Benefits						X							X
6300		Professional/Technical Services						X							X
6400		Property Services						X							X
6500		Other Services						X							X
6600		Supplies						X							X
6630		Food		X					X						
6700	Property				X				X						
6800	Other Expenses and Losses			X		X				X			X		
3110		Heads of Components Food Service Operations													
6100	Salaries	X												X	
6200	Employee Benefits	X												X	
6300	Professional/Technical Services	X												X	
6400	Property Services	X												X	
6500	Other Services	X												X	
6700	Property				X						X			X	
6800	Other Expenses and Losses			X		X				X			X		
3300		COMMUNITY SERVICES													
6100	Salaries							X						X	
6200	Employee Benefits							X						X	
6300	Professional/Technical Services							X						X	
6400	Property Services							X						X	
6500	Other Services							X						X	
6600	Supplies							X						X	
6700	Property														
6800	Other Expenses and Losses			X		X				X			X		
3310		Heads of Components Community Service Operations													
6100	Salaries	X												X	
6200	Employee Benefits	X												X	
6300	Professional/Technical Services	X												X	
6400	Property Services	X												X	
6500	Other Services	X												X	
6600	Supplies	X												X	
6700	Property				X							X		X	
6800	Other Expenses and Losses			X		X				X			X		
3400		BOOKSTORE OPERATIONS													
6100	Salaries							X						X	
6200	Employee Benefits							X						X	
6300	Professional/Technical Services							X						X	
6400	Property Services							X						X	
6500	Other Services							X						X	
6600	Supplies							X						X	
6700	Property					X								X	
6800	Other Expenses and Losses			X		X					X		X		

Attachment B

Charter Indirect Cost Guide

Account			Unrestricted						Restricted					
Function	Object	Description	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)	Indirect (A)	Food	Excluded Debt	Capital	Other	Direct (C)
3410		Heads of Components Bookstore Operations												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services	x											x
	6400	Property Services	x											x
	6500	Other Services	x											x
	6600	Supplies	x											x
	6700	Property												
	6800	Other Expenses and Losses			x		x				x			x
4000		Facilities Acquisition and Construction												
	6100	Salaries					x							x
	6200	Employee Benefits					x							x
	6300	Professional/Technical Services				x	x					x		x
	6400	Property Services				x	x					x		x
	6500	Other Services				x	x					x		x
	6600	Supplies		x		x	x		x			x		x
	6700	Property				x						x		
	6800	Other Expenses and Losses			x		x				x		x	
4100		Heads of Components Facilities Acquisition and Construction												
	6100	Salaries	x											x
	6200	Employee Benefits	x											x
	6300	Professional/Technical Services					x							x
	6400	Property Services					x					x		x
	6500	Other Services					x							x
	6600	Supplies		x			x		x					x
	6700	Property										x		
	6800	Other Expenses and Losses			x		x				x		x	
5000		Debt Service												
	6800	Other Expenses and Losses			x		x				x		x	
6000		Other Financing Uses					x						x	

Attachment C

District Indirect Cost Report

Arizona Department of Education

Indirect Cost Report

Arizona School District

District: Enter District Name

FY 2018 Fixed With Carry Forward Indirect Cost Rate Calculations

(Using FY 2016 Audited Data)

Function Definition	Function	Total Costs	Excluded and/or Unallowed Costs				Used by Unrestricted Rate		Used by Restricted Rate	
		All Costs A	Food B	Capital Object C	Debt D	Other Exp E	Direct Cost	Indirect Cost	Direct Cost	Indirect Cost
Instruction	1000	-								
Support Serv-Students	2100-2190	-								
Support Serv-Inst Staff	2200-2290	-								
Support Serv-General Admin	2300-2351	-								
Support Services—School Administration	2400-2490	-								
Central Services	2500-2540 2570-2590	-								
Planning, Research, Development, and Evaluation Services	2550	-								
Public Information Services	2560	-								
Operation and Maintenance of Plant	2600-2690	-								
Student Transportation	2700-2790	-								
Other Support Services	2900-2910	-								
Food Service Operations	3100-3110	-								
Enterprise Operations	3200-3210	-								
Community Services	3300-3310	-								
Bookstore Operations	3400-3410	-								
Facilities Acquisition and Construction	4000-4900	-								
Debt Service	5000	-								
Other Financing Uses	6000	-								
Total All Functions		-	-	-	-	-	-	-	-	-

Attachment D Charter Indirect Cost Report

Arizona Department of Education

Indirect Cost Report

Arizona Charter School

Charter: Enter Charter Name

FY 2018 Fixed With Carry Forward Indirect Cost Rate Calculations

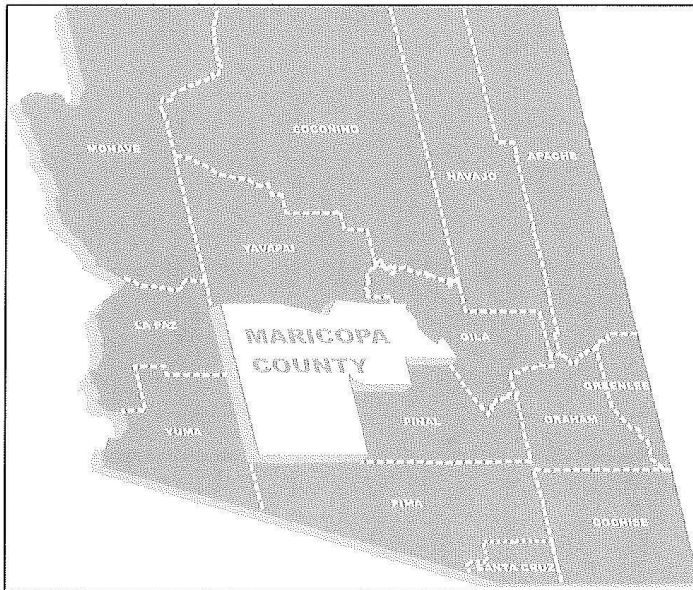
(Using FY 2016 Audited Data)

		Total Costs	Excluded and/or Unallowed Costs				Used by Unrestricted Rate		Used by Restricted Rate	
Function Definition	Function	All Costs A	Food B	Capital Object C	Debt D	Other Exp E	Direct Cost	Indirect Cost	Direct Cost	Indirect Cost
Instruction	1000	-								
Support Serv-Students	2100-2190	-								
Support Serv-Inst Staff	2200-2290	-								
Support Serv-General Admin	2300-2390	-								
Support Services—School Administration	2400-2490	-								
Central Services	2500-2519	-								
Planning, Research, Development, and Evaluation Services	2520	-								
Public Information Services	2530	-								
Operation and Maintenance of Plant	2600-2690	-								
Student Transportation	2700-2790	-								
Other Support Services	2900-2910	-								
Food Service Operations	3100-3110	-								
Community Services	3300-3310	-								
Bookstore Operations	3400-3410	-								
Facilities Acquisition and Construction	4000-4900	-								
Debt Service	5000	-								
Other Financing Uses	6000	-								
Total All Functions		-	-	-	-	-	-	-	-	-

MCESA Grants

Indirect Cost Plan FY16-17

Based on Actual Expenditures for the
Year Ended June 30, 2015



Maricopa County, Arizona

www.maricopa.gov

Appendix A



Maricopa County Department of Finance

Shelby L. Scharbach
CPA, CGFM
Assistant County
Manager and
Chief Financial Officer
301 West Jefferson Street
Suite 960
Phoenix, AZ 85003-2143
Phone: 602.506-3561
Fax: 602.506-4451
www.maricopa.gov/finance

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

1. All costs included in this proposal dated July 1, 2014 to June 30, 2015 (FY15) to establish billing or final indirect costs rates for July 1, 2016 to June 30, 2017 (FY17) are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provision of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal.
2. All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

GOVERNMENT UNIT: Maricopa County

SIGNATURE: Shelby L. Scharbach

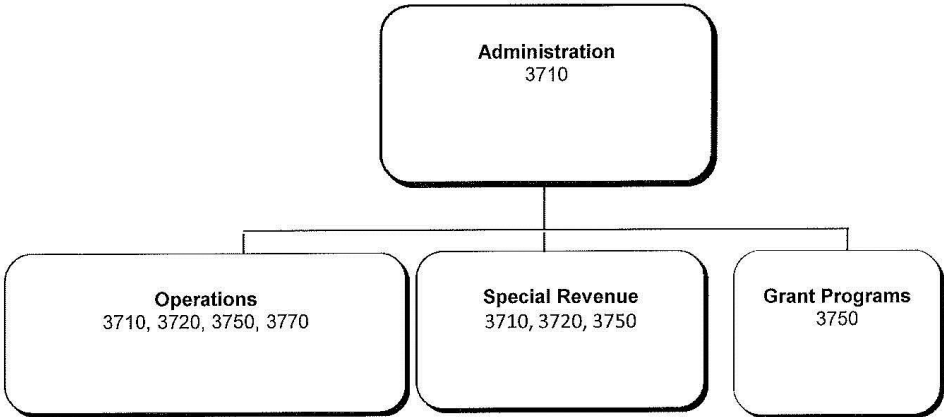
NAME OF OFFICIAL: Shelby L. Scharbach

TITLE: Assistant County Manager - Chief Financial Officer

DATE OF EXECUTION: July 1, 2016

Appendix A

Maricopa County
Education Service Agency
Organizational Structure



Appendix A

MARICOPA COUNTY EDUCATION SERVICE AGENCY DESCRIPTION OF ALLOCATED COSTS

COUNTYWIDE COST ALLOCATION

This category consists of countywide costs allocated to the Education Service Agency from the OMB Circular A-87 Cost Allocation Plan. Administration was allocated 100% of the costs.

ADMINISTRATION

These expenditures include the Budget, Communications and the Personnel department. These costs benefit Grant and non-Grant areas and were allocated based on salaries and benefits.

OPERATIONS

This area is responsible for all the statutory functions associated with the Education Service Agency. This includes the following divisions within the Education Service Agency: Administration, Economic Management and Technology, and Education Innovations. Departmental indirect costs were allocated to this category based on salaries and benefits.

SPECIAL REVENUE

This category was established to accumulate the indirect costs that benefit School District functions. Departmental indirect costs were allocated to this category based on salaries and benefits as applicable.

GRANT PROGRAMS

Indirect costs were allocated to this category based on salaries and benefits. The distribution base used to compute the indirect rate is the total direct program costs (excluding capital expenditures and other distorting items, such as pass through funds, major subcontractors, etc.). Total grant direct costs less capital and sub-recipient expenditures were \$14,844,532.98.

Appendix A

MCESA FY17 Indirect Cost Rate (based on FY15 expenses)

Allocation			
A-87 County Wide			679,500
Total County Wide			679,500
Allocation of County Wide			
	Basis: Labor	% of Labor	Indirect Cost
Gen Fund (370)	1,374,764	12.23%	83,103
Grants Fund (371)	8,428,116	74.98%	509,471
Special Rev Fund (372,373,374,375,376)	1,438,003	12.79%	86,926
Total Operations	11,240,883	100.00%	679,500
Admin 370-3710(99AS, 99GV)	448,932		
	448,932		
Agrees To Pivot Table	11,689,815		
Allocation Costs			
	County Wide Indirect		679,500
	Administration Services Labor		448,932
Administration Services Non Labor (Less Capital & other adjustments)			775,074
Total Administration			1,903,506
Allocation of Administration			
	Basis: Labor	% of Labor	Indirect Cost
Gen Fund (370)	1,374,764	12.23%	232,799
Special Rev Fund (372,373,374,375,376)	1,438,003	12.79%	243,508
Grants Fund (371)	8,428,116	74.98%	1,427,198
	11,240,883	100.00%	1,903,506
Admin 370-3710(99AS, 99GV)	448,932		
	448,932		
Agrees to Pivot Table	11,689,815	100.00%	1,903,506
GRANTS			
Rate - County Wide (A87)	509,471	14,844,533	3.4%
Rate - Department	917,727	14,844,533	6.2%
Composite Rate	1,427,198	14,844,533	9.6%
			1,427,198 Total Allocated
			509,471 County Wide
			917,727 Departmental

Rate Base The rate base was calculated as defined to the right.	19,203,404	Total for Schools Grants
	(4,358,871)	Less: Distorting costs-Subrecipient
	14,844,533	Less: Capital total for grants 900's

Appendix B

Appendix B – Uniform System of Financial Records for Arizona School Districts (USFR) Chart of Account

CHART OF ACCOUNTS

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CHART OF ACCOUNTS

INTRODUCTION

This Chart of Accounts prescribed for school districts provides for the establishment of a complete fund accounting system, including the recording of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, other financing sources, expenditures and other financing uses.

The standardized account code structure for use by districts and county school superintendents has been developed to accomplish several key objectives:

- To ensure districts comply with U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) in its *Codification of Governmental Accounting and Financial Reporting Standards*.
- To establish a uniform, comprehensive, minimum chart of accounts state-wide to improve financial data collection, reporting, transmission, accuracy, and comparability among Arizona districts and nationally. The *Uniform System of Financial Records* (USFR) Chart of Accounts meets the requirements of the U.S. Department of Education's account classifications.
- To reduce the administrative burden on districts in preparing required financial reports.
- To create a logical framework that can be used to determine where monies for education originate and how they are used.
- To provide better information for administrators, parents, board members, legislators, and other interested parties.

ACCOUNT CODE STRUCTURE

The account code structure provides a basis for financial reporting and budgeting and consists of the following required elements:

1. **FUND**—A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are separated to carry on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. District accounting systems must be organized and operated on a fund basis. Individual funds are first classified by category and then by fund type within each category. See §V, Fund Accounting, for information on fund types for financial reporting purposes. There are three fund categories:
 - Governmental Funds**—Funds used to account for most of a district's financial resources based on the purposes for which these resources may or must be used.
 - Fiduciary Funds**—Funds used to account for assets a district holds in a trustee capacity or as an agent for individuals, private organizations, and other governmental entities.
 - Proprietary Funds**—Funds used to account for a district's ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds are generally self-sustaining with the primary source of revenues being user charges.
2. **BALANCE SHEET CLASSIFICATIONS**—Corresponds to items normally appearing on the balance sheet. The primary account classifications are Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Fund Net Position.

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3. **REVENUES AND OTHER FINANCING SOURCES CLASSIFICATIONS**—Separates revenues by source. The source classifications are Local, Intermediate (County), State, and Federal. Other Financing Sources and Other Items are also coded here.

4. **EXPENDITURES AND OTHER FINANCING USES CLASSIFICATIONS:**

Program—A plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. This element provides the framework for classifying expenditures by objective to determine cost. The primary program classifications are Regular Education; Special Education; Pupil Transportation; Programs Requiring Separate Budgets; Other Instructional; Adult/Continuing Education; Community College Education; and Community Services.

Function—Describes the activity for which a service or material is acquired. The function classifications are Instruction, Support Services, Operation of Noninstructional Services, Facilities Acquisition and Construction, Debt Service, and Other Financing Uses.

Object—Describes the service or material obtained as the result of a specific expenditure. The object classifications are Personal Services—Salaries, Personal Services—Employee Benefits, Purchased Professional and Technical Services, Purchased Property Services, Other Purchased Services, Supplies, Property, and Debt Service and Miscellaneous. Other Financing Uses and Other Items are also coded here.

Unit—Separates expenditures by instructional level, such as elementary, high school, and district-wide and individual schools. Districts with some of their schools operating on an alternative calendar must separately budget for such schools within the district.

Optional Elements—Each required element of the account code contains a specified number of digits in a specific configuration as illustrated on the next page. However, for internal management purposes, districts may assign additional, nonrequired elements, such as course or job classification. If such elements are used, they should be added after the unit code element in the account code.

Course—To accumulate costs of providing instruction in particular courses or subject groups, such as English, math, and science. As an alternative to using a separate optional element for course codes, districts may establish course codes under function **1000—Instruction**.

Job Classification—To further break down expenditures for salaries and benefits by purpose, bargaining unit, or otherwise, such as office/clerical, administrative, professional-education, technical, and laborer.

Besides Course and Job Classification, districts may choose to categorize transactions by time of year, bus route, construction project, or any other method useful to the district.

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ACCOUNT CODE FORMAT

The table below illustrates the required account code format. Each required element must contain the specified number of digits and must be in the specified location in the account code structure. Balance sheet and revenues and other financing sources accounts consist of fund and object code elements only. Other elements are generally zero filled. However, a district may choose to use program, function, and unit codes to better track revenues. Expenditures and other financing uses accounts consist of fund, program, function, object, and unit code elements.

Required account code numbers are shown in the Chart of Accounts in bold type. Optional numbers are italicized and not bolded. Districts are required to record transactions to the most detailed bold level for all areas.

BALANCE SHEET:					
<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXX	000	0000	0XXX	000	
REVENUES AND OTHER FINANCING SOURCES:					
<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXX	000	0000	1XXX	000	Revenue from local sources
XXX	000	0000	2XXX	000	Revenue from intermediate sources
XXX	000	0000	3XXX	000	Revenue from state sources
XXX	000	0000	4XXX	000	Revenue from federal sources
XXX	000	0000	5XXX	000	Other financing sources and other items
EXPENDITURES AND OTHER FINANCING USES:					
<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXX	XXX	XXXX	6XXX	XXX	(place optional elements here)

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COST ALLOCATION

Expenditures specifically assignable to two or more programs, functions, or units must be allocated among those programs, functions, or units. For example, the salary of a teacher who teaches both regular education and special education must be allocated between programs **100** and **200**, the salary of an individual who works in a district warehouse and also drives a school bus must be allocated between functions **2500** and **2700**; and the salary of a maintenance worker who works at two schools must be allocated between the applicable school unit codes.

Districts may use an allocation base to allocate specifically assignable expenditures for which actual cost apportionment is not easily determinable. Commonly used allocation bases include average daily membership, time spent, full-time equivalent teaching staff, number of transactions, floor space occupied, labor hours, meals served, miles driven, and driver hours. The allocation base used can greatly affect the accuracy of cost allocation; therefore, districts should choose an allocation base that will most closely approximate actual costs incurred. Costs requiring allocation that are not allocated when incurred must be allocated by journal entries before the accounting records are closed at fiscal year-end.

Indirect costs such as utilities and building rent are not allocated among the various programs or functions. However, solely for reporting in the district's annual report card in accordance with Arizona Revised Statutes (A.R.S.) §15-746, such costs coded to a districtwide unit code in the district's accounting records must be allocated to the schools at the unit code level by fiscal year-end.

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INDIRECT COST REPORTING

The United States Department of Education (US DOE) allows the Arizona Department of Education (ADE) to establish the indirect cost rates for school districts receiving federal grants through an approved delegation agreement. The revised delegation agreement prepared in December 2014 updated the indirect cost calculation based on guidance received from US DOE. As a result, several changes were made to the Chart of Accounts to increase the required detail for expenditure classification at the function and object code level.

One area of increased reporting detail is for the costs of executive administration and functional area administration (heads of components). Descriptions of executive administration and heads of components adapted from the federal guidelines to more specifically relate to school districts have been included below. These descriptions should be used to determine how to classify the expenditures in the related function codes included throughout the Chart of Accounts. Expenditures associated with executive administration should be classified in function **2320**. Expenditures associated with employees that are considered heads of components, including their office support staff (e.g., administrative assistants, secretaries), should be classified in the required heads of components detailed function codes within the functional area they direct.

Executive Administration—The Superintendent and any administrators with key decision making authority over all or one or more parts of district operations. Costs associated with Executive Administration, including any office support staff (e.g., administrative assistants, secretaries) working directly for these administrators are classified in function **2320—Executive Administration**.

Heads of Components—Administrators that directly report to a member of the district's executive administration (see definition above). These administrators are generally shown on an organizational chart as one management level below the executive administration. Costs associated with heads of components, including any office support staff (e.g., administrative assistants, secretaries) working directly for these administrators are classified in the heads of components detailed functions provided throughout the chart.

For example, an administrator over business operations, such as a Chief Financial Officer or Associate Superintendent for Business Operations that has the authority to make key decisions for district business operations would be classified in **2320** as an executive administrator. An administrator that directs the business office staff and reports to that executive administrator, such as a business manager, would be classified in **2530** as a head of component rather than **2510—Fiscal Services** to allow for correct treatment of those costs in the indirect cost rate calculation.

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Code	Description
001	Maintenance and Operation —Accounts for all of a district's financial resources except those required to be accounted for in another fund. For example, this fund cannot be used for transactions related to capital items as funds in the 600 range are generally used to account for capital transactions.
010	Classroom Site (Total) <i>(Use detailed codes below)</i> Classroom Site Funds 011, 012, and 013 account for the portion of state sales tax collections and permanent state school fund earnings districts receive as approved by the voters in 2000 as part of Proposition 301. Expenditures should be recorded directly in the individual funds. The monies in the three funds must be used to supplement, rather than supplant, existing monies and must not be used for administrative purposes.
011	Classroom Site (Base Salary) —Accounts for 20 percent of the Classroom Site Fund monies and any prior years' unused budget balance and interest earned for the fund. Monies are to be used for teacher base salary increases, employment-related expenses, and registered warrant expenses for the fund. A.R.S. §15-977
012	Classroom Site (Performance Pay) —Accounts for 40 percent of the Classroom Site Fund monies and any prior years' unused budget balance and interest earned for the fund. Monies are to be used for performance-based teacher compensation increases, employment-related expenses, and registered warrant expenses for the fund. A.R.S. §15-977
013	Classroom Site (Other) —Accounts for 40 percent of the Classroom Site Fund monies and any prior years' unused budget balance and interest earned for the fund. Monies are to be used for any of the following maintenance and operation purposes: class size reduction, assessment intervention programs, dropout prevention, teacher compensation increases, teacher development, teacher liability insurance premiums, and registered warrant expenses for the fund. Expenditures for class size reduction, assessment intervention, and dropout prevention programs must be appropriate expenditures under function 1000—Instruction , excluding athletics. A.R.S. §15-977
020	Instructional Improvement —Accounts for monies received from gaming revenue. Up to 50 percent of the monies received may be used for teacher compensation increases and class size reduction as provided in A.R.S. §15-977. The expenditures for class size reduction, if any, must be appropriate expenditures under function 1000—Instruction , excluding athletics. The remaining monies must be used for the following maintenance and operation purposes: dropout prevention programs and instructional improvement programs, including programs to develop minimum reading skills for students by the end of the third grade. The monies in the fund may not be used to supplant existing state and local monies. A.R.S. §15-979
050	County, City, and Town Grants —Accounts for monies received from county, city, and town grants.
071	Structured English Immersion —Accounts for monies received to provide for the incremental cost of instruction to English language learners (ELLs) and must be used to supplement existing programs. In accordance with A.R.S. §15-756.03, monies must not be used to supplant federal, state, or local monies, including desegregation monies, previously used for ELLs, or used to pay for the normal costs of conducting programs for English-proficient students. As defined in A.R.S. §15-756.01, incremental costs are the costs that are associated with a structured English immersion program pursuant to A.R.S. §15-752 or a program pursuant to A.R.S. §15-753 and that are in addition to the normal costs of conducting programs for English-proficient students. Incremental costs do not include costs that replace the same types of services provided to English-proficient students or compensatory instruction. A.R.S. §15-756.04

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GOVERNMENTAL FUNDS

Code	Description
072	Compensatory Instruction —Accounts for monies received to be used for compensatory instruction for programs in addition to normal classroom instruction that may include individual or small group instruction, extended day classes, summer school, or intersession school. These programs are limited to improving the English proficiency of current ELLs and students who have been reclassified from ELL to English-proficient within the previous 2 years. Monies must not be used to supplant federal, state, or local monies, including desegregation monies, previously used for ELLs. A.R.S. §15-756.11
<i>Federal Projects</i>	A group of funds used to account for revenues and expenditures of federally funded projects. A separate fund should be established for each individual program. If a federal project is not specifically listed or included in a fund range below, an unassigned fund number in the 300-399 range should be assigned for that project.
100-130	ESEA Title I—Helping Disadvantaged Children Meet High Standards
140-150	ESEA Title II—Professional Development and Technology
160	ESEA Title IV—21st Century Schools
170-180	ESEA Title V—Promote Informed Parent Choice
190	ESEA Title III—Limited English & Immigrant Students
200	ESEA Title VII—Indian Education
210	ESEA Title VI—Flexibility and Accountability
220	IDEA Part B
230	Johnson-O'Malley
240	Workforce Investment Act
250	AEA—Adult Education
260-270	Vocational Education—Basic Grants
280	ESEA Title X—Homeless Education
290	Medicaid Reimbursement
349	National Forest Fees
353	Taylor Grazing Fees
374	E-Rate (A.R.S. §15-1261)
378	Impact Aid [A.R.S. §15-905(R)]
300-399	Other Federal Projects
<i>State Projects</i>	A group of funds used to account for revenues and expenditures of state-funded projects. If a state project is not specifically listed below, an unassigned fund number in the 465-499 range should be assigned for that project.
400	Vocational Education
410	Early Childhood Block Grant

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GOVERNMENTAL FUNDS

Code	Description
420	Ext. School Yr.—Pupils with Disabilities (A.R.S. §15-881)
425	Adult Basic Education (A.R.S. §15-234)
430	Chemical Abuse Prevention Programs (A.R.S. §15-712)
435	Academic Contests (A.R.S. §15-1241)
450	Gifted (A.R.S. §15-779.03)
New 456	College Credit Exam Incentives (A.R.S. §15-249.06)
457	Results-based Funding (A.R.S. §15-249.08)
460	Environmental Special Plate (A.R.S. §37-1015)
484	Failing Schools Tutoring Grant (A.R.S. §15-241)
465-499	Other State Projects
500	School Plant —Accounts for monies received from the sale, lease, or condemnation of school property and used as specified in A.R.S. §15-1102. However, monies received from the sale of land originally purchased with School Facilities Board monies must be returned to the State in accordance with A.R.S. §15-2041(F). Districts may establish subfunds 501-504, that roll up to 500 for reporting purposes, to account for monies received that are restricted for different purposes by A.R.S. §15-1102.
510	Food Service —Accounts for the financial operations of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions. A.R.S. §15-1154
515	Civic Center — The district's governing board may permit the use of school facilities under its direction for civic activities as defined in A.R.S. §15-1105, such as parent-teacher association meetings, public forums, lectures, and clubs. Monies received for use of school facilities and the related expenditures must be accounted for in this fund. In accordance with A.R.S. §15-342(29), if program needs are met, excess monies may be used for maintenance and operation or unrestricted capital outlay purposes. Upon termination of the civic center school program, any unused monies must be transferred to the School Plant Fund (500).
520	Community School —Accounts for revenues and expenditures for purposes of academic and skill development for all citizens in accordance with A.R.S. §15-1141 et seq. In accordance with A.R.S. §15-342(30), if program needs are met, excess monies may be used for maintenance and operation or unrestricted capital outlay purposes. Upon termination of a community school program, any unused monies must be transferred to the Maintenance and Operation Fund (001). A.R.S. §15-1143

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Code	Description
525	Auxiliary Operations —Accounts for revenues and expenditures arising from bookstore operations, athletic operations, and miscellaneous district-related operations. Revenues may include the sale or rental of books, supplies and materials; course fees; fees for optional, noncredit, educational, or recreational activities; deposits for the use of district supplies; athletic gate receipts and concession sales; and other miscellaneous receipts. This fund may also be used to account for revenues and expenditures of monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01 and spent on the activities for which they are collected. Districts must maintain detailed records to ensure that tax credit monies are used only for allowable expenditures and in support of both the school and purpose designated by the taxpayer.
526	Extracurricular Activities Fees Tax Credit —Accounts for revenues and expenditures of monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01. Amounts in this fund should be spent on the activities for which they are collected and districts must maintain detailed records to ensure that tax credit monies are used only for allowable expenditures and in support of both the school and purpose designated by the taxpayer. Districts may choose to account for these monies in the Auxiliary Operations Fund rather than this fund.
530	Gifts and Donations —Accounts for the revenues and expenditures of gifts, donations, bequests, and private grants made to a district. Any balance remaining in this fund after expenditures for the intended purpose have been made, must be used to reduce taxes if not inconsistent with the terms of the gifts, grants, and devises given. A.R.S. §15-341(A)(14)
535	Career and Technical Education and Vocational Education Projects —Accounts for revenues and expenditures relating to the production and subsequent sale of items produced in an instructional program by career and technical education and vocational education pupils. Monies in the fund in excess of \$100,000 at fiscal year-end must be transferred to the School Plant Fund (500). A.R.S. §15-1231
540	Fingerprint —Accounts for revenues and expenditures related to fingerprinting employees. A.R.S. §15-512
545	School Opening —Accounts for monies transferred in from the Maintenance and Operation Fund (001) ending cash balance to be used for maintenance and operation purposes incurred in the first year of operation of a new school within a district. At the end of 5 years without any activity in the fund, any remaining monies must be transferred to the Maintenance and Operation Fund. A.R.S. §15-943.01
550	Insurance Proceeds —Accounts for the monies received from insurance claims. Insurance proceeds are not considered revenues under GAAP, but should be recorded as other financing sources in object code 5300 or as special or extraordinary items in object codes 5700 or 5800 , as applicable. Districts may use such proceeds to pay outstanding bonded indebtedness or to construct, acquire, improve, repair, or furnish school property after notice, or if applied to a project costing more than \$250,000 after notice and a hearing. A.R.S. §15-1103
555	Textbooks —Accounts for monies received from students to replace or repair lost or damaged textbooks, subject matter materials, supplementary books, or instructional computer software in accordance with A.R.S. §15-729. Additionally, monies received from students to replace or repair lost or damaged library books may be accounted for here or in the Unrestricted Capital Outlay Fund (610). Monies received from the sale of books and other printed materials should be accounted for in the Auxiliary Operations Fund (525).

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GOVERNMENTAL FUNDS

Updated

Code	Description
565	<p>Litigation Recovery—Accounts for monies received for and derived from the settlement of legal controversies or from the recovery of costs, attorney fees, or damages in litigation by or against a district in accordance with A.R.S. §15-1107. Expenditures from the fund may be made to procure legal services or for the costs of litigation. However, if monies are received specifically for the purpose of replacing or repairing school buildings or other school property, the monies may only be used to:</p> <ol style="list-style-type: none"> 1. Reimburse the School Facilities Board's Building Renewal Grant or Emergency Deficiencies Corrections funds. 2. Pay any outstanding bonded indebtedness of a district that is payable from the levy of taxes on property within a district. 3. Construct, acquire, improve, repair, or furnish school buildings after notice, or if applied to a project costing more than \$250,000 after notice and a hearing. 4. Replace or repair school property other than school buildings.
570	<p>Indirect Costs—Accounts for monies transferred in to this fund (object code 5200) from federal project funds or the Food Service Fund (510). These transfers are for indirect costs as allowed by the related federal grant. A district may only transfer monies into this fund based on an indirect cost rate approved by the Arizona Department of Education.</p>
575	<p>Unemployment Insurance—Used by districts using the reimbursement method of accounting for unemployment insurance contributions. Deposits to this fund consist of contributions from other funds. Expenditures consist of reimbursement payments to the Department of Economic Security. When the governing board determines that monies accumulated are in excess of insurance needs, the excess must be used to reduce district taxes for the budget year. A.R.S. §15-1104</p>
580	<p>Teacherage—Accounts for the operations of district housing facilities provided for district employees that the governing board determined necessary for district operation. Revenues consist of lease and rental receipts. Disbursements consist of payments for maintenance, operation, and debt service related to teacherages. Also, districts located on Indian and federal lands may purchase houses, including mobile and modular housing, to be used exclusively as teacherages. Monies in this fund may be used to reduce local taxes if accumulation in the fund warrants such use. A.R.S. §§15-342(6) and 15-1106</p>
585	<p>Insurance Refund—Accounts for insurance premium payments that are refunded to a district at the end of a fiscal year. The monies may be used for insurance premium payments; placed into a trust to be used for payments of uninsured losses, claims, defense costs, and other related expenses as provided in A.R.S. §15-382; or used for reduction of district taxes in the budget year. A.R.S. §15-386</p>
590	<p>Grants and Gifts to Teachers—Accounts for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes. A.R.S. §15-1224</p>
595	<p>Advertisement—Accounts for monies received from the sale of advertising that may be used for any district purpose. A.R.S. §15-342(27)(c)</p>
596	<p>Joint Technical Education—Accounts for monies received by member districts from Joint Technical Education Districts for vocational education programs. A.R.S. §15-393</p>

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Code	Description
610	<p>Unrestricted Capital Outlay—Accounts for transactions relating to the acquisition of items by purchase, lease-purchase, or lease as prescribed by A.R.S. §15-903(C). Revenues include equalization assistance, tuition, property taxes, and interest on investments. Expenditures include:</p> <ol style="list-style-type: none"> 1. Land, buildings, and improvements to land and buildings, including labor and related employee benefits costs and material costs if the work is performed by district employees 2. Furniture, furnishings, athletic equipment, and other equipment, including computer software 3. Pupil and nonpupil transportation vehicles and equipment, including all capital expenditures within a contract if a district contracts for pupil transportation 4. Textbooks and related printed subject matter materials adopted by the governing board 5. Instructional aids 6. Library books 7. Payment of principal and interest on bonds 8. District administration emergency needs that are directly related to pupils
620	<p>Adjacent Ways—Accounts for transactions relating to special assessments to finance the improvement of public ways adjacent to school property, in accordance with A.R.S. §15-995.</p>
630	<p>Bond Building—Accounts for proceeds from district bond issues that are used for acquiring or leasing school sites; constructing or renovating school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; purchasing pupil transportation vehicles; or paying existing bonded indebtedness in accordance with A.R.S. §15-491(A)(3). Bond proceeds are recorded as other financing sources in object code 5110 or 5120, as applicable. Interest earned on investments must be used to reduce outstanding bonded indebtedness, unless a district requests the monies be deposited in the Bond Building Fund if federal laws or rules require the interest to be used for capital expenditures, or the voters authorized the interest to be credited to the Bond Building Fund in a separate question in a bond election. If there is no outstanding bonded indebtedness, any balance remaining in this fund, after acquisition and construction is completed, on written request of the governing board, should be used to reduce taxes. A.R.S. §15-1024</p>
639	<p>Impact Aid Revenue Bond Building—Accounts for proceeds from impact aid revenue bond issuances that are used for capital projects authorized in accordance with A.R.S. §15-491. The proceeds may also be used for bond-related expenses and other costs as allowed by A.R.S. §15-2102. Bond proceeds are recorded as other financing sources in object code 5110 or 5120. Interest earned on investment of these monies must be credited to the Impact Aid Revenue Bond Debt Service Fund. After the acquisition or construction of facilities for which the bonds were issued is completed, and after the payment of other related costs, the remaining balance must be transferred to the Impact Aid Fund (378). A.R.S. §§15-905(R), 15-2104, 15-2107, and 15-2108</p>
650	<p>Gifts and Donations—Capital—Accounts for gifts and donations to be used for capital acquisitions. A.R.S. Any balance remaining in this fund after expenditures for the intended purpose have been made, must be used to reduce taxes if not inconsistent with the terms of the gifts, grants, and devises given. §15-341(A)(14)</p>

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Code	Description
660	<p>Condemnation—Used for the following purposes. A.R.S. §15-1102(E) and (F)</p> <ol style="list-style-type: none"> 1. Proceeds from sales by condemnation or threat of condemnation may be accounted for in this fund. If accounted for in this fund, these proceeds must be used either: 2. For the payment of a district's outstanding bonded indebtedness that is payable from the levy of taxes upon the property within the district, or 3. To construct, acquire, improve, repair, or furnish school facilities or sites after notice and a hearing. 4. Proceeds from a right-of-way settlement must be accounted for in this fund. These proceeds must be used to construct, acquire, improve, repair, or furnish school facilities or sites after notice and a hearing. <p>After 10 years, any unused monies must be transferred to the School Plant Fund (500).</p>
665	<p>Energy and Water Savings (EWS)—Accounts for capital investment monies, energy-related rebate or grant monies, and monies from other funding sources, including clean renewable energy bonds, to fund energy or water saving projects in school facilities in accordance with A.R.S. §15-910.02. This fund also accounts for monthly payment amounts transferred to the EWS Fund from the Maintenance and Operation Fund (001). Any monies associated with an energy or water savings project remaining in the fund after capital investment monies are repaid in full may also be transferred to the Maintenance and Operation Fund.</p>
686	<p>Emergency Deficiencies Correction—Accounts for monies received from the School Facilities Board to correct emergency deficiencies. A.R.S. §15-2022</p>
691	<p>Building Renewal Grant—Accounts for building renewal grant monies that districts may request from the School Facilities Board. These monies may be used for major renovations and repairs to buildings, upgrading systems and areas that will maintain or extend buildings' useful lives, and infrastructure costs. These monies may not be used for new construction; remodeling interior space for aesthetic or preferential reasons; exterior beautification; demolition; routine preventative maintenance; or any project in a building, or part of a building, that is being leased to another entity. A.R.S. §15-2032</p>
695	<p>New School Facilities—Accounts for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites as prescribed by A.R.S. §15-2041. Any surplus monies received from the School Facilities Board may be used only for capital purposes for the project up to 1 year after completion of the project. Any surplus monies remaining after 1 year must be returned to the School Facilities Board.</p>
699	<p>Federal Impact Aid (Construction)—Accounts for impact aid monies that are received specifically for construction.</p>
700	<p>DEBT SERVICE FUNDS—Account for the accumulation of resources and the payment of principal and interest on bonds. A.R.S. §15-1022 If there is no outstanding bonded indebtedness, any balance remaining in or accruing to this fund, on written request of the governing board, must be used to reduce taxes. A.R.S. §15-1028</p>
720	<p>Impact Aid Revenue Bond Debt Service—Accounts for impact aid monies received and interest earned that is used for the payment of impact aid revenue bond principal and interest payments. Any surplus monies remaining in the fund must be transferred to the Impact Aid Fund (378). A.R.S. §§15-905(R), 15-2104, 15-2107, 15-2108, and 15-2109</p>
750	<p>PERMANENT FUNDS—Accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support district programs.</p>

Updated

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FIDUCIARY FUNDS

Code	Description
800-849	Trust Funds
	<p>Pension Trust Funds—Accounts for resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other benefit plans. Typically, these funds are used to account for local pension and other employee benefit funds that are provided by a district in lieu of or in addition to any state retirement system.</p> <p>Monies to fund other postemployment benefits (OPEB) that are deposited in a trust account in accordance with A.R.S. §15-1225 should be included as a Pension Trust Fund (OPEB Trust Fund). The OPEB Trust Fund accounts for monies accumulated to pay for postemployment benefits offered to district employees or their spouses and dependents. This fund may be used for administrative and management costs and payment of benefits. Postemployment benefits do not include benefits provided by the Arizona State Retirement System. If monies to fund other postemployment benefits are not deposited in a trust account, they should be accounted for in an Internal Service Fund.</p>
	Investment Trust Funds —Accounts for the external portion (i.e., the portion that does not belong to a district) of investment pools operated by a district.
	Private-Purpose Trust Funds —Accounts for other trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.
850-899	Agency Funds
850	Student Activities —Accounts for all monies raised with the approval of the governing board by the effort of students in pursuance of or in connection with all activities of student organizations, clubs, school plays, or other student entertainment other than Auxiliary Operations Fund monies. A.R.S. §15-1121
855	Employee Insurance Program Withholdings —Accounts for monies received from employees, monies contributed by a district, and monies received from former employees, current and former board members, and board members' surviving spouses and dependents, to be used for the payment of insurance premiums. Disbursements may only be made to insurance carriers or to make refunds of insurance premiums to individuals. The governing board must transfer any interest at fiscal year-end to the Maintenance and Operation Fund. A.R.S. §15-1223
865	State Income Tax Withholdings —Accounts for monies withheld from employees for state income tax until remitted to the Arizona Department of Revenue. Disbursements may be made only to the Department of Revenue. The governing board must transfer any interest at fiscal year-end to the Maintenance and Operation Fund. A.R.S. §15-1222

For proprietary fund codes, see page III-14.

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PROPRIETARY FUNDS

Code	Description
900-949	Enterprise Funds —Accounts for activities that provide goods or services to external users for a fee. Enterprise funds are required to be used to account for any activity whose principal revenue sources meet any of the following criteria: (1) debt backed solely by revenues from fees and charges (thus, not debt that is backed by the full faith and credit of a district); (2) legal requirement to recover costs through fees and charges; (3) policy decision of the governing board or management to recover the costs of providing services through fees or charges.
950-989	<p>Internal Service Funds—Accounts for activities that provide goods or services to other funds, departments, component units, or other governmental entities on a cost-reimbursement basis. The use of an internal service fund is appropriate only for activities in which a district is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund. Examples of internal service funds are activities such as central data processing, central printing and duplicating, and self-insurance.</p> <p>District Services Funds established in accordance with A.R.S. §15-1108 should be accounted for as Internal Service Funds.</p> <p>Monies to fund other postemployment benefits (OPEB) that are not deposited in a trust account in accordance with A.R.S. §15-1225 should be accounted for as an Internal Service Fund (OPEB Fund). The OPEB Fund accounts for monies accumulated to pay for postemployment benefits offered to district employees or their spouses and dependents. This fund may be used for administrative and management costs and payment of benefits. At the end of 5 years of no activity in the fund, any remaining monies must be transferred to the Maintenance and Operation Fund. Postemployment benefits do not include benefits provided by the Arizona State Retirement System. A.R.S. §15-1225</p>
955	Intergovernmental Agreements —Used by a fiscal agent to account for monies of an intergovernmental agreement (IGA). Revenues include amounts received from participants. Expenditures include salaries, supplies, etc. (Depending on specific provisions of the agreement, IGAs may also be accounted for in a Trust or Agency Fund.) A.R.S. §15-342(13)

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BALANCE SHEET

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Object code	Description
0100	CASH <i>(Use detailed codes below)</i>
0101	Cash on Hand —Currency, coins, checks, warrants, postal and express money orders, and bank drafts on hand physically located at a district or in the possession of its representative, such as cash from sales of student lunches that has not been deposited in the bank.
0102	Cash in Bank —All funds on deposit in a financial institution, including time certificates of deposit. Revolving fund monies should be recorded here.
0103	Cash on Deposit with County Treasurer —All funds on deposit with the county treasurer who, by statute, is the designated custodian of district cash and bank deposits.
0105	Cash with Fiscal Agent —Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest.
0110	INVESTMENTS —U.S. government securities and other investments held for the earning of income in the form of interest or dividends. Investments should be presented at fair value as of the reporting date. Gains and losses from changes in the fair value of investments should be coded to revenue object code 1530 .
0111	Unamortized Premiums —Used only with short-term money market investments and participating interest-earning investment contracts.
0112	Unamortized Discounts (Credit) —Used only with short-term money market investments and participating interest-earning investment contracts.
0120	TAXES RECEIVABLE <i>(Use detailed codes below)</i>
0121	Personal Property Taxes Receivable—Current Year —The uncollected portion of the tax levy for personal property that has become due, including interest or penalties that may be accrued.
0122	Personal Property Taxes Receivable—Back (prior years) —The uncollected portion of the tax levy for personal property that was due, including interest or penalties that may be accrued.
0123	Real Property Taxes Receivable—Current Year —The uncollected portion of the tax levy for real property that has become due, including interest or penalties that may be accrued.
0124	Real Property Taxes Receivable—Back (prior years) —The uncollected portion of the tax levy for real property that was due, including interest or penalties that may be accrued.
0130	OTHER RECEIVABLES <i>(Use detailed codes below)</i>
0131	Revenue in Lieu of Taxes Receivable —For example, payments from Salt River Project.
0132	Accounts Receivable —Amounts due on open account from individuals or other entities.
0134	Interest Receivable —Amount of interest receivable on investments.
0135	Refundable Deposits Receivable —District monies held by business entities or individuals as security or as a prerequisite to receiving goods or services.
0136	Notes Receivable —Amounts due from a note or mortgage received from the sale of district buildings or property.

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BALANCE SHEET

Object code	Description
0140	DUE FROM OTHER FUNDS AND GOVERNMENTAL ENTITIES <i>(Use detailed codes below)</i> These amounts may represent grants-in-aid, shared taxes, taxes collected for a district by another governmental unit, charges for goods or services rendered, and monies held by other governmental units as security.
0141	Due from Other Funds
0142	Due from Other Districts
0143	Due from County
0144	Due from State
0145	Due from Federal
0150	PREPAID ITEMS—Cash outlays for benefits that have not been received.
0151	<i>Insurance</i> —Amounts paid for insurance coverage not yet received, such as fire insurance and property insurance paid in advance.
0160	INVENTORY OF SUPPLIES FOR CONSUMPTION—Supplies on hand, valued at cost, that will be used for district operations.
0161	<i>Supplies</i> —General supplies used in district operations.
0162	<i>Fuel and Oil</i> —Supplies used for transportation activities.
0170	INVENTORY OF SUPPLIES FOR SALE OR RENTAL—Inventory on hand, valued at cost or market, that will be sold or rented.
0171	<i>Bookstore</i> —Inventory sold or rented by the bookstore.
0172	<i>Food and Milk</i> —Food service inventory, including USDA commodities.
0180	OTHER CURRENT ASSETS <i>(Use detailed codes below)</i>
0182	Premium and Discount on Issuance of Bonds—Represents amounts to be amortized as debt premium/discount in connection with the issuance of bonds.
0185	DEFERRED OUTFLOW OF RESOURCES—Represents the consumption of net assets by the district that is applicable to a future reporting period. Only the following items should be included in this code: <ol style="list-style-type: none"> 1. The difference between the reacquisition price and the net carrying amount of debt for current and advance refundings resulting in defeasance of debt when the reacquisition price exceeds the net carrying amount of the defeased debt. 2. Employer's share of pension contributions to the Arizona State Retirement System and other deferred outflows related to pensions. <p>This code should be used in proprietary funds only.</p>

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BALANCE SHEET

Object code	Description
0190	CAPITAL ASSETS <i>(Use detailed codes below)</i> For discussion of capital assets, see Property Control—§VI-E. These codes should be used in fiduciary and proprietary funds only.
0191	Land and Land Improvements —Land owned by a district, including legal fees, razing, filling, excavation, and other associated costs that are incurred to put the land in condition for its intended use. Further, permanent improvements to land, such as grading and fill, should be accounted for in this account. Land and land improvements are considered nonexhaustible assets owing to their significantly long expected useful life and should not be depreciated. Therefore, these assets will not result in a depreciation expense.
0192	Site Improvements —Account that reflects the value of nonpermanent improvements to building sites, other than buildings, that add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. Because these improvements decrease in their value/usefulness over time, it is appropriate to depreciate these assets. Therefore, all capitalized site improvements should be depreciated over their expected useful life.
0193	Accumulated Depreciation on Site Improvements —Accumulated amounts for the depreciation of site improvements.
0194	Buildings and Building Improvements —Account that reflects the acquisition value of permanent and relocatable structures used to house persons and property owned by a district. This account includes the value of all permanent buildings and the fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements, including upgrades made to building wiring for technology.
0195	Accumulated Depreciation on Buildings and Building Improvements —Accumulated amounts for the depreciation of buildings and building improvements.
0196	Equipment —Account that reflects the value of machinery, vehicles, computers, software, furniture, and other equipment, including specialized electronic and athletic equipment.
0197	Accumulated Depreciation on Equipment —Accumulated amounts for the depreciation of equipment.
0198	Construction in Progress —Account that reflects the value of construction undertaken but not yet completed. When completed, the cost must be transferred to the appropriate asset account.

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Object code	Description
0200	NONPAYROLL PAYABLES <i>(Use detailed codes below)</i>
0201	Accounts Payable —Amounts owed on open accounts for goods or services received, such as maintenance agreements, professional services, rentals, and operating leases.
0202	Refundable Deposits —Liability for amounts received as a prerequisite to providing goods or services, such as deposits made by students on textbooks and lab deposits.

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Object code	Description
0203	Bank Revolving Line of Credit Payable —Liability for monies borrowed through a revolving line of credit as authorized by A.R.S. §11-604.01.
0205	Tax Anticipation Notes Payable —Amounts owed on tax anticipation notes issued by a district pursuant to A.R.S. §35-465.01.
0210	DUE TO OTHER FUNDS, GOVERNMENTAL ENTITIES, STUDENT GROUPS, AND OTHERS <i>(Use detailed codes below)</i>
0211	Due to Other Funds
0212	Due to Other Districts
0213	Due to County
0214	Due to State
0215	Due to Federal
0216	Due to Student Groups
0217	Due to Others
0220	ACCRUED PAYROLL AND RELATED BENEFITS <i>(Use detailed codes below)</i> Salary and fringe benefit costs incurred but not yet paid during the current accounting period.
0221	Salaries and Wages —Gross amount of salaries and wages earned by employees but not due until a later date.
0222	Social Security—OASDI (Employer's Portion) —Amount of matching social security taxes incurred as a result of salaries and wages earned by employees.
0223	Medicare—Hospital Insurance (Employer's Portion) —Amount of matching Medicare taxes incurred as a result of salaries and wages earned by employees.
0224	State Retirement System Contributions (Employer's Portion) —Amount of matching state retirement contributions incurred as a result of salaries and wages earned by employees. Include both state retirement and related long-term disability contributions.
0225	Employee Insurance —Amount incurred for premiums on insurance for employees (health and accident, medical, life, etc.) provided by a district.
0226	Unemployment Insurance —Amount incurred for unemployment insurance taxes.
0227	Workers' Compensation —Amount incurred for workers' compensation premiums.
0228	Self-Insurance Employee Claims Payable —Amount owed to employees for insurance claims from the Self-Insurance Fund.
0229	Compensated Absences —Liability for accrued vacation and sick leave benefits.
0230	OTHER ACCRUED ITEMS <i>(Use detailed codes below)</i>
0231	Interest Payable (Other than Bond Interest) —Interest costs incurred but not yet paid during the current accounting period, including interest on tax anticipation notes.

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Object code	Description
0232	Bond Interest Payable —The current portion of the liability for interest on bonds issued. Includes interest expense incurred but not yet paid.
0233	Self-Insurance Claims Payable —Amounts owed from an Internal Service Fund (Self-Insurance) for claims and judgments payable to other than employees.
0240	PAYROLL DEDUCTIONS AND WITHHOLDINGS (EMPLOYEES) <i>(Use detailed codes below)</i> Amounts deducted from employees' salaries that have not yet been paid to the respective agencies.
0241	Federal Income Taxes
0242	State Income Taxes
0243	Social Security—OASDI
0244	Medicare—Hospital Insurance
0245	State Retirement Contributions —Amounts deducted from employees' salaries for state retirement contributions. The portion representing long-term disability contributions should be recorded under balance sheet object code 0246.
0246	Long-Term Disability —Amounts deducted from employees' salaries for long-term disability benefits for employees who participate in the Arizona State Retirement System.
0247	Voluntary Deductions —Amounts deducted from employees' salaries for voluntary deductions, such as annuities and dependent health insurance premiums.
0248	Court-Ordered Assignments —Amounts garnished from the salaries or wages of employees for child support or spousal maintenance pursuant to a court-ordered assignment of earnings. A.R.S. §§25-504 and 25-505.01
0250	UNEARNED REVENUES —Revenues collected before they are earned, such as grants.
0260	CONTRACTS PAYABLE <i>(Use detailed codes below)</i>
0261	Capital Leases —Amounts due on capital lease agreements.
0262	Construction —Amounts due on construction contracts.
0270	BONDS PAYABLE <i>(Use detailed codes below)</i>
0271	Current —Liabilities for redemption of bonds that are payable within 1 year.
0272	Long-Term —Liabilities for redemption of bonds that are not payable within 1 year.
0280	ARBITRAGE REBATE —Liabilities arising from arbitrage rebates to the Internal Revenue Service from bond financing.
0290	DEFERRED INFLOWS OF RESOURCES <i>(Use detailed codes below)</i>
0291	UNAVAILABLE REVENUES —Revenues that are measurable but not available, such as property taxes. This code should be used in governmental funds only.

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Object code	Description
0292	DEFERRED REVENUE ON REFUNDING —Represents the difference between the reacquisition price and the net carrying amount of debt for current and advance refundings resulting in defeasance of debt when the reacquisition price is less than the net carrying amount of the defeased debt. This code should be used in proprietary funds only.
0293	PENSION RELATED DEFERRED INFLOWS OF RESOURCES — Represents the acquisition of pension related net assets that is applicable to a future reporting period. This code should be used in proprietary funds only.

FUND BALANCE/FUND NET POSITION

Object code	Description
0300	GOVERNMENTAL FUND BALANCE
<i>0310</i>	<i>NONSPENDABLE FUND BALANCE</i> —Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid amounts. It may also include the long-term amount of notes receivable and the principal of a permanent fund.
<i>0311</i>	<i>Prepaid Items</i> —An amount equal to the balance in the Prepaid Items asset account (0150).
<i>0312</i>	<i>Inventory of Supplies for Consumption</i> —An amount equal to the balance in the Inventory of Supplies for Consumption asset account (0160).
<i>0313</i>	<i>Inventory of Supplies for Sale or Rental</i> —An amount equal to the balance in the Inventory of Supplies for Sale or Rental asset account (0170).
<i>0314</i>	<i>Other Nonspendable Fund Balance</i>
<i>0320</i>	<i>RESTRICTED FUND BALANCE</i> —Amounts that are restricted to specific purposes. Fund balance should be reported as restricted when constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.
<i>0330</i>	<i>COMMITTED FUND BALANCE</i> —Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the governing board. These amounts cannot be used for any other purpose unless the governing board removes or changes the specific purpose by taking the same kind of formal action previously used to commit these amounts. Adoption of the annual budget does not constitute a commitment as appropriations lapse at year-end without governing board action. This code should also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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BALANCE SHEET

Object code	Description
<i>0340</i>	<i>ASSIGNED FUND BALANCE</i> —Amounts that are constrained by a district’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing board or a body (i.e., budget or finance committee) or official to which the governing board has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balance in governmental funds, other than the general fund, includes all spendable amounts that are not restricted or committed, if that amount is positive. See discussion of the General Fund on page V-B-1 .
<i>0350</i>	<i>UNASSIGNED FUND BALANCE</i> —For the general fund, spendable amounts that are not restricted, committed, or assigned. The general fund is the only fund that may report a positive unassigned fund balance amount. For governmental funds other than the general fund, negative fund balances are reported here if restricted, committed, or assigned amounts exceed total spendable fund balance. See discussion of the General Fund on page V-B-1 .
0400	PROPRIETARY FUND NET POSITION
<i>0410</i>	<i>NET INVESTMENT IN CAPITAL ASSETS</i> —Capital assets less accumulated depreciation and debt directly related to capital assets.
<i>0420</i>	<i>RESTRICTED NET POSITION</i> —Restricted assets and deferred outflows of resources less liabilities and deferred inflows of resources related to those assets. Net position should be reported as restricted when constraints placed on the use of net position are either: <ul style="list-style-type: none"> a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.
<i>0430</i>	<i>UNRESTRICTED NET POSITION</i> —The net amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources not coded to 0410 or 0420.
0500	TRUST FUND NET POSITION —The net position of trust funds that are “held in trust” for the appropriate party.

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REVENUES

Object code	Description
1000	REVENUE FROM LOCAL SOURCES <i>(Use detailed codes below)</i>
1100	Taxes Levied/Assessed on Behalf of a District <i>(Use detailed codes below)</i>
1110	Property Taxes —Taxes levied by the county on the assessed value of real and personal property located within a district. Separate accounts may be maintained for real property and for personal property. Penalties and interest on property taxes should be included in revenue object code 1140.
<i>1111</i>	<i>Personal</i>
<i>1115</i>	<i>Real</i>
1140	Penalties and Interest on Taxes —Revenue from penalties for the payment of taxes after the due date, and the interest charged on delinquent taxes from the due date to actual payment. A separate account for penalties and interest on each type of tax may be maintained.
1200	Revenue from Local Governmental Units Other Than Districts —Revenue from the appropriations of another local governmental unit not properly coded in object 1280.
1280	Revenue in Lieu of Taxes —Payments made out of general revenues by a local governmental unit to a district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property. Such revenue would include payments made for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action by the local governmental unit. Payments received from the Salt River Project are an example of revenue in lieu of taxes.
1300	Tuition <i>(Use detailed codes below)</i> The portion of tuition representing transportation fees should be coded in the 1400 revenue object code range.
1310	Tuition from Individuals <i>(Use detailed codes below)</i>
1311	Tuition from Individuals Excluding Summer School
1312	Tuition from Individuals for Summer School
1320	Tuition from Other Arizona Districts
1330	Tuition from Out-of-State Districts
1340	Tuition from Other Private Sources (Other than Individuals)
1350	Tuition from Other Government Sources Within Arizona (such as the Arizona State Schools for the Deaf and the Blind)
1360	Tuition from Other Government Sources Outside Arizona
1400	Transportation Fees <i>(Use detailed codes below)</i>
1410	Transportation Fees from Individuals
1420	Transportation Fees from Other Arizona Districts
1430	Transportation Fees from Out-of-State Districts
1440	Transportation Fees from Other Private Sources (Other than Individuals)

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REVENUES

Object code	Description
1450	Transportation Fees from Other Government Sources Within Arizona
1460	Transportation Fees from Other Government Sources Outside Arizona
1500	Investment Income —Revenue from short-term and long-term investments.
<i>1510</i>	<i>Interest on Investments</i> —Interest revenue on temporary or permanent investments in United States treasury and agency obligations, commercial paper, savings accounts, time certificates of deposit, or other interest-bearing investments.
<i>1530</i>	<i>Net Increase/(Decrease) in the Fair Value of Investments</i> — Gains/losses recognized from the sale of investments or changes in the fair value of investments.
<i>1540</i>	<i>Investment Income from Real Property</i> —Revenue for rental and use charges on real property held for investment purposes.
1600	Food Service —Revenue from sales of food to students and adults.
<i>1610</i>	<i>Daily Sales—Reimbursable Programs</i> —Revenue from students for the sale of breakfasts, lunches, and milk that are considered reimbursable by the United States Department of Agriculture. Federal reimbursements should be coded to revenue object code 4500 .
<i>1611</i>	<i>Daily Sales—School Lunch Program</i> —Revenue from students for the sale of reimbursable lunches as part of the National School Lunch Program.
<i>1612</i>	<i>Daily Sales—School Breakfast Program</i> —Revenue from students for the sale of reimbursable breakfasts as part of the School Breakfast Program.
<i>1613</i>	<i>Daily Sales—Special Milk Program</i> —Revenue from students for the sale of reimbursable milk as part of the Special Milk Program.
<i>1614</i>	<i>Daily Sales—After School Care Snack (ASCS) Program</i> —Revenue from students for the sale of reimbursable snacks as part of the ASCS program.
<i>1620</i>	<i>Daily Sales—Nonreimbursable Programs</i> —Revenue from sales to adults, a la carte sales, and sales to students for nonreimbursable breakfasts, lunches, and milk.
<i>1630</i>	<i>Special Functions</i> —Revenue from students, adults, or organizations for the sale of food products and services at special functions. Some examples would include potlucks, PTA/PTO-sponsored functions, and athletic banquets.
<i>1640</i>	<i>Daily Sales—Summer Food Program</i> —Revenue from students for the sale of reimbursable items as part of summer programs.
1700	District Activities <i>(Use detailed codes below)</i>
1750	Revenue from Enterprise Activities —Revenue from school-sponsored activities including athletics, bookstore sales, and concerts, and vending machines and concessions not related to the regular food service program. Also include athletic and miscellaneous fees not properly coded to object 1790.
1790	Extracurricular Activities Fees Tax Credit —Revenue (donations and fees) collected in support of extracurricular activities or character education to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01.

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REVENUES

Object code	Description
1800	Revenue from Community Services Activities —Revenue from community services activities operated by a district. For example, revenue received from operation of a swimming pool or civic center as a community service would be recorded here. Revenues from the long-term rental of district property, typically involving a formal lease agreement, should be coded to revenue object code 1910. Multiple accounts may be established within the 1800 range to differentiate various activities.
1900	Other Revenue from Local Sources (<i>Use detailed codes below</i>)
1910	Rentals —Revenue from the rental of either real or personal property owned by a district. Revenues from the short-term rental of district property, such as daily use fees, should be coded to revenue object code 1800. Rental of property held for investment purposes should be coded to revenue object code 1540 .
1920	Contributions and Donations from Private Sources —Revenue associated with contributions and donations made by private organizations. These organizations include, but are not limited to, educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals. Revenue received as donations in support of extracurricular activities to be taken as a tax credit by the donor in accordance with A.R.S. §43-1089.01 should be coded to revenue object code 1790 .
1930	Gain or Loss on Sale of Capital Assets —Amount received from the sale of capital assets in excess of the assets' book value. This code should be used with proprietary and fiduciary funds only. For governmental funds, other financing sources object code 5300 should be used.
1940	Government Property Lease Excise Tax —Revenue received from annual excise taxes levied by cities, towns, counties, and county improvement districts on lessees of government property in accordance with A.R.S. §42-6201 et seq. These revenues must be recorded in the Maintenance and Operation Fund.
1950	Miscellaneous Revenues from Other Districts —Revenue from services provided to other districts other than for tuition and transportation services. These services could include data processing, purchasing, maintenance, cleaning, and consulting. Revenues received by member districts from Joint Technical Education Districts should also be recorded here.
1960	Miscellaneous Revenues from Other Local Governmental Units —Revenue from services provided to other local governmental units. These services could include data processing, purchasing, maintenance, cleaning, cash management, and consulting.
1970	Revenues from Other Departments in a District —Revenues from services provided to other funds such as printing, data processing, or contributions made by a district or district employees for self-insurance. This code should be used in proprietary funds only. Revenue from private individuals, businesses, and associations for services provided should be coded to revenue object code 1990.
1980	Refund of Prior Year's Expenditures —Expenditures that occurred last year that are refunded this year, including voided stale-dated warrants where another warrant is not issued. If both expenditure and refund occurred in current year, reduce this year's expenditures, as prescribed by GAAP.
1990	Miscellaneous —Revenue from local sources not provided for elsewhere. Do not code other financing sources, such as transfers, here. See page III-27 for those codes. <u>Fingerprinting Fees</u> —Fees collected from paid employees for fingerprinting costs. <u>Unemployment Insurance Fund Receipts</u> —Payments from payroll source funds to the Unemployment Insurance Fund. <u>Advertising Fees</u> —Fees collected from the sale of advertising.

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REVENUES

Object code	Description
2000	REVENUE FROM COUNTY SOURCES <i>(Use detailed codes below)</i>
2100	Unrestricted—Revenue from the county that can be used for any legal purpose without restriction.
2110	County School Fund —Revenue received that represents apportionments from the County School Fund, such as Taylor Grazing. A.R.S. §15-1000
2120	County Equalization Assistance —Revenue received from the county under the provisions of A.R.S. §15-971(C).
2200	Restricted—Revenue from the county that must be used for a categorical or specific purpose.
2210	Special County School Reserve Fund —Revenue received from the Special County School Reserve Fund that must be spent in accordance with A.R.S. §15-1002.
2900	Revenue for/on Behalf of a District —Commitments or payments made by the county for the benefit of a district, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.
3000	REVENUE FROM STATE SOURCES <i>(Use detailed codes below)</i>
3100	Unrestricted—Revenue from state funds that can be used for any legal purpose without restriction.
3110	State Equalization Assistance —Revenue received from the State under the provisions of A.R.S. §15-971(D).
3120	Additional State Aid —Revenue received from the State under the provisions of A.R.S. §15-972.
3130	Certificates of Educational Convenience —Revenue received from the State pursuant to certificates of educational convenience for pupils who are precluded by distance or lack of adequate transportation facilities from attending a school in the district or county of the pupil's residence, or pupils who reside in unorganized territories; state rehabilitation or corrective institutions; foster homes, child care agencies, or institutions licensed and supervised by the Department of Economic Security or the Department of Health Services; residential facilities operated or supported by the Department of Economic Security or the Department of Health Services; or residences supervised by the Department of Juvenile Corrections pursuant to the Interstate Compact on Juveniles. A.R.S. §§15-825, 15-825.01, and 15-825.02
3140	Institutional Vouchers —Revenue received from the State pursuant to institutional vouchers for special education students who reside in the Arizona State School for the Deaf and the Blind; Arizona Training Program Facilities, as provided in A.R.S. §36-551; or the Arizona State Hospital. A.R.S. §15-1204
3150	State Impact Assistance —Revenue received from the State for pupils whose parents or legal guardians are employed by and live at the State Hospital, the Arizona State School for the Deaf and the Blind, Intellectual Disability Centers, Port of Entry Inspection Stations, and institutions and facilities maintained by the Department of Corrections. A.R.S. §15-976
3200	Restricted—Revenue from state funds that must be used for a categorical or specific purpose, such as Classroom Site, Instructional Improvement, and School Facilities Board monies.
3900	Revenue for/on Behalf of a District —Commitments or payments made by the State for the benefit of a district, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.

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REVENUES

Object code	Description
4000	REVENUE FROM FEDERAL SOURCES (<i>Use detailed codes below</i>)
4100	Unrestricted Revenue Received Directly from the Federal Government — Revenues received directly from the federal government that can be used for any legal purpose without restriction.
4200	Unrestricted Revenue Received from the Federal Government through the State —Revenues received from the federal government through the State that can be used for any legal purpose without restriction, such as Medicaid Reimbursement.
4300	Restricted Revenue Received Directly from the Federal Government — Revenue received directly from the federal government that must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the governmental unit, such as ESEA Title VII—Indian Education, Federal Impact Aid (Construction).
4500	Restricted Revenue Received from the Federal Government through the State —Revenues received from the federal government through the State that must be used for a categorical or specific purpose, including federal food service reimbursements.
4700	Revenue Received from the Federal Government through Other Intermediate Agencies — Revenues received from the federal government through other intermediate agencies, such as counties with National Forest Fees or Indian tribes with Johnson-O'Malley assistance.
4800	Revenue in Lieu of Taxes —Commitments or payments made out of general revenues by the federal government in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by a district on the same basis as privately owned property or other tax base. Such revenue would include payment made for privately owned property that is not subject to taxation on the same basis as other privately owned property due to action by the federal government, such as impact aid.
4900	Revenue for/on Behalf of a District —Commitments or payments made by the federal government for the benefit of a district, or contributions of equipment or supplies. Such revenues include E-rate monies paid directly to vendors by the Schools and Libraries Division of the Universal Service Administrative Company (USAC) and food donated by the federal government. Separate accounts may be maintained to identify the specific nature of the revenue item.

For codes related to bond proceeds, transfers-in, other capital or debt proceeds, and special or extraordinary items, see page III-27.

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OTHER FINANCING SOURCES

Object Code	Description
5000	OTHER FINANCING SOURCES AND OTHER ITEMS <i>(Use detailed codes below)</i>
5100	Issuance of Bonds <i>(Use detailed codes below)</i>
5110	Bond Principal —Face amount of bonds sold. (Bond Issuance costs are not netted here, but should be coded to expenditure object code 6300 .)
5120	Premium or Discount on the Issuance of Bonds —Portion of the sale price of bonds in excess of or below their par value.
5200	Fund Transfers-In —Used to classify operating transfers from other funds of a district. Multiple accounts may be established within the 5200 range to identify transfers from specific funds. Other Financing Uses object code 6910—Indirect Cost Transfers-Out or 6930—Fund Transfers-Out should be used to record the corresponding transfer-out as applicable. See list of authorized transfers .
5300	Proceeds From the Disposal of Real or Personal Property —Proceeds from the disposal of district property or compensation for the loss of real or personal property. The disposal of an asset that is either unusual in nature or infrequent in occurrence should be coded to object code 5700. Any gain or loss on the disposal of property for proprietary or fiduciary funds should be coded to revenue object code 1930 .
5400	Capital Contributions —Capital assets acquired as the result of a donation or bequest of an individual, estate, other government, a corporation, or an affiliate organization.
5500	Capital Lease Proceeds —The amount of the capital lease financed.
5600	Other Long-Term Debt Proceeds —Proceeds from other long-term debt instruments not captured in the preceding codes, such as tax anticipation notes.
5700	Special Items —Transactions or events within a district administration's control that are either unusual in nature or infrequent in occurrence. For some districts, these include the sale of certain general governmental capital assets, sale or lease of mineral rights, or significant forgiveness of debt by a financial institution.
5800	Extraordinary Items —Transactions or events that are outside a district administration's control and are both unusual in nature and infrequent in occurrence. For some districts, these include insurance proceeds to cover significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm; insurance proceeds to cover costs related to an environmental disaster; or a large bequest to a small district by a private citizen.

Appendix B

CHART OF ACCOUNTS

EXPENDITURE PROGRAMS

[illegible]

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EXPENDITURE PROGRAMS

300	JOINT TECHNICAL EDUCATION (JTED) <i>(See additional bold codes below, effective July 1, 2017)</i>	Updated
301	Accounting and Related Services	CIP # 52.0300.00
302	Agribusiness Systems	CIP # 01.0100.90
303	Air Transportation	CIP # 49.0100.00
304	Aircraft Mechanics	CIP # 47.0600.50
305	Animal Systems	CIP # 01.0100.40
306	Animation	CIP # 10.0200.60
307	Architectural Drafting	CIP # 15.1300.20
309	Automation/Robotics	CIP # 48.0500.20
310	Automotive Collision Repair	CIP # 47.0600.30
311	Automotive Technologies	CIP # 47.0600.20
312	Bioscience	CIP # 41.0100.00
313	Business Management and Administrative Services	CIP # 52.0200.00
314	Business Operations Support and Assistant Services	CIP # 52.0400.00
315	Cabinetmaking	CIP # 46.0400.40
316	Carpentry	CIP # 46.0400.30
317	Computer Maintenance	CIP # 15.1200.20
318	Construction Technologies	CIP # 46.0400.20
319	Cosmetology and Related Personal Grooming Services	CIP # 12.0400.00
320	Culinary Arts	CIP # 12.0500.00
321	Dental Assisting	CIP # 51.0600.00
322	Diesel Engine Repair	CIP # 47.0600.40
323	Digital Photography	CIP # 10.0200.50
324	Digital Printing	CIP # 10.0200.20
325	Early Childhood Education	CIP # 13.1210.00
326	Education Professions	CIP # 13.1200.00
327	Electronic Technologies	CIP # 15.0300.00
328	Electronics Drafting	CIP # 15.1300.30
329	Emergency Medical Services	CIP # 51.0900.30
330	Engineering Sciences	CIP # 15.0000.00
332	Food Products and Processing Systems	CIP # 01.0100.20
333	Fashion Design and Merchandising	CIP # 52.1900.20
334	Film & TV	CIP # 10.0200.90
335	Financial Services	CIP # 52.0800.00
336	Fire Service	CIP # 43.0200.00
337	Graphic/ Web Design	CIP # 10.0200.30
338	Health Information Technology	CIP # 51.0707.00
339	Heating, Ventilation and Air Conditioning	CIP # 47.0200.00
340	Heavy Equipment Operations	CIP # 49.0200.00
341	Heavy/Industrial Equipment Maintenance Technologies	CIP # 47.0300.00

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342	Hospitality Management	CIP # 52.0900.00
343	Industrial Electrician	CIP # 46.0300.30
344	Interior Design and Merchandising	CIP # 52.1900.30
345	Digital Communications	CIP # 10.0200.40
346	Laboratory Assisting	CIP # 51.0800.30
347	Law, Public Safety and Security	CIP # 43.0100.00
348	Mechanical Drafting	CIP # 15.1300.40
349	Medical Assisting Services	CIP # 51.0800.60
350	Medical Imaging Support Services	CIP # 51.0800.40
351	Mental and Social Health Services	CIP # 51.1500.00
352	Music/Audio Production	CIP # 10.0200.00
353	Network Technologies	CIP # 15.1200.30
354	Nursing Services	CIP # 51.3900.00
355	Pharmacy Support Services	CIP # 51.0800.20
356	Plant Systems	CIP # 01.0100.30
357	Precision Machining	CIP # 48.0500.30
358	Professional Sales and Marketing	CIP # 52.1800.20
359	Residential Electrician	CIP # 46.0300.20
360	Respiratory Therapy Technician	CIP # 51.0900.20
361	Software Development	CIP # 15.1200.40
362	Sports Medicine and Rehabilitation Services	CIP # 51.0800.50
363	Surgical Technician	CIP # 51.0900.40
364	Technical Theatre	CIP # 50.0500.20
365	Therapeutic Massage	CIP # 51.3500.00
366	Veterinary Assistant	CIP # 51.0808.00
367	Web Page Development	CIP # 15.1200.50
368	Welding Technologies	CIP # 48.0508.00
380-399	Local Occupational Need Programs—Activities related to ADE approved JTED programs not included in the statewide approved programs (program codes 301-379). Each JTED should assign a specific program code in this range for each approved local JTED program to identify costs by CIP #. The same program number should be used by the JTED and its members.	
400	PUPIL TRANSPORTATION—Expenditures for transporting students to and from school <u>and</u> school activities (e.g., field trips, competitions, conferences, athletics, etc.). <i>(See additional bold codes below)</i>	
410	<i>Pupil Transportation Regular Education</i>	
420	<i>Pupil Transportation Special Education</i>	
430	English Language Learners Incremental Costs	
435	English Language Learners Compensatory	
450	JTED Central (Effective July 1, 2017)	
460	JTED Satellite (Effective July 1, 2017)	
470	Vocational and Technical Education (Effective July 1, 2017, do not include JTED costs here.)	

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EXPENDITURE PROGRAMS

500	PROGRAMS REQUIRING SEPARATE BUDGETS <i>(Use detailed codes below)</i>
510	Desegregation <i>(Use detailed codes below)</i> Expenditures incurred solely as a result of compliance with a court order of desegregation or administrative agreement with the U.S. Department of Education Office for Civil Rights as provided in A.R.S. §15-910.
511	Desegregation Regular Education
512	Desegregation Special Education
513	Desegregation Pupil Transportation
514	Desegregation English Language Learners Incremental Costs
515	Desegregation English Language Learners Compensatory Instruction
520	Special K-3 Program Override —Accounts for expenditures from a budget override authorized by A.R.S. §15-482, prior to November 24, 2009, to be used to improve the academic skills of low-achieving students in grades kindergarten through third and to prepare third-grade students for fourth-grade work.
530	Dropout Prevention Programs —Accounts for expenditures for dropout prevention programs approved by the State Board of Education.
540	Joint Career and Technical Education and Vocational Education Center —Accounts for vocational expenditures that are specifically exempt in whole or in part from the revenue control limit for a period of not more than 3 years, beginning the first year that the career and technical education and vocational education center is operating and serving students as provided in A.R.S. §15-910.01.
550	K-3 Reading Program —Accounts for expenditures from the amount generated by the K-3 Reading support level weight to be used only on reading programs for pupils in kindergarten and grades one, two, and three with particular emphasis on pupils in kindergarten and grades one and two. A.R.S. §15-211
600	OTHER INSTRUCTIONAL PROGRAMS <i>(Use detailed codes below)</i>
610	School-Sponsored Cocurricular Activities —School-sponsored activities, under the guidance and supervision of district staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Cocurricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, and debate. Athletics should be coded to program 620.
620	School-Sponsored Athletics —School-sponsored activities, under the guidance and supervision of district staff, that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.
630	Other —Activities that provide students with learning experiences not included in the other program 600 codes.
700	ADULT/CONTINUING EDUCATION PROGRAMS —Activities that develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning, prepare students for a postsecondary career, prepare students for postsecondary education programs, upgrade occupational competence, prepare students for a new or different career, develop skills and appreciation for special interests, or enrich the aesthetic qualities of life. Adult basic education programs are included in this category.
800	COMMUNITY COLLEGE EDUCATION PROGRAMS —Activities for students attending an institution of higher education that usually offers the first 2 years of college instruction. If a district has the responsibility of providing this program, all costs of the program should be coded here.
900	COMMUNITY SERVICES PROGRAMS —Activities that are not directly related to the provision of educational services in a district. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by a district for the community as a whole or some segment of the community.

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Function code	Description	Program guidance
1000	INSTRUCTION —Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities and school-sponsored athletics. It may also be provided through some other approved medium, such as television, radio, computer, Internet, multimedia, telephone, and correspondence, that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process and technology used by students in the classroom or that has a student instruction focus. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Otherwise, department chairperson expenditures should be coded to function 2490 . As an alternative to using a separate optional element for course codes, districts may establish course codes under this function.	
2000	SUPPORT SERVICES <i>(Use detailed codes below)</i>	
2100	Support Services—Students —Activities designed to assess and improve the students' well-being and to supplement the teaching process. <i>(See additional bold code 2170 below)</i>	
2110	<i>Attendance and Social Work Services</i> —Activities designed to improve student attendance at school and that attempt to prevent or solve student problems involving the home, school, and community. This function includes attendance services, social work services, student accounting services, and student attendance software. Registration activities for adult education programs are also included here.	
2120	<i>Guidance Services</i> —Activities involving counseling with students and parents, consulting with other staff members on learning problems, evaluating the abilities of students, assisting students as they make their own educational and career plans and choices, assisting students in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for students. This function also includes supervision, appraisal, record maintenance, and placement services.	
2130	<i>Health Services</i> —Health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.	
2140	<i>Psychological Services</i> —Activities concerned with administering psychological tests and interpreting the results; gathering and interpreting information about student behavior; working with other staff members in planning school programs to meet the students' special needs as indicated by psychological tests and behavioral evaluation; and planning and managing a program of psychological services, including psychological counseling for students, staff, and parents. This function also includes the supervision of psychological services and psychotherapy services.	
2150	<i>Speech Pathology and Audiology Services</i> —Activities that identify, assess, and treat children with speech, hearing, and language impairments.	Usually 200

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EXPENDITURE FUNCTIONS

Function code	Description	Program guidance
2160	<i>Occupational/Physical Therapy—Related Services</i> —Activities that assess, diagnose, or treat students for all conditions requiring the services of an occupational or physical therapist.	Usually 200
2170	Heads of Components Support Services—Students —Activities associated with the overall administration of Student Support Services below the executive level. See description of heads of components on page III-5 . Used in the indirect cost calculation.	
2190	<i>Other Support Services</i> —Students—Other support services to students not coded elsewhere in the function 2100 range. Students' food and hotel costs associated with student travel should be coded here.	
2200	Support Services—Instruction —Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This function also includes curriculum directors, special education directors, or others who supervise staff performing these functions. <i>(See additional bold code 2240 below)</i>	
2210	<i>Improvement of Instruction</i> —Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include curriculum development, developing instruction techniques, child development and understanding, and staff training.	
2212	<i>Instruction and Curriculum Development</i> —Activities that aid teachers in developing the curriculum, preparing and using special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students.	
2213	<i>Instructional Staff Training</i> —Activities associated with the professional development and training of instructional personnel. These include such activities as in-service training (including mentor teachers), workshops, conferences, demonstrations, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of instructional personnel. Technology training for instructional staff should also be coded here. The incremental costs associated with providing substitute teachers in the classroom (while regular teachers attend training) should be captured in this function code. All costs should be coded here regardless of whether training services are provided internally or purchased from vendors.	
2220	<i>Library/Media Services</i> —Activities concerned with directing, managing, and supervising educational media services, as well as activities such as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning for the use of the library by students, teachers, and other members of the instructional staff; and guiding individuals in their use of library books, reference guides and materials, catalog materials, special collections, and other materials, whether maintained separately or as a part of an instructional materials center. These activities include developing and acquiring library materials and operating library facilities. Textbooks should be coded to function 1000 .	

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Function code	Description	Program guidance
2230	<i>Instruction—Related Technology</i> —Encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs such as virus and filtration software that relate to the support of instructional activities. Activities concerned with supporting and maintaining computer centers (outside the classroom) that are established to support the instructional environment should also be coded here. These centers may be located in the library or in other locations, but are not primarily dedicated to student-teacher learning. (Computer centers that are primarily dedicated to instruction and technology used by students in the classroom or that have a student instruction focus should be coded to function 1000 .) Professional development costs for instruction-focused technology personnel should also be coded here. (Technology training for instructional staff should be coded to function 2213 .)	
2240	Heads of Components Support Services—Instruction —Activities associated with the overall administration of Instructional Support Services below the executive level. See description of heads of components on page III-5 . Used in the indirect cost calculation.	
2260	<i>Academic Student Assessment</i> —Services rendered for the academic assessment of the student.	
2290	<i>Other Support Services—Instruction</i> —Other support to the instructional staff not coded elsewhere in the function 2200 range.	
2300	Support Services—General Administration —Activities associated with establishing and administering policy for operation of a district. <i>(See additional bold codes below)</i>	
2310	<i>Governing Board</i> —Activities of the elected body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. This function includes board secretary/clerk services, board treasurer services, staff relations and negotiations services, legal services, and external audit services. Election services should be coded to function 2340 .	
2320	Executive Administration —Activities associated with overall general administration or executive responsibility for the school district. This function includes the office of the superintendent and related office support staff (e.g., administrative assistant, secretary), community relations, and state and federal relations services. Activities of administrators with key decision making authority and their related office support staff are also included here regardless of the specific job title used. Such administrators are often referred to as associate, assistant, or deputy superintendents, but may not be limited to such designations. Activities of directing operations below the level of such administrators may be coded to another support services function if they fit within that function. Used in the indirect cost calculation.	

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Function code	Description	Program guidance
2330	Lobbying —Activities related to the attempt to influence the passage or defeat of any legislation by communicating with any member or employee of the Legislature.	
2340	Election Services —Activities related to district elections including elections of governing board members and bond and override elections. Used in the indirect cost calculation.	
2350	Retiree Health —Payments made to provide retiree health benefits. If a retired employee returns to district employment only classify health related costs in the detailed function below if the costs result from an agreement made when the employee retired. Classify health related costs for employees in the same function as their other compensation and benefits. Used in the indirect cost calculation.	
2351	Executive Administration and Heads of Components —Retiree health payments for retired executive administrators or heads of components. See description of executive administration and heads of components on page III-5 . Used in the indirect cost calculation.	
2400	Support Services—School Administration —Activities concerned with overall administrative responsibility for a school. (<i>See additional bold code below</i>)	
2410	Office of the Principal —Activities concerned with directing and managing the operation of a school. This function includes the activities performed by the principal, assistant principals, and other assistants while supervising all school operations, evaluating staff members, assigning duties to staff members, maintaining the school records, and coordinating school instructional activities with those of a district. This function should be used to report all heads of components within Support Services—School Administration for the indirect cost calculation. See description of heads of components on page III-5 .	
<i>2490</i>	<i>Other Support Services—School Administration</i> —Other school administration services. This function includes graduation expenses and department chairs.	
2500	Central Services —Activities that support other administrative and instructional functions, including fiscal services, human resources, planning, and administrative information technology. (<i>See additional bold codes below</i>)	
<i>2510</i>	<i>Fiscal Services</i> —Activities concerned with the fiscal operations of a district. This function includes budgeting, receiving and disbursing monies, financial and property accounting, payroll, inventory control, internal auditing, and investments and funds management, as well as supervision of fiscal services.	
<i>2520</i>	<i>Purchasing, Warehousing, and Distributing Services</i> —Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment, and materials used in schools or school system operations.	
2530	Heads of Components Support Services—Central —Activities associated with the overall administration of Central Support Services below the executive level. See definition of heads of components on page III-5 . Used in the indirect cost calculation.	

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EXPENDITURE FUNCTIONS

Function code	Description	Program guidance
2540	<i>Printing, Publishing, and Duplicating Services</i> —The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.	
2550	<p>Planning, Research, Development, and Evaluation Services—Activities associated with conducting and managing system-wide programs of planning, research, development, and evaluation for a school system.</p> <p><u>Planning Services</u>—Activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization or program. They also involve formulating various courses of action needed to achieve these goals. This is done by identifying needs and the relative costs and benefits of each course of action.</p> <p><u>Research Services</u>—Activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.</p> <p><u>Development Services</u>—Activities in the deliberate evolving process of improving educational programs.</p> <p><u>Evaluation Services</u>—Activities concerned with ascertaining or judging the value or amount of an action or an outcome. This is done through careful appraisal of previously specified data in light of the particular situation and the goals previously established.</p> <p>Used in the indirect cost calculation.</p>	
2560	<p>Public Information Services—Activities concerned with writing, editing, and otherwise preparing educational and administrative information for dissemination to students, staff, managers, and the general public through direct mailing, the various news media, e-mail, the Internet, Web sites, and personal contact. The information services function code includes related supervision and internal and public information services. Technology that supports this code should be coded to function 2580.</p> <p>Used in the indirect cost calculation.</p>	
2570	<p><i>Personnel Services</i>—Activities concerned with maintaining personnel for the school system. It includes such activities as recruitment and placement, noninstructional personnel training, staff transfers, health services, and staff accounting.</p> <p><u>Noninstructional Personnel Training</u>—Activities associated with the professional development and training of noninstructional personnel. These include such activities as in-service training, seminars and conferences, continuing professional education, courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of noninstructional personnel. The incremental costs associated with providing temporary employees to perform job duties while regular employees attend training should be captured in this function code. All costs should be coded here regardless of whether training services are provided internally or purchased from vendors.</p>	

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EXPENDITURE FUNCTIONS

Function code	Description	Program guidance
2580	<i>Administrative Technology Services</i> —Activities concerned with supporting a district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities include expenditures for internal technology support, as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs such as virus and filtration software.	
2590	<i>Other Central Services</i> —Other central support services not coded elsewhere in the function 2500 range.	
2600	Operation and Maintenance of Plant —Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. <i>(See additional bold code 2680 below)</i>	
2610	<i>Operation of Buildings</i> —Activities concerned with keeping the physical plant clean and ready for daily use. They include operating lighting and HVAC systems and doing minor repairs. Also included are the costs of building rental and property insurance.	
2620	<i>Maintenance of Buildings</i> —Activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventive maintenance.	
2630	<i>Care and Upkeep of Grounds</i> —Activities involved in maintaining the land and improvements (but not the buildings). These include snow removal, landscaping, and grounds maintenance.	
2640	<i>Care and Upkeep of Equipment</i> —Activities involved in maintaining equipment owned or used by a district. They include such activities as servicing and repairing furniture, machines, and movable equipment.	
2650	<i>Vehicle Operation and Maintenance (Other than Student Transportation Vehicles)</i> —Activities involved in maintaining general purpose vehicles such as trucks, tractors, graders, and staff vehicles. These include such activities as repairing vehicles; replacing vehicle parts; and cleaning, painting, greasing, fueling, and inspecting vehicles for safety (i.e., preventive maintenance).	
2660	<i>Security</i> —Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, at a campus or administrative facility, or participating in school-sponsored events. These include costs associated with security plan development and implementation; installation of security monitoring devices, such as cameras and metal detectors; security personnel, such as campus police and security guards; purchase of security vehicles and communication equipment; and related costs.	

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Function code	Description	Program guidance
2670	<i>Safety</i> —Activities concerned with maintaining a safe environment for students and staff, whether they are in transit to or from school, at a campus or administrative facility, or participating in school-sponsored events. These include costs associated with installing and monitoring school fire alarm systems and providing school crossing guards, as well as other costs incurred in an effort to ensure the basic safety of students and staff.	
2680	Heads of Components Operation and Maintenance of Plant —Activities associated with the overall administration of Plant Operations and Maintenance below the executive level. See description of heads of components on page III-5. Used in the indirect cost calculation.	
2690	<i>Other Operation and Maintenance of Plant</i> —Operation and maintenance of plant services that are not coded elsewhere in the function 2600 range.	
2700	Student Transportation —Activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school, and trips to school activities. <i>(See additional bold code below)</i>	Only 400
2710	<i>Vehicle Operation</i> —Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These include driving buses or other student transportation vehicles.	Only 400
2720	<i>Monitoring Services</i> —Activities concerned with supervising students in the process of being transported between home and school, and between school and school activities. Such supervision can occur while students are in transit and while they are being loaded and unloaded, and it includes directing traffic at the loading stations.	Only 400
2730	<i>Vehicle Servicing and Maintenance</i> —Activities involved in maintaining student transportation vehicles. It includes repairing and replacing vehicle parts, and cleaning, painting, fueling, and inspecting vehicles for safety.	Only 400
2740	Heads of Components Student Transportation —Activities associated with the overall administration of Student Transportation below the executive level. See description of heads of components on page III-5. Used in the indirect cost calculation.	Only 400
2790	<i>Other Student Transportation</i> —Student transportation services that are not coded elsewhere in the function 2700 range.	Only 400
2900	Other Support Services —All other support services not coded elsewhere in the function 2000 range and not properly coded to function 2910.	
2910	Heads of Components Support Services—Other —Activities associated with the overall administration of Other Support Services below the executive level. See definition of heads of components on page III-5. Used in the indirect cost calculation.	

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Function code	Description	Program guidance
3000	OPERATION OF NONINSTRUCTIONAL SERVICES <i>(Use detailed codes below)</i>	
3100	Food Service Operations —Activities concerned with providing food to students and staff in a school or district not properly coded to function 3110. This function includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.	
3110	Heads of Components Food Service Operations —Activities associated with the overall administration of Food Service Operations below the executive level. See definition of heads of components on page III-5. Used in the indirect cost calculation.	
3200	Enterprise Operations —Activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is to finance or recover the costs primarily through user charges not properly coded to function 3210. Food service operations should be coded to function 3100.	
3210	Heads of Components Enterprise Operations —Activities associated with the overall administration of Enterprise Operations below the executive level. See definition of heads of components on page III-5. Used in the indirect cost calculation.	
Updated 3300	Community Services Operations —Activities concerned with providing community services to students, staff, or other community participants not properly coded to function 3310. Examples of this function would be offering parental training or operating a community swimming pool, a recreation program for the elderly, or a childcare center for working parents. Activities related to counseling students and parents as described in function 2120 should be coded there.	Only 900
3310	Heads of Components Community Services Operations — Activities associated with the overall administration of Community Services Operations below the executive level. See definition of heads of components on page III-5. Used in the indirect cost calculation.	Only 900
3400	Bookstore Operations —Activities concerned with bookstore operations not properly coded to function 3410.	
3410	Heads of Components Bookstore Operations Activities associated with the overall administration of Bookstore Operations below the executive level. See definition of heads of components on page III-5. Used in the indirect cost calculation.	
4000	FACILITIES ACQUISITION AND CONSTRUCTION —Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites. <i>(See additional bold code below)</i>	
4100	<i>Land Acquisition</i> —Activities concerned with initially acquiring and improving land.	

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Function code	Description	Program guidance
4200	<i>Land Improvement</i> —Activities concerned with making permanent improvements to land, such as grading, fill, and environmental remediation.	
4300	<i>Architecture and Engineering</i> —The activities of architects and engineers related to acquiring and improving sites and improving buildings. Charges are made to this function only for those preliminary activities that may or may not result in additions to a district's property. Otherwise, code these services to function 4100, 4200, 4500, 4600, or 4700, as appropriate.	
4400	<i>Educational Specifications Development</i> —Activities concerned with preparing and interpreting descriptions of specific space requirements to be accommodated in a building. These specifications are interpreted by the architects and engineers in the early stages of blueprint development.	
4500	<i>Building Acquisition and Construction</i> —Activities concerned with buying or constructing buildings.	
4600	<i>Site Improvement</i> —Activities concerned with making nonpermanent improvements or enhancements to building sites. These improvements include fencing, walkways, tunnels, landscaping, and playground and shade structures.	
4700	<i>Building Improvement</i> —Activities concerned with building additions, reconstruction, remodeling, and with initially installing or extending service systems and other built-in equipment.	
4800	Heads of Components Facilities Acquisition and Construction —Activities associated with the overall administration of Facilities Acquisition and Construction below the executive level. See description of heads of components on page III-5 . Used in the indirect cost calculation.	
4900	<i>Other Facilities Acquisition and Construction</i> —Facilities acquisition and construction activities that are not coded elsewhere in the function 4000 range.	
5000	DEBT SERVICE —Activities related to servicing long-term debt including payments of both principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt including current and advance refundings, capital lease payments, and other long-term notes. Interest on short-term obligations that are repayable within 1 year, such as tax anticipation notes and lines of credit, should be coded to function 2510 .	
6000	OTHER FINANCING USES —A number of outlays are not properly classified as expenditures, but still require budgetary or accounting control. These include certain transfers of monies from one fund to another, indirect costs, and payments to bond escrow agents.	

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EXPENDITURE OBJECTS

Object code	Description	Function guidance
6100	PERSONAL SERVICES—SALARIES <i>(Use detailed codes below)</i>	
6110	Certified Salaries —Amounts earned by permanent or temporary employees certified by the Arizona Department of Education. Although expenditure object codes 6111 through 6114 are optional, districts must maintain adequate records to be able to report these categories on the annual financial report.	
<i>6111</i>	<i>Administrators</i>	
<i>6112</i>	<i>Teachers</i>	
<i>6113</i>	<i>Substitute Teachers</i>	
<i>6114</i>	<i>Other</i>	
6150	Classified Salaries —Amounts earned by permanent or temporary employees not certified by the Arizona Department of Education. Examples are business managers, clerks, secretaries, custodians, social workers, nurses, bus drivers, food service workers, and crossing guards.	
6200	PERSONAL SERVICES—EMPLOYEE BENEFITS <i>(Use detailed codes below)</i>	
6210	Employee Insurance —Amounts paid for the employer's share of any insurance plans, such as life, health, dental, and accident insurance.	
6220	Social Security Taxes —Amounts paid for the employer's share of social security. Although expenditure object codes 6221 and 6222 are optional, districts must maintain adequate records to separately identify Social Security and Medicare.	
<i>6221</i>	<i>Social Security—OASDI</i>	
<i>6222</i>	<i>Medicare—Hospital Insurance</i>	
6230	State Retirement System Contributions —Amounts paid for the employer's share of retirement and long-term disability contributions to the Arizona State Retirement System. Although expenditure object codes 6231, 6232, and 6235 are optional, districts must maintain adequate records to separately identify State Retirement, Long-Term Disability, and the Alternative Contribution Rate amounts.	
<i>6231</i>	<i>State Retirement</i>	
<i>6232</i>	<i>Long-Term Disability</i>	
<i>6235</i>	<i>Alternative Contribution Rate A.R.S. §38-766.02</i>	
6240	Tuition Reimbursement —Amounts reimbursed to any employee qualifying for tuition reimbursement on the basis of district policy.	
6250	Unemployment Insurance —Amounts paid to provide unemployment insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be coded to function 2310 .	

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Object code	Description	Function guidance
6260	Workers' Compensation —Amounts paid to provide workers' compensation insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be coded to function 2310 .	
6270	Health Benefits —Amounts paid to provide health benefits, other than insurance, for its current or former employees.	
6280	Unused Leave and Severance Payments —Amounts paid for unused leave and severance pay when employees separate from employment. Although expenditure object codes 6281 through 6283 are optional, districts must maintain adequate records to be able to report these categories for use in the indirect cost calculation.	
<i>6281</i>	<i>Unused Leave Payments</i> —Amounts paid for unused leave when an employee retires or separates from district employment.	
<i>6282</i>	<i>Normal Severance Payments</i> —Amounts paid other than leave payments, if any, when an employee retires or separates from district employment. Do not include amounts for abnormal or mass severance payments here as those are classified in 6283 below.	
<i>6283</i>	<i>Abnormal or Mass Severance Payments</i> —Amounts paid as separation incentives when offered to all employees or all employees in an employee group or class. Include payments such as lump sum payments that may be linked to years of service, increased pension benefits, and payments of unused leave beyond normal amounts.	
6290	Other Employee Benefits —Employee benefits other than those coded elsewhere in the expenditure object code 6200 range, including fringe benefits such as taxable meal reimbursements, automobile allowances, housing or related supplements, moving expenses, and paid parking. Districts may establish separate codes for various accrued amounts.	
6300	PURCHASED PROFESSIONAL AND TECHNICAL SERVICES —Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants. It is recommended that a separate account be established for each type of service provided to a district. This code also includes conference registration fees. <i>(See additional bold code below)</i>	
<i>6310</i>	<i>Official/Administrative Services</i> —Services in support of a district's various policy-making and managerial activities. Include management-consulting activities oriented to general governance or business and financial management of a district, school management support activities, and election services.	Usually 2300 2400 2500
<i>6320</i>	<i>Professional—Educational Services</i> —Services supporting the instructional program and its administration. Include curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services.	Usually 1000 2100 2200

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Object code	Description	Function guidance
6330	<i>Other Professional Services</i> —Professional services other than educational services that support the operation of a district. Include medical doctors, lawyers, architects, auditors (for federal programs only), accountants, therapists, audiologists, dietitians, editors, negotiations specialists, systems analysts, and planners.	
6340	<i>Technical Services</i> —Services that are not regarded as professional, but require basic scientific knowledge, manual skills, or both. Include data processing and coding services, data entry, formatting, and processing services other than programming; purchasing and warehousing services; and graphic arts.	
6350	Audit Services —Audit services associated with financial and compliance audits of a district. Do not include amounts related to audits of federal programs. Federal program audit costs should be coded to expenditure object code 6330.	Usually 2310
6360	<i>Employee Training and Professional Development Services</i> —Services supporting the professional development of district personnel, including instructional, administrative, and service employees. Included are course registration fees that are not tuition reimbursement; charges from vendors to conduct training courses, at either district facilities or off-site; and other expenditures associated with training or professional development by third-party vendors. All expenditures should be captured in this account regardless of the type or intent of the training course or professional development activity.	Only 2213 2230 2570
6400	PURCHASED PROPERTY SERVICES (<i>Use detailed codes below</i>) Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.	
6410	Utility Services —Expenditures for utility services supplied by public or private organizations other than water/sewage (6411), telecommunication (6531) and energy services (6620 range).	
6411	Water/Sewage —Expenditures for water/sewage utility services from a private or public utility company.	
6420	Cleaning Services —Services purchased to clean buildings and grounds, including snow removal, custodial, and lawn care services not provided by district employees. Disposal services should be coded to object code 6421.	Only 2600
6421	Disposal Services —Expenditures for garbage pickup and handling not provided by district employees.	Only 2600
6430	Repairs and Maintenance Services —Expenditures for repairs and maintenance services not provided directly by district employees. These services cannot be paid for from the UCO Fund.	
6431	<i>Nontechnology-Related Repairs and Maintenance</i> —Contracts and agreements covering the upkeep of buildings and nontechnology equipment. Costs for renovating and remodeling should be coded to expenditure object code 6450 .	Only 2600 2700
6432	<i>Technology-Related Repairs and Maintenance</i> —Expenditures for repairs and maintenance services for technology equipment that are not directly provided by district employees. This includes ongoing service agreements for technology hardware.	Only 2230 2580

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Object code	Description	Function guidance
6440	Rentals —Costs for renting or leasing land, buildings, and equipment. Operating leases should be coded here. Capital leases should be coded to expenditure object codes 6832 and 6842 .	
6441	<i>Rental of Land and Buildings</i> —Expenditures for leasing or renting land and buildings for both temporary and long-term use.	Only 2610
6442	<i>Rental of Equipment</i> —Expenditures for leasing or renting machinery, vehicles, furniture, fixtures, and other equipment for both temporary and long-term use. This includes bus and other vehicle rental when operated by district personnel. Expenditures for the rental of vehicles for employee travel should be coded to expenditure object code 6580 .	
6443	<i>Rental of Computers and Related Equipment</i> —Expenditures for leasing or renting computers and related equipment for both temporary and long-term use.	
6450	Construction Services —Includes amounts paid to contractors for constructing, renovating, and remodeling buildings. This code should also be used to account for amounts paid to contractors for making permanent improvements to land, such as grading, fill, and environmental remediation, and nonpermanent site improvements such as fencing, walkways, and roads. Additional examples of construction projects: <ul style="list-style-type: none"> ▪ Construction of buildings ▪ Asbestos removal ▪ Recarpeting ▪ Removal of a capital asset ▪ Repaving a parking lot ▪ Reroofing an entire building Construction services must be paid for from the UCO Fund or another allowable fund, but not from the M&O Fund.	Only 4000
6490	Other Purchased Property Services —Purchased property services that are not coded elsewhere in the expenditure object code 6400 range. Communication services should be coded to expenditure object code 6531 or 6532 .	Usually 2600
6500	OTHER PURCHASED SERVICES (<i>Use detailed codes below</i>) Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.	
6510	Student Transportation Services (<i>Use detailed codes below</i>)	
6511	Student Transportation Purchased From Other Arizona Districts —Amounts paid to other Arizona districts for transporting children to and from school and school-related events.	Only 2700
6512	Student Transportation Purchased From Out-of-State Districts —Payments to districts outside Arizona for transporting children to and from school and school-related events.	Only 2700

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Object code	Description	Function guidance	
6519	Student Transportation Purchased From Other Sources —Payments to persons or agencies other than districts for transporting children to and from school and school-related events. These include payments to individuals who transport themselves or their own children or for reimbursement of transportation expenditure/expenses on public carriers. Expenditures for the rental of buses that are operated by district personnel should be coded to expenditure object code 6442 .	Only 2700	
6520	Insurance (Other than Employee Benefits) <i>(Use detailed codes below)</i>		
6521	Current Year Insurance —Expenditures for insurance coverage, including property, liability, and fidelity, for the current fiscal year. Insurance for group health should be coded to expenditure object code 6210 .	Only 2310 2610 2700	Updated
6522	Prepaid Insurance —Expenditures in the current year for insurance coverage, including property, liability, and fidelity, to be provided in subsequent fiscal years. Insurance for group health should be coded to expenditure object code 6210 . For financial statement reporting purposes, prepaid insurance should be coded to balance sheet object code 0151 .	Only 2310 2610 2700	Updated
6530	Communications <i>(Use detailed codes below)</i>		
6531	Telecommunications —Expenditures for telephone and voice communication services, and voicemail; data communication services to establish or maintain computer-based communications, networking, and Internet services; video communications services to establish or maintain one-way or two-way video communications via satellite, cable, or other devices billed by a service provider.	Usually 2610 If supporting instruction: 1000 2230	
Bolded 6532	Other Communications Services —Costs of services provided by persons or businesses that assist in transmitting and receiving messages, such as postal communication services to establish or maintain postage machine rentals, postage, express delivery services, or couriers.	Only 2500 If related to elections: 2340	Updated
6540	Advertising —Expenditures for announcements in professional publications, newspapers, broadcasts over radio and television, or on the Internet. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services should be coded to expenditure object code 6330 .	Usually 2300 2500	
6550	Printing and Binding —Expenditures for job printing and binding, usually according to a district's specifications. This includes designing and printing forms and posters as well as printing and binding district publications. Preprinted standard forms should be coded to expenditure object code 6610 .	Usually 2540	
6560	Tuition <i>(Use detailed codes below)</i>		
6561	Tuition to Other Arizona Districts —Tuition paid to other districts within the State that educate students residing within a district's boundaries. A.R.S. §§15-824 and 15-825	Only 1000	

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Object code	Description	Function guidance
6562	Tuition to Out-of-State Districts —Tuition paid to districts outside the state that educate students residing within a district's boundaries. A.R.S. §15-825	Only 1000
6563	Tuition to Private Schools —Tuition paid to private schools that educate students with disabilities residing within a district's boundaries. A.R.S. §15-765	Only 1000
6564	Tuition to Educational Service Agencies/Cooperatives/IGAs —Tuition paid to a county or county educational service agency, or fiscal agent of an entity formed by two or more districts for the purpose of educating students, such as county service programs (including payments to the Small District Service Program Fund pursuant to A.R.S. §15-365). Other types of payments made to fiscal agents under an intergovernmental agreement should be recorded in applicable codes (e.g., shared services of an accountant should be coded to expenditure object code 6330). A.R.S. §15-764	Only 1000
6565	Tuition Out Debt Service —The amount a district may budget for the bond issues portion of tuition charged for students attending school in another district. The amount a common school district, not within a high school district (Type 03), may budget is limited. A.R.S. §15-910(L)	Only 1000
6569	Tuition—Other —Tuition paid to the State and other governmental organizations, such as the Arizona School for the Deaf and Blind, as reimbursement for providing specialized instructional services to students residing within the boundaries of the paying district. A.R.S. §15-765	Only 1000
6570	Food Service Management —Expenditures for the operation of a local food service facility by other than district personnel. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by a district for food, supplies, labor, and equipment should be coded to the appropriate object codes.	Only 3100
6580	Travel —Expenditures for district personnel, as well as federally funded advisory committee members and nonemployees traveling for an official district purpose. Included are transportation (e.g., public transportation fares, private vehicle reimbursement at the designated rate per mile, or vehicle rentals), meals with an overnight stay or substantial rest period, lodging, and other expenses. Payments of set amounts on a monthly or other periodic basis, regardless of actual travel time, are not considered travel expenses but should be treated as employee compensation in the applicable expenditure object code in the 6100s . Student travel should be coded to expenditure object code 6890 . Conference registration fees are not travel costs and should be coded to expenditure object code 6300 .	
6590	Miscellaneous Purchased Services —Purchased services other than those coded elsewhere in the expenditure object code 6500 range. Any payments made to other districts except for tuition and transportation should be coded to 6591 or 6592. (<i>See additional detailed codes below</i>)	

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Object code	Description	Function guidance
6591	Services Purchased from Other Arizona Districts —Payments to another district within Arizona for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. If a question arises as to whether to code such payments to the expenditure object code 6300 range or to this code, 6591 should be used so that <i>all</i> payments between districts can be eliminated when consolidating reports from multiple districts at state and federal levels.	
6592	Services Purchased from Out-of-State Districts —Payments to another district outside Arizona for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. If a question arises as to whether to code such payments to the expenditure object code 6300 range or to this code, 6592 should be used so that <i>all</i> payments between districts can be eliminated when consolidating reports at the federal level.	
6600	SUPPLIES (<i>Use detailed codes below</i>) Items that are consumed, worn out, or deteriorate through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.	
6610	General Supplies —Expenditures for all supplies (other than those appropriately classified in another 6600 code listed below) for the operation of a district, including: <ul style="list-style-type: none"> ▪ Construction materials—Supplies such as concrete, lumber, nails, electrical switches/outlets, wire, insulation, and roofing materials used by a district employee during original construction or renovation of a building or land improvement. Construction materials cannot be paid for from the M&O Fund. Amounts paid to contractors for construction or renovation projects are recorded in object code 6450. ▪ Other general supplies—Supplies used in the operation of a district, such as consumable teaching or office supplies and supplies used in repair and maintenance projects. These supplies cannot be paid for from the UCO Fund. If an item qualifies as an instructional aid it should be recorded in object code 6643. 	
6611	<i>District Supplies</i>	
6612	<i>Supplies for Sale or Rental</i>	
6620	Energy (<i>Use detailed codes below</i>)	
6621	Natural Gas —Expenditures for gas utility services from a private or public utility company, or natural gas for vehicles purchased in bulk or periodically from a service station.	Usually 2610 3100 Used in vehicles: 2650 2710

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Object code	Description	Function guidance
6622	Electricity—Expenditures for electric utility services from a private or public utility company.	Usually 2610 3100
6623	Bottled Gas—Expenditures for bottled gas, such as propane received in tanks, for use in buildings or for fueling vehicles.	Usually 2610 3100 Used in vehicles: 2650 2710
6624	Oil—Expenditures for bulk oil normally used for heating.	Usually 2610
6625	Coal—Expenditures for raw coal normally used for heating.	Usually 2610
6626	Unleaded Fuel—Expenditures for unleaded fuel purchased in bulk or periodically from a service station.	Usually 2650 2710
6627	Diesel Fuel—Expenditures for diesel fuel purchased in bulk or periodically from a fuel service station.	Usually 2650 2710
6629	Other—Expenditures for energy that cannot be coded in one of the preceding categories.	
6630	Food (<i>Use detailed codes below</i>)	
6631	USDA Commodities (Excluding Freight)—The fair market value of commodities donated by the U.S. Department of Agriculture for the district's food service program. Processing charges should be coded to expenditure object code 6633 and storage costs should be coded to expenditure object code 6634.	Only 3100
6632	USDA Commodities (Freight Only)—Expenditures for freight charges for USDA commodities.	Only 3100
6633	Other Food—Expenditures for food used in the district's food service program. USDA commodities should be coded to expenditure object code 6631; however, any processing charges for USDA commodities should be coded here. Food used in instructional programs should be coded to expenditure object code 6610 .	Only 3100
6634	Storage Costs for USDA Commodities—Expenditures for the storage costs related to USDA commodities.	Only 3100

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Object code	Description	Function guidance		
6640	Books, Periodicals, and Instructional Aids <i>(Use detailed codes below)</i>			
6641	Library Books —Expenditures for purchases of library books and related items available for general use by students, including resource materials maintained in a library or classroom, such as videos, software, newspapers, magazines, books, and other media used in the library/media center. Also recorded here are binding or other repair costs for library books. Library books must be paid for from the UCO Fund or another allowable fund, but not from the M&O Fund. A.R.S. §15-903.C	Usually 2200		
6642	Textbooks —Expenditures for printed or nonprinted instructional materials or educational systems for each course of study adopted by the governing board in accordance with A.R.S. §§15-721 and 15-722. Such materials may include books, workbooks, computer software, videos, and other media for instructional purposes. Also recorded here are the cost of textbooks that are purchased to be resold or rented and binding or other repair costs for textbooks. Textbooks must be paid for from the UCO Fund or another allowable fund, but not from the M&O Fund. A.R.S. §15-903.C	Usually 1000		
6643	<p>Instructional Aids— Expenditures for materials used by students that supplement a district’s adopted, educational program. Paper used in the mass production of educational materials, such as workbooks, is included here. However, paper used in the day-to-day production of handouts or lesson materials and general supplies of a consumable nature (e.g., lasting less than 1 year), such as pens, pencils, crayons, and clay, should be reported as general supplies in object code 6610. Additionally, expenditures for items appropriately coded as equipment in the 6730 object code range should not be reported here. Instructional aids must be paid for from the UCO Fund or another allowable fund, but not from the M&O Fund. A.R.S. §15-903.C</p> <p>The following examples are provided to ensure consistent treatment by all districts, but other items may also be considered instructional aids based on the description above. If an item listed below is adopted by the Governing Board as part of the basic instructional program, it should be coded to object code 6642.</p> <table><tr><td><ul style="list-style-type: none">▪ Auto parts for shop class▪ Bats and rackets▪ Calculators for students▪ Drama scripts/plays▪ Electronic book readers▪ Electronic media (books, videos, etc.)▪ Globes and maps</td><td><ul style="list-style-type: none">▪ Instructional games and apps▪ Math manipulatives▪ Musical instruments (likely to be replaced rather than repaired)▪ Sheet music▪ Software (Instructional)▪ Books▪ Workbooks</td></tr></table>	<ul style="list-style-type: none">▪ Auto parts for shop class▪ Bats and rackets▪ Calculators for students▪ Drama scripts/plays▪ Electronic book readers▪ Electronic media (books, videos, etc.)▪ Globes and maps	<ul style="list-style-type: none">▪ Instructional games and apps▪ Math manipulatives▪ Musical instruments (likely to be replaced rather than repaired)▪ Sheet music▪ Software (Instructional)▪ Books▪ Workbooks	Usually 1000
<ul style="list-style-type: none">▪ Auto parts for shop class▪ Bats and rackets▪ Calculators for students▪ Drama scripts/plays▪ Electronic book readers▪ Electronic media (books, videos, etc.)▪ Globes and maps	<ul style="list-style-type: none">▪ Instructional games and apps▪ Math manipulatives▪ Musical instruments (likely to be replaced rather than repaired)▪ Sheet music▪ Software (Instructional)▪ Books▪ Workbooks			
6644	Other Books, Periodicals, and Media —Expenditures for books, periodicals, and other media such as DVDs purchased for nonstudent users or for noncredit enrichment programs.	Usually 2590		
6650	Supplies—Technology-Related —Technology-related supplies that are typically used in conjunction with technology-related hardware or software. Some examples are writable CDs/DVDs, flash or jump drives, parallel cables, and monitor stands.	Usually 1000 2230 2580		

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Object code	Description	Function guidance													
6700	PROPERTY <i>(Use detailed codes below)</i>														
6710	Land and Existing Land Improvements—Expenditures for the purchase of land and the existing land improvements thereon. Include the present value amount of land capital leases in the year of acquisition. Periodic lease payments should be coded to expenditure object codes 6832 and 6842 . Also included are special assessments against a district for capital improvements such as streets, curbs, and drains. Expenditures for improving sites and adjacent ways after acquisition should generally be coded to expenditure object codes 6300 , 6450 , or to a code under 6730, as appropriate. Land and existing land improvements costs cannot be paid for from the M&O Fund.	Only 4100 4200 4600													
6720	Buildings—Expenditures for acquiring existing buildings. Also, include the present value amount of building capital leases in the year of acquisition. Periodic lease payments should be coded to expenditure object codes 6832 and 6842 . Expenditures for the contracted construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings should be coded to expenditure object code 6450 . Buildings built and alterations performed by district employees should be coded as salaries, benefits, and materials in the applicable object codes in the 6100s , 6200s , 6610 , and 6730s. Building rent should be coded to expenditure object code 6440 . Building costs cannot be paid for from the M&O Fund.	Only 4500 4700	Updated												
6730	Equipment <i>(Use detailed codes below)</i>														
6731-6739	Expenditures for initial, additional, and replacement equipment in the categories below. Also, include the present value amount of capital leases of equipment in the year of acquisition. Periodic lease payments should be coded to expenditure object codes 6832 and 6842 . Equipment should be classified in the applicable detailed object codes below and cannot be paid for from the M&O Fund.														
	<table><tr><th>Cost Less than \$5,000*</th><th>Cost \$5,000 or More*</th><th>Equipment Categories</th></tr><tr><td>6731 and/or 6732</td><td>6733</td><td>Furniture and Equipment (see examples on page III-51)</td></tr><tr><td>6734 and/or 6735</td><td>6736</td><td>Vehicles (Buses, cars, trucks, vans, etc.)</td></tr><tr><td>6737 and/or 6738</td><td>6739</td><td>Technology-Related Hardware and Software (see examples on page III-51)</td></tr></table>	Cost Less than \$5,000*	Cost \$5,000 or More*	Equipment Categories	6731 and/or 6732	6733	Furniture and Equipment (see examples on page III-51)	6734 and/or 6735	6736	Vehicles (Buses, cars, trucks, vans, etc.)	6737 and/or 6738	6739	Technology-Related Hardware and Software (see examples on page III-51)		
Cost Less than \$5,000*	Cost \$5,000 or More*	Equipment Categories													
6731 and/or 6732	6733	Furniture and Equipment (see examples on page III-51)													
6734 and/or 6735	6736	Vehicles (Buses, cars, trucks, vans, etc.)													
6737 and/or 6738	6739	Technology-Related Hardware and Software (see examples on page III-51)													
	<i>* Arizona school districts do not use a dollar threshold for determining whether an item is equipment or a supply. The detailed equipment classifications above allow correct coding of equipment in accordance with Arizona requirements and separate identification of lower cost items for federal grant reporting, including indirect cost reporting.</i>														

Appendix B

CHART OF ACCOUNTS

EXPENDITURE OBJECTS

An item should be coded as equipment if it is included in the examples below **or** if it meets **all** three equipment criteria below the tables. Items listed as equipment examples below should **not** be evaluated using the equipment criteria. The examples are provided to ensure consistent treatment by all districts. Also, the examples include certain items that are exceptions to the equipment criteria, such as component parts.

Furniture and Equipment Examples (Object Codes 6731-33)		
Athletic Equipment <ul style="list-style-type: none"> Blocking sleds Chalk line dispensers Fitness machines Goal posts (Movable) Helmets/Pads Hurdles Mats Nets (Tennis/Volleyball) Tackling dummies Weights 	Furniture/Furnishings <ul style="list-style-type: none"> Bookcases Chairs Desks Filing cabinets Large area rugs Tables 	Other Equipment* <ul style="list-style-type: none"> Appliances (Kitchen) Auto diagnostic machines Bar code scanners Battery chargers Cameras (photo and video) Cash registers Copiers (off network) DVD/Blu-Ray players Floor jacks Key cutters Kilns Laminators Leaf blowers Microwaves Musical instruments Paint sprayers Power tools Satellite dishes Sewing machines SPED assistance equipment Telephones TVs Two-way radios Vacuums Washers/Dryers Welders
Fixtures <ul style="list-style-type: none"> Bleachers (Indoor) Ceiling fans Chalk/white boards Drinking fountains Hot water heaters HVAC units Light fixtures Sinks Toilets Wall mirrors 	Component Parts <ul style="list-style-type: none"> A/C compressors Automotive engines Automotive transmissions 	

* Items may be coded to Technology-Related Hardware and Software if connected to the computer network.

Technology-Related Hardware and Software Examples (Object Codes 6737-39)		
<ul style="list-style-type: none"> Computers (tablets, laptops, etc.) Computer monitors Copiers (on network) 	<ul style="list-style-type: none"> Network equipment Projectors Printers 	<ul style="list-style-type: none"> Scanners Smart Boards Software (Non-instructional)

If an item is **not** included in the examples above, it should be coded as equipment if it meets **all** of the following:

EQUIPMENT CRITERIA

- Typically has a useful life of at least one year.
- Typically repaired rather than replaced when worn or damaged.
- An independent unit that retains its original shape, appearance, and character with use and does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.

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CHART OF ACCOUNTS

EXPENDITURE OBJECTS

Object code	Description	Function guidance
6740	Depreciation —The portion of the cost of a capital asset that is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is apportioned over the estimated useful life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense. This code should be used in proprietary funds only.	
6750	Capital Asset Impairments —Used to record impairment losses on capital assets. An asset is considered impaired when there is a significant, unexpected decline in the amount of service. If the loss meets the criteria as a special or extraordinary item, then other financing uses and other items object code 6950 or 6960 should be used. This code should be used in proprietary funds only.	
6800	DEBT SERVICE AND MISCELLANEOUS (<i>Use detailed codes below</i>)	
6810	Dues and Fees —Expenditures or assessments for membership in professional or other organizations or payments to a paying agent for services rendered, such as bank fees.	
6820	Judgments Against a District —Expenditures from current funds for all judgments against a district that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against a district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure object codes as though the bills or debt service had been paid when due.	Only 2310
6830	Redemption of Principal (<i>Use detailed codes below</i>)	
6831	Bonds —Principal payments on bonds in the current year.	Only 5000
6832	Other —Principal payments on long-term obligations, other than bonds, such as capital leases. Operating leases should be coded to expenditure object code 6440 .	Only 5000
6840	Interest on Long-Term Debt (<i>Use detailed codes below</i>)	
6841	Bonds —Interest payments on bonds.	Only 5000
6842	Other —Interest payments on long-term obligations, other than bonds, such as capital leases. Operating leases should be coded to expenditure object code 6440 .	Only 5000
6850	Interest on Short-Term Debt —Expenditures for interest on tax anticipation notes, registered warrants, revolving lines of credit, and account balances not paid in full within 30 days.	Only 2510
Updated 6860	Bond Issuance and Other Debt-Related Costs —Expenses in connection with bond and other debt issuance costs, including lease-purchase debt issuance costs. Also include issuance costs relate to issuing refunding bonds when the bond issuance costs are paid from cash on hand. If issuance costs related to refunding bonds are paid from refunding bond proceeds, use Other Financing Use object code 6940 .	Only 5000

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EXPENDITURE OBJECTS

Object code	Description	Function guidance
6870	Pass-through Payments —Payments to another entity for monies received by the district on their behalf or as required by legal agreement. Such payments are paid to the other entity without directly controlling how the monies are spent by that entity. Include Joint Technical Education District payments made to member districts and any other similar payments that are not considered sub-awards as described in 6880 below. Used in the indirect cost calculation.	
6880	Sub-awards —Sub-awards are awards provided by a district to a subrecipient to carry out part of the services for which the award was received by the district. Sub-awards do not include payments to a contractor or payments to an individual that is a beneficiary of the program paid for by the award. A sub-award may be provided through any form of legal agreement or contract. Districts must maintain adequate records to be able to report the portion of each individual sub-award exceeding \$25,000 for the indirect cost calculation.	
6890	Miscellaneous Expenditures —Amounts paid for goods or services not properly coded to any other expenditure object code. Students' food and hotel costs associated with student travel, as well as student entrance fees paid by a district should be coded here. The refund of prior year's revenues should also be reported here.	

For codes related to transfers-out, payments to escrow agent for defeasance of debt, and special and extraordinary items, see page III-54.

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CHART OF ACCOUNTS

OTHER FINANCING USE OBJECTS

Object code	Description	Function guidance	
6900	OTHER FINANCING USES AND OTHER ITEMS <i>(Use detailed codes below)</i>		
6910	Indirect Costs Transfers-Out —An amount approved as a percentage of the total project budget, to be used to pay overhead costs that cannot be easily identified with a specific project. Indirect costs are calculated on total actual expenditures less capital expenditures, multiplied by the approved indirect cost rate. This object code should be used when monies are transferred to the Indirect Costs Fund from a Federal Project Fund or the Food Service Fund. Other Financing Sources object code 5200 should be used to record the transferred monies received in the Indirect Costs Fund. This object code should be included as a fund transfers-out for financial reporting purposes.	Only 6000	
6930	Fund Transfers-Out —Used to classify operating transfers from one fund to another. Other Financing Sources object code 5200 should be used to record the corresponding transfer-in amount. See list of authorized transfers .	Only 6000	
6940	Payment to Escrow Agent for Defeasance of Debt —Amounts paid to an escrow agent from advance refunding bond proceeds that are to be placed in an irrevocable trust.	Only 6000	Updated
6950	Special Items —Transactions or events within the control of district administration that are either unusual in nature or infrequent in occurrence. For some districts, this may include termination benefits resulting from workforce reductions or costs in connection with an early retirement program offered to all employees represented in one or more classes of employees.	Only 6000	Updated
6960	Extraordinary Items —Transactions or events that are <u>both</u> unusual in nature and infrequent in occurrence. For some districts, this includes significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm, or costs related to an environmental disaster.	Only 6000	Updated

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CHART OF ACCOUNTS

EXPENDITURE UNITS

This account code element identifies expenditures by instructional level and school. The first digit of the three-digit unit code identifies the instructional level, and the second and third digits identify the individual school. This element is also useful for districts that have established site-based management procedures by providing each school with a budget allotment. In addition, districts with some schools operating on an alternative calendar must separately budget for such schools in accordance with A.R.S. §15-855. This element should be used for that purpose.

Code	Description
100	Elementary —A school organized as an elementary school with a grade level of kindergarten through grade 8. Expenditures for preschool programs for children with disabilities are coded here.
200	High School —A school accredited as a high school with a maximum grade level span of 9 through 12.
500	District-wide —Assigned to any expenditure that applies to an entire district and is not clearly assignable to an instructional level. When reporting information for the district's annual report card in accordance with Arizona Revised Statutes (A.R.S.) §15-746, expenditures coded to this unit code in the district's accounting records must be allocated to the schools. (Districts that have more than 99 district-wide units may also assign numbers higher than 599.)

Arizona Online Instruction (AOI) schools should use a unit code within the 100-range for elementary program expenditures, and within the 200-range for high school program expenditures. If an AOI school contains both elementary and high school grade levels, a code within the 100-range should be used for kindergarten through grade 8, and a code within the 200-range should be used for grades 9 through 12. If an expenditure applies to both elementary and high school grade levels, the cost should be allocated between the AOI school's elementary and high school unit codes.

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CHART OF ACCOUNTS

AUTHORIZED TRANSFERS

Transfers of monies between funds should be made only when specifically authorized by statute or allowed by a federal grant. The following list of authorized transfers does not include any transfers that may be appropriate to allow school districts to reduce taxes as described in statute. See fund descriptions for when various funds can be used to reduce taxes according to statute. Fund transfers-in should be coded under other financing sources object code **5200**. Fund transfers-out should be coded under other financing uses object code **6930**, or other financing uses object code **6910** when transferring to the Indirect Cost Fund. For each operating fund transfer-in, there should be a corresponding fund transfer-out.

Adjustments due to errors or reclassifications of revenues or expenditures from one fund to another should not be recorded as fund transfers but should be made by a journal entry involving the correct detailed account codes to correct the error or reclassify the transaction.

From	To	Description	A.R.S. § reference
Bond Building (630)	Debt Service (700)	Balance upon completion of the construction or acquisition for which the bonds were issued if a district <u>has</u> outstanding indebtedness.	15-1024(B)
Career and Technical Education and Vocational Education Projects (535)	School Plant (500)	Monies in excess of \$100,000 at fiscal year-end.	15-1231(C)
Civic Center (515)	School Plant (500)	Balance upon termination of the civic center school program.	15-1105(F)
Community School (520)	M&O (001)	Balance upon termination of a community school program.	15-1143
Condemnation (660)	School Plant (500)	Unused monies remaining after 10 years.	15-1102(E)
Employee Insurance Program Withholdings (855)	M&O (001)	Interest at fiscal year-end.	15-1223(B)
Energy and Water Savings (665)	M&O (001)	Monies associated with an energy or water savings project remaining after the capital investment monies of the qualified provider or utility, energy or water services company, plus a reasonable carrying charge, are repaid in full.	15-910.02(J)

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AUTHORIZED TRANSFERS

From	To	Description	A.R.S. § reference
Federal Projects (100-399) or Food Service (510)	Indirect Costs (570)	For payment of administrative costs incurred in connection with federal programs. The amount transferred may not exceed the amount calculated with the district's indirect cost rate established by the Arizona Department of Education.	
Impact Aid (378)	M&O (001)	Federal impact aid monies to provide cash for the difference between the Transportation Revenue Control Limit and Transportation Support Level or to reduce or eliminate taxes.	15-905(R)
Impact Aid (378)	Teacherage (580)	Federal impact aid monies for the maintenance and renovation of teacher housing.	15-905(R) Laws 2004, Ch. 209
Impact Aid Revenue Bond Building (639)	Impact Aid (378)	Balance remaining after the acquisition or construction of facilities and payment of other related costs.	15-905(R) 15-2107(C)
Impact Aid Revenue Bond Debt Service (720)	Impact Aid (378)	Surplus monies remaining after all impact aid revenue bonds are paid.	15-905(R) 15-2107(B)
Insurance Refund (585)	Self-Insurance (950-989)	For payment of uninsured losses, claims, defense costs, and other costs related to self-insurance.	15-386(B)
M&O (001)	Energy and Water Savings (665)	Districts must transfer, on a monthly basis, the monthly payment amounts for repayment of the capital investment of the qualified provider or utility, energy, or water services company based on the established repayment schedule.	15-910.02(H)
M&O (001)	School Opening (545)	Districts may transfer a portion of the ending cash balance. The maximum amount that may be transferred is the lesser of the ending cash balance in the M&O Fund or the eligible budget balance carryforward.	15-943.01(C) and (D)

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CHART OF ACCOUNTS

AUTHORIZED TRANSFERS

From	To	Description	A.R.S. § reference
M&O (001)	UCO (610)	Districts that have been approved by the voters to fund a capital outlay override from revenues other than a tax levy may transfer the voter-approved amount of cash from the prior year's ending cash balance.	15-481(M)
Other Postemployment Benefits (9XX)	M&O (001)	Monies remaining at the end of 5 years of no activity in the OPEB Internal Service Fund. This transfer does not apply to the OPEB Trust Fund (8XX).	15-1225(B)
School Opening (545)	M&O (001)	Balance remaining after 5 years of no activity in the School Opening Fund.	15-943.01(C)
State Income Tax Withholdings (865)	M&O (001)	Interest at fiscal year-end.	15-1222(A)

Appendix B

CHART OF ACCOUNTS

EXAMPLE JOURNAL ENTRIES

The following journal entries are examples of double-entry account coding for various transactions. The examples do not include the unit code element; however, districts must use the unit code to identify expenditures by instructional level and individual school. **As applicable, the determining factor used to code an expenditure as construction services, a capital supply, or equipment item or as a noncapital item is indicated after the description of the entry.**

	Account codes	Description	DR	CR
1.	001 000 0000 0103	Cash on Deposit with County Treasurer	\$90,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer	35,000	
	001 000 0000 3110	State Equalization Assistance		\$90,000
	610 000 0000 3110	State Equalization Assistance		35,000
	(To record receipt of state equalization assistance by the Maintenance and Operation and Unrestricted Capital Outlay Funds.)			
2.	001 100 1000 6110	Certified Salaries	\$600	
	001 200 1000 6110	Certified Salaries	600	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$1,200
	(To record the biweekly salary of a teacher who teaches regular and special education classes. Note that appropriate benefit codes would also be used.)			
3.	610 100 2500 6739	Tech-Related Hardware & Software—\$5,000 or More	\$6,500	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$6,500
	(To record the renewal of the license for accounting software used by the business office. Note that because the purchase is not assignable to a particular program code, it is coded to program code 100—Regular Education.) Determining factor: Non-instructional software is listed as an example of technology-related hardware and software under object codes 6737-39 and the cost is \$5,000 or more.			
4.	001 400 2700 6511	Student Transportation Purchased from Other Arizona Districts	\$1,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$1,000
	(To record the payment made to another district for transporting the paying district's students.)			
5.	610 400 2700 6736	Vehicles—\$5,000 or More	\$40,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$40,000
	(To record the purchase of a van to be used to transport disabled students. Additionally, program code 420—Pupil Transportation—Special Education, could be used to better track special education expenditures.) Determining factors: Vans are listed with vehicles in object codes 6734-36 and the cost is \$5,000 or more.			
6.	610 620 1000 6643	Instructional Aids	\$1,000	
	610 000 0000 0102	Cash in Bank		\$1,000
	(To record the purchase of baseball bats to be used in physical education class.) Determining factor: Bats are listed as an example of an instructional aid under object code 6643.			

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CHART OF ACCOUNTS

EXAMPLE JOURNAL ENTRIES

	Account Codes	Description	DR	CR
New	7. 665 100 6000 6930	Fund Transfers-Out	\$5,000	
	665 000 0000 0103	Cash on Deposit with County Treasurer		\$5,000
	001 000 0000 0103	Cash on Deposit with County Treasurer	5,000	
	001 000 0000 5200	Fund Transfers-In		5,000
	(To record the transfer of cash from the Energy and Water Savings Fund to the Maintenance and Operation Fund. Note that Transfers-In must equal Transfers-Out.)			
8.	610 100 1000 6643	Instructional Aids	\$2,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$2,000
	(To record the payment for instructional computer software.) Determining factor: Instructional software is listed as an example of an instructional aid under object code 6643.			
9.	001 100 2600 6430	Repairs and Maintenance Services	\$2,500	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$2,500
	(To record the payment for a maintenance agreement for district copiers.)			
10.	001 200 2200 6580	Travel	\$250	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$250
	(To record the payment to reimburse the Special Education Director for cost incurred within approved rates for travel to a <u>meeting</u> in another city.)			
11.	001 100 2500 6580	Travel	\$800	
	001 100 2500 6300	Purchased Prof. and Tech. Services	200	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$1,000
	(To record the payment for the Transportation Director to attend a <u>training workshop</u> out of town.)			
12.	001 100 2200 6300	Purchased Prof. and Tech. Services	\$ 5,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$ 5,000
	(To record the payment made to a vendor for teacher training.)			
13.	525 620 1000 6300	Purchased Prof. and Tech. Services	\$60	
	525 000 0000 0102	Cash in Bank		\$60
	(To record the payment to a referee who is not a district employee for officiating a basketball game.)			
14.	610 100 1000 6643	Instructional Aids	\$9,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$9,000
	(To record the payment for workbooks to be used in the classroom.) Determining factor: Workbooks are listed as an example of an instructional aid under object code 6643.			
15.	001 100 2600 6430	Repairs and Maintenance Services	\$5,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$5,000
	(To record the payment to a vendor for replacing doors on a building.) Determining factor: Replacing doors on a building is not listed as an example of a construction project under object code 6450 and it does not constitute remodeling or renovation of a building.			

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EXAMPLE JOURNAL ENTRIES

	Account Codes	Description	DR	CR
16.	001 100 2600 6150	Classified Salaries	\$2,000	
	001 100 2600 6610	General Supplies	3,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$5,000
	(To record the payments for doors replaced by district employees. Note that appropriate benefit codes should also be used.) Determining factor: Doors are <u>not</u> included in the equipment examples under the 6730 object code range. Additionally, they do not meet all three equipment criteria.			
17.	610 100 4000 6450	Construction Services	\$6,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$6,000
	(To record the payment for replacing carpeting in classrooms due to flood damage.) Determining factor: Recarpeting is listed as an example of a construction project under object code 6450 .			
18.	610 100 2600 6733	Furniture and Equipment—\$5,000 or More	\$12,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$12,000
	(To record the payment for an air conditioning unit.) Determining factor: HVAC units are listed as an example of a fixture within furniture and equipment object codes 6731-33 and the cost is \$5,000 or more.			
19.	610 100 5000 6832	Redemption of Principal—Other	\$26,000	
	610 100 5000 6842	Interest—Other	1,500	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$27,500
	(To record the payment of principal and interest on the lease-purchase of copiers.)			
20.	610 100 2200 6440	Rentals	\$20,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$20,000
	(To record the payment on the operating lease of copiers for the school libraries.)			
21.	610 100 4000 6450	Construction Services	\$30,000	
	610 000 0000 0103	Cash on Deposit with County Treasurer		\$30,000
	(To record the payment to a vendor for repaving a parking lot.) Determining factor: Repaving a parking lot is listed as an example of a construction service under object code 6450 . Note that patching or resealing a parking lot is considered a repair/routine preventative maintenance* under object code 6430 and should not be paid from the Unrestricted Capital Outlay Fund.			
22.	001 100 2620 6430	Repair and Maintenance Services	\$7,000	
	001 000 0000 0103	Cash on Deposit with County Treasurer		\$7,000
	(To record the payment to a vendor for repainting a classroom.) Determining factor: Repainting is not listed as an example of a construction project under object code 6450 and it does not constitute remodeling or renovation of a building. Note that exterior painting projects that extend the life of a building, not done for aesthetic purposes or as routine preventative maintenance* should be coded to 6450 and should not be paid from the Maintenance and Operation Fund.			

*A.R.S. §15-2032 defines routine preventative maintenance as services that are performed on a regular schedule at intervals ranging from four times a year to once every three years, or on the schedule of services recommended by the manufacturer of the specific building system or equipment, that are intended to extend the useful life of a building system and reduce the need for major repairs.

Appendix C – Uniform System of Financial Records for Arizona Charter Schools (USFRCS) Chart of Accounts

CHART OF ACCOUNTS

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Appendix C

CHART OF ACCOUNTS

INTRODUCTION

This Chart of Accounts prescribed for charter schools provides for the establishment of a complete accounting system, including the recording of assets, liabilities, equity, revenues, and expenses.

The standardized account code structure for use by charter schools has been developed to accomplish several key objectives.

- To ensure charter schools comply with generally accepted accounting principles (GAAP).
- To establish a uniform, comprehensive, minimum chart of accounts to improve financial data collection, reporting, transmission, accuracy, and comparability among Arizona charter schools, Arizona school districts, and schools nationwide. The *Uniform System of Financial Records for Arizona Charter Schools* (USFRCS) Chart of Accounts meets the requirements of the U.S. Department of Education's account classifications.
- To reduce the administrative burden on schools in preparing required financial reports.
- To create a logical framework that can be used to determine where monies for education originate and how they are used.
- To provide better information for administrators, parents, board members, legislators, and other interested parties.

Charter schools operated by school districts or operated by other governmental organizations (such as a tribal government or community college district) may find it beneficial to follow the *Uniform System of Financial Records for Arizona School Districts* Chart of Accounts, which is based on governmental accounting, rather than the USFRCS Chart of Accounts, which is based on private business accounting. According to Arizona Revised Statutes (A.R.S.) §15-183(E)(6), any exceptions to the requirements of the USFRCS must be approved by the sponsor and documented in the charter.

ACCOUNT CODE STRUCTURE

The account code structure provides a basis for financial and legal reporting and budgeting and consists of the following required elements.

1. **PROJECT**—This element separately identifies the financial activity and position of federal and state projects providing the information necessary to demonstrate compliance with federal and state requirements. Additionally, at the school's option, this element may be used to account for other special projects (project codes 1500-1999). (III-B)
2. **BALANCE SHEET CLASSIFICATIONS**—Corresponds to items normally appearing on the balance sheet. The primary account classifications are Assets, Liabilities, and Equity. (III-C)
3. **REVENUE AND GAIN CLASSIFICATIONS**—Segregates revenues by source. The source classifications are Local, Intermediate, State, and Federal. Gains are also classified here. (III-D)

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4. EXPENSE AND LOSS CLASSIFICATIONS:

Program—A plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The primary programs are Regular Education, Special Education, Special Education Disability Title 8 PL 103-382 Add-On, Pupil Transportation, and Programs Requiring Separate Budgets. (III-E-1)

Function—Describes the activity for which a service or material is acquired. The function classifications are Instruction, Support Services, Operation of Noninstructional Services, Facilities Acquisition and Construction, and Debt Service. (III-E-2)

Object—Describes the service or material obtained as the result of a specific expense. The primary object codes are Personal Services—Salaries, Personal Services—Employee Benefits, Purchased Professional and Technical Services, Purchased Property Services, Other Purchased Services, Supplies, Property, and Other Expenses and Losses. (III-E-3)

Unit—Segregates expenses by instructional level (e.g., elementary, high school, and schoolwide) and individual campuses. (III-E-4)

Optional Elements—Each required element of the account code contains a specified number of digits in a specific configuration as illustrated on the next page. However, for internal management purposes, schools may assign additional, nonrequired elements, such as course or job classification. If such elements are used, they should be added after the unit code element in the account code.

Course—To accumulate costs of providing instruction in particular courses or subject groups (e.g., English, math, or science). As an alternative to using a separate optional element for course codes, schools may establish course codes under function 1000—Instruction.

Job Classification—To further break down costs of salaries and benefits by purpose, bargaining unit, or otherwise (e.g., office/clerical, administrative, professional-education, technical, or laborer).

Besides Course and Job Classification, schools may choose to categorize transactions by time of year, bus route, construction project, or any other classification useful to the school.

Appendix C

CHART OF ACCOUNTS

ACCOUNT CODE FORMAT

The table below illustrates the required account code format. Each required element must contain the specified number of digits and must be in the specified location in the account code structure. Balance sheet and revenue and gain accounts consist of project and object code elements only. Other elements are generally zero filled. However, a school may choose to use program, function, and unit codes to better track revenues. Expense and loss accounts consist of project, program, function, object, and unit code elements.

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Required account code numbers are shown in the Chart of Accounts in bold type. Optional numbers are italicized and not bolded. Schools are required to record transactions to the most detailed bold level for all areas.

BALANCE SHEET:

<u>Project</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>
XXXX	000	0000	0XXX	000

REVENUES AND GAINS:

<u>Project</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Unit</u>	
XXXX	000	0000	1XXX	000	Revenue from local sources
XXXX	000	0000	2XXX	000	Revenue from intermediate sources
XXXX	000	0000	3XXX	000	Revenue from state sources
XXXX	000	0000	4XXX	000	Revenue from federal sources
XXXX	000	0000	5XXX	000	Net assets released from restrictions

EXPENSES AND LOSSES:

<u>Project</u>	<u>Program</u>	<u>Function</u> ¹	<u>Object</u>	<u>Unit</u> ²	
XXXX	XXX	XXXX	6XXX	XXX	(place optional elements here)

¹ The first and second digits are required. Generally, the third and fourth digits may be used at the school's option to provide additional function detail.

² The first digit is required for charter schools containing elementary and high school grade levels. The second and third digits are required for schools with two or more campuses.

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COST ALLOCATION

Expenses specifically assignable to two or more programs, functions, or units must be allocated among those programs, functions, or units. For example, the salary of a teacher who teaches both regular education and special education must be allocated among programs 100, 200, and, if applicable, 300; the salary of an individual who works in the school warehouse and also drives a school bus must be allocated between functions 2500 and 2700; and the salary of a maintenance worker who works at two schools must be allocated between the applicable school unit codes.

Schools may use an allocation base to allocate specifically assignable expenses for which actual cost apportionment is not easily determinable. Commonly used allocation bases include average daily membership, time spent, full-time equivalent teaching staff, number of transactions, floor space occupied, labor hours, meals served, miles driven, and driver hours. The allocation base used can greatly affect the accuracy of cost allocation; therefore, schools should choose an allocation base that will most closely approximate actual costs incurred. Costs requiring allocation that are not allocated when incurred must be allocated by journal entries before the accounting records are closed at fiscal year-end.

Indirect costs such as utilities and building rent are not allocated among the various programs or functions, but must be allocated at the unit code level (i.e., schoolwide expenses must be allocated among individual schools and instructional levels by year-end). However, this allocation is required only for the school's annual report cards in accordance with A.R.S. §15-746 and is not required to be recorded in the school's accounting records.

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INDIRECT COST REPORTING

The United States Department of Education (US DOE) allows the Arizona Department of Education (ADE) to establish the indirect cost rates for schools receiving federal grants through an approved delegation agreement. The revised delegation agreement prepared in December 2014 updated the indirect cost calculation based on guidance received from US DOE. As a result, several changes were made to the Chart of Accounts to increase the required detail for expenditure classification at the function and object code level.

One area of increased reporting detail is for the costs of executive administration and functional area administration (heads of components). Descriptions of executive administration and heads of components adapted from the federal guidelines to more specifically relate to charter schools have been included below. These descriptions should be used to determine how to classify the expenditures in the related function codes included throughout the Chart of Accounts. Expenditures associated with executive administration should be classified in function **2310**. Expenditures associated with employees that are considered heads of components, including their office support staff (e.g., administrative assistants, secretaries), should be classified in the required heads of components detailed function codes within the functional area they direct.

Executive Administration—The Superintendent and any administrators with key decision making authority over all or one or more parts of school operations. Costs associated with Executive Administration, including any office support staff (e.g., administrative assistants, secretaries) working directly for these administrators are classified in function **2310—Executive Administration**.

Heads of Components—Administrators that directly report to a member of the school's executive administration (see definition above). These administrators are generally shown on an organizational chart as one management level below the executive administration. Costs associated with heads of components, including any office support staff (e.g., administrative assistants, secretaries) working directly for these administrators are classified in the heads of components detailed functions provided throughout the chart.

For example, an administrator over business operations, such as a Chief Financial Officer that has the authority to make key decisions for school business operations would be classified in **2310** as an executive administrator. An administrator that directs the business office staff and reports to that executive administrator, such as a business manager, would be classified in **2510** as a head of component rather than **2500—Central Services** to allow for correct treatment of those costs in the indirect cost rate calculation.

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PROJECT CODES

1000 SCHOOLWIDE PROJECT—Accounts for all financial activities of the school, including those required to be accounted for separately (e.g., federal and state projects).

1010 Classroom Site (Total)—Control project for Classroom Site Projects 1011, 1012, and 1013 to account for the portion of state sales tax collections and permanent state school fund earnings received by charter schools as approved by the voters in 2000 as a part of Proposition 301. The monies in the three projects must be used to supplement, rather than supplant, existing monies and must not be used for administrative purposes.

1011 Classroom Site (Base Salary)—Accounts for 20 percent of the current Classroom Site Fund distributions, and any prior year's unexpended balance and interest earnings. Monies in this project can only be used for teacher base salary increases and teacher employment-related expenses. A.R.S. §15-977

1012 Classroom Site (Performance Pay)—Accounts for 40 percent of the current Classroom Site Fund distributions, and any prior year's unexpended balance and interest earnings. Monies in this project can only be used for performance-based teacher compensation increases and teacher employment-related expenses. A.R.S. §15-977

1013 Classroom Site (Other)—Accounts for 40 percent of the current Classroom Site Fund distributions, and any prior year's unexpended balance and interest earnings. Monies in this project can only be used for any of the following maintenance and operation purposes: class size reduction, AIMS intervention and dropout prevention programs for instructional purposes (other than athletics) coded to function 1000; teacher compensation increases, teacher development, and teacher liability insurance premiums. A.R.S. §15-977

1020 Instructional Improvement—Accounts for monies received from gaming revenue. Up to 50 percent of these monies may be used for teacher compensation increases and class size reduction as provided in A.R.S. §15-977. The expenses for class size reduction, if any, must be appropriate expenses under function 1000 (other than athletics). The remaining monies must be used for the following maintenance and operation purposes: dropout prevention programs and instructional improvement programs including programs to develop minimum reading skills for students by the end of third grade. The monies in the project may not be used to supplant existing state and local monies. A.R.S. §15-979

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1071	Structured English Immersion —Accounts for monies received from the Structured English Immersion Fund. Monies received are to provide for the incremental cost of instruction to English language learners (ELLs) and must be used to supplement existing programs. In accordance with A.R.S. §15-756.03 and .04, monies must not be used to supplant federal, state, or local monies previously used for ELLs, or used to pay for the normal costs of conducting programs for English proficient students. As defined in §15-756.01, incremental costs are the costs that are associated with a structured English immersion program pursuant to A.R.S. §15-752 or a program pursuant to A.R.S. §15-753 and that are in addition to the normal costs of conducting programs for English proficient students. Incremental costs do not include costs that replace the same types of services provided to English proficient students or compensatory instruction. A.R.S. §15-756.04
1072	Compensatory Instruction —Accounts for monies received from the Compensatory Instruction Fund. Monies received are to be used for compensatory instruction for programs in addition to normal classroom instruction that may include individual or small group instruction, extended day classes, summer school, or intersession school. These programs are limited to improving the English proficiency of current ELLs and students who have been reclassified from ELL to English proficient within the previous 2 years. Monies must not be used to supplant federal, state, or local monies previously used for ELLs. A.R.S. §15-756.11
1080	Student Success —Accounts for student success monies. A.R.S. §15-917—Repealed by Laws 2015, Ch. 15, §5
1100-1399	Federal Projects —A group of codes used to account for revenues and expenses of federally-funded projects. A separate code should be established for each individual project. If a federal project is not specifically listed or included in a code range below, an unassigned code number in the 1310-1399 range should be assigned for that project.
1100-1130	ESEA Title I—Helping Disadvantaged Children Meet High Standards
1140-1150	ESEA Title II—Professional Development and Technology
1160	ESEA Title IV—21 st Century Schools
1170-1180	ESEA Title V—Promote Informed Parent Choice
1190	ESEA Title III—Limited English and Immigrant Students
1200	ESEA Title VII—Indian Education
1210	ESEA Title VI—Flexibility and Accountability
1220	IDEA Part B
1230	Johnson-O'Malley
1240	Workforce Investment Act
1250	AEA—Adult Education

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1260-1270	Vocational Education—Basic Grants
1280	ESEA Title X—Homeless Education
1290	Medicaid Reimbursement
1300	Charter School Implementation Project (Stimulus)
1310-1399	Other Federal Projects
1400-1499	State Projects —A group of codes used to account for revenues and expenses of state-funded projects. A separate code should be established for each individual project.
1400	Vocational Education
1410	Early Childhood Block Grant
1420	Extended School Year—Pupils with Disabilities (A.R.S. §15-881)
1425	Adult Basic Education (A.R.S. §15-234)
1430	Chemical Abuse Prevention Programs (A.R.S. §15-712)
1435	Academic Contests (A.R.S. §15-1241)
1445	Dropout Prevention Program (4-12) (Laws 1992, Ch. 305, §32 and Laws 2000, Ch. 398 §2)
1450	Gifted Education (A.R.S. §15-779.03)
1455	Family Literacy Program (A.R.S. §15-191.01)
1460	Environmental Special Plate (A.R.S. §37-1015)
1465	Charter School Stimulus Fund (A.R.S. §15-188)
1484	Failing Schools Tutoring Grant (A.R.S. §15-241)
1470-1499	Other State Projects
1500-1999	Other Special Projects —Schools may, at their own option, elect to use these project codes to track the financial activity of various other school projects (e.g., bookstore, athletics, food service, gifts and donations, construction projects, and extracurricular activities fees tax credit).

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BALANCE SHEET OBJECT CODES

ASSETS

- 0100 CASH**—Currency, coins, checks, warrants, postal and express money orders, and bank drafts on hand, in transit, on deposit in a financial institution, or on deposit with an official or agency designated as custodian of cash and deposits.
- 0101 Cash on Hand**—Cash physically located at the school or in the possession of its representative (e.g., cash from sales of student lunches that has not been deposited in the bank).
- 0102 Cash in Bank**—Cash on deposit with a bank or savings and loan institution.
- 0110 INVESTMENTS**—Investments held for earning income in the form of interest or dividends.
- 0111 Unamortized Premiums**
- 0112 Unamortized Discounts (Credit)**
- 0130 RECEIVABLES**—Amounts due from individuals or other entities.
- 0132 Accounts Receivable**—Amounts due on open account from individuals or other entities for goods and services furnished by the school.
- 0134 Interest Receivable**—Amount of interest receivable on investments.
- 0135 Refundable Deposits**—School monies held by business entities or individuals as security or as a prerequisite to receiving goods or services.
- 0136 Notes Receivable**—Amounts due from a note or mortgage received from the sale of school buildings or property.
- 0137 Grants Receivable**—Contributions or gifts of cash or other assets due from another entity.
- 0140 ASSETS RESTRICTED TO INVESTMENT IN CAPITAL ASSETS**—Cash and receivables that have been restricted by an outside party to be used for investment in capital assets.
- 0150 PREPAID EXPENSES**—Cash outlays for benefits that have not been received (e.g., insurance or rent).
- 0160 INVENTORY OF SUPPLIES FOR CONSUMPTION**—Supplies on hand, valued at cost, that will be used for school operations (e.g., general supplies, gas, and oil).
- 0170 INVENTORY OF SUPPLIES FOR SALE OR RENTAL**—Inventory on hand, valued at cost or market, that will be sold or rented (e.g., bookstore inventory, food, and milk).
- 0190 CAPITAL ASSETS**—Assets of the school such as land and improvements, buildings and improvements, and equipment. For discussion of capital asset valuations, see subsection [VI-E](#). The following criteria should be met for an item to be included in this account.
1. The useful life of the item must equal or exceed 1 year.

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BALANCE SHEET OBJECT CODES

2. The unit cost or value assigned should meet the capitalization thresholds established by the school. In accordance with subsection **VI-E**, such threshold may not exceed \$5,000 for equipment or \$5,000 for land, buildings, and related improvements.
 3. Improvements do not include repairs or maintenance performed on assets to restore them to operating condition.
 4. If the terms of a lease agreement meet certain criteria as outlined in subsection **VI-E**, the lease should be considered in substance a purchase of an asset, and the item being leased should be capitalized.
- 0191 Land and Land Improvements**—Land owned by the school, including legal fees, razing, filling, excavation, and other associated costs that are incurred to put the land in condition for its intended use. Further, permanent improvements to land, such as grading and fill, should be accounted for in this account. Land and land improvements are considered nonexhaustible assets due to their significantly long expected useful life and should not be depreciated. Therefore, these assets will not result in a depreciation expense.
- 0192 Site Improvements**—Account that reflects the value of nonpermanent improvements to building sites, other than buildings, that add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. Because these improvements decrease in their value and usefulness over time, it is appropriate to depreciate these assets. Therefore, all capitalized site improvements should be depreciated over their expected useful lives. Leasehold improvements to land are also included here.
- 0193 Accumulated Depreciation on Site Improvements**—Accumulated amounts for the depreciation of site improvements.
- 0194 Buildings and Building Improvements**—Account that reflects the acquisition value of permanent and relocatable structures used to house persons and property owned by the school. This account includes the value of all permanent buildings and the fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements, including upgrades made to building wiring for technology. Leasehold improvements to buildings are also included here.
- 0195 Accumulated Depreciation on Buildings and Building Improvements**—Accumulated amounts for the depreciation of buildings and building improvements.
- 0196 Equipment**—Account that reflects the value of machinery, vehicles, computers, software, furniture, and other equipment, including specialized electronic and athletic equipment.
- 0197 Accumulated Depreciation on Equipment**—Accumulated amounts for the depreciation of equipment.

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- 0198 Construction in Progress**—Account that reflects the value of construction undertaken but not yet completed. When completed, the cost must be transferred to the appropriate asset account.

LIABILITIES

- 0200 NONPAYROLL PAYABLES**—Amounts owed for goods or services received and monies borrowed; also, refundable deposits held by the school.
- 0201 Accounts Payable**—Amounts owed on open accounts for goods or services received, such as maintenance agreements, professional services, rentals, and operating leases.
 - 0202 Refundable Deposits**—A liability of the school for amounts received as a prerequisite to providing goods or services, such as deposits made by students on textbooks and lab deposits.
 - 0203 Bank Revolving Line of Credit Payable**—Liability for monies borrowed through a revolving line of credit.
 - 0204 Notes/Loans Payable**—Obligations in the form of written promissory notes.
 - 0205 Taxes Payable**—Liability for nonpayroll taxes of the school.
- 0210 DUE TO GOVERNMENTAL ENTITIES, STUDENT GROUPS, AND OTHERS**—Amounts due to a governmental unit, student group, or another entity.
- 0212 Local**
 - 0213 County**
 - 0214 State**
 - 0215 Federal**
 - 0216 Student Groups**
 - 0217 Others**
- 0220 ACCRUED PAYROLL AND RELATED BENEFITS**—Salary and fringe benefit costs incurred but not yet paid during the current accounting period.
- 0221 Salaries and Wages (Gross)**—Gross amount of salaries and wages earned by employees but not due until a later date.
 - 0222 Social Security—OASDI (Employer's Portion)**—Amount of matching social security taxes incurred as a result of salaries and wages earned by employees.
 - 0223 Medicare—Hospital Insurance (Employer's Portion)**—Amount of matching Medicare taxes incurred as a result of salaries and wages earned by employees.
 - 0224 Retirement Plan Contributions (Employer's Portion)**—Amount of matching retirement plan contributions incurred as a result of salaries and wages earned by employees. Include both retirement and related long-term disability contributions, if applicable.

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BALANCE SHEET OBJECT CODES

- 0225 **Employee Insurance**—Amount incurred for premiums on insurance for employees (health and accident, medical, life, etc.) provided by the school.
- 0226 **Unemployment Insurance**—The school's liability for unemployment insurance taxes.
- 0227 **Workers' Compensation**—The school's liability for workers' compensation premiums.
- 0229 **Compensated Absences**—The school's liability for accrued vacation and sick leave benefits.
- 0230 **OTHER ACCRUED ITEMS**—Costs incurred but not yet paid during the current accounting period.
 - 0231 **Interest**—Interest costs incurred but not yet paid during the current accounting period.
 - 0233 **Self-Insurance Claims**—Amounts owed for claims and judgments payable to other than employees.
- 0240 **PAYROLL DEDUCTIONS AND WITHHOLDINGS (EMPLOYEES)**—Amounts deducted from employees' salaries that have not yet been paid to the respective agencies.
 - 0241 **Federal Income Taxes**
 - 0242 **State Income Taxes**
 - 0243 **Social Security—OASDI**
 - 0244 **Medicare—Hospital Insurance**
 - 0245 **Retirement Plan Contributions**—Amounts deducted from employees' salaries for retirement plan contributions. Any portion representing long-term disability contributions should be recorded under object code 0246.
 - 0246 **Long-Term Disability**—Amounts deducted from employees' salaries for long-term disability benefits.
 - 0247 **Voluntary Deductions**—Amounts of voluntary deductions, such as annuities and dependent health insurance premiums that have not yet been paid.
 - 0248 **Court-Ordered Assignments**—Amounts garnished from the salaries or wages of employees for child support or spousal maintenance pursuant to a court-ordered assignment of earnings. A.R.S. §§25-504 and 25-505.01
- 0250 **UNEARNED REVENUES**—Revenues collected before they are earned.
- 0260 **CONTRACTS PAYABLE**—Amounts due on written contracts for assets received by a school.
 - 0261 **Capital Leases**—Amounts due on capital lease agreements. (Capital leases payable should be initially recorded at the lower of the fair market value of the leased asset or the present value of the minimum lease payments.)
 - 0262 **Construction**—Amounts due on construction contracts.

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BALANCE SHEET OBJECT CODES

EQUITY

- 0300 UNAPPROPRIATED RETAINED EARNINGS**—Undistributed earnings of the school that have not been restricted or appropriated for any specific purpose.
- 0310 APPROPRIATED RETAINED EARNINGS**—Undistributed earnings of the school that have been restricted by law or appropriated by the school governing board to meet contractual restrictions, protect against expected losses, or some other reason, making part of retained earnings unavailable for distribution. One example would be funds reserved for the future purchase of equipment.
- 0320 NET ASSETS**—The excess of the book value of assets of the school over its liabilities. (Used only by not-for-profit schools)
- 0321 Unrestricted**—The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.
- 0322 Temporarily Restricted**—The part of net assets resulting from a) contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations, b) other asset enhancements and diminishments subject to the same kinds of stipulations, and c) reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the school pursuant to those stipulations.
- 0323 Permanently Restricted**—The part of net assets resulting from a) contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the school, b) other asset enhancements and diminishments subject to the same kinds of stipulations, and c) reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

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REVENUE AND GAIN OBJECT CODES

Revenue object code 1920 includes subobject codes to be used by not-for-profit schools for Unrestricted, Temporarily Restricted, and Permanently Restricted classifications.¹ Any other revenues or gains that are temporarily or permanently restricted must also be classified as such by not-for-profit schools.

1000 REVENUE FROM LOCAL SOURCES

1300 Tuition—Revenue from individuals, private sources, other schools or districts, and government sources for education provided by the school. The portion of tuition representing transportation fees should be recorded under revenue code 1400 Transportation Fees.

1310 Tuition from Individuals

1320 Tuition from Other Arizona Schools or Districts

1330 Tuition from Out-of-State Schools or Districts

1340 Tuition from Other Private Sources (Other than Individuals)

1350 Tuition from Other Government Sources Within Arizona (such as the Arizona State Schools for the Deaf and the Blind)

1360 Tuition from Other Government Sources Outside Arizona

1400 Transportation Fees—Revenue from individuals, private sources, other schools or districts, and government sources for transporting students to and from school and school activities.

1410 Transportation Fees from Individuals

1420 Transportation Fees from Other Arizona Schools or Districts

1430 Transportation Fees from Out-of-State Schools or Districts

1440 Transportation Fees from Other Private Sources (Other than Individuals)

1450 Transportation Fees from Other Governmental Sources Within Arizona

1460 Transportation Fees from Other Governmental Sources Outside Arizona

1500 Earnings on Investments—Revenue from short-term and long-term investments. Included is interest revenue earned on temporary or permanent investments, such as U.S. treasury bills or other interest-bearing investments, gains realized from the sale of investments, and revenue from rental and use charges on real property held for investment purposes.

1600 Food Service—Revenue from dispensing food to students and adults.

1700 School Activities—Revenue from school-sponsored activities, including bookstore sales, miscellaneous fees, concerts, and athletic events.

1750 Revenue from Enterprise Activities—Revenue from vending machines, school stores, soft drink machines, etc., not related to the food service program.

¹ **Temporary Restriction**—A donor-imposed restriction that permits the school to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the school.

Permanent Restriction—A donor-imposed restriction that stipulates that resources be maintained permanently but permits the school to use up or expend part or all of the income (or other economic benefits) derived from the donated assets.

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- 1790 Extracurricular Activities Fees Tax Credit**—Revenue collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01.
- 1800 Revenue from Community Services Activities**—Revenue from community services activities operated by a school. For example, revenue from operating a swimming pool or civic center as a community service would be recorded here. Multiple accounts may be established within the 1800 series to differentiate various activities.
- 1900 Other Revenues and Gains from Local Sources**—Other revenue from local sources not classified above.
- 1910 Rentals**—Revenue from the rental of either real or personal property owned by the school. Revenues from the short-term rental of school property, such as daily use fees, should be recorded under account 1800. Rental of property held for income purposes is not included here, but is recorded under account 1500.
- 1920 Contributions and Donations from Private Sources**—Revenue associated with contributions and donations made by private organizations. These organizations include, but are not limited to educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals. Not-for-profit schools **must** use the following **subobject** codes to classify these revenues. Revenues received as donations in support of extracurricular activities to be taken as a tax credit by the donor in accordance with A.R.S. §43-1089.01 are recorded under account 1790.
- 1921 Unrestricted**
- 1922 Temporarily Restricted¹**
- 1923 Permanently Restricted¹**
- 1930 Gain or Loss on Sale of Capital Assets**—Amount of revenue over (under) the book value of the capital assets sold.
- 1940 Revenue from Sponsoring School District**—Payments received from a sponsoring school district.
- 1950 Miscellaneous Revenues from Other Schools or Districts**—Revenue from services provided to other schools or districts other than tuition and transportation services. These services could include data processing, purchasing, maintenance, cleaning, and consulting.

¹ **Temporary Restriction**—A donor-imposed restriction that permits the school to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the school.

Permanent Restriction—A donor-imposed restriction that stipulates that resources be maintained permanently but permits the school to use up or expend part or all of the income (or other economic benefits) derived from the donated assets.

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1960 Miscellaneous Revenues from Local Governmental Units—Revenue from services provided to local governmental units. These services could include data processing, purchasing, maintenance, cleaning, cash management, and consulting.

1980 Refund of Prior Year's Expenses—Expenses that occurred last year that are refunded this year, including voided state-dated checks where another check is not issued. If both expense and refund occurred in current year, reduce this year's expenses, as prescribed by GAAP.

1990 Miscellaneous—Revenue from local sources not provided for elsewhere.

2000 REVENUE FROM INTERMEDIATE SOURCES

2100 Unrestricted—Revenue from the county that can be used for any legal purpose without restriction.

2200 Restricted—Revenue from the county that must be used for a categorical or specific purpose.

2900 Revenue for/on Behalf of the School—Commitments or payments made by the county for the benefit of the school, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.

3000 REVENUE FROM STATE SOURCES

3100 Unrestricted—Revenue from the State that can be used for any legal purpose without restriction.

3110 State Equalization Assistance—Revenue received from the State under the provisions of A.R.S. §15-185.

3130 Certificates of Educational Convenience—Revenue received from the State pursuant to certificates of educational convenience for pupils who reside in state rehabilitation or corrective institutions; foster homes, child care agencies, or institutions licensed and supervised by the Department of Economic Security or the Department of Health Services; residential facilities operated or supported by the Department of Economic Security or the Department of Health Services; residences supervised by the Department of Juvenile Corrections pursuant to the Interstate Compact on Juveniles; or unorganized territories. A.R.S. §15-825

3140 Institutional Vouchers—Revenue received from the State pursuant to institutional vouchers for special education students who reside in the Arizona State School for the Deaf and the Blind; Arizona Training Program Facilities as provided in A.R.S. §36-551, or the Arizona State Hospital. A.R.S. §15-1204

3150 State Impact Assistance—Revenue received from the State for pupils whose parents or legal guardians are employed by and live at the Arizona State Hospital, the Arizona State School for the Deaf and the Blind, intellectual disability

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REVENUE AND GAIN OBJECT CODES

centers, port of entry inspection stations, and institutions and facilities maintained by the Department of Corrections. A.R.S. §15-976

3200 Restricted—Revenue from state funds that must be used for a categorical or specific purpose (e.g., Classroom Site Project and Instructional Improvement Project).

3900 Revenue for/on Behalf of the School—Commitments or payments made by the State for the benefit of the school, or contributions of equipment or supplies. Separate accounts may be maintained to identify the specific nature of the revenue item.

4000 REVENUE FROM FEDERAL SOURCES

4100 Unrestricted Revenue Received Directly from the Federal Government—Revenues received directly from the federal government to the school that can be used for any legal purpose without restriction.

4200 Unrestricted Revenue Received from the Federal Government through the State—Revenues received from the federal government through the State that can be used for any legal purpose without restriction.

4300 Restricted Revenue Received Directly from the Federal Government—Revenue received directly from the federal government to the school that must be used for a categorical or specific purpose. If such money is not completely used by the school, it usually is returned to the governmental unit.

4500 Restricted Revenue Received from the Federal Government through the State—Revenues received from the federal government through the State to the school that must be used for a categorical or specific purpose, including federal food service reimbursements.

4700 Revenue Received from the Federal Government through Other Intermediate Agencies—Revenues received from the federal government through other intermediate agencies, such as counties (e.g., National Forest Fees) and Indian tribes (e.g., Johnson O'Malley assistance).

4800 Federal Impact Aid—Revenues received from the federal government to help educate federally connected children.

4900 Revenue for/on Behalf of the School—Commitments or payments made by the federal government for the benefit of the school, or contributions of equipment or supplies. Such revenues include E-rate projects paid directly by the Schools and Libraries Corporation and foods donated by the federal government to the school. Separate accounts may be maintained to identify the specific nature of the revenue item.

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REVENUE AND GAIN OBJECT CODES

- 5000 NET ASSETS RELEASED FROM RESTRICTIONS**—Used to record the release of assets from donor restrictions through the satisfaction of program restrictions, satisfaction of equipment acquisition restrictions, and the expiration of time restrictions. (Used only by not-for-profit schools)
- 5100 Satisfaction of Program Restrictions**
 - 5101 Unrestricted**
 - 5102 Temporarily Restricted¹**
 - 5200 Satisfaction of Equipment Acquisition Restrictions**
 - 5201 Unrestricted**
 - 5202 Temporarily Restricted¹**
 - 5300 Expiration of Time Restrictions**
 - 5301 Unrestricted**
 - 5302 Temporarily Restricted¹**

¹ **Temporary Restriction**—A donor-imposed restriction that permits the school to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the school.

Permanent Restriction—A donor-imposed restriction that stipulates that resources be maintained permanently but permits the school to use up or expend part or all of the income (or other economic benefits) derived from the donated assets.

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- 100 REGULAR EDUCATION**—Activities that provide students in kindergarten through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers. Regular programs should be distinguished from special education programs that focus on adapting curriculum or instruction to accommodate a specific disability, from vocational and technical programs that focus on career skills, and from alternative education programs that focus on the educational needs of students at risk of failing or dropping out of school because of academic, behavioral, or situational factors. Expenses not specifically assignable to other programs should be classified here (e.g., school office and food service expenses).
- 200 SPECIAL EDUCATION**—Special programs include activities for elementary and secondary students (kindergarten through grade 12) receiving services outside the realm of “regular programs” in accordance with disability classifications defined in A.R.S. §15-761; and programs for gifted, remedial, English immersion, and vocational, technological, and career education.
- 260 English Language Learners Incremental Costs** (A.R.S. §15-756 et seq)
 265 English Language Learners Compensatory Instruction (A.R.S. §15-756 et seq)
 270 Vocational and Technological Education
- 300 SPECIAL EDUCATION DISABILITY TITLE 8 PL 103-382 ADD-ON**
- 400 PUPIL TRANSPORTATION**—Accounts for expenses relating to transporting students to and from school or school activities, including school athletics.
- 430 English Language Learners Incremental Costs**
 435 English Language Learners Compensatory Instruction
 470 Joint Technological Education District
- 500 PROGRAMS REQUIRING SEPARATE BUDGETS**—Accounts for expenses required by statute to be accounted for separately.
- 530 Dropout Prevention Programs**—Accounts for expenses for dropout prevention programs approved by the State Board of Education.
- 540 Joint Career and Technical Education and Vocational Education Center**—Accounts for expenses for a jointly owned and operated career and technical education and vocational education center as provided in A.R.S. §15-910.01.
- 550 K-3 Reading Program**—Accounts for expenditures from the amount generated by the K-3 Reading support level weight to be used only on reading programs for pupils in Kindergarten and grades one, two, and three with particular emphasis on pupils in Kindergarten and grades one and two. A.R.S. §15-211
- 600 OTHER INSTRUCTIONAL PROGRAMS**—Activities that add to a student’s educational experience. These activities typically include events and activities that take place outside the traditional classroom. Some examples of such activities are athletics, band, choir, and debate.
- 610 School-Sponsored Cocurricular Activities**—School-sponsored activities, under the guidance and supervision of school staff, designed to provide students such experiences

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as motivation, enjoyment, and improvement of skills. Cocurricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, and debate. Athletics are classified as program 620.

620 School-Sponsored Athletics—School-sponsored activities, under the guidance and supervision of school staff, that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.

630 Other—Activities that provide students with learning experiences not included in the other program 600 codes.

700 ADULT/CONTINUING EDUCATION PROGRAMS—Activities that develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning; prepare students for a postsecondary career; prepare students for postsecondary education programs; upgrade occupational competence; prepare students for a new or different career; develop skills and appreciation for special interests; or enrich the aesthetic qualities of life. Adult basic education programs are included in this category.

800 COMMUNITY COLLEGE EDUCATION PROGRAMS—Activities for students attending an institution of higher education that usually offers the first 2 years of college instruction. If the school has the responsibility of providing this program, all program costs should be classified here.

900 COMMUNITY SERVICES PROGRAMS—Activities that are not directly related to providing educational services in a school. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by the school for the community as a whole or some segment of the community.

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1000 INSTRUCTION—Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities and school-sponsored athletics. It may also be provided through some other approved medium such as television, radio, computer, Internet, multimedia, telephone, and correspondence that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process. If proration of expenses is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Full-time department chairpersons' expenses should be included only in function 2400. As an alternative to using a separate optional element for course codes, schools may establish course codes under this function.

2000 SUPPORT SERVICES—Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.

2100 Support Services—Students—Activities designed to assess and improve the well being of students and to supplement the teaching process: including attendance and social work services; guidance services; health services; psychological services; speech pathology and audiology services; and occupational/physical therapy related services.

New
Eff. 7/1/15

2110 Heads of Components Support Services—Students—Activities associated with the overall administration of Student Support Services below the executive level. See description of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

2200 Support Services—Instruction—Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students, including improvement of instruction (curriculum development and staff training for instructional staff), library/media services, instruction-related technology, and academic student assessment. This function also includes curriculum directors, special education directors, or others who supervise staff performing this function.

New
Eff. 7/1/15

2210 Heads of Components Support Services—Instruction—Activities associated with the overall administration of Instructional Support Services below the executive level. See description of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

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2300 Support Services—General Administration—Activities concerned with establishing and administering policy for operating the school, including governing board services and lobbying.

New
Eff. 7/1/15



2310 Executive Administration—Activities associated with overall general administration or executive responsibility for the school. This function includes the office of the superintendent/charter representative and related office support staff (e.g., administrative assistant, secretary), community relations, and state and federal relations services. Activities of administrators with key decision making authority and their related office support staff are also included here regardless of the specific job title used. Activities of directing operations below the level of such administrators may be coded to another support services function if they fit within that function. *Added for indirect cost reporting.*

2320 Retiree Health—Payments made to provide retiree health benefits. If a retired employee returns to employment, only classify health related costs in the detailed function below if the costs result from an agreement made when the employee retired. Classify health related costs for employees in the same function as their compensation and benefits. *Added for indirect cost reporting.*

2321 Executive Administration and Heads of Components—Retiree health payments for retired executive administrators or heads of components. See description of executive administration and heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

2400 Support Services—School Administration—Activities concerned with overall administrative responsibility for a particular campus.

New
Eff. 7/1/15

2410 Office of the Principal—Activities concerned with directing and managing the operation of a particular school. This function includes the activities performed by the principal, assistant principals, and other assistants while supervising all school operations, evaluating staff members, assigning duties to staff members, maintaining the school records, and coordinating school instructional activities with those of a school. For indirect cost reporting this function should be used to report all heads of components within Support Services—School Administration. See description of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

2500 Central Services—Activities that support other administrative and instructional functions, including fiscal services; purchasing; warehousing and distributing services; printing, publishing, and duplicating services; personnel services; and administrative technology services.

New
Eff. 7/1/15

2510 Heads of Components Support Services—Central—Activities associated with the overall administration of Central Support Services below the executive level.

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See definition of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

New
Eff. 7/1/15



- 2520 Planning, Research, Development, and Evaluation Services**—Activities associated with conducting and managing system-wide programs of planning, research, development, and evaluation for a school system. *Added for indirect cost reporting.*

Planning Services—Activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization or program. They also involve formulating various courses of action needed to achieve these goals. This is done by identifying needs and the relative costs and benefits of each course of action.

Research Services—Activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

Development Services—Activities in the deliberate evolving process of improving educational programs.

Evaluation Services—Activities concerned with ascertaining or judging the value or amount of an action or an outcome. This is done through careful appraisal of previously specified data in light of the particular situation and the goals previously established.

- 2530 Public Information Services**—Activities concerned with writing, editing, and otherwise preparing educational and administrative information for dissemination to students, staff, managers, and the general public through direct mailing, the various news media, e-mail, the Internet, Web sites, and personal contact. The information services function code includes related supervision and internal and public information services. *Added for indirect cost reporting.*

- 2600 Operation and Maintenance of Plant**—Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This function includes activities related to operating and maintaining buildings, care and upkeep of grounds, care and upkeep of equipment, vehicle operation and maintenance (other than student transportation vehicles), security, and safety.

New
Eff. 7/1/15

- 2610 Heads of Components Operation and Maintenance of Plant**—Activities associated with the overall administration of Plant Operations and Maintenance below the executive level. See description of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

- 2700 Student Transportation**—Activities concerned with conveying students to and from school, as provided by state and federal law, and trips to school activities. This includes vehicle operation, monitoring services, and vehicle servicing and maintenance services.

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New
Eff. 7/1/15

2710 Heads of Components Student Transportation—Activities associated with the overall administration of Student Transportation below the executive level. See description of head of components on page [III-A-5](#). *Added for indirect cost reporting.*

2900 Other Support Services—All other support services not classified elsewhere in the function 2000 series.

New
Eff. 7/1/15

2910 Heads of Components Support Services—Other—Activities associated with the overall administration of Other Support Services below the executive level. See definition of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

3000 OPERATION OF NONINSTRUCTIONAL SERVICES—Activities concerned with providing noninstructional services to students, staff, or the community.

3100 Food Service Operations—Activities concerned with providing food to students and staff at a campus or school. This function includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.

New
Eff. 7/1/15

3110 Heads of Components Food Service Operations—Activities associated with the overall administration of Food Service Operations below the executive level. See definition of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

3300 Community Services Operations—Activities concerned with providing community services to students, staff, or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a childcare center for working parents, etc.

New
Eff. 7/1/15

3310 Heads of Components Community Service Operations—Activities associated with the overall administration of Community Services Operations below the executive level. See definition of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

3400 Bookstore Operations—Activities concerned with bookstore operations.

New
Eff. 7/1/15

3410 Heads of Components Bookstore Operations—Activities associated with the overall administration of Bookstore Operations below the executive level. See definition of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

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4000 FACILITIES ACQUISITION AND CONSTRUCTION—Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites. Expenses recorded under this function that should be included as part of the capitalized cost of an asset must be reclassified to the applicable asset account by fiscal year-end.

New
Eff. 7/1/15

4100 Heads of Components Facilities Acquisition and Construction—Activities associated with the overall administration of Facilities Acquisition and Construction below the executive level. See description of heads of components on page [III-A-5](#). *Added for indirect cost reporting.*

5000 DEBT SERVICE—Activities related to servicing the long-term debt of the school including payments of both principal and interest. This function should be used to account for capital lease payments and other long-term notes. Interest on short-term notes or loans repayable within 1 year of receiving the obligation is charged to function 2500.

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6100 PERSONAL SERVICES—SALARIES—Amounts paid to both permanent and temporary school employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the school.

Used with functions 1000-4000.

6110 Certified Salaries—Amounts earned by employees certified by the Arizona Department of Education.

6111 Administrators

6112 Teachers

6113 Substitute Teachers

6114 Other

6150 Noncertified Salaries—Amounts earned by employees who are not certified by the Arizona Department of Education.

6151 Administrators

6152 Teachers

6153 Substitute Teachers

6154 Other

6200 PERSONAL SERVICES—EMPLOYEE BENEFITS—Amounts paid on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments, whether paid directly to the employee or not, and are part of the cost of personal services.

Used with functions 1000-4000.

6210 Employee Insurance—Amounts for the employer's share of any insurance plans, such as life, health, dental, and accident insurance.

6220 Social Security Taxes—Employer's share of amounts paid for social security. (Schools must maintain adequate records to separately identify OASDI and Medicare.)

6230 Retirement Plan Contributions—Employer's share of amounts paid for retirement and long-term disability contributions to the school's retirement plan. (Schools must maintain adequate records to separately identify retirement and long-term disability.)

6240 Tuition Reimbursement—Amounts reimbursed by the school to any employee qualifying for tuition reimbursement on the basis of school policy.

6250 Unemployment Insurance—Amounts paid to provide unemployment insurance for employees. These charges may be distributed to functions in accordance with the salary budget or may be charged to function 2300.

6260 Workers' Compensation—Amounts paid to provide workers' compensation insurance for employees. These charges may be distributed to functions in accordance with the salary budget or may be charged to function 2300.

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New
Eff. 7/1/15



6270 Health Benefits—Amounts paid by the school to provide health benefits, other than insurance, for its current or former employees.

6280 Unused Leave and Severance Payments—Amounts paid for unused leave and severance pay when employees separate from employment. (Although expenditure object codes 6281 through 6283 are optional, schools must maintain adequate records to be able to report these categories for indirect cost reporting.)

6281 Unused Leave Payments—Amount paid for unused leave when an employee retires or separates from employment.

6282 Normal Severance Payments—Amounts paid other than leave payments, if any, when an employee retires or separates from employment. Do not include amounts for abnormal or mass severance payments here as those are classified in 6283 below.

6283 Abnormal or Mass Severance Payments—Amounts paid as separation incentives when offered to all employees or all employees in an employee group or class. Include payments such as lump sum payments that may be linked to years of service, increased pension benefits, and payments of unused leave beyond normal amounts.

6290 Other Employee Benefits—Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, and paid parking. Schools may establish subcodes for various accrued amounts.

6300 PURCHASED PROFESSIONAL AND TECHNICAL SERVICES—Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, counselors, technicians, therapists, accountants, etc. It is recommended that a separate account be established for each type of service provided to the school. Services in conjunction with the purchase or construction of capital assets should be capitalized as part of the asset's cost. Costs related to conference fees, employee training, and professional development are also included here.

Usually used with functions 1000 and 2000.

New
Eff. 7/1/15

6310 Audit Services—Audit Services associated with financial and compliance audits of a school. Do not include amounts related to audits of federal programs. Federal program audit costs should be coded to expenditure object code 6300. *Added for indirect cost reporting.*

Usually used with function 2300.

6325 Contract Teachers

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6400 PURCHASED PROPERTY SERVICES—Services purchased to operate, repair, maintain, and rent property owned or used by the school. These services are performed by persons other than school employees. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

6410 Utility Services—Costs for nonenergy utility services supplied by public or private organizations including water and sewage services. Telephone and facsimile services should be classified under object code 6530.

Used only with function 2600.

6420 Cleaning Services—Services purchased to clean buildings and grounds, including disposal, snow removal, custodial, and lawn care services (apart from services provided by school employees).

Used only with function 2600.

6430 Repairs and Maintenance Services—Costs for repairs and maintenance services not provided directly by school personnel. This includes contracts and agreements covering the upkeep of buildings and equipment and ongoing service agreements for technology hardware. Costs for renovating and remodeling are not included here but are classified under object code 0194.

6440 Rentals—Costs for renting or leasing land, buildings, and equipment. For capital leases, use object code 6850 to record interest expense and 0261 to record the principal payment.

Usually used with functions 1000 and 2000.

6490 Other Purchased Property Services—Purchased property services that are not classified above. Costs for telephone and facsimile services should be included in object code 6530.

Usually used with function 2600.

6500 OTHER PURCHASED SERVICES—Costs for services rendered by organizations or personnel not on the school payroll, but not included in Purchased Professional and Technical Services (6300) or Purchased Property Services (6400). Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

6510 Student Transportation Services—Costs for transporting students to and from school and other activities.

6511 Student Transportation Purchased From Other Arizona Schools or Districts—Amounts paid to other Arizona schools or districts for transporting children to and from school and school-related events.

Used only with function 2700.

6512 Student Transportation Purchased From Out-of-State Schools or Districts—Payments to schools or districts outside Arizona for transporting children to and from school and school-related events.

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Used only with function 2700.

6519 Student Transportation Purchased From Other Sources—Payments to persons or agencies other than schools or districts for transporting children to and from school and school-related events. These include payments to individuals who transport themselves or their own children or for reimbursement of transportation expenses on public carriers. Expenses for the rental of buses that are operated by personnel on the school payroll are not recorded here but under object code 6440.

Used only with function 2700.

6520 Insurance (Other than Employee Benefits)—Costs for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health is not charged here but is recorded under object code 6200.

Used with functions 2300 or 2600.

6530 Communications—Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone, voice communication services, and voicemail; data communication services to establish or maintain computer-based communications, networking, and Internet services; video communication services to establish or maintain one-way or two-way video communication via satellite, cable, or other devices provided by a private or public utility company; and postal communication services to establish or maintain postage machine rentals, postage, express delivery services, or couriers.

Usually used with functions 2500 and 2600. Used with functions 1000 or 2200 if for supporting instruction.

6540 Advertising—Costs for announcements in professional publications, newspapers, or broadcasts over radio and television. These expenses include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services are not recorded here but are charged to object code 6300.

Usually used with functions 2300 or 2500.

6550 Printing and Binding—Costs for job printing and binding, usually according to specifications of the school. This includes designing and printing forms and posters as well as printing and binding school publications. Preprinted standard forms are not charged here but are recorded under object code 6610.

Usually used with function 2500.

New
Eff. 7/1/15

6560 Tuition—Expenditures to reimburse other educational institutions. *Added for indirect cost reporting.*

Used only with function 1000.

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6570 Food Service Management—Costs for the operation of a local food service facility by other than employees of the school. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenses paid for food, supplies, labor, and equipment would be charged to the appropriate object codes.

Used only with function 3100.

6580 Travel—Costs of transportation, meals, lodging, and other expenses associated with traveling on business for the school (including nonemployees traveling for a school purpose). This includes public transportation fares or private vehicle reimbursement, subsistence, and other permissible travel expenses. Payments of set amounts on a monthly or other periodic basis, regardless of actual travel time, are not considered travel expenses but should be treated as employee compensation, object code 6100.

Used with functions 1000–4000.

6590 Miscellaneous Purchased Services—Purchased services other than those coded elsewhere in the expenditure object code 6500 range.

6591 Services Purchased from Other Arizona Schools or Districts—Payments to another school or district within the State for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. If a question arises as to whether to classify such payments to the 6300 series of object codes or to this code, 6591 should be used so that *all* interschool payments can be eliminated when consolidating reports from multiple schools at state and federal levels.

Usually used with function codes in the 2000 range.

6592 Services Purchased from Out-of-State Schools or Districts—Payments to another school or district outside the State for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance. If a question arises as to whether to classify such payments to the 6300 series of object codes or to this code, 6592 should be used so that *all* interschool payments can be eliminated when consolidating reports at the federal level.

Usually used with function codes in the 2000 range.

6600 SUPPLIES—Amounts paid for items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

6610 General Supplies—Costs for all supplies for operating the school, including freight and tax.

Used with functions 1000–4000.

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- 6620 Energy**—Costs for energy, including gas, oil, coal, gasoline, and services received from public or private utility companies.
- 6621 Natural Gas**—Costs for gas utility services from a private or public utility company.
Usually used with functions 2600 and 3100.
- 6622 Electricity**—Costs for electric utility services from a private or public utility company.
Usually used with functions 2600 and 3100.
- 6623 Bottled Gas**—Costs for bottled gas, such as propane gas received in tanks.
Usually used with functions 2600 and 3100.
- 6624 Oil**—Costs for bulk oil normally used for heating.
Usually used with function 2600.
- 6625 Coal**—Costs for raw coal normally used for heating.
Usually used with function 2600.
- 6626 Gasoline**—Costs for gasoline purchased in bulk or periodically from a gasoline service station.
Usually used with functions 2600 and 2700.
- 6630 Food**—Costs for food used in the school food service program. Food used in instructional programs is charged under object 6610.
Used only with function 3100.
- 6631 USDA Commodities (Excluding Freight)**—The fair market value of commodities donated by the U.S. Department of Agriculture (USDA).
- 6632 USDA Commodities (Freight Only)**—Expenses for freight charges for USDA commodities.
- 6633 Other Food**—Costs for food other than USDA commodities.
- 6640 Books, Periodicals, and Instructional Aids**—Costs for books, textbooks, and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks and textbooks that are purchased to be resold or rented. This category also includes the cost of bookbinding or repairs to textbooks and school library books.
Used with functions 1000–4000.
- 6641 Library Books**—Expenses for regular purchases of library books and related items available for general use by students, including reference books, films,

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cassette tapes, periodicals, and computer databases used in the library/media center.

6642 Textbooks—Expenses for textbooks or educational systems for each course of study, including books, kits, videocassettes, films, instructional computer software, or workbooks that function as part of the basic program. This code is not intended to cover costs of teaching supplies normally consumed, such as paper, pencils, scissors, crayons, and tape.

6643 Instructional Aids—Expenses for materials, such as instructional computer software, workbooks, films, kits, and magazines that supplement the school's adopted program.

6644 Other Books, Periodicals, and Media—Expenses for books, periodicals, and other media such as DVDs purchased for nonstudent users or for noncredit enrichment programs.

6650 Supplies—Technology-Related—Technology-related supplies that are typically used in conjunction with technology-related hardware or software. Some examples are writable CDs/DVDs, parallel cables, and monitor stands.

Used only with functions 2200 and 2500.

6700 PROPERTY—Expenses for capital asset depreciation and impairments.

6740 Depreciation—The portion of the cost of a capital asset that is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is apportioned over the estimated useful life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense.

Used only with function 4000.

6750 Capital Asset Impairments—Used to record impairment losses on capital assets. An asset is considered impaired when its carrying amount exceeds its fair value. An impairment loss should be recognized only if the carrying amount of a capital asset is not recoverable and exceeds its fair value.

Used only with function 4000.

6800 OTHER EXPENSES AND LOSSES—Expenses and losses not otherwise classified above.

6810 Dues and Fees—Costs for membership in professional or other organizations, or payments to a paying agent for services rendered.

Usually used with functions 1000 and codes in the 2000 range.

6820 Judgments Against the School—Costs for all judgments against the school that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the school resulting from failure to pay bills or debt service are

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recorded under the appropriate expense accounts as though the bills or debt service had been paid when due.

Used only with function 5000.



6830 Pass-through Payments—Payments to another entity for monies received by the school on their behalf or as required by legal agreement. Such payments are paid to the other entity without directly controlling how the monies are spent by that entity. *Added for indirect cost reporting.*

6840 Sub-awards—Sub-awards are awards provided by a school to a subrecipient to carry out part of the services for which the award was received by the school. Sub-awards do not include payments to a contractor or payments to an individual that is a beneficiary of the program paid for by the award. A sub-award may be provided through any form of legal agreement or contract. (For indirect cost reporting, schools must maintain adequate records to be able to report the portion of each individual sub-award exceeding \$25,000.)

6850 Interest—Interest expense on revolving lines of credit, capital leases, and account balances not paid in full within 30 days.

6860 Nonpayroll Taxes

6861 Federal

6862 State

6863 Local

6864 Property

6870 Loss on Sale of Investments—Losses realized on the sale of investments. Losses represent the excess of the cost or any other basis at the date of sale over the sale proceeds. The basis at the date of sale is the cost less amortization of premiums or plus amortization of discounts, as applicable.

6890 Miscellaneous Expenses—Expenses not properly classified in one of the object codes included above. Students' food and hotel costs associated with student travel, as well as student entrance fees paid by the school should be coded here.

Used with functions 1000–4000.

6900 OTHER OBJECTS

6910 Indirect Costs—Overhead costs associated with operating federal projects that cannot be easily identified with a specific project. Such costs are usually recorded in project 1000—Schoolwide Project. Indirect costs are calculated using an indirect cost rate approved by ADE.

This object code is neither a revenue nor an expense code. It serves as an internal management tool used primarily for ADE reporting purposes. It should be used with a project code; however, a program and function code are not required. It should not be used in preparing the school's audited financial statements. (See Example Entry 13 on page [III-F-2](#).)

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This element identifies expenses by instructional level and school. The first digit of the three-digit unit code identifies the instructional level and is required for charter schools containing both elementary and high school grades. The second and third digits of the unit code are used to account for expenses of particular campuses and are required for schools with two or more campuses. The following numbers should be used as the first digit. Schools should add subaccounts (i.e., 110, 120, etc.) within the elementary and high school codes to identify particular campuses.

- 100 Elementary**—A school organized as an elementary school with a grade level of kindergarten through eighth grade.
- 200 High School**—A school organized as a high school with a maximum grade level span of 9 through 12.
- 300 Schoolwide**—Assigned to any expense that applies to the entire school and is not clearly assignable to an instructional level. Expenses charged to this unit code must be allocated among individual campuses and instructional levels by fiscal year-end. However, this allocation is only required for the school's annual report cards and is not required to be recorded in the school's accounting records.

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CHART OF ACCOUNTS

EXAMPLE ENTRIES

The following journal entries are examples of double-entry account coding for various transactions. The examples do not include the unit code element, which is required only for charter schools with both elementary and high school grade levels and schools with two or more campuses.

	Account Codes	Description	DEBIT	CREDIT
1.	1000 000 0000 0102	Cash in Bank	\$90,000	
	1000 000 0000 3110	Revenues—State Equalization Assistance		\$90,000
	(To record receipt of state equalization assistance.)			
2.	1000 200 1000 6112	Certified Salaries—Teachers	\$ 1,000	
	1000 200 1000 6220	Social Security Taxes—Employer Matching	76	
	1000 200 1000 6210	Employee Insurance—Employer	100	
	1000 000 0000 0222	Social Security—OASDI Payable—Employer		\$ 62
	1000 000 0000 0243	Social Security—OASDI Payable—Employee		62
	1000 000 0000 0223	Medicare Payable—Hospital Insurance—Employer		14
	1000 000 0000 0244	Medicare Payable—Hospital Insurance—Employee		14
	1000 000 0000 0225	Employee Insurance Payable		100
	1000 000 0000 0241	Federal Income Taxes Payable		120
	1000 000 0000 0242	State Income Taxes Payable		24
	1000 000 0000 0247	Voluntary Deductions (Insurance)		50
	1000 000 0000 0102	Cash in Bank		730
	(To record the biweekly salary of a certified teacher who teaches children in the gifted program.)			
3.	1000 000 0000 0196	Equipment	\$7,500	
	1000 000 0000 0102	Cash in Bank		\$7,500
	(To record the purchase of a copier for use by the accounting department.)			
4.	1000 000 0000 0102	Cash in Bank	\$1,000	
	1000 000 0000 1922	Contributions and Donations from Private Sources— Temporarily Restricted		\$1,000
	(To record receipt of a donation that has been restricted by the donor to be used for the purchase of textbooks. Not-for-profit schools only.)			
5.	1000 000 0000 5302	Net Assets Released from Time Restrictions— Temporarily Restricted	\$ 500	
	1000 000 0000 5301	Net Assets Released from Time Restrictions— Unrestricted		\$ 500
	(To record the release of assets from donor restrictions by the passage of time. Not-for-profit schools only.)			
6.	1000 000 0000 0216	Due to Student Groups	\$ 150	
	1000 000 0000 0102	Cash in Bank		\$ 150
	(To record a student club disbursement.)			

Appendix C

CHART OF ACCOUNTS

EXAMPLE ENTRIES

	Account Codes	Description	DEBIT	CREDIT
7.	15XX 000 0000 0102	Cash in Bank	\$3,000	
	15XX 000 0000 1700	Revenue—School Activities		\$3,000
	(To record gate receipts from a school basketball game for a school electing to use a separate project code to track the financial activity of its athletic program.)			
8.	15XX 000 0000 0102	Cash in Bank	\$ 600	
	15XX 000 0000 1600	Revenue—Food Service		\$ 600
	(To record school lunch sales for a school electing to use a separate project code to track the financial activity of its food service program.)			
9.	1000 000 0000 0150	Prepaid Insurance	\$10,000	
	1000 100 2600 6520	Property Insurance	10,000	
	1000 000 0000 0102	Cash in Bank		\$20,000
	(To record the purchase of a 2-year property insurance policy.)			
10.	1000 400 2700 6626	Gasoline for Student Transportation	\$ 1,500	
	1000 000 0000 0201	Accounts Payable		\$ 1,500
	(To record the purchase of gasoline for school buses used for regular education on account. It is expected to be used up during the current period.)			
11.	1000 000 0000 0194	Buildings	\$50,000	
	1000 000 0000 0261	Capital Leases Payable		\$45,000
	1000 000 0000 0102	Cash in Bank		5,000
	(To record the school's entry into a capital lease to obtain a building, including a cash down payment.)			
12.	1000 400 4000 6740	Depreciation	\$15,000	
	1000 000 0000 0197	Accumulated Depreciation on Equipment		\$15,000
	(To record the annual depreciation of school buses.)			
13.	1000 000 0000 0102	Schoolwide Project—Cash in Bank	\$500	
	1XXX 000 0000 6910	Federal Projects—Indirect Costs	500	
	1000 000 0000 6910	Schoolwide Project—Indirect Costs		\$500
	1XXX 000 0000 0102	Federal Projects—Cash in Bank		500
	(To record indirect costs in a federal project. Not-for-profit schools will also need to make a journal entry in the federal project similar to Example Entry 5 if the revenue was recorded as restricted when it was received.)			

Appendix C

CHART OF ACCOUNTS

EXAMPLE ENTRIES

	Account Codes	Description	DEBIT	CREDIT
14.	1000 400 2700 6511	Student Transportation Purchased from Other Arizona Schools or Districts	\$1,000	
	1000 000 0000 0102	Cash in Bank		\$ 1,000
	(To record the payment made to another Arizona school or district for transporting the paying school's students.)			
15.	1000 000 0000 0196	Equipment	\$30,000	
	1000 000 0000 0102	Cash in Bank		\$30,000
	(To record the purchase of a van to be used to transport disabled students.)			
16.	1000 620 1000 6643	Instructional Aids	\$ 1,000	
	1000 000 0000 0102	Cash in Bank		\$ 1,000
	(To record the purchase of athletic instructional aids.)			

Appendix D

Appendix D – LEA REQUIREMENTS AND REQUEST FOR INDIRECT COST

LEA Requirements:

General Statement: The classification of expenditures will conform to the account codes used in the Arizona Department of Education (ADE) Indirect Cost Plan, which will be issued in 2018.

Documentation: Schedules or other records that document the reporting of all expenditures recorded should be maintained. LEA needs to maintain accurate records.

Record Retention: Generally, records and documentation supporting the indirect cost allocation plan must be retained for a period of five years after the last day of the fiscal year to which the proposal applies or until audited, whichever occurs sooner. If audit exceptions have been noted, records must be retained until those exceptions have been resolved.

Organizational Chart: An organization chart must be provided and be applicable to the second preceding fiscal year because expenditures for the proposal are taken from that year.

LEA Request for Indirect Cost Rate:

The Arizona Department of Education (ADE) requires that only those LEAs interested in receiving Indirect Cost Rates to complete the Request Form and return it to ADE, Indirect Cost. The Request will allow the Superintendent or Director to request the Department to calculate the Indirect Cost Rates using the Indirect Cost Report (ICR) data for the applicable year.

The sources of information utilized in completing the application are the LEA's ICR from the *second preceding fiscal year*. The LEA must record, on applicable lines, expenditures reported in the last submitted ICR. For example, when submitting information for FY 2017-2018, the June 30, 2016 ICR is utilized. The Department, for the convenience of the LEA, will calculate indirect cost rates using ICR and the methodology discussed in this Indirect Cost Proposal. ADE reserves the right not to certify rates if data appears to be incomplete, inconsistent, or misclassified. The *Request for Indirect Cost Rate* form is included on the next page.

LEA Certification of Indirect Cost Rates:

Once the LEA has collected and sent the required information to ADE, ADE will enter the information into the Indirect Cost Rate Calculation sheet. The information from the Indirect Cost Rate Calculation sheet will generate restricted and/or unrestricted rates for the LEAs.

Appendix D



State of Arizona Department of Education

Grants Management



Request for Indirect Cost Rate

CTDS:	<input type="text"/>		
LEA Name:	<input type="text"/>		
Address:	<input type="text"/>		
City:	<input type="text"/>	State: <input type="text"/>	Zip: <input type="text"/>
Contact:	<input type="text"/>	Title: <input type="text"/>	

Which Indirect Cost Rate would you like to Request? (select all that apply)

☐ Unrestricted

☐ Restricted

Indirect Cost Report must be complete and submitted with this form.

This is to certify that to the best of my knowledge and belief I have reviewed the indirect cost proposal submitted herewith that all costs included in this proposal to establish billing or final indirect cost rate for Fiscal Year 2018 are allowable in accordance with the Federal awards to which they apply and with Subpart E-Cost Principles of Part 200. I declare that the foregoing is true and correct.

ADE reserves the right to verify any and/or all submitted documentation on the Indirect Cost Report via an audit to ensure the data supplied is accurate.

<input type="text"/>	<input type="text"/>
Signature of Business Manager or Higher and Title	Date

Submit completed request and workbook to IndirectCosts@azed.gov

Diane M. Douglas, Superintendent of Public Instruction
1535 West Jefferson Street, Phoenix, Arizona 85007 • (602) 542-5460 • www.azed.gov

Appendix E Sample Calculations

Sample 1 – Chandler Unified School District – Indirect Cost Report

Arizona Department of Education
Arizona School District
 District: **Chandler Unified School District**
 FY 2018 Fixed With Carry Forward Indirect Cost Rate Calculations
 (Using FY 2016 Audited Data)

Function Definition	Function	Total Costs	Excluded and/or Unallowed Costs				Used by Unrestricted Rate		Used by Restricted Rate	
		All Costs A	Food B	Capital Object C	Debt D	Other Exp E	Direct Cost	Indirect Cost	Direct Cost	Indirect Cost
Instruction	1000	188,762,176		3,196,643		2,032,367	183,533,166		183,533,166	
Support Serv-Students	2100-2190	20,877,183		386,752		292,082	20,198,349		20,198,349	
Support Serv-Inst Staff	2200-2290	13,977,551		1,436,521		546,630	11,284,596	709,804	11,994,400	
Support Serv-General Admin	2300-2351	2,673,147		9,016		109,645		2,554,486	1,240,947	1,313,539
Support Services—School Administration	2400-2490	14,952,697		650,754		31,251		14,270,692	11,159,629	3,111,063
Central Services	2500-2540,2570-2590	11,009,875		2,308,070		343,072		8,358,733	303,605	8,055,128
Planning, Research, Development, and Evaluation Services	2550	-								
Public Information Services	2560	97,103					97,103		97,103	
Operation and Maintenance of Plant	2600-2690	36,019,442		749,127		1,741		35,268,574	35,268,574	
Student Transportation	2700-2790	17,480,520		3,711,729		71,461	13,697,330		13,697,330	
Other Support Services	2900-2910	-								
Food Service Operations	3100-3110	14,760,529	6,767,942	250,162		802	7,741,623		7,741,623	
Enterprise Operations	3200-3210	-								
Community Services	3300-3310	7,412,634		96,593		217,176	7,098,865		7,098,865	
Bookstore Operations	3400-3410	493,705		103,167		220	390,318		390,318	
Facilities Acquisition and Construction	4000-4900	9,358,354		2,056,236		7,302,118				
Debt Service	5000	26,856,586			26,856,586					
Other Financing Uses	6000	352,929				352,929				
Total All Functions		365,084,431	6,767,942	14,954,770	26,856,586	11,301,494	244,041,350	61,162,289	292,723,909	12,479,730

Appendix E Sample Calculations

Sample 1 – Chandler Unified School District – Restricted Rate Calculation

	Enter value	RESTRICTED RATE	
a) <u>APPLIED COSTS:</u>		FY 2016	FY 2018
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 12%) (A/B)		4.44%	4.26%
Direct Costs (34 CFR 75.567)		228,463,270 (B)	292,723,909 (B)
Indirect Costs:			
Indirect Cost Pool		10,082,118	12,479,730
Carry Forward		50,711	0
Total Indirect Costs		10,132,829 (A)	12,479,730 (A)
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs		292,723,909	
Actual Indirect Costs:			
Indirect Cost Pool		12,479,730	
Carry Forward		50,711	
Total Indirect Costs		12,530,441	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
4.44% X 292,723,909		12,996,942 (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		12,530,441 (F)	
(Under) or Over Recovered Actual (E - F)		466,500	
(For use in 2018)			
*Over Recovered amounts are used to reduce Indirect Costs			

*Carry-Forward reset to -0- for FY18 and FY19.

Appendix E Sample Calculations

Sample 1 – Chandler Unified School District – Unrestricted Rate Calculation

	Enter Value	UNRESTRICTED RATE - Not endorsed by ADE	
a) <u>APPLIED COSTS:</u>		FY 2016	FY 2018
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 25.00%) (A/B)		24.57%	25.06%
Direct Costs (34 CFR 75.567)		201,284,606 (B)	244,041,350 (B)
Indirect Costs:			
Indirect Cost Pool		37,260,782	61,162,289
Carry Forward		-1,929,331	0
Previous Carry Forward		14,132,937	-
Total Indirect Costs		49,464,388 (A)	61,162,289 (A)
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs		244,041,350	
Actual Indirect Costs:			
Indirect Cost Pool		61,162,289	
Carry Forward		-1,929,331	
Total Indirect Costs		59,232,958	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
24.57% X 244,041,350		59,960,960 (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		59,232,958 (F)	
Under or (Over) Recovered Actual (E - F)		728,001	
(For use in 2018)			

*Rate will be capped at 25%.

Appendix E Sample Calculations

Sample 2 – Tucson Unified School District – Indirect Cost Report

Arizona Department of Education

Arizona School District

District: **Tucson Unified School District**

FY 2018 Fixed With Carry Forward Indirect Cost Rate Calculations

(Using FY 2016 Audited Data)

Function Definition	Function	Total Costs	Excluded and/or Unallowed Costs				Used by Unrestricted Rate		Used by Restricted Rate	
		All Costs A	Food B	Capital Object C	Debt D	Other Exp E	Direct Cost	Indirect Cost	Direct Cost	Indirect Cost
Instruction	1000	195,874,624		8,914,136		947,158	186,013,329		186,013,329	
Support Serv-Students	2100-2190	37,929,198		1,157,388		716,513	36,055,297		36,055,297	
Support Serv-Inst Staff	2200-2290	26,865,828		1,327,197		251,039	25,287,592		25,287,592	
Support Serv-General Admin	2300-2351	6,481,080		14,536		811,345		5,655,199	3,711,707	1,943,492
Support Services—School Administration	2400-2490	19,233,854		63,814		1,262		19,168,777	19,111,486	57,291
Central Services	2500-2540, 5270-2590	6,922,305		275,197		324,545		6,322,564	110,547	6,212,017
Planning, Research, Development, and Evaluation Services	2550	1,541,569		845				1,540,724		1,540,724
Public Information Services	2560	43,803,807		1,374,445		16,758	962,615	41,449,990	962,615	41,449,990
Operation and Maintenance of Plant	2600-2690	50,792,215		716,110		27,650		50,048,455	50,048,455	
Student Transportation	2700-2790	22,817,964		694,215		101,112	22,022,638		22,022,638	
Other Support Services	2900-2910	-		-						
Food Service Operations	3100-3110	19,903,314	8,650,155	42,551		16,520	11,194,088		11,194,088	
Enterprise Operations	3200-3210	-		-						
Community Services	3300-3310	4,319,070		2,920		29,103	4,287,046		4,287,046	
Bookstore Operations	3400-3410	761,528		2,132		642,602	116,794		116,794	
Facilities Acquisition and Construction	4000-4900	7,958,008		7,958,008						
Debt Service	5000	34,852,074			34,852,074					
Other Financing Uses	6000	-								
Total All Functions		480,056,436	8,650,155	22,543,492	34,852,074	3,885,608	285,939,399	124,185,708	358,921,594	51,203,513

Appendix E Sample Calculations

Sample 2 – Tucson Unified School District – Restricted Rate Calculation

Enter value	RESTRICTED RATE	
a) <u>APPLIED COSTS:</u> (From 2 years prior)	FY 2016	FY 2018
Fixed Rate Per Negotiation Agreement (Max 12%) (A/B)	6.68%	14.27%
Direct Costs (34 CFR 75.567)	335,090,749 (B)	358,921,594 (B)
Indirect Costs:		
Indirect Cost Pool	21,137,692	51,203,513
Carry Forward	1,250,914	0
Total Indirect Costs	22,388,606 (A)	51,203,513 (A)
b) <u>ACTUAL COSTS:</u> (From FY 2016)		
Actual Direct Costs	358,921,594	
Actual Indirect Costs:		
Indirect Cost Pool	51,203,513	
Carry Forward	1,250,914	
Total Indirect Costs	52,454,427	
c) <u>CARRY FORWARD COMPUTATION:</u>		
Actual Direct Costs		
Fixed Rate % X Actual Direct Costs		
6.68% X 358,921,594	23,975,962 (E)	
Should Have Recovered Actual Indirect Costs for (From FY 2016)	52,454,427 (F)	
(Under) or Over Recovered Actual (E - F) (For use in 2018)	-28,478,465	
*Over Recovered amounts are used to reduce Indirect Costs		

*Rate will be capped at 12%. Carry Forward reset to -0- for FY18 and FY19.

Appendix E Sample Calculations

Sample 2 – Tucson Unified School District – Unrestricted Rate Calculation

Enter Value		UNRESTRICTED RATE - Not endorsed by ADE	
		FY 2016	FY 2018
a) <u>APPLIED COSTS:</u>			
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 25%) (A/B)		25.00%	43.43%
Direct Costs (34 CFR 75.567)		286,729,597 (B)	285,939,399 (B)
Indirect Costs:			
Indirect Cost Pool		69,498,844	124,185,708
Carry Forward		2,203,408	0
Previous Carry Forward		1,499,550	-
Total Indirect Costs		73,201,801 (A)	124,185,708 (A)
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs		285,939,399	
Actual Indirect Costs:			
Indirect Cost Pool		124,185,708	
Carry Forward		2,203,408	
Total Indirect Costs		126,389,116	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
25.00% X 285,939,399		71,484,850 (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		126,389,116 (F)	
Under or (Over) Recovered Actual (E - F)		-54,904,266	
(For use in 2018)			

*Rate will capped at 25%.

Appendix E

Sample Calculations

Sample 3 – Vista College Preparatory, Inc. (Charter School) – Indirect Cost Report

Arizona Department of Education

Arizona Charter School

Charter: Vista College Preparatory, Inc.

FY 2018 Fixed With Carry Forward Indirect Cost Rate Calculations

(Using FY 2016 Audited Data)

Function Definition	Function	Total Costs	Excluded and/or Unallowed Costs				Used by Unrestricted Rate		Used by Restricted Rate	
		All Costs A	Food B	Capital Object C	Debt D	Other Exp E	Direct Cost	Indirect Cost	Direct Cost	Indirect Cost
Instruction	1000	662,456				2,848	659,608		659,608	
Support Serv-Students	2100-2190	51,156					51,156		51,156	
Support Serv-Inst Staff	2200-2290	249,567					249,567		249,567	
Support Serv-General Admin	2300-2390	-								
Support Services—School Administration	2400-2490	275,291						275,291		275,291
Central Services	2500-2519	84,497						84,497		84,497
Planning, Research, Development, and Evaluation Services	2520	-								
Public Information Services	2530	-								
Operation and Maintenance of Plant	2600-2690	126,474				445		126,029	126,029	
Student Transportation	2700-2790	172,357					172,357		172,357	
Other Support Services	2900-2910	-								
Food Service Operations	3100-3110	136,932	126,853				10,079		10,079	
Community Services	3300-3310	-								
Bookstore Operations	3400-3410	-								
Facilities Acquisition and Construction	4000-4900	48,751		3,706		45,045				
Debt Service	5000	87,705				87,705				
Other Financing Uses	6000	-								
Total All Functions		1,895,186	126,853	3,706	-	136,043	1,142,767	485,817	1,268,796	359,788

Appendix E Sample Calculations

Sample 3 – Vista College Preparatory, Inc. (Charter School) – Restricted Rate Calculation

	Enter Value	RESTRICTED RATE	
a) <u>APPLIED COSTS:</u> (From 2 years prior)		FY 2016	FY 2018
Fixed Rate Per Negotiation Agreement (Max 12%) (A/B)		8.00%	28.36%
Direct Costs (34 CFR 75.567)		619,479 (B)	1,268,796 (B)
Indirect Costs:			
Adjusted Indirect Cost Pool		42,299	359,788
Carry Forward		42,299	0
Total Indirect Costs		84,598 (A)	359,788 (A)
b) <u>ACTUAL COSTS:</u> (From FY 2016)			
Actual Direct Costs		1,268,796	
Actual Indirect Costs:			
Adjusted Indirect Cost Pool		359,788	
Carry Forward		42,299	
Total Indirect Costs		402,087	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
8.00% X 1,268,796		101,504 (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		402,087 (F)	
Under or (Over) Recovered Actual (E - F)		-300,583	
(For use in 2018)			
*Over Recovered amounts are used to reduce Indirect Costs			

*Rate will be capped at 12%. Carry Forward reset to -0- for FY18 and FY19.

Appendix E Sample Calculations

Sample 3 – Vista College Preparatory, Inc. (Charter School) – Unrestricted Rate Calculation

	Enter Value	UNRESTRICTED RATE - Not endorsed by ADE	
a) <u>APPLIED COSTS:</u>			
(From 2 years prior)			
Fixed Rate Per Negotiation Agreement (Max 99.9%) (A/B)		25.00%	42.51%
Direct Costs (34 CFR 75.567)		553,595 (B)	1,142,767 (B)
Indirect Costs:			
Adjusted Indirect Cost Pool		108,183	485,817
Carry Forward		108,183	0
Previous Carry Forward		0	-
Total Indirect Costs		216,366 (A)	485,817 (A)
b) <u>ACTUAL COSTS:</u>			
(From FY 2016)			
Actual Direct Costs		1,142,767	
Actual Indirect Costs:			
Adjusted Indirect Cost Pool		485,817	
Carry Forward		0	
Total Indirect Costs		485,817	
c) <u>CARRY FORWARD COMPUTATION:</u>			
Actual Direct Costs			
Fixed Rate % X Actual Direct Costs			
25.00% X 1,142,767		285,692 (E)	
Should Have Recovered Actual			
Indirect Costs for (From FY 2016)		485,817 (F)	
Under or (Over) Recovered Actual (E - F)		-200,125	
(For use in 2018)			
*Over Recovered amounts are used to reduce Indirect Costs			

*Rate will capped at 25%.

Appendix E

Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office
Calculation of County Indirect Cost Rate for FY 2018

County Name:	
Maricopa County	← Click in highlighted area to choose the County Name from the drop down list.
POOL: (Lines 1-4, values pulled from Annual Financial Report (AFR) of the County School Superintendent, page 6)	
Line	
1. Expenditures From County Funds: Salaries and Benefits	\$1,956,321.00
2. Supplies and Expenses	\$1,538,205.00
3. Expenditures From Indirect Cost: Salaries and Benefits	\$542,083.00
4. Supplies and Expenses	\$131,155.00
5. Total Expenditures: (Lines 1+2+3+4)	\$4,167,764.00
6. Less Total Governance: (from page 2)	\$291,378.75
7. Total Administrative Office Expenses: (Line 5 - Line 6)	\$3,876,385.25
8. Federal Transaction Counts Ratio: (from page 3)	19.93%
9. Indirect Cost Pool: (Line 7 x Line 8)	\$772,563.58
BASE: 10. Total Federal Expenditures (Base): (from page 4) \$83,891,195.80	
11. Indirect Cost Rate (Line 9/Line 10)	0.92%
12. Final Indirect Cost Rate with 5% Discount: (Line 11 reduced by 5%)	0.87%
Signature of County School Superintendent or Designee and Date: _____	
The assigned rate will be effective from 7/1/17 through 6/30/18 . The County office will receive notice of the ADE's calculated rate after successful electronic submission of the completed worksheets, and supporting documentation, to the Arizona Department of Education (ADE) at IndirectCosts@azed.gov	

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Governance Calculation

Calculation Of Governance			
Maricopa County			
Col. 1	Col. 2	Col. 3	Col.4
Expense	Amount	% of Time	Amount For Governance (Col.2 X Col.3)
Personnel Cost			\$0.00
County Superintendent	\$110,957.00	100%	\$110,957.00
Deputy County Superintendent	\$189,303.00	75%	\$141,977.25
Other Office Employees			\$0.00
Veronica Brawner	\$76,889.00	50%	\$38,444.50
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
Total from Additional Sheets			
Total Governance			\$291,378.75

Appendix E

Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Transaction Counts

Federal Transaction Counts		
Section 1 Maricopa County		Month <input type="checkbox"/> Year <input checked="" type="checkbox"/>
		Click either the Month or Year box. Month Name: <input type="text"/>
Section 2 Type in the month name if the County's typical processing month is not March. Remember: Do not include any Transaction Counts in Column 2 for those Federal Project Expenditures which do not allow for Indirect Cost Recovery, as those counts must be included in Column 3.		
Col. 1	Col. 2	Col. 3
School District Name	# of Federal Transactions	Total # of All Transactions
	22119	110982
Totals	22119	110982
Federal Transaction Ratio (Col. 2/Col. 3) = Transaction Ratio		19.93%

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Federal Project Expenditures (Base)

Section 1A																				
FY2016 Federal Project Expenditures																				
County - MARICOPA	Title I	Prof. Dev. Title II	Title IV 21St Century	Title V Pro. Inform	Title III Lim. Eng.	Title VII Indian Ed.	Title VI Flex & Acct.	IDEA Part B	Johnson O'Malley	WIA	AEA Adlt. Ed.	Voc. Ed. 260-270	Title X Hmless Ed 280	Medicaid Reimb. 290	National Forest Fees 349	Taylor Grazing Fees 353	E-Rate 374	Impact Aid 378	Other (excludes 349, 353, 374 & 378) 300-399, Fresh Fruit VP	Total
School District	100-130	140-150	160	170-180	190	200	210	220	230	240	250	260-270	280	290	349	353	374	378		
Phoenix Elementary 001	6,902,076	472,954	-	-	215,677	35,062	-	1,403,734	11,817	-	-	-	22,971	361,100	-	-	601,405	-	3,322,210	\$ 13,349,005
Riverside Elementary 002	312,406	18,288	-	-	19,834	-	-	295,895	-	-	-	-	-	-	-	-	106,366	-	-	\$ 752,790
Isaac Elementary 005	4,254,728	464,500	831,132	-	502,956	-	-	1,281,503	-	-	-	-	-	363,333	-	-	703,702	-	81,213	\$ 8,483,069
Wilson Elementary 007	699,389	64,220	137,376	-	55,562	-	-	228,791	-	-	-	-	-	6,305	-	-	15,797	-	1,454,672	\$ 2,662,113
Osborn Elementary 008	1,924,838	272,379	429,325	-	88,677	29,982	-	685,357	16,769	-	-	-	39,924	130,497	-	-	84,903	-	634,098	\$ 4,336,749
Wickenburg Unified 009	320,279	52,634	165,058	-	3,270	-	-	235,414	-	-	-	48,130	-	1,695	-	-	92,703	-	-	\$ 919,183
Tolleson Elementary 017	731,799	73,729	332,205	-	78,063	-	-	403,753	-	-	-	-	19,501	123,194	-	-	244,796	-	483,499	\$ 2,490,540
Murphy Elementary 021	1,801,263	110,950	324,965	-	151,520	-	-	378,132	-	-	-	-	-	-	-	-	-	-	701,604	\$ 3,468,434
Gila Bend Unified 024	206,473	35,085	115,623	-	14,530	15,153	-	84,458	-	-	-	-	-	-	-	340	66,020	304,349	38,583	\$ 880,614
Liberty Elementary 025	440,196	45,355	-	-	41,086	-	-	424,249	-	-	-	-	-	7,550	-	-	62,481	-	-	\$ 1,020,917
Balsz Elementary 031	2,451,405	208,481	-	-	117,069	-	-	464,392	-	-	-	-	-	32,508	-	-	286,802	-	578,662	\$ 4,139,318
Buckeye Elementary 033	1,174,380	66,736	-	-	68,004	-	-	590,154	-	-	-	-	-	54,748	-	-	-	-	-	\$ 1,954,022
Avondale Elementary 044	1,499,038	159,102	356,695	-	138,524	-	-	782,908	-	-	-	-	-	113,676	-	-	65,066	-	847,448	\$ 3,962,455
Fowler Elementary 045	1,930,726	100,507	208,377	-	146,244	-	-	625,727	-	-	-	-	-	20,137	-	-	329,630	-	1,489,572	\$ 4,850,920
Arlington Elementary 047	246,328	12,421	-	-	5,829	-	-	39,672	-	-	-	-	-	-	-	-	50,051	-	550	\$ 354,851
Palo Verde Elem 049	175,650	12,456	-	-	13,462	-	-	57,122	-	-	-	-	-	-	-	-	56,400	-	29,931	\$ 345,020
Laveen Elementary 059	1,200,143	78,620	-	-	101,629	42,900	-	1,019,810	-	-	-	-	-	2,275	-	-	228,724	-	51,713	\$ 2,725,815
Higley Unified 060	825,053	56,242	-	-	15,791	-	-	1,667,623	-	-	-	108,722	19,248	93,850	-	-	39,259	-	65,008	\$ 2,890,796
Union Elementary 062	534,379	18,134	188,144	-	70,559	-	-	270,415	-	-	-	-	-	825	-	-	183,618	-	85,000	\$ 1,351,074
Aguila Elementary 063	125,374	11,217	-	-	-	-	-	28,529	-	-	-	-	-	-	-	-	87,021	-	11,090	\$ 263,321
Littleton Elementary 065	1,253,220	103,694	-	-	103,890	-	-	640,732	-	-	-	-	-	286,680	-	-	178,315	-	735,044	\$ 3,301,575
Roosevelt Elementary 066	5,300,258	751,631	848,171	-	382,930	-	-	1,439,322	-	-	-	-	97,568	1,549,552	-	-	17,093	-	3,881,139	\$ 14,267,663
Total From Additional Sheets	16,162,729	1,400,348	420,428	-	655,985	78,203	-	7,238,388	25,026	-	165,735	1,522,454	58,178	573,405	-	-	1,482,464	94,239	6,874,533	\$ 36,752,116
Total Federal Expenditures	50,472,130	4,589,683	4,357,500	-	2,991,091	201,300	-	20,286,081	53,611	-	165,735	1,679,306	257,392	3,721,328	-	340	4,982,615	398,588	21,365,570	\$ 115,522,270
Total Federal Capital Expenditures listed below																				\$ 5,139,860
Total Federal Project Expenditures that do not allow for Indirect Cost Recovery								Page 5												\$ 26,491,214
Total Federal Project Expenditures less Capital Expenditures and Federal Projects that do not allow for Indirect Cost Recovery								(Total Fed Expend - Total Fed Cap Expend (below) - Total Fed Proj Exp No IRC, page 5) to Calculation Worksheet, Line 10.												\$ 83,891,196

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Federal Project Expenditures (Base)

Section 2A																
Items to be Subtracted from FY2016 Federal Project Expenditures																
County - MARICOPA	Title I Capital 100-130	Title II Capital 140-150	Title IV Capital 160	Title V Capital 170-180	Title III Capital 190	Title VII Capital 200	Title VI Capital 210	IDEA Capital 220	JOM Capital 230	WIA Capital 240	AEA-Adlt Capital 250	Voc. Ed. Capital 260-270	Title X Capital 280	Medicaid Capital 290	Other Capital 300-399, FFVP	Total
School District																
Phoenix Elementary 001														1,997		\$ 1,997
Riverside Elementary 002															4,492	\$ 4,492
Isaac Elementary 005	54,949		32,287					10,022							681,437	\$ 778,696
Wilson Elementary 007	9,682														23,020	\$ 32,702
Osborn Elementary 008	170,817		11,066					5,370						11,108	9,922	\$ 208,283
Wickenburg Unified 009	4,465		2,874					3,538				48,130		420		\$ 59,426
Tolleson Elementary 017			6,735											15,070	12,967	\$ 34,773
Murphy Elementary 021	37,412				6,870			7,447							29,526	\$ 81,254
Gila Bend Unified 024								2,245							14,249	\$ 16,494
Liberty Elementary 025	13,039				659			319						6,031	62,461	\$ 82,510
Balsz Elementary 031	119,671													4,755	165,201	\$ 289,627
Buckeye Elementary 033	53,692	2,625														\$ 56,317
Avondale Elementary 044	3,057		4,281												39,418	\$ 46,756
Fowler Elementary 045	31,013		2,671												117,293	\$ 150,977
Arlington Elementary 047															845	\$ 845
Palo Verde Elem 049								754							10,364	\$ 11,117
Laveen Elementary 059	29,559					7,898		23,255								\$ 60,712
Higley Unified 060	4,431							20,174				75,736			27,779	\$ 128,120
Union Elementary 062	58,954		8,576		21,142											\$ 88,671
Aguila Elementary 063															1,405	\$ 1,405
Littleton Elementary 065	63,357							28,963						9,141	37,833	\$ 139,295
Roosevelt Elementary 066	256,646	36,551						25,365						24,373	48,062	\$ 390,998
Total From Additional Sheets	1,100,651	-	37	-	964	27,967	-	156,052	-	-	5,621	726,393	-	38,882	417,825	\$2,474,392
Total Expenditures	2,011,396	39,176	68,528	-	29,636	35,865	-	283,503	-	-	5,621	850,259	-	111,777	1,704,098	\$5,139,860

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Federal Project Expenditures (Base)

Section 1B																			
FY2016 Federal Project Expenditures																			
County - MARICOPA	Title I	Prof. Dev.	Title IV	Title V	Title III	Title VII	Title VI	IDEA	Johnson	WIA	AEA	Voc. Ed.	Title X	Medicaid	National	Taylor	E-Rate	Impact	Other (excludes
School District	100-130	Title II 140-150	21st Century 160	Pro. Inform 170-180	Lim. Eng. 190	Indian Ed. 200	Flex & Acct. 210	Part B 220	O'Malley 230	240	Adit. Ed. 250	260-270	Hmless Ed 280	Reimb. 290	Forest Fees 349	Grazing Fees 353	374	378	349, 353, 374 & 378) 300-399, Fresh Fruit VP
Alhambra Elementary 068	7,950,090	788,254	74,912	-	475,606	40,137	-	2,273,311	22,216	-	-	-	38,993	-	-	-	382,708	-	4,871,648
Sentinel Elementary 071	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,667	-	18,673
Morristown Elem 075	26,317	3,287	109,814	-	-	-	-	26,221	-	-	-	-	-	64	-	-	26,795	-	10,851
Litchfield Elementary 079	1,487,101	94,684	-	-	56,146	-	-	1,118,353	-	-	-	-	-	124,256	-	-	185,111	-	-
Nadaburg Unified 081	339,889	26,677	235,702	-	34,748	-	-	210,055	-	-	-	-	-	12,961	-	-	134,878	-	181,407
Mobile Elementary 086	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337
Saddle Mountain Elem 090	783,726	26,552	-	-	10,066	-	-	175,580	-	-	-	19,314	-	72,127	-	-	134,096	-	2,176
Paloma 094	60,149	6,533	-	-	6,183	-	-	14,028	-	-	-	-	-	-	-	-	18,139	-	68,667
Queen Creek Unified 095	1,342,732	76,112	-	-	11,460	-	-	564,372	-	-	165,735	57,210	-	290,235	-	-	58,208	-	2,020
Fountain Hills Unif 098	130,930	32,793	-	-	-	27,967	-	279,760	-	-	-	17,581	-	6,110	-	-	45,309	94,239	-
Buckeye Union HS 201	550,362	41,260	-	-	11,308	-	-	391,637	-	-	-	182,322	-	-	-	-	128,504	-	49,618
Tolleson Union HS 214	2,457,449	161,525	-	-	20,934	10,098	-	1,313,851	2,810	-	-	541,275	19,186	8,665	-	-	106,014	-	110,886
Agua Fria Union HS 216	780,979	98,154	-	-	14,557	-	-	743,442	-	-	-	324,693	-	58,987	-	-	27,538	-	204,781
East Valley Inst/Tech 401	-	-	-	-	-	-	-	-	-	-	-	380,059	-	-	-	-	3	-	1,114,499
Western MEC 402	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,328	-	-
Maricopa County Reg 509	253,004	44,517	-	-	14,977	-	-	127,779	-	-	-	-	-	-	-	-	145,167	-	238,971
																			\$ -
																			\$ -
																			\$ -
																			\$ -
																			\$ -
																			\$ -
Total From Additional Sheets																			\$ -
Total Federal Expenditures	16,162,729	1,400,348	420,428	-	655,985	78,203	-	7,238,388	25,026	-	165,735	1,522,454	58,178	573,405	-	-	1,482,464	94,239	6,874,533
Total Federal Capital Expenditures listed below																			\$ 2,474,392
Total Federal Project Expenditures that do not allow for Indirect Cost Recovery								Page 5											\$ -
Total Federal Project Expenditures less Capital Expenditures and Federal Projects that do not allow for Indirect Cost Recovery								(Total Fed Expend - Total Fed Cap Expend (below) - Total Fed Proj Exp No IRC, page 5) to Calculation Worksheet, Line 10.											\$ 34,277,724

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – Federal Project Expenditures (Base)

Section 2B																
Items to be Subtracted from FY2016 Federal Project Expenditures																
County - MARICOPA	Title I Capital 100-130	Title II Capital 140-150	Title IV Capital 160	Title V Capital 170-180	Title III Capital 190	Title VII Capital 200	Title VI Capital 210	IDEA Capital 220	JOM Capital 230	WIA Capital 240	AEA-Adlt Capital 250	Voc. Ed. Capital 260-270	Title X Capital 280	Medicaid Capital 290	Other Capital 300-399,FFVP	Total
School District																
Alhambra Elementary 068	563,077							15,920							77,442	\$ 656,439
Sentinel Elementary 071																\$ -
Morristown Elem 075			37													\$ 37
Litchfield Elementary 079	39,410							13,349						2,046		\$ 54,805
Nadaburg Unified 081	3,284				514			5,767							18,670	\$ 28,235
Mobile Elementary 086																\$ -
Saddle Mountain Elem 090												17,984		4,241	23,079	\$ 45,304
Paloma 094					450										2,419	\$ 2,869
Queen Creek Unified 095	4,698							3,272			5,621	45,620		32,595		\$ 91,806
Fountain Hills Unif 098						27,967						7,975				\$ 35,942
Buckeye Union HS 201								659				29,318			109,861	\$ 139,838
Tolleson Union HS 214	442,759							113,379				222,715			95,679	\$ 874,532
Agua Fria Union HS 216								2,315				164,881			41,997	\$ 209,193
East Valley Inst/Tech 401												237,900				\$ 237,900
Western MEC 402															29,328	\$ 29,328
Maricopa County Reg 509	47,424							1,390							19,352	\$ 68,165
																\$ -
																\$ -
																\$ -
																\$ -
																\$ -
																\$ -
Total From Additional Sheets																\$ -
Total Expenditures	1,100,651	-	37	-	964	27,967	-	156,052	-	-	5,621	726,393	-	38,882	417,825	\$2,474,392

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office–Federal Project Expenditures - No Indirect Cost Recovery

Section 3A																					
Federal Project Expenditures - <u>Do Not Allow</u> for Indirect Cost Recovery																					
County - Maricopa	Title I	Prof. Dev.	Title IV	Title V	Title III	Title VII	Title VI	IDEA	Johnson	WIA	AEA		Title X	Medicaid	Medicaid	National	Taylor		Im pact	Other (excludes	
School District	100-130	Title II	21St Century	Pro. Inform	Lim. Eng.	Indian Ed.	Flex & Acct.	Part B	O'Malley	240	Adlt. Ed.	Voc. Ed.	Hmless Ed	Reimb.	Fee for	Forest Fees	Grazing Fees	E-Rate	Aid	349, 353, 374 & 378	Total
	140-150	160	170-180	190	200	210	220	230	240	250	260-270	280	290	Services	349	353	374	378	300-399, FFVP		
Phoenix Elementary 001						35,062							359,103					601,405		3,320,285	\$ 4,315,855
Riverside Elementary 002													-					101,874			\$ 101,874
Isaac Elementary 005													363,333					659,171		81,213	\$ 1,103,717
Wilson Elementary 007													6,305					15,797		1,216,417	\$ 1,238,520
Osborn Elementary 008						29,982							119,389					74,981		524,679	\$ 749,031
Wickenburg Unified 009					3,270								1,275				-	-		92,703	\$ 97,249
Tolleson Elementary 017													108,124					232,422		279,011	\$ 619,556
Murphy Elementary 021													-					-		665,746	\$ 665,746
Gila Bend Unified 024						15,153							-				340	63,483	292,637	36,929	\$ 408,541
Liberty Elementary 025													1,519					20			\$ 1,539
Balsz Elementary 031													27,753					121,600		502,871	\$ 652,224
Buckeye Elementary 033													54,748					-			\$ 54,748
Avondale Elementary 044													113,676					65,066		325,786	\$ 504,527
Fowler Elementary 045													20,137							817,643	\$ 837,779
Arlington Elementary 047					5,829													49,205		550	\$ 55,584
Palo Verde Elem 049													-					46,036		29,931	\$ 75,967
Laveen Elementary 059						35,002							2,275					228,724		51,713	\$ 317,714
Higley Unified 060													93,850					11,480		65,008	\$ 170,338
Union Elementary 062													825					183,618		85,000	\$ 269,443
Aguila Elementary 063																	-	87,021		9,685	\$ 96,706
Littleton Elementary 065													277,539					146,432		692,020	\$ 1,115,991
Roosevelt Elementary 066													1,525,179					-		3,536,627	\$ 5,061,806
Total From Additional Sheets	-	-	-	-	5,733	10,098	-	-	-	-	-	-	-	534,522	-	-	-	1,171,330	94,239	6,160,836	\$ 7,976,759
Total Federal Project Expenditures - Do not allow for Indirect Cost Recovery																					\$ 26,491,214

Appendix E

Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office–Federal Project Expenditures - No Indirect Cost Recovery

Section 3B																					
Federal Project Expenditures - <u>Do Not Allow</u> for Indirect Cost Recovery																					
County - Maricopa	Title I 100-130	Prof. Dev. Title II 140-150	Title IV 21st Century 160	Title V Pro. Inform 170-180	Title III Lim. Eng. 190	Title VII Indian Ed. 200	Title VI Flex & Acct. 210	IDEA Part B 220	Johnson O'Malley 230	WIA 240	AEA Adlt. Ed. 250	Voc. Ed. 260-270	Title X Hmless Ed 280	Medicaid Reimb. 290	Medicaid Fee for Services	National Forest Fees 349	Taylor Grazing Fees 353	E-Rate 374	Impact Aid 378	Other (excludes 349, 353, 374 & 378 300-399, FFVP	Total
Alhambra Elementary 068																		382,708		4,231,903	\$ 4,614,611
Sentinel Elementary 071																		60,667		18,673	\$ 79,340
Morristown Elem 075														64				26,795		10,851	\$ 37,711
Litchfield Elementary 079														122,210				185,111	-		\$ 307,321
Nadaburg Unified 081														12,961				116,208		181,407	\$ 310,576
Mobile Elementary 086																				337	\$ 337
Saddle Mountain Elem 090														67,886				111,017		2,176	\$ 181,078
Paloma 094					5,733													18,139		21,546	\$ 45,418
Queen Creek Unified 095														257,640				58,208		2,020	\$ 317,867
Fountain Hills Unif 098														6,110				45,309	94,239		\$ 145,659
Buckeye Union HS 201														18,643				18,643		49,618	\$ 68,261
Tolleson Union HS 214						10,098								8,665				10,335		110,886	\$ 139,984
Agua Fria Union HS 216														58,987				123		190,199	\$ 249,309
East Valley Inst/Tech 401																		3		1,114,499	\$ 1,114,501
Western MEC 402																					\$ -
Maricopa County Reg 509																		138,065		226,722	\$ 364,787
																					\$ -
																					\$ -
																					\$ -
																					\$ -
																					\$ -
																					\$ -
																					\$ -
Total From Additional Sheets																					\$ -
Total Federal Project Expenditures - Do not allow for Indirect Cost Recovery																					\$ 7,976,759

Appendix E Sample Calculations

Sample 4 – Maricopa County School Superintendent’s Office – County AFR Expenditure Detail

FY 2015-2016

County School Superintendent AFR

Expenditure Detail for Calculation of County Indirect Cost Rate Worksheet

(Pursuant to A.R.S. §15-302)

Maricopa County

Contact Person: _____
Title: _____
Phone Number: _____
Email Address: _____

Do Not include Capital Outlay amounts in the Expenditure Values

I. COUNTY SCHOOL OFFICE ADMINISTRATION

A. County Funds Appropriated Expenditures:

Salaries and Benefits	Line 1	\$ 1,956,321.00
Supplies and Expenses	Line 2	\$ 1,538,205.00

Total Expenditures from County Funds for Administration		<u>\$ 3,494,526.00</u>
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B. Indirect Cost Expenditures:

Salaries and Benefits	Line 3	\$ 542,083.00
Supplies and Expenses	Line 4	\$ 131,155.00

Total Expenditures from Indirect Cost	Line 5	<u>\$ 673,238.00</u>
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