

**STATE OF ARKANSAS**

**ARKANSAS**  
**FINANCIAL ACCOUNTING HANDBOOK**

**FOR**  
**ARKANSAS PUBLIC SCHOOLS**  
**ARKANSAS EDUCATION SERVICE COOPERATIVES**  
**OPEN ENROLLMENT PUBLIC CHARTER SCHOOLS**

**July 1, 2021**

**(For 2021/2022 School Year)**

**Yellow Highlights Indicate Changes  
For 2021/2022**

**Green Highlights indicate Changes since March 31, 2022**

**Revisions for 2021-2022**  
(Yellow highlights indicate these changes)

<b><u>Section</u></b>	<b><u>Date</u></b>	<b><u>Description of Updates</u></b>
Descriptions		

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(Green highlights indicate these changes)

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# Chapter 1

## INTRODUCTION

### Development of School Accounting

In 1953, the U. S. Department of Education (USDE) began work on a series of publications entitled the State Educational Records and Reports Series. These publications took form as six handbooks designed to assist both state and local educational agencies in collecting, recording and reporting information about elementary and secondary school operations.

Handbook II of the series, Financial Accounting for Local and State School Systems: Standard Receipt and Expenditure Accounts, was published in 1957. Since that time it has been the basis for development of most local and state school financial accounting systems.

Several years after the handbook's initial publication, it became evident that a comprehensive teaching and reference guide and procedural manual for school accounting were desirable. In cooperation with the Association of School Business Officials, USDE published Handbook II-B, Principles of Public School Accounting, in 1967.

### Development of Arkansas School and Education Coop Financial Accounting Manual

In 1973, a nationwide cooperative effort by the educational community culminated in the publication of Handbook II Revised, Financial Accounting: Classification and Standard Terminology for Local and State School Systems. A national steering committee, under contract with USDE, developed the first draft of Handbook II Revised.

A second contract was negotiated to conduct 10 regional review conferences and prepare additional drafts of the handbook. After it was reviewed by representatives from the sponsoring associations in each region, a second draft was prepared.

The second draft was sent to all state education agencies, approximately 2,000 large local education agencies, the national steering committee and selected consultants for extensive review and testing. Suggestions for modifications and improvements were received and, when feasible, incorporated into the final publication.

A number of related projects and conferences were incorporated into the final draft of Handbook II Revised. Handbook II Revised represented a significant departure from its predecessors in terms of the accounting theory it embodied. It recommended that, to the extent practicable, local school districts utilize accrual-based accounting techniques.

In 1990, the United States Department of Education, Office of Educational Research and Improvement modified Handbook II Revised and entitled the revision, Handbook II R<sup>2</sup>. Handbook II R<sup>2</sup> reflected changes and clarifications in generally accepted accounting principles (GAAP).

In November, 2003 The National Center for Education Statistics issued the 2003 Edition of Financial Accounting for Local and State School Systems. No subsequent editions have been published as of March 28, 2007. It can be viewed and downloaded at the following website: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2004318>. The Arkansas Department of Education has based its financial accounting manual for local school districts and education service cooperatives on the handbooks developed and published by the U.S. Department of Education, Institute of Education Sciences and the National Center for Education Statistics. Act 730 of 2005 states that: "To the extent necessary to comply with federal law, the terms and definitions contained in the Arkansas Financial Accounting Handbook shall initially comply with the Financial Accounting for the Local and State School System, 2003 Edition (NCES 2004-318), and may thereafter be revised by the Department of Education as necessary to remain consistent and shall be used for valid comparisons of expenditures of schools, school districts, open-enrollment charter schools, and education service cooperatives."

## **Purpose and Benefits of this Manual**

A primary concern of a public agency is the ability to effectively manage their funds. This manual provides an accounting system to effectively manage local school district funds.

Consistency in state and local reporting is another concern of public entities. The classifications contained in this manual provide mutually exclusive, discrete dimensions and categories to describe financial transactions. The logic of the classification system enhances coding and improves comparability. The adoption of the manual by Arkansas school districts will provide consistency in local school district financial reporting throughout the state.

This manual enables a school district to incorporate educational philosophy and management functions into its financial operation. It can be adapted to provide financial data for self-contained classes or an open school program. It can account for a special education programs on the basis of type of service or on the type of disability basis. It can accommodate independent school or grade level budgeting as well as centralized budgeting.

It is designed to assist in expanding rather than constraining the potential for innovative and effective educational program management.

## **Basis of Accounting**

The basis of accounting refers to the point in time when revenues, expenditures or expenses (as appropriate), and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The basis of accounting determines the timing with which the accounting system recognizes transactions.

### **Cash Basis Accounting**

Cash basis accounting recognizes transactions when cash is received or disbursed. In a cash basis accounting system, the financial condition of the district is measured primarily by the size of the system's cash balance. All other assets and liabilities are recognized only to the extent they have arisen from prior cash transactions. Notes and bonds payable and interfund loan receivables and payables are recognized, but accounts receivable and accounts payable are not. Cash basis accounting provides information about the district's financial operations by reporting changes in their cash balance.

A weakness of cash basis accounting is that it does not recognize accounts receivable, accounts payable and other accrued items. Cash basis accounting does not match resources used to resources provided and results in financial statements that do not represent a complete financial position. Financial statements prepared using cash basis accounting are not very useful because it is difficult to ascertain whether or not the district is operating within their means.

### **Accrual Basis Accounting**

The accrual basis of accounting is regarded as the superior method of accounting for economic resources. This method allows the district to determine their financial position and results of operations by measuring economic resources and obligations. Changes in these factors can be measured as the changes occur, regardless of the timing of the related cash flows.

Governmental Accounting, Auditing and Financial Reporting (GAAFR) recommends the use of accrual basis accounting to the fullest extent practicable. Governmental fund revenues and expenditures should be recorded on the modified accrual basis. Revenues should be recorded when they become available and measurable. Expenditures should be recorded when incurred, if measurable.

### **Single Entry/Double Entry Accounting**

A single entry accounting system is easily illustrated by the check register in a checkbook. An entry is recorded for each cash receipt or cash disbursement. The cash account is increased or decreased by each transaction. Single entry accounting systems operate in a like manner.

A double entry accounting system requires that for every entry made to the debit side of an account a corresponding entry must be made to the credit side of another account. Double entry accounting involves maintaining a balance between assets and liabilities, reserves and fund equities.

The double entry system has two advantages. The district can prepare a balance sheet, which reports their financial status on a specific date, and the use of a double entry system provides a set of checks and balances within the accounting system.

## Chapter 2

### ACCOUNT CLASSIFICATION STRUCTURE

#### Types of Accounting Transactions

The accounting classification structure provides the state guidelines for recording the three basic types of accounting transactions: revenues and other uses of funds; expenditures and other uses of funds; and transactions that affect the balance sheet only. Each transaction is recorded using codes from a combination of classifications depending on the type of transaction.

For each type of transaction, the classifications and codes within each have been selected to satisfy the following conditions.

- (1) The wide variety of types and sizes of Arkansas school districts makes the use of the full charts of accounts impractical in many instances. A more streamlined and efficient version of the charts is required in these instances. The accounting manual provides optional account codes shown in *italics and underlined* for districts needing more than the minimum level of detail.
- (2) At the same time, certain minimum state and federal reporting requirements must be followed by all local and state school officials.

The following chart of accounts offers the lowest level of detail and maintenance while still meeting minimum state and federal reporting requirements. School districts may create additional accounts (in addition to those shown in *italics and underlined*) in order to provide additional detail. However, any district-defined account must be a sub-account of an account shown in the Financial Accounting Manual.

For example:

#### **Function Codes in Manual**

##### **2700 Student Transportation Services.**

2710 Supervision of Student Transportation Services.

2720 Vehicle Operation.

2730 Monitoring.

2740 Vehicle Servicing and Maintenance.

2760 Student Transportation Security.

2790 Other Student Transportation Services.

A district may add 'district-defined' function codes under an existing sub-header function code such as 2711-2719 under 2710;

Or

2721-2729 under 2720

-UNLESS such codes are already defined in the handbook.

District-Defined codes cannot be added to any header codes such as 2700.

District-Defined codes cannot be added as new sub-header codes that have not yet been defined in the handbook.

## Classification of Expenditures and Other Uses of Funds

The state level reporting requirements for expenditures always requires a number other than zero for the following account elements:

Fund	(1 Digit)
Function	(4 Digits)
Object	(5 Digits)

State reporting requirements for expenditures sometimes requires a number other than zero for the following account elements:

Source of Funds	(3 Digits)
Location	(3 Digits)
Program	(3 Digits)

At this time, State level reporting requirements do not require a number other than zero for the following account element:

Subject Area	(2 Digits)
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See the appropriate section of the accounting manual for information pertaining to required account elements.

## Classifications Required for State Level Reporting

### Fund

Fund accounting is organized around a set of funds where each fund is created for a unique purpose. Each fund maintains a complete set of self-balancing accounts which show its assets, liabilities, reserves, fund balances and expenditures. Included in this section are fund definitions.

### Table I: Fund Classifications

- 1 **Teacher Salary Fund.** Set of accounts used to record expenditures for payment of salaries for certified personnel, certified substitutes, tuition and fringe benefits as defined by statute 6-17-908. Certified personnel salaries from federal program funds are excluded.
- 2 **Operating Fund.** Set of accounts used to record the receipts and expenditures for current operating expenses other than those that relate to the purposes set out for the other funds listed.
- 3 **Building Fund.** Set of accounts used to record the receipts and expenditures of specific building projects.
- 4 **Debt Service Fund.** Set of accounts used to record local tax receipts and expenditures for the retirement of bonded debt.
- 5 **Capital Outlay/Dedicated Maintenance & Operation Fund.** Set of accounts used to record the receipts and expenditures of building projects funded by millages voted and passed specifically for capital outlay and dedicated M&O purposes.
- 6 **Federal Grants Fund.** Set of accounts used to record the receipts and expenditures restricted to federally sponsored projects.
- 7 **Activity Fund.** Set of accounts used to record the receipts and expenditures for pupil activities.
- 8 **Food Service Fund.** Set of accounts used to record the receipts and expenditures of the food service operations.
- 9 **Fixed Asset Fund/LT Debt.** Set of self-balancing accounts indicating the investment in fixed assets.



## Source of Fund

This classification is used to identify expenditures in relation to specific revenue sources. Source of fund codes should be used wherever specialized reporting and budgetary control are required. A three-digit code is used for source of fund classifications as specified in Table II.

Source of fund allows the district to segregate revenues and expenditures by a specific funding source, authority or purpose. Source of fund is used to accumulate financial information for grants that require the funds to be accounted for separately because their use is restricted. The source of Fund code is also useful in tracking funds that may carry over from one fiscal year to the next and retain their restricted purpose. **Source of fund codes required for State Reporting are identified in the list below with an asterisk.**

**Table II: Source of Fund Classifications**

000\* Funds 1 & 2 **Restricted Revenue –Matrix Fund (1000|1100\*1199|2000|2100-2199)**  
(See Commissioner's Memo FIN-11-080) No revenue will be recorded in funds 1000, 1100-1199, 2000 (2200-Charters) and 2100-2199. A transfer(s) from fund 2001 to fund 2000 (2200-Charters) equal to the amount of foundation funding defined in ACA §6-20-2305(a)(2) will be made by one or more journal entries. For example, assuming the foundation funding for the 2011-2012 school year is \$6,144 per student, and assuming a district's three-quarter ADM for 2010-2011 is 1000, the amount of the transfer would be \$6,144,000. The transfer, which could be entered one time beginning July, 2011, will be recorded as follows:

Budget Unit	Object/Account No.	Debit Amount	Credit Amount
2001520000000 00	69321 Transfer to 2000	\$6,144,000	
2001	01010 Cash in Bank		\$6,144,000
2000	01010 Cash in Bank	\$6,144,000	
2000	52201 Transfer from 2001		\$6,144,000

Object codes **69321** is for **Matrix Transfer** from 2001 to 2000 only and revenue account code **52201** is for Matrix Transfer to 2000 from 2001 only. These two codes cannot be used for any other transfer to any other funds effective 2011-2012 school year.

Budget Unit	Object/Account No.	Debit Amount	Credit Amount
2001520000000 00	69322 Transfer to 2000	\$6,144,000	
2001	01010 Cash in Bank		\$6,144,000
2000	01010 Cash in Bank	\$6,144,000	
2000	52202 Transfer from 2001		\$6,144,000

The **additional transfer amount** above required to zero out fund balance use **69322** to transfer to from 2001 to 2000 and revenue code **52202** to transfer to 2000 from 2001. These two codes cannot be used for any other transfer to any other funds effective 2018-2019 school year. Revenue code 52202 will be required FY 19, 69322 = 52202.

000	Funds 3-8	General Fund
001*	Fund 1	General Teacher Salary Fund.
001	Fund 2	General Operating Fund. All operating revenue shall be receipted to Fund 2001. (Unrestricted)
001	Funds 3-8	District Defined
002-099		District-Defined –ONLY State & Local Funds. NOT FUND 6
2100-2199		District Defined Matrix Funds. Requires Revenue Transfers from Fund/SOF 2000 – Foundation Funding ONLY.
1200		Charter Teacher Salary Matrix Fund (Optional in place of 1000)
2200		Charter Operating Matrix Fund (Optional in place of 2000)

**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

**Table II: Source of Fund Classifications (Continued)****201-399****Required SOF (\*) for Revenue from State Sources****Adult Education (Funds 1 and/or 2 only)**

201*	32110	Adult Basic Education (ABE), Division of Workforce Services Adult Education Program.
202*	32120	Adult General Education (GAE), Division of Workforce Services Adult Education Program. (Also receipt SNAP (Supplemental Nutrition Assistance Program) and Employment & Training (E&T to fund 2202).
203*	32130	Workplace Adult Education (State Special Project Grant) , Division of Workforce Services Adult Education Program.
205*	32140	Other Adult Education – (State Special Project Grants), Division of Workforce Services Adult Education Program.
206*		Excel Center Charter Adult Ed (Funded by Goodwill)

**Regular Education (Funds 1 and/or 2 only)**

212*	31500	Isolated Funding <u>6-20-601 and 6-20-603 and Isolated Special Needs Funding (c),(d),(e)</u>
213*	32213	Intensive School Support (School Improvement Plans) SE Coop Only
214*	32214	Computer Based Education Program (3224)
217*	31450	Student Growth Funding
218*	31460	Declining Enrollment (Act 21, First Extraordinary Session 2006)
220*	32220	National Board Certification ADE/Supplemental Salary
222*	31400	Enhanced Transportation Funding
223*	32256	Professional Development, Act 59
225*	32225	Technology Grant (include EAST Grants here)
228*	32248	Isolated Special Needs (h) Transportation
229*	32229	National Board of Professional Teaching (NBPTS)
232*	32232	Arkansas School Recognition Program (see Ark. Code Ann. § 6-15-2107) (COM-18-085)
234*	32234	Distance Learning
235*	32235	Technology Improvement Grant (Adult Education)
239*	32239	RISE Academies (Specific Literacy Professional Development Endeavor)

**Special Education (Funds 1 and/or 2 only)**

<b>The Fund Sources Highlighted in Green fall under the ADE Special Education Unit</b>		
240*	32310	Children with Disabilities – LEA Special Education Supervisor
244*	32314	Special Education Extended School Year
246*	32250	Professional Quality Enhancement Teacher & Administrator Induction Program - Pathwise
250*	32330	Children without Disabilities - Residential Treatment
255*	32340	Children with Disabilities - Residential Treatment
260*	32350	Early Childhood Special Education
261*	32351	Youth Shelter
262*	32352	Early Intervention Day Treatment Centers. New grant 01/21/2020
265*	32355	Special Education Catastrophic Loss Funding
277*	32372	Juvenile Detention

**Other Special Funding Programs (Funds 1 and/or 2 only)**

270*	32360	Gifted & Talented - AEGIS Program, Governor's School
271*	32361	Gifted & Talented - Advance Placement
272*	32362	Gifted and Talented Coordinator
275*	32370	Alternative Learning Environment
276*	32371	English Language Learners (ELL)
281*	32381	Enhanced Student Achievement (ESA)
282*	32382	ESA Match Grant

**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

**Table II: Source of Fund Classifications (Continued)****201-399****Required SOF (\*) for Revenue from State Sources (Continued)****Division of Career & Technical Education (Funds 1 and/or 2 only)**

291*	32410	CTE Coordinators
292*	32412	Project Lead the Way. STEM
293*	32415	Secondary Career Centers
295*	32420	Career Coaches
300*	32430	Coordinated Comp Career Education - Special Needs COOPS ONLY EFF FY '22
321-329		Reserved for Future Use for Adult Apprentices
330*	32470	Traditional Apprenticeship Adult Apprentices - Office of Skills Development
331*	32473	Construction Crafts Education Training Program, Act 474 of 1999 as amended by Act 785 of 1999 - Adult Apprentices - Office of Skills Development
340*	32480	Career New Program Start-up

**School Food Service (Fund 8)**

8000		(Receipt revenue from the Share our Strength/No Kid Hungry Grant for supplies and equipment to: Fund 8000 Revenue Code 19200, This is Private money given to the school – child nutrition program for meals. Private contributions is 19200 (local revenue). Revenue from Gen Youth is also a private donation coded to 8000 19200. Receipt to fund 8000 and 19200 for NKH and Gen Youth. [Fund 8000 includes revenue 45177 and 45500 code range as well as state (32500 code range ) and local revenue (16000 code range)]
8001-8055		District Defined Food Service Funds
8056	45556	CNP Emergency Operational Costs Programs
8057-8098		ADE Reserved Food Service Funds
8099		Lunch Donations (16214 revenue in Fund 8000 must equal 2001 and 8099 exp 69680)
8200-8205		District Defined Charter Schools Food Service Funds

**Education Service Cooperatives (Fund 2 only)**

350*	32650	Literacy PD, Supplies & Materials Grant
351*	32651	Educator Effectiveness Equipment Grant
352*	32652	Reserved for Education Service Cooperative Grant
353*	32653	Reserved for Education Service Cooperative Grant
354*	32654	Reserved for Education Service Cooperative Grant
355*	32655	Reserved for Education Service Cooperative Grant
356*	32656	Reserved for Education Service Cooperative Grant
357*	32657	Reserved for Education Service Cooperative Grant
358*	32658	Reserved for Education Service Cooperative Grant
359*	32659	Reserved for Education Service Cooperative Grant
360*	32610	Education Service Cooperative Funding
361*	32611	Coop Distance Learning Operating Grants (Act 96 of 2 <sup>nd</sup> SS of 2003)
362*	32612	Education Cooperative Technology Center
363*	32613	Coop Professional Development Funds
364*	32614	Division of Learning Services Grant

**Early Childhood Programs (Funds 1 and/or 2 only)**

365*	32710	<u>ADE</u> - Arkansas Better Chance (ABC) – Center Based
373*	32727	<u>ADE</u> - Arkansas Better Chance (ABC)/HIPPI
374*	32728	<u>ADE</u> - Arkansas Better Chance (ABC)/Parent as Teachers (PAT)
376*	32735	<u>DHS</u> - Early Childhood - Parent Involvement
380*	32740	<u>DHS</u> - Infant/Toddler Program

**Math and Literacy Program Funds**

381*	32745	Smart Start – Literacy, DESE Literacy
382*	32750	Smart Start – Math, DESE Math & Science
	19200	Smart Start – Math, DESE Math & Science - Walton Foundation for a Math Curriculum grant.
383*	32755	Smart Start – Literacy, Staff Development DESE Learning Services
384*	32760	Smart Start – Math, Staff Development DESE Professional Development
385*	32790	DESE – Other – RESERVED

**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

**Table II: Source of Fund Classifications (Continued)**

<b>201-399</b>		<b><u>Required SOF (*) for Revenue from State Sources (Continued)</u></b>
		<b>Other Non-Instructional Programs (Funds 1 and/or 2 only)</b>
389*	32909	Tobacco Prevention and Cessation Grant
391*		Public School Facilities Escrow (FIN-12-059)
392*	XXXXX	General Facilities Funding (Fund 2 or Fund 3) No longer Funded – Ended FY2015, In Handbook for expenditure spending in Fund 2392 only. <b>Once balances are depleted, this fund will be eliminated.)</b>
393*	32913	Growth Facilities Funding
396*	32917	Department of Health
398*	32920	AR Game & Fish Commission - Project Wild School-yard Habitat and other Game and Fish related grants. (Direct Grant from AR Game and Fish, not through ADE) OR receipt to fund 2001 and 32990 OR district defined range 2002-2099 and 32990 for district level expenditure tracking/reporting purposes
399	32990	Other Grants and Aid from the State
		<b>State Funds (Funds 1 and/or 2 only)</b>
901*	32901	JUA-Obesity Prevention (Joint Use Agreement -School Health Services)
902*	32902	School Based Health Centers, Act 180 of 2009.
905*	32255	Non-Traditional Licensure (NTL)
907*	32247	Team Digital (via Arkansas River Coop.) – AR Civics Exam
908*	32298	Team Digital (via Arkansas River Coop.) – Professional Development for Fine Arts, Social Studies and Library Media
920*	32249	Isolated Special Needs <u>Small School (f)</u> – Added 8/3/2010 & updated 3/15/2011
931*	32931	Broadband Facilities Matching Grant Program. Act 298 of 2014
940*	32940	Bloomboard Trainings. The Office of Educator Effectiveness (OEE)
941*	32941	Governor's Computer Science Grant.
941*	32221	Computer Science Bonus ADE/Supplemental Salary (receipt to fund 2941 only for Computer Science Bonus from ADE)
952*	32252	Arkansas Leadership Academy Team Leadership Institute OEE (Includes TESS and Leads)
		<b>Other Source of Fund (Funds 1 and/or 2 only)</b>
995*		Payments from Vendors for Exclusive Rights Contracts - must have payer equal PEPSI OR COKE otherwise invalid. (Fund 2995 only)
		<b>Building Fund (3)</b>
3000		Building Fund
3001-3099		District Defined Other Regular Building Funds
3100-3101		Grandfathered in for districts who used in prior years - <b>Once balances are depleted, these funds will be eliminated.</b>
31XX		Grandfathered in for districts who used in prior years and have beginning balance in FY21. Build new funds in allowed district defined range 3001-3099 for '21 forward. Those old 31XX invalid codes were grandfathered in until such time ending balance = 0.00 for Mountain Home, Lead Hill, Jonesboro, Earle, Mayflower, Paragould, Dierks, Lafayette County, Blytheville, Gosnell, Caddo Hills, Russellville, Pulaski County, Clinton, Farmington, Fayetteville, Augusta, Little Rock School Districts. <b>Once balances are depleted, these funds will be eliminated.</b>
3200*		Transfers from Net Legal Balance, Act 1105 of 2017. See Appendix 14 for additional information, CM and Annotated Code related to this fund.
3201-3205		District Defined Charter Schools Building Funds
3300		Bond Refund Savings Fund (Act 931, 2017 changed 'required' status. <b>Once balances are depleted, this fund will be eliminated.</b>
3400*	32914	Charter Schools Facilities Funding (Fund 3 only)
3402*	32922	Academic Facilities Catastrophic Repair
3404*	32924	Academic Facilities Partnership Program (Fund 3 only)
34xx*	32932-32939	Reserved for Future "Facilities" or "Capital Outlay" Funding as designated by ADE
		<b>Debt Service Fund (4)</b>
4000*		Debt Service Fund
4001-4099		District Defined Other Regular DS Funds
4230		Ft Smith Only - grandfathered in since 2006

**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

**Table II: Source of Fund Classifications (Continued)**

<b>Capital Outlay Fund (5)</b>		
5000*		Capital Outlay Fund
5001-5099		District Defined Other Regular Capital Outlay Funds
5100-5139		LR District Defined Other Regular Capital Outlay Funds
<b><u>Restricted Aid Direct from Federal Government (Fund 6)</u></b>		
<b>Elementary/Secondary Education Programs</b>		
6408*	43118	Dept. of Defense Education Activity (DoDEA).The Battle to Improve Literacy, CFDA # 12.556
6409*	43119	Department of Justice – STOP School Violence. CFDA # 16.839 and COPS Office School Violence Prevention Program (SVPP) CFDA# 16.710 - Public Safety Partnership and Community Policing Grants Treasury Account Symbol (TAS) 15X0406
6430*	43160	ROTC - Reserve Officers' Training Corp
6441*	43181	Title IV Part B - 21 <sup>st</sup> Century Community Learning Centers (WC Ins Benefit Exp Non Allowable) CFDA # 84.287
<b>Indian Education Programs</b>		
6449*	43610	Indian Education (4242) CFDA # 64.060
<b>Desegregation Programs</b>		
6451*	43711	Magnet Schools Assistance Program issued through the U.S. Dept. of Ed, Performance Period AWARD # U165A170024 (5 year grant 2017- 2021) CFDA # 84.165A
<b>Other Restricted Aid Direct from the Federal Government (Fund 6)</b>		
6461*	43911	Title IV Foster Grandparent Program (B) AmeriCorps CFDA # 94.011
6462*	43912	USDA Rural Development . Community Facilities Loans And Grants R (Student Bus Grants) USDA Rural Development. CFDA # 10.766
6463*	43913	U.S. Dept of Commerce/Economic Development Administration – Vocational Center. CFDA # 11.307
6464*	43964	IRS 941 Reimbursement for Federal Covid Leave (for employees that had Admin Leave with Pay).
6465*	43920	Major Disaster - Repair & Equipment. FEMA Storm Shelter. FEMA Grant Hazard Mitigation Grant Program (HMGP). #'s: #1472-DR-AR, #1744-DR-AR Project #2, #1751-DR-AR, #1819-DR-AR Project #27. Tornado Safe Rooms. Includes CFDA # 97.047
6473*	43973	Title IV School-Based Health Centers Capital Program. Patient Protection and Affordable Care Act of 2010, , §4101 (P.L. 111148) 42 USC 280h4. CFDA # 93.501.
6480*	43950	Resource Conservation & Development. National Environmental Study Areas CFDA # 15.902
6492*	43972	Coordinated School Health (DW Coop Only) CFDA # 93.945
6497*	43977	Farm to School Program. Authorization (040): The Healthy, Hunger-Free Kids Act of 2010 (HHFKA). CFDA # 10.575.
<b><u>Restricted Aid from the Federal Government Through State (Fund 6)</u></b>		
<b>Elementary/Secondary Education Act (ESEA)</b>		
6501*	45110	Title I Part A - Regular - Comp Education. CFDA # 84.010
6502*	45111	Title I Part C - Migrant Education CFDA # 84.011
6506*	45116	Title I Part A - School Improvement Section 1003, Planning Grant. CFDA # 84.010
6507*	45117	Title I Part A - School Improvement Section 1003, Implementation Grant Year 1. CFDA # 84.010
6508*	45118	Title I Part A - School Improvement Section 1003, Implementation Grant Year 2. CFDA # 84.010
6509*	45119	Title I Part A - School Improvement Statewide Support. CFDA # 84.010
6510*	45120	Title I Part D - Subpart 2 - Neglected & Delinquent Children CFDA # 84.010

\*Required (Expenditures = Revenue; no transfers in and no transfers out.)

**Table II: Source of Fund Classifications (Continued)****Restricted Aid from the Federal Government Through State (Fund 6) (Continued)****Elementary/Secondary Education Act (ESEA) (Continued)**

6527*	45137	Teacher Incentive Fund (TIF). Authority: PL 109-149 Elementary and Secondary Education Act. Funding year 2010. 2011 – TAP (Teacher Advancement Program). CFDA/Subprogram # 84.374A.
6530*	45140	Stewart B. McKinney Homeless Assistance Act for Children CFDA # 84.196
6531*	45141	Title IV-E Foster Care Recovery. CFDA # 93.658
6550*	45160	Telehealth Network Grant Program CFDA # 93.211
6557*	45167	Preschool Development Grants (B). High Quality Preschool Programs (HQPP) CFDA # 84.419
6560*	45170	DHS - Childcare Assistance Grant- Vouchers and T.E.A.C.H. CCDF CFDA # 93.575
6561*	45171	APSRC (AR Public School Resource Center), Charter School Program grant (CSP), CFDA # 84.282A.
6562*	45172	DHS - Child Care & Development Block (Includes FPK/Federal PreK and/or CCDF/Child Care Development Block) CFDA # 93.575
6563*	45173	DHS - Achieving AR Child Care Quality Approved Status /Better Beginnings; Child Care and Early Childhood Education, CFDA # 93.575
6566*	45176	Temporary Assistance for Needy Families (TANF) CFDA # 93.558
6567*	45175	DHS – Cares Act Funds. CFDA # 93.558
6568*	45178	'Drop Prevention, Temporary Assistance for Needy Families (TANF) CFDA # 93.558. (Workforce Svs Grant through ADE to AR Coop)

**Career and Technical Education (Fund 6)**

6570*	45310	Carl Perkins Basic Grant - Formula Grant Entitlement, CFDA # 84.048
6571*	45311	Carl Perkins Leadership Project Awards CFDA # 84.048
6572*	45312	TANF – JAG and Career Coach programs, CDFA #93.558
6573-6577		Reserved for future Career and Technical Education Grants
6578*	45318	Carl Perkins Reserve Fund Grants CFDA # 84.048
6579		Reserved for future Career and Technical Education Grants

**Adult Education (Fund 6)**

6600*	45410	Direct & Equitable, Division of Workforce Services Adult Education Program. CFDA # 84.002.
6608*		Adult Education & Stabilization Fund–Elem and Sec Emergency Relief Fund (ESSER) CFDA # 84.425D. (ONLY revenue is Transfer from 6780 and 6781)
6610*	45430	Correctional Institutional (C/I) Division of Workforce Services Adult Education Program. CFDA # 84.002.
6611*	45412	DHS - Adult Education - Opioid STR (State Targeted Response). CFDA # 93.788
6615*	45440	Model Resource Center Division of Workforce Services Adult Education Program, SE COOP only. CFDA # 84.002.
6626*	45461	SNAP (Supplemental Nutrition Assistance Program) and Employment & Training (E&T), Division of Workforce Services Adult Education Program. <b><u>SE Coop Only</u></b> , CFDA # 10.561
6631*	45431	AmeriCorps Program, <b><u>SE Coop Only</u></b> , Division of Workforce Services Adult Education Program. CFDA # 94.006
6632*	45432	USDA - Rural Business Development, SE Coop Only, Division of Workforce Services Adult Education Program. CFDA # 10.351
6636*	45411	English Literacy and Civics (IEL/CE) Grant, Division of Workforce Services Adult Education Program. CFDA # 84.002A
6637*	45437	Special Projects – TANF, Division of Workforce Services Adult Education Program. CFDA # 93.558

**6638- 6640      Reserved for Adult Education Programs****\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

**Table II: Source of Fund Classifications (Continued)**

<b>School Food Services (Fund 8)</b>		
8641	45511	Lunch/Supper Reimbursement through DHS. CFDA # 10.555 (may also be receipted to fund 8000)
8642*	45550	Food Service Costs Supplemental Funding – ESSER. CFDA # - 84.425D
8645	45520	Breakfast Reimbursement through ADE. CFDA # 10.553 (may also be receipted to fund 8000)
8655	45540	Snack Reimbursement through ADE. CFDA # 10.555 (may also be receipted to fund 8000)
8656	45541	Snack Reimbursement through DHS. Child and Adult Care Food Program CFDA # 10.558 (may also be receipted to fund 8000)
8657*	45542	Fresh Fruits and Vegetable Program. (FFVP) CFDA # 10.582
8665	45560	Cash in Lieu of Commodities. CFDA # 10.555 (may also be receipted to fund 8000)

**Restricted Aid from the Federal Government Through State (Fund 6)****Special Education (Fund 6)**

(Special Education Grants to States) IDEA – Individuals with Disabilities Education Act

6701*	45612	IDEA Title VI-B Area Services, CFDA # 84.027
6702*	45613	IDEA Title VI-B Pass through Funding, CFDA # 84.027
6705*	45616	IDEA Title VI-B BSS Grant. Special Education Grants to States. CFDA # 84.027
6706*	45617	IDEA Title VI-B Transition Grant. Special Education Grants to States. CFDA # 84.027
6707*	45618	IDEA Title VI-B Elementary Secondary Visually Impaired (ESVI) Grant. Section 611. CFDA # 84.027
6710*	45630	IDEA Title VI-B Early Childhood, Section 619, CFDA # 84.173
6711*	45631	IDEA Title VI-B Special Education Inclusive Practices. Section 611. CDFA # 84.027
6712*	45632	IDEA Title VI-B State Systemic Improvement Program (SSIP). Section 611. CDFA # 84.027
6713*	45633	IDEA Title VI-B State Emergency Response Commission (SERC). Section 611. CDFA # 84.027
6714*	45634	IDEA Title VI-B Circuit. Section 611. CDFA # 84.027
6715*	45636	IDEA Title VI-B Early Childhood Special Education Coordinator. Section 611. CDFA # 84.027
6716*	46535	IDEA Title VI-B State Special Education Development Coach. Section 611. CDFA # 84.027
6717*	46537	IDEA Title VI-B Co-Teach. Section 611. CDFA # 84.027
6718*	45638	IDEA Title VI-B Related Services- Consultants. Section 611. CDFA # 84.027
6719*	45639	ESSER – Special Education Digital Learning Grants. CFDA # 84.425D
6744*	45674	State Personnel Development Grant (SPDG) CFDA # 84.323A
6749*	45679	Medicaid for Preschool CFDA # 93.778
6750*	45650	MEDICAID CFDA # 93.778 and 93.498

**Table II: Source of Fund Classifications (Continued)****Other Restricted Federal Aid through State (Fund 6)**

6751*	45912	School-based Mental Health Medicaid CFDA # 93.778
6752*	45913	Medicaid General Health Services - Medicaid Administrative Claiming (ARMAC) CFDA # 93.778
6752*	45916	Medicaid General Health Services – Personal Care CFDA # 93.778
6752*	45917	Medicaid General Health Services – Vision & Hearing CFDA # 93.778
6752*	45918	Medicaid General Health Services – Audiology CFDA # 93.778
6753*	45927	Title II Part A - Quest Leadership Program. (Teacher Quality, “Supporting Effective Instruction” ESSA. CFDA # 84.367 (Coop Only)
6754*	45924	Title II Part A - Improving Teacher Quality, Urban Academy Grant. Discretionary Grant. (“Supporting Effective Instruction” ESSA. CFDA # 84.367
6755*	45923	Title II Part A - Teach Arkansas Program. (Teacher Quality, “Supporting Effective Instruction” ESSA. CFDA # 84.367
6756*	45925	Title II Part A - Improving Teacher Quality Grant - <b>Formula Grant Only</b> . CFDA # 84.367
6757*	45926	Title II Part A - Improving Teacher Quality, Opportunity Culture Grant,– Discretionary Grant. CFDA # 84.367
6758*	45958	Title III Part A - Recent Immigrant CFDA # 84.365
6759*	45959	Investing in Innovation (I3) National Writing Project. (includes "eMints Expansion Project: Implementing college and career ready standards through 21st century classrooms".) CFDA # 84.411
6760*	45928	Title II Part A - Arkansas Professional Pathway to Educator Licensure (APPEL). Subgrants to LEAs. Improving Teacher Quality Grant. (“Supporting Effective Instruction” ESSA. CFDA # 84.367
6761*	45935	Title III Part A - English Language Acquisition CFDA # 84.365
6762*	45962	Arkansas Smart Start AmeriCorps Tutoring, CFDA # 94.006 (Grant runs Sept to Aug)
6763*	45963	Arkansas Smart Start AmeriCorps Tutoring, Alternating YR, CFDA # 94.006 (Grant runs Sept to Aug)
6764*	45964	Arkansas AmeriCorps Coordinated School Health, Begins YR 11,CFDA # 94.006 (Grant runs Aug to Jul)
6765*	45965	Arkansas AmeriCorps Coordinated School Health, Alternating YR, CFDA # 94.006 (Grant runs Aug to Jul)
6766*	45966	Partnership for Success-Youth Leadership Development Grant. CFDA # 93.243. (Reimbursed by AR DHS Behavioral Health Services) CFDA # 93.596
6768*	45968	American Rescue Plan Act – Homeless Children and Youth (ARP-HCY). CFDA# 84.425W
6769*	45969	Child Care Mandatory & Matching Funds of the Child Care & Development Fund.
6770*	45950	Home Instruction Program Preschool Youngsters (HIPPY)
6771*	45971	Arkansas AmeriCorp, Training and Technical Assistance, CFDA # 94.009
6772*	45972	Arkansas AmeriCorps Future Teacher Initiative,CFDA # 94.006 (Grant runs Aug to Jul)
6773*	45973	Arkansas AmeriCorps Future Teacher Initiative,CFDA # 94.006, Alternating YR (Grant runs Aug to Jul)

**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**



**Table II: Source of Fund Classifications (Continued)**

<b>Other Restricted Federal Aid through State (Fund 6) (Continued)</b>		
6774*	45974	COVID Emergency Leave Part 2. Coronavirus Relief Fund CFDA # 84.425D
6775*	45975	Rehabilitation Services Vocational Rehabilitation Grants to States (A). CFDA # 84.126 (Includes Opportunities for Work-Based Learning (OWL), Working for Independence Now (WIN), and Work Based Learning Opportunities Leading to Future Employment (WOLF)).
6776*	45976	COVID Emergency Leave. Coronavirus Relief Fund CFDA # 21.019.
6777*	45937	Mental Health Services\Partnership for Success (PSF) CFDA # 93.243
6778*	45938	DHS - AWARE Arkansas. Substance Abuse and Mental Health Services Administration (SAMHSA) – (District subgrants reimbursements through ADE Finance). CFDA # 3.243
6779*	45939	Hurricane Education Recovery. USDE (Hurricane Relief Act – not ESSA). (District subgrants reimbursements through ADE Finance). CFDA # 84.938B
6780*	45980	Education Stabilization Fund – (ESSER I) Elementary and Secondary School Emergency Relief Fund. CFDA # 84.425D
6781*	45981	Education Stabilization Fund – (ESSER II) Elementary and Secondary School Emergency Relief Fund. CFDA # 84.425D
6782*	45975	Title V, Part B, Subpart 1 -REAP (Rural Energy for America Program), SRSA-Small Rural School Achievement Program CFDA # 84.358. (Direct from federal level)
6783*	45983	Education Stabilization Fund – GEER (Governor’s Emergency Education Relief) Digital Learning from APSRC CFDA # 84.425C
6784*	45977	Title V, Part B, Subpart 1 - REAP (Rural Energy for American Program), RLIS-Rural and Low Income School Program CFDA # 84.358B – (ADE)
6785*	45985	Comprehensive School Health - Aids Education Act CFDA # 93.981
6786*	45986	Title IV Part A - Student Support and Academic Enrichment, CFDA # 84.424A.
6787*	45987	Comprehensive School Health, COVID 19 Supplemental Funding. (Includes Social Emotional Learning (SEL) Grant.) CFDA # 93.981
6788*	45988	COVID School Meals Project. CFDA # 21.019 (CM# FIN-21-016)
6789*	45989	Dept of Agriculture CARES Act (Through AR AGRI Dept). CFDA # 21.019
6790*	45990	Title 1 Accountability - Other Restrict Federal Grants Through the State (includes Ameri Corp Grant) CFDA # 84.348
6791*	45991	Arkansas Comprehensive Literacy State Development Grant Successful Outcomes for Arkansas Readers (SOAR) grant proposal (formerly known as the CLSD grant). CFDA # 84.371
6792*	45992	Arkansas Arts Council, Department of American Heritage. CFDA # 45.025
6793*	45993	COVID, Arkansas Dept of Emergency Management. CFDA # 97.036
6794*	45994	Education Stabilization Fund, Supplemental (ESSER II Supplemental) Elementary and Secondary School Emergency Relief Fund, CFDA # 84.425D
6795*	45995	American Rescue Plan (ARP) ESSER - (ESSER III) Elementary and Secondary School Emergency Relief Fund. CFDA# 84.425U
6796*	45996	Head Start, 3-5 years old. COVI D-19 funds (CAN G060900) to prevent, prepare for and respond to coronavirus disease 2019 (COVID-19). CFDA # 93.600
6797*	45997	Early Head Start, Birth to 3 years old. CFDA # 93.600
6798*	45998	Head Start, 3-5 years old. CFDA # 93.600
6799*	45999	DHS - Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program. CFDA # 93.505
6815*	45815	State Clean Diesel Grant Program (A) CFDA # 66.040 (Go Red Grant)

**Activity Funds (Fund 7)**

7001-7999	District Defined
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**\*Required (Expenditures = Revenue; no transfers in and no transfers out.)**

## Location/LEA Number

The term location is used to denote the location of education activities for organizational purposes. In most cases, location in the expenditure budget unit denotes individual school LEAs, but it also can be used to designate district-defined cost centers for district-wide functions which will enable budgets and expenditures to be tracked for buildings that do not qualify for an LEA. LEA Location coding is required for specified function level reporting purposes due to changes effected during the 1999 Legislative Session.

All functions that require coding to the location level must be coded to a valid LEA. All other expenditures that are allowed to be coded as 'district wide' can be coded one of three ways:

- Location 000 district wide.
- Location ### district-defined district wide
- Valid LEA

## Function

The function describes the activity being performed when a service is provided or a material object is received. The functions of a district are classified into five broad areas: instruction; support services; operation of non-instructional services; facilities acquisition and construction services; and other outlays. Included in this section are definitions of each function.

Items in *italics and underlined* denote **OPTIONAL** additional detail for coding transactions. For reporting purposes, all districts must code to the lowest detail level not italicized and underlined. Function codes in **Bold Print** are headers and sub-headers and cannot not be used for coding transactions. **Districts may extend ONLY existing established function ranges for additional 'district-defined;' cannot create new sub-headers.**

## Effective July 1, 2018

## Functions Requiring VALID LEA coding to the LOCATION in all Budget Units are:

Functions 1000-1217

Functions 1219-1227

Functions 1229-1269

Functions 1271-1399

Functions 1500-2133

Functions 2135-2157

Functions 2159-2167

Functions 2169-2199

Functions 2220-2229

Functions 2400-2499

Function 2294 Instructional Facilitator, Math (Job Code 7100)- (Code to LEA level Beg. FY19)

Function 2295 Instructional Facilitator, Science (Job Code 7120)- (Code to LEA level Beg. FY19)

Function 2297 Instructional Facilitator, Literacy (Job Code 7110) -(Code to LEA level Beg. FY19)

Function 2298 Instructional Facilitator, Social Studies (Job Code 7130)- (Code to LEA level Beg. FY19)

Function 2299 Other Support Services – Instructional Staff (Code to LEA level Beg. FY19)

## Exceptions:

In situations where resources utilized in the above functional areas serve multiple locations, location codes 770-779 may be used. **However, at year-end expenditures charged to these location codes MUST be allocated to the appropriate locations using a reasonable and documented allocation method.**

ADE assigned location codes for neglected and delinquent facilities will be allowed. These alternative locations are allowable ONLY for SOF 6501, Function 1594; and SOF 6510, all functions. These 'alternative location codes' are published with federal fund allocations each year.

The following functions are exempt from location rules; locations district-wide 000, district-defined district-wide '###', or valid LEA.

Function 1218 Consulting Teacher, Private School Proportionate Share  
Function 1228 Resource Room, Private School Proportionate Share  
Function 1270 Residential Day School - Private  
Function 1410-1499 Adult/Continuing Education Program  
Function 2134 Nurses \*allowed one nurse district-wide '000'  
Function 2158 Speech Pathology  
Function 2168 Physical & Occupational Therapy

\*Function 1197 is excluded from the LEA location requirement when used with Fund 2250 and object 65690 and 63900

\*Functions 1511, 1550, and 1592 may be coded to either district-wide location 000 or Valid LEA (District choice) for the following Funds: 6501, 6782, and 6784

\*Function 1950 is excluded from the LEA location requirement when used with Funds 2250 and 2255, Program 200, and Object 63310

\*Function 2134 is allowed one nurse district-wide '000'

\*Function 2170 with Fund 6501 can use district-wide '000' location, district-defined district wide location or Valid LEA location.

\*Fund 2277 expenditures allow either '000' district wide location, '###' district-defined district wide location, OR Valid LEA location for all functions

\*Coops are exempt from location coding

**\*All expenditures at invalid LEA locations will be allocated to all district valid LEAs based on ADM percentage per LEA for School Level calculations including the PPE calculation.**

## Table III: Function Classifications

**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 co-curricular activities. 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 or aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) who assist in the instructional process.

**CODING TO THE LOCATION LEVEL IS REQUIRED FOR ALL INSTRUCTIONAL EXPENDITURES CODED TO FUNCTION RANGE 1000-1399|1500-1999. LOCATION MUST EQUAL 'REAL' THREE-DIGIT LEA THAT INSTRUCTS STUDENTS FOR ALL INSTRUCTIONAL FUNCTION (1000-1399|1500-1999).**

**1100 Regular Programs/Elementary-Secondary.** Regular instruction activities designed for students preschool through high school. Location level coding required for all functions in this section. Location cannot equal 000.

- 1103 K-3 Summer School Remediation. Summer school for students kindergarten through grade 3.
- 1105 Preschool. Arkansas Better Chance (ABC) provides learning experiences for educationally deprived children ages 3-5.
- 1110 Kindergarten. Learning experiences for students 5 and 6 years old.
- 1120 Elementary. Learning experiences generally for students in grades 1 through 6 but may include up to grade 8.
- 1130 Middle/Junior High. Learning experiences for grades 5 through 9.
- 1140 High School. Learning experiences generally for grades 9 through 12 but may include grades 7 and 8.
- 1150 Athletics. Any athletic program which is organized primarily for the purpose of competing with other schools, public or private, or any athletic program which is subject to regulation by Arkansas Activities Association. (Must be used with program code 115)
- 1160 Cocurricular and Extracurricular Activities. (Must use program code 116). Activities that add to a student's educational experience but are not related to educational activities. These activities typically include events and activities that take place outside the traditional classroom. Some examples of such activities are student government, band, choir, clubs honors societies, and experienced-based field trips (ESA program code 014).
- 1170 Summer School. Learning experiences supplemented in the summer for students that did not achieve a certain level of proficiency during the regular school year.
- 1180 Other Private Non-Disabled Students (Program code 000 only required)
- 1190 Other Regular (Underpayments). Prior year underpayments and any other regular programs not classified above. (1190 Underpayments ONLY; 1198-1199 Other Regular).

1196 Homebound Instruction

1197 Residential Day School – Private. Purchased Services only. A student who requires residential services in order to receive appropriate education services where at least half of the school day is spent in a private residential school for contracted services.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “

**Table III: Function Classification (Continued)**

**1000 Instruction (Continued)**

**1200 Special Education.** A Special Ed program code is required for all expenditures coded to valid special education in function range 1200-1299. Instructional activities designed primarily to deal with special needs. The special program service area includes pre-primary, elementary and secondary students who are handicapped and in need of special education and related services as defined in program standards. Location level coding required for all functions in this section. Location cannot equal 000.

1210 Itinerant Instruction. Instruction provided by an educational specialist who serves handicapped children with disabilities and their teachers in generally more than one school, in their homes or in hospitals.

1211 Consulting

1212 Itinerant Speech Pathologist

1213 Braille

1214 Home Bound

1215 Educational Interpreters for the Deaf

1218 Consulting Teacher, Private School Proportionate Share

1220 Resource Room. Services are provided by a resource teacher who works with students with disabilities assigned to the regular classroom more than half of the school day.

1228 Resource Room, Private School Proportionate Share

1230 Special Class - 1:15 Ratio. A student with a disability where the student is assigned to a special class for at least half of the school day.

1240 Special Class - 1:10 Ratio. A severely impaired student with a disability where the student is assigned to a special class for at least half of the school day.

1250 Special Class - 1:6 Ratio. A severely impaired student with a disability where the student is assigned to a special class at least half of the school day due to programming needs that necessitate a low pupil-to-teacher ratio.

1253 Integrated Classroom.

1256 Regular Classroom.

1260 Separate Day School - Private. Purchased services only. A student with a disability who spends at least half of the school day in a private day school for contracted services since the student's needs cannot be met in a regular school.

1270 Residential Day School - Private. Purchased services only. A student with a disability who requires residential services in order to receive appropriate special education services where at least half of the school day is spent in a private residential school for contracted services.

1280 Other Private. A student with a disability who requires instruction provided by private agencies or individuals not specified above. (Program code 200 only required)

1285 Special Education Co-Teach. Expenditures for the special education teacher in classrooms that use both a 'regular education' teacher and a 'special education' teacher in the classroom at the same time for instruction purposes.

1290 Preschool - Special Needs. A preschool student with a disability who receives special education instruction in a public or private preschool program.

1295 Separate Day School - Public. A preschool student with a disability who spends at least half of the school day in a public day school since their needs cannot be met in a regular school.

1297 Co-ordinated Early Intervening Services. For students in K-12, with a particular emphasis on K-3, who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment. (Only with F/S 6702)

1299 Other - Special Education. Special education instructional programs not included above.

**Table III: Function Classification (Continued)**

**1000 Instruction (Continued)**

**1300 Career Education Programs.** Learning experiences which will provide individuals with the opportunity to develop the necessary knowledge, skills and abilities needed for employment in an occupational area. Location level coding required for all functions in this section. Location cannot equal 000.

1305 Keystone. The keystone course is designed to help ninth graders successfully navigate high school. The course may include instruction on study skills, time management, and goal setting strategies. Students will receive guidance in investigating their own interests and aptitudes in relation to possible careers and will begin developing a flexible education plan for high school and post secondary studies or technical training.

1307 (PLTW) Gateway to Technology. PLTW Gateway provides engineering, biomedical, and computer science curriculum for middle school students that challenges, inspires, and offers schools variety and flexibility. Students get rigorous and relevant experiences through activity-, project-, and problem-based learning. They use industry-leading technology to solve problems while gaining skills in communication, collaboration, critical-thinking, and creativity.

1310 Career Agriculture. Learning experiences that provide opportunities for students to prepare for or improve their competency in agricultural operations.

1320 Marketing and Distributive Education. Learning experiences that prepare students to enter or improve their competency level in distributive occupations.

1330 Business/Office Occupations. Learning experiences that allow students to gain an overall understanding of business principles and practices and prepare them for employment in office occupations.

1331 Information Technology Fundamentals

1332 MADD (Mobile Application Development)

1333 EAST Initiative (Environmental and Spatial Technology)

1340 Health Careers/Occupations. Learning experiences that prepare students with the knowledge, skills and abilities required in health professions.

1350 Trade and Industrial (including Industrial Arts). Learning experiences that allow students to acquire an overall understanding of industry and technology or prepare students for entry into skilled or semi-skilled occupations in trade and industry.

1351 Appliance Technology

1352 Auto Service Technology

1353 Auto Collision Repair

1354 Drafting

1355 Electronics

1356 Machine Tool Technology

1357 Pre-Engineering Program

1358 GIS (Geographic Information Systems)

1359 Other Trade and Industrial

1360 Home Economics/Culinary Arts. Learning experiences that prepare students with the requisite knowledge, understanding and skills for entry into home economic/culinary arts occupations.

1370 Career Orientation. Learning experiences which provide students with sufficient knowledge and understanding of the workplace and occupational tracks to enable them to make intelligent career decisions.

1380 General Cooperative. Learning and working experiences which provide students with knowledge and skills in occupational programs and the opportunity to acquire on- the- job training experience.

1381 TV Broadcasting and Communication for all CTE Programs.

1382 CSI, Criminal Justice, and Law Enforcement

**Table III: Function Classification (Continued)**

**1000 Instruction (Continued)**

**1300 Career Education Programs (Continued)**

1390 Special Needs

1395 Tech Prep. Learning experiences which provide a systematic technical education between secondary and post secondary institutions leading to two-year associate degrees, certificates or apprenticeship training programs.

1396 Workplace Readiness. A one semester course designed to teach the skills and attributes needed to succeed in the changing workplace.

1397 Regional Technical Coordination.

1399 Other Career Projects. Other vocational education programs not described above. \$2000.00 Limit

**1400 Adult/Continuing Education Program.** Learning experiences designed to develop knowledge and skills to meet educational objectives for adults. Programs include activities to foster the development of the fundamental tools of learning to prepare for a new or different career. Exclusively for Adult Education expenditures in Adult Education funds.

1410 Adult Basic Education. Instructional services offered to adults, 16 years or older, that enable them to acquire the academic skills which are equivalent to an eighth grade graduate. Additionally, foreign-born adults can be extended the opportunity to learn English as a second language.

1420 Adult General Education.

1430 Adult Career Education. Vocational education programs for adults for the purpose of upgrading occupational skills.

1440 Special Projects. These are special grant programs that fund the development of innovations, demonstration, research and teacher training in adult education.

1490 Other Adult/Continuing Education Programs. Other adult and continuing education programs not described above.

**1500 Compensatory Education Programs.** Those instructional activities designed primarily to meet the educational needs of pupils who are judged to be underachievers or educationally deprived. All compensatory education must be supplemental to the normal instruction in the areas covered. In cases of joint programs that substitute for normal instruction, only the excess cost may be charged to compensatory education. Location level coding required for all functions in this section. Location cannot equal 000.

1510 Basic Skills/Tutors. Special training in two or more of the basic skills of language arts, reading and/or mathematics given under a single set of coordinated instructional activities.

1511 Before/After School Programs. Supplemental instructional programs in core academic subjects of reading, math, literacy, science, and language arts designed to increase the academic achievement of students not achieving proficiency during the regular school day.

1515 School Improvement.

1520 Dropout/Dropout Prevention. Specialized instructional and support services designed to utilize cultural, ethnic, or vocational interests to encourage students to stay in school or to encourage re-entry of dropouts into educational activities.

1525 Technology. Classroom instruction in technology, all compensatory education (function 1500-1599) must be supplemental to the normal instruction in the areas covered.

1530 Language Arts. Specialized instructional services in language to supplement the regular English or other language subjects.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “



**Table III: Function Classification (Continued)**

**1000 Instruction (Continued)**

**1500 Compensatory Education Programs (Continued)**

1540 Educational Reform.

1545 At-Risk.

1550 Early Childhood Education. Specialized educational activities and services for pre-kindergarten students. The program must be designed to compensate for the lack of early childhood learning opportunities arising from environmental constraints.

1551 Kindergarten Early Childhood Education. Specialized educational activities and services for kindergarten students. The program must be designed to compensate for the lack of early childhood learning opportunities arising from environmental constraints.

1552 1<sup>st</sup> Grade Early Childhood Education. Specialized educational activities and services for first grade students. The program must be designed to compensate for the lack of early childhood learning opportunities arising from environmental constraints.

1555 Literacy.

1560 Reading. Specialized instruction services designed to meet the educational needs of educationally deprived children in conjunction with or in addition to regular reading programs.

1565 Dyslexia Therapist and/or Dyslexia Interventionist. Works directly with students.

1570 Mathematics. Specialized instruction services designed to meet the educational needs of educationally deprived children in conjunction with or in addition to regular mathematics programs.

1590 Other Compensatory Education Programs. Other compensatory education programs not classified.

1591 Title I School-wide Instruction (Funds 6501, 6502, 6504, 6782 and 6784 ONLY). All supplemental, remedial instruction provided during the normal school day using Title I funds in schools that have more than 40% low-income population and have been approved for school-wide status.

1592 Title I Summer School (Funds 6501, 6502, 6504, 6530, 6782 and 6784 ONLY). Supplemental instruction in the core academic subjects of reading, math, literacy, science, and language arts provided during the summer from Title I funds for students not achieving proficiency during the regular school year.

1593 Title I Supplemental Services (Funds 6501, 6502, 6504, 6782 and 6784 ONLY). Additional academic instruction designed to increase the academic achievement of students in schools in need of improvement. Supplemental education services are provided outside the regular school day. This code is to be used to pay for required Title I supplemental educational services in districts with schools in school improvement Year 2 and beyond. Only payments to supplemental service providers on the ADE approved providers list should be paid from this code.

1594 Title I, Part A. Neglected Institutions (Fund 6501 ONLY). Activities necessary to provide comparable services to children in neglected institutions and if appropriate, children in local institutions for delinquent children, & neglected or delinquent children in community day school programs. (New Function 01/24/2011. Recommended FY 11, Required FY 12.)

1595 Title I Targeted Assistance Instruction (Fund 6501)

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “



**Table III: Function Classification (Continued)**

**1000 Instruction (Continued)**

**1900 Other Instructional Programs.** Any instructional program not classified above. Location level coding required for all functions in this section. Location cannot equal 000.

1910 Gifted and Talented Children. Programs designed to meet the special educational needs of the gifted and talented at the elementary and secondary levels. Program code 270 required with all GT expenditures.

1915 Music

1916 Band

1917 Choir

1920 Computers

1930 English as a Second Language. Programs for students for whom English is not their first language, and those who need assistance in English to be successful in school.

1950 Alternative Learning Environment (Program code 438 required for all ALE expenditures in ALE funds.

1960 Fine Arts

1961 Art

1962 Drama

1990 Other Instructional Programs. Other programs not described above. (Cannot be used with Salary and benefit objects 61000:62999)

1999 ROTC

Expenditures for the optional functions in the 19XX range (Music, Band, Choir, Computers, Fine Arts, Art, Drama, and ROTC) may be charged to the regular elementary (1120), middle school (1130) and high school (1140) functions if preferred.

**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 supplement the teaching process. Location level coding required for all functions in this section. Location cannot equal 000.

2101 Dean of Students. The Dean of Students sole responsibility is working with students, no administrative duties. Reference job code 7060. A dean of Students shall not be hired to perform Building Level Administrator or Curriculum/Program Administrator duties such as evaluation of staff (licensed or classified) or developing/directing curriculum. As the title implies, this individual's sole responsibility is working with students. Curriculum/Program Administrator includes: Special Education Program Administrator, G/T Program Administrator, Career & Tech Program Administrator, Content Area Specialist Program Administrator, and Curriculum Administrator. This individual will have none of the administrative duties listed above.

2110 Attendance and Social Work Services. Activities designed to improve student attendance at school and attempt to prevent or solve student problems involving the home, the school and the community. Registration activities for adult education programs are included here. Some examples of other services to be reported within this function code are supervision services, attendance services, and student accounting services.

2111 Supervision of Attendance and Social Work Services (Required). The activities associated with supervising and managing attendance and social work.

**“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “**

**Table III: Function Classification (Continued)**

**2000 Support Services. (Continued)**

**2100 Support Services – Students (Continued)**

**2110 Attendance and Social Work Services. (Continued)**

2112 Attendance Services. The activities associated with identifying nonattendance patterns, promoting improved attitudes toward attendance, analyzing causes of nonattendance, acting early on nonattendance problems and enforcing compulsory attendance laws.

2113 Social Work. The activities associated with investigating and diagnosing student problems arising out of the home, school or community case work, group work services for the child and/or parent, interpreting the problems of students for other staff members, and promoting modification of the circumstances surrounding the student relating to the problem.

2114 Student Accounting. Activities of acquiring and maintaining records of school attendance, home, family characteristics and census data, portions of which become a part of the student's cumulative record.

2119 Other Attendance and Social Work Services. Attendance and social work services other than those described above. Limited to \$2000 and salary and benefits expenditures invalid.

**2120 Guidance Services.** Activities involving counseling 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. Guidance services may include supervision services, counseling services, appraisal services, student record services, and placement services.

**2121 Supervision of Guidance Services (Required).** Activities associated with directing, managing, and supervising guidance services.

2122 Counseling. Activities concerned with the relationship between one or more counselors and one or more students. These activities are designed to help students: understand their educational, personal and occupational strengths and limitations; relate their abilities and aptitudes to educational and career opportunities; utilize their abilities in formulating realistic plans; and achieve satisfying personal development.

2123 Appraisal. Activities used in assisting students in assessing their progress in career development.

2124 Information. Activities for disseminating educational, occupational, and personal information to acquaint students with the curriculum and educational and vocational opportunities and requirements.

2125 Record Maintenance. Activities for compiling, maintaining and interpreting cumulative student records.

2126 Placement. Activities that help place students in appropriate situations while they are in school.

2129 Other Guidance Services. Guidance services which are not classified above. Limited to \$2000 and salary and benefits expenditures invalid.

**2130 Health Services.** Physical and mental health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental and nursing services.

**2131 Supervision of Health Services (Required).** Activities associated with directing and managing health services.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2100 Support Services – Students (Continued)**

2130 Health Services. (Continued).

2132 Medical. Activities concerned with the physical and mental health of students.

2133 Dental. Activities associated with dental screening, dental care and orthodontic activities.

2134 Nurses (Required). Activities associated with nursing, such as health inspection, treatment of minor injuries and referrals for other health services.

2135 Personal Care

2136 Student Accident Insurance. (Required) For use with object 65250 only.

2137 Reserved for ADE Assignment

2138 Reserved for ADE Assignment

2139 Other Health Services. Health services not classified above. Limited to \$2000 and salary and benefits expenditures invalid.

2140 Psychological Services. 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 special needs of students 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 includes the supervision of psychological services, related testing and counseling services, and psychotherapy services.

2141 Supervision of Psychological Services. Directing, managing and supervising the activities associated with psychological services.

2142 Psychological Testing. Activities concerned with administering psychological tests, standardized tests, and inventory assessments of ability, aptitude, achievement, interests and personality and their interpretation.

2143 Psychological Counseling. Activities that take place between a school psychologist or other qualified person as counselor and one or more students in which the students are helped to clarify and resolve adjustment problems and interpersonal relationships.

2144 Psychotherapy. Activities that provide a therapeutic relationship between a qualified mental health professional and one or more students in which students are helped to clarify and resolve emotional problems.

2145 Behavior Support Specialist-Activities concerned with gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the special needs of students as indicated by psychological tests and behavioral evaluation.

2149 Other Psychological Services. Other activities associated with psychological services not classified above. Limited to \$2000 and salary and benefits expenditures invalid.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. ”

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2100 Support Services – Students (Continued)**

- 2150 Speech Pathology and Audiology Services. Activities that identify, assess, and treat children with speech, hearing and language impairments.
- 2151 Supervision of Speech Pathology and Audiology Services. Activities associated with directing, managing and supervising speech pathology and audiology services.
- 2152 Speech Pathology. Activities that identify children with speech and language disorders; diagnosis and appraise specific speech and language disorders; refer problems for medical or other professional attention; provide required speech treatment services; and provide counseling as appropriate.
- 2153 Audiology. Activities that identify children with hearing loss; determine the range, nature and degree of hearing function; refer problems for medical attention; involve auditory training, speech reading (lip reading) and speech conservation; administer programs of hearing conservation; and provide counseling as appropriate.
- 2154 Hearing Impaired Interpreter. Activities associated with the interpretation and analysis of speech and hearing impaired students.
- 2155 Dyslexia Specialist. Does not work directly with students
- 2158 Speech Pathology. Private School Proportionate Share
- 2159 Other Speech Pathology and Audiology Services. Other activities associated with speech pathology and audiology services not classified above. Limited to \$2000 and salary and benefits expenditures invalid.
- 2160 Physical and Occupational Therapy. Services provided by a qualified physical therapist directed toward improving, developing or restoring function impaired or loss through illness, injury or deprivation.
- 2168 Physical & Occupational Therapy, Private School Proportionate Share
- 2170 Parental Involvement. Activities that support the educational process of students through the involvement of parents.
- 2180 School Based Mental Health. Activities associated with comprehensive mental health services performed by qualified mental health professionals in the school setting.
- 2185 Visually Impaired/Vision Services.
- 2181-2184, 2186-2189 ADE Reserved
- 2190 Other Support Services - Students. Other support services to students not classified above. Limited to \$2000 and salary and benefits expenditures invalid.
- 2191 Supervision of Students (Required). Non-Instructional - Includes All Supervisory personnel for Non-Instructional duty (outside the classroom) to include bus duty, cafeteria duty, playground duty, etc. If aide is "on the bus" that is a transportation expenditure (27XX). If aide is in the lunchroom doing lunchroom duties like taking up money, etc. it is food services expenditure (3151). If aide is supervising students in the lunchroom it is function 2191 (See Commissioner's Memo COM-07-045 dated 10/12/06 and COM-07-097 dated 03/29/2007).

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2200 Support Services - Instructional Staff.** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

2210 Improvement of Instructional Services. Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experience for students. These activities include curriculum development, techniques of instruction, child development and understanding, and staff training.

2211 Supervision of Improvement of Instructional Services (Required). Activities associated with directing, managing and supervising the improvement of instructional services.

2212 Instruction and Curriculum Development, Includes Curriculum Specialist. Activities that aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques which stimulate and motivate students.

2213 Instructional Staff Training/Professional Development. 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, and courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of instructional personnel. Training that supports the use of technology for instruction should be included in this code (states may establish a sub-object code for specific tracking of technology-related training costs). 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 charged to this code regardless of whether training services are provided internally or purchased from external vendors. This also includes charging substitute pay for teachers participating in professional development.

2214 Instructional Staff Advisory Services. Activities designed to aid teachers and program supervisors in developing, monitoring and evaluating curriculum and specialized learning experiences

2215 Drug Free Schools

2216 Athletic Director (Required)

2217 ESL Coordinator (optional)

2219 Other Improvement of Instructional Services. Activities for improving instruction other than those classified above. Limited to \$2000 and salary and benefits expenditures invalid.

2220 Library/Media Services. Activities concerned with directing, managing, and supervising educational media services (e.g. supervisory personnel) 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 development and acquisition of library materials and operation of library facilities. Textbooks will not be charged to this function but rather to the instruction function. (Used with all valid programs 100-900).

2221 Supervision of Educational Media Services (Required). Activities concerned with directing, managing and supervising educational media services.

2222 School Library. Activities such as: selecting, acquiring, preparing, cataloging and circulating printed materials; planning the use of the library by teachers and students; and guiding individuals in their use of library books and materials.

2223 Audiovisual. Activities such as selecting, preparing, caring for and making available equipment, films, filmstrips, transparencies, tapes, TV programs and other similar materials to staff members.

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2200 Support Services - Instructional Staff (Continued)**

**2220 Library/Media Services. (Continued)**

2224 Educational Television. Activities concerned with planning, programming, writing and presenting educational programs by closed circuit or broadcast television.

2225 Computer-Assisted Instruction. Activities concerned with planning, programming, writing and presenting educational projects which have been especially programmed for computer use as the principal medium of instruction.

2229 Other Educational Media Services. Educational media services other than those classified above. Limited to \$2000 and salary and benefits expenditures invalid.

**2230 Instruction-related Technology.** This functional category encompasses all technology activities and services for the purpose of supporting instruction. These activities may include expenditures for internal technology support, as well as support provided by external vendors utilizing operating funds. These activities may include costs associated with 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 that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks and similar operations should be captured in this code. Technology that is used by students in the classroom or that has a student instruction focus should be coded to valid functions in 1000 instruction range. (Used with all valid programs 100-900)

**Student Computer Centers.** Activities concerned with supporting and maintaining labs and centers (outside the classroom) that are established for the purpose of supporting the instructional environment. These labs and centers may be located in the library or in other locations but are not primarily dedicated to student-teacher learning. Labs or learning centers that are primarily dedicated to instruction should be coded to Instruction.

**Technology Service Supervision and Administration.** Activities concerned with directing, managing and supervising data process services.

**Systems Analysis and Planning.** Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data processing equipment.

**Systems Application Development.** Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

**Systems Operations.** Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

**Network Support.** Services that support the networks used for instruction-related activities.

**Hardware Maintenance and Support**

**Professional Development for Instruction focused Technology Personnel.** Costs that are incurred as a result of acquiring knowledge and skills that will be used in support of instructional technologies.

Technology training for instructional staff should be reported in 2213 (Instructional Staff Training).

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “



**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2200 Support Services - Instructional Staff (Continued)**

- 2240 Academic Student Assessment. This function is inclusive of those services rendered for the academic assessment of the student.  
2241 Testing Coordinator  
2242 Pre Referral for Education Assessments  
2243 Post Dismissal for Education Assessments  
2244 Section 504 Eligible. Regulations at 34 CFR 104.3(j)(i)
- 2290 Other Support Services - Instructional Staff. Services supporting the instructional staff not classified above. Limited to \$2000 and salary and benefits expenditures invalid.  
2291 Gifted Talented Coordinator  
2292 Special Education Director, LEA Coordinator including staff of director.  
2293 Vocational Director  
2294 Instructional Facilitator, Math (Job Code 7100) (Code to LEA level)  
2295 Instructional Facilitator, Science (Job Code 7120) (Code to LEA level)  
2296 Pre-K Director  
2297 Instructional Facilitator, Literacy (Job Code 7110) (Code to LEA level)  
2298 Instructional Facilitator, Social Studies (Job Code 7130) (Code to LEA level)  
2299 Other Support Services – Instructional Staff. Limited to \$2000 and salary and benefits expenditures invalid.

**2300 Support Services - General Administration.** Activities concerned with establishing and administrating district policy for operating the school district.

- 2310 Board of Education Services.** Activities of the elected body that has been created according to state and law vested with responsibilities for educational activities in a given administrative unit. Some examples of services to be included here are board secretary and clerk service.
- 2311 Supervision of Board of Education Services. Activities concerned with directing and managing the general operation of the district board of education. These include the activities of the members of the Board of Education, but do not include any special activities defined in the other areas of responsibility described below. They also include any activities of the district performed in support of the school district meeting. Legal activities to interpret the laws and statues and general liability situations are charged here.
- 2312 Board Secretary/Clerk. The activities required to perform the duties of the Secretary/Clerk of the Board of Education.
- 2313 Board Treasurer. The activities required to perform the duties of Treasurer of the Board of Education.
- 2314 Elections. Services rendered in connection with any school system election, including elections of officers and bond elections.
- 2315 Legal. Legal counseling provided to the Board of Education.
- 2316 Staff Relations and Negotiation. Activities concerned with staff relations and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.
- 2317 Audit Services. Independent audit services provided to board of education. (Object 63431 only).
- 2318 Reappraisal of Property. Services connected with the reappraisal of property within the school district.
- 2319 Other Board of Education Services. Board of Education services that cannot be classified under the preceding areas of responsibility (include equipment property tax here). Limited to \$2000 for all allowable objects other than 68830 Property Tax, salary and benefits expenditures are invalid. No limit on property tax (68830) charged to function 2319.

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2300 Support Services - General Administration (Continued)**

**2320 Executive Administration Services.** Activities associated with the overall general administration of or executive responsibility for the entire school district. Personnel with more specialized responsibility should be coded to the function code that best describes the specialized activity.

2321 Office of the Superintendent or Educational Cooperative. Activities performed by the superintendent in directing and managing all affairs of the school district. These include all personnel and materials in the office of the chief executive officer.

2322 Community Relations. The activities and programs developed and operated system wide for bettering school-community relations.

2323 Assistant Superintendent (Including Deputy, Associate, etc.). Activities performed by superintendent assistants as Deputy, Associate, and assistant superintendents in generally directing and managing affairs of the school district.

2324 State and Federal Relations. Federal Program Director/Coordinator. Activities associated with developing and maintaining good relationships with state and federal officials. The activities associated with grant procurement are included (Includes federal fund migrant director).

2325 Director of Student Services (Does not work directly with students) This is a district-wide certified position that serves under the superintendent. Duties include but are not limited to: Enrollment, Student Transfer Requests, Coordinating due process hearings for suspended students with appeals board, Handling and monitoring student enrollment figures, in charge of school district attendance zone, and other misc. duties as assigned by supt (coordinates soc workers and guidance counselors meetings, etc.) This person does not work directly with students.

2326 Director of Support Services. Supervisor of Maintenance, Transportation, Food Service and/or Central Office Personnel Department Supervisors. Various other duties such as meeting with parents regarding student transfers.

2329 Other Executive Administration Services. Other general executive administrative services that cannot be recorded under the preceding categories. Limited to \$2000 and salary and benefits expenditures invalid.

2390 Other Support Services. General Administration. Other support services for general administration not included above. Limited to \$2000 and salary and benefits expenditures invalid.

2391-2399 Reserved for ADE

**2400 Support Services - School Administration.** Activities concerned with overall administrative responsibility for a school. Location level coding required for all functions in this section. Location cannot equal 000.

2410 Office of the Principal. Activities concerned with directing and managing the operation of a particular school. They include the activities performed by the principal while he/she supervises all operations of the school, evaluates the staff members of the school, assigns duties to staff members, supervises and maintains the records of the school, and coordinates school instructional activities with those of the school district. These activities also include the work of clerical staff in support of the teaching and administrative duties.

2411 Assistant Principal

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “



**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2400 Support Services - School Administration (Continued)**

2490 Other Support Services - School Administration. Other school administration services. Limited to \$2000 and salary and benefits expenditures invalid.

2491 Graduation/Prom Expenditures – No \$ limit.

2492-2499 Reserved for ADE.

**2500 Support Services – Central Services.** Activities concerned with paying, transporting, exchanging and maintaining goods and services for the district.

2501 Supervision of Business Services (Required). The activities of directing, managing and supervising areas of business services.

2510 Fiscal Services. Activities concerned with the fiscal operations of the district. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing, and funds managing. Fiscal services are inclusive of supervision of fiscal services, budgeting services, and payroll, internal audit, and general accounting functions. Board secretary, clerk, and board treasurer services should be reported in 2510 IF the positions serve the district and do not provide services directly to board members. Otherwise, function 2310 would be used.

2511 Supervision of Fiscal Services (Required). The activities of directing, managing and supervising the areas of fiscal services.

2512 Budgeting. Activities concerned with budget planning, formulation, control and analysis.

2513 Receiving and Disbursing Funds. Activities concerned with funds received and disbursed.

2514 Payroll. The activities associated with making periodically payments to employees for services rendered, including federal income tax withholding, retirement and social security.

2515 Financial Accounting. Those activities concerned with maintaining records of the financial operations and transactions of the district.

2516 Internal Auditing. Those activities concerned with verifying the reliability of the accounting system, safeguarding assets and evaluating the adequacy of internal controls.

2517 Property Accounting. Those activities concerned with preparing and maintaining current inventory records of land, buildings and equipment.

2518 SIS DataCoordinator(optional)

2519 Other Fiscal Services. Includes fiscal services not classified above. Limited to \$2000 and salary and benefits expenditures invalid.

2520 Purchasing, Warehouse, and Distributing Services. Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment, and materials used in schools or school system operations.

2521 Supervision of Purchasing, Warehousing and Distributing Services (Required). The activities of directing and supervising the warehousing and distributing of supplies, furniture, equipment, materials and mail.

2525 Warehouse Inventory Adjustment. Adjustments to inventories due to consumption or loss. (Usually used with 66700)

2530 Printing, Publishing, and Duplicating Services. The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities here also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices. (Duplicating services directly related to instruction should be reported in the 1000 range functions.)

Table III: Function Classification (Continued)

2000 Support Services (Continued)

2500 Support Services – Central Services (Continued)

2540 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. (Used with all valid programs 100–900.)

**Planning services** include activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization of program. They also involve formulating various courses of action needed to achieve these goals by identifying needs and the relative costs and benefits of each course of action.

**Research services** include activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

**Development services** include activities in the deliberate, evolving process of improving educational programs.

**Evaluation services** include 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 previously established goals.

2560 Public Information Services. Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, and the general public through direct mailing, the various news media, e-mail, the Internet and web sites, and personal contact. The information services function code includes related supervision and internal and public information services. Technology that supports this code is included in 2580.

2570 Personnel Services. Activities concerned with maintaining efficient personnel for the school system. It includes such activities as recruitment and placement, non-instructional staff training, staff transfers, in-service training, health services, and staff accounting.

2571 Supervision of Personnel Services. The activities of directing, managing, and supervising staff services.

2572 Recruitment and Placement. Activities concerned with employing and assigning personnel for the school district.

2573 Personnel Information. Services rendered in connection with the systematic recording and summarizing of information relating to staff members employed by the school district.

2574 Non-Instructional Personnel Training. Activities associated with the professional development and training of non-instructional 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 non-instructional personnel. The incremental costs associated with providing temporary employees to perform job code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors. Pertains to general training provided all non-instructional personnel. Training pertaining to specific functional areas, such as transportation, should be charged to the function of the employee being trained.

2575 Health Services. Activities concerned with medical, dental, and nursing services providing for school district employees. Included are physical examinations, referrals, and emergency care.

2576 Criminal Background Checks. All expenditures related to completing criminal background checks for existing personnel and/or job applicants. Applies to both certified and classified personnel.

2578 License Renewal Fee for Teachers

2579 Other Personnel Services. Personnel services that cannot be classified under the preceding functions. Limited to \$2000 and salary and benefits expenditures invalid.

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

**2500 Support Services – Central Services (Continued)**

2580 Administrative Technology Services. Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities may include expenditures for internal technology support, as well as support provided by external vendors utilizing operating funds. These activities may include costs associated with 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. (Used with all valid programs 100-900)

**Technology Service Supervision and Administration.** Activities concerned with directing, managing and supervising data processing services.

**Systems Analysis and Planning.** Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data processing equipment.

**Systems Application Development.** Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequence.

**Systems Operations.** Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

**Network Support.**

**Hardware Maintenance and Support.**

**Professional Development Costs for Administrative Technology Personnel.**

**Other Technology Services.** Activities concerned with data processing not described above.

2590 Other Support Services – Central Services. Other support services to business not classified elsewhere in the 2500 series. Limited to \$2000 and salary and benefits expenditures invalid.

2591 Books and Periodicals for Non Instructional Staff

**Function Codes in the 2600-2699 range will include Maintenance, Repair, and Renovation of facilities. Act 1426 of 2005 defines this as “Any activity or improvement to a facility or related area that: (A) Maintains, conserves, or protects the state of condition or efficiency of the facility, or (B) Brings the state of condition, or efficiency of the facility up to the facility’s original condition of completeness of efficiency.”**

2600 Operation and Maintenance of Plant Services. Activities concerned with keeping the physical plant open, comfortable, and safe for use and with 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.

2601 Supervision of Operation and Maintenance of Plant Services (Required). The activities of directing, managing and supervising the operations and maintenance of the school plant.

2610 Operation of Buildings. 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.

2611 Custodian

2620 Maintenance of Buildings. Activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventative maintenance.

2621 Painter/Carpenter

2622 Plumber

2623 Electrician

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

2600 Operation and Maintenance of Plant Services. (Continued)

2630 Care and Upkeep of Grounds Services. Activities involved in maintaining and improving the land (but not the buildings). These include snow removal, landscaping, grounds maintenance, and the like.

2640 Care and Upkeep of Equipment Services. Activities involved in maintaining equipment owned or used by the school district. They include such activities as servicing and repairing furniture, machines, and movable equipment.

2650 Vehicle Operation and Maintenance (Other than Student Transportation Vehicles) (Required). 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 Security Services (Required). Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, on a campus or administrative facility, or participating in school-sponsored events. These include cost associated with security plan development and implementation, installation of security monitoring devices (e.g., cameras, metal detectors), security personnel (e.g., campus police, security guards), purchase of security vehicles and communication equipment, and related costs. Costs associated with in-service training related to school safety, drug violence prevention training, and alternative schools should not be accounted for under this function code.

2661 Resource Officer

2669 Athletic Security (Must use program code 115)

2670 Safety (Required). Activities concerned with maintaining a safe environment for students and staff, whether they are in transit to or from school, on 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. Costs associated with in-service training related to school safety, drug and violence prevention training, and alternative schools should not be accounted for under this function code.

2671 Crossing Guards

2690 Other Operation and Maintenance of Plant Services. Operations and maintenance of plant services that cannot be classified elsewhere in the 2600 series. Limited to \$2000 and salary and benefits expenditures invalid.

**Comments:** New Carpet should be coded to function 2620 and object 64310 Per the Codification of Government Accounting and Financial Reporting Standards published by GASB, the corresponding Comprehensive Implementation Guide and the AICPA's Audit and Accounting Guide for State and Local Governments. The AICPA Audit Guide (Chapter 7), particularly paragraph 7.14 that states "Often, outlays relating to capital assets are made after the assets are placed in service. GASB Statement No. 34 does not establish standards for when those costs should be capitalized or expensed, except as discussed in paragraph 7.40 relating to the modified approach. For capital assets that are depreciated, as provided in the GASB Q&A, item 7.82, expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives (preservation costs) or improve their efficiency (improvements) or capacity (additions) are capitalized, whereas expenditures for repairs and maintenance are expensed." There are other basic principles addressed in these publications that will also be helpful.

Act 1426 of 2005 defines "New Construction" as "any improvement to a facility and, if necessary, related areas, such as the physical plant and grounds, that brings the state of condition or efficiency of the facility to a state of condition or efficiency better than the facility's original condition of completeness or efficiency.

**Table III: Function Classification (Continued)**

**2000 Support Services (Continued)**

- 2700 Student Transportation Services.** 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.
- 2710 Supervision of Student Transportation Services. Activities pertaining to directing and managing student transportation services
  - 2720 Vehicle Operation. Activities of operating vehicles for student transportation purposes.
  - 2730 Monitoring. Those 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.
  - 2740 Vehicle Servicing and Maintenance. Activities involved in maintaining student transportation vehicles. These include repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting vehicles for safety.
  - 2760 Student Transportation Security. Installation of GPS, security monitoring devices (e.g. cameras, metal detectors)
  - 2790 Other Student Transportation Services. Includes student transportation services not classified above. Limited to \$2000 and salary and benefits expenditures invalid.
  - 2791-2799 ADE Reserved
  - 2900 Other Supporting Services. All other support services not classified elsewhere in the 2000 series. Limited to \$2000 and salary and benefits expenditures invalid.
  - 2910 Governor's Computer Science Awards/Payments to Students. No \$ Limits. Fund 2941 only.
  - 2920 *Athletic Game Expenditures (ex: officials, scorekeepers, etc.)for use for employee salary and non-employee obj. 63905 or 63912. Fund 7000-7999 only with required program code 115. Function 1150-1159 also allowed for athletic game related expenditures.. No \$ Limits*
  - 2990 *Medicaid Match.* No \$ Limits but salary and benefits expenditures invalid.

**3000 Operation of Non-Instructional Services.** Activities concerned with providing non-instructional services to students, staff or the community.

- 3100 Food Services Operations.** Activities concerned with providing food to students and staff in a school or school district. This service area includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.
- 3110 Supervision of School Food Services. Directing, supervising and managing the activities associated with school food services. FS employees working for the Director should be coded to 3110-3119.
  - 3120 Food Preparation and Dispensing Services. Those activities concerned with preparing and serving regular and incidental meals, lunches or snacks to pupils and staff.
  - 3121 Refund prepaid student meals from FY 20 revenue. Fund 8000 ONLY
  - 3130 Food Delivery Services. The activities concerned with delivering food to the school.
  - 3131 ESSER Food Delivery
  - 3140 Food Management Contract Services. Those activities concerned with a commercial enterprise or a non-profit organization which is contracted to manage an aspect of the school food service.
  - 3150 Food Service Staff not preparing or serving food (Required)
  - 3151 Clerical Staff/Aides (Meal Clerk, Scanning Meal Cards for Students, Taking up money, Depositing Money, etc.), - (required supervisory staff for students in the lunchroom should be coded to 2191 – COM-07-045).
  - 3152 Food Service Warehouse Management

**Table III: Function Classification (Continued)**

**3000 Operation of Non-Instructional Services.**

3200 Other Enterprise Operations. Activities 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. Food services should not be charged here but rather to function 3100. One example could be the school district bookstore.

**3300 Community Services Operations.** Activities concerned with providing services to the community. 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. Counseling for the parents of students, where the objective is to improve the education and well-being of the student should be reported in function 2120 Guidance services.

3310 Supervision of Community Services. Directing, supervising and managing activities associated with school and community activities.

3320 Community Recreation Services. Those activities concerned with providing recreation for the community.

3330 Civic Services. Those activities of providing services for civic affairs or organizations.

3340 Public Library Services. Activities related to the operation of the public libraries by a school district or through the district's library collection.

**3350 Custody and Care of Children Services.** Providing programs for children in residential day schools or childcare centers which are not part of or directly related to the district's instructional programs and the attendance is not included in the district's attendance figures.

3351 Welfare Activities. Providing for the personal needs of individuals who have been designated as needy by an appropriate governmental entity.

3352 Non-Public School Public Service. Activities concerned with providing instructional services, attendance and social work services, health services and transportation services for non-public school pupils.

3353 Parent Centers.

3354 Instruction Program.

3355 Homeless Activities. Children and youth who "lack a fixed, regular, and adequate nighttime residence". Also includes children who are sharing housing of other persons due to loss of housing, economic hardships, living in motels, hotels, mobile home parks, campgrounds or emergency shelters, or foster care due to the lack of adequate accommodations.

3356 After School Child Care Program. After hours child care program afforded working parents for a fee.

3357 PreK/Daycare

3359 Other Custody and Care of Children Services

3390 Other Community Services. Other community services not classified above.

**4000 Facilities Acquisition and Construction Services.** 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.

4100 Land Acquisition. Activities concerned with initially acquiring and improving land.

4200 Land Improvement. Activities concerned with making permanent improvements to land, such as grading, fill, and environmental remediation.

4300 Architecture and Engineering and/or Consultant. The activities of architects and engineers or consultant 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 the school district's property. Otherwise, charge these services to 4100, 4200, 4510, 4520, 4610, or 4620 as appropriate.

**Table III: Function Classification (Continued)**

**4000 Facilities Acquisition and Construction Services. (Continued)**

- 4400 Education Specifications Development. Activities concerned with preparing and interpreting descriptions of specific space requirements to be accommodated in a building. These specifications are interpreted to the architects and engineers in the early stages of blueprint development.
- 4500 Building Acquisition and Construction.** Activities concerned with buying or constructing buildings.
  - 4510 Instructional Areas.
  - 4520 Non-Instructional Areas.
- 4600 Site Improvement.** Activities concerned with making nonpermanent improvements or enhancements to building sites and activity areas. These improvements include fencing, walkways, tunnels, bleachers, outside lighting, temporary landscaping, etc.
  - 4610 Instructional Areas.
  - 4620 Non-Instructional Areas
- 4700 Building Improvements Services.** Activities concerned with building additions and with installing or extending service systems and other built in equipment.
  - 4710 Instructional Areas. Those activities concerned with initial installation or extension of services systems, built-in equipment and additions to buildings of instructional areas.
  - 4720 Non-Instructional Areas. Those activities concerned with initial installation or extension of service systems, built-in equipment and additions to buildings of non-instructional areas.
- 4900 Other Facilities Acquisition and Construction Services. Facilities acquisition and construction activities not classified above. Limited to \$2000 and salary and benefits expenditures invalid.

**5000 Other Uses (Governmental Funds Only).**

- 5100 LEA Indebtedness.** The servicing of the district's debt, including principal, interest and fiscal fees.
  - 5110 Bonded Indebtedness. Debt incurred in the form of bonded indebtedness serviced by specific debt service millage.
  - 5120 State Revolving Loan Program Debt. State Revolving Loan Program debt for a term up to ten (10) years, \$500,000 maximum outstanding, and serviced from the operating fund.
  - 5130 Current Indebtedness. Debt that must be paid off on or before December 31 of the fiscal year following the fiscal year the debt was procured.
  - 5140 Postdated Warrants. Indebtedness incurred in the form of postdated warrants for a term up to ten (10) years unless for energy conservation measures (up to twenty years).
  - 5150 Installment/Lease Purchase Contracts. Indebtedness incurred in the form of installment contracts or lease purchase contracts for a term up to ten (10) years unless for energy conservation measures (up to twenty years).
  - 5160 School Board Association Anticipated Tax Note. A bank note borrowed from the State School Boards Association.
  - 5190 Other Indebtedness.
- 5200 Fund Transfers. Money transferred from one fund to another fund.
- 5500 Indirect Costs. Costs incurred that are not directly attributable to a specific school or for a specific activity or function (Indirect Cost 68400).
- 5900 Other Non-Programmed Costs. Costs not classified above.
  - 5901 Refund of State Revenue to State
  - 5902 98% URT. Code 6-20-2305 [a][4][B]
  - 5903 Grant Revenue Pass Through to other LEA
  - 5904 Return Expired Federal Grants Funds or pay back expired funds that were expended outside the grant period or return federal funds not expended within required time frame.
  - 5905 Repay Prior Year Federal Expenditure Errors
  - 5906 Refund of Unexpired Federal Grants Funds

# Classifications of Expenditures

## Program

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. Nine broad program areas are identified in this guide: regular education, special education, vocational education, other instructional (PK-12) non-public school, adult/continuing education, community/junior college education, community services, and enterprise. An undistributed expenditures category is added to accumulate expenditures that cannot be charged to one of the programs but can be allocated later by an indirect cost allocation process.

The program dimension provides the LEA the framework to classify expenditures by program to determine cost. Many SEA's have developed a function/object matrix for reporting financial information from the LEA and the SEA. In this system, the function dimension is used to gather instructional program information. In this process, only direct instructional costs are classified to the instruction function; those support costs which could be considered direct costs to an instructional program are classified to a support function. For example, special educational transportation costs are classified to the support services function, transportation, even though they should be charged directly to the special education program. The program dimension allows agencies to charge program costs, instructional and support, directly to the benefiting program. Additionally, an agency using this dimension can classify support services both to programs and to functions.

Program codes required for State Reporting are identified with an asterisk. Currently these required codes include expenditures relating to ESA Programs, athletics, and other student activities, special education, and projects that utilize Academic Facilities State Revenue. Expenditures for projects that utilize Academic Facilities State Revenue must be coded to a program code in the range of 070-099. See Commissioner's Memo COM-06-067 dated March 9, 2006 in Appendix 7.

### FIN-19-013 ESA Matching (1282|2282) Grant Program Codes.

These programs shall be limited to:

- Tutors as set out in Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(4);
- Before-school academic programs and after-school academic programs, including transportation to and from the programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(2); and
- Prekindergarten programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(3).

Only those expenditures coded with the appropriate codes for the allowable uses outlined by the Act will be eligible for matching funds. The allowable program codes to be used when coding expenditures are as follow:

### Programs codes for ESA Matching Grant.

- 004\*ESA, Before and After Academic Program
- 005\* ESA, Pre-K
- 006\* ESA, Tutors
- 204\* ESA/SP ED, Before and After Academic Program
- 205\* ESA/SP ED, Pre-K
- 206\* ESA/SP ED, Tutors



## Chart of Accounts: Programs

### 000 UNALLOCATED

- 001\* ESA Literacy, Math, Sci. Specialists/Coaches
- 002\* ESA, Professional Devel. Lit., Math/Sci
- 003\* ESA, High Qualified Classroom Teachers
- 004\* ESA, Before and After Academic Program
- 005\* ESA, Pre-K
- 006\* ESA, Tutors
- 007\* ESA, Teacher's Aides
- 008\* ESA, CRT. Counselors, Lic. Social Workers, nurses
- 009\* ESA, Curriculum Specialist
- 010\* ESA, Parent Education
- 011\* ESA, Summer Programs
- 012\* ESA, Early Intervention Program
- 013\* ESA, School Improvement Plan
- 014\* ESA, Other activities approved by the ADE that will further the purposes of this Section 6.07.  
Such activities include, but are not limited to, research-based activities and activities directed  
at chronically underperforming schools.
- 016\* ESA, ACT fees for 11th graders (Taking ACT for first time per Act 881 of 2007) and  
Operating or supporting a postsecondary preparatory program authorized under Ark. Code Ann. §  
6-16-601
- 017\* Transfer to ESA Categorical Fund
- 018\* Transfer to ALE Categorical Fund
- 019\* Transfer to ELL Categorical Fund
- 020\* Transfer to Professional Development Categorical Fund
- 021\* ESA, Scholastic Audit. Effective FY 11-12
- 022\* ESA, District required meal program. Effective FY 11-12
- 023\* ESA, Expenses related to funding a longer school day or school year. Effective FY 11-12
- 024\* ESA, Remediation activities for college preparation. Partnering with higher education  
institutions and technical institutes to provide concurrent courses or technical education.  
Effective FY 20-21
- 025\* ESA, Teach for America professional development. Effective FY 11-12
- 026\* ESA, Implementing Arkansas Advanced Initiative for Math and Science(AAIMS)-Eff. FY11-12
- 027\* ESA, Hiring College and Career Coaches as administered by Division of Career & Technical  
Education Eff.11-12
- 028\* ESA, District Reduced CoPay Meals - Effective FY 11-12
- 029\* ESA, Materials, supplies, and equipment, including technology, used for State Board approved  
programs and purposes. Effective FY 20-21
- 030\* ESA, Program using arts-infused curriculum. Effective FY 20-21
- 031\* ESA, School Resource Officers whose job duties include research-based methods and strategies  
tied to improving achievement of students at risk. Effective FY 20-21
- 032\* ESA, Experience-based field trips. Effective FY 20-21
- 033\* ESA, Coordinated school health coordinator. Effective FY 20-21
- 034\* ESA, Developing and implementing interim building-level assessments to monitor student  
progress toward proficiency on state assessments. Effective FY 20-21
- 035\* ESA, Dyslexia programs and interventions. Effective FY 20-21
- 036\* ESA, Recruiting and retaining effective teachers, if the school district meets the minimum teacher  
salary schedule without using ESA funds. Effective FY 20-21
- 037\* ESA, Professional Development as identified in the school district's support plan under 6-15-2914.  
Effective FY 20-21

\* - Required

## Chart of Accounts: Programs (Continued)

### ESA

WHEN the expense is for Special Education in ESA, replace the leading 0 with the number 2 for all the ESA codes. For example, 201 ESA Literacy, Math, Sci. Specialist/Coaches... ; 202 ESA, Professional Devel. Lit., Math/Sci... on through to the last ESA program code 216 ESA, ACT fees for 11th graders...

- 201\* ESA /SP ED, Literacy, Math, Sci. Specialists/Coaches
- 202\* ESA /SP ED, Professional Devel. Lit., Math/Sci
- 203\* ESA /SP ED, High Qualified Classroom Teachers
- 204\* ESA /SP ED, Before and After Academic Program
- 205\* ESA /SP ED, Pre-K
- 206\* ESA /SP ED, Tutors
- 207\* ESA /SP ED, Teacher's Aides
- 208\* ESA /SP ED, CRT. Counselors, Lic. Social Workers, nurses
- 209\* ESA /SP ED, Curriculum Specialist
- 210\* ESA /SP ED, Parent Education
- 211\* ESA /SP ED, Summer Programs
- 212\* ESA /SP ED, Early Intervention Program
- 213\* ESA /SP ED, School Improvement Plan
- 214\* ESA /SP ED, Other activities approved by the ADE
- 216\* ESA /SP ED, ACT fees for 11th graders (Taking ACT for first time per Act 881 of 2007)
- 221\* ESA /SP ED, Scholastic Audit - Effective FY 11-12
- 222\* ESA /SP ED District required portion of Provision 2 meal program - Effective FY 11-12
- 223\* ESA /SP ED Expenses related to funding a longer school day or school year.-  
Effective FY 11-12
- 224\* ESA /SP ED, Partnering with higher education institutions and technical institutes to provide  
concurrent courses or technical education. Effective FY 20-21
- 225\* ESA /SP ED, Teach for America professional development. - Effective FY 11-12
- 226\* ESA /SP ED, Implementing AR Advanced Initiative for Math and Science (AAIMS).  
Effective FY 11-12
- 227\* ESA /SP ED Hiring College & Career Coaches as administered by Dept of Career  
Effective FY 11-12
- 228\* ESA /SP ED District Reduced CoPay Meals - Effective FY 11-12
- 229\* ESA /SP ED Materials, supplies, and equipment, including technology, used for State Board  
approved programs and purposes. Effective FY 20-21
- 230\* ESA /SP ED Program using arts-infused curriculum. Effective FY 20-21
- 231\* ESA /SP ED School Resource Officers whose job duties include research-based methods and  
strategies tied to improving achievement of students at risk. Effective FY 20-21
- 232\* ESA /SP ED Experience-based field trips. Effective FY 20-21
- 233\* ESA /SP ED Coordinated school health coordinator. Effective FY 20-21
- 234\* ESA /SP ED Developing and implementing interim building-level assessments to monitor student  
progress toward proficiency on state assessments. Effective FY 20-21
- 235\* ESA /SP ED Dyslexia programs and interventions. Effective FY 20-21
- 236\* ESA /SP ED Recruiting and retaining effective teachers, if the school district meets the minimum  
teacher salary schedule without using ESA funds. Effective FY 20-21
- 237\* ESA /SP ED Professional Development as identified in the school district's support plan under 6-  
15-2914. Effective FY 20-21
- 238\* ESA/Sp Ed Additional compensation for teachers who assume identified leadership roles.
- 239\* ESA/Sp Ed Social, emotional, behavioral supports and physical/mental health resources.
- 240\* ESA/SP Ed Access to postsecondary opportunities.

\* - Required

## Chart of Accounts: Programs (Continued)

070-099 Reserved for District-Defined Program Codes for Facilities Projects with Facilities Funding (In order to accurately track the total expenditures for each facilities project that utilizes Act 2206 revenue, it will be necessary to include a district-defined program code (3-digit number following LEA number) in the budget unit. This program code should be within the range of 070 – 099 inclusive. This range of program codes should not be used for any purpose other than projects utilizing state facilities revenue. For program code purposes, a facilities project is all improvements relating to a specific academic facility and included on a single application for facilities funding. If expenditures relating to these projects have already occurred, it will be necessary to reclassify the expenditures to budget units that include the required program code. These reclassifications must occur prior to submitting the September 15, 2006, Cycle 1 Report.) See Appendix 7, COM-06-067

### 100 REGULAR PROGRAMS - ELEMENTARY/SECONDARY

- 110\* Pre-School (COM-07-138 dated 06/20/2007 recommends that for 2007-2008 Program Code 110 be used for all Pre-school Programs except those funded by ESA . This is required for 2008-2009. ESA pre-school programs require program code 005.)
- 111 Kindergarten
- 112 Elementary
- 113 Middle/Jr High
- 114 High School
- 115\* Extracurricular-Athletics. Athletic Activities that add to a student's educational experience but are not related to educational activities. Athletic activities are organized primarily for the purpose of competing with other schools and/or Athletic Programs regulated by the Arkansas Activities Association. Examples include football, basketball, baseball, track, cheerleading, drill team, etc. Program code 115 must also be used for expenditures related to groups supporting or enhancing athletic events. For example, cost of transporting band to a football game.
- 116\* Extracurricular-Non-Athletics. Non-Athletic activities that add to a student's educational experience but are not related to educational activities. Examples include student government, quiz bowl, speech and debate, honors societies, band and choir (other than regular instruction) and Interschool Scholastic Activities organized primarily for the purpose of competing with other schools. The "Non-Athletic" programs regulated by the Arkansas Activities Association are all examples of program 116 activities.
- 117 Summer School
- 118 Saturday School
- 119 Other Regular
- 120\* Recruitment/Retention Incentives, Act 101
- 121\* Teachers in Special Settings, Act 85

### Title IV Fund 6786 New Program Codes – Required FY '22

- 165 Administration (Section 4105(c))
- 167 Activities to support well-rounded educational opportunities (Section 4107)
- 168 Activities to support safe and healthy students (Section 4108)
- 169 Activities to support effective use of technology (Section 4109)

## Chart of Accounts: Programs (Continued)

CARES Budget Structure – One of the following program codes will be required for every budget unit expenditure. See Appendix 8 for fund 6780 Program Codes, Appendix 9 for funds 6781 and 6794 Program Codes and Appendix 10 for fund 6795 Program Codes with detail descriptions on each section description.

When using:

- ESSER FUNDS 6780, 6781, 6794 and 6795

-And FUNCTIONS 1150-1159, 1160-1169, 1210-1299, 1910-1910, 1950-1959, 2216-2216, 2291-2291, and 2669-2669

-With OBJECT CODE 61000-62999

-The PROGRAM CODES for these functions can be the required program code or the ESSER Program Code 160.

See chart below.

<b>Funds 6780, 6781, 6794 and 6795</b>				
<b>Function</b>	<b>Program Code</b>	<b>ESSER Program Code</b>	<b>Objects</b>	<b>Function Code Title</b>
1150-1159	115	160	61000-62999	Athletics
1160-1169	116	160	61000-62999	Cocurricular and Extracurricular Activities
1210-1299	200	160	61000-62999	Special Education
1910-1910	270	160	61000-62999	Gifted and Talented Children
1950-1959	438	160	61000-62999	Alternative Learning Environment
2216-2216	115	160	61000-62999	2216 Athletic Director
2291-2291	270	160	61000-62999	2291 Gifted Talented Coordinator
2669-2669	115	160	61000-62999	2669 Athletic Security

### Section 1 DIRECT STUDENT SUPPORT/CONTINUOUS LEARNING OPPORTUNITIES

170 1-6 Addressing Learning Loss – ESSER II and ESSER III only

171-179 ADE Reserved

180 1-1 Activities Allowed in ESSA, IDEA, Adult Ed, Perkins, McKinney Vento

181 1-2 School Leadership Resources

182 1-3 Services for Special Populations

183 1-4 Mental Health Support

184 1-5 Extended Learning Opportunities, Summer Learning and/or Supplemental After School Activities, etc.

### Section 2 TECHNOLOGY

185 2-1 Educational technology

### Section 3 SYSTEMIC PROCEDURES

186 3-1 Coordinating Activities for Digital Programming Support Short and Long-term School Closures (i.e. distance learning, specialized student services)

187 3-2 Planning Improved LEA Response to Emergencies.

188 3-3 Training For Staff on Prevention of Disease Spread

189 3-4 Supplies For Sanitation of Buildings

190 3-5 Coordination with Other Public Agencies for Coronavirus Response

191 3-6 Continuity of Operations and Employment

### Section 4 FOOD SECURITY

192 3-7 Food Service

### Section 5 EQUITABLE SERVICES

193 3-8 Equitable Services – ESSER I only

194-195 ADE Reserved

### Section 6 FACILITIES

196 6-1 Facility Repairs and Improvements – ESSER II and ESSER III only

197 6-2 Improve Air Quality – ESSER II and ESSER III only

198 6-3 Transportation – ESSER III only

199 ADE Reserved

### Section 7 MAINTENANCE OF EQUITY

160 7-1 Additional Pay

161-164 ADE Reserved

\* - Required

## Chart of Accounts: Programs (Continued)

Only the listed required Special Ed Program Codes are allowed. A program code is required for all Special Education expenditures.

### 200\*

#### SPECIAL EDUCATION

- 250\* Maintenance of Effort (MOE) Set-Aside
- 260 Pre School (only used with preschool function 1290)
- 261 Shared LEA Supv. - Permission Granted on individual district basis ONLY by SPED Unit. (to be used only with state and local fund 1000/2000)
- 264\* Voluntary CEIS (Carryover)
- 265\* Voluntary CEIS (Current)
- 266\* Required Private School Proportionate Share (Carryover) (only used with functions 1218, 1228, 2158, 2168, and Fund 6702)
- 267\* Required CEIS (Carryover)
- 268\* Required Private School Proportionate Share (only used with functions 1218, 1228, 2158, 2168, and Fund 6702)
- 269\* Required Coordinated Early Intervening Services

### 270\*

#### GIFTED AND TALENTED

### 300

#### VOCATIONAL PROGRAMS

#### 301-309 District Defined

##### 310 Agriculture

311-319 District Defined

##### 320 Distributive Education

321-329 District Defined

##### 330-332 District Defined

333 Health Occupations

334-339 District Defined

##### 340 Home Economics

341 Occupational

342 Consumer and Homemaking

343 Intro to Teaching

344-349 Reserved ADE – will assign upon request.

##### 350 Industrial Arts

351-359 Reserved ADE – will assign upon request.

##### 360 Office Occupations

361-364 Reserved ADE – will assign upon request.

365 Computer Science

366 Startup

##### 370 Technical Education

371 East Lab

372-379 Reserved ADE – will assign upon request.

##### 380 Trades and Industrial Occupations

381 Building Trades

382 CAD Drafting

383 Engineering Academy

384 TV Productions

385-389 Reserved ADE – will assign upon request.

##### 390 Other Vocational Programs --RESERVED ADE

391 Graphic Art

392 Drones

393-399 Reserved ADE – will assign upon request.

## **Chart of Accounts: Programs (Continued)**

### **400            OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY/SECONDARY**

#### **401-419 District Defined**

- 420 School-Sponsored Co-curricular Activities  
District may extend 421-429 for District Defined
- 430 Compensatory Education
  - 431 Basic Skills
  - 432 Dropout/Dropout Prevention
  - 433 Language
  - 434 RESERVED ADE
  - 435 Early Childhood Education
  - 436 Reading
  - 437 Mathematics
  - 438\* Alternative Education
  - 439 Other Compensatory Education Programs
- 440-499 RESERVED ADE

### **500            NON-PUBLIC SCHOOL PROGRAMS**

#### **501-529 District Defined**

530-599 Reserved ADE

### **600            ADULT/CONTINUING EDUCATION PROGRAMS**

601-699 RESERVED ADE. Will assign as requested

### **700            COMMUNITY/JR COLLEGE EDUCATION PROGRAMS**

#### **701-719 District Defined**

720-799 Reserved ADE. Will assign as requested.

### **800            COMMUNITY SERVICE PROGRAMS**

Effective immediately, 04/14/2020 : Program Codes 802-856, 867-889 and 891-899 Reserved for ADE

#### **801-809 Reserved ADE**

- 810 Community Recreation
  - 811-819 District Defined
- 820 Civic Services
  - 821-829 District Defined
- 830 Public Library Services
  - 831-839 District Defined
- 840 Custody and Child Care Services
  - 841-849 District Defined
- 850 Welfare Activities
  - 851-859 District Defined
- 860-899 Reserved ADE. Will assign as requested. Other Community Services

### **900-999    RESERVED FOR DISTRICT USE**

\* - Required

## Object

This classification is used to describe the service or commodity obtained as a result of a specific expenditure. The major categories of objects are further broken down into sub-objects to allow for greater detail. The major category designation is often used as a category summary that should not be used for posting purposes. For posting purposes, the lowest level shown for a category heading or subheading should be used by the district or cooperative.

The following definitions are provided for each object classification.

Object codes in **Bold Print** are headers and sub-headers and cannot be used for coding transactions.

Items *italicized and underlined* denote **OPTIONAL** additional detail for coding transactions. For reporting purposes, all districts must code to the lowest detail level not italicized and underlined. **Districts may extend ONLY existing established object ranges for additional 'district-defined;' cannot create new sub-headers.**

**Examples:**

District-Defined codes cannot be added to any header codes such as 65900. (e.g. 65901)

District-Defined codes cannot be added as new sub-header codes that have not yet been defined in the handbook. (e.g. 65930)

District-Defined codes can be added to existing sub-header code 65920 as long as such code remains within the existing sub-header range such as 65920-65929.

## OBJECT MAJOR CLASSIFICATIONS (HEADERS)

61000	Salaries
62000	Employee Benefits.
63000	Purchased Professional and Technical Services.
64000	Purchased Property Services
65000	Other Purchased Services.
66000	Supplies and Materials.
67000	Property.
68000	Other Objects.
69000	Other Uses of Funds.

## Table IV: Object Classifications

**61000 Personal Services - Salaries.** Amounts paid to both permanent and temporary school district employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the school district. The fifth position in this group of objects has been left unused (i.e., 0) so that a job classification code can be inserted by the school district if desired.

### **61100 Regular Employees**

61110 Certified Employees. Salary expenditures paid to employees in a certified 'position' employees from the teacher salary fund or federal fund.

61120 Classified Employees. Salary expenditures paid to employees from the operating fund, building fund, federal fund or food service fund for work in a non-certified/classified position.

**61200 Temporary Employees.** Full-time, part-time, and prorated portions of the costs for work performed by employees of the school district who are hired on a temporary basis.

61210 Certified Temporary Employees. Salaries of Temporary Employees paid for teaching/certified positions.

61220 Classified Temporary Employees. Salaries of Temporary Employees paid to instructional aides and assistants.

**61300 Overtime.** Amounts paid to permanent and temporary employees for work performed in addition to the normal work period for which the employee is compensated.

61310 Certified Overtime.

61320 Classified Overtime.

**61400 Sabbatical Leave.** Amounts paid by to employees on sabbatical leave.

61410 Certified Sabbatical Leave.

61420 Classified Sabbatical Leave.

**61500 Additional compensation such as bonuses or incentives.**

61510 Certified compensation such as bonuses or incentives.

61520 Classified compensation such as bonuses or incentives.

**61600 Workshops.** Amounts paid to an employee for attending workshops or other forms of professional development outside of normal working hours or contracted days.

61610 Certified Workshops.

61620 Classified Workshops.

**61700 Substitutes.** Salary expenditures for work performed by substitute teachers.

61710 Certified Substitutes. Salary expenditures for substitutes paid to work in a certified position.

61720 Classified Substitutes. Salary expenditures for substitutes to work in a classified position.

**61800 Unused Leave.** Costs incurred due to an employee retiring, being terminated or as a benefit when an employee accumulates over the maximum amount eligible to be carried forward in a year.

61810 Certified Unused Sick Leave.

61819 Certified Unused Sick Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.

61820 Classified Unused Sick Leave.

61829 Classified Unused Sick Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.



**Table IV: Object Classification (Continued)**

**61000 Personal Services – Salaries (Continued)**

**61800 Unused Leave. (Continued)**

- 61830 Certified. Unused Vacation Leave.
  - 61839 Certified Unused Vacation Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.
- 61840 Classified. Unused Vacation Leave.
  - 61849 Classified Unused Vacation Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.
- 61850 Certified. Unused Personal Business Leave.
  - 61859 Certified Unused Personal Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.
- 61860 Classified. Unused Personal Business Leave.
  - 61869 Classified Unused Personal Leave for separating employees. Cannot be charged to federal (6XXX) fund expenditures.

**61900 Other.** Wages paid for severance or early retirement incentive.

- 61910 Certified Severance.
- 61920 Classified Severance.
- 61930 Certified Early Retirement Incentive.
- 61940 Classified Early Retirement Incentive.

**62000 Personal Services - Employee Benefits.** Amounts paid by the school district on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services. The fifth position in this group of objects has been left unused (i.e., 0) so that a job classification code can be inserted by the school district if desired.

**62100 Group Insurance.** Employer's share of group insurance. (Other than Health Insurance)

- 62110 Certified Group Insurance. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.
- 62120 Classified Group Insurance. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**62200 Social Security.** Employer's share of Social Security of 6.2 percent, including the amount reimbursed for employees assigned to federal programs.

- 62210 Certified Social Security. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.
- 62220 Classified Social Security. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**Medicare.** Employer's share of Medicare of 1.45 percent, including the amount reimbursed for employees assigned to federal programs.

- 62260 Certified Medicare. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.
- 62270 Classified Medicare. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**62300 Teacher Retirement Contributions.** Employer's share of any state or local employee retirement system paid by the school district, including the amount paid for employees assigned to federal programs.

- 62310 Certified Teacher Retirement Contributions. Expenditures paid for certified personnel from the operating fund, unless funded by a federally sponsored program.
  - 62311 Surcharge Instructional (outsourced embedded employees) Cannot be charged to fund 8XXX.

**Table IV: Object Classification (Continued)**

**62000 Personal Services - Employee Benefits (Continued)**

**62300 Teacher Retirement Contributions. (Continued)**

62320 Classified Teacher Retirement Contributions. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored.

62321 Surcharge Non-Instructional (outsourced embedded employees) Cannot be charged to fund 8XXX. (Comm Memo CNU-18-032)

**62400 Tuition Reimbursement.** Amounts paid to employees qualifying for tuition reimbursement based upon district policy.

62410 Certified Tuition Reimbursement. Expenditures paid to certified employees from the operating fund, unless funded by a federally sponsored program.

62420 Classified Tuition Reimbursement. Expenditures paid to non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**62500 Unemployment Compensation.** Amounts paid by the school district to provide unemployment compensation for its employees. These charges should be distributed to the appropriate functions in accordance with the salary expenditures.

62510 Certified Unemployment Compensation. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.

62520 Classified Unemployment Compensation. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**62600 Worker's Compensation.** Amounts paid by the school district to provide workers' compensation insurance for its employees. These charges should be distributed to the appropriate functions in accordance with the salary budget.

62610 Certified Worker's Compensation. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.

62620 Classified Worker's Compensation. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

**62700 Health Benefits.** Amounts paid by the school district to provide health benefits for its current employees or employees now retired for whom benefits are paid. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures. **(Health Insurance as in EBD MATCH ONLY!) Other group insurances such as dental, life, etc. should be charged to 62110 or 62120. )**

62710 Certified Health Benefits. Expenditures paid for certified employees from the operating fund, unless funded by a federally sponsored program.

62711 - Certified. Premium Assistance Benefit (EBD)

62720 Classified Health Benefits. Expenditures paid for non-certified employees from the operating or building fund, unless funded by a federally sponsored program.

62721 - Classified. Premium Assistance Benefit (EBD)

**62800 Public Retirement Contributions.** Employer's share of retirement payments.

62820 Classified Public Retirement Contributions. Expenditures paid for non-certified employees from the operating fund or building fund, unless funded by a federally sponsored program.

**62900 Other Employee Benefits.** Employers cost of employee benefits not classified above.

62910 Certified Other Employee Benefits. Expenditures for certified employees paid from the operating fund, unless funded by a federally sponsored program.

62920 Classified Other Employee Benefits. Expenditures for non-certified employees paid from the operating or building fund, unless funded by a federally sponsored program.

**"NOTE: District may extend only on existing 'sub-header' codes to more detailed tracking of 'district-defined' expenditures beyond the required level. "**

**Table IV: Object Classification (Continued)**

**63000 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 reasons 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 the school district. Services purchased from another school district or from other government sources should be coded to one of the valid object codes from 65900 through 65970.

**63100 Official/Administrative.** Services in support of the various policymaking and managerial activities of the school district. Included are management consulting activities oriented to general governance or business and financial management of the school district; school management support activities; and election services and tax assessing and collecting services. (Usually used with valid functions in ranges 2300, 2400 and 2500)

63110 Staff Service . Professional services performed in order to assist in employing and assigning staff.

63120 Management Service - Consulting. Professional services provided in order to assist management in board policy or the operation of the district.

63130 Board of Education Services. Professional services provided in order to assist the local school board.

**63200 Professional-Educational.** Services supporting the instructional program and its administration. Included are curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services. (Valid objects in range 63200-63299: usually used with valid functions in range 1000-1999; 2100-2199; 2200-2299; 2300-2399; 2400-2499)

63210 Instruction Services. Services provided by a professional directly engaged in providing learning experiences for students.

63220 Substitute Teachers Purchased Service (Non-Employees)

63221 Substitute Classified Staff (Non Employee) Instructional support (valid functions in range 1XXX Instruction and 2100-2599)

63230 Consulting - Educational. Consulting services provided in educational fields.

63240 Student Assessment.

**63300 Professional Employee Training and Development Services.** Services supporting the professional development of school district personnel, including instructional and administrative employees. Included are course registration fees (that are not tuition reimbursement), charges from external vendors to conduct training courses (at either school 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 courses of professional development activity. (Usually used with valid functions in the 1000 and 2000 function ranges).

63310 Certified Professional Employee Training and Development Services

63320 Classified Professional Employee Training and Development Services

**63400 Other Professional Services.** Professional services other than educational services that support the operation of the school district. Included, for example, are medical doctors, lawyers, architects, auditors, accountants, bankers, therapists, audiologists, dieticians, editors, negotiations specialists, paying agents, systems analysts, and planners. (Usually used with valid functions in the 2000 range, but could also be used with valid functions in range 1000–4000.)

63410 Pupil Services. Professional services provided in order to assist students and their parents in solving problems to supplement the teaching process.

63420 Engineering and/or Facilities Coordinator. (Used with function 4300)

63430 Accounting.

63431 - Financial Audits (Used with function 2317 only).

63432 - Professional Advertising or public relations services (used with functions 2321, 2501, 2510, 2560, 2572)

63433 - 63439 ADE Reserved

**Table IV: Object Classification (Continued)**

**63000 Purchased Professional and Technical Services (Continued)**

**63400 Other Professional. (Continued)**

63440 Legal.

63441 - Legal-Litigation: Defense of District. Object 63441 should be used for expenses incurred due to actual or anticipated litigation against the district. Examples of expenses to be reported under this code are: attorney's fees; expenses incurred in responding to discovery requests; deposition expenses (such as court reporter costs); court costs and filing fees; litigation-related reproduction and materials expenses, and transportation and lodging costs for out-of-town trials and hearings.

63442 - Legal-Litigation: District as Plaintiff (Suing the State). Object code 63442 should be used when the district has expended funds to pay for expenses such as those listed for object code 63441, above, when the expenses are incurred as a result of the district's participation as a plaintiff in litigation against the State of Arkansas and/or one (1) or more of its agencies.

63443 - Legal-Litigation: District as Plaintiff (Not Suing State). Object Code 63443 should be used for expenses incurred due to actual or anticipated litigation brought by the district against an individual or entity, other than the State of Arkansas or one (1) of its agencies. Examples of expenses to be reported under this code are the same as under object code 63441.

63444 - Legal-Contract Preparation and/or Review. Object code 63444 should be used for expenses incurred due to a district's need for legal preparation or review of contracts and related documents.

63445 - Legal-Research and Opinions. Object code 63445 should be used for expenses incurred due to a district's need for legal consultation, research and advice, whether on an ongoing or occasional basis. Expenses should be reported under this code for such costs, whether they are incurred on a regular, on-going basis (e.g., retainer agreements) or on a fee-based, as needed basis.

63450 Medical

63451 Purchased Service (Non Employee) Nurse

63460 Purchased Service – Non-Employee – Cafeteria Subs

63470 Architectural.

63480 Security

63490 Other Professional Services. Limited to \$2000.

**63500 Technical Services.** Services to the school district that are not regarded as professional, but that require basic scientific knowledge, manual skills, or both. Included are data processing services, purchasing and warehousing services, graphic arts, and the like.

63510 Data Processing and Coding Services. Data entry, formatting, and processing services other than programming. (Usually used with functions 2110, 2230, 2240, 2292, 2410, 2510, and 2580.)

63511 Document Shredding (Usually used with function 1150, 2120, 2410, or 2510)

63520 Statistical Services.

63530 Software Maintenance & Support

63550 Software License Renewals - Local Area Network Operating Systems

63560 Information Technology

63590 Other Technical Services. Technical services other than data processing and related services. Limited to \$2000.

**“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. ”**

**Table IV: Object Classification (Continued)**

**63000 Purchased Professional and Technical Services (Continued)**

63900 Other Professional and Technical Services

63901-63904 District-Defined Other Professional and Technical Services

63905 Athletic Game Expenditures – non-employee

63906-63909 District-Defined Other Professional and Technical Services

63910 Professional and Technical Services (limit per fund 7XXX <=\$2000.00)  
(Used with functions 1150 and 1160 for technology repair)

63911 Musical Instrument Restoration, Tuning and Repairs and other music related purchased services. (Funds 2XXX and 7XXX with function 1160, 1915, or 1916.

63912 Athletic Event Purchased Professional Services such as Referees and other athletic purchased services such as athletic gear repair and extra curricular related purchased services with program code 115 and Extra Curricular Activities such as Cheer Judges, Cheer Choreography, Quiz Bowl Judges, etc. with program code 116) (Athletic "equipment" to machinery, etc. that qualify as equipment cost >=\$1000 should be coded to fund 7XXX, function 2640 and object 64310.)

63913 Band Uniforms and Mascot Uniform Rental/Cleaning and Other Band Related Purchased Services (Used with function 1160) as well as other extra curricular uniform rental/cleaning such as ROTC

63914 Driver's Record Background Check (used with functions 2650, 2720 and funds 2000-2099)

63915-63919 ADE Reserved

**64000 Purchased Property Services.** Services purchased to operate, repair, maintain, and rent property owned or used by the school district. These services are performed by persons other than school district employees. Although a product may or may not result from the transaction, the primary reasons for the purchase are the service provided.

**64100 Utility Services.** Expenditures for utility services other than energy services supplied by public or private organizations. Water and sewerage are included here. Telephone and telegraph are not included here but are classified under object 65300. (Valid objects in range 64100-64199: used only with functions 2600, 2610)

64110 Water/Sewer. Expenditures for water and sewage services from a private or public utility company.

**64200 Cleaning Services.** (valid objects in range 64200-64299: used only with functions 2600, 2601, 2610-2679, 2690) Contracted services for sanitation, custodial and lawn care.

64210 Disposal/Sanitation. Expenditures for garbage collection services provided by an outside company.

64220 Substitute Employee Purchased Service for Maintenance Classified Positions.  
(Non-Employee)

64230 Custodial. Contracted expenditures for custodial services.

64231 Uniform Rental/Cleaning (Used with function 2600 and 2740)

64240 Lawn Care. Contracted expenditures for lawn and grounds upkeep, minor landscaping and nursery services.

**64300 Repair and Maintenance Services.** Contracted expenditures for repairs and maintenance services, including contracts and agreements covering the upkeep of buildings and equipment not provided directly by school district personnel.

64310 Non-Technology-Related Repairs and Maintenance. Contracts and agreements covering the upkeep of buildings and non-technology equipment. Costs for renovating and remodeling are not included here but are classified under object 64500. (Functions 2600 or 2610-2679 or 2720-2729 Vehicle Operation, or 2740-2749 Vehicle Servicing and Maintenance or 2760-2769 Student Transportation Security.)

**Table IV: Object Classification (Continued)**

**64000 Purchased Property Services (Continued)**

**64300 Repair and Maintenance Services. (Continued)**

64320 Technology-Related Repairs and Maintenance. Expenditures for repairs and maintenance services for technology equipment that are not directly provided by school district personnel. This includes ongoing service agreements for technology hardware (e.g., personal computers and servers). (Used with functions 2230 and 2580)

*64321 Broadband Related Repairs and Maintenance (Used with 2230 and 2580)*

**64400 Rentals** Costs for renting or leasing land, buildings, equipment and vehicles.

64410 Rental of Land and Buildings. Expenditures for leasing or renting land and buildings for both temporary and long-term use. This includes bus and other vehicle rentals when operated by the school district. Used with function 2610.

64420 Rental of Equipment and Vehicles. Expenditures for leasing and renting of vehicles and equipment for temporary and long-term use. This includes bus and other vehicle rental when operated by a local school district, lease-purchase arrangements, and similar rental arrangements. Include rental vehicles for driver's education programs here. This should be coded to the function where the equipment or vehicle is used. This code excludes costs associated with the rental of computers or other technology-related equipment. These costs should be coded to expenditure object 64430 as described below.

64430 Rentals of Computers and Related Equipment. Expenditures for leasing or renting computers and related equipment for both temporary and long-range use.

64440 Temporary Rentals for specific purposes. (Graduation, Prom, etc) (Allowed with functions 1150, 1160, 2321 and 2491)

64500 Construction Services. Includes amounts for constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors. This account should also be used to account for the costs of non-permanent site improvements such as fencing, walkways, and roads that are related to buildings and building sites. (Used only with functions 4300, 4400, 4510-4529, 4610-4629, 4710-4729, 4900)

64900 Other Purchased Property Services. Other services not classified above. (Communication services are not included here, but should be included in object 65300 range.)

**65000 Other Purchased Services.** Amounts paid for services rendered by organizations or personnel not on the payroll of the school district (separate from Professional and Technical Services or Property Services). Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

**65100 Student Transportation Services.** Contracted services for transporting children to and from school and other activities. (Used only with function 2720-2729)

65110 Student Transportation Purchased from LEA within the State. Amounts paid to other school districts within the state for transporting children to and from school and school related events. Expenditures for the rental of buses that are operated by personnel on the school district payroll are recorded not here but under object 64420 Rental of Equipment and Vehicles. (Used only with function 2720-2729)

65120 Student Transportation Purchased from LEA outside the State. Expenditures incurred for services provided by a district outside the state to transport students to and from school and school-related events. (Used only with function 2720-2729)

65190 Student Transportation Purchased from Other Sources. Contracted services provided by persons or agencies other than school districts for transporting students to and from 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. Payments for staff and other persons not enrolled as students should be recorded under object 65800. (Used only with function 2720-2729)

**Table IV: Object Classification (Continued)**

**65000 Other Purchased Services. (Continued)**

- 65200 Insurance Other than Employee Benefits.** Expenditures for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health is not charged here but is recorded under object 200. (Used with functions 2311, 2610, or 2720)
- 65210 Property Insurance. Expenditures for insurance on property owned or leased by the district.
- 65220 Liability Insurance. Expenditures for insurance coverage against losses or payments in lieu of insurance resulting from judgments awarded against the district with the exception of pupil transportation insurance.
- 65230 Fidelity Bond Premiums. Expenditures for fidelity bonds or in lieu of fidelity bonds guaranteeing against losses resulting from the actions of the treasurer and district personnel.
- 65240 Fleet Insurance. Expenditures for insurance on pupil transportation vehicles only whether owned by the district or the contractor.
- 65250 Accident Insurance. Expenditures for insurance on student activities. (Use with 1130-1149 Middle/Junior/High for Driver's Education, 1150-1169–Athletics, Curricular & Extracurricular Activities, and 2136 –Health Services all other Student Accident Insurance. Also included accident on personnel driven vehicles with function 2650.
- 65260 Vehicle Insurance. Expenditure for vehicle insurance on non-student transportation vehicles. (Functions 1150, 1160, 2321, 2650, 2660, 3130, 3131)
- 65290 Other Insurance. Expenditures for insurance not classified above. Limited to \$2000.
- 65300 Communications.** Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone and voice communication services, telephone, 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; postal communications services to establish or maintain postage machine rentals, postage, express delivery services, or couriers. Includes licenses and fees for services such as subscriptions to research materials over the Internet (such as downloads). Expenditures for software should be coded to object 66500 if the software was not capitalized or object 67350 if the software is eligible for capitalization as determined by Chapter 4. (Usually used with functions 1000 (allowable ranges), 2230, 2321-2326, 2410, 2411, 2501/ 2510/ 2511, 2560 or 2580. Allowed to limited amounts for telephone and postage 2291-2298, 2311, 2521, 2571, 2601, 2660, 2670, 2710, 2730, 2740, 3110, or 3310)
- 65310 Telephone. (Functions: 1000 range, 2230, 2321-2326, 2410, 2411, or 2501/2510/2511, 2560 or 2580) (allowed though not 'usual' per NCES: supervisory codes: 2111, 2121, 2131, 2141, 2151, 2211, 2214, 2216, 2221, 2241, 2291-2298, 2311, 2521, 2571, 2601, 2610, 2660, 2670, 2710, 2730, 2740, 3110, or 3310)
- 65311-65315 – District Defined
- 65316 Fax
- 65317-65319 ADE Reserved
- 65320 Postage. (Functions: 1000 range, 2230, 2321-2326, 2410, 2411, or 2501/2510/2511, 2560 or 2580) (allowed though not 'usual' per NCES: supervisory codes: 2111, 2121, 2131, 2141, 2151, 2211, 2216, 2221, 2291-2298, 2311, 2521, 2571, 2601, 2660, 2670, 2710, 2730, 2740, 3110 or 3310)
- 65330 Networking/Internet Services (Cable, Satellite, etc.) (functions 2230 and 2580)
- 65331 Broadband (Monthly bandwidth cost. Use only with Function 2230 Instruction-related Technology).
- 65332 Live-streaming, broadcast, etc. (May also be used with function 1150)
- 65340 Instructional licenses and fees for subscriptions to research materials over the Internet (such as downloads). Usually used with valid functions in range 1XXX, 2230, 2321-2329, 2410, or 2580.)Function 2213 approved/added 8-4-2020, Function 2220 approved/added 9-25-2020

**Table IV: Object Classification (Continued)**

**65000 Other Purchased Services (Continued)**

65400 Advertising. Expenditures for announcements in professional publications, newspapers, or broadcasts over radio and television. These expenditures include advertising in 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 63400. (Usually used with functions 23XX, 25XX, or 2620)

65401-65409 Advertising

65500 Printing and Binding. Expenditures for job printing and binding, usually according to specifications of the school district. This includes designing and printing forms and posters, as well as printing and binding school district publications. For example: Report Cards, Discipline Policies, Student Handbooks, Registration Cards, Student ID Cards, etc. Preprinted standard forms are not charged here but are recorded under object 66100. (Usually used with function 2530, but may be assigned to other functions)

65501-65505 Printing and Binding

65510-65519 Publications

**65600 Tuition.**

65610 **Tuition to Other School Districts (LEAs) (Excluding Charter Schools) Within the State.** Tuition paid to other school districts, excluding charter schools, within the state. Include tuition expenditures made to education service agencies. Report tuition to charter schools under object 65640.

65620 **Tuition to Other School Districts (Including Charter Schools) Outside the State.** Tuition paid to other school districts, including charter schools and education service agencies, outside the state

65630 **Tuition to Private Schools.** Tuition paid to private schools within the state and outside the state.

65640 **Tuition to Charter Schools Within the State.** Tuition paid to charter school agencies within the state.

65650 **Tuition to Postsecondary Schools.** Tuition paid to postsecondary schools within the state and outside the state. (District paying a scholarship for tuition for a student to take a college course.)

65660 **Voucher Payments to Private Schools and to Other School Districts Outside the State.** Voucher payments to private schools (both in-state and out-of-state) and to other school districts outside the state.

65670 **Voucher Payments to School Districts, including Charter Schools, Within the State.** Voucher payments to school districts within the state and to charter schools within the state

65680 **Voucher Payments Directly to Individuals.** Voucher payments to individuals, when the school district or state education agency does not know which school receives the voucher.

65690 **Tuition—Other.** Includes tuition paid to the state and other governmental organizations (excluding school districts) as reimbursement for providing specialized instructional services to students residing within the boundaries of the paying school district. (For tuition that is for concurrent credit – **APPLICABLE FOR CONCURRENT CREDIT – HS AND COLLEGE CREDIT SIMULTANEOUSLY OR HS CREDIT ONLY.**) If a district is paying tuition to a college/university for the student's class which counts toward HS credit for graduation, it should be coded to 65690)

**65700 Food Service Management.** Expenditures for the operation of a local food service facility by other than employees of the school district. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by the school district for food, supplies, labor, and equipment would be charged to the appropriate object codes. (Used only with function 3140)

65710 Food Service Management –Food

65720 Food Service Management –Labor (to include contracted SUBS)

65730 Food Service Management – Supplies & Equipment

65780 Food Service Management – Dues & Fees



**Table IV: Object Classification (Continued)**

**65000 Other Purchased Services (Continued)**

**65800 Travel.** Expenditures for transportation, meals, hotel and other expenses associated with business travel for the district. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here. (Used with all functions except 5000)

65810 Certified Travel (Required).

65820 Classified Travel (Required).

65830 Certified Out of District Travel.

65840 Classified Out of District Travel.

65850 Certified Out of State Travel.

65860 Classified Out of State Travel.

65870 Non-Employee Travel (Required).

65880 Travel Meals.

65890 Travel Lodging.

**65900 Interagency Purchased Services.** Any interdistrict payments other than tuition or transportation should be classified here. This code identifies other payments for services made between a school district and other governmental entities. Used primarily with valid functions in 2XXX range. Payments made for instructional staff from another district or agency should be coded here and to valid functions in instruction range 1XXX.)

65910 Services Purchased from another School District or Educational Services Agency within the State. Payments to another school district within the state for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing and guidance

65920 Services Purchased from another School District or Educational Services Agency outside the State. Payments to another school district outside the state for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing, and guidance.

**66000 Supplies and Materials.** Amounts paid for items that are consumed, are worn out, or have deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Equipment that has a cost lower than the school district's capitalization threshold should be coded in this series instead of a 67000 series code. A more thorough classification of supply expenditures is achieved by identifying the object with the function - for example audio visual supplies or classroom teaching supplies (Used with all valid functions except 5000).

66100 General Supplies and Materials. Expenditures for all supplies and materials (other than those listed below) for the operation of the district, including freight and cartage.

66101-66106 District-Defined General Supplies

66107 Low Value Equip Supplies (Less than \$1,000 Unit Cost). Expenditures totaling \$500.00-999.99 for supplies and materials used in the operation of the district: for user who wants to keep this value range as "low value equipment" but per ADE guidelines it is expensed as supplies.

66108-66109 District-Defined General Supplies

66110 General Supplies

66111-66119 District-Defined General Supplies

66120 Refund prepaid student meals from FY 20 revenue. Fund 8000 ONLY with function 3121 ONLY.

66150 Supply Center Supplies

**66200 Energy.** Expenditures for energy, including gas, oil, coal, and gasoline, and for services received from public or private utility companies.

66210 Natural Gas. Expenditures for gas utility services from a private or public utility company. (Used with functions 2600, 2610 and 3120)

66220 Electricity. Expenditures for electric services from a private or public utility company. (Used with functions 2600, 2610 and 3120)

66230 Bottled Gas Butane/Propane. Expenditures for bottled gas such as propane gas received in tanks. (Used with functions 2600, 2610 and 3120)

**Table IV: Object Classification (Continued)**

**66000 Supplies and Materials. (Continued)**

**66200 Energy. (Continued)**

66240 Oil. Expenditures for bulk oil used for heating. (Used with functions 2600, 2610 and 3120)

66250 Coal. Expenditures for raw coal normally used for heating. (Used with functions 2600, 2610 and 3120)

66260 Gasoline. Gasoline. Expenditures for gasoline purchased in bulk or periodically from a gasoline station. (66260-66269 Used with functions 2630, 2650, 2720, 2740, 3130, and 3131 for ESSER Food Delivery)

66261 Fuel Additives

66262-66264 Reserved

66265 Diesel Fuel

66266 Diesel Fuel Additives

66267 Natural Gas

66268 Propane for equipment such as fork lift, etc.

66269 Oil for buses and other school vehicles.

66300 Food. Expenditures for food used in the school food services program. Food used in instructional programs is charged under object 66100. (Used only with function 3120)

66310 Purchased Food Supplies (Used only with function 3120)

66320 Donated Food Supplies (Used only with function 3120)

**66400 Books and Periodicals.** Expenditures for books, textbooks and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, and textbooks that are purchased to be resold or rented. Also recorded here are the costs of binding or other repairs to school library books. The Government Finance Officers Association (GFOA) recommends that software be counted as a capital expense, and object 67350, Technology Software, has been established for these expenditures. (Used primarily with functions 1XXX and 2210-2229 allowable function ranges. Books and periodicals for noninstructional staff should be coded to function 2591.

66410 Textbooks. Expenditures for prescribed books and workbooks, including binding and repairs, which are purchased for students furnished free or resold.

66411 eTextbooks. A digital, downloadable, version of a physical textbook.

66420 Library Books. Expenditures for regular or incidental purchases of library books available for general use by students, including reference books.

66421 eLibrary Books. A digital, downloadable, version of a physical book.

66430 Periodicals. Expenditures for periodicals and newspapers for general use by the school library.

66431 ePublications for Library; magazines, and other periodicals, newspapers, etc. – all eApplications for library.

66440 Audiovisual Materials. Expenditures for optical and electronic devices, including related supplies, which are designed to enhance learning through the combined senses of hearing and sight.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “

**Table IV: Object Classification (Continued)**

**66000 Supplies and Materials. (Continued)**

- 66500 Technology Supplies. Technology-related supplies include supplies that are typically used in conjunction with technology-related hardware or software. Some examples are CDs, flash or jump drives, parallel cables, and monitor stands. E-readers, including Kindles, and iPads, which fall below capitalization thresholds should be reported here as well. Software costs below the capitalization threshold should be reported here. Licenses and fees for services such as subscriptions to research materials over the Internet should be reported under 65300 Communications. (Used primarily with valid functions in range Instruction 1XXX, 2230, and 2580, but may also be used with 2620, 2650, and 2730.)
- 66510 Software, License or Maintenance Agreement. Includes all types of intangible technology-related software, programs, licenses, service contracts, and maintenance agreements not required to be capitalized. See 67350 for capitalization rules and determination.
- 66511 Technology APPS. Digital applications (apps) typically loaded to tablets and smartphones.
- 66520 Technology-related Device Supplies. Technology-related devices and equipment that are not specifically listed as a TED (66521) or TLC (66523) include printers, copiers, cameras, recording devices, and other devices with some level of complexity to operate. The cost is < \$1,000.
- 66521 Technology Educational Device (TED) supplies. A tablet or laptop or computer or any type of direct instruction delivery device (i.e. classroom projector or smartboard) that is used by a student or classroom teacher to support learning. The intent of the TED is to be utilized in a classroom (in-school or virtual) setting. The cost is < \$1,000. (Added 3-12-2021, required FY '22)

**Special Note on TEDs:**

A printer, copier, school office tablet/laptop/computer and any technology devices not used in the classroom do not qualify as a TED. These items are not considered to directly support student learning in an instructional capacity (i.e. a classroom printer's value to instruction is indirect because paper is still needed for learning).

- TEDs with a cost of less than \$1,000 are coded to 66521.
- TEDs with a cost of \$1,000 or more are coded as a fixed asset to 67341.

TEDs are used with functions in 1000 range and 2230. REQUIRED FY22.

66523 Tablet, Laptop or Computer (TLC). – NON-INSTRUCTION – include tablets (iPads, etc.), laptops (Macbooks, etc.) and “portable” computers (Chromebooks, etc.) that are not used for direct learning. The cost is < \$1,000. TLCs are typically purchased for principals and administrators. TLCs are used with valid functions in 2100-2700 range excluding 2230. REQUIRED FY22.

66527 Low Value Equip Tec. Supplies (Less than \$1,000 Unit Cost)

66528 Broadband (Use only with Function 2230 Instruction-related Technology)

66600 Building Materials.

66700 Warehouse Inventory Adjustment. Expenditures which are the result of a deficit of items held in inventory.

66900 Other Supplies and Materials. Limited to \$2000.

“NOTE: District may extend only on existing ‘sub-header’ codes to more detailed tracking of ‘district-defined’ expenditures beyond the required level. “

**Table IV: Object Classification (Continued)**

**67000 Property.** Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment.

67100 Land and Land Improvements. Expenditures for the purchase of land and the improvements thereon. Purchases of air rights, mineral rights and the like are included here. ALSO included are special assessments against the school district for capital improvements such as streets, curbs, and drains. Not included here, but generally charged to objects 64500 or 63400 as appropriate, are expenditures for improving sites and adjacent ways after acquisition by the school district. **(Used only with functions 4100, 4200, 4300).**

67200 Buildings (Existing Structures). Expenditures for acquiring existing buildings. Included for installment or lease payments (except interest) that have a terminal date and result in the acquisition of buildings, except payments to public school housing authorities or similar agencies. 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 are recorded under object 64500. Buildings built and alterations performed by the school district's own staff are charged to objects 61000, 62000, 66100, and 67300, as appropriate. This code is used with governmental funds only. **(Valid objects in range 67200-67299: Used with functions 4500 and 4700)**

67210 Library Books (New Libraries only). Expenditures for the initial purchase of books for a new library or material acquisitions involving a major expansion of the library.

**67300 Equipment.** Expenditures for the initial, additional and replacement of equipment such as machinery, furniture and fixtures, and vehicles.

67310 Machinery. Expenditures for equipment usually composed of a complex combination of parts (excluding vehicles). Examples are lathes, drill press, and printing presses. (Usually used with functions 1000 and 2600)

67320 Vehicles. Expenditures for equipment used to transport persons or objects. Examples are automobiles, trucks, buses, station wagons, and vans. (Usually used with functions 2650 and 2720)

67330 Furniture and Fixtures. Expenditures for furniture and fixtures.

67340 Technology-Related Hardware. Expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, **and devices**. Technology-related supplies (cost <\$1000) should be coded to object code 66521, Technology Educational Device (TED) supplies. (Used with all functions, but primarily with 1XXX instructional range, 2230, and 2580.) Technology-related devices and equipment that are not specifically listed as a TED (67341) or TLC (67343) include printers, copiers, cameras, recording devices, and other devices with some level of complexity to operate. The cost is >=\$1000.

67341 Technology Educational Device (TED). A tablet or laptop or computer or any type of direct instruction delivery device (i.e. classroom projector or smartboard) that is used by a student or classroom teacher to support learning. The intent of the TED is to be utilized in a classroom (in-school or virtual) setting. The cost is >= \$1,000. See "Special Note on TEDs" listed under object code 66521.

67342 Bandwidth Equipment (Use with Function 2230 Instruction-related Technology)

67343 Tablet, Laptop or Computer (TLC). – NON-INSTRUCTION – include tablets (iPads, etc.), laptops (Macbooks, etc.) and "portable" computers (Chromebooks, etc.) that are not used for direct learning. The cost is >= \$1,000. TLCs are typically purchased for principals and administrators. TLCs are used with valid functions in 2100-2700 range excluding 2230. REQUIRED FY22.

**Table IV: Object Classification (Continued)**

**67300 Equipment.** (Continued)

- 67350 Technology Software. Expenditures for purchased software used for educational or administrative purposes that exceed the capitalization threshold. Expenditures for software that meet the standards for classification as a supply should be coded to object code 66500, Supplies—Technology Related. (Used with all functions, but primarily with 1000, 2230, and 2580.)

Capitalized Software & Licenses & Maintenance Agreements include all types of intangible technology-related software, programs, licenses, service contracts, and maintenance agreements required to be capitalized. Capitalization rules are dictated by the answers to two questions:

- 1) Is the cost of the intangible product \$1000 or more?  
If not, do not capitalize. Otherwise, continue to Q2.
- 2) Does the intangible product have a useful life longer than one year?  
If not, do not capitalize. Otherwise, capitalize.

Example #1:

A new instructional software includes a contract price of \$20,000 invoiced as follows:

- \$8,900 for initial installation and training
- \$2,100 for the first three years of support
- \$9,000 for 100 user licenses (renewed annually)

Q1 is "Yes" and Q2 is "Yes" so the \$20,000 purchase is capitalized.

Example #2:

The same software receives an invoice (as contracted) for \$9,000 as follows:

- \$9,000 for the annual renewal

Q1 is "Yes" but Q2 is "No" so the purchase is not capitalized.

Example #3:

A Microsoft Office license is purchased for \$275 to be installed on a work computer. The license should be support and operational for over five years with no renewal costs.

Q1 is "No" but even though Q2 is "Yes", the purchase is not capitalized.

Example #4:

An instruction program costs \$2,500 annually to purchase with no other charges for installation or licensing or support.

Q1 is "Yes" but Q2 is "No" so the purchase is not capitalized. 66520 Technology-related Device

67360 Non Technology Equipment

67361 Musical Instruments (with functions 1160, 1915, 1916, and 1917 and other functions as requested).

67362 Custodial Equipment

67363 District Defined Non Technology Equipment

67364-67369 ADE Reserved for requested Equipment

67390 Other Equipment. Expenditures for equipment not classified above. Limited to \$2000.

- 67400 Infrastructure. Expenditures for purchased infrastructure assets by the school district. These items include water/sewer systems, roads, bridges, and other assets that have significantly longer useful lives than other capital assets. (Used with valid functions in 4000 range only but primarily used with functions 4200 and 4600)

- 67900 Depreciation. The portion of the cost of a capital asset which is charged as expenses during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is apportioned over the estimated service 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 with all valid functions except 5000)

**Table IV: Object Classification (Continued)**

- 68000 Other Objects.** Amounts paid for goods and services not otherwise classified above. This includes expenditures for interest on debt and dues and fees.
- 68100 Dues and Fees. Expenditures or assessments for membership in professional or other organizations, as well as student fees (such as entry fees to contests). (Used with functions 1000-1999, 2000-2999, 5110-5169, 5190)
- 68101 License Renewal Fee for Teachers
- 68102 Criminal Background Checks
- 68110 Dues and Fees
- 68111 CDL Licenses (Function 2579 and 2720)
- 68112 Dues and Fees for Student Field Trips (such as tickets, admission, etc. not supplies such as food)
- 68113 - 68116 District-Defined Dues and Fees
- 68117 ASBA (AR School Board Association Dues and Fees)
- 68118 - 68119 ADE Reserved
- 68200 Judgments against the LEA. Expenditures from current funds for all judgments (except as indicated below) against the school 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 the school district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due. (Use only with function 2310)
- 68300 Interest. Expenditures for interest due on bonds, Revolving Loan Bonds, certificate of deposit loans from the Revolving Loan Fund, postdated warrants, installment/lease purchase contracts and other negotiable instruments with financial institutions. (Use with functions 5110, 5120, 5130, 5140, 5150, 5190)
- 68400 Indirect Cost. Costs incurred that are not directly attributable to a specific school or for a specific activity or function. (Used with function 5500)
- 68600 Penalties and Interest due to late payments or early withdrawals (such as IRS Penalties and Interest).**
- 68610 Penalty or Interest due to late payments or early withdrawals (such as IRS Penalties and Interest)
- 68620 Student Transfer Penalty
- 68700 Out-of-Court Settlements. School Board approved settlements.
- 68800 Taxes. Amounts levied/assessed by governmental agencies.**
- 68810 Tax on Resale Items.
- 68820 Improvement Tax. (Sewer/Water Improvement)
- 68830 Property Tax. (**Fund 2001, Functions 2319, 2510, 2600, 2620-2639**)
- 68900 Miscellaneous Expenditures. Amounts paid for goods or services not classified above.
- 68910 Miscellaneous Bookkeeping ERRORS (Used with function 2510)
- 68911-68914 "District-defined" Miscellaneous – limit \$2000
- 68915-68919 ADE Reserved
- 68920 Student Cash Awards and Scholarships
- 69000 Other Uses of Funds.** These codes are used to classify transactions which are not recorded as expenditures to the district but require budgetary or accounting control, including but not limited to retirement of principal and interest on long term debt, housing authority obligations and fund transfers.
- 69100 Redemption of Principal. Expenditures of LEA funds to retire the principal on serial bonds, revolving loan fund bonds, certificate of deposit loans from the revolving fund, postdated warrants and school board anticipated tax notes. (Use only with function 5100)
- 69200 Housing Authority Obligations. Outlays from current funds to satisfy housing authority obligations of the district. (Used only with function 5100)

**Table IV: Object Classification (Continued)**

**69000 Other Uses of Funds. (Continued)**

**69300 Fund Transfers (Permanent).** This category represents transactions conveying money from one fund to another.

**\*The fourth digit in the expenditure transfer object indicates to which fund the transfer is going.**

69310 Transfer to Salary Fund.

69313 Transfer to 1000 for Educator Compensation Reform Program From 2001 to 1000 ONLY - [must equal rev 52203.](#))

69314 Transfer to 1000 for Teacher Salary Equalization Program From 2001 to 1000 ONLY - [must equal rev 52204.](#))

69320 Transfer to Operating Fund.

69321 Transfer to 2000 for Matrix Transfer From 2001 to 2000 ONLY-Commissioner's Memo FIN-11-080. – [must equal rev 52201](#))

DR 2001520000000000 69321

CR 2001 01010 (CASH)

[\\*See 52201 in revenue section of handbook for the other 'two required legs' for a transfer Journal entry.](#)

69322 Transfer to 2000 for Additional Transfer from 2001 to 2000 ONLY– [must equal rev 52202](#))

DR 2001520000000000 69322

CR 2001 01010 (CASH)

[\\*See 52201 in revenue section of handbook for the other 'two required legs' for a transfer Journal entry](#)

69326 Transfer for Program/Grant Transportation Expenditure Calculation/cost for transporting students for program/grant. (Out of Federal Fund 6XXX520000000000 69326 INTO Operating Fund (2001 52606.) FIN-20-036

69327 Transfer for Program/Grant Rent/Lease Expenditure Calculation/cost charged for Rent/Lease Space. Out of Fund 2XXX OR 6XXX INTO Operating Fund 2001. (Transfers OUT 69327 must equal Transfers IN 52207 + 52607.)

69330 Transfer to Building Fund.

69340 Transfer to Debt Service Fund.

69350 Transfer to Capital Outlay Fund.

69360 Transfer to Federal Grants Fund.

69370 Transfer to Student Activity Fund.

69380 Transfer to Food Service Fund.

69400 Program Funding Return

69500 Transits (Flow-Through Money to other LEA)

**Table IV: Object Classification (Continued)**

**69000 Other Uses of Funds. (Continued)**

**69600 Other In-House District Non Exp.**

**Note: Function 3120 only for objects 69610,69620,69630,69640, 69650, 69680, 69690**

- 69610 Student Meals (District Fund **2001-2099, 2365, 6557, 6562** Exp 'transfer type reimbursement' to Fund 8000) for ABC PRE-K Students... **must equal 16211 in fund 8000**
- 69620 Student Meals [District Fund **2001-2099, 2281 (program code 022), 2365, 6562** Exp. to Fund 8000] for Provision 2 Schools... **must equal 16212 in fund 8000**; Cost to Operate Child Nutrition Programs for Community Eligibility Provision/Provision 2 (CEP/P2)
- 69630 Student Meals [District Fund **2001-2099, 2281 (program code 028), 2365, 6562** Exp to Fund 8000] for Reduced Co-Pay **must equal 16213 in fund 8000**
- 69640 Student Breakfast or Lunch PAID by the District (**Fund 2001-2099 + 2217**) to Food Service Fund (8000) **must equal 16216 and 16217**
- 69650 A La Carte meals reimbursed/paid by the District (Fund 2001 and/or 7000-7999) to Food Service Fund (8000)... **must equal revenue 16218 in fund 8000.**
- 69680 "Bad Debt" Meals reimbursed/paid by the District (Fund 2001 and 8099) to Food Service Fund (8000) ... **must equal revenue 16214 in fund 8000.**
- 69690 Other Adult/Employee Meal paid by the District (Fund 2001, 2365 and 6560) to Food Service Fund (8000)... **must equal 16221 in fund 8000.**



**Table IV: Object Classification (Continued)**

**69000 Other Uses of Funds.**

**69800 Other Permanent Distribution of Funds**

69820 Net Decreases in the Fair Value of Investments. Losses recognized from the sale of investments or changes in the fair value of investments. Losses represent the excess of the cost or any other basis at the date of sale (or valuation) over sales value (or fair value). For financial reporting purposes, GASB Statement 31 requires that all investment income, including changes in the fair value of investments, be reported as revenue in the operating statement. (Used only with function 2510.) This account has been established for investment losses so that districts may report gains or losses separately as required in certain states (or where only credits may be reported for revenue codes and only debits for expenditure codes). However, revenue source 15300 may be used to record all investment gains or losses (reported as a contra revenue if permitted by the state).

69821 Realized Losses on Investments. Losses recognized from the sale of investments. Losses represent the excess of the cost or any other basis at the date of sale over sales value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the following account may be used for internal tracking purposes. (Used only with function 2510.)

69822 Unrealized Losses on Investments. Losses recognized from changes in the value of investments. Losses represent the excess of the cost or any other basis at the date of valuation over fair value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the previous account may be used for internal tracking purposes. (Used only with function 2510.)

69830 Losses on the Sale of Capital Assets. The excess of book value of the capital assets sold over the amount received. This account is used in proprietary and fiduciary funds only and in the statement of activities. Revenue source 53000 is used for governmental funds. This account has been established for accounting for losses from capital asset sales such that districts may report gains or losses separately as required in certain states (or where only credits may be reported for revenue codes and only debits for expenditure codes). However, source 19300 may be used to record all gains or losses on these sales (reported as a contra revenue).

69840 Special Items. Used to classify special items in accordance with GASB Statement 34. Included are transactions or events within the control of the school 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. Some capital asset impairments, as defined by GASB Statement 42, may be reported as special items. In the governmental funds, these items should be separately captioned or disclosed.

69850 Extraordinary Items. Used to classify items in accordance with Accounting Principles Board (APB) Opinion No. 30 that are transactions or events that are both unusual in nature and infrequent in occurrence. For some districts, this includes significant costs related to a natural disaster such as a fire, flood, tornado, hurricane, or hail storm or costs related to an environmental disaster.

## Subject Area (Optional classifications for use by districts)

A subject area classification is used for local accounting purposes. The use of this classification is at the discretion of the district. **The Arkansas Department of Education (Department) reserves the right in the future to designate specific coding requirements, if needed, to comply with reporting requirements imposed on the Department.** ADE adopted the following optional subject codes in June 2003.

Level 4 (Subject Area)	Level 4 (Subject Area)	Level 4 (Subject Area)
10-19 = English L.A.	20-29 = Science	30 - 39 = Mathematics
10 = 9 <sup>th</sup> grade English	20 = Biology	30 = Algebra 1
11 = 10 <sup>th</sup> grade English	21 = Chemistry	31 = Geometry
12 = 11 <sup>th</sup> grade English	22 = Physics	32 = Algebra II
13 = 12 <sup>th</sup> grade English	23 = Physical Science	33 = Pre-Calculus/Trig
14 = Oral Communications	24 = Life Science	34 = Calculus
15 = Journalism	25 = Earth/Space Science	39 = ADE Approved Mathematics
16 = Drama	29 = ADE Approved Science	
17= ADE Approved English		
19= ADE Approved Language Arts		
Level 4 (Subject Area)	Level 4 (Subject Area)	Level 4 (Subject Area)
40-49 = Foreign Language	50-59 = Fine Arts	60-69 = Computer Applications
40 = Spanish	50 = Art	60 = Computer Applications
41 = French	51 = Instrumental Music	
42 = German	52 = Vocal Music	
43 = Italian	53 = Survey of Fine Art	
44 = Russian	59 = ADE Approved Fine Arts	
45 = Latin		
46 = Japanese		
49 =ADE Approved Foreign Language		
Level 4 (Subject Area)	Level 4 (Subject Area)	Level 4 (Subject Area)
70-79 = Social Studies	80-89 = Health and PE	90-95 = Career and Technical
70 = American History	80 = Health and Safety	96 = Miscellaneous Credit
71 = World History	81 = ADE Approved Health & Safety	97 = Specialists and Special Programs
72 = Civics/Government	85 = Physical Education	99 = Non Academic Credit Courses & Activities beyond State Mandated Requirements
73 = Arkansas History	86 = ADE Approved PE	
79 = ADE Approved Social Studies		

# Revenue Classifications

## Revenue

Revenue is defined as an increase in an asset, which does not increase any liability, does not represent the recovery of any expenditure and does not represent the reduction of a liability that would result in a corresponding increase in another liability. This section of classifications includes “Other Sources” which are cash inflows but are not considered revenue, e.g., interfund transfers, bond proceeds, insurance proceeds, etc. The following definitions are provided for all revenue classifications.

The classifications required to meet state level reporting requirements for revenue are comprised of the following:

- < Fund
- < Source of Fund
- < Revenue Code

Revenue Codes in **Bold Print** are used for headers and sub-headers only and should not be used for coding transactions.

Items in *italics and underlined* denote additional detail for coding transactions, which is not required for state and federal reporting purposes. For reporting purposes, all districts must code to the lowest detail level not italicized and underlined.

## Table V: Revenue Code Classifications

### **10000 Revenue from Local Sources**

**11000 Taxes.** Compulsory charges levied by a governmental entity for the purpose of financing services for the common benefit.

**11100 Property Taxes.** Taxes levied as a result of a vote by the electorate of a millage rate on personal property, real estate and utilities.

11110 Property Taxes – Taxes received from the general levy July through December.

11115 Property Tax Relief – Relief Taxes received July through December.

11120 Property Taxes – Taxes received from the general levy January through June.

11125 Property Tax Relief – Relief Taxes received January through June

11140 Property Taxes - Delinquent. Taxes received during the current year from the general levy for prior years.

11150 Excess Commission. Amounts received from commissions in excess of the treasurer’s salary for the cost of operating the treasurer’s office.

11160 Land Redemption (Include State Land Sales). Amounts received from the sale of land on which delinquent taxes have not been paid.

11200 Sales and Use Tax. Tax revenue a district would collect on a sales tax passed by the school district strictly to be used by the school district.

11400 Penalties and Interest on Taxes. Revenue from penalties and interest on delinquent taxes from the due date of actual payment.

11500 Interest on Unapportioned Property Taxes. Typically County Treasurers hold back 10% of Property Taxes collected during the calendar year. These taxes are referred to as “unapportioned taxes”. The interest earned by the County is allocated to the various taxing entities and distributed periodically throughout the year. All unapportioned taxes are distributed with the final tax settlement. The interest on unapportioned taxes received by school districts should be receipted to revenue code 11500.

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**12000 Revenue from Local Governmental Units Other than LEA's.** Revenue from the appropriations of another local governmental unit. The school district is not the final authority, within legal limits, in determining the amount of money to be received, and the money is raised by taxes or other means that are not earmarked for school purposes. This classification includes revenue from townships, municipalities, and counties. In a city school system, the municipality would be considered a local governmental unit. In this instance, revenue from the county would be considered revenue from an intermediate source and coded in the 2000 revenue series.

12800 Revenue in Lieu of Taxes. Payments made out of general revenues by a local governmental unit to the school district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the school district 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.

**13000 Tuition.** Amount received from students, their parents, welfare agencies, private sources and other districts for education provided by the district.

13100 School Tuition from Individuals. Amounts received from students, parents or welfare agencies.

13110 Tuition from Regular Day School. Amounts received for students attending regular day school.

13120 Tuition from Summer School. Amounts received as tuition for students attending summer school.

13130 Tuition from Adult Education. Amounts received as tuition for students attending adult/continuing education schools.

13140 Tuition from Day Care. Amounts received as tuition from students and parents for children attending day care.

13150 Veterans Tuition. Amounts received from veterans as tuition for specialized training programs.

13160 Tuition from Public School Pre-K.

13190 Tuition from Other Programs. Other amounts received not listed above

13200 Tuition from Other LEA's Within the State. Amounts received for pupils from other districts within the state for tuition.

13210 Tuition from Regular Day School. Amounts received for students attending regular day school.

13220 Tuition from Summer School. Amounts received as tuition for students attending summer school.

13230 Tuition from Adult Education. Amounts received as tuition for students attending adult/continuing education schools.

13240 Tuition from Day Care. Amounts received as tuition from day care services within the state.

13250 Veterans Tuition. Amounts received from veterans as tuition for specialized training programs.

13260 Tuition from Public School Pre-K.

13290 Tuition from Other Programs. Amounts received as tuition for other programs from districts within the state.

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**13000 Tuition (Continued)**

- 13300 Tuition from Other LEA's Outside the State. Amounts received as tuition from districts outside the state.
- 13310 Tuition from Regular Day School. Amounts received as tuition from districts outside the state.
- 13320 Tuition from Summer School. Amounts received as tuition for students attending summer school.
- 13330 Tuition from Adult Education. Amounts received as tuition for students attending adult/ continuing education schools.
- 13340 Tuition from Day Care. Amounts received as tuition from day care services outside the state.
- 13350 Veterans Tuition. Amounts received from veterans as tuition for specialized training programs.
- 13360 Tuition from Public School Pre-K.
- 13390 Tuition from Other Programs. Amounts received as tuition for other programs from districts outside the state.
- 13400 Tuition from Other Private Sources (other than individuals)
- 13500 Tuition from the State (other school districts for voucher program students)

**14000 Transportation Fees.** Revenue from individuals, welfare agencies, private sources, or other school districts and government sources for transporting students to and from school and school activities.

- 14100 Transportation Fees from Individuals. Amounts received from students and parents to transport students to and from school and school activities.
  - 14110 Fees from Regular Day School. Amounts received from students and parents for transporting pupils to and from regular day school and school activities.
  - 14120 Fees from Summer School. Amounts received from students and parents to transport students to and from summer school.
  - 14130 Fees from Adult Education. Amounts received from students and parents to transport students to and from Adult Education classes.
  - 14140 Fees from Vocational Education. Amounts received from students or parents for transporting students to and from vocational education classes.
  - 14190 Fees from Other Programs. Amounts received to transport students to and from other programs. Limited to \$500.
- 14200 Transportation Fees from Other LEA's Within the State. Amounts received from districts within the state to transport students to and from school and school activities.
  - 14210 Fees from Regular Day School. Amounts received from districts within the state for transporting students to and from regular day school and school activities.
  - 14220 Fees from Summer School. Amounts received from districts within the state for transporting students to and from summer school.
  - 14230 Fees from Adult Education. Amounts received from districts within the state for transporting students to and from adult education classes.
  - 14240 Fees from Vocational Education. Amounts received from districts within the state for transporting students to and from vocational education classes.
  - 14290 Fees from Other Programs. Amounts received from districts within the state to transport students to and from other programs.

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**14000 Transportation Fees. (Continued)**

- 14300 Transportation Fees from Other LEA's Outside the State. Amounts received from districts outside the state to transport pupils to and from school and school activities.
- 14310 Fees from Regular Day School. Amounts received from districts outside the state for transporting students to and from regular day school and school activities.
- 14320 Fees from Summer School. Amounts received from districts outside the state for transporting students to and from summer school
- 14330 Fees from Adult Education. Amounts received from districts outside the state for transporting students to and from adult education classes.
- 14340 Fees from Vocational Education. Amounts received from districts outside the state for transporting students to and from vocational education classes.
- 14390 Fees from Other Programs. Amounts received from districts outside the state for transporting students to and from other programs.
- 14400 Transportation Fees from other Private sources (other than individuals).
- 14900 Transportation Fees from Other Sources. Amounts received for transportation fees from other sources not mentioned above.

**15000 Earnings on Investments. Revenue from short-term and long-term investments.**

- 15100 Interest on Investments. Interest revenue on investments in United States Treasury agency obligations, commercial paper, savings accounts, time certificates of deposit, mortgages, or other interest-bearing instruments.
  - 15110 Interest on Investments
- 15200 Profits on Sale of Buildings. Net gain realized on the sale of a building bought or constructed for resale.
- 15300 Net Increase in the Fair Value of Investments. Gains recognized from the sale of investments or changes in the fair value of investments. Gains represent the excess of sale proceeds (or fair value) over cost or any other basis at the date of sale (or valuation). All recognized investment gains may be accounted for by using this account; however, interest earnings from short-term investments may be credited to account 15100 (for tracking purposes only). For financial reporting purposes, GASB Statement 31 requires that all investment income, including the changes in fair value of investments, be reported as revenue in the operating statement. Expenditure object code 69820 has been established for investment losses so that districts may report gains or losses separately as required in certain states (or where only credits may be reported for revenue codes and only debits for expenditure codes). However, account 15300 may be used to record the net of all investment gains or losses (reported as a contra revenue).
- 15310 Realized Gains (Losses) on Investments. Gains or losses recognized from the sale of investments. Gains represent the excess of sale proceeds over cost or any other basis at the date of sale. Losses represent the excess of the cost or any other basis at the date of sale over sales value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the following account may be used for internal tracking purposes.
- 15320 Unrealized Gains (Losses) on Investments. Gains or losses recognized from changes in the value of investments. Gains represent the excess of fair value over cost or any other basis at the date of valuation. Losses represent the excess of the cost or any other basis at the date of valuation over fair value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the previous account may be used for internal tracking purposes.
- 15400 Investment Income from Real Property. Revenue for rental, use charges, and other income on real property held for investment purposes.

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**15000 Earnings on Investments. (Continued)**

15900 Other Earnings on Investments. Earnings or profits on investments other than those described above.

**16000 Food Service.** Amounts received for dispensing food to students and adults.

**16100 Daily Sales.** Revenue from students for the sale of breakfasts, lunches and milk which are reimbursable by USDA.

16110 Daily Sales - School Lunch Program. Revenue from students for the sale of reimbursable lunches as part of the National School Lunch Program.

16120 Daily Sales - School Breakfast Program. Revenue from students for the sale of reimbursable breakfasts as part of the School Breakfast Program.

16130 Daily Sales - Special Milk Program. Revenue from students for the sale of reimbursable milk as part of the School Milk Program.

16140 After School snacks.

16190 Other Daily Sales, Reimbursable

**16200 Daily Sales - Non-Reimbursable Programs.** Revenue from students or adults for the sale of non-reimbursable breakfasts, lunches and milk. This category would include all sales to adults, the second type A lunch to students and a la carte sales.

16210 Student. Amounts received from students for the sale of food products and services.

16211 ABC/PRE-K Student Meals (From District Fund 2 to Fund 8000)  
**Must equal 69610 from fund 2001-2099, 2365, 6557 and/or 6562**

16212 Provision 2 Schools Student Meals (From District Fund 2 to Fund 8000) **must equal 69620 from fund 2001-2099, 2281, 2365, and/or 6562**; Cost to Operate Child Nutrition Programs for CEP/P2

16213 Reduced Copay Student Revenue (From District Fund 2 to Fund 8000)  
**must equal 69630 from fund 2001-2099, 2281, 2365 and/or 6562**

16214 Reimbursement from Operating Fund 2001 for "bad debt"/charged meals.  
**(16214 revenue in Fund 8000 must equal 2001 and 8099 exp 69680)**

16215 A La Carte Income. Income from second meals and milk, individually sold, to students.

16216 Paid Student Breakfast Amount Paid by the Dist. (From Fund 2001-2099 + 2217 to Fund 8000). **(16216 + 16217 revenue must equal 2001 + 2217 exp. 69640)**

16217 Paid Student Lunch. Amount Paid by the District (From Fund 2001-2099 + 2217 to Fund 8000). **(16216 + 16217 revenue must equal 2001 + 2217 exp. 69640)**

16218 Reimbursement from Operating Fund (2001) and/or Activity Funds (7000-7999) for 'A La Carte' income for students.) **16218 revenue must equal 2001 + 7000-7999 expenditure 69650)**

16220 Adult. Amounts received for sale of food products and services are recorded here.

16221 Adult. Amount paid for by District. **(16221 revenue in Fund 8000 must equal 2001, 2365 and 6560 exp 69690)**

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**16000 Food Service. (Continued)**

- 16300 Special Functions Contract Meals. Meals for banquets, head start, senior citizens, agri-banquets and anything contracted through the community where money is collected.
- 16500 Daily Sales – Summer Food Program. Revenue from students from the sale of reimbursable costs for summer programs
- 16900 Other Food Service Revenue. Amounts received from local sources for other service activities.
- 16910 Pepsi/Coke Fund.

**17000 Student Activities.** Revenues from school sponsored activities.

- 17100 Admissions.** Amounts received from school patrons or student organization sponsored activities such as concert or football games.

- 17110 Athletics. Amounts received from patrons of school-sponsored athletic events.
- 17120 Other School - Sponsored Events. Amounts received from patrons or student organization sponsored activities (school-sponsored events) other than athletics.
- 17130 Student Organizations - Sponsored Events & Activities. Amounts received from patrons or school organization sponsored events and activities. (sponsored by student organizations , classes or clubs.)
- 17200 Sales. Amounts received from proceeds of sales by student, student-sponsored organized and school sponsored sales.
  - 17210 School Sponsored Sales. Amounts received from the sale of merchandise, such as school pictures, workbooks, soft drink machines and bookstore receipts, sponsored by and expended by school authorities.
  - 17220 Student Sponsored Sales. Amounts received from the sale of merchandise, such as candy, candles, license plates and canteen receipts, sponsored by and expended by a student organization, class or club.
- 17300 Organization Membership Dues & Fees. Revenue from students and/or teachers for memberships in school clubs or organizations.
  - 17310 Student Organization Membership Dues. Money received from students for memberships in school clubs or organizations.
  - 17320 Teacher Organization Membership Dues. Money received for memberships in teacher organizations.
- 17400 Fees Charged Students. Revenue from students for fees such as locker fees, towel fees and equipment fees.
- 17500 Revenue from Enterprise Activities (Formerly Contracted Services). Revenue (gross) from vending machines, school stores, soft drink machines, and so on, not related to the regular food service program. These revenues are normally associated with activities at the campus level that generate incremental local revenues for campus use.
  - 17510 Athletic Guarantees. Money received in settlement of contracts to appear at an athletic event.
  - 17520 Logo Licensing Royalties (includes AAA as well as Private Vendors chosen by districts)
  - 17590 Other Contracted Services. Amounts received from all other contracted services. 'Other' is non-repetitive revenue. Call for new code if you have an enterprise fund with repetitive revenue.. if district truly has an enterprise fund then we will add a new revenue for the type of enterprise. Limited to \$2000.
- 17900 Other Student Activity Revenue. Other amounts received from student activities. 'Other' is non-repetitive revenue. Limited to \$2500.



**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**18000 Revenue from Community Service Activities.** Revenue from community services activities operated by the district.

18100 Athletic.

18900 Other Community Service Activities.

**19000 Other Revenue from Local Sources.** Amounts received from local sources not classified above.

**19100 Rentals.** Money received from the rental of either real or personal property owned by the school.

19110 16th Section Land Rent. Amounts received from the rental of 16<sup>th</sup> section land.

19120 Other Rent Income from Land Owned by the LEA.

19130 LEA Buildings and Facilities. Amounts received from the rental of district buildings and facilities.

19140 Rental of Equipment and Vehicles. Amounts received from the rental of district equipment and vehicles.

19200 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. This code should be used to record on-behalf payments made by private organizations to school district personnel (e.g., stipends paid to teachers or other school district staff). "Save the Children Grant," "Blue and You Foundation," and "Entergy Grants" are included here and should be coded to 19200.

19300 **Gains or Losses on the Sale of Capital Assets.** The amount of revenue over (under) the book value of the capital assets sold. (Funds 7000-7999 only and then only if proprietary/fiduciary fund; otherwise code to revenue account under 53000.)

19400 Textbook Sales and Rentals. Revenue from the rental or sale of textbooks.

19410 Secondary Textbook Sales.

19430 Secondary Textbook Rentals.

**19500 Services Provided LEA's (Other than tuition & transportation).** Amounts received as reimbursement or as a prorated share for services provided to districts within the state excluding tuition and transportation services. These services could include data processing, purchasing, maintenance, cleaning, consulting and guidance.

19510 Services Provided Other LEA's Within the State. Revenue from services to districts within the state.

19511 Test Scoring.

19512 Speech Therapist.

19513 Equipment Repair.

19514 Special Education Appraisal Services.

19515 LEA's Supervisor Program.

19516 Staff Development.

19517 Gifted and Talented Reading Service.

19518 Print Shop.

19519 Media Services.

19520 Miscellaneous Revenues from Other School Districts outside the State

19550 Transits (Flow-Through Money).

19580 Services Provided Other LEA's Outside the State. Revenue from services to districts outside the state.

19600 Services Provided Other Local Governmental Units. Revenue from services provided by other local governmental units.

**Table V: Revenue Code Classification (Continued)**

**10000 Revenue from Local Sources (Continued)**

**19000 Other Revenue from Local Sources. (Continued)**

19700 Services Provided Other Propriety Fund Types (e.g., printing, etc.). This account may be used to account for revenue for which a fee is charged to external users for goods or services. Proprietary or Enterprise funds are required to be used to account for any activity whose principal revenue sources meet any of the following criteria:

- Debt backed solely by revenues from fees and charges (thus, not debt that is backed by the full faith and credit of the school district)
- Legal requirement to recover costs through fees and charges
- Policy decision of the governing board of management to recover the costs of providing services through fees or charges.

Some examples of enterprise funds are activities such as the bookstore operation, the athletic stadium, or the community swimming pool.

19800 Refunds of Prior Year Expenditures. Expenditures that occurred in prior year that are refunded this year. If the refund and the expenditure occurred in the current year, reduce this year's expenditures, as prescribed by Generally Accepted Accounting Principles (GAAP). Expenditures should not, however, be reduced below zero.

19900 Miscellaneous Revenue from Local Sources. Amounts received from local sources not identified above. (Limit \$2000 for fund 7XXX. If revenue is repetitive and greater than \$2000, it most likely is not 'other' or miscellaneous.)

19910-19915 District Defined Misc Rev from Local Sources. If revenue is repetitive and greater than \$2000, it most likely is not 'other' or miscellaneous.)

**21000 Grants-in-Aid (Unrestricted).** Revenue recorded as grants by the school district from an intermediate unit that can be used for any legal purpose desired by the school district without restriction. Separate accounts may be maintained for general source grants-in-aid that are not related to specific revenue sources of the intermediate governmental unit and/or for those assigned to specific sources of revenue as appropriate.

21100 County General Apportionment

21200 Severance Tax.(Local revenue labeled, as "Common School Fund" on the County Treasurer Statement)

22000 Restricted Grants-in-Aid. Revenue recorded as grants by the school district from an intermediate unit that must be used for a categorical or specific purpose. If such money is not completely used by the school district, it must be returned, usually to the intermediate governmental unit. Separate accounts may be maintained for general source grants-in-aid that are not related to specific revenue sources of the intermediate governmental unit and for those assigned to specific sources of revenue as appropriate.

**20000 Revenue from Intermediate Sources.**

28000 Revenue in Lieu of Taxes. Commitments or payments made out of general revenues by an intermediate governmental unit to the school district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the school district on the same basis as privately owned property or other tax base. It would include payment 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 intermediate governmental unit.

29000 Revenue for/on Behalf of the School District. Commitments or payments made by an intermediate governmental jurisdiction for the benefit of the school district or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the intermediate unit on behalf of a school district employee for services rendered to the school district and a contribution of capital assets by an intermediate unit to the school district. Separate accounts should be maintained to identify the specific nature of the revenue item.

**Table V: Revenue Code Classification (Continued)**

**30000 Revenue from State Sources.**

**31000 Grants-in-Aid** (Unrestricted). Amounts received by the district from the state which can be used for any legal purpose without restrictions.

31101 Foundation Funding (Fund 2001)

31102 Enhanced Educational Funding (Fund 2001)

31103 98% of URT X Assessment less Net Revenues (Fund 2001)

31200 Additional Base Funding. Amounts received from the state under the additional base funding appropriation.

31300 Consolidation/Annexation Incentive. Amounts received from the state to districts that have consolidated or annexed and meet the eligibility requirements under the rules of the Department of Education

31400 Enhanced Transportation Funding (Fund 2220)

31450 Student Growth Funding (Fund 2217)

31460 Declining Enrollment (Act 21, First Extraordinary Session 2006) (Fund 2218)

31500 Isolated Funding 6-20-601 and 6-20-603 and Isolated Special Needs Funding (c) (d), (e) (Fund 2212)

31600 Incentive Funding.

31610 Administrative Consolidation Assistance Funds

31611 Consolidated School District Debt Relief (Act 2230/HB2734 with appropriation under Act 1863/HB2394)

31650 Revenue Loss Funding (formerly Catastrophic Loss).

31700 Charter School Foundation Funding

31702 Charter School Enhanced Foundation Funding

31900 Other. Amounts received by the district from the state which can be used for any legal purpose without restrictions not classified above.

**32000 Restricted Revenue from State Sources.** Amounts received from the state which must be used for specific purposes.

**32100 Adult Education.** Amounts received from the state appropriations for the adult basic education programs.

32110 Adult Basic Education (ABE), Division of Workforce Services Adult Education Program. Amounts received to provide basic educational skills for adults with less than an 8<sup>th</sup> grade education. (Fund 2201)

32120 Adult General Education (GAE), Division of Workforce Services Adult Education Program. Amounts received to provide adult education in an academic setting to an adult whose training is less than at a 12<sup>th</sup> grade level. (Also receipt SNAP (Supplemental Nutrition Assistance Program) and Employment & Training (E&T to fund 2202). (Fund 2202)

32130 Workplace Adult Education (State Special Project Grant), Division of Workforce Services Adult Education Program. Amounts received to improve the productivity of the workplace through the improvement of literacy skills in adult workers. (Fund 2203)

32140 Other Adult Education – (State Special Project Grants), Division of Workforce Services Adult Education Program. Amounts received for specific, limited projects to improve literacy skills. (Fund 2205)

**Table V: Revenue Code Classification (Continued)**

**30000 Revenue from State Sources (Continued)**

**32000 Restricted Revenue from State Sources (Continued)**

**32200 Regular Education.**

- 32204 Teacher Salary Equalization Program (receipt to fund 2001 only for Teacher Salary Equalization Program FIN-21-043)
- 32213 Intensive School Support (School Improvement plans) SE Coop Only (Fund 2231)
- 32214 Computer Based Education Program (3224) (Fund 2214)
- 32219 Educator Compensation Reform Program (receipt to fund 2001 only for Educator Compensation Reform Program – FIN-20-010)
- 32220 National Board Certification ADE/Supplemental Salary (receipt to fund 2220 only for NBC salary supplements from ADE)
- 32221 Computer Science Bonus ADE/Supplemental Salary (receipt to fund 2941 only for Computer Science Bonus from ADE)
- 32225 Technology Grant. (SOF 225)
- 32226 Recruitment/Retention Incentives, Act 101 Funding (ACA 6-17-811)
- 32229 National Board of Professional Teaching Standards (NBPTS) (SOF 229)
- 32232 Arkansas School Recognition Program (COM-18-085) Act 510, 2(A) of 2009. School recognition awards shall be used for nonrecurring bonuses to the faculty and staff; nonrecurring expenditures for educational equipment or materials to assist in maintaining and improving student performance; or temporary personnel for the school to assist in maintaining and improving student performance. (SOF 232)
- 32234 Distance Learning. (SOF 234)
- 32235 Technology Improvement Grant (Adult Education) (SOF 235)
- 32239 RISE Academies (Specific Literacy Professional Development Endeavor
- 32244 EAST "Beyond the Bell/EAST Upgrade Grant for AR Schools"
- 32247 Team Digital (via Arkansas River Coop.) – AR Civics Exam
- 32248 Team Digital (via Arkansas River Coop ONLY) – Professional Development for Fine Arts, Social Studies and Library Media
- 32249 Isolated Special Needs Funding Small School (f) - Added 8/3/2010 & updated 3/15/2011
- 32250 Professional Quality Enhancement Teacher & Administrator Induction Program – Pathwise
- 32252 Arkansas Leadership Academy Team Leadership Institute OEE (Includes TESS and Leads)
- 32256 Professional Development, Act 59 F/SOF 223
- 32260 AR Game & Fish Commission, Act 799 of 2003. The Department of Education, in consultation with the AR State Game and Fish Commission, shall establish school education programs for fish and wildlife conservation and other purposes consistent with Amendment 35 of the Arkansas Constitution. The conservation education programs may include, but not be limited to, the study of general fish and wildlife conservation issues, hunter education training, fishing education training, boat education training, wildlife habitat development, Project WILD, and the Hooked on Fishing Not on Drugs Program.
- 32290 Other Grants and Aid from the State
- 32298 Team Digital (via Arkansas River Coop.) – Professional Development for Fine Arts, Social Studies and Library Media

**Table V: Revenue Code Classification (Continued)**

**30000 Revenue from State Sources (Continued)**

**32000 Restricted Revenue from State Sources (Continued)**

- 32300 Special Education.** Amounts received from the state as grants or reimbursements for the education of exceptional children.
- 32310 Children with Disabilities, LEA Special Education Supervisor.
  - 32314 Special Education Extended School Year
  - 32330 Children without Disabilities - Residential Treatment. To reimburse districts for costs in approved residential treatment facilities.
  - 32340 Children with Disabilities - Residential Treatment. To reimburse districts for educational costs for students with disabilities placed in approved residential treatment facilities.
  - 32350 Early Childhood Special Education. Grants to districts for preschool special education services and educational service centers.
  - 32351 Youth Shelter
  - 32352 Early Intervention Day Treatment Centers. New grant 01/21/2020 (Fund 2262)
  - 32355 Special Education Catastrophic Loss Funding
  - 32360 Gifted & Talented - AEGIS Program, Governor's School. Amounts received from the state for the education of gifted and talented children and youths.
  - 32361 Gifted & Talented - Advance Placement. Amounts received from the state as grants on reimbursements for the education of exceptional children.
  - 32362 GT Coordinator
  - 32370 Alternative Learning Environment. State grants to school districts to develop alternative learning environments for at-risk students in junior and senior high school.
  - 32371 Limited English Proficiency (LEP).
  - 32372 Juvenile Detention
  - 32381 Enhanced Student Achievement (ESA)
  - 32382 ESA Match Grant
- 32400 Career Education.** Amounts received from the state for vocational programs, excluding federal funds.
- 32410 CTE Coordinators.
  - 32412 Project Lead The Way
  - 32415 Secondary Career Centers
  - 32420 Career Coaches
  - 32421 Office of Skills Development (OSD) Career Capital Equipment Grant. (Ft Smith only as of FY 21 PEAK-OSD Grant)
  - 32430 Coordinated Career Education Services - Special Needs. Amounts received for projects to improve educational opportunities for students with special needs enrolled in vocational classes. COOPS ONLY EFF FY '22
  - 32470 Traditional Apprenticeship Adult Apprentices – Office of Skills Development. Learning and work experience integrated into adult education that provides on-the-job training in skilled trade occupations.
  - 32473 Construction Crafts Education Training Program, Act 474 of 1999 as amended by Act 785 of 1999 – Adult Apprentices – Office of Skills Development
  - 32480 Career New Program Start-up – Office of Skills Development . Amounts received to provide funding to start new vocational programs.

**Table V: Revenue Code Classification (Continued)**

**30000 Revenue from State Sources (Continued)**

**32000 Restricted Revenue from State Sources (Continued)**

**32500 School Food Service.** Amounts received from the state for school food lunch activities.

32520 State Matching

32530 AR Meals For Achievement Pilot Grant (AMFA)/AR Hunger Relief Alliance (fund 8000)

32590 Other.

**32600 Educational Service Cooperatives.**

32610 Educational Service Cooperative Funding. Amounts received from the state for state educational cooperatives base funding.

32611 Coop Distance Learning Operating Grants F/SOF 361

32612 Educational Cooperative Technology Center

32613 Coop Professional Development Funds

32614 Division of Learning Services Grant

32616 Common Core State Standards Improvement Grant (Fund/SOF District/Coop Defined Range 2002-2099)

32617 ELP Standards Implementation (Fund/SOF District/Coop Defined Range 2002-2099) (SW Coop)

32650 Empowering Writers and Literacy Professional Development Grant

32651 Educator Effectiveness Equipment Grant

**32700 Early Childhood Programs.**

32710 ADE - Arkansas Better Chance (ABC) – Center Based. Amounts received from the state to fund innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5.

32727 ADE – Arkansas Better Chance (ABC)/HIPPIY

32728 ADE – Arkansas Better Chance (ABC)/Parent as Teachers (PAT)

32735 DHS - Early Childhood - Parent Involvement

32740 DHS - Infant/Toddler Program (DHS)

32745 Smart Start – Literacy, DESE Literacy

32750 Smart Start – Math, DESE Math & Science

32755 Smart Start – Literacy, Staff Development DESE Learning Services

32760 Smart Start – Math, Staff Development DESE Professional Development

32790 DESE – Other - RESERVED

**32900 Other Non-Instructional Programs.**

32901 JUA-Obesity Prevention (Joint Use Agreement -School Health Services)

**Table V: Revenue Code Classification (Continued)****30000 Revenue from State Sources (Continued)****32000 Restricted Revenue from State Sources (Continued)****32900 Other Non-Instructional Programs. (Continued)**

- 32902 With monies from ACT 180 of 2009, the tobacco excise tax, ADE, Office of Coordinated School Health, AR Dept of Health (ADH), AR Dept of Human Services (DHS), AR Center for Health Improvement (ACHI), and AR Children's Hospital (ACH) have launched the "Coordinated School Health and Wellness Center Initiative" (CSH & WCI) competitive grant to promote health, wellness, and academic achievement in Arkansas' public schools. This initiative has three goals: (1) Implement the eight component model of Coordinated School Health to improve academic achievement, promote school health programs, and garner community support. (2) Establish a level I School Based Wellness Center with the intention of establishing a Level II School Based Comprehensive Wellness Center. (3) Develop a quality school based mental health (SBMH) program within the wellness center. In order to achieve these goals, schools must develop, sustain and expand on positive changes in school environment, programs, policies, and promote a lifetime of wellness. School campuses have been identified as key settings for providing quality health programs and services to students, staff and families. The ADE/CSH envisions that the Coordinated School Health and Wellness Center Initiative will enable participants to solidify their implementation of Coordinated School Health and create school site wellness Centers.
- 32909 Tobacco Prevention and Cessation Grant
- 32913 Growth Facilities Funding.
- 32914 Charter Schools Facilities Grant
- 32915 Debt Service Supplement (Fund 2001, 4000 or District Defined 4001-4099)
- 32917 Department of Health.
- 32920 AR Game & Fish Commission Project Wild School-yard Habitat (Direct Grant from AR Game and Fish, Not through ADE)
- 32922 Academic Facilities Catastrophic Repair. (ASIS Cost Center 350968, Fund Center 4HQ, Act 2139 of 05, Assigned on 04/20/05.)
- 32924 Academic Facilities Partnership Program. (ASIS Cost Center 350973, Fund Center 2ZP, Act 1237 of 07, Assigned on 06/17/05.)
- 32931 Broadband Facilities Matching Grant Program. Act 298 of 2014
- 32932-32939 Reserved for Future "Facilities" or "Capital Outlay" Funding as designated by ADE
- 32940 Bloomboard Trainings. The Office of Educator Effectiveness (OEE) will provide funding for expenditures related to providing support to teachers for Bloomboard Trainings to include compensation for trainers, travel reimbursement, meals, and supplies/materials. Fund 2940 effective July 1, 2019
- 32941 Governor's Computer Science Grant. (Fund 2941)
- 32990 Other Grants and Aid from the State.
- 32993 Greater Graduation (Dropout Prevention)

**40000 Revenue from Federal Sources****41000 Aid Direct from Federal Government (Unrestricted).** Amounts received from the federal sources as grants which can be used for any legal purpose by the district without restriction. (Fund 2001-2099 only)

- 41100 School Federal Assistance - M&O (PL 81-874, 93-380). Amounts received from federal sources for districts that experience increased enrollments due to federal activities.
- 41200 Wildlife Refuge. Federal funds received for land used as federal wildlife refuge areas.
- 41300 Revenue in Lieu of Taxes.
- 41900 Other Unrestricted Revenue. Other unrestricted revenue received directly from the federal government not classified above.

**Table V: Revenue Code Classification (Continued)****40000 Revenue from Federal Sources**

**42000 Aid From the Federal Government Through the State** (Unrestricted). Amounts received from federal sources through the state as grants which can be used for any legal purpose by the district without restriction. (Fund 2001-2099 only)

42100 Forest Reserve. Federal money received by districts for federally held forest properties within the district's boundaries.

42200 Flood Control. Amounts received from federal sources for flood control.

42300 Mineral Leases. Amounts received from federal sources for mineral leases.

42400 Federal Grazing. Amounts received from federal sources for grazing fees collected by the federal government.

42500 Impact Aid.

42900 Other Unrestricted Revenue. Other unrestricted federal funds received through the state.

**43000 Aid Direct from Federal Government** (Restricted). Amounts received from the federal government through the state as agents to the LEA which must be used for specific categorical purposes.

**43100 Elementary/Secondary Education Programs.**

43118 Dept of Defense Education Activity (DoDEA). The Battle to Improve Literacy. CFDA # 12.556 (Fund 6408)

43119 Department of Justice – STOP School Violence. CFDA # 16.839 and COPS Office School Violence Prevention Program (SVPP) CFDA-16. 710 - Public Safety Partnership and Community Policing Grants Treasury Account Symbol (T AS) 15X0406 (Fund 6409)

43160 ROTC - Reserve Officers' Training Corp. Amounts received from federal sources for conducting Reserve Officers' Training Corps programs. (Fund 6430)

43181 Title IV Part B - 21<sup>st</sup> Century Community Learning Centers, (WC Ins Benefit Exp Non Allowable) CFDA # 84.287 (Fund 6441)

**43600 Indian Education Programs.**

43610 Indian Education. Federal funds given for the education of American Indians. (Fund 6449)

**43700 Desegregation Programs.**

43711 Magnet Schools Assistance Program issued through the U.S. Dept. of Ed, CFDA # 84.165A Performance Period AWARD # U165A170024 (5 year grant 2017-2021) (Fund 6451)

**43900 Other Restricted Aid Direct from the Federal Government.** Other revenue received from the federal government restricted for specific purposes.

43911 Title IV Foster Grandparent Program (B) AmeriCorps CFDA # 94.011 (Corporation for National and Community Service) (Fund 6461)

43912 USDA Rural Development. COMMUNITY FACILITIES LOANS AND GRANTS R (Student Bus Grants) USDA Rural Development. CFDA # 10.766 (Fund 6462)

43913 U.S. Dept of Commerce/Economic Development Administration – Vocational Center. CFDA # 11.307 (Fund 6463)

43920 Major Disaster - Repair & Equipment. FEMA Storm Shelter. FEMA Grant Hazard Mitigation Grant Program (HMGP). #'s: #1472-DR-AR, #1744-DR-AR Project #2, #1751-DR-AR, #1819-DR-AR Project #27. Tornado Safe Rooms. (Fund 6465)

43950 Resource Conservation & Development. (Fund 6480)

43964 IRS 941 Reimbursement for Federal Covid Leave (for employees that had Admin Leave with Pay). (Fund 6464)



**Table V: Revenue Code Classification (Continued)****40000 Revenue from Federal Sources****43900 Other Restricted Aid Direct from the Federal Government.**

- 43972 Coordinated School Health (DW Coop Only) CFDA # 93.945 (Fund 6492)
- 43973 Title IV School-Based Health Centers Capital Program. CFDA # 93.501. Patient Protection and Affordable Care Act of 2010, , §4101 (P.L. 111148) 42 USC 280h4. (Fund 6473)
- 43977 Farm to School Program. CFDA # 10.575. Authorization (040): The Healthy, Hunger-Free Kids Act of 2010 (HHFKA). (Fund 6497)
- 43980 Interest Rebate. Return for Credit Payments to Issuers of Qualified Bonds for some Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QSCBs). Federal Form 8038-CP. District may complete form for rebate up to 90 days prior to interest payment and no later than 45 days after interest payment.

**45000 Restricted Aid from the Federal Government through State.** Revenues from federal sources through the state which must be used for specific purposes.

**45100 Elementary/Secondary Education Act (ESEA).**

- 45110 Title I Part A - Regular - Comp Education. CFDA # 84.010. Amounts received from federal sources to expand and improve programs for meeting the needs of educationally deprived children in low-income areas. (Fund 6501)
- 45111 Title I Part C - Migrant Education. CFDA # 84. Amounts received from federal sources through the state to meet the needs of children of migratory agricultural workers. (Fund 6502)
- 45116 Title I School Improvement Section 1003, Planning Grant, CFDA #84.010. (Fund 6506)
- 45117 Title I School Improvement Section 1003, Implementation Grant Year 1, CFDA # 84.010. (Fund 6507)
- 45118 Title I School Improvement Section 1003, Implementation Grant Year 2, CFDA # 84.010 (Fund 6508)
- 45119 Title I School Improvement Statewide Support, CFDA #84.010 (Fund 6509)
- 45120 Title I Part D, Subpart 2 - Neglected & Delinquent Children CFDA # 84.010. Funds for providing compensatory education activities to eligible children in schools operated by the Department of Corrections and the Department of Human Services. (Fund 6510)
- 45137 Teacher Incentive Fund (TIF). Authority: PL 109-149 Elementary and Secondary Education Act. CFDA/Subprogram # 84.374A. Funding year 2010. 2011 – TAP (Teacher Advancement Program). (Fund 6527)
- 45140 Stewart B. McKinney Homeless Assistance Act for Children. Funding to provide services designed to enable homeless children to enroll, attend and succeed in school. (Fund 6530)
- 45141 Title IV-E Foster Care Recovery. CFDA # 93.658 (Fund 6531)
- 45160 Title XX Social Security Act. (Fund 6550)
- 45167 Preschool Development Grants (B). CFDA # 84.419. High Quality Preschool Programs (HQPP). (Fund 6557)
- 45170 DHS - Childcare Assistance Grant and T.E.A.C.H. CFDA # 93.575 (Fund 6560)

**Table V: Revenue Code Classification (Continued)**

**40000 Revenue from Federal Sources. (Continued)**

**45000 Restricted Aid from the Federal Government through State. (Continued)**

**45100 Elementary/Secondary Education Act (ESEA) (Continued)**

- 45171 APSRC (AR Public School Resource Center), Charter School Program grant (CSP), CFDA # 84.282A (Fund 6561)
- 45172 DHS - Child Care & Development Block (Includes FPK/Federal PreK and/or CCDF/Child Care Development Block) CFDA # 93.575 (Fund 6562)
- 45173 DHS - Achieving AR Child Care Quality Approved Status /Better Beginnings; Child Care and Early Childhood Education, CFDA # 93.575 (Fund 6563)
- 45175 DHS – Cares Act Funds. CFDA # 93.558 (Fund 6567)
- 45176 Partnerships in Character Education Pilot Project Guard NASA Consortium (Fund 6566)
- 45177 DHS, Summer Food Program, Transportation Costs, TANF (Temporary Assistance for Needy Families), CFDA# 93.714 (to be receipted in Fund 8000 Food Service).
- 45178 Drop Prevention, Temporary Assistance for Needy Families (TANF) CFDA # 93.558. Workforce Svs Grant through ADE to AR Coop (Fund 6568)

**45300 Carl D. Perkins Vocational Education Act of 1984 (PL 98-524, as amended)**

- 45310 Carl Perkins Basic Grant - Formula Grant Entitlement, CFDA # 84.048 (Fund 6570)
- 45311 Carl Perkins Leadership Project Awards CFDA # 84.048 (Fund 6571)
- 45312 TANF – JAG and Career Coach programs, CDFA #93.558 (Fund 6572)
- 45318 Carl Perkins Reserve Fund Grants CFDA # 84.048 (Fund 6578)

**45400 Adult Education.**

- 45410 Direct & Equitable, Division of Workforce Services Adult Education Program. Funding to provide programs that assist adults to acquire basic skills necessary to function on jobs in society. CFDA # 84.002. (Fund 6600)
- 45411 English Literacy and Civics (IEL/CE) Grant, Division of Workforce Services Adult Education Program. CFDA # 84.002A (Fund 6636)
- 45412 DHS - Adult Education - Opioid STR (State Targeted Response).CFDA # 93.788 (Fund 6611)
- 45430 Correctional Institutional (C/I) Division of Workforce Services Adult Education Program. Amounts received to provide literacy training for incarcerated individuals. CFDA # 84.002. (Fund 6610)
- 45431 AmeriCorps Program, **SE Coop Only**, Division of Workforce Services Adult Education Program. CFDA # 94.006 (Fund 6631)
- 45432 USDA - Rural Business Development, SE Coop Only, Division of Workforce Services Adult Education Program. CFDA # 10.351 (Fund 6632)
- 45437 Special Projects – TANF, Division of Workforce Services Adult Education Program. CFDA # 93.558 (Fund 6637)
- 45440 Model Resource Center Division of Workforce Services Adult Education Program, SE Coop ONLY. CFDA # 84.002. (Fund 6615)
- 45461 SNAP (Supplemental Nutrition Assistance Program) and Employment & Training (E&T), Division of Workforce Services Adult Education Program. SE Coop ONLY, CFDA # 10.561. (Fund 6626)

**Table V: Revenue Code Classification (Continued)**

**40000 Revenue from Federal Sources. (Continued)**

**45000 Restricted Aid from the Federal Government through State. (Continued)**

**45500 School Food Services**

- 45510 Lunch Reimbursement through ADE. Amounts received from federal sources through the state for reimbursement for meals served through the food services program.
- 45511 Lunch/Supper Reimbursement through DHS. Amounts received from federal sources through DHS for reimbursement for meals served through the food services program.
- 45512 Performance Based Reimbursement from Child Nutrition. The additional 6 cents for lunches served by LEA's that are certified to receive the additional funding. CFDA # 10555
- 45520 Breakfast Reimbursement through ADE. Amounts received from federal sources through the state for reimbursement for breakfasts served through the food services program.
- 45521 Breakfast Reimbursement through DHS. Amounts received from federal sources through DHS for reimbursement for breakfasts served through the food services program.
- 45530 Special Milk Reimbursement through ADE. Amounts received from federal sources through the state for reimbursement based on the special milk portion of the food services program.
- 45531 Special Milk Reimbursement through DHS. Amounts received from federal sources through DHS for reimbursement based on the special milk portion of the food services program.
- 45540 Snack Reimbursement through ADE. Amounts received from federal sources through the state for reimbursement based on the snack portion of the food services program.
- 45541 Snack Reimbursement through DHS. Amounts received from federal sources through DHS for reimbursement based on the snack portion of the food services program.(Child & Adult Care Food Program, CFDA # 10-558)
- 45542 Fresh Fruits and Vegetable Program (FFVP). Cost Reimbursement Grants for a new permanent USDA program. These FFVP Cost Reimbursement funds cannot be reported as part of the food purchases for the normal meal services, the cost reimbursement and expenditures must be tracked separately because the fresh fruit and vegetable snacks cannot be served at mealtime or as a part of mealtime. CFDA # 10.582
- 45543 Summer Food Service Program through DHS. CFDA # 10.559
- 45550 Food Service Costs Supplemental Funding – ESSER. CFDA # - 84.425D
  - 45551 Hunger Relief Alliance / TANF Block grant to AR. CFDA # 93.558 (Fund 8000)
  - 45556 CNP Emergency Operational Costs Programs (Fund 8056)
- 45560 Cash in Lieu of Commodities. Cash payments based on lunch participation in lieu of receipt of commodities.
  - 45561-45569 Reserved for Commodities coding (F33)
  - 45561 Regular Commodities (Through DHS)
  - 45562 FFV. Fresh Fruit & Vegetables Commodities (Direct)
  - 45563 Summer Food Service Program Commodities(through DHS).CFDA # 10.559

**Table V: Revenue Code Classification (Continued)**

**40000 Revenue from Federal Sources. (Continued)**

**45000 Restricted Aid from the Federal Government through State. (Continued)**

**45500 School Food Services**

- 45580 Nutrition Education & Training Program (NET). Subgrants to districts for the development of materials, special projects, training and classroom experiences related to food and nutrition.
- 45585 Comprehensive Health (HAT) (Nifty Nutrition).
- 45587 CNU Equipment Grant CFDA # 10.579. Includes USDA NSLP Equipment Assistance Grant.
- 45590 Other Food Service Revenue. Other food service revenue not mentioned above.

**45600 Special Education.**

- 45612 IDEA Title VI-B Area Services. (Fund 6701)
- 45613 IDEA Title VI-B Pass through Funding, CFDA # 84.027 (Fund 6702)
- 45616 IDEA Title VI-B BSS Grant. Special Education Grants to States. CFDA # 84.027 (Fund 6705)
- 45617 IDEA Title VI-B Transition Grant. Special Education Grants to States. CFDA # 84.027 (Fund 6706)
- 45618 IDEA Title VI-B Elementary Secondary Visually Impaired (ESVI) Grant. Section 611. CFDA # 84.027 (Fund 6707)
- 45630 IDEA Title VI-B Early Childhood, Section 619, CFDA # 84.173. Special education services for children with disabilities ages 3-5 for direct services. (Fund 6710)
- 45631 IDEA Title VI-B Special Education Inclusive Practices CDFA # 84.027 Special Education Grants to States (New Grant) (Fund 6711)
- 45632 IDEA Title VI-B SSIP CDFA # 84.027 Special Education Grants to States (Fund 6712)
- 45633 IDEA Title VI-B SERC CDFA # 84.027 Special Education Grants to States (Fund 6713)
- 45634 IDEA Title VI-B Circuit CDFA # 84.027 Special Education Grants to States (Fund 6714)
- 45635 IDEA Title VI-B Early Childhood Special Education Coordinator CDFA # 84.027 Special Education Grants to States (Fund 6715)
- 46536 IDEA Title VI-B State Special Education Development Coach CDFA # 84.027 Special Education Grants to States (Fund 6716)
- 46537 IDEA Title VI-B Co-Teach CDFA # 84.027 Special Education Grants to States (Fund 6717)
- 45638 IDEA Title VI-B Related Services- Consultants CDFA # 84.027 Special Education Grants to States (Fund 6718)
- 45639 ESSER – Special Education Digital Learning Grants. CFDA # 84.425D (Fund 6719)
- 45650 MEDICAID reimbursement for speech language pathology services, physical Therapy, occupational therapy, targeted case management, psychological services, private duty nursing, personal care assistance, and Medicaid administrative claims. Revenue code was previously 45910. CFDA # 93.778 and 93.498 (Fund 6750)
- 45674 State Personnel Development Grant (SPDG) CFDA # 84.323A (Fund 6744)
- 45679 Medicaid for PreSchool CFDA # 93.778 (Fund 6749)

**Table V: Revenue Code Classification (Continued)**

**40000 Revenue from Federal Sources. (Continued)**

**45000 Restricted Aid from the Federal Government through State (Continued)**

**45800 Other Restricted Aid from the Federal Government through State**

45815 State Clean Diesel Grant Program (A) CFDA # 66.040 (Go Red Grant) (Fund 6815)

**45900 Other Restricted Aid from the Federal Government through State**

45912 School-based Mental Health Medicaid. Reimbursement for mental health services delivered in the school setting. CFDA # 93.778 (Fund 6751)

45913 Medicaid General Health Services - Medicaid Administrative Claiming (ARMAC). CFDA # 93.778 (Fund 6752)

45916 Medicaid General Health Services – Personal Care CFDA # 93.778 (Fund 6752)

45917 Medicaid General Health Services – Vision & Hearing CFDA # 93.778 (Fund 6752)

45918 Medicaid General Health Services – Audiology CFDA # 93.778 (Fund 6752)

45920-45929 Reserved for Math, Science, Teacher Quality coding (F33) Title II (Teacher Quality, “Supporting Effective Instruction” ESSA. CFDA# 84.367

45923 Title II Part A - Teach Arkansas Program. (Teacher Quality, “Supporting Effective Instruction” ESSA. CFDA # 84.367 (Fund 6755)

45924 Title II Part A - Improving Teacher Quality, Urban Academy Grant. Discretionary Grant. (“Supporting Effective Instruction” ESSA. CFDA # 84.367 (Fund 6754)

45925 Title II Part A - Improving Teacher Quality Grant - **Formula Grant Only**. CFDA # 84.367 (Fund 6756)

45926 Title II Part A - Improving Teacher Quality, Opportunity Culture Grant,– Discretionary Grant. CFDA # 84.367 (Fund 6757)

45927 Title II Part A - Quest Leadership Program. (Teacher Quality, “Supporting Effective Instruction” ESSA. CFDA # 84.367 (Coop Only) (Fund 6753)

45928 Title II Part A - Arkansas Professional Pathway to Educator Licensure (APPEL). Subgrants to LEAs. Improving Teacher Quality Grant. (“Supporting Effective Instruction” ESSA. CFDA # 84.367 (Fund 6760)

45935 Title III Part A - English Language Acquisition CFDA # 84.365 (Fund 6761)

45937 Mental Health Services\Partnership for Success (PSF) CFDA # 93.243 (Fund 6777)

45938 DHS - AWARE Arkansas. Substance Abuse and Mental Health Services (SAMHSA). (District subgrants reimbursements through ADE Finance). CFDA # 93.243 (Fund 6778)

45939 Hurricane Education Recovery. USDE (Hurricane Relief Act – not ESSA). (District subgrants reimbursements through ADE Finance). CFDA # 84.938B (Fund 6779)

45950 Home Instruction Program Preschool Youngsters (HIPPY). Funding to provide services to preschool children ages 3 and 4 and their parents in a home setting emphasizing learning. (Fund 6770)

45958 Title III Part A - Recent Immigrant CFDA # 84.365 (Fund 6758)

45959 Investing in Innovation (I3) National Writing Project. (includes "eMints Expansion Project: Implementing college and career ready standards through 21st century classrooms".) CFDA # 84.411 (Fund 6759)

**Table V: Revenue Code Classification (Continued)****40000 Revenue from Federal Sources. (Continued)****45900 Other Restricted Aid from the Federal Government through State (Continued)**

- 45962 Arkansas Smart Start AmeriCorps Tutoring, CFDA # 94.006 (Grant runs Sept to Aug) (Fund 6762)
- 45963 Arkansas Smart Start AmeriCorps Tutoring, Alternating YR, CFDA # 94.006 (Grant runs Sept to Aug) (Fund 6763)
- 45964 Arkansas AmeriCorps Coordinated School Health, Begins YR 11, CFDA # 94.006 (Grant runs Aug to Jul) (Fund 6764)
- 45965 Arkansas AmeriCorps Coordinated School Health, Alternating YR, CFDA # 94.006 (Grant runs Aug to Jul) (Fund 6765)
- 45966 Partnership for Success-Youth Leadership Development Grant. CFDA # 93.243. (Reimbursed by AR DHS Behavioral Health Services (Fund 6766)
- 45968 American Rescue Plan Act – Homeless Children and Youth (ARP-HCY). CFDA# 84.425W (Fund 6768)
- 45969 Child Care Mandatory & Matching Funds of the Child Care & Development Fund. CFDA # 93.596 (Fund 6769)
- 45971 Arkansas AmeriCorp, Training and Technical Assistance, CFDA # 94.009 (Fund 6771)
- 45972 Arkansas Americorps Future Teacher Initiative (Grant runs Aug to Jul) CFDA # 94.006 (Fund 6772)
- 45973 Arkansas AmeriCorps Future Teacher Initiative,,Alternating YR (Grant runs Aug to Jul) CFDA # 94.006 (Fund 6773)
- 45974 COVID Emergency Leave Part 2. Coronavirus Relief Fund CFDA # 84.425D (Fund 6774)
- 45975 Rehabilitation Services Vocational Rehabilitation Grants to States (A). CFDA # 84.126 (Includes Opportunities for Work-Based Learning (OWL), Working for Independence Now (WIN), and Work Based Learning Opportunities Leading to Future Employment (WOLF)). (Fund 6775)
- 45975 Title V, Part B, Subpart 1 -REAP (Rural Energy for America Program), SRSA-Small Rural School Achievement Program CFDA # 84.358. (Direct from federal level) (Fund 6782)
- 45976 COVID Emergency Leave. Coronavirus Relief Fund CFDA # 21.019. (Fund 6776)
- 45977 Title V, Part B, Subpart 1 - REAP (Rural Energy for American Program), RLIS-Rural and Low Income School Program CFDA # 84.358B – (ADE) (Fund 6784)
- 45980 Education Stabilization Fund – (ESSER I) Elementary and Secondary School Emergency Relief Fund. CFDA # 84.425D (Fund 6780)
- 45981 Education Stabilization Fund – (ESSER II) Elementary and Secondary School Emergency Relief Fund. CFDA # 84.425D (Fund 6781)
- 45983 Education Stabilization Fund – GEER (Governor's Emergency Education Relief) Digital Learning from APSRC CFDA # 84.425C (Fund 6783)

**Table V: Revenue Code Classification (Continued)**

**40000 Revenue from Federal Sources. (Continued)**

**45900 Other Restricted Aid from the Federal Government through State (Continued)**

- 45985 Comprehensive School Health - Aids Education Act CFDA #93.981 (Fund 6785)
- 45986 Title IV Part A - Student Support and Academic Enrichment, CFDA # 84.424A. (Fund 6786)
- 45987 Comprehensive School Health, COVID 19 Supplemental Funding. (Includes Social Emotional Learning (SEL) Grant.) CFDA # 93.981 (Fund 6787)
- 45988 COVID School Meals Project. CFDA # 21.019 (CM# FIN-21-016) (Fund 6788)
- 45989 Dept of Agriculture CARES Act (Through AR AGRI Dept). CFDA # 21.019 (Fund 6789)
- 45990 Other Restricted Federal Grants through State. (Fund 6790)
- 45991 Arkansas Comprehensive Literacy State Development Grant - Successful Outcomes for Arkansas Readers (SOAR) grant proposal (formerly known as the CLSD grant). CFDA # 84.371 (Fund 6791)
- 45992 Arkansas Arts Council, Department of American Heritage. CFDA # 45.025 (Fund 6792)
- 45993 COVID, Arkansas Dept of Emergency Management. CFDA # 97.036 (Fund 6793)
- 45994 Education Stabilization Fund, Supplemental (ESSER II Supplemental) Elementary and Secondary School Emergency Relief Fund, CFDA # 84.425D (Fund 6794)
- 45995 American Rescue Plan (ARP) ESSER - (ESSER III) Elementary and Secondary School Emergency Relief Fund. CFDA# 84.425U (Fund 6795)
- 45996 Head Start, 3-5 years old. COVI D-19 funds (CAN G060900) to prevent, prepare for and respond to coronavirus disease 2019 (COVID-19). CFDA # 93.600 (Fund 6796)
- 45997 Early Head Start, Birth to 3 years old. CFDA # 93.600 (Fund 6797)
- 45998 Head Start, 3-5 years old. CFDA# 93-600 (Fund 6798)
- 45999 DHS - Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program. CFDA # 93.505 (Fund 6799)
- 47000 Grants-In-Aid from Federal Government through Intermediate Agency.
- 48000 Revenue in Lieu of Taxes. Commitments or payments made out of general revenues by the federal government to the school district in lieu of taxes it would have had to pay had It's property or other tax base been subject to taxation by the school district on the same basis as privately owned property or other tax base. Such revenue includes payment 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 federal governmental unit. (Fund 2001-2099 only)

**49000 Revenue for/on Behalf of the LEA.** Commitments or payments made by the federal government for the benefit of the school district, or contributions of equipment or supplies. Such revenue includes a contribution of capital assets by a federal governmental unit to the school district and foods donated by the federal government to the school district. Separate accounts should be maintained to identify the specific nature of the revenue item.

- 49100 Asbestos Hazard Emergency Response Act (AHERA). Interest free reimbursable loans or grants to a school district by EPA for removal of asbestos in school buildings.
- 49150 Federal Flood Control. Amounts received from the federal government through the state for flood control.

**50000 Other Sources – Nonrevenue.**

**51000 Financing Sources (Nonrevenue)**

- 51100 Proceeds from Sale of Bonded Indebtedness. Proceeds from the sale of bonded indebtedness serviced by specific debt service millage.
- 51200 Proceeds from issuance of State Revolving Loan Program Debt. Proceeds from issuance of State Revolving Loan Program debt for a term up to ten (10) years, \$500,000 maximum outstanding, and serviced from the operating fund.
- 51300 Proceeds from Issuance of Postdated Warrants. Proceeds from issuance of postdated warrants for a term up to ten (10) years unless for energy conservation measures (up to twenty years).
- 51400 Proceeds from issuance of Current Indebtedness. Proceeds from issuance of current indebtedness that must be paid off on or before December 31 of the fiscal year following the fiscal year the debt was procured.
- 51500 Proceeds from issuance of Installment/Lease Purchase Contracts. Proceeds from issuance of installment contract or lease purchase contract for a term up to (10) years unless for energy conservation measures (up to twenty years).
- 51600 Temporary State Loan.
- 51700 School Board Association Anticipation Tax Note. A bank note borrowed from the State School Boards Association.
- 51900 Miscellaneous Nonrevenue Sources.
  - 51901 Consolidation/Annexation (to bring forward balances to consolidating parent database)
  - 51999 Audit Adjustment for Prior Year Coding Errors. Example: Failed to code QZAB to balance sheet account 01915 but charged out deposit to paying agent as principal payment. Can't CR 69100 for prior year error; therefore, entry would be DR to 01915 and CR to 51999.



**Table V: Revenue Code Classification (Continued)**

**50000 Other Sources – Nonrevenue (Continued)**

**52000 Interfund Transfers (Permanent Transfers).**

(The third digit in the transfer revenue object indicates from what fund the transfer came.) **ALL transfer journal entries require "4 legs" – 2 debits and 2 credits.**

52200 Transfer from Operating Fund.

52201 Rev Transfer into fund 2000 from fund 2001 for 'Required Matrix Funding.' (Transfer out 2001520000000000 69321 must equal transfer into fund 2000 52201). See Commissioner's Memo FIN-11-080

This revenue side of the JE 'into' fund 2000 is:

DR 2000 01010 (CASH)

CR 2000 52201

\*See 69321 for the transfer 'out' "two-legs" of this "four legged transfer entry."

Also, See Appendix #9 for additional help or call APSCN FMS Help.

52202 Rev Transfer into fund 2000 from fund 2001 for Additional Matrix Transfer. (Transfer 2001520000000000 69322 must equal transfer into 2000 52202.

This revenue side of the "additional" transfer JE 'into' fund 2000 IF needed to net balance to 0.00 is:

DR 2000 01010 (CASH)

CR 2000 52202

\*See 69322 for the transfer 'out' "two-legs" of this "four legged transfer entry." Also, See Appendix #9 for additional help or call APSCN FMS Help.

52203 Rev Transfer into fund 1000 from fund 2001 for Educator Compensation Reform Program. (Transfer out 2001520000000000 69313 must equal transfer into fund 1000 52203)

52204 Rev Transfer into fund 1000 from fund 2001 for Teacher Salary Equalization Program . (Transfer out 2001520000000000 69314 must equal transfer into fund 1000 52204)

52206 ADE Reserved

52207 Rev Transfer into fund 2001 for Program Grant/Rent/Lease Expenditure Calculation from other state fund 2XXX (Transfer 2XXX520000000000 69327 must equal transfer into fund 2001 52207 + 2001 52607).

The fourth digit in the expenditure transfer object indicates to which fund the transfer is going.

52300 Transfer from Building Fund.

52400 Transfer from Debt Service Fund.

52500 Transfer from Capital Outlay Fund.

52600 Transfer from Federal Grants Fund.

52606 Transfer for Program/Grant Transportation Expenditure Calculation/cost for transporting students for program/grant. Out of Federal Fund INTO State Fund.

52607 Transfer for Program/Grant Rent/Lease Expenditure Calculation/cost charged for Rent/Lease Space.

52700 Transfer from Student Activity Fund.

52800 Transfer from Food Service Fund.

52900 Indirect Cost Reimbursement.

52930 Grant Revenue Pass Through from another LEA

## **50000 Other Sources – Nonrevenue (Continued)**

### **53000 Proceeds from the Disposal of Real or Personal Property (Non-Revenue).**

Proceeds from the disposal of school property or compensation for the loss of real or personal property. Any gain or loss on the disposal of property for Proprietary or Fiduciary funds is recorded in account 19300. Account 53000 should be used only for proceeds from the disposal of assets that do not have significant value. The reporting of major asset sales should be recorded as 'Special Items' using account 56300.

- 53100 Sale of Equipment. Funds received from the sale of equipment such as school buses, cafeteria equipment and instructional equipment.
- 53200 Sale of Building and Grounds. Funds received from the sale of a building or land or a combination of both.
- 53400 Compensation for Loss of Fixed Assets. (Including compensation of insurance recoveries for loss of school property.)
- 53500 Compensation for Loss of Non-Fixed Asset property. (Including compensation of Insurance recoveries for loss of school property such as textbooks, supplies and other non-fixed asset property.)

### **56000 Other Items**

- 56300 Special Items. Used to classify special items in accordance with GASB Statement 34. Included are transactions or events within the control of the school district administration 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, including oil and gas; sale of infrastructure assets; or significant forgiveness of debt by a financial institution. Special items may also include events that are not within the control of the district. In the governmental funds, these items should be separately captioned or disclosed.
- 56400 Extraordinary Items. Used to classify items in accordance with GASB 34. Included are transactions or events that are outside the control for school district administration 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 government by a private citizen.

Source of fund classifications for the revenue codes listed in Table V are detailed in Table II.

## Table VI: Balance Sheet Account Classifications

### Balance Sheet Account Definitions

A balance sheet is a formal statement which reflects the financial position of the district. It includes information on assets, liabilities, reserves and fund balance of a fund. The following definitions are provided for all balance sheet account classifications.

**Assets and Other Debits.** Includes what is owned and expected to become owned at some future date and other budgeting and offsetting accounts which normally have debit balances.

**Current Assets.** Cash and cash equivalents with maturities of less than one year that can easily be converted to cash.

**01000 Cash.** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

01010 Cash in Bank. All funds on deposit with a bank or savings and loan institution, normally in noninterest-bearing accounts. Interest-bearing accounts, however, that do not meet the definition of an investment should be recorded herein as well.

01020 Additional Cash in Bank Accounts

01030 Petty Cash. A sum of money set aside to pay small obligations for which the issuance of a formal voucher and check would be too expensive and time consuming.

01040 Change Cash. A sum of money set aside to provide change.

01050 Cash with Fiscal Agents. Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest.

01060 Savings Accounts. An interest-bearing deposit account held at a bank or another financial institution that provides a modest interest rate.

01070 Cash in Bank. (Additional Optional Cash in Bank Accounts for Activity Funds.)

01110 Investments. Securities and real estate held which produce income in the form of interest, dividends, rentals or lease payments. (Gains from changes in the fair value of investments are recorded using revenue account 15300. Losses from changes in the fair value of investments are recorded using an expenditure object code in the 69800 range. Alternatively, gains and losses may be netted and recorded in revenue account 15300. The account does not include capital assets used in school district operations. Separate accounts may be maintained for each category of investments.

01120 Certificates of Deposit. Investments in certificates of deposits with maturities of no more than one year.

01140 Interest Receivable on Investments. The amount of interest due to be received on investments, excluding interest purchased.

01180 Accrued Interest on Investments. Interest accrued on investments between the last interest payment date and date of purchase.

01210 Taxes Receivable.

01230 Tax Liens Receivable. Legal claims against property which have been exercised because of non-payment of taxes, interest and penalties, including delinquent taxes, interest and penalties up to the date the lien becomes effective plus the cost of holding the sale.

01410 Intergovernmental Receivable. Amounts due from grants-in-aid, shared taxes, taxes collected for the district by another entity, loans, etc.

01510 Loans Receivable. Amounts which have been loaned to persons or organizations.

01520 Receivable From Other LEA's

01530 Accounts Receivable. Amounts owed to the district from private persons, firms, or corporations for goods and services furnished.

01580 Bonds Receivable. An account used to designate the amount due when bonds are sold.

01600 Due from other Funds. Amounts owed to a particular fund by another fund for goods or services.

**Table VI: Balance Sheet Account Classifications (Continued)**

**Current Assets (Continued)**

- 01680 Advances to other Funds. Amounts that are owed, other than charges for goods and services, to a particular fund by another fund that are not due within the year.
- 01710 Inventories for Consumption. The cost of supplies and equipment on hand not yet distributed to requisitioning units.
- 01720 Inventories for Resale. The value of goods held for resale rather than for use in its own operations.
- 01810 Prepaid Expenses. Expenses paid for benefits not yet received.
- 01850 Deposits. Funds deposited as prerequisite to receiving goods and services.

**Non-Current Assets**

- 01910 Long-term Investments. Securities and real estate held for more than one year and generate revenue in the form of interest, dividends, rentals or operating lease payments.
- 01915 Deposits with Paying Agent (QZAB). Funds required to be deposited in escrow and restricted for the retirement of a debt. Used with Qualified Zone Academy Bonds (QZAB)
- 01916 Deposits with Paying Agent (Other than QZAB)
- 01920 Unamortized Premiums on Investments. The excess of the amount paid for securities over the face value which has not yet been amortized.
- 01930 Unamortized Discounts on Investments. The difference between the face value of securities and the amount paid for them which have not yet been written off.

**Fixed Assets (for use in the Fixed Asset Account Group).** Those assets which the LEA intends to hold or continue in use over a long period of time.

- 02110 Land and Land Improvements. A Capital asset account which reflects the acquisition value of land owned by a school district. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its fair value at the time of acquisition. Further, permanent improvements to land such as grading, fill, etc., should be accounted for in this account.
- 02210 Site Improvements. A capital asset account which reflects the value of non-permanent improvements to building sites, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the fair value at the time of acquisition.  
  
Site improvements are improvements made that have a limited useful life. 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 its expected useful life.
- 02220 Accumulated Depreciation on Site Improvements. Accumulated amounts for depreciation of land improvements.
- 02310 Buildings & Building Improvements. A capital asset account which reflects the acquisition value of permanent structures used to house persons and property owned by the school district. If buildings are purchased or constructed, this account includes the purchase or contract price 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. If buildings are acquired by gift, the account reflects their fair value at the time of acquisition.
- 02320 Accumulated Depreciation on Buildings and Building Improvements. Accumulated amounts for depreciation of buildings and building improvements.
- 02410 Machinery & Equipment. Tangible property of a more or less permanent nature, other than land, buildings, or improvements thereto, which is useful in carrying on operations. Examples are machinery, tools, trucks, cars, buses, computers, purchased software, furniture and furnishings.

**Table VI: Balance Sheet Account Classifications (Continued)**

**Fixed Assets (for use in the Fixed Asset Account Group) (Continued)**

- 02420 Accumulated Depreciation on Machinery and Equipment. Accumulated amounts for depreciation of machinery and equipment.
- 02510 Works of Art and Historical Treasures. Individual items or collections of items that are of artistic or cultural importance.
- 02520 Accumulated Depreciation on Works of Art and Historical Collections. Accumulated amounts for depreciation (as applicable) on works of art and historical treasures.
- 02710 Construction in Progress. The cost of construction work undertaken but not yet completed.

**Budgeting Accounts & Other Debits.** Amounts for revenues and offsetting accounts which have debit balances.

- 03040 Bonds Authorized-Unissued. Bonds authorized but have not been issued.
- 03050 Amount Available for Debt Service. An account in the General Long-term Debt Account Group which designates the amount available in the Debt Service Fund for the retirement of long-term debt.
- 03060 Amount to be Provided for Retirement of Long-term Debt. An account in the General Long-Term Debt Account Group which designates the amount to be provided from taxes or other revenue to retire long-term debt.

**Liabilities, Reserves & Fund Balance.** Includes liabilities and items that may become liabilities at some future time and budgetary accounts which normally appear only on the interim financial statements.

**Current Liabilities.** Liabilities that will be paid within a year.

- 04000 Vouchers Payable. Liabilities for goods and services received and approved for payment but not paid.
- 04020 Accounts Payable. Amounts owed for goods and services received. (eFinancePLUS System AP Account ONLY – User cannot make JE to 04020. To accrue payables please JE to 04000 or 04110 or review this section for the most applicable 04XXX for the liability. Cash Requirement Report total will always equal 04020 totals)**
- 04050 Taxes Payable. Taxes to be remitted to the appropriate taxing authority.
- 04060 Claims & Judgments Payable. Amounts owed as the result of administrative or court decisions, including workers' compensation, unemployment, improper arrests, property damage and condemnation awards.
- 04070 Contracts Payable. Amounts due on contracts for goods and services received.
- 04080 Construction Contracts Payable. Amounts due on contracts for construction services rendered.
- 04090 Construction Contracts Payable - Retainage. Amounts retained on construction services rendered which are paid at the completion of the project after the final inspection and approval of the project.
- 04110 Intergovernmental Accounts Payable. Amounts owed to a local, state or federal entity.
- 04120 Due Other LEA's
- 04200 Due To Other Funds. Amounts owed for goods and services provided by one fund to another fund.
- 04280 Advance From Other Funds. Amounts that are owed, other than charges for goods and services rendered, by one fund to another fund that are not due within one year.
- 04330 Due To Revolving Loan Fund. A liability account used to indicate amounts owed to the State Revolving Loan Fund.
- 04410 Matured Bonds Payable. Unpaid bonds that have reached or passed their maturity date.
- 04420 Matured Bond Interest Payable. Unpaid interest on bonds that have reached or passed their maturity date.
- 04500 Interest Payable - Current. Amount of unpaid interest due.
- 04610 Salaries Payable. Amount of unpaid salaries and wages payable to employees.

**Table VI: Balance Sheet Account Classifications (Continued)**

**Liabilities, Reserves & Fund Balance. (Continued)**

**Current Liabilities. (Continued)**

- 04711 Payroll Deductions & Withholding. Employee and employer paid benefits and withholding.
- 04712 State Withholding. State income tax withheld from employees' salaries and/or employer paid.
- 04713 Federal Withholding. Federal income taxes withheld from employees' salaries and/or employer paid.
- 04714 Social Security Payable. Social Security taxes withheld from employees' salaries and/or employer paid.
- 04715 Teachers Retirement Payable. Teachers retirement payments withheld from employees' salaries and/or employer paid.
- 04716 Public Employee Retirement Payable. Public employee retirement payments withheld from employees' salaries and/or employer paid.
- 04717 Medicare Payable. Medicare taxes withheld from employees' salaries and/or employer paid.
- 04718 Workers Comp Payable. Workers Comp payments that are employer paid.
- 04719-04799 Other Payroll Deductions. Other amounts withheld from employees' salaries and/or employer paid.
- 04810 Deferred Revenue. Amounts that is measurable but not available for expenditure.
- 04920 Due to Fiscal Agent. Amounts due to fiscal agents, such as commercial banks, for servicing indebtedness.
- 04930 Bonds Payable-Current. The face value of bonds due within one year.
- 04940 Notes Payable-Current. The face value of notes due within one year.
- 04990 Other Current Liabilities. Other current liabilities not classified above.

**Non-Current Liabilities**

- 05010 Unamortized Premiums on Bonds Sold. The unamortized portion of the excess of bond proceeds over their face value, excluding accrued interest and issuance costs.
- 05020 Unamortized Discounts on Bonds Sold. The unamortized portion of the difference in the face value of the bonds and the amount received from their sale.
- 05110 Bonds Payable-Noncurrent. The face value of bonds due for the term of greater than one year.
- 05120 Notes Payable-Noncurrent. The face value of notes due for the term of greater than one year.

**Budgeting Accounts & Other Credits.** Accounts which reflect expenditures and encumbrances and include offsetting accounts which normally have credit balances.

- 06010 Appropriations (Expenditure Budget Control). Represents authorization granted for specific expenditures.
- 06020 Expenditures (Expenditure Control). Represents the total expenditures charged against an appropriation during the period.
- 06030 Encumbrances (Encumbrance Control). This account designates obligations in the form of purchase orders or contracts chargeable to an appropriation for which part of the appropriation is reserved.
- 06040 Payroll Encumbrance Control. This account designates obligations in the form of salary commitments chargeable to an appropriation for which part of the appropriation is reserved.
- 06050 Estimated Revenues. Revenues estimated to be received during the fiscal period.
- 06060 Revenues (Credit). Revenues realized during a period.

**Table VI: Balance Sheet Account Classifications (Continued)**

**Fund Equity.** These are accounts showing the excess of a fund over its liabilities. Portions of which may be reserved for future use.

- 07110 Investment in General Fixed Assets. An account representing investment in capital assets reported in the General Fixed Assets Accounts Group.
- 07510 Reserved for Inventories. A portion of the fund balance reported separately to exclude financial resources for inventories from total available resources.
- 07530 Reserve for Encumbrances. A portion of the fund balance reported separately to indicate commitments related to unperformed contracts.
- 07540 Payroll Reserve for Encumbrances. A portion of the fund balance reported separately for commitments related to unpaid salaries and wages.
- 07600 Reserved-Fund Balance. A portion of the fund balance reported separately for resources legally restricted for specific purposes.
- 07700 Unreserved-Fund Balance. The difference between total fund assets and its liabilities and reserved fund balance accounts.
- 07900 Fund Balance Budget. This account is used by the APSCN financial accounting system to record the variance between the Estimated Revenues and Appropriations accounts.

## Chapter 4

### A GUIDE FOR A MINIMUM PROPERTY ACCOUNTING SYSTEM

This guide is presented as a minimum property accounting system. A significant part of the school district budget is spent on capital outlay; and since the items purchased have more than a year's useful life, adequate accounting procedures are necessary. Listed below under the three major categories of school district property are items that should be on file and readily accessible to LEA personnel:

< **SITES:**

- < Deeds
- < Surveys, Maps
- < Blueprints and Specifications for Improvements
- < Photographs
- < Titles and Abstracts
- < Appraisals

< **BUILDINGS:**

- < Blueprints and Specifications
- < Photographs, Drawings
- < Contracts for Construction, Renovation
- < Studies or Surveys of the Building while in Operation
- < Documents Related to Build-in Equipment (prints, plans, specifications, warranties)
- < Insurance Policies

< **EQUIPMENT:**

- < Bids, Bid Specifications
- < Contracts for Purchase (if not in financial files)
- < Plans and Specifications, Drawings (large equipment)
- < Operator, Service (repair) Manuals
- < Warranties
- < Vehicle Titles and Registrations
- < Insurance Policies

If there are documents other than those listed above that provide information about school district property these should be filed and ready accessible to LEA personnel.



## Maintaining an Inventory System

Every public school district and educational cooperative is required to implement and maintain an equipment inventory system. At a minimum, a record for each item of equipment must be developed with the following information recorded for each item:

1. Identification and/or Serial Number
2. Description
3. Original Cost
4. Date of Purchase
5. Warrant/Check Number
6. Location
7. Date Discarded, Destroyed, or Sold

When setting up an inventory system for the first time some of the above items of information such as cost, date of purchase, etc., might have to be estimated. Regardless, all equipment items should be inventoried. Every effort should be made to determine a cost for each item.

Effective July 1, 2003, public school districts and educational cooperatives will be required to include on the district and/or cooperative equipment inventory, all equipment items with a total cost of \$1,000 or greater. All equipment items with a total cost of \$1,000 or greater will be coded to the object range of 67000 - 67999 in the Handbook II R2 accounting system.

An expenditure charged to object range 67000-67999 in the Handbook II-R2 Accounting System should be tagged and entered on the inventory at the time the warrant or check is prepared. Expenditures charged to objects 64500 construction services and 63420 engineering services will be objects capitalized in building costs. When a district or cooperative disposes of an item of equipment recorded on the inventory, as a result of the sale of an item, any entry made to Revenue Code 53100-53400 should have a corresponding entry showing the date and manner of disposition at the time the item is sold. Items discarded, destroyed, or stolen should be recorded on the inventory system as soon as the information becomes known. A deletion report for that fiscal year should be generated for auditing purposes indicating the item, identification number, date the item was disposed, and the manner by which it was disposed. The deletion report should be maintained in the inventory file for use by the auditor in reconciling the inventory.

Inventory records should be reviewed on a periodic basis in an attempt to insure that property items have not been stolen or lost and are in the proper locations. One individual should be given the responsibility of seeing that the inventory is reviewed and updated on an annual basis.

The following pages have been taken from Handbook II R2, the financial accounting manual that is presently being used by Arkansas school districts. These pages contain guidelines for use in maintaining inventory records and for determining whether an item should be classified as equipment or supplies.

It is **IMPERATIVE** that all public school districts and educational cooperatives adhere to the minimum dollar amount established by the Department of Education. All items with a total cost of less than \$1,000 will be coded as supplies and materials. Expenditures for supplies and materials are included in the calculation for per pupil expenditure. Therefore, it is imperative that all public school districts and educational cooperatives adhere to these guidelines.

Effective July 1, 2003, every public school district and educational cooperative must maintain an electronic inventory system compatible with current state and federal governmental accounting standards and reporting requirements.

## Criteria for Distinguishing Supply and Equipment Items

Most federal, state and local funding programs provide criteria for distinguishing between supplies and equipment. The criteria below are based on a combination of the most practical and commonly accepted guidelines from these sources. Unless otherwise required bound by federal and state law, and/or guidelines, all education agencies must use the following criteria in determining if an item shall be classified as equipment or supplies

In previous years, where a single piece of equipment is purchased, the amount of \$500 was used in determining whether to charge to capital outlay or supplies for inventory purposes. Currently according to approval by each section of the Department of Education, \$1,000 will be the amount used in determining whether or not to charge the purchase to capital outlay for inventory purposes. A specific grant program may indicate the amounts to be inventoried below the States minimum. However, items less than \$1,000 will not be charged to object range 67000-67999.

It is IMPERATIVE that ALL districts adhere to this minimum dollar amount. Districts must adhere to the minimum dollar amount established by the Department of Education.

### Equipment Items

An equipment item is any instrument, machine, apparatus, or set of articles which meets all of the following criteria:

1. It retains its original shape, appearance and/or character with use.
2. It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.
3. It is non-expendable; that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit.
4. Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purposes for at least two years.

### Supply Items

An item should be classified as a supply item if it **does not meet all** the equipment criteria above. In general, a supply item has **one or more** of the following characteristics:

1. Its original shape, appearance and/or character changes with use.
2. It loses its identity through fabrication or incorporation into a different or more complex unit or substance.
3. It is expendable; that is, if the item is damaged or some of its parts are lost or worn out, it is usually more feasible to replace the item with an entirely new unit rather than repair it.
4. It is consumed, worn out or deteriorated as it is used, to the point of being useless or not available for its principal purpose, and under normal use, it reaches this state of uselessness or unavailability within two years.

## Deciding What Items to Inventory

In developing an inventory system, the items to be inventoried usually are specified. Many LEAs maintain inventory records on no other items in the school system except these required items. Districts and Cooperatives may want to consider tracking items such as chairs, cabinets, tables, etc. for pilferage control and/or insurance purposes. These items would not, however, be coded as equipment unless their total cost was \$1,000 or greater.

Many LEAs may find distinct advantages in extending their inventory system beyond these minimum requirements. It is often advisable to maintain strict inventory control over stocks of valuable supplies. For example, although textbooks or hand-held mini-calculators may be classified as supplies in some LEA's, their total value is usually great enough to warrant inclusion in the inventory process. The same reasoning might apply to a large collection of small tools or costly laboratory supplies (chemicals, etc.). Thus, the total value to an item to the LEA is more important than its designation as equipment (i.e., fixed asset) in deciding whether to inventory the item. Such items may be maintained on the EFinance Fixed Assets module with Capital Asset Flag and Depreciation Flag set to "N".

## Criteria for Distinguishing Supply and Equipment

The following is a set of criteria for distinguishing equipment from supply items, listed in priority order. At the first "NO" the item is declared to be supply, NOT equipment.

### "Criteria for Distinguishing Equipment from Supply Items" (LISTED IN PRIORITY ORDER)

Lasts more than two (2) years ☐ NO  
☐ YES

Repair rather than replace ☐ NO  
☐ YES

Independent unit rather than being incorporated into another unit item ☐ NO  
☐ YES

Cost of tagging and inventory small percent of item cost. ☐ YES ☐ NO

Exceeds minimum dollar value mandated by State or other Governmental unit (with due regard for group control of some items) ☐ NO  
e.g. \$1000  
☐ YES

### EQUIPMENT

## Distinguishing Between Built-In and Moveable Equipment

Not all states and LEA's find it necessary to distinguish between built-in and moveable equipment. For those agencies which do, the distinction usually relates to the following situation; estimating the costs of a building which equipment items can be purchased from various funding sources.

After an item has been identified as equipment, the following criteria may be applied to determine if the item is built-in or moveable:

An equipment item is built-in if:

1. It is an integral part of a building; that is, it is permanently fastened to the building, functions as part of the building and causes appreciable damage to the building if it is removed;

- or -

2. It is permanently attached to a site and functions as part of the site (except buildings or other structures).

Built-in equipment may be incorporated into a building at the time the building is erected or at a later day. Built-in equipment is sometimes referred to as fixed equipment (not to be confused with fixed assets).

Movable equipment consists of items that:

1. Are transportable from one location to another without appreciable damage or change to the location from which they are removed or to the location where they are installed; and
2. Do not function as integral parts of the building or site and are not permanently fastened or attached to the building or site.

A piece of equipment that is simply bolted or screwed to the floor, such as a heavy lather or desk, and that can be moved as a unit once these fasteners have been removed, is moveable equipment. The term moveable refers to permanence of installation and not to size and weight.

## Maintaining Inventory Records and Supplies and Equipment

LEA managers carry great responsibilities for stewardship of the funds and property of the LEA. They are responsible for safeguarding, maintaining, and periodically reporting on the condition of these financial and physical resources. One of the most important functions in carrying out stewardship responsibilities is keeping accurate inventory records. The need to establish and maintain inventory records usually stems from some combination of the following conditions:

- # Auditors, in accordance with generally accepted accounting principals, usually require that an inventory of all fixed assets (sites, buildings and equipment) be maintained.
- # Many state and federal funding programs require that an inventory be maintained of certain items purchased with program funds.
- # Boards of Education and/or LEA managers may require, that certain special inventory systems be established beyond those required to satisfy auditors and outside funding programs.

In responding to these requirements, inventory systems can accomplish several objectives:

- # To periodically check the condition and availability of an item; e.g., is it in good working condition? Is it temporarily out of service? Has it been stolen?
- # To make the staff of the LEA more accountable for LEA property by direct involvement in the inventory process and assignment of responsibility for the control of certain items.
- # To provide information necessary for making operating decisions and planning for the future.
- # To provide information for preparing required inventory lists and reports for auditors, funding agencies and the LEA.
- # To provide inventory information for insurance purposes.

Each LEA will have a different combination of inventory needs to which it must respond and a different set of objectives it desires to accomplish and must design its inventory systems accordingly. Two (2) keys to operating an efficient and effective inventory system are:

- # (a) Deciding what items to inventory
- And -
- # (b) Selecting the proper inventory methods.

## **An Inventory is the Basis for a Property Information System**

Some LEA's extend their inventory system to record more descriptive information than is required by the auditors or outside funding programs. The expected benefit is the availability of more detailed information for planning and decision-making purposes. Such an expanded inventory system can also be thought of as a property information system, since it contains more information that is required to meet basic inventory needs.

Of course, before an LEA extends its inventory system to include either additional items or more detailed information, it should weigh very carefully the extra costs involved. Through proper planning, many LEAs can gain additional benefits while keeping the costs of the more complex property information system in balance.

## **Deciding Between Group Control and Individual (Unit) Control**

A major decision in developing any inventory or property information system is deciding how much effort to devote to controlling (keep track of) each equipment or supply item. In general, each item can be controlled by one of three ways:

Individual (Unit) Control - This is the most desirable form of control since an individual record is kept on each item. The condition and utilization of such items can be followed closely, and more descriptive information on each item can be recorded. On the other hand, individual control requires staff time and paperwork to generate the benefits. Individual control is advisable, in general, for all but the lowest cost equipment items. Equipment items which might otherwise come under group control but have a high theft or casualty potential should also be considered for individual control.

Group control - Items which fall into this category are of low individual value, but when taken as a group is valuable enough to justify the cost of providing some type of control over their safety, location, condition and distribution. A group should always consist of identical or reasonably similar items. Groups may vary in size and specificity of the items included. For example, an LEA might choose to group its chairs in any number of ways: by size, style, room location, or building location. The advantage of group control over individual control is that far more items can be controlled with considerably less time and paperwork. On the other hand very little specific information is available about any given item in the group.

Group control is most applicable to any equipment item which needs all of the following conditions:

1. It is a piece of equipment for which the relationships of individual maintenance cost to the original cost and other factors are not critical in determining replacement policy.
2. It is a piece of equipment for which the observance of individual performance and other individual characteristics are not critical in determining replacement policy.
3. It is the same as some other pieces of LEA equipment with respect to function, material, shape, and size.
4. It has no serial number given it by the manufacturer.

Nearly all supplies which are inventoried are put under group control. Such supplies are typically those whose inventory value are significant and would constitute a notable loss if destroyed, pilfered or mishandled. Food, janitorial supplies, gasoline and other fuels are examples of items which might be inventoried under group control.

Little or no control - Items which fall into this category are usually of such little value that the cost of implementing procedures to safeguard them, monitor their use or track their location and condition are not justifiable. This category is comprised of supply items which do not warrant group control.

In summary, the level of control applied to any supply or equipment item is dependent on the amount of information the LEA desires about the item and how closely the LEA wishes to follow the item's condition and availability. Consequently, the level of control directly affects the amount of time and effort spent in keeping track of the item. Individual control offers the capability to track a single item's condition and availability closely, while group control forfeits the opportunity to focus on an individual item. However, group control allows far more items to be inventoried with considerably less time and paperwork. The level of control, applied to a given item, which can range from an annual inventory to the tight security of a locked tool crib, should be based on the relative importance of the item to the overall operation of the LEA, and is usually in direct proportion to its purchase or replacement cost.

# Chapter 5

## GLOSSARY

This section contains definitions of selected terms necessary for general understanding of the accounting system. Extensive use of the glossary will help establish consistency in records and reports. The glossary is arranged alphabetically with appropriate cross-referencing.

**Abatement.** A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates and collections for loss or damage to school property.

**Account.** A descriptive heading under which financial transactions that are similar in terms of purpose, object or source are recorded.

**Accountability.** The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved.

**Accounting.** The procedure of maintaining systematic records of events relating to persons, objects or money and summarizing, analyzing and interpreting the results.

**Accounting Ledgers.** See Ledger.

**Accounting Period.** A period at the end of which financial statements are prepared.

**Accounting System.** The total mechanism of records and procedures of recording, retrieving and reporting information on the operations and financial position of the district or the classifying of its funds, balanced account groups and organizational components.

**Accrual Basis.** The basis of accounting under which revenues are recorded when earned and measurable and expenditures are recorded when they result in liabilities, regardless of when the revenue is actually received or the payment actually made.

**Accrue.** To record revenues when earned and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made.

**Accrued Liabilities.** Amounts owed but not yet due, e.g. accrued interest on bonds or notes.

**Accrued Revenue.** Levies made or other revenue earned and not collected regardless of whether due or not.

**Administration.** Activities that deal with the general direction, execution and control of the affairs of the district.

**Adult Basic Education.** Instructional services offered to adults, at least 16 years old, that enable them to acquire the academic skills which are equivalent to an eighth grade education. Foreign-born adults can be extended the opportunity to learn English as a second language.

**Adult/Continuing Education.** A school for adults and out-of-school youth, at least 16 years old and who are not regularly enrolled in school, who have either completed, interrupted or have not begun their formal education and are pursuing skills or knowledge in areas other than regularly prescribed courses. These include adult basic schools and schools that provide training designed to upgrade occupational skills and re-train in existing skills.

**Agent.** A person who represents, acts for and accounts to another.

**Allot.** To divide an appropriation into amounts for certain periods and specific purposes.

**Allotment.** The amount allotted for a certain period or purpose.

**Allotment Ledger.** A subsidiary ledger which contains an account for each allotment showing the amount allotted, expenditures, encumbrances, the net balance and other related information.

**Amortization of Debt.** A gradual payment of an amount owed according to a specific schedule.

**Amount Available in Debt Service Funds.** An account in the General Long-Term Group of Accounts which designates the amount of assets available in the retirement of general obligation term bonds.

**Apportionment.** See Allotment.

**Appraisal.** The act of making an estimate of fair market value, particularly property value, by systematic procedures that include physical examination, pricing and engineering estimates.

**Appraised Value.** The value established by appraisal.

**Appropriation.** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**Appropriation Ledger.** A ledger containing an account with each appropriation. Each account usually shows the amount originally appropriated, transfers to or from the appropriation, amount charged against the appropriation, encumbrances, net balance and other related information.

**ARRA – American Recovery and Reinvestment Act**

**Assessment - Special.** A compulsory levy made by a local government against certain properties to defray part of all the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties.

**Assets.** The things of value owned by the district.

**Audiovisual Aids.** Optical, electronic and other devices designed to enhance learning through the combined senses of hearing and sight.

**Audit.** The examination of records and documents and the securing of other evidence for determining the propriety of proposed or completed transactions, ascertaining whether all transactions were recorded, and whether transactions were accurately recorded in the accounts and statements issued from the accounts.

**Audited Voucher.** A voucher which has been examined and approved for payment.

**Average Daily Attendance (ADA).** The aggregate days attendance during a reporting period divided by the number of days school was in session during the period. Only days of actual pupil/teacher interaction should be considered as days in session.

**Average Daily Membership (ADM).** The aggregate days membership during a reporting period divided by the number of days school is in session during this period. Only days of actual pupil/teacher interaction should be considered as days in session.

**Balance Sheet.** A formal statement of assets, liabilities and fund balances as of a specific date.

**Bond.** A written promise to pay a specified sum of money, for a specific term with a specified date of maturity and at a fixed interest rate, usually payable in periodic payments.

**Bond Discount.** The difference in the face value of a bond and the price for which it was acquired or sold excluding accrued interest at the date of acquisition or sale.

**Bond Premium.** The excess of the price at which a bond is acquired or sold over its face value excluding accrued interest at the date of acquisition or sale.

**Bonded Debt.** Debt which is covered by outstanding bonds.

**Budget.** A financial plan which provides projections of revenues and proposed expenditures for a reporting period in comparison with the prior period revenues and expenditures.

**Budgetary Accounts.** Accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations and encumbrances, as distinguished from proprietary accounts.

**Budgetary Control.** The control of management of the business affairs of the LEA in accordance with an approved budget in order to keep expenditures within the authorized levels.

**Budgetary Document.** The instrument used to present a comprehensive financial program to the appropriations body.

**Cash Basis.** The basis of accounting under which revenues are only recorded when actually received, and expenditures are recorded only when cash is disbursed.

**Central Administrative Office.** An office or building used primarily for housing personnel and equipment engaged in activities of providing the general regulation, direction and control of the district's affairs.

**Chart of Accounts.** A list of the accounts used in an individual accounting system. The chart includes account titles and account numbers are arranged where all like accounts are grouped together, e.g., asset accounts, liability accounts, etc.

**Check.** A written order on a bank to pay on demand a specified sum of money to a named person or to the bearer out of money on deposit with a bank.



**Cocurricular Activities.** Cocurricular activities are comprised of school-sponsored activities, under the guidance or supervision of qualified adults, designed to provide opportunities for students to participate in school events, public events or a combination of these for such purposes as motivation, enjoyment and improvement of skills.

**Code.** See Coding.

**Coding.** Distinguishing among items and categories of information by assigning numbers or other symbolic designations so that the items and categories are readily identifiable.

**Collateralization.** State law requires that a public entity's cash deposits in depository institutions be secured by insurance or securities pledged by the institution in the name of the public entity or for the benefit of the public entity.

**Comparability.** The common characteristics among selected elements measured in terms of identical constants. The accuracy of the measurement of the degree of comparability is dependent on the number of constants applied.

**Consultant.** A person who gives professional or technical advice and assistance.

**Contingency Fund.** Assets or other resources set aside to provide for unforeseen expenditures or for anticipated expenditures of uncertain amount.

**Contingent Liabilities.** Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal and unsettled, disputed claims.

**Contracted Services.** Services provided by personnel who are not employed by the district.

**Continuing Education.** See Adult/Continuing Education.

**Control Account.** An account usually kept in the general ledger in which the postings to a number of identical, similar or related accounts are summarized so that the balance in the controlling account equals the sum of the balance of the detailed accounts. The controlling account serves as a check on the accuracy of the detailed account postings and summarizes the expenditure in relation to the budget estimates.

**Cost Accounting.** The method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, an activity or operation or to complete a unit of work or a specified job.

**Cost Benefit.** An analysis which provides a means of comparing allocated resources to a specific program with the results likely to be obtained from it, or a comparison of allocated resources to the achievement of alternate or competing objectives.

**Cost Center.** The smallest segment of a program that is separately recognized in the district's records, accounts and reports. Program-oriented budgeting, accounting and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers.

**Cost Ledger.** A subsidiary record wherein each project, job, production center, process, operations, product or service is given a separate account under which detailed cost information on all items are posted.

**Cost Unit.** The cost of a product or service unit.

**Current.** The fiscal year in progress.

**Current Assets.** Cash and cash equivalents that can be easily converted into cash.

**Current Expenditure per Pupil.** Current expenditures for a specific period of time divided by a pupil unit of measure.

**Current Liabilities.** Debts payable within one year of the time they are incurred.

**Data Processing.** The activities of collecting and organizing data, storing for future use and preparing statistical reports.

**Days of Attendance.** A day of attendance is one in which a student is present for the full day under the guidance and direction of a teacher while school is in session. When a pupil is present for only part of the day, it should be considered a partial day of attendance in proportion to the length of a full school day.

**Debt Service.** Expenditures for the retirement of debt and interest on debt.

**Deferred Charges.** Expenditures that are not chargeable to the fiscal period incurred but are carried on the asset side of the balance sheet pending amortization or other disposition.

**Deficit.** The excess of a fund's obligations over its resources.

**Delinquent Taxes.** Unpaid taxes on and after the date on which they became delinquent by statute.

**Depreciation.** Loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy or obsolescence.

**Direct Costs.** Costs which are identifiable with specific activities or programs.

**Direct Services.** Activities identifiable with a specific program.

**Disbursements.** Payments of cash.

**Double Entry.** A system of bookkeeping in which every entry made to a debit or credit side of an account or accounts must have a corresponding entry to the opposite side of an account or accounts to balance.

**Encumbrances.** Purchase orders, contracts, salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved.

**Entry.** The recording of a financial transaction in its appropriate book of accounts.

**Equity.** Equity is the difference between total assets and total liabilities of an entity.

**Estimated Uncollectible Tax Liens.** An estimate of the portion of tax liens receivable which is determined to be uncollectible.

**Estimated Uncollectible Taxes.** A provision of tax revenues for that portion of taxes receivable which it is determined to be uncollectible.

**Expenditures.** Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year.

**Face Value.** Designates the amount of the liability stated in the security document.

**Fidelity Bond.** A bond guaranteeing against losses resulting from the actions of the treasurer, employees or other persons.

**Financial Accounting.** The recording and reporting of financial activities and events affecting the district. It establishes procedures and policies regarding: maintaining, recording, classifying and summarizing financial activities and events; preparing financial reports and statements which reflect conditions as of a given date; and evaluating the financial status of the district.

**Fiscal Period.** Any period at the end of which district determines its financial condition and the results of its operations and closes its books.

**Fixed Assets Group of Accounts.** A self-balancing group of accounts used to account for fixed assets owned by the district. Fixed assets purchased under lease-purchase agreements are entered in this group after the last payment is made.

**Floating Debt.** Liabilities, except bonds, payable on demand or at an early date.

**Full-time Equivalency.** The amount of time for a less than full-time activity divided by the amount of time normally required in a corresponding full-time activity, usually expressed as a decimal fraction to the nearest tenth.

**Full-time Personnel.** School employees whose positions require them to be on the job on school days through the school year for at least the number of hours the schools are in session.

**Fund.** An independent accounting entity with its own assets, liabilities and fund balances. Generally, funds are established to account for financing or specific activities of the district's operations.

**Fund Accounts.** All accounts necessary to set forth the financial operations and condition of a fund.

**General Ledger.** A book, file or other device in which accounts are kept which summarize the financial transactions of the district.

**Grants-in-Aid.** Contributions made by a governmental entity to the district that are not related to specific revenue sources of the governmental entity which are distributed on some flat grant or equalization basis.

**Housing Authority Obligations.** A public corporation or quasi-public corporation having power to issue bonds for public school purposes, acquire and hold property for public school purposes, construct public school buildings, and lease and transfer title of public school buildings to local school districts.

**Impress System.** A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose with disbursements made as needed. At specific intervals, a report is prepared to determine total disbursements, and the cash is replenished for the amount disbursed.

**Indirect Expenses.** Costs that cannot be directly attributable to a specific program, service or department.

**Indirect Services.** Services for programs which cannot be identified with a special program.

**Interest.** A fee charged a borrower for the use of money.

**Interfund Transfers.** Money which is transferred from one fund to another fund under the district's control.

**Intermediate Sources of Revenue.** A governmental entity between districts and the state that collects revenue and distributes it to districts in amounts different from what is collected from the entity.

**Internal Auditing.** Activities involved with evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of the accounting and reporting systems, and ascertaining compliance with established policies and procedures.

**Internal Control.** Procedures designed to ensure effective accounting control over assets, liabilities, revenues and expenditures.

**Inventory.** A detailed list or record showing quantities, descriptions, values and units of measure and unit prices of property on hand at a given time, including the cost of supplies and equipment on hand but not yet distributed.

**Invoice.** An itemized list of merchandise purchased from a particular vendor which includes a description of items purchased, the quantity purchased, the unit and total price, terms of the sale, and the date of the sale.

**Journal.** The accounting record that details all financial transactions.

**Journal Voucher.** A paper or form which details authorized financial transactions and from which transactions are entered in the books.

**Judgment.** An amount to be paid or collected by the district as a result of a court decision.

**Ledger.** Contains all the accounts of a particular fund or all those detail accounts which support a particular General Ledger account.

**Levy.** Taxes or special assessments imposed by a governmental entity.

**Liabilities.** Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due.

**Library Books.** Books purchased for general use by students that include reference books and dictionaries and are not textbooks or periodicals required for a specific class or grade.

**Long-term Loan.** A loan whose term exceeds one year.

**Machine Data Processing.** The use of machines and devices in the storing of individual items of information in a form by which they may be retrieved rapidly and accurately and reproduced as single-line items in lists or other desired combinations with other items.

**Management Information System.** A network of communication channels that acquires, retrieves and redistributes data used in managing the educational process and in supporting decision making.

**Net Expenditures.** The actual outlay of money for a service or object after the deduction of any discounts, rebates, reimbursements or revenue produced by the service or activity.

**Net Income.** The difference between gross revenue for a given period and all operating expenses and deductions during the same period.

**Noncategorical.** Revenue from any source which is not identifiable with specific expenditures.

**Nonpublic School.** A school established by an individual, institution or agency other than a public entity which is supported by private funds.

**Nonresident Student.** A student whose legal residence is outside the geographic area served by the district the student attends.

**Obligations.** Amounts which the district is required to meet out of its resources, including liabilities and encumbrances.

**Overhead Costs.** Costs necessary in producing a product or the performing of a service that cannot be accurately allocated to the service or product.

**Part-Time Pupil.** A student taking less than a full course load as determined by the state or district.

**Payroll.** A list of individual employees entitled to pay, with the amounts due to each for personal services rendered. Payment are also made for such payroll-assisted costs as federal income tax withholdings, retirement, social security and medicare

**Pension System.** A free retirement plan whereby persons leaving service in the educational system because of age, disability or length of service receive payments from funds to which they have not contributed.

**Permanent School Fund.** Money, securities or land which has been set aside as an investment for public school purposes where the income, but not the principal, may be expended. These funds have been derived, in most cases, from the sale of state land set aside by the federal and/or state government, rents and royalties and from surplus revenue returned to the state by the federal government.

**Planning.** The identification of overall, long-term goals, priorities and objectives of the organization, and the formulation of courses of action to be used in achieving those goals, priorities and objectives.

**Planning-Programming-Budgeting-Evaluation System (PPBES).** A structured procedure for determining policy in the allocation of resources for the accomplishment of priorities which emphasizes long-term planning, analytic evaluative tools and economic rationale in setting goals and objectives.

**Posting.** The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher or similar books or documents of original entry.

**Principal of Bonds.** The face value of bonds.

**Professional.** A term denoting the level of personnel who have had extensive training in a particular line of work and who perform activities regarded as professional by the laws and regulations established by the state or other professional requirements recognized by the state.

**Program.** A plan of activities designed to accomplish predetermined objectives.

**Programming.** A logical sequence of operations to be performed by a computer in solving a problem or processing data and the preparation of the coded instructions and data for the sequence.

**Prorating.** The allocation of parts of an expenditure to two or more different accounts made in proportion to the benefits which the expenditure provides for the accounts established.

**Public Grant.** A contribution made by a governmental entity to another entity and for which no payment is expected.

**Public Information.** Information for public consumption through news media about the condition and progress of education in the district.

**Public Library.** A library operated by publicly elected or appointed officials and open to the public.

**Public School.** A school operated by publicly elected or appointed school officials in which the program and activities are controlled by public officials and supported by public funds.

**Publicly Owned Quarters.** Any public school facility owned by a school district or under its control through a contract to purchase.

**Pupil Accounting.** A system for collecting, computing and reporting information about students.

**Pupil Activity Funds.** Financial transactions related to school-sponsored student activities and interscholastic activities and supported in whole or in part by income from students, gate receipts and other fund-raising activities.

**Pupil Organization Membership.** A school organization for students.

**Purchase Order.** A written request to a vendor to provide materials or services at a price set forth in the order.

**Purchasing.** Acquiring supplies, equipment and materials used in schools and district operations.

**Real Estate.** Land, improvements to sites and buildings, and real property.

**Rebates.** Abatements or refunds.

**Receipts.** Cash received.

**Receiving and Disbursing.** The accepting and paying out of funds, including the auditing of receipts, requisitions and purchase orders to determine whether purchases are within budgetary allowances and lawful expenditures.

**Records Management.** Establishing and maintaining an adequate and efficient system for controlling the district's records.

**Records.** A collection of information prepared for the use inside the district.

**Redemption of Principal.** Expenditures from current funds to retire serial bonds, short-term debt and long-term debt.

**Refund.** A return of an overpayment or overcollection in the form of cash or credit to an account.

**Refunding Bonds.** Bonds issued to payoff outstanding bonds.

**Register.** A record for consecutive entry of a certain class of events, documents or transactions, with notations of all required information.

**Registered Warrant (Post-Dated Warrant).** A warrant which is registered by the paying officer for future payment on account paid in the order of its registration.

**Reimbursement.** The return of an overpayment or overcollection in cash.

**Remodeling.** Any major, permanent structure improvement to a building.

**Renovation.** To restore to a former state or better through by repairing or rebuilding the structure.

**Repairs.** The restoration of equipment, a building or the grounds to its original condition of completeness or efficiency.

**Reports.** A collection of information which is prepared for use inside and outside the district.

**Requisition.** A written request from a section within the district to the district-purchasing officer for specific supplies or services from the district.

**Research.** A systematic study and investigation undertaken to establish facts or principles.

**Reserve.** An amount set aside for a specific purpose.

**Resident Student.** A student whose legal residence is within the geographic area served by the school district the student attends.

**Restricted Grants-in-Aid.** Revenues received as grants which must be used for a specific purpose, and unexpended funds usually must be returned to the granting agency.

**Retirement Fund System.** A plan whereby a fund of money, built up through contributions from participants and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability or length of service.

**Revenues.** Additions to assets which do not increase a liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or decrease in assets and do not represent contributions of fund capital in Food Service and Pupil Activity Funds.

**Revolving Fund.** A fund provided to carry out a cycle of operations. The amounts expended from the fund are restored from earnings from operations or by transfers from other funds so that it remains intact, either in the form of cash, receivables, inventory or other assets. These funds are also known as reimbursable funds.

**Salary.** The total amount regularly paid or stipulated to be paid to employees, before deductions, for personal services rendered while district employees.

**School Bus.** A vehicle used for transporting students with a manufacturer's rated seating capacity of 12 or more.

**School Plant.** The site, buildings and equipment constituting the physical facilities used by a single school or by two or more schools sharing common facilities.

**School Site.** The land and all improvements to the site, other than structures, such as grading, drainage, drives, parking areas, walks, landscaping, and playgrounds.

**School Term.** The prescribed number of days for interaction between student and teacher per school year.

**Secondary School.** A school comprising the grades subsequent to those designated by the district to be elementary grades and to include no sooner than grade 5 and ending with up to grade 12.

**Securities.** Bonds, notes, mortgages and other forms of negotiable or nonnegotiable instruments.

**Serial Bonds.** Issues redeemable in installments, each of which is to be paid in full, out of revenues from the fiscal year in which it matures or revenues of the preceding year.

**Shared Revenue.** Revenue which is received by a governmental entity but shared proportionately with other government entities.

**Sinking Fund.** Money which has been set aside or invested for the purpose of accumulating money over a period of years to pay for the redemption of long-term debt at the maturity date.

**Special Cost Centers.** A classification for providing cost details on a portion of an existing cost center or for accumulating costs of a temporary program or project for evaluation purposes.

**Special Education.** Consists of direct instructional activities designed primarily to deal with students who are physically handicapped, emotionally disturbed, culturally different, mentally retarded and gifted and talented.

**State Aid for Education.** Any grant made by a state government for education purposes.

**Student Body Activities.** Direct and personal services for students that are managed or operated generally by the student body under the guidance and direction of adults or a staff member and which are not part of the regular instructional program.

**Subsidiary Accounts.** Related accounts which support the summaries recorded in a controlling account.

**Summer School.** A school session conducted in addition to the normal school term and conducted during the summer months.

**Supporting Services.** Activities that provide administrative, technical and logistical support to a program to sustain and enhance fulfillment of objectives of other functions.

**Surety Bond.** A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document through nonperformance or through misuse of funds.

**Surplus.** The excess of resources over obligations.

**Systems Analysis.** An act of studying an activity or function using mathematical means to define the objective and evaluate procedures to efficiently accomplish the desired objective.

**System-Wide.** Activities which extend or apply to the entire district.

**Tax Assessment.** Activities concerned with assigning and recording equitable values to real and personal property, assigning a millage rate and receiving the yield in a central office.

**Technical Education.** Education concerned with knowledge that is organized in a planned sequence of classroom laboratory experiences, usually at the post-secondary level, to prepare students for job opportunities in a specialized technology field.

**Term Bonds.** A bond issue where all of the bonds mature at the same time and are retired from sinking funds.

**Textbooks.** Books obtained for use in certain classes, grades, or other particular student groups rather than for general school use.

**Trade Discount.** A percentage allowance that is provided to a business based on the volume of the transaction.

**Transfer Student.** A student who severs his connection with a class, grade or school in order to transfer to another class, grade or school.

**Transfer Voucher.** A voucher authorizing posting adjustments and transfers of cash or other resources between funds or accounts.

**Transported Student.** A student who is transported to and from school at public expense.

**Trial Balance.** A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns.

**Tuition Student.** A student for whom tuition is paid.

**Unappropriated Surplus.** The portion of the surplus of a given fund which is not segregated for a specific purpose.

**Unencumbered Balance of Appropriation or Allotment.** The portion of an appropriation or allotment not yet expended or encumbered.

**Unexpended Balance of Appropriation or Allotment.** The portion of an appropriation or allotment which has not been expended.

**Unit Cost.** Expenditures for a function, activity or service divided by the total number of units for which the function, activity or service was provided.

**Unliquidated Encumbrances.** Encumbrances outstanding.

**Unrestricted Grants-in-Aid.** Revenues received as grants which can be used for any legal purpose without restriction.

**Vehicle.** A conveyance used to transport persons or objects.

**Visiting Teacher/Counselor (Home Bound).** A person who visits students and parents at home to provide assistance in solving student personal adjustment problems.

**Vocational and/or Technical School.** A school which is separately organized under the direction and management of an administrator for the purpose of offering education and training in one or more semi-skilled, skilled or technical occupations.

**Voucher.** A document which authorizes the payment of money for goods and services received and indicates the accounts to be charged.

**Voucher System.** A system which calls for the preparation of vouchers for transactions involving payments and for the recording of vouchers in a voucher register in the order in which payment was approved.

**Vouchers Payable.** Liabilities for goods and services received as evidenced by vouchers which have been preaudited and approved for payment.

**Warrant.** An order drawn by the school board to the treasurer ordering the payment of a specified amount to the payee on the warrant.

**Warrant Interest.** Interest paid on registered warrants.

**Welfare Activities.** Services provided for personal needs of indigent persons and disaster victims.

**Withholding.** The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the estimated federal or state income tax of the individual that the employer must pay to the taxing authority.

# APPENDIX

## CURRENT RULES

The rules adopted by the Arkansas State Board of Education are listed on the Arkansas Department of Education (ADE) website. They are organized alphabetically by subject and are posted as either a PDF file or a HTML. The date listed next to each rule indicates the date the rule was given final approval by the State Board of Education. The link to the website is as follows:

<http://dese.ade.arkansas.gov/divisions/legal/rules/current>.

The **Arkansas Department of Education Rules Governing the Arkansas Financial Accounting and Reporting System, and Annual Training Requirements** can be accessed directly using the following hyperlink (if the hyperlink is not active or does not work, copy and paste it into your computer Internet browser): <http://dese.ade.arkansas.gov/public/userfiles/Legal/Legal-Current Rules/2020/350 APSCN.pdf>

## PENDING RULES

The rules that pending State Board of Education formal approval can be found on the Arkansas Department of Education website at <http://dese.ade.arkansas.gov/divisions/legal/rules/pending>

## CODING REQUIREMENT REFERENCES

Commissioner Memo Number	Description	Date
IA-05-123	Coding Changes FY06	6/30/2005
COM-06-007	NSLA Coding for FY06 & Expenditure Allocation – Athletics	08/09/2005
COM-06-044	Required Coding for Facilities Projects	12/08/2005
COM-06-067	Required Coding for Facilities Projects that Utilize State Facilities Revenue	3/9/2006
COM-06-077	Coding Requirements	
COM-06-081	Coding Requirements Effective for 2005-2006	5/2/2006
COM-06-088	Coding Requirements Effective July 1, 2006	5/2/2006
COM-06-092	Emergency Financial Coding Changes	5/4/2006
COM-06-093	Coding Requirements – 40% Pullback	5/9/2006
COM-07-094	Coding Requirements Effective July 1, 2007 NLSA Funds	3/28/2007
COM-07-096	Financial Coding & Reporting of Athletic Expenditures	3/28/2007
COM-07-097	New Financial Coding Requirements for 2007/2008	3/29/2007
COM-07-099	Financial Coding Requirements for 2007-2008 Categorical Funds	4/2/2008
COM-07-100	Correction to COM 07-097, New coding Req for 07-08	
COM-07-106	Coding Changes Per Act 1006 for 2007	5/9/2007
COM-08-063	Financial Coding Early Intervening Services	12/27/07
COM-08-121	New Financial Coding Requirements for 2008/2009	3/27/2008
FIN-09-031	New Coding for Categorical Transfers	10/25/2008
FIN-09-047	New Financial Coding Requirements for 2009/2010	1/29/2009
FIN-09-068	Financial Coding Requirement for 2009/2010	4/7/2009
FIN-09-077	Coding Requirements for ARRA Funds	5/7/2009
FIN-09-083	Rescind Coding Requirements for C	5/20/2009
FIN-11-032	Education Jobs Fund Program (EJFP)	12/1/2010
FIN-11-080	New Financial Coding Requirements for 2011-2012	04/01/2011
FIN-11-097	Act 989 Code Changes to Personnel Policies, Salary Schedules, et al.	05/27/2011
FIN-12-059	9% Requirement for Utilities & Facilities Maintenance	11/29/2011



# CODING REQUIREMENT REFERENCES

Commissioner Memo Number	Description	Date
FIN-13-012	9% Requirement for Utilities & Facilities Maintenance	08/13/2012
FIN-13-063	Financial Coding Requirements for 2013-2014	03/28/2013
FIN-14-007	Student Improvement Grant Data Collection for Parental Involvement Efforts, School Improvement Provider Records, and Employee Absentee Reporting	07/23/2013
FIN-14-055	Financial Coding Requirements for 2015	03/31/2014
FIN-14-085	9% Requirement for Utilities & Facilities Maintenance	06/26/2014
FIN-15-079	APSCN Financial Expenditure Codes for School Food Authorities contracting with Food Service Management Companies	02/17/2015
FIN-15-100	Financial Coding Requirements for 2016	03/25/2015
FIN-15-120	Act 935 of 2015 Financial Coding Requirements	06/03/2015
FIN-16-008	9% Requirement for Utilities and Facilities Maintenance	07/28/2015
RT-16-003	Dyslexia Coding - Act 1268 of 2015 - A.C.A. 6-41-601 et al.	09/01/2015
LS-16-018	NSL Funds for Dyslexia and RTI	09/09/2015
FIN-16-028	Title I, Part D and Neglected Set Aside Revision	10/26/2015
RT-16-020	New Coding Requirements for FY16 & FY17: Ark. Code Ann. § 6-20-2207	03/31/2016
FIN-16-056	2016 Expenditure Requirement for Gifted and Talented Programs	06/29/2016
FIN-16-058	9% Requirement for Utilities and Facilities Maintenance	06/30/2016
FIN-17-055	9% Requirement for Utilities and Facilities Maintenance	06/21/2017
FIN-18-006	New Coding Requirements for FY18: Act 1105 of 2017	07/20/2017
COM-18-026	Act 1044 of 2017 - NSL Matching Grant Program	09/19/2017
FIN-18-002	Act 1044 of 2017 - NSL Matching Grant Program Award	10/13/2017
RT-18-021	New Coding Requirements for FY 18 Ark. Code Ann. § 6-20-2210	02/27/2018
RT-18-022	New Coding Requirements for FY 17 & FY 18: Ark. Code Ann. 6-20-2207	02/28/2018
RT-18-027	Coding Updates Pursuant To: Ark. Code Ann. § 6-20-2207	03/30/2018
FIN-18-043	Act 1044 of 2017 - NSL Matching Grant Program	05/11/2018
FIN-18-050	2018 Expenditure Requirement for Gifted and Talented Programs	06/22/2018
FIN-18-051	9% Requirement for Utilities and Facilities Maintenance	06/22/2018
FIN-19-010	Federal Funding Requirement - SAM.gov Registration	8/28/2018
FIN-19-012	Reclassifying Payroll Expenditures	10/4/2018
FIN-19-013	NSL Matching Grant Program	10/16/2018
FIN-19-035	New Coding Requirements for FY20: Ark. Code Ann. § 6-20-2207	04/01/2019
FIN-19-047	9% Requirement for Utilities and Facilities Maintenance	6/24/2019
FIN-19-046	2019 Expenditure Requirement for Gifted and Talented Programs	6/24/2019
FIN-20-005	Special Education Preschool Funding Changes for 2020-2021	7/11/2019
FIN-20-010	Emergency Rules Governing the Educator Compensation Reform Program and Application Instructions	7/30/2019
FIN-20-023	FY 20 Transportation Rates for Athletics	11/5/2019
FIN-20-036	Financial Coding Changes CM for 2021	3/24/2020

# APPENDIX

## Guidance on E-rate Reimbursements

### E-Rate

The method of recognition of E-Rate as a financial resource in the accounting records may differ depending on whether it is a reimbursement or a discount. As a result, inconsistencies exist in current practice regarding the accounting treatment afforded E-Rate.

NCES suggests as a matter of practice that E-Rate should be netted against the expenditure if it was received in the same fiscal year; if it was received in a subsequent fiscal year, it should be coded as a Refund of a Prior Year's Expenditure (source code 19800). Because GASB has not specifically addressed this issue, definitive guidance is not available at this time.

Source: *FY 2009 National Public Education Financial Survey Instruction Manual*  
<http://nces.ed.gov/pubs2009/2009325.pdf>

### NPEFS Reporting Instructions for Universal Service Discounts and Revenues

If public school districts in your state are participating in the Universal Service SL program, you should account for the revenues or expenditures on the NPEFS survey as follows:

- \* Any Universal Service Fund SL discounts received during the same fiscal year should not be reported as revenue.
- \* Any retroactive revenues for previous fiscal years that are received in the current fiscal year via the SL program should be reported "other local revenues" Revenue code 19900.
- \* Any school district expenditures made as a part of the SL program should be reported in NPEFS under Support Services-Instruction (function 2230), Support Service-Other Support Services (function 2580), or Facilities Acquisition and Construction Services (for improvements to the property, e.g., wiring, function 4000) and in the appropriate object class (purchased services (object 6530X), supplies (object 66500), or property (objects 67340 or 67350), for each function.

Source: *Financial Accounting for Local and State School Systems: 2009 Edition*  
<https://surveys.nces.ed.gov/ccdnpefs/pdf/NPEFSManual.pdf>

## Lease Purchase of Capital Assets

According to generally accepted accounting principles, if the equipment meets the capitalization threshold and is actually purchased over the life of the capital lease, the equipment is to be capitalized. **The equipment is to be capitalized at the beginning of the lease because the equipment has been delivered and is in use.** The lease payments are to be coded as principal and interest because the capital assets are being acquired and debt has been incurred.

If the lease agreement stipulates the capital assets can be purchased for \$1 at the end of the lease by the lessee (the school district), that would be considered a **bargain purchase option, which does not mean the lease would become an operating instead of a capital lease.**

All equipment purchased through a capital lease agreement that is subsequently retired, sold, traded in, etc., would be handled in accordance with the school district's equipment disposition procedures.

### COM-08-128

School Districts and Education Service Cooperatives often engage in noncash transactions that if not recorded, understate the revenue and expenditures reported to the Arkansas Department of Education (ADE). For example, school food service programs receive food commodities that have a stated value. For purposes of audited financial statements, the value of the commodities received must be included in Food Service Revenue. Also, since those commodities are used to offset food cost, the value of the commodities must be included in expenditures. Auditors normally record this transaction but school districts have seldom recorded and included it in financial data submitted to the ADE.

Another non-cash transaction that often is not included in school district records involves post-dated warrants, installment contracts and lease purchase agreements in cases where the financing entity makes direct payment for the goods or services received by the school district. When the loan proceeds are not deposited by the school district, it is necessary to post a Journal Entry that records the loan proceeds as well as the expenditures made from those proceeds. All post-dated warrants, installment contracts, and lease-purchase agreements must be registered with the Loans and Bonds Unit of the Arkansas Department of Education. The Loans and Bonds Unit will answer any questions and will provide registration forms (see attachment) upon request.

Non-cash transactions for 2007-2008, and subsequent years, must be recorded by school districts and cooperatives.

### Examples of Non-cash transactions for 2007-2008 and subsequent years

#### **Example 1: Regular Commodities From Federal Government Through the State (DHS)**

Total Value Received During Year = \$100,000

*(ADE will obtain the amounts from DHS and provide it in a Commissioner's Memo to be posted on or about June 30<sup>th</sup> of each year.)*

##### **Journal Entry:**

		<b><u>Debit</u></b>	<b><u>Credit</u></b>
8000 3120 000 000 00	66300	100,000.00	
8000	45561		100,000.00

Note: New revenue account 45561 described as "Regular Commodities (Through DHS)"

#### **Example 2: Commodities Direct From Federal Government (Fresh Fruits & Vegetables):**

Total Value Received During Year = \$20,000.00

*(ADE will obtain the amounts from DHS and provide it in a Commissioner's Memo to be posted on or about June 30<sup>th</sup> of each year.)*

##### **Journal Entry:**

		<b><u>Debit</u></b>	<b><u>Credit</u></b>
8000 3120 000 000 00	66300	20,000.00	
8000	43974		20,000.00

## Lease Purchase of Capital Assets (Continued)

### **Example 3: Lease Purchase Agreement-Copier Used for Elementary Instruction**

Total Value of Copier = \$15,000.00 paid by the financing entity (lessor)

<b><i>Journal Entry:</i></b>		<b><u>Debit</u></b>	<b><u>Credit</u></b>
2000 1120 ??? 000 00	67390	15,000.00	
2000	51500		15,000.00

Note: Agreement must include a payment schedule showing payment due date, total payment, principal, interest and principal balance following each payment. Payments to lessor will be charged to Function 5150 and Objects 69100 (principal) and 68300 (interest). This is non-bonded debt and therefore cannot be charged to Fund 4 (Debt Service Fund).

### **Example 4: Lease Purchase Agreement/Installment Contract for Construction Project**

Total amount being financed = \$500,000.00

An account is established by the financing entity and funded, as of the date of the agreement, with the total amount being financed. Invoices related to the project are approved by the school district and then submitted to the financing entity for payment.

Upon signing of agreement:

<b><i>Journal Entry:</i></b>		<b><u>Debit</u></b>	<b><u>Credit</u></b>
3000	01916	500,000.00	
3000	51500		500,000.00

**Note:** New Balance Sheet account 01916 described as "Deposits with Paying Agents (Other than QZAB).

As invoices are approved and submitted to financing entity for payment:

<b><i>Journal Entry:</i></b>		<b><u>Debit</u></b>	<b><u>Credit</u></b>
3000 4710 000 000 00	64500	500,000.00	
3000	01916		500,000.00

**Note:** The second Journal Entry above assumes all invoices submitted at one time. Separate Journal Entries should be recorded as invoices are submitted. Balance Sheet account 01916 should always reflect the total amount financed less the total invoices submitted for payment.

## Lease Purchase of Capital Assets (Continued)

### **Example 5: Lease Purchase Agreement/Installment Contract for Construction Project**

Total amount being financed = \$1,000,000.00

A line of credit, for the total amount being financed, is established by the financing entity as of the date of the agreement. Invoices related to the project are approved by the school district and then submitted to the financing entity for payment.

As invoices are approved and submitted to financing entity for payment:

<b><i>Journal Entry:</i></b>		<b><u>Debit</u></b>	<b><u>Credit</u></b>
3000 4710 000 000 00	64500	1,000,000.00	
3000	51500		1,000,000.00

**Note:** The above Journal Entry assumes all invoices are submitted at one time. Separate Journal Entries should be recorded as invoices are submitted. The total amount credited to account 51500 must not exceed the total amount being financed.

### **Example 6: Post-dated Warrants for Purchase of School Buses**

Total amount being financed = \$400,000.00

Financing entity makes direct payment to vendor. School district gives financing entity post-dated checks for all principal and interest payments due over the term of the agreement.

<b><i>Journal Entry:</i></b>		<b><u>Debit</u></b>	<b><u>Credit</u></b>
2000 2720 000 000 00	67320	400,000.00	
2000	51300		400,000.00

**Note:** Post-dated warrants (checks) are recorded by Journal Entry as they mature (date of check). Each payment is made up of principal and interest. Payments to financing entity will be charged to Function 5140 and Objects 69100 (principal) and 68300 (interest). This is non-bonded debt and therefore cannot be charged to Fund 4 (Debt Service Fund).

With current technology, it is sometimes difficult to write post-dated checks. Historically this has been a manual check-writing process that requires a pre-printed check form. If a school district uses a laser printer and has no pre-printed check forms, it may not be possible to write a manual check. There is not a simple way to write post-dated checks using Powerschool's FinancePlus software. A Lease-Purchase or Installment Contract Agreement does not require post-dated checks and also allows automatic drafts for future payments. Therefore financing methods other than Post-dated Warrants may be preferred.

## Current indebtedness

51400 Proceeds from issuance of Current Indebtedness. Proceeds from issuance of current indebtedness that must be paid off on or before December 31 of the fiscal year following the fiscal year the debt was procured.

Current indebtedness in the form of postdated warrants, installment contracts, or lease-purchases (up to 10-year term or 20-year term for some energy conservation measures) must be registered with the Loans & Bonds unit and coordinated through Amy Woody. For short-term debt of between 6 months and 18 months (also known as a cash-flow loan), district is required to notify the Fiscal Services and Support unit (Cindy Smith). I have copied the relevant section of law below and highlighted the notification requirements. I hope this is helpful.

6-20-402. Limitation on current indebtedness -- Postdated warrants and installment contracts -- Liability.

- **(a) (1) (A)** The amount of obligations incurred by a school district for any school fiscal year shall not be in excess of the revenue receipts of the district for that year except as provided in this section and in § 6-20-801 et seq.
  - **(B)** A school district or public charter school may enter into public-private partnerships whereby the school district or public charter school enters into a lease-purchase agreement for the acquisition or construction of a school building or related facilities built or acquired by the private entities with facilities bonds exempt from federal taxes under 26 U.S.C. § 142(a)(13), as it existed on January 1, 2003, or otherwise exempt under 26 U.S.C. § 103, as it existed on January 1, 2005.
    - **(2)** A school district may issue postdated warrants or enter into installment contracts or short-term lease-purchase agreements for the following purposes:
      - **(A)** Purchase of school buses;
      - **(B)** Payment of premiums of insurance policies on school buildings, facilities, and equipment in instances in which the insurance coverage extends three (3) years or longer;
      - **(C)**
        - **(i)** Purchase of equipment.
        - **(ii)** However, purchase of equipment does not include separate equipment service agreements, equipment repair contracts, or extended warranties for the equipment;
      - **(D)** Installation or purchase, or both, of energy conservation measures in school facilities;
      - **(E)** Construction, repair, and renovation of school facilities;
      - **(F)** Purchase of school sites;
      - **(G)** Payment on loans secured for settlement resulting from litigation against a school district;
      - **(H)** Payment of the district's pro rata part of employing professional appraisers as authorized by laws providing for the appraisal or reappraisal and assessment of property for ad valorem tax purposes; and
      - **(I)** The professional development and training of teachers or other programs authorized under the federally recognized qualified zone academy bond program codified at 26 U.S.C. § 1397E.
    - **(3)** School districts may issue postdated warrants or enter into installment contracts or lease-purchase agreements in an amount sufficient to accomplish the purposes listed in subdivision (a)(2) of this section and to pay the costs of issuing the postdated warrants or entering into the installment contracts or lease purchase-agreements.

## Current indebtedness (continued)

- **(b) (1) (A)** Except as provided in subdivisions (b)(1)(B) and (C) of this section, a postdated warrant, a short-term lease-purchase agreement, or an installment contract must be paid within ten (10) years of the date of issuance of the postdated warrant or the execution of the written lease-purchase agreement or installment contract, as the case may be.
  - **(B)**
    - **(i)** A school district's acquisition of energy conservation measures under § 6-20-405 may be financed by the school district over a twenty-year period after the execution by the school district of the postdated warrant, lease-purchase agreement, or installment contract.
    - **(ii)** However, no financing shall exceed the reasonably expected useful life of the energy facilities or equipment subject to the energy savings contract in favor of either a qualified provider or a third-party financing company designated by a qualified provider.
  - **(C)** A long-term lease-purchase agreement allowed under subdivision (a)(1)(B) of this section:
    - **(i)** Shall be paid within thirty (30) years of the date of the execution of the written lease-purchase agreement; and
    - **(ii)**
      - **(a)** May contain a provision allowing the school district an option to terminate the agreement at the end of any fiscal year for the school district.
      - **(b)**
        - **(1)** Any long-term lease containing an option to terminate at the end of a fiscal year shall not be included in the calculation of the debt ratio applicable to that school district.
- (2)** Any long-term lease allowed under subdivision (a)(1)(B) of this section that does not contain an option to terminate at the end of the fiscal year shall be included in the calculation of the debt ratio applicable to that school district.
  - **(iii)** All school buildings or related facilities shall comply with the requirements of the Arkansas School Facilities Manual in effect at the time the lease became effective.
- **(D)**
  - **(i)** A school district may sublease a portion of a school building or facility whenever that building or facility is not being used for educational purposes.
  - **(ii)** Rent received from a sublease:
    - **(a)** Shall be deposited into the school district's general fund; and
    - **(b)** May be used for any operational or capital purpose.
- **(E)** Postdated warrants, lease-purchase agreements, and installment contracts must be registered on forms provided or approved by the State Board of Education with the treasurer of the district and the state board.
  - **(2) (A)** A lease-purchase agreement, post-dated warrant, and installment contract must have attached thereto a schedule of the rent or installments to be paid, showing:
    - **(i)** The payee and any assignee;
    - **(ii)** The school district;
    - **(iii)** The purpose of the purchase or payment;
    - **(iv)** The due date of each installment; and
    - **(v)** The amount of principal and interest of each installment and the fiscal year in which the installment is to be paid.
      - **(B)** A copy of each contract and of the schedule of payments shall be filed with the treasurer of the district and with the state board, and when so filed, each installment may be paid as it becomes due.
  - **(3)**
    - **(A)** Except as provided in subdivision (b)(3)(B) of this section, the unpaid principal amount of postdated warrants issued and installment contracts and lease-purchase agreements entered into shall be a part of the total debt of the district as limited by § 6-20-803 with the district fiscal officer and his or her surety liable for exceeding the limitations.
    - **(B)** The unpaid principal amount of postdated warrants, lease-purchase agreements, or installment contracts entered into in connection with a guaranteed energy savings contract under § 6-20-405 shall not be a part of the total debt of the district.

## Current indebtedness (continued)

- **(4)** A copy of any guaranteed energy savings contract that is executed in connection with the acquisition, installation, or construction of energy conservation measures under this section shall be filed with the Department of Education.
- **(5)** Payments by a school district pursuant to postdated warrants, installment contracts, and lease-purchase agreements shall be charged against the budget of the school fiscal year in which they become due and shall be paid out of the revenue receipts for that fiscal year.
- **(6)** All warrants issued or installment contracts and lease-purchase agreements entered into in excess of the revenue of a school district for a school fiscal year are null and void except as provided in this section.
- **(7)**
  - **(A)** It shall be the duty of the school fiscal officer to indicate on each school district warrant or on the schedule of payments attached to a written installment contract or lease-purchase agreement the school year's revenues against which the obligation was incurred and is to be paid.
  - **(B)** It shall be unlawful for the school fiscal officer to issue a school district warrant or to enter into an installment contract or lease-purchase agreement the installments for which are to be charged against the revenues of a school year if the obligation thereof was incurred in a different school year except as otherwise authorized in this section.
- **(8)** The school fiscal officer may comply with the provisions of this section by indicating on each warrant or schedule of payments attached to any installment contract or lease-purchase agreement the school year's revenues against which each payment is to be charged, or he or she may use a warrant of a distinct color for a particular year and shall advise the county treasurer, if the county treasurer serves as the school district treasurer, in writing of the color of warrant being used for credit against the revenues of a particular year.
- **(9)** The county treasurer, or the district treasurer if the school district has its own treasurer, and his or her surety shall be jointly liable with the school fiscal officer and his or her surety for the payment of any school warrant or payment on a contract or agreement that is charged against the revenues of a school year if the amount thereof is in excess of the revenue receipts of the district for the school year against which the school fiscal officer has indicated the payment is to be charged or if he or she approved the payment with knowledge that the payment is being charged by the school fiscal officer against the revenues of another school year in violation of this section.
- **(10)** It is the purpose and intent of this section to place primary responsibility on the school fiscal officer and his or her surety for compliance with the provisions of this section and to make the county treasurer, or district treasurer if the school district has its own treasurer, and his or her surety liable for any payment on a warrant, contract, or agreement drawn in violation of this section when the amount of the payment exceeds the revenue receipts of the district for the school year against which it is charged as indicated on the warrant, contract, or agreement or when the county treasurer approves a payment with the knowledge that it is in payment of an obligation of a different school year as prohibited in this section.
- **(c) (1)** A school district may refinance one (1) or more outstanding postdated warrants, lease-purchase agreements, or installment contracts and pay the usual, customary, and reasonable costs of the refinancing by issuing one (1) postdated warrant, lease-purchase agreement, or installment contract if the refinancing:
  - **(A)**
    - **(i)** Results in a net savings to the school district.
    - **(ii)** A net savings results if the outstanding principal balance plus the remaining interest payments and any early call penalties is greater than the new principal balance plus the total interest to be paid and the cost of the refinancing of the outstanding postdated warrant, lease-purchase agreement, or installment contract;
  - **(B)** Does not extend the term of the postdated warrant, lease-purchase agreement, or installment contract more than five (5) years beyond the term of the existing individual outstanding postdated warrants, lease-purchase agreements, or installment contracts, and if the original term together with any extension does not exceed ten (10) years;



## Current indebtedness (continued)

- **(C)** Does not increase the outstanding debt owed by the school district under the existing outstanding postdated warrants, lease-purchase agreements, or installment contracts except to the extent necessary to cover usual, customary, and reasonable costs of issuance of the new refunding postdated warrant, lease-purchase agreement, or installment contract and except to the extent necessary for new financing as authorized by subsection (a) of this section;
- **(D)**
  - **(i)** Except as allowed under subdivision (c)(1)(D)(ii) of this section, the outstanding postdated warrants, lease-purchase agreements, or installment contracts have not been previously refinanced.
  - **(ii)** Any outstanding postdated warrants, lease-purchase agreements, or installment contracts may be refinanced more than one (1) time if:
    - **(a)** The school district realizes a savings from the refinancing;
    - **(b)** The term of the debt obligation is not extended; and
    - **(c)** The refinancing does not increase the total debt obligation of the school district; and
- **(E)** The school district obtains the prior written approval of the department to refinance one (1) or more outstanding postdated warrants, lease-purchase agreements, or installment contracts.
  - **(2)** The state board may promulgate rules and regulations as necessary to implement subdivision (c)(1) of this section.
- **(d)**
  - **(1)** A school district may incur current indebtedness and issue its notes or other evidence thereof as provided in this subsection.
  - **(2)** All current indebtedness incurred in a fiscal year shall mature on or before December 31 of the calendar year in which the fiscal year ends.
  - **(3)** Current indebtedness is not included in the term "bonded indebtedness" and shall not be considered a part of the total debt of a district as limited by § 6-20-803.
  - **(4)** Current indebtedness shall be payable from and may be secured by a pledge of all or any part of the revenue receipts of the issuing district for the fiscal year in which the debt is incurred.
  - **(5)** The amount of obligations incurred by a school district for any school fiscal year, including current indebtedness, shall not be in excess of the revenue receipts of the district for that year except as expressly authorized in subsection (a) of this section.
  - **(6)** Upon incurring current indebtedness, the school district shall notify the department of the indebtedness, on forms provided by the department, showing the:
    - **(A)** Payee and any assignee;
    - **(B)** School district;
    - **(C)** Purpose of the indebtedness;
    - **(D)** Maturity date of the indebtedness;
    - **(E)** Amount borrowed and interest rate of indebtedness; and
    - **(F)** Amortization schedule showing installments, if applicable.
- **(e) (1) (A) (i)** Except as provided in subdivision (e)(1)(B) of this section, as additional security for the payment of any postdated warrant, installment contract, lease-purchase agreement, or current indebtedness of a school district authorized under subdivision (a)(2) of this section, the district may authorize the state board to cure any delinquencies of the school district by withholding state foundation funding due the district.
  - **(ii)** Authorization shall be given by the school district at the time that the postdated warrant, installment contract, or lease-purchase agreement is issued or the current indebtedness authorized under subdivision (a)(2) of this section is incurred and shall be given in the manner and in the form that the state board shall prescribe.
    - **(B)** A school district may not authorize the state board to cure and the state board shall not cure any delinquencies of the district in contracts or extended warranties on equipment by withholding state foundation funding due the district.
      - **(2) (A)** If a school district has authorized withholding of its state foundation funding under subdivision (e)(1)(A) of this section and the school district has failed to pay the payee or paying agent amounts due under a postdated warrant, installment contract, or lease-purchase agreement described in subdivision (a)(2) of this section, the payee or paying agent shall be entitled to payment from the school district's withheld state foundation funding if the payee or paying agent:

## Current indebtedness (continued)

- (i) Obtains a final judgment establishing the payee's or paying agent's right to payment from the school district under a postdated warrant, installment contract, or lease-purchase agreement described in subdivision (a)(2) of this section; and
    - (ii) Submits a written request for payment of the amount of the unpaid judgment and a certified copy of the final judgment to the Commissioner of Education and the superintendent of the school district.
  - (B)
    - (i) Except as provided in subdivision (e)(1)(B) of this section, unless the superintendent of the school district certifies in writing to the commissioner that payment has been made by the district to the payee or the paying agent and the judgment has been paid in full, the commissioner shall withhold from the next distribution to the school district of state foundation funding and remit to the payee or paying agent an amount sufficient to pay the judgment amount.
    - (ii) If the amount withheld under subdivision (e)(2)(B)(i) of this section is insufficient to pay the judgment in full, the commissioner shall continue withholding subsequent distributions of state foundation funding to the school district until the superintendent certifies to the commissioner that the judgment is paid in full.
      - (3) In the event that the amount next due to be distributed to the delinquent district is not sufficient to cure the delinquency, the commissioner shall continue to withhold state aid as due and remit it to the payee or paying agent until the payment deficiency has been cured.
      - (4) If the commissioner is notified that a district is delinquent on two (2) or more obligations for which a district has authorized withholding of state aid to cure a delinquency, the commissioner shall make payment to payees or paying agents in the order of receipt of notices of the delinquencies.
- (f) If the state board withholds state aid from a school district under subsection (e) of this section, the school district shall be identified by the department to be a school district in fiscal distress under § 6-20-1906.
- (g) Any duties required of any officer of the state pursuant to subsection (e) of this section shall be only ministerial in nature and shall in no way transfer any liability of the debtor to the state or any agency or any officer thereof.
- (h) The rate of interest on postdated warrants, installment contracts, lease-purchase agreements, and current indebtedness shall not exceed the maximum interest rate for school bonds as determined under § 6-20-1206.

## History

Acts 1939, No. 194, § 3; 1949, No. 150, § 2; 1969, No. 76, § 1; 1977, No. 494, § 1; 1981, No. 550, § 1; 1983, No. 438, § 1; 1985, No. 223, § 1; A.S.A. 1947, § 80-1003; Acts 1989, No. 105, §§ 2, 3; 1991, No. 401, § 15; 1993, No. 314, § 2; 1995, No. 233, § 11; 1997, No. 962, §§ 2, 3; 1997, No. 1265, § 1; 1997, No. 1329, § 2; 2001, No. 1220, §§ 8-10; 2003, No. 840, § 1; 2003, No. 1754, §§ 1, 2; 2003 (2nd Ex. Sess.), No. 58, §§ 1, 2; 2005, No. 1866, § 1; 2005, No. 2005, § 1; 2005, No. 2121, §§ 12, 23; 2005, No. 2156, § 2; 2005, No. 2177, § 1; 2006 (1st Ex. Sess.), No. 22, §§ 1-3; 2006 (1st Ex. Sess.), No. 23, §§ 1-3; 2007, No. 827, §§ 114, 115; 2009, No. 1469, § 9; 2013, No. 1073, § 32; 2015, No. 846, § 10; 2017, No. 741, § 4.

## APPENDIX 1 Funds that cannot be used without specific program codes

[illegible]

## APPENDIX 2 Special Education Allowable Functions

Program Codes 200, 260, 264, 265, 266, 267, 268 and 269 are allowed with the following FUNCTION Ranges:

1210-1299  
1305-1399  
1510-1579  
1590-1599  
1930-1939  
1990-1999  
2110-2199  
2210-2240  
2290-2299  
2580  
2610  
2660  
2720  
2730  
2790  
2870  
2900  
2990  
4300  
4510  
4610  
4710 - 4729  
5110 - 5199  
5200  
5500  
5501  
5900 – 5999

**APPENDIX 2**  
**Special Education Allowable Functions**  
**Continued**

**CODING CHANGES OR EXCEPTIONS FOR SPECIAL ED**  
**APPENDIX 2 - Special Education Coding**

#1. Residential Treatment Centers. Expenditures coded to **Funds 2250 and 2255**. ADE SPED unit sends funds to district and district sends funds to Treatment Centers for students for specified days of treatment. Expenditures cannot be tracked to a local school LEA.

Example:

2250 1950 000 200 00 63XXX

Or

2255 1950 000 200 00 63XXX

These two **funds (2250 and 2255)**, with **function 1950 and object 63310** will be **EXEMPT FROM ALL LOCATION CODING RULES...** Districts can use location 000, valid lea or three-digit code of their choice with this fund/function/object combination for payments to these Residential Treatment Centers.

#2. Juvenile Detention Center (JDC) Fund 1277/2277 **SOF 277 32372 Juvenile Detention**  
SpED Unit sends money to districts monthly or once a quarterly to districts to fund cost of their students in JDC. The amount is based on the number of beds at the Center for students.  
District has a budget in eFinance and pays teachers, benefits, purchased services, supplies, etc. Actual expenditures are reported to SpED Unit.

**Funds 1277 & 2277 are EXEMPT FROM ALL LOCATION CODING RULES.**

# 3. The follow **functions are EXEMPT FROM LOCATION CODING RULES.**

1218  
1228  
1270  
2158  
2168

# 4. FY 19 - NEW program code for Shared LEA Supervisor provided for the "LEAD" LEA. Requires SpED Unit approval.

**261 Shared LEA Supv.** - Permission Granted on individual district basis ONLY by SPED Unit. (to be used only with state and local fund 1000/2000)

## **APPENDIX 3 Functions that cannot be used without specific program codes**

- Function 1150 cannot be used without program code 115
- Function 1160 cannot be used without program code 116
- Function 1910 cannot be used without program code 270 for GT expenditures
- Function 1280 cannot be used without program code 200
- Function 1910 cannot be used without program code 270
- Function 1950 cannot be used without program code 438
- Function 2216 cannot be used without program code 115
- Function 2291 cannot be used without program code 270
- Function 2580 cannot be used without program code 200 when used with Fund 6706
- Function 2669 cannot be used without program code 115
- Function 1218 cannot be used without program code 266 or 268 when used with Fund 6702
- Function 1228 cannot be used without program code 266 or 268 when used with Fund 6702
- Function 2158 cannot be used without program code 266 or 268 when used with Fund 6702
- Function 2168 cannot be used without program code 266 or 268 when used with Fund 6702

## APPENDIX 4 Program Codes required for all **ESA** expenditures Funds 1281 and 2281

**NSL name changed to ESA FY 20**

(See Commissioner's Memo # IA-05-123)

- 001\* ESA, Literacy, Math, Sci. Specialists/Coaches (code section 6.06.1)
- 002\* ESA, Professional Devel. Lit., Math/Sci (code sections 6.06.2)
- 003\* ESA, High Qualified Classroom Teachers (code section 6.06.3)
- 004\* ESA, Before and After Academic Program (code section 6.06.4)
- 005\* ESA, Pre-K (code section 6.06)
- 006\* ESA, Tutors (code section 6.06.6)
- 007\* ESA, Teacher's Aides (code section 6.06.7)
- 008\* ESA, CRT. Counselors, Lic. Social Workers, nurses (code section 6.06.8)
- 009\* ESA, Curriculum Specialist (code section 6.06.9)
- 010\* ESA, Parent Education (code section 6.06.10)
- 011\* ESA, Summer Programs (code section 6.06.11)
- 012\* ESA, Early Intervention Program (code section 6.06.12)
- 013\* ESA, School Improvement Plan (code section 6.06.13)
- 014\* ESA, Other activities approved by the ADE (code section 6.06.14)
- 016\* ESA, ACT fees for 11th graders (Taking ACT for first time per Act 881 of 2007)
- 021\* ESA, Scholastic Audit

Effective FY 11-12

- 022\* ESA, District required portion of Provision 2 meal program
- 023\* ESA, Expenses related to funding a longer school day or school year
- 024\* ESA, Partnering with higher education institutions and technical institutes to provide concurrent courses or technical education.
- 025\* ESA, Teach for America professional development-
- 026\* ESA, Implementing Arkansas Advanced Initiative for Math and Science (AAIMS)
- 027\* ESA, Hiring College and Career Coaches as administered by Division of Career & Technical Education
- 028\* ESA, District Reduced CoPay Meals

Effective FY 20-21

- 029\* ESA, Materials, supplies, and equipment, including technology, used for State Board approved programs and purposes.
- 030\* ESA, Program using arts-infused curriculum.
- 031\* ESA, School Resource Officers whose job duties include research-based methods and strategies tied to improving achievement of students at risk.
- 032\* ESA, Experience-based field trips.
- 033\* ESA, Coordinated school health coordinator.
- 034\* ESA, Developing and implementing interim building-level assessments to monitor student progress toward proficiency on state assessments.
- 035\* ESA, Dyslexia programs and interventions.
- 036\* ESA, Recruiting and retaining effective teachers, if the school district meets the minimum teacher salary schedule without using ESA funds.
- 037\* ESA, Professional Development as identified in the school district's support plan under 6-15-2914.
- 038\* ESA, Additional compensation for teachers who assume identified leadership roles.
- 039\* ESA, Social, emotional, behavioral supports and physical/mental health resources.
- 040\* ESA, Access to postsecondary opportunities.

**APPENDIX 4**  
**Program Codes required for all ESA expenditures Funds 1281 and 2281**  
**Continued**

NSL name changed to ESA FY 20

**Act 1220 of the 88<sup>th</sup> 2011 General Assembly amends A.C.A. 6-20-2305 regarding ESA categorical funding as follows:**

- A.C.A. 6-20-2305(b) is amended to require that by June 23, 2012 and each year thereafter, a district must spend 85% of the district's annual ~~NSLA~~ ESA allocation.
- If a district has an ESA balance in excess of 15% of the current year ESA allocation, then the district must reduce its ESA balance by 10% each year.
- Under unusual or limited circumstances a district may request a waiver for one year to exceed the 15% balance.
- If district does not comply with this Act, ADE can withhold from the ESA allocation an amount equal to the amount required to be in compliance with the Act.
- ADE may reallocate ESA amounts withheld to other districts.
- The Act also establishes a 20% total aggregate balance of all state categorical fund sources. The 20% balance is based on the district's total state categorical fund allocations for the current school year.
- If the district fails to meet the 20% requirement, then the district shall reduce its total categorical balance by 10% each year until the district's June 30 aggregate categorical balance is 20% or less of the district's total aggregate categorical fund allocation for the current school year.
- If a district fails to comply with the requirements of the 20% maximum balance and is not meeting the 10% reduction each year, then ADE can withhold from the district's allocations an amount equal to the amount required to be spent by the district in order to be in compliance. ADE may redistribute funds withheld.

**Program code appendix for ESA Match 1282/2282**

**FIN-19-013**  
**ESA Matching (1282|2282) Grant Program Codes.**

These programs shall be limited to:

- Tutors as set out in Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(4);
- Before-school academic programs and after-school academic programs, including transportation to and from the programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(2); and
- Prekindergarten programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(3).

Only those expenditures coded with the appropriate codes for the allowable uses outlined by the Act will be eligible for matching funds. The allowable program codes to be used when coding expenditures are as follow:

**Programs codes for ESA Matching Grant.**

- 004\*ESA, Before and After Academic Program
- 005\* ESA, Pre-K
- 006\* ESA, Tutors
- 204\* ESA/SP ED, Before and After Academic Program
- 205\* ESA/SP ED, Pre-K
- 206\* ESA/SP ED, Tutors



## APPENDIX 5 Receipting Revenue

Fund	Revenue Code	Description of Money
8000	19200	<b>Share our Strength/No Kid Hungry Grant for supplies and Equipment</b> This is Private money given to the school – child nutrition program for meals

## **APPENDIX 6 Source of Fund Codes and Revenue Codes required for the new facilities programs established by Act 2206 of 2005**

Commissioner's Memo COM-06-044 dated December 8, 2005, gave the following Source of Fund Codes and Revenue Codes required for the new facilities programs established by Act 2206 of 2005:

.....Source of Funds Code.....Revenue Code	
Academic Facilities Immediate Repair.....401.....32921	
Academic Facilities Catastrophic Repair.....402.....32922	
Academic Facilities Transitional Program.....403.....32923	
Academic Facilities Partnership Program.....404.....32924	

The Source of Funds code is also required for expenditures relating to each of these programs. Therefore, an expenditure that utilizes the revenue for Academic Facilities Immediate Repair must be charged to a budget unit that includes Source of Funds Code 401. If a district receives revenue that is a reimbursement for expenditures made in a previous school year, a transfer to the fund originally charged may be made from the Academic Facilities Fund. A detailed accounting of those previous year expenditures must be attached to the Journal Entry recording the transfer and, if requested, submitted to the Arkansas Department of Education. No other transfers in or out of Academic Facilities Funds are allowable.

All funds received for these programs must be utilized in accordance with the rules adopted by the Arkansas Commission of Public School Academic Facilities and Transportation. Questions regarding those rules should be directed to the Division of Academic Facilities and Transportation at 501-682-4261.

Costs of projects utilizing funds from one of the above sources will exceed the total revenue provided by Act 2206 of 2005. Therefore, the expenditures for each project will normally be charged to both a restricted and a non-restricted Source of Funds code. Since transfers are only allowable if reimbursing a prior year expenditure, the total expenditures coded to Source of Funds 401, 402, 403 and 404 will be equal to the revenue for each of the Source of Funds codes by the completion of the project.

In order to accurately track the total expenditures for each facilities project that utilizes Act 2206 revenue, it will be necessary to include a district-defined program code (3-digit number following LEA number) in the budget unit. This program code should be within the range of 070 – 099 inclusive. This range of program codes should not be used for any purpose other than projects utilizing state facilities revenue. For program code purposes, a facilities project is all improvements relating to a specific academic facility and included on a single application for facilities funding. If expenditures relating to these projects have already occurred, it will be necessary to reclassify the expenditures to budget units that include the required program code. These reclassifications must occur prior to submitting the September 15, 2006, Cycle 1 Report.

There is no requirement that a particular fund be used for projects utilizing Academic Facilities Immediate Repair and Academic Facilities Catastrophic Repair revenue. Funds 2, 3 and 5 would all be appropriate funds for these projects. The type of expenditure will determine the appropriate function code. For example, function codes in the 4000-4999 range are for "New Construction" types of expenditures that will be added to Fixed Asset Inventory. Act 1426 of 2005 defines new construction as "any improvement to an academic facility and, if necessary, related areas, such as the physical plant and grounds, that brings the state of condition or efficiency of the academic facility to a state of condition or efficiency better than the academic facility's original condition of completeness or efficiency."

Function codes in the 2600-2699 range will include maintenance, repair and renovation of facilities. Act 1426 defines this as "any activity or improvement to an academic facility and, if necessary, related areas, such as the physical plant and grounds, that: (A) Maintains, conserves, or protects the state of condition or efficiency of the academic facility; or (B) Brings the state of condition or efficiency of the academic facility up to the facility's original condition of completeness or efficiency." Expenditures charged to the 2600-2699 range of function codes should not be added to Fixed Asset Inventory and, unless paid from state facilities revenue, count toward meeting the Act 1426 requirement to spend 9% of foundation funding "exclusively to payment of utilities and custodial, maintenance, repair, and renovation activities and related personnel costs."

Projects utilizing Academic Facilities Transitional Program revenue and Academic Partnership Program revenue will be for "New Construction" projects and should be charged to Fund 3 (Building Fund) and functions in the 4000-4999 range. The costs of these projects should be added to Fixed Asset Inventory.

## **APPENDIX 7 Miscellaneous**

### Medicaid

Districts are required to pay Medicaid Match from their State/Local budgets. The code they should be using is function 2990 object 65910 along with program code 200. This is to be paid if the district is filing for themselves or using a third party. If Medicaid funds are used for non- Special Education, the State Match should be pro-rated. Non-Special Education items should not be coded with program code 200.

## APPENDIX 8 CARES (ESSER I) Funding Program Codes

Fund/SOF 6780 (ESSER I)

Revenue Code 45980

Section 1		Direct Student Support/Continuous Learning Opportunities
Program Code	Program Description	Budget Category
180	Activities Allowed in ESSA, IDEA, Adult Ed, Perkins, McKinney Vento	Any activity authorized by the ESEA of 1965 reauthorized by the Every Students Succeeds Act, including the Native Hawaiian Education Act, the Alaska Native Educational Equity, Support, and Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006, or subtitle B of Title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).
181	School Leadership Resources	Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
182	Services for Special Populations	Activities to address the unique needs of low-income children or students, children with disabilities (including compensatory services), English learners, racial and ethnic minorities, students experiencing homelessness, and children in foster care, including how outreach and service delivery will meet the needs of each population.
183	Mental Health Support	Providing mental health services and supports.
184	Extended Learning Opportunities: Summer Learning and/or Supplemental After School Activities, etc.	Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care to address student learning needs exacerbated by school closures.
Section 2		Technology
Program Code	Program Description	Budget Category
185	Educational Technology	Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.

**APPENDIX 8**  
**CARES (ESSER I) Funding Program Codes**  
**Continued**

<b>Section 3</b>		<b>Systemic Procedures</b>
Program Code	Program Description	Budget Category
186	Coordinating Activities For Digital Programming Support Short and Long-Term School Closures (I.E. Distance Learning, Specialized Student Services)	Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the Individuals with Disabilities Education Act, and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
187	Planning Improved LEA Response to Emergencies.	Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
188	Training for Staff on Prevention of Disease Spread	Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.
189	Supplies for Sanitation of Buildings	Purchasing equipment and supplies to sanitize and clean the facilities of a LEA, including buildings operated by the LEA.
190	Coordination with Other Public Agencies for Coronavirus Response	Coordination of preparedness and response efforts of LEAs with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
191	Continuity of Operations and Employment	Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.
<b>Section 4</b>		<b>Food Security</b>
Program Code	Program Description	Budget Category
192	Food Service	Planning for and coordinating during long-term closures, including for how to provide meals to eligible students.

**APPENDIX 8**  
**CARES (ESSER I) Funding Program Codes**  
**Continued**

<b>Section 5</b>		<b>Equitable Services</b>
Program Code	Program Description	Budget Category
193	Equitable services	Providing services to non-public schools directly or through contact with another public or private entity. No funds will be sent to non-public schools. – ESSER I only (Fund 6780).
<b>Section 7</b>		<b>Maintenance of Equity</b>
Program Code	Program Description	Budget Category
160	Additional Pay	Positions or additional pay related to prevent, prepare and respond to Covid-19.

## APPENDIX 9 CARES (ESSER II) Funding Program Codes

Fund/SOF 6781 (ESSER II)

Revenue Code 45981

Fund/SOF 6794 (ESSER II Supplemental)

Revenue Code 45994

Section 1		Direct Student Support/Continuous Learning Opportunities
Program Code	Program Description	Budget Category
170	Addressing Learning Loss	Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the LEA, including by: (A) Administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction. (B) Implementing evidence-based activities to meet the comprehensive needs of students. (C) Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment. (D) Tracking student attendance and improving student engagement in distance education.
180	Activities Allowed in ESSA, IDEA, Adult Ed, Perkins, McKinney Vento	Any activity authorized by the ESEA of 1965 reauthorized by the Every Students Succeeds Act, including the Native Hawaiian Education Act, the Alaska Native Educational Equity, Support, and Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006, or subtitle B of Title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).
181	School Leadership Resources	Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
182	Services for Special Populations	Activities to address the unique needs of low-income children or students, children with disabilities (including compensatory services), English learners, racial and ethnic minorities, students experiencing homelessness, and children in foster care, including how outreach and service delivery will meet the needs of each population.
183	Mental Health Support	Providing mental health services and supports.
184	Extended Learning Opportunities: Summer Learning and/or Supplemental After School Activities, etc.	Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care to address student learning needs exacerbated by school closures.

**APPENDIX 9**  
**CARES (ESSER II) Funding Program Codes**  
**Continued**

<b>Section 2</b>		<b>Technology</b>
Program Code	Program Description	Budget Category
185	Educational Technology	Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
<b>Section 3</b>		<b>Systemic Procedures</b>
Program Code	Program Description	Budget Category
186	Coordinating Activities For Digital Programming Support Short and Long-Term School Closures (I.E. Distance Learning, Specialized Student Services)	Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the Individuals with Disabilities Education Act, and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
187	Planning Improved LEA Response to Emergencies.	Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
188	Training for Staff on Prevention of Disease Spread	Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.
189	Supplies for Sanitation of Buildings	Purchasing equipment and supplies to sanitize and clean the facilities of a LEA, including buildings operated by the LEA.
190	Coordination with Other Public Agencies for Coronavirus Response	Coordination of preparedness and response efforts of LEAs with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
191	Continuity of Operations and Employment	Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.



**APPENDIX 9**  
**CARES (ESSER II) Funding Program Codes**  
**Continued**

<b>Section 4</b>		<b>Food Security</b>
Program Code	Program Description	Budget Category
192	Food Service	Planning for and coordinating during long-term closures, including for how to provide meals to eligible students.
<b>Section 6</b>		<b>Facilities</b>
Program Code	Program Description	Budget Category
196	Facility Repairs and Improvements	School Facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
197	Improve Air Quality	Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
<b>Section 7</b>		<b>Maintenance of Equity</b>
Program Code	Program Description	Budget Category
160	Additional Pay	Positions or additional pay related to prevent, prepare and respond to Covid-19.

# APPENDIX 10 CARES (ESSER III) Funding Program Codes

Fund/SOF 6795 (ESSER III)

Revenue Code 45995

Section 1		Direct Student Support/Continuous Learning Opportunities
Program Code	Program Description	Budget Category
170	Addressing Learning Loss	Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the LEA, including by: (A) Administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction. (B) Implementing evidence-based activities to meet the comprehensive needs of students. (C) Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment. (D) Tracking student attendance and improving student engagement in distance education.
180	Activities Allowed in ESSA, IDEA, Adult Ed, Perkins, McKinney Vento	Any activity authorized by the ESEA of 1965 reauthorized by the Every Students Succeeds Act, including the Native Hawaiian Education Act, the Alaska Native Educational Equity, Support, and Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006, or subtitle B of Title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).
181	School Leadership Resources	Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
182	Services for Special Populations	Activities to address the unique needs of low-income children or students, children with disabilities (including compensatory services), English learners, racial and ethnic minorities, students experiencing homelessness, and children in foster care, including how outreach and service delivery will meet the needs of each population.
183	Mental Health Support	Providing mental health services and supports.
184	Extended Learning Opportunities: Summer Learning and/or Supplemental After School Activities, etc.	Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care to address student learning needs exacerbated by school closures.

**APPENDIX 10**  
**CARES (ESSER III) Funding Program Codes**  
**Continued**

<b>Section 2</b>		<b>Technology</b>
Program Code	Program Description	Budget Category
185	Educational Technology	Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
<b>Section 3</b>		<b>Systemic Procedures</b>
Program Code	Program Description	Budget Category
186	Coordinating Activities For Digital Programming Support Short and Long-Term School Closures (I.E. Distance Learning, Specialized Student Services)	Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the Individuals with Disabilities Education Act, and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
187	Planning Improved LEA Response to Emergencies.	Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
188	Training for Staff on Prevention of Disease Spread	Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.
189	Supplies for Sanitation of Buildings	Purchasing equipment and supplies to sanitize and clean the facilities of a LEA, including buildings operated by the LEA.
190	Coordination with Other Public Agencies for Coronavirus Response	Coordination of preparedness and response efforts of LEAs with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
191	Continuity of Operations and Employment	Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.

**APPENDIX 10**  
**CARES (ESSER III) Funding Program Codes**  
**Continued**

<b>Section 4</b>		<b>Food Security</b>
Program Code	Program Description	Budget Category
192	Food Service	Planning for and coordinating during long-term closures, including for how to provide meals to eligible students.
<b>Section 6</b>		<b>Facilities</b>
Program Code	Program Description	Budget Category
196	Facility Repairs and Improvements	School Facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
197	Improve Air Quality	Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
198	Transportation	Due to the expansion or changes in bus routes, purchase or upgrade of existing buses to support social distancing while transporting students or other related transportation expenses due to Covid-19.
<b>Section 7</b>		<b>Maintenance of Equity</b>
Program Code	Program Description	Budget Category
160	Additional Pay	Positions or additional pay related to prevent, prepare and respond to Covid-19.

## APPENDIX 11 Transfer Journal Entry From Fund 2001 To Matrix Fund 2000

JE FOR REQUIRED FOUNDATION FUNDING AMT TRANSFER FROM 2001 TO 2000.

DR	2001520000000000	69321
CR	2001	01010 (CASH)
DR	2000	01010 (CASH)
CR	2000	52201

JE IF ADDITIONAL TRANSFER TO MATRIX FUND 2000 IS NEEDED TO BRING ENDING BALANCE TO 0.00.

DR	2001520000000000	69322
CR	2001	01010 (CASH)
DR	2000	01010 (CASH)
CR	2000	52202

# **APPENDIX 12 Categorical Fund Arkansas Code (Includes 2281 and 2282)**

## **2015 Arkansas Code**

### **Title 6 - Education**

#### **Subtitle 2 - Elementary And Secondary Education Generally**

#### **Chapter 20 - Finances**

#### **Subchapter 23 - Public School Funding Act of 2003**

#### **§ 6-20-2305 - School funding.**

**Universal Citation:** [AR Code § 6-20-2305 \(2015\)](#)

**(a) (1) (A)** For each school year, each school district shall receive state foundation funding aid computed as the foundation funding amount under subdivision (a)(2) of this section less the sum of:

**(i)** Ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district; and

**(ii)** An amount of miscellaneous funds of the school district calculated under § 6-20-2308.

**(B)** The Department of Education shall distribute state foundation funding aid to each school district in eleven (11) equal monthly payments.

**(2) (A)** For the 2015-2016 school year, the foundation funding amount is equal to six thousand five hundred eighty-four dollars (\$6,584) multiplied by the school district's average daily membership for the previous school year.

**(B)** For the 2016-2017 school year and each school year thereafter, the foundation funding amount is equal to six thousand six hundred forty-six dollars (\$6,646) multiplied by the school district's average daily membership for the previous school year.

**(3) (A)** A school district that has experienced a decline in average daily membership over the two (2) immediately preceding school years shall receive:

**(i)** Declining enrollment funding equal to the difference between the average of the two (2) immediately preceding years' average daily memberships and the average daily membership for the previous school year multiplied by the amount of foundation funding set forth in subdivision (a)(2) of this section; or

**(ii)** Special needs isolated funding under § 6-20-604.

**(B)** Any funding appropriated and available for declining enrollment funding under subdivision (a)(3)(A)(i) of this section or special needs isolated funding under § 6-20-604 that is not distributed under subdivision (a)(3)(A) of this section shall be prorated and distributed equally per average lost student to school districts that meet the qualifications for both declining enrollment funding under subsection (a)(3)(A)(i) of this section and special needs isolated funding under § 6-20-604.

**(C)** No school district shall receive both declining enrollment funding under subdivision (a)(3)(A)(i) of this section and student growth funding under subsection (c) of this section.

**(4) (A) (i)** Except as provided in subdivisions (a)(4)(C) and (D) of this section, by the end of each school fiscal year, for a school district whose net revenues are less than the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district, the Department of Education shall distribute to the school district the difference between:

**(a)** The net revenues distributed to the school district as reported under § 26-80-101(b)(4)(A)(ii) for the calendar year immediately preceding the current school year; and

**(b)** The sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district.

**(ii)** The Department of Education may distribute to the school district a lesser amount than required under subdivisions (a)(4)(A)(i)(a) and (b) of this section if after the lesser amount is distributed the school district will receive the foundation funding amount under § 6-20-2305(a).

**(B)** For a school district whose net revenues are more than the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district, the Department of Education, under the authority of § 6-20-2306, shall recoup from the school district an amount equal to the difference between:

**(i)** The net revenues of the school district; and

**(ii)** The sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district.

**(C)** The Department of Education shall not distribute to a school district the funds under subdivision (a)(4)(A)(i) of this section if, regardless of the school district's tax collection rate, the school district's net revenues plus miscellaneous funds calculated under § 6-20-2308 meet or exceed the foundation funding amount set forth in § 6-20-2305(a).

**(D) (i)** A county treasurer shall submit annually to the Department of Education an annual summary report of all proceeds generated from ad valorem taxes and distributed by the county to a school district for the period beginning January 1 and ending on December 31 of the preceding calendar year to verify the receipt of revenues under § 26-80-101(b)(4)(A)(ii).

**(ii) (a)** The Department of Education may adjust data appropriately if it determines that irregular distributions by a county treasurer of excess commissions cause a school district's property tax collection rate from the uniform rate of tax to exceed ninety-eight percent (98%).

**(b)** The Department of Education may adjust the uniform rate of tax from an irregular distribution to an amount not in excess of ninety-eight percent (98%) and apply the excess distribution amount the following school year.

**(iii)** Evidence of overlapping revenue reporting or irregular distributions shall be provided in the form required by the Department of Education.

**(b) (1)** In addition to state foundation funding aid, each school district shall receive funding for additional education categories as provided in subdivisions (b)(2)-(5) of this section.

**(2) (A) (i)** For the 2015-2016 school year, alternative learning environment funding shall be four thousand four hundred seventy-one dollars (\$4,471) multiplied by the number of identified alternative learning environment students enrolled during the previous school year.

**(ii)** For the 2016-2017 school year and each school year thereafter, alternative learning environment funding shall be four thousand five hundred sixty dollars (\$4,560) multiplied by the number of identified alternative learning environment students enrolled during the previous school year.

**(iii)** Funding for students in alternative learning environments shall be distributed based on rules promulgated by the State Board of Education.

**(B) (i)** Beginning with the 2007-2008 school year, secondary vocational area center funding shall be three thousand two hundred fifty dollars (\$3,250) multiplied by the number of students enrolled in a secondary vocational area center during the previous school year.

**(ii)** Funding for students in secondary vocational area centers shall be distributed based on rules promulgated by the State Board of Career Education.

**(3) (A)** For the 2015-2016 school year, funding for students who are identified as English-language learners shall be three hundred twenty-four dollars (\$324) for each identified English-language learner.

**(B)** For the 2016-2017 school year and each school year thereafter, funding for students who are identified as English-language learners shall be three hundred thirty-one dollars (\$331) for each identified English-language learner.

**(C)** Funding for English-language learners shall be distributed to school districts for students who have been identified as not proficient in the English language based upon a state-approved English proficiency assessment instrument.

**(D)** Funds allocated for English-language learners to school districts under this subchapter shall be expended only for eligible activities as identified in current rules promulgated by the State Board of Education and are a supplement to funding for national school lunch students provided in subdivision (b)(4) of this section.

**(4) (A)** National school lunch state categorical funding for each identified national school lunch student shall be as follows:

**(i)** For a school district in which ninety percent (90%) or greater of the previous school year's enrolled students are national school lunch students, the amount of per-student national school lunch state categorical funding is:

**(a)** For the 2015-2016 school year, one thousand five hundred sixty-two dollars (\$1,562); and

**(b)** For the 2016-2017 school year, one thousand five hundred seventy-six dollars (\$1,576);

**(ii)** For school districts in which at least seventy percent (70%) but less than ninety percent (90%) of the previous school year's enrolled students are national school lunch students, the amount of per-student national school lunch state categorical funding is:

**(a)** For the 2015-2016 school year, one thousand forty-two dollars (\$1,042); and

**(b)** For the 2016-2017 school year, one thousand fifty-one dollars (\$1,051); and

**(iii)** For school districts in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, the amount of per-student national school lunch state categorical funding is:

**(a)** For the 2015-2016 school year, five hundred twenty-two dollars (\$522); and

**(b)** For the 2016-2017 school year, five hundred twenty-six dollars (\$526).

**(B) (i) (a)** Except as provided under subdivision (b)(4)(B)(i)(c) of this section, national school lunch state categorical funding under this subdivision (b)(4) shall be based on the number of national school lunch students for the immediately preceding school year determined under § 6-20-2303(13)(A).

**(b)** If the school district is participating under 42 U.S.C. § 1759a, funding under this subdivision (b)(4) is based on the percentage determined in § 6-20-2303(13)(B) multiplied by the number of enrolled students for the immediately preceding school year.

**(c)** The per-student national school lunch state categorical funding for an open-enrollment public charter school shall be based upon the current school year enrollment:

**(1)** In the initial year of operation for an open-enrollment public charter school; or

**(2)** In a year in which an open-enrollment public charter school adds a grade.

**(ii) (a)** If a school district will receive in the current school year national school lunch state categorical



funding under subdivision (b)(4)(A) of this section that is based on a different per-student amount of national school lunch state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in national school lunch students, the department shall adjust the funding to the school district in a transitional three-year period.

**(b)** The amount of national school lunch state categorical funding under this subdivision (b)(4)(B)(ii) shall be increased or decreased in each year of a three-year transition period by one-third ( $\frac{1}{3}$ ) of the difference between the amount of national school lunch state categorical funding per student for the current year and the amount of national school lunch state categorical funding per student for the immediately preceding year, adjusted for changes to the funding rates in § 6-20-2305(b)(4)(A).

**(iii) (a)** The Department of Education shall establish rules to implement the transitional national school lunch state categorical funding provided in subdivision (b)(4)(B)(ii) of this section.

**(b)** The rules shall include the methods of transition for a school district that:

**(1)** Experiences a decrease in the amount of national school lunch state categorical funding per student under subdivision (b)(4)(A) of this section;

**(2)** Experiences an increase in the amount of national school lunch state categorical funding per student under subdivision (b)(4)(A) of this section; or

**(3)** Within a three-year transition period, experiences both a decrease and an increase in the amount of national school lunch state categorical funding per student under subdivision (b)(4)(A) of this section.

**(iv)** Under no circumstances shall a school district be entitled to receive more or less funding as a result of the transitional process than the school district is otherwise entitled to receive under this subdivision (b)(4) based on the school district's national school lunch student population as a percentage of the school district's entire student population.

**(v) (a)** A school district that has experienced a significant growth in enrolled students in the previous three (3) years shall receive funding for the expected increase in the number of national school lunch students based on the expected increase in enrolled students based on the levels of funding provided in this section for national school lunch students.

**(b)** The State Board of Education shall establish rules to be used by the Department of Education to determine:

**(1)** The amount of growth necessary to qualify as significant growth;

**(2)** The expected increase in the number of national school lunch students based on the expected increase in enrolled students; and

**(3)** Which school districts have experienced a significant growth in enrolled students as necessary to qualify for funding under this subdivision (b)(4)(B)(v).

**(c)** The Department of Education shall not be required to adjust or fund a school district's national school lunch students based on the current year's number of national school lunch students enrolled in the school district or the average growth of students in the school district.

**(C) (i) (a)** The State Board of Education shall establish by rule a list of approved programs and purposes for which funds allocated under this subdivision (b)(4) may be expended.

**(b)** School districts shall expend funds allocated under this subdivision (b)(4) only on the programs or purposes on the State Board of Education's list of approved programs and purposes for which funds allocated under this subdivision (b)(4) may be expended, which shall include, but are not limited to:

**(1)** Classroom teachers, provided that the school district meets the minimum salary schedule in § 6-17-2403 without using funds provided under this subdivision (b)(4) and that those teachers are used for the

purposes delineated in this subdivision (b)(4);

**(2)** Before-school academic programs and after-school academic programs, including transportation to and from the programs;

**(3)** Prekindergarten programs coordinated by the Department of Human Services;

**(4)** Tutors, teachers' aides, counselors, social workers, nurses, and curriculum specialists;

**(5)** Parent education;

**(6)** Summer programs;

**(7)** Early intervention programs;

**(8)** Materials, supplies, and equipment, including technology used in approved programs or for approved purposes;

**(9)** Federal child nutrition programs, to the extent necessary to provide school meals without charge to all students under the United States Department of Agriculture Special Assistance Alternative "Provision 2" program under 42 U.S.C. § 1759a, as it existed on July 1, 2011;

**(10)** Federal child nutrition programs, to the extent necessary to provide school meals without charge to students otherwise eligible for reduced-price meals under the United States Department of Agriculture's National School Lunch Program or School Breakfast Program;

**(11)** Expenses directly related to funding a longer school day;

**(12)** Expenses directly related to funding a longer school year;

**(13)** Partnering with state-supported institutions of higher education and technical institutes to provide concurrent courses or technical education options for academic learning to students while those students are still in high school so that the students are college and career ready upon graduation from high school;

**(14)** Teach For America professional development;

**(15)** Implementing components of the Arkansas Advanced Initiative for Math and Science;

**(16)** The College and Career Coaches Program, as administered by the Department of Career Education under § 6-1-601 et seq.; and

**(17)** Implementing a school-wide evidence-based program intended to close achievement gaps with an arts-infused curriculum.

**(ii)** School districts that have met the needs of students for whom the funding is provided for additional educational categories under this subsection and that have excess national school lunch student categorical funds provided under this subdivision (b)(4) may use the excess national school lunch student categorical funds to supplement all classroom teacher salaries under the following conditions:

**(a)** The school district shall not use any portion of the national school lunch student categorical funds that are carry forward or reserve funds to supplement classroom teacher salaries;

**(b)** The school district shall meet the minimum teacher salary schedule under § 6-17-2403 without using national school lunch student categorical funds;

**(c)** The school district shall comply with the Standards for Accreditation of Arkansas Public Schools and School Districts established under The Quality Education Act of 2003, § 6-15-201 et seq., and the Arkansas Fiscal Assessment and Accountability Program under § 6-20-1901 et seq. without using

national school lunch student categorical funds; and

**(d)** The school district shall agree that it shall not allocate or use any excess national school lunch student categorical funds in any manner except as a bonus to the salary of classroom teachers.

**(iii)** The school district shall include with its comprehensive school improvement plan a written detailed statement concerning how the school district will use its excess national school lunch categorical funds each school year and explaining in detail the amount of funds and percent of total funds to be used to supplement all classroom teacher salaries as allowed in subdivision (b)(4)(C)(ii) of this section.

**(iv) (a)** Upon review of the school district's comprehensive school improvement plan, if the Commissioner of Education determines that the school district has met the needs of students in the school district for whom the funding for additional educational categories this subsection is provided, has met the requirements of subdivisions (b)(4)(C)(ii) and (iii) of this section, and has prudently managed its resources, the commissioner shall give written approval of the detailed planned flexible use of excess national school lunch student categorical funds provided to the school district.

**(b)** The school district shall not use its excess national school lunch categorical funds for classroom teacher salaries as provided in subdivision (b)(4)(C)(ii) of this section unless:

**(1)** The commissioner provides the written approval required under subdivision (b)(4)(C)(iv) (a) of this section; and

**(2)** Funds allocated under this subdivision (b)(4) are available.

**(v)** The excess national school lunch student categorical funds used to supplement the salary of a classroom teacher shall only be used as a nonrecurring bonus to a classroom teacher's salary for any given school year and shall not be considered a permanent obligation under the school district's teacher salary schedule or as contract obligations of any classroom teacher or employee of the school district.

**(vi)** Notwithstanding any other provision of law, if the Department of Education determines that a school district's expenditure of funds allocated under this subdivision (b)(4) would result in the school district's losing funding under any federal law, then the funds allocated to a school district under this subdivision (b)(4) may be expended for other academic programs or salaries.

**(vii)** The Department of Education may direct that a school district expend available funds on specified programs under subdivision (b)(4)(C)(i) of this section.

**(viii) (a)** By September 15 of each school year, a school district shall submit to the Department of Education a report for the immediately preceding school year listing each program upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the Department of Education on the use of funds allocated under this subdivision (b)(4).

**(b)** The Department of Education shall develop appropriate reporting forms for use by school districts to comply with subdivision (b)(4)(C)(viii) of this section.

**(ix)** Beginning with the 2007-2008 school year and each school year thereafter, any school district that used or applied restricted national school lunch student categorical funds as a supplement for salaries of classroom teachers in a school district during the 2006-2007 school year under § 6-20-2305(b)(4)(C)(i)(b) [repealed] shall either:

**(a)** Remove the use of all national school lunch student categorical funds immediately as a supplement to classroom teacher salaries; or

**(b)** Begin the process of removing the use or application of national school lunch student categorical funds as part of an obligated salary schedule in the following manner:

- (1)** A school district shall reduce each current school year by twenty percent (20%) the amount of national school lunch student categorical funds received and used in the prior school year by the school district as a supplement to classroom teacher salaries and shall continue this reduction in the application of national school lunch student categorical funds as a supplement to classroom teacher salaries until the school district has no more than twenty percent (20%) of the total of any current year of all national school lunch student categorical funds received by a school district applied and used as a supplement to classroom teacher salaries for a current school year;
- (2)** No school district shall be allowed to use or consider reserve or carry forward national school lunch student categorical funds as a supplement to classroom teacher salaries;
- (3)** The school district shall meet the minimum teacher salary schedule under § 6-17-2403 without using national school lunch student categorical funds;
- (4)** The school district shall comply with the Standards for Accreditation of Arkansas Public Schools and School Districts established under The Quality Education Act of 2003, § 6-15-201 et seq., without using national school lunch categorical funds;
- (5)** The school district shall include with its comprehensive school improvement plan a written detailed narrative or plan concerning how the school district will use its excess national school lunch categorical funds each school year and explaining in detail the amount of funds and percent of total funds to be used to supplement all classroom teacher salaries as allowed in this subdivision (b)(4)(C)(ix);
- (6)** Upon review of the school district's comprehensive school improvement plan, if the commissioner determines that the school district has met or is meeting the needs of students in the school district for which the funding for additional educational categories under this subdivision (b)(4)(C)(ix) and has prudently managed its resources, the commissioner shall give written approval of the detailed planned flexible use of excess national school lunch student categorical funds provided to the school district; and
- (7)** Upon review of the school district's comprehensive school improvement plan and other indicators, if the commissioner determines that a school district has not met the needs of students that may be served with national school lunch student categorical funds, the commissioner may require that any and all national school lunch categorical funds dedicated for use or application in the teacher salary fund shall be removed from and not used to meet the classroom teacher salary obligation and redirected and applied to meet the needs of students in a school district.
- (x)** Each school district shall submit to the Department of Education a report listing each program and purpose upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the Department of Education concerning the receipt and use of funds allocated under this subdivision (b)(4).
- (xi)** No provision of subdivision (b)(4)(C)(ix) of this section shall be deemed to prohibit a school district from participating in the provisions of subdivisions (b)(4)(C)(ii)-(viii) of this section.
- (xii)** The Department of Education shall promulgate rules and develop appropriate reporting forms for use by school districts to comply with this subdivision (b)(4)(C).
- (D) (i)** By the end of each school year, each school district shall submit to the Department of Education a report listing each program upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the Department of Education.
- (ii)** The Department of Education shall develop appropriate reporting forms for use by school districts.
- (E) (i)** The Department of Education shall provide a report on the impact of national school lunch student categorical funding provided under this subdivision (b)(4) on closing the achievement gap to the House Committee on Education and the Senate Committee on Education by May 31 each even-numbered year, beginning in 2010.

**(ii)** The report shall include information broken down by category as described in subdivision (b)(4)(A) of this section on:

**(a)** How school districts are spending national school lunch student categorical funds, including specific programs utilized by school districts;

**(b)** The amount of national school lunch student categorical funds transferred to another categorical fund, including an explanation of why the national school lunch student categorical funds were transferred; and

**(c)** The analysis of student achievement data evaluated in student achievement growth models as defined under § 6-15-435 shall be expanded to include the evaluation of the best estimates of classroom, school, and school district effects on narrowing the achievement gap, in addition to the examination of student progress based on established value-added longitudinal calculations.

**(iii)** The report shall be included in the General Assembly's biennial adequacy study to evaluate the adequacy of education in the state.

**(F) (i)** By June 30, 2012, and by June 30 of each year thereafter, a school district shall spend a minimum of eighty-five percent (85%) of the school district's annual national school lunch state categorical funding allocation as provided under subdivision (b)(4)(C) of this section.

**(ii)** A school district that on June 30, 2012, has a national school lunch state categorical funding balance in excess of fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation shall reduce its total national school lunch state categorical funding balance by at least ten percent (10%) each year so that by June 30, 2022, and by June 30 of each year thereafter, the school district has a balance of no more than fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation.

**(iii) (a)** Under an unusual and limited circumstance, including without limitation an increase in one-time funds or an unexpected decrease in school district revenues during a given year, a school district may request that the Department of Education waive the requirements of this subdivision (b)(4)(F).

**(b)** A school district seeking a waiver shall file a waiver request with the commissioner, accompanied by a resolution adopted by the school district's board of directors, describing the unusual and limited circumstances.

**(iv)** The commissioner may grant a waiver request under this subdivision (b)(4)(F) for up to one (1) year if the commissioner finds that the request is necessary based upon the unusual and limited circumstances.

**(v) (a)** The Department of Education shall monitor on a yearly basis each school district's compliance with the requirements of this subdivision (b)(4)(F).

**(b)** If a school district fails to comply with the requirements of this subdivision (b)(4)(F) during a school year, the Department of Education may in the following school year withhold from that school district's national school lunch state categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this subdivision (b)(4)(F).

**(c)** The Department of Education may redistribute amounts withheld under this subdivision (b)(4)(F) to other school districts entitled to receive national school lunch state categorical funding allocations.

**(5) (A)** For the 2015-2016 and 2016-2017 school years, professional development funding shall be equal to an amount of up to thirty-two dollars and forty cents (\$32.40) multiplied by the school district's previous school year average daily membership.

**(B)** Funding for professional development for teachers in Arkansas public schools required under the

Teacher Excellence and Support System, § 6-17-2801 et seq., other law or rule, or by the school district shall be used for professional development activities and materials that:

- (i)** Improve the knowledge, skills, and effectiveness of teachers;
- (ii)** Address the knowledge and skills of administrators and paraprofessionals concerning effective instructional strategies, methods, and skills;
- (iii)** Lead to improved student academic achievement; and
- (iv)** Provide training for school bus drivers as outlined in rules promulgated by the Commission for Arkansas Public School Academic Facilities and Transportation.

**(c)** Isolated funding under § 6-20-601, student growth funding, and special education-catastrophic occurrences funding shall be funded as follows:

**(1)** Isolated funding and special education-catastrophic occurrences funding shall be allocated and funded to school districts in a line item appropriation within the Public School Fund pursuant to law or rules promulgated by the State Board of Education; and

**(2) (A)** Student growth funding is calculated as the sum of the following amounts:

**(i)** One quarter (1/4) of the per student foundation funding for the school district under subdivision (a)(2) of this section multiplied by the increase, if any, of each of the following:

- (a)** The school district's quarterly average daily membership for the first quarter of the current school year over average daily membership of the previous school year;
- (b)** The school district's quarterly average daily membership for the second quarter of the current year over the average daily membership of the previous school year;
- (c)** The school district's quarterly average daily membership for the third quarter of the current school year over the average daily membership of the previous school year; and
- (d)** The school district's quarterly average daily membership for the fourth quarter of the current school year over the average daily membership of the previous school year; and

**(ii)** Excluding any increase resulting solely from consolidation or annexation with another school district.

**(B)** The Department of Education shall:

**(i)** By January 31 of each year:

**(a)** Calculate an amount of student growth funding under subdivision (c)(2)(A) of this section using the quarterly average daily membership for the first quarter and an estimation of the average daily membership for the second, third, and fourth quarters; and

**(b)** Distribute to the school district not less than sixty percent (60%) of the amount calculated under subdivision (c)(2)(B)(i)(a) of this section;

**(ii)** By April 30 of each year, distribute to the school district forty percent (40%) of the amount calculated under subdivision (c)(2)(B)(i)(a) of this section; and

**(iii) (a)** By July 31 of each year, calculate the amount of student growth funding under subdivision (c)(2)(A) of this section using the actual quarterly average daily membership for all four (4) quarters of the applicable school year.

**(C)** By August 31 of the fiscal year in which the student growth funding is received, if the amount under subdivision (c)(2)(B)(iii)(a) of this section is:

**(1)** More than the amount under subdivision (c)(2)(B)(i)(a) of this section, the Department of Education shall distribute the difference to the school district; or

**(2)** Less than the amount under subdivision (c)(2)(B)(i)(a), the school district shall refund the difference to the Department of Education.

**(d)** The sum of subsections (a)-(c) of this section shall be the total state aid allocated and funded to school districts pursuant to this section.

**(e) (1)** Funds distributed to school districts under subsection (b) of this section shall be expended on:

**(A)** The students within each category of special needs for which the funds were allocated;

**(B)** Any students within any category of special needs under subsection (b) of this section as permitted by rules issued by the State Board of Education; or

**(C)** If the Department of Education determines that a school district's expenditure of funds allocated under subsection (b) of this section would result in the school district's losing funding under any federal law, then the funds allocated to a school district under subsection (b) of this section may be expended for other academic programs or salaries as permitted by the Department of Education.

**(2)** On June 30, 2012, and on June 30 of each school year thereafter, if the total aggregate balance of all state categorical fund sources exceeds twenty percent (20%) of the school district's total aggregate annual state categorical fund allocations for the current school year, the school district shall reduce the total balance by ten percent (10%) each year until the school district's June 30 balance of aggregate annual categorical fund sources is twenty percent (20%) or less of the total aggregate annual state categorical fund allocations for the current school year.

**(3)** A school district may transfer funds received from any categorical fund source to another categorical fund source.

**(4) (A)** The Department of Education shall monitor on a yearly basis each school district's compliance with the requirements of this subsection.

**(B)** If a school district fails to comply with the requirements of this subsection during a school year, the Department of Education may in the following school year withhold from that school district's categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this subsection.

**(C)** The Department of Education may redistribute amounts withheld under this subsection to other school districts entitled to receive categorical funding allocations.

**(f)** In order for a school district to be entitled to state funds under the provisions of this subchapter, the school district shall satisfy the following requirements:

**(1)** Expenditures for any fiscal year shall not exceed the legal revenues for that fiscal year;

**(2)** The school district shall maintain records and make reports relative to attendance, receipts, and disbursements and other reports as required by the Department of Education for the administration of this subchapter;

**(3)** The school district shall maintain proper financial records in accordance with the state's school accounting manual and regulations promulgated by the State Board of Education;

**(4) (A)** Each school year the school district shall file with the State Board of Education a salary schedule for its licensed employees that recognizes a minimum level of training and experience.

**(B)** The schedule shall reflect the actual pay practices of the school district, including all fringe benefits.

**(C)** Salary increments for experience or education, or both, shall be identified on the schedule; and

**(5) (A)** All pupil attendance records shall be kept in their original form and shall be public records.

**(B)** The records shall be kept according to law and regulations on paper or electronic forms either furnished or approved by the Department of Education.

**(C)** After the school term has ended, the superintendent of the school district shall:

**(i)** Keep the original attendance records on file for a period of three (3) school years; and

**(ii)** Make the original attendance records available for monitoring purposes during any day of the school term for the teachers or other persons designated to keep attendance.

**(g) (1)** By the end of each school year, each school district shall submit to the Department of Education a report listing each program upon which funds allocated under subsection (b) of this section were expended, the amount expended, and any other information required by the Department of Education.

**(2)** The Department of Education shall develop appropriate reporting forms for use by school districts.



# **APPENDIX 13 Categorical Fund ADE Rules (Includes 2281 and 2282)**

## **ARKANSAS DIVISION OF ELEMENTARY AND SECONDARY EDUCATION RULES GOVERNING STUDENT SPECIAL NEEDS FUNDING**

**Effective July 2, 2020**

### **1.00 AUTHORITY**

1.01 The Arkansas State Board of Education's authority for promulgating these Rules is pursuant to Ark. Code Ann. §§ 6-11-105, 6-15-2202, 6-20-401 et seq., 6-20-2301 et seq., and 6-48-101 et seq., and Acts 936 and 1044 of 2017, Act 243 of 2018, and Acts 532 and 1083 of 2019.

1.02 These Rules shall be known as the Arkansas Division of Elementary and Secondary Education ("Division") Rules Governing Student Special Needs Funding.

### **2.00 PURPOSE**

2.01 The purpose of these Rules is to distribute student special needs funding and define the allowable expenditures of those funds.

### **3.00 DEFINITIONS**

3.01 "Alternative Learning Environment (ALE)" is a student intervention program consisting of an alternate class or program within a public school or school district that:

3.01.1 Affords all students an environment that seeks to eliminate traditional barriers to learning for students whose academic and social progress are negatively affected by the student's personal characteristics or situation; and

3.01.2 Is not a punitive environment but is one that is conducive to learning.

3.01.3 For determination of funding only, an ALE is not a separate school even if the Division assigns the ALE a separate local education agency number.

3.02 "Average Daily Membership (ADM)" is the total number of days of school attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth.

3.02.1 In those instances in which the ADM for fewer than three (3) quarters is specified, the number of days used in the calculation shall be the days in the specified period of time.

3.02.2 As applied to these Rules, students who may be counted for ADM are:

3.02.2.1 Students who reside within the boundaries of the school district, are enrolled in a public school operated by the school district, and are enrolled in a curriculum that fulfills the requirements established by the State Board of Education (State Board) under the Standards for Accreditation of Arkansas Public Schools and School Districts;

3.02.2.2 Legally transferred students living outside the school district, but who are attending a public school in the school district under a provision of the Arkansas Code and are enrolled in a curriculum that fulfills the requirements established by the State Board under the Standards for Accreditation of Arkansas Public Schools and School Districts.

3.02.2.3 Open-enrollment public charter school students who are enrolled in a curriculum that fulfills the requirements established by the State Board under the Standards for Accreditation of Arkansas Public Schools and School Districts;

3.02.2.4 Students who are eligible to attend and who reside within the boundaries of a school district and are enrolled in the Arkansas National Guard Youth Challenge Program, so long as the students are participants in the program;

3.02.2.5 Students who reside within the boundaries of the school district but due to geographic barriers attend school out-of-state under a tuition agreement, even if they are not enrolled in a curriculum that fulfills the requirements established by the State Board under the Standards for Accreditation of Arkansas Public Schools and School Districts; or

3.02.2.6 Any other circumstance allowed by law.

3.03 "Classroom Teacher" is an individual who is required to hold a teaching license from the Division and who is working directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time; a guidance counselor; or a librarian.

3.04 “Community Eligibility Provision (CEP) District” is a school district that is identified by the Division as participating in the special assistance certification and reimbursement alternative implemented under 42 U.S.C. § 1759(a).

3.05 “Community Eligibility Provision (CEP) District Base Year (Base Year)” is the last school year for which individual student free or reduced-price meal eligibility determinations were made.

3.06 “Coordinated School Health Coordinator” is an individual that coordinates the implementation of the Whole School, Whole Community, Whole Child (WSCC) model components, facilitates the Wellness Plan, and has a minimum of a bachelor’s degree (master’s degree preferred) in education, nursing, health services administration, social services, psychology/mental health services, or nutrition. The coordinator will be in addition to other school health staff or positions.

3.07 “Coordinated School Health (CSH)” is an effective system designed to connect health (physical, mental/emotional, and social) with education. This coordinated approach improves students’ health and their capacity to learn through the support of families, communities, and schools working together. The CSH approach consists of ten major components. Although these components are listed separately, it is their composite that allows CSH to have significant impact. The ten components include: health education, physical education and physical activity, health services, nutrition environment and services, social and emotional school climate, counseling, psychological, and social services, physical environment, employee wellness, family engagement, and community involvement.

3.08 “English Language Learners (ELL)” are students identified as not proficient in the English language based upon approved English proficiency assessment instruments, which measure proficiency in and comprehension of English in reading, writing, speaking, and listening.

3.09 “Eligible Alternative Learning Environment (ALE)” is an Alternative Learning Environment (ALE) approved by the Division pursuant to Section 4.05 below as being in compliance with Ark. Code Ann. § 6-48-101 et seq. and these Rules.

3.10 “Eligible ALE Student” is a student who:

3.10.1 Meets the qualifications of Section 4.02;

3.10.2 Is enrolled in an eligible ALE program; and

3.10.3 Has been enrolled in an eligible ALE for a minimum of twenty (20) consecutive days per school year except as provided in Section 4.06.3.3.

3.11 “Experience-based Field Trip” is a student field trip which culminates an academic content unit directly tied to the Arkansas Academic Standards that includes evidence-based activities.

3.12 “General Description” includes needs assessment/process results, descriptions of positions, programs, other expenditures, and program evaluation.

3.13 “Human Service Worker” is someone who shall collaborate and provide information, resources, services, and referrals, to the district, local education agency, parents, and students in a variety of activities, trainings, and assessments concerning the physical, mental/emotional, and social health of the child.

3.14 “Intervention Services” are activities within or outside a school that will eliminate traditional barriers to learning.

3.15 “Licensed Mental Health Professional (LMHP)” is someone who holds a master’s degree from a graduate program in the field of professional mental health services. They may render mental health care services to individuals, families, or groups. LMHPs use therapeutic techniques to define goals and develop treatment plans aimed toward prevention, treatment, and resolution of mental and emotional dysfunction. Mental Health Professionals are licensed by the specific state boards corresponding with their licensure (i.e., Board of Examiners [LPC, LAC], Board of Psychology [PhD, LPE], Social Work Licensing Board [LCSW, LMSW, LSW], which also monitors professional conduct).

3.16 “NSLA” is the National School Lunch Act.

3.17 “National School Lunch Students” are those students from low socioeconomic backgrounds as indicated by eligibility for free or reduced-price meals under the United States Department of Agriculture’s National School Lunch Program as determined on October 1 of each previous school year and submitted to the Division, unless the district is a Provision 2 district or a Community Eligibility Provision (CEP) district.

3.18 “Open Enrollment Public Charter School” is a public school operating under the terms of a charter granted by the State Board of Education pursuant to Ark. Code Ann. § 6-23-101 et seq.

3.19 “Previous Year” is the school year immediately preceding the current school year.

3.20 “Professional Development” is a coordinated set of planned learning activities that:

3.20.1 Improve the knowledge, skills, and effectiveness of teachers;

3.20.2 Address the knowledge and skills of administrators and paraprofessionals concerning effective instructional strategies, methods, and skills;

3.20.3 Lead to improved student academic achievement; and

3.20.4 Are evidence-based, standards-based, and continuous.

3.20.5 Training activities for school bus drivers may also be included.

3.21 "Provision 2 District" is a school district that is identified by the Division as participating in the special assistance certification and reimbursement alternative implemented under 42 U.S.C. § 1759(a).

3.22 "Provision 2 District Base Year (Base Year)" is the last school year for which individual student free or reduced-price meal eligibility determinations were made.

3.23 "School District" or "District" means:

3.23.1 A geographic area that qualifies as a taxing unit for purposes of ad valorem property taxes under Ark. Code Ann. § 26-1-101 et seq. and Arkansas Constitution, Article 14, § 3, and is either:

3.23.1.1 Governed by an elected board of directors; or

3.23.1.2 Under the administrative control of the State Board or the Commissioner of Education in place of an elected board of directors; or

3.23.2 An open-enrollment public charter school, as defined in Ark. Code Ann. § 6-23-103.

3.24 "School Resource Officer" (SRO) is a sworn law enforcement officer assigned to a school to assist with school security, safety, emergency preparedness, emergency response, and other responsibilities assigned by the school or law enforcement agency.

3.25 "School Year" is the year beginning July 1 of one calendar year and ending June 30 of the next calendar year.

3.26 "Students at Risk" are those students demonstrating an ongoing persistent lack of meeting grade-level expectations in literacy and mathematics.

3.27 "Social Worker" is someone who has an undergraduate or graduate degree in social work or a related mental health field, and is trained in psychotherapy and social work techniques. Family therapists and employee assistance program counselors are often social workers. Social workers who work in private agencies or independent practice must hold state licenses from the Board of Registration of Social Workers. A Licensed Certified Social Worker (LCSW), Licensed Master Social Worker (LMSW), or a Licensed Social Worker (LSW) may practice in an agency setting under proper supervision. Professional conduct is monitored by the State of Arkansas Social Work Licensing Board.

3.28 "Technology" is any equipment for instructional purposes that is electronic in nature including, but not limited to, computer hardware, computer software, internet connectivity, and distance learning.

#### **4.00 SPECIAL NEEDS - Alternative Learning Environment (ALE)**

##### **4.01 ALE General Requirements**

4.01.1 Every school district shall provide one (1) or more eligible Alternative Learning Environments (ALE) for all students meeting the criteria of Section

4.02.1 of these Rules, by any of the following methods:

4.01.1.1 A school district may establish and operate an ALE;

4.01.1.2 A school district may cooperate with one (1) or more other school districts in a consortium to establish and operate an ALE, with one school district designated as the lead district; or

4.01.1.3 A school district may use an ALE operated by an education service cooperative established under The Education Service Cooperative Act of 1985, Ark. Code Ann. § 6-13-1001 et seq.;

or

4.01.1.4 A school district may partner with a state-supported institution of higher education and technical institute to provide concurrent courses and/or technical education options for academic learning to students in grades eight through twelve (8-12).

4.01.2 An ALE shall provide intervention services designed to address students' specific educational and behavioral needs.

4.01.2.1 Intervention services shall include, without limitation, access to the services of a school counselor, a mental health professional, a nurse, and support services substantially equivalent to those provided to other students in the regular educational environment.

4.01.2.2 Intervention services shall be coordinated with state and federal student assistance programs.

4.01.3 An ALE shall not be punitive but shall provide the guidance, counseling, and academic support necessary to enable students who are experiencing emotional, social, or academic problems to continue to

make progress toward educational goals appropriate to each individual student's specific situation, characteristics, abilities, and aspirations.

#### 4.02 ALE Student Eligibility and Placement

4.02.1 To be an eligible ALE student, a student must exhibit two (2) or more of the characteristics identified in Section 4.02.1.1 and Section 4.02.1.2. Students will not be placed in the ALE based on academic problems alone.

4.02.1.1 Situations that negatively affect the student's academic and social progress may include, but are not limited to:

4.02.1.1.1 Ongoing, persistent lack of attaining proficiency levels in literacy and mathematics;

4.02.1.1.2 Abuse: physical, mental, or sexual;

4.02.1.1.3 Frequent relocation of residency;

4.02.1.1.4 Homelessness;

4.02.1.1.5 Inadequate emotional support;

4.02.1.1.6 Mental/physical health problems;

4.02.1.1.7 Pregnancy; or

4.02.1.1.8 Single parenting.

4.02.1.2 Students placed at risk, though intelligent and capable, typically manifest one or more of the following characteristics:

4.02.1.2.1 Personal or family problems or situations;

4.02.1.2.2 Recurring absenteeism;

4.02.1.2.3 Dropping out of school; or

4.02.1.2.4 Disruptive behavior.

4.02.2 A student may be enrolled in an ALE only on the referral of an Alternative Education Placement Team to be composed of the following individuals:

4.02.2.1 The school counselor from the referring school;

4.02.2.2 The building principal or assistant principal from the referring school;

4.02.2.3 One (1) or more of the student's regular classroom teachers;

4.02.2.4 A local education agency special education or 504 representative, if applicable;

4.02.2.5 A parent or guardian of the student, if they choose to participate; and

4.02.2.6 An ALE administrator or ALE teacher, or both.

4.02.2.7 At the option of the school district, the student may be included as a member of the Alternative Education Placement Team.

4.02.2.8 The school district shall document efforts to contact the parent or guardian to schedule a meeting or a phone call for a placement meeting at the parent or guardian's convenience, and maintain such documentation in the student's Student Action Plan (SAP).

4.02.3 The ALE program shall:

4.02.3.1 Assess the student either before or upon entry into the ALE;

4.02.3.2 Provide intervention services designed to address the student's specific educational needs; and

4.02.3.3 If the student exhibits one (1) or more of the characteristics identified in Section 4.02.1.2, provide non-punitive intervention services designed to address the student's specific behavioral needs for long-term improvement of the student's ability to control his or her behavior.

4.02.4 No later than one (1) week after a student begins alternative education interventions, the Alternative Education Placement Team shall assess the student's current functioning abilities and all relevant social, emotional, academic, career, and behavioral information and develop a Student Action Plan (SAP) outlining the intervention services to be provided to the student. The Student Action Plan shall contain at a minimum:

4.02.4.1 A plan of intervention services to be provided to address the student's specific educational needs and, if appropriate, the student's behavioral needs;

4.02.4.2 Goals and objectives necessary to achieve positive reintegration into the regular educational environment;

4.02.4.3 Exit criteria on which to base a student's return to the regular educational environment; and

4.02.4.4 Documentation of the presence of the characteristics listed in Sections 4.02.1.1 and 4.02.1.2 for which the student was referred.

4.02.4.5 The Student Action Plan may be revised from time to time by the Alternative Education Placement Team as circumstances warrant.

4.02.5 No later than five (5) school days after a student begins alternative education interventions, the Alternative Education Placement Team shall develop a signed agreement between the ALE, the parent or guardian (if they choose to participate), and the student, outlining the responsibilities of the ALE, parent or guardian, and the student to provide assurance that the plan for each student is successful.

4.02.6 A positive behavior or transitional plan shall be developed and added to the Student Action Plan prior to a student's return to the regular educational environment.

#### 4.03 ALE Personnel Requirements

4.03.1 Administrative, teaching, and other personnel in an ALE shall meet appropriate State licensure and renewal requirements for the positions to which they are assigned.

4.03.2 Every classroom in an ALE program shall maintain student/teacher ratios as follows:

4.03.2.1 For grades kindergarten through six (K-6), no more than ten (10) students to one (1) teacher. If a paraprofessional is employed in addition to a licensed teacher, the student/teacher ratio shall be no more than twelve (12) to one (1).

4.03.2.2 For grades seven through twelve (7-12), no more than fifteen (15) students to one (1) teacher. If a paraprofessional is employed in addition to a licensed teacher, the student/teacher ratio shall be no more than eighteen (18) to one (1).

4.03.2.2.1 For physical education courses that lend themselves to large group instruction, this ratio may be increased up to thirty (30) students to one (1) teacher when a paraprofessional is employed in addition to a licensed teacher.

4.03.2.3 In a middle school where the grade configuration includes grades five (5) or six (6), or both, the student/teacher ratios for grades seven through twelve (7-12) may be applied.

4.03.3 An ALE shall establish plans for professional development and in-service training for all licensed personnel working in the ALE in a teaching or administrative capacity.

4.03.3.1 Professional development and in-service training for ALE personnel shall include training in classroom management, and training in additional areas related to the specific needs and characteristics of students in alternative education environments.

4.03.3.2 All licensed personnel working in an ALE shall participate in specific alternative education professional development as part of the six (6) days required annually for licensed personnel by the Division's Rules Governing Professional Development.

4.03.3.3 The Division shall award professional development credit for programs provided under this Section 4.03.4 and approved pursuant to the Division's Rules Governing Professional Development.

4.03.4 Wages, salaries or benefits may be paid out of ALE funds only to the extent of the time devoted by an employee to direct supervision of or direct work in an eligible ALE program.

#### 4.04 ALE Curriculum and Program Requirements

4.04.1 An ALE shall assess each ALE student either before or upon entry into the ALE with effective, research-based assessment tools to determine the student's current academic capability.

4.04.2 An ALE shall provide a curriculum including mathematics, science, social studies, and language arts aligned with the regular classroom instruction. Reading, writing, and mathematics shall be incorporated into all curriculum areas.

4.04.2.1 An ALE shall use the curriculum frameworks adopted by the Division to plan instruction leading to student demonstration of proficiency in the Arkansas Academic Standards.

4.04.3 As an alternative to the curriculum required by Section 4.04.2, an ALE may allow an individual student to instead pursue a curriculum aligned with the standards for high school equivalency tests, subject to the following conditions:

4.04.3.1 The student must be sixteen (16) years of age or older;

4.04.3.2 The student must lack sufficient credits to graduate by the time the student turns eighteen (18) years of age; and

4.04.3.3 The student's parent or guardian, or the student if the student is eighteen (18) years of age or older, must consent in writing.

4.04.4 Computer-based instruction and distance learning may be used only as a supplement to direct teacher instruction and must constitute less than forty-nine percent (49%) of total instructional time in any one (1) course. This restriction shall not apply to distance learning or computer-based instruction approved by the Division.

4.04.5 All students attending an ALE operated by a consortium of school districts shall follow the lead district's school calendar. All students attending an ALE operated by an education service cooperative shall follow a school calendar designated by the cooperative.

4.04.6 An ALE shall be furnished with the equipment and instructional materials necessary to provide the environment and working conditions appropriate for subjects or activities assigned.

4.04.7 Meals provided at ALE facilities shall follow the Arkansas Child Nutrition guidelines or shall be approved by the Child Nutrition Unit of the Division.

4.04.8 An In-School Suspension (ISS) program for a regular educational environment may not be located in an ALE classroom.

#### 4.05 ALE Program Approval, Reporting, and Monitoring

4.05.1 Each ALE program shall submit to the Division every three (3) years, in electronic format, a program description documenting the program's compliance with Ark. Code Ann. § 6-48-101 *et seq.* and these Rules. Program descriptions are due before March 31 of the year assigned by the Division.

4.05.1.1 ALE programs operating in separate facilities, even if located within the same school district, are deemed to be separate individual programs requiring separate approval and separate reporting.

4.05.1.2 Deviations from prior approved ALE program descriptions must be submitted to the Division for review and formal approval.

4.05.2 On or before March 31, according to a three (3) year cycle established by the Division's ALE Unit, each school district shall submit to the Division, in electronic format, an assurance statement, signed physically or electronically by the superintendent of the district, that the school district is in compliance with Ark. Code Ann. § 6-48-101 *et seq.* and these Rules.

4.05.3 On or before March 31, according to a three (3) year cycle established by the Division's ALE Unit, each ALE program operated by a consortium of school districts or by an education service cooperative shall submit to the Division, in electronic format:

4.05.3.1 A list of all school districts participating in the ALE; and

4.05.3.2 A copy of the contract agreement or memorandum of understanding governing the ALE program and entered into by the participating school districts and, if applicable, the education service cooperative.

4.05.4 Annually, the Division shall compile annual report data for each ALE program utilizing Arkansas Public School Computer Network ("APSCN") student management data. The data compiled shall include:

4.05.4.1 The number of students, subdivided by race, gender, and grade level, enrolled in an ALE program at any time during that school year;

4.05.4.2 The number of students enrolled in an ALE program who returned to the regular educational environment, who dropped out of school, who graduated, or who received a high school equivalency diploma;

4.05.4.3 The number of high school students graduating in that school year who, over their entire grades kindergarten through twelve (K-12) career, were enrolled in an ALE for a total of twenty (20) or more days;

4.05.4.4 The number of students enrolled in an ALE program and participating in Workforce/Secondary Career Centers;

4.05.4.5 The number of students enrolled in an ALE program and receiving special education services;

4.05.4.6 The number of students enrolled in an ALE program who had previously exited an ALE program in the second or third prior school year;

4.05.4.7 The total amount of all funds expended to operate the ALE program for that school year; and

4.05.4.8 The total amount of ALE funding received for that school year.

4.05.4.9 The total number of ALE students per district with grade improvements after beginning the ALE intervention program.

4.05.4.10 The total number of ALE students per district with attendance improvements after beginning the ALE program.

4.05.4.11 The total number of ALE high school students per district with improved credit attainment after participating in the ALE intervention program.

4.05.5 After June 15 of each year, the Division may direct a district to provide the annual report data required under Section 4.05.4 if the information sought is not readily ascertainable from APSCN student management data.

4.05.6 To be eligible for ALE funding under Section 4.06 below, an ALE program shall be approved annually by the Division.

- 4.05.6.1 Program approval shall be contingent on a satisfactory review of the program description, annual report data, and assurance statement submitted pursuant to this Section 4.05.
- 4.05.6.2 Program approval shall be for a term of up to three (3) years, running from July 1 or the date of program approval, whichever is later, through June 30 of the designated year.
- 4.05.6.3 The Division shall give notice of approval or disapproval of an ALE program no later than July 15 of the year of program approval according to the posted three (3) year cycle, contingent on the ALE program timely submitting all required information.
- 4.05.7 Each school district shall submit a description of the ALE program(s) utilized by its students to the Division.
- 4.05.7.1 Each school district shall evaluate programs supported by ALE funds annually to ensure that the programs are providing a nonpunitive environment that is conducive to learning, that eliminates traditional barriers to learning, and that complies with these Rules.
- 4.05.7.2 The total ALE funds shall be budgeted in the school district's financial management software.
- 4.05.8 As part of the Division's accreditation review of each school district under Ark. Code Ann. § 6-15-202, the Division shall evaluate each ALE to ensure that the ALE is:
- 4.05.8.1 Established and operated in compliance with these Rules and Ark. Code Ann. § 6-48-101 *et seq.*; and
- 4.05.8.2 Effective under the measurements established by the Division.
- 4.05.9 The Division shall identify a school district's noncompliance on the school district's annual report card.
- 4.05.10 The Division shall identify information concerning best practices for educating students in Alternative Learning Environments and disseminate that information to teachers and administrators working in Alternative Learning Environments.
- 4.05.11 On or before September 15 of each year, the Division shall provide to the House Interim Committee on Education and the Senate Interim Committee on Education a report on:
- 4.05.11.1 The information reported to it under Section 4.05; and
- 4.05.11.2 The effectiveness of ALE programs evaluated by the Division.
- 4.06 ALE Funding
- 4.06.1 The ALE funding amount shall be the amount authorized by law multiplied by the district's eligible ALE students' full-time equivalents (FTE) in the previous school year as defined in these Rules.
- 4.06.2 An ALE student shall be counted as no more than one (1) student for ALE funding purposes.
- 4.06.3 An eligible ALE student's FTE shall be calculated as follows: the sum of (the total number of days an eligible ALE student attends an eligible ALE, plus the total number of days absent while enrolled in an eligible ALE program) divided by the number of school days actually taught in the district's school year.
- 4.06.3.1 If an eligible ALE student has less than six (6) hours per day of student/teacher interaction time in an eligible ALE, the student's FTE shall be calculated as the result of the calculation in Section 4.06.3 multiplied by the number of hours that student is taught in an eligible ALE each day divided by six (6) hours.
- 4.06.3.2 In no case shall an eligible ALE student's FTE be calculated as greater than 1.0.
- 4.06.3.3 If an eligible ALE student is educated in an eligible ALE for fewer than twenty (20) consecutive days, no ALE funding may be paid for that student, unless:
- 4.06.3.3.1 The student leaves the school district to transfer to another eligible ALE and is enrolled in an ALE for a combined total of twenty (20) or more consecutive days; or
- 4.06.3.3.2 The student is placed in a residential treatment program.
- 4.06.3.3.3 No school district may receive ALE funding for an eligible ALE student for any day the student is not enrolled in an eligible ALE in that district.
- 4.06.4 ALE funding is restricted state aid.
- 4.06.5 ALE funding shall be spent on eligible ALE programs identified in these Rules except as otherwise allowed by law or rule.
- 4.06.6 ALE funding may be carried over from one fiscal year to the next but these funds shall remain restricted to the priority areas as defined in these Rules except as otherwise allowed by law or rule.

## **5.00 SPECIAL NEEDS - English Language Learner (ELL)**

- 5.01 A school district shall conduct a Home Language Usage Survey for each student upon initial enrollment to identify students that need to be screened for English Language Learner (ELL) status.
- 5.02 The ELL funding amount shall be the amount authorized by law multiplied by the

district's identified ELL students in the current school year. 5.02.1 The number of identified ELL students shall be a total of all students identified as not proficient in the English language based upon the statewide Entrance and Exit Procedures criteria, including an approved English proficiency assessment instrument. 5.02.2 The number of identified ELL students used for the funding calculation will be the Cycle 2 data submitted to the Division each school year. Districts must also have a clear APSCN Language Minority Student Error Report in order for funds to be released by the Division. 5.02.3 An ELL student shall be counted as no more than one (1) student for ELL funding purposes. 5.03 School districts shall maintain documentation of each student identified as a current or former ELL. 5.04 For ELL funding purposes, the state-approved English proficiency assessment is the English Language Proficiency Assessment for the 21<sup>st</sup> Century (ELPA21), Screener or Summative version. 5.05 ELL funding shall be expended for eligible activities including, but not limited to, the following: 5.05.1 Salaries for ELL-skilled instructional services (not supplanting district financial obligations for providing teachers for ELL students). 5.05.2 Funds for teacher training, consultants, workshops, and ELL course work, including DESE-sponsored training programs. 5.05.3 Released-time for ELL program development. 5.05.4 Selection and purchase of language-appropriate instructional and supplemental (enrichment) materials for ELL students, including computer-assisted technology and library materials. 5.05.5 Language and cultural skills training for school-based health service providers, counseling service providers, and community liaison staff as needed to serve ELL students. 5.05.6 Assessment activities, which include test administration, identification, placement, and review of ELL student academic progress, as well as evaluation activities to determine the effectiveness of the district's ELL program. 5.05.7 Funds for the implementation of supplemental instructional services for ELL students. 5.06 ELL funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to those priority areas defined in these Rules except as otherwise allowed by law or rule. 5.07 A description and budget of ELL activities and funding shall be included in the district's financial management software. 5.08 A public school district shall offer a Language Instruction Educational Program for identified ELL students in accordance with all applicable federal laws and regulations, including without limitation, the Equal Educational Opportunities Act (EEOA), Pub. L. No. 93-380, 20 U.S.C. § 1703, Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, and Title III, Part A of the Elementary and Secondary Education Act of 1965, as amended, 20 U.S.C. §§ 6801-6871. 5.09 A description of the school district's core ELL plan identifying the district's chosen English Language Development Model and the district's Access to Core Content Program Model shall be submitted to the Division no later than October 1 each year.

## **6.00 SPECIAL NEEDS - Enhanced Student Achievement Funding**

6.01 Except as provided in Sections 6.01.5 and 6.01.6.2 of these Rules, enhanced student achievement state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4) shall be based on the number of national school lunch students for the immediately preceding school year determined under Section 3.21 of these Rules, divided by the district's total enrolled students for the immediately preceding school year. If the school district is a Provision 2 district, this funding is based on the school district's percentage of national school lunch students submitted in the base year, multiplied by the number of enrolled students for the immediately preceding school year. If the school district is a Community Eligibility Provision (CEP) district, this funding is based on the school district's percentage of national school lunch students submitted in the year prior to implementing CEP, multiplied by the number of enrolled students for the immediately preceding school year. If a school district, open-enrollment public charter school, or school within a district or charter is changing from Provision 2 to CEP, the enhanced student achievement state categorical funding percentage used during the final year of Provision 2 will be the enhanced student achievement state categorical funding percentage for the four (4) year CEP cycle and the year following the four (4) year CEP cycle. For determination of the perstudent amount of enhanced student achievement state categorical funding, the percentage shall be calculated to one tenth of one percent (0.1%), and rounded up to the



nearest whole number from five tenths of one percent (0.5%) or above or down to the nearest whole number from less than five tenths of one percent (0.5%).

6.01.1 For school districts in which ninety percent (90%) or greater of the previous school year's enrolled students are national school lunch students, per student enhanced student achievement state categorical funding shall be the amount authorized by Ark. Code Ann. § 6-20-2305(b)(4)(A)(i). 6.01.2 For school districts in which less than ninety percent (90%) but at least seventy percent (70%) of the previous school year's enrolled students are national school lunch students, per student enhanced student achievement state categorical funding shall be the amount authorized by Ark. Code Ann. § 6-20-2305(b)(4)(A)(ii).

6.01.3 For school districts in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, per student enhanced student achievement state categorical funding shall be the amount authorized by Ark. Code Ann. § 6-20-2305(b)(4)(A)(iii).

6.01.4 Districts must participate in the United States Department of Agriculture's National School Lunch Program to receive enhanced student achievement state categorical funding.

6.01.5 For an open-enrollment public charter school in its initial year of operation, first year operating under a new license, first year adding a new campus, or in any year in which the charter school adds a grade level, per student enhanced student achievement state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4) shall be based on the school's current school year enrollment as of October 1.

6.01.6 Calculating Percentage of National School Lunch Students for Districts Wherein at Least One School—But Not the Entire District—Uses Provision 2 and/or at Least One School—But Not the Entire District—Uses CEP:

6.01.6.1 For some districts, calculating the district's percentage of national school lunch students for any one (1) fiscal year will require combining data from schools in the district, each of which may accept surveys or may use a different method to calculate that school's percentage as a result of that school's participation in Provision 2 or the Community Eligibility Provision (CEP) of the National School Lunch Program. The method for calculating the district-wide percentage of national school lunch students for a district that is composed of at least one school which participates in Provision 2 and/or CEP is detailed using the following examples:

6.01.6.1.1 In the first example, a school district has two elementary schools, the first of which accepts surveys in the traditional method of calculating its percentage of national school lunch students and the second of which is in its second year of participating in Provision 2. The district's middle school and high school are in the second year of participating in Provision 2.

*For illustrative purposes:*

- Elementary 1 – Of an enrollment of 600, 510 are national school lunch students, yielding 85%.
- Elementary 2 – Enrollment is 500. The Provision 2 base year percentage is 80%.
- Middle School – Enrollment is 1,000. The Provision 2 base year percentage is 70%.
- High School – Enrollment is 1,200. The Provision 2 base year percentage is 75%.
- To calculate the district-level base year percentage, multiply the enrollment of each school participating in Provision 2 by the base year percentage of each of those schools to arrive at counts of eligible national school lunch students at each school (Elementary 2 – 400; Middle School – 700; High School – 900). Add the eligible count of all schools together to arrive at the school district eligible count of 2,510 (510 + 400 + 700 + 900) and divide by the total school district enrollment of 3,300 to arrive at the district-level base year percentage of 76% (rounded). This will be used as the district's enhanced student achievement state categorical funding percentage for the fiscal year.

6.01.6.1.2 In the second example, a school district has two elementary schools, both of which accept surveys in the traditional method of calculating the percentage of national school lunch students. Both the district's middle school and high school would have been in the second year of Provision 2 status, but instead are implementing CEP.

*For illustrative purposes:*

- Elementary 1 – Of an enrollment of 550, 440 are national school lunch students, yielding 80%.
- Elementary 2 – Of an enrollment of 400, 220 are national school lunch students, yielding 55%.
- Middle School – Enrollment is 800. The Provision 2 base year percentage of 75% will become the school-level CEP base year percentage.
- High School – Enrollment is 1,100. The Provision 2 base year percentage of 80% will become the school-level CEP base year percentage.

- To calculate the district-level base year percentage, multiply the enrollment of each school participating in CEP by the base year percentage of each of those schools to arrive at counts of eligible national school lunch students at each school (Middle School – 600; High School – 880). Add the eligible count of all schools together to arrive at the school district eligible count of 2,140 (440 + 220 + 600 + 880) and divide by the total school district enrollment of 2,850 to arrive at the district-level base year percentage of 75% (rounded). This will be used as the district's enhanced student achievement state categorical funding percentage for the fiscal year.

6.01.6.1.3 In the third example, a school district has two elementary schools, the first of which accepts surveys in the traditional method of calculating its percentage of national school lunch students and the second of which is in its second year of participating in Provision 2. The district's middle school would have been in its second year of Provision 2 status, but instead is implementing CEP. The district's high school is in its second year of participating in Provision 2.

*For illustrative purposes:*

- Elementary 1 – Of an enrollment of 650, 390 are national school lunch students, yielding 60%.
- Elementary 2 – Enrollment is 450. The Provision 2 base year percentage is 80%.
- Middle School – Enrollment is 900. The Provision 2 base year percentage of 70% will become the school-level CEP base year percentage.
- High School – Enrollment is 1,600. The Provision 2 base year percentage is 90%.
- To calculate the district-level base year percentage, multiply the enrollment of each school participating in Provision 2 or CEP by the base year percentage of each school to arrive at counts of eligible national school lunch students at each school (Elementary 2 – 360; Middle School – 630; High School – 1,440). Add the eligible count of all schools together to arrive at the school district eligible count of 2,820 (390 + 360 + 630 + 1,440) and divide by the total school district enrollment of 3,600 to arrive at the district-level base year percentage of 78% (rounded). This will be used as the district's enhanced student achievement state categorical funding percentage for the fiscal year.

6.01.6.2 If implementing CEP in a year that enhanced student achievement state categorical funding is based on current year October 1 data, open-enrollment public charter schools will be required to accept and report Alternative Income Forms by October 1 from all students in the school to enable calculation of enhanced student achievement state categorical funding. The number of students eligible for enhanced student achievement state categorical funding as determined by the Alternative Income Forms is used to determine the CEP base year percentage. This percentage is used every year of the four (4) year CEP cycle and, if the charter is then-funded using previous year data, the year following the four (4) year CEP cycle.

6.01.6.3 For a school district or open-enrollment public charter school that opens a new school that participates in CEP in its first year of operation, district-level enhanced student achievement state categorical funding is calculated using previous year data. For the second year in operation, the school would need to accept and report Alternative Income Forms by October 1 from all students. This would establish the CEP base year percentage for the school that would be in effect for the remainder of the four (4) year CEP cycle and the year following the four (4) year CEP cycle.

6.01.6.4 For districts and schools wishing to renew the CEP cycle, during the fourth year of the four (4) year CEP cycle, if there is a difference of five percentage points or greater between the percentage of Identified Students in the April calculations from the Child Nutrition Unit, multiplied by the CEP multiplier, and the current enhanced student achievement state categorical funding percentage, then a new enhanced student achievement state categorical funding percentage would need to be calculated. The new percentage would be calculated in the following year (Year Five [5]), by accepting and reporting Alternative Income Forms by October 1. The number of eligible students is divided by the October 1 enrollment. This new percentage would be applicable during Year Six (6) and the duration of the four (4) year CEP cycle (Years Six [6], Seven [7], and Eight [8], and, if renewed, Year Nine [9]). If there is a difference of less than five percentage points between the percentage of Identified Students in the April calculations from the Child Nutrition Unit, multiplied by the CEP multiplier, and the current enhanced student achievement state categorical funding percentage, then the enhanced student achievement state categorical funding percentage used during the fourth year of the CEP cycle would be used for the following four (4) year CEP cycle and, if renewed, the year immediately following that cycle. The method for calculating the district-wide percentage of national school lunch students for a district that experiences a change of at least five percentage points in one direction or the other is detailed using the following examples:

6.01.6.4.1 In the first example, School District A's percentage of Identified Students in the April calculations from the Child Nutrition Unit, multiplied by the CEP multiplier shows a seven percentage point change over the current enhanced student achievement state categorical funding percentage. To establish a new enhanced student achievement categorical funding percentage, School District A must accept and report Alternative Income Forms by October 1 of Year Five (5). The district reports its number of eligible students, which is then divided by the enrollment from October 1 of Year Five (5) to establish its new district-wide percentage of national school lunch students. This new percentage would be applicable during Year Six (6) and the duration of the four (4) year CEP cycle (Years Six [6], Seven [7], and Eight [8], and, if renewed, Year Nine [9]).

*For illustrative purposes:*

- Year Four (current year) – The district-wide percentage was seventy percent (70%), as it had been for the previous three (3) years of the district's CEP cycle. In the April calculations of Identified Students, the district's percentage was reported as seventy-seven percent (77%) after applying the CEP multiplier, triggering the need to accept and report Alternative Income Forms the following year.
- Year Five – The district-wide percentage remained at seventy percent (70%) while Alternative Income Forms were accepted and reported by October 1. A new calculation of 1,500 eligible students divided by the enrollment from October 1 of Year Five, totaling 2,000, yielded seventy-five percent (75%) as the new district-wide percentage.
- Years Six Through Eight (6-8) and, if Renewed, Year Nine (9) – The district-wide percentage would be seventy-five percent (75%).

6.01.6.4.2 In the second example, School District B's percentage of Identified Students in the April calculations from the Child Nutrition Unit, multiplied by the CEP multiplier shows an eight percentage point change under the current enhanced student achievement state categorical funding percentage. To establish a new enhanced student achievement state categorical funding percentage, School District A must accept and report Alternative Income Forms by October 1 of Year Five (5). The district reports its number of eligible students, which is then divided by the enrollment from October 1 of Year Five (5) to establish its new district-wide percentage of national school lunch students. This new percentage would be applicable during Year Six (6) and the duration of the four (4) year CEP cycle (Years Six [6], Seven [7], and Eight [8], and, if renewed, Year Nine [9]).

*For illustrative purposes:*

- Year Four (current year) – The district-wide percentage was eighty percent (80%), as it had been for the previous three (3) years of the district's CEP cycle. In the April calculations of Identified Students, the district's percentage was reported as seventy-two percent (72%) after applying the CEP multiplier, triggering the need to accept and report Alternative Income Forms the following year.
- Year Five – The district-wide percentage remained at eighty percent (80%) while Alternative Income Forms were accepted and reported by October 1. A new calculation of 1,520 eligible students divided by the enrollment from October 1 of Year Five, totaling 2,000, yielded seventy-six percent (76%) as the new district-wide percentage.
- Years Six Through Eight (6-8) and, if Renewed, Year Nine (9) – The district-wide percentage would be seventy-six percent (76%).

6.01.6.5 If a school district, open-enrollment public charter school, or school(s) transitions from CEP, the enhanced student achievement state categorical funding percentage used during the last full year the school district, open-enrollment public charter school, or school(s) participated in CEP will be used for the year following the year of discontinuance of CEP.

6.01.6.6 Alternative Income Forms used for enhanced student achievement state categorical funding must have the following information verified:

6.01.6.6.1 The minimum standard sample size of three percent (3%) for all Alternative Income Forms approved by the open-enrollment public charter school or school district for the school year, as of October 1 of the school year; and

6.01.6.6.2 Income verification procedures concerning income verification used for free and reduced-price meal applications.

6.01.6.6.3 Alternative Income Forms are considered part a student's education record and therefore all confidentiality procedures of the Family Educational Rights and Privacy Act (FERPA) should be followed. Privacy/security procedures concerning free and reduced-price meal applications are recommended in relation to the Alternative Income Forms.

6.02 Except as provided in Section 6.02.3 of these Rules, the district percentage of SLA eligible students shall be determined from the Arkansas Public School Computer Network's Cycle 2 report for the previous school year.

6.02.1 The Child Nutrition Unit of the Division shall verify the Cycle 2 report for accuracy.

6.02.2 Adjustments to the Cycle 2 report shall be made by the Division based on documentation provided by the school district.

6.02.3 For an open-enrollment public charter school in its initial year of operation, first year operating under a new license, first year adding a new campus, or in any year in which the charter school adds a grade level, the school's percentage of NSLA eligible students shall be determined by the school's free or reduced-price meal eligibility data as reported by October 1 of the current school year.

6.03 Enhanced Student Achievement State Growth Funding:

6.03.1 The Division shall use the Cycle 2 enrollment data for the previous four (4) years to calculate a three (3) year trend in district enrollment.

6.03.2 If a district has grown at least one percent (1%) for each of the three (3) previous years, it shall qualify for Enhanced Student Achievement State Growth Funding.

6.03.3 Districts that qualify for funding shall receive Enhanced Student Achievement State Growth Funding.

6.03.4 The funding shall be calculated as the three (3) year average growth in enrollment multiplied by the district's previous year's percentage of students eligible for the United States Department of Agriculture's National School Lunch Program multiplied by the per student funding amount determined in Section 6.01.

6.04 Transitional Enhanced Student Achievement State Funding Methods:

6.04.1 If a school district would receive, in the current school year, enhanced student achievement state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4)(A) that is based on a different per student amount of enhanced student achievement state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in national school lunch students, the Division shall adjust the funding to the school district in a transitional three (3) year period.

6.04.2 The amount of enhanced student achievement state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4)(A) shall be increased or decreased in each year of a three (3) year transition period by one-third (1/3) of the difference between the amount of enhanced student achievement state categorical funding per student for the current year and the amount of enhanced student achievement state categorical funding per student for the immediately preceding year, adjusted for changes to the funding rates in Ark. Code Ann. § 6-20-2305(b)(4)(A).

6.05 Each school district receiving enhanced student achievement state categorical funds shall use such funds for evidence-based program(s) or purpose(s) for students at risk in order to improve instruction and increase academic achievement of those students. This does not prohibit use of funds in performing schools to continue doing those strategies that are sustaining or enhancing that performance.

6.06 Enhanced student achievement state categorical funding shall not be used to meet or satisfy the Arkansas Standards for Accreditation of Arkansas Public Schools and School Districts as required by Ark. Code Ann. § 6-15-201 et seq. or the Arkansas Minimum Teacher Salaries required by Ark. Code Ann. § 6-17-2403 except as otherwise allowed herein.

6.06.1 Enhanced student achievement state categorical funding shall not be used to supplant the mandatory requirements of the Arkansas Standards for Accreditation required by Ark. Code Ann. § 6-15-201 et seq. unless the expenditure is for the purposes outlined under Section 6.07 of these Rules.

6.06.2 School districts may use enhanced student achievement state categorical funds to pay the salaries of those teachers used to reduce the pupil-to-teacher ratio below the mandates required by the Arkansas Standards for Accreditation of Arkansas Public Schools and School Districts under the following conditions:

6.06.2.1 The district must designate the specific teacher(s) used to reduce the pupil-to-teacher ratios required by the Standards for Accreditation; must explain how the district will use enhanced student achievement state categorical funds to pay only the salaries of those class-size-reduction teachers or other teachers whose salaries are designated by the Division as bona fide enhanced student achievement state categorical program or purpose expenditures as allowed by Section 6.07 of these Rules; and must explain how the district will use class-size-reduction teachers(s) pursuant to a recognized published evidence-based program to specifically target an identified academic deficiency or need of the district which aligns with and supports the district's needs;

6.06.2.2 Any district which did not use enhanced student achievement state categorical funds to support the salaries of class-size reduction teachers by June 30 in the 2006-2007 school year is limited to using enhanced student achievement state categorical funds to support the salaries of only those class-size-reduction teachers in grades kindergarten through eight (K-8), provided the district submits a detailed written plan, as required in Section 6.06.2.1, which is approved by the Division; and

6.06.2.3 Along with any request to expand or increase from a previous school year the use of enhanced student achievement state categorical funds to pay for or support the salaries of class-size-reduction teachers, the district shall submit a written justification showing how the funds are being used to address an increased academic deficiency or need of the district and is not an attempt to avoid or circumvent the general purpose of reducing the amount of enhanced student achievement state categorical funds used to increase teacher salaries as required and mandated by Ark. Code Ann. § 6-20-2305.

6.06.2.4 Enhanced student achievement state categorical funds to support the salaries of the class-size reduction teachers shall be used only to reduce the pupil-to-teacher ratios required by the Standards for Accreditation for each single grade level.

6.07 Enhanced student achievement state categorical funding shall be expended for eligible program(s) or purpose(s) that are evidence-based and aligned to the Arkansas Academic Standards for improving instruction and increasing achievement of students at risk of not meeting challenging academic standards. These programs or purposes include:

6.07.1 Employing instructional facilitators or Literacy, Mathematics, or Science Specialists/Coaches (K-12), Data Coaches (K-12), and School Improvement Specialists (K-12) that meet the following requirements:

6.07.1.1 The Specialists/Coaches and instructional facilitators are educators who assist in curriculum alignment with the Arkansas Academic Standards; alignment of classroom assessment with statewide exams; instructional strategies; professional development and implementation of training; choice of standards-based instructional materials; understanding of current research; advantageous arrangement of the instructional day; and integrating technology into instruction.

6.07.1.2 Qualifications for Specialists/Coaches and instructional facilitators:

- A valid Arkansas teaching certificate;
- At least four (4) years of recent teaching experience in appropriate content areas within grades kindergarten through twelve (K-12);
- Knowledge of Arkansas Academic Standards;
- Knowledge of current research and effective practices in standards-based curriculum, instruction, and assessment;
- Experience in adult learning situations and in team problem solving; and
- A bachelor's degree (a master's degree would be preferred);

or

- Completion of the required training and teaching components of an alternative teacher preparation program approved by the Division.

6.07.1.3 Qualifications for Data Coaches:

- A valid Arkansas teaching certificate;
- At least five (5) years of recent teaching experience, administrative experience, or a combination thereof;
- At least three (3) years of experience using information systems for data retrieval, data reporting, and using data to guide instructional practice;
- Knowledge of basic statistics and their application;
- Knowledge and skill of data analysis;
- Ability to assist building level staff with analysis of school data in preparation of school improvement planning; and
- A bachelor's degree (a master's degree would be preferred).

6.07.1.4 Qualifications for School Improvement Specialists:

- A valid Arkansas teaching certificate
- At least five (5) years of recent teaching experience, administrative experience, or a combination thereof;
- Knowledge of effective coaching practices
- Knowledge of team structures that support shared leadership;
- Knowledge to understand and interpret assessment data, both formal and informal, to inform instructional decisions;
- Ability to orchestrate change; and

- A bachelor's degree (a master's degree would be preferred).
- 6.07.2 Providing evidence-based professional development in the areas of literacy, mathematics, or science in grades kindergarten through twelve (K-12) subject to the requirements of the Division's Rules Governing Professional Development;
- 6.07.3 Employing classroom teachers who meet the Rules Governing the Arkansas Qualified Teacher Requirements in grades kindergarten through twelve (K-12) pursuant to the restrictions set forth in Section 6.06 of these Rules;
- 6.07.4 Providing evidence-based before and after-school academic programs, including transportation to and from the programs;
- 6.07.5 Providing evidence-based pre-kindergarten programs that meet the program standards as outlined in the Rules Governing the Arkansas Better Chance program;
- 6.07.6 Employing tutors:
  - 6.07.6.1 Tutors must be able to demonstrate competency (as determined locally) in each area where instruction is provided.
  - 6.07.6.2 Tutors must work under the supervision of classroom teachers who meet the Rules Governing the Arkansas Qualified Teacher Requirements.
- 6.07.7 Employing teacher's aides:
  - 6.07.7.1 Teacher's aides must be highly qualified.
  - 6.07.7.2 Teacher's aides must work under the direct supervision of classroom teachers who meet the Rules Governing the Arkansas Qualified Teacher Requirements.
- 6.07.8 Employing licensed counselors and nurses above the mandates of the Standards for Accreditation of Arkansas Public Schools and School Districts or other law or rule;
- 6.07.9 Employing Coordinated School Health coordinators;
- 6.07.10 Employing Human Service Workers;
- 6.07.11 Employing Licensed Mental Health Professionals;
- 6.07.12 Employing Licensed Certified Social Workers, Licensed Master Social Workers, or Licensed Social Workers;
- 6.07.13 Employing Curriculum Specialists:
  - 6.07.13.1 The Curriculum Specialists shall meet current licensure requirements that are outlined in the Rules Governing Initial Educator Licensure.
- 6.07.14 Employing School Resource Officers (SROs) whose job duties include evidence-based methods and strategies tied to improving achievement of students at risk;
- 6.07.15 Providing experience-based field trips;
- 6.07.16 Providing parent education that addresses the whole child;
- 6.07.17 Providing summer programs that implement evidence-based methods and strategies targeted at closing the achievement gap;
- 6.07.18 Providing early intervention programs, to include:
  - 6.07.18.1 Short-term, intensive, focused, individualized, evidencebased instruction developed from ongoing, daily, systematic diagnosis that occurs while a child is beginning, in grades kindergarten through two (K-2), the initial stages of learning social skills, early reading, writing, and mathematical strategies to ensure acquisition of the basic skills and to prevent the child from developing poor behavior and problem-solving habits which become difficult to change; and
  - 6.07.18.2 Short-term, intensive, focused, individualized, evidencebased instruction developed from ongoing, daily, systematic diagnosis in grades three through twelve (3-12) to prevent failure and close the achievement gap.
  - 6.07.18.3 Evidence-based Response-to-Intervention screening and associated instruction for students with dyslexia, with intervention components including phonemic awareness, graphophonemic knowledge, the structure of the English language, linguistics, language patterns, and strategies for decoding, encoding, word recognition, fluency, and comprehension.
- 6.07.19 Obtaining materials, supplies, and equipment, including technology, used in approved instructional programs or for approved purposes in support of the local education agency's general description for ESA funding;
- 6.07.20 Paying the expenses of federal child nutrition programs to the extent necessary to provide school meals without charge to all students if the school district is identified by the Division as participating in the special assistance certification and reimbursement alternative implemented under 42 U.S.C. § 1759(a);

6.07.21 Paying the expenses of federal child nutrition programs to the extent necessary to provide school meals without charge to students otherwise eligible for reduced-price meals under federal law or regulations governing the United States Department of Agriculture's National School Lunch Program or School Breakfast Program; 6.07.22 Paying expenses directly related to funding a longer school day; 6.07.23 Paying expenses directly related to funding a longer school year; 6.07.24 Partnering with state-supported institutions of higher education and technical institutes to provide concurrent courses and/or technical education options for academic learning to students while those students are still in high school so that the students are college and career ready upon graduation from high school;

6.07.24.1 Partnerships under Section 6.07.24 shall be evidenced by a written agreement or memorandum of understanding between the school district and the institution of higher education and/or technical institute.

6.07.25 Professional development as identified in the school district's support plan required under Ark. Code Ann. § 6-15-2914;

6.07.26 Implementing components of the Arkansas Advanced Initiative for Math and Science;

6.07.27 Employing College and Career Coaches, as defined by the Division of Career and Technical Education; 6.07.28 Operating or supporting a postsecondary preparatory program authorized under Ark. Code Ann. § 6-16-601 et seq.;

6.07.29 Expenditures required under Section 6.05.1 of these Rules;

6.07.30 Paying for students in grades nine through twelve (9-12) to take the ACT Assessment, pursuant to the Voluntary Universal ACT Assessment Program, Ark. Code Ann. § 6-18-1601 et seq.;

6.07.31 Developing and implementing common formative assessments to monitor student progress;

6.07.32 Dyslexia programs and interventions under Ark. Code Ann. § 6-41-601 et seq.; and

6.07.33 Recruiting and retaining effective teachers, if the school district meets the minimum salary schedule under Ark. Code Ann. § 6-17-2403 without using ESA funds, by implementing:

6.07.33.1 Approaches identified within the school district's support plan required under Ark. Code Ann. § 6-15-2914 to address a disproportionate rate of low-income students or minority students being taught by ineffective teachers, teachers who teach out of their licensure content area, or inexperienced teachers, either within the school district or as compared to surrounding school districts, including without limitation strategies for:

6.07.33.1 Reassignment;

6.07.33.2 Differentiated pay plans to address identified shortage areas; and

6.07.33.3 Addressing teacher recruitment and retention, as recommended by the Division, including without limitation models for effective use of teacher leaders, cultural responsiveness training, and Equity audits.

6.07.33.4 A school district's support plan shall include, without limitation, how the school district identified gaps in equitable access to effective teachers through a review of school district and school-level data, student growth data, a root-cause analysis, research of the strategies used to address the identified gaps, and the measures of the effectiveness of the strategies used, including without limitation student growth data; and

6.07.33.2 Levels of differentiated compensation that increase classroom teacher salaries based on a tiered system of licensure established by the State Board of Education under Ark. Code Ann. § 6-17-402.

6.08 Use of enhanced student achievement state categorical funds shall be included within the school district's support plan, if required under Ark. Code Ann. § 6-15-2914.

6.08.1 The district shall evaluate programs supported by enhanced student achievement state categorical funds annually to ensure that the programs are providing intervention/prevention services designed to increase student achievement.

6.08.2 The district shall maintain documentation that supports gains in student achievement as measured by the state assessment system.

6.08.3 The total ESA funds shall be budgeted in the school or school district's financial management software.

6.09 Enhanced student achievement state categorical funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to priority areas as defined in these Rules or law except as otherwise allowed by law or rule.

6.10 Enhanced student achievement state categorical funding is restricted state aid, except as otherwise allowed by law or rule.

6.11 A school district may include in its district support plan, required under Ark. Code Ann. § 6-15-2914, a detailed proposed plan for use of excess enhanced student achievement funds.

6.11.1 Upon review of a school district's support plan, and any other information requested by the Division, if the Commissioner of Education, or designee, determines that the school district has met the needs of students in the district for whom this funding is provided and has prudently managed its resources, the Commissioner shall give written approval of the detailed plan for flexible use of excess enhanced student achievement funds for up to two (2) years.

6.12 Monitoring and Compliance for Use of ESA Funds:

6.12.1 At any time during a school year, the Division may review:

6.12.1.1 A school district's support plan;

6.12.1.2 Reports and information required by these Rules;

6.12.1.3 Test data;

6.12.1.4 Financial data; and

6.12.1.5 Other indicators of a school district's compliance with these Rules and with the purpose of meeting the needs of students served by enhanced student achievement state categorical funds.

6.12.2 Upon review, the Commissioner of Education or his/her designee may take one or both actions allowed by Section 6.12.3 if the Commissioner determines that a school district:

6.12.2.1 Has not met the needs of students that may be served by enhanced student achievement state categorical funds;

6.12.2.2 Provided false or misleading information; or

6.12.2.3 Failed to comply with the provisions of the district's submitted plans without obtaining Division approval.

6.12.3 Upon a determination under Section 6.12.2 above, the Commissioner of Education may require the school district to redirect the enhanced student achievement state categorical funds to meet other educational needs of the students of that district.

6.13 By June 30 of each year, a school district shall expend a minimum of eighty-five percent (85%) of the school district's current-year enhanced student achievement state categorical funding allocation in a manner permitted under these Rules.

6.13.1 A school district that, on June 30, 2012, had an enhanced student achievement state categorical funding balance in excess of fifteen percent (15%) of the school district's current year enhanced student achievement state categorical funding allocation shall reduce its total enhanced student achievement state categorical funding balance by at least ten percent (10%) each year so that by June 30, 2022, and by June 30 of each year thereafter, the school district has a balance of no more than fifteen percent (15%) of the school district's current year enhanced student achievement state categorical funding allocation.

6.13.2 Under an unusual and limited circumstance, including without limitation an increase in one-time funds or an unexpected decrease in school district revenues during a given year, a school district may request that the Division waive the requirements of this Section 6.13.

6.13.2.1 A school district seeking a waiver shall file a waiver request with the Commissioner of Education, accompanied by a resolution adopted by the school district's board of directors, describing the unusual and limited circumstances.

6.13.2.2 The Commissioner of Education may grant a waiver request under this Section 6.13 for up to one (1) year if the Commissioner finds that the request is necessary based upon the unusual and limited circumstances.

6.13.3 The Division shall monitor on a yearly basis each school district's compliance with the requirements of this Section 6.13.

6.13.4 If a school district fails to comply with the requirements of this Section

6.13 during a school year, the Division may in the following school year withhold from that school district's enhanced student achievement state categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this Section 6.13.

6.13.4.1 The Division may redistribute amounts withheld under this Section 6.13.4 to other school districts entitled to receive enhanced student achievement state categorical funding allocations.

6.14 Enhanced Student Achievement Matching Grant Program

6.14.1 A matching grant program has been established for Enhanced Student Achievement expenditures for evidence-based programs to improve the academic achievement of identified national school lunch students. These programs shall be limited to:



2305(b)(4)(C)(i)(b)(4);

6.14.1.2 Before-school academic programs and afterschool academic programs, including transportation to and from the programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(2); and

6.14.1.3 Prekindergarten programs under Ark. Code Ann. § 6-20-2305(b)(4)(C)(i)(b)(3).

6.14.2 Only those expenses coded with the appropriate codes for the allowable uses outlined in Section 6.14.1 will be eligible for matching funds. The allowable program codes to be used when coding expenditures will be published annually by the Division.

6.14.3 Available funding will be distributed to school districts on a dollar-for-dollar matching basis for allowable expenditures *unless* the total of statewide expenditures exceeds the amount of funding allowed by the Act, at which point, funding will be paid on a pro rata matching basis to the districts. For a pro rata basis, a matching percentage will be calculated by dividing each LEAs allowable expenditures by the statewide total of allowable expenditures, and applying that percentage to the amount of funding available in order to determine the funds reimbursed to the district.

6.14.4 In order for the enhanced student achievement matching funds not to be calculated towards the 85% national school lunch expenditure requirements in the fiscal year in which the matching funds are received, the funds must be receipted and expensed using the "ESA Match Grant" fund and revenue code specified by the Division.

6.14.5 Matching funds may be used only for the expenses allowed under this program and are meant to supplement, not replace, the districts enhanced student achievement spending.

6.14.6 Only expenses incurred from July 1 to June 30 of the previous fiscal year are eligible for reimbursement from any available funding appropriated.

6.14.7 By October 15, the Division will publish a commissioner's memo listing the reimbursements each district is expected to receive.

## **7.00 SPECIAL NEEDS - Professional Development**

7.01 The professional development funding amount shall be an amount up to the amount authorized by law multiplied by the district's ADM of the previous school year.

7.02 Professional development funding shall be expended for:

7.02.1 Approved professional development activities and materials, as required by the Teacher Excellence and Support System, Ark. Code Ann. § 6-17-2801 et seq., by other law or rule, or by the school district, that:

7.02.1.1 Improve the knowledge, skills, and effectiveness of teachers;

7.02.1.2 Address the knowledge and skills of administrators and paraprofessionals concerning effective instructional strategies, methods, and skills;

7.02.1.3 Lead to improved student academic achievement; and

7.02.1.4 Improve the knowledge, skills, and effectiveness of Response-to-Intervention and dyslexia intervention instruction;

7.02.2 Employing instructional facilitators or Literacy, Mathematics, or Science Specialists/Coaches (K-12) as described in these Rules; and

7.02.3 Training for school bus drivers in compliance with rules promulgated by the Commission for Arkansas Public School Academic Facilities and Transportation.

7.03 Districts may expend state professional development funding to provide the requisite hours of professional development required by law or rule.

7.04 Professional development funding is restricted state aid. Professional development funding shall be spent on activities identified in these Rules, except as otherwise allowed by law or rule.

7.05 Professional development funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to priority areas as defined in these Rules except as otherwise allowed by law or rule.

7.06 Professional development activities and funding shall be included in the district's support plan.

7.06.1 Use of professional development funds shall be included within the school district's support plan. The plan must include how the funds will be spent.

7.06.2 The district shall annually evaluate professional development implementation supported by professional development funds to ensure that:

7.06.2.1 Professional development as implemented by the school or district provides intervention prevention services designed to increase student achievement.

7.06.3 Evaluation data regarding the implementation and effect of professional development and professional growth plans should be utilized in the school improvement process to determine future professional development plans.

7.06.4 The total professional development funds shall be budgeted in the school or school district's financial management software.

#### **8.00 FINANCIAL ACCOUNTING FOR SPECIAL NEEDS STATE FUNDING**

8.01 After having provided programs designed to meet the needs of students in the respective categorical funding areas, a school district may transfer and expend funds on any of the special needs categories allowed for in these Rules.

8.02 Special needs state funding of ALE, ELL, enhanced student achievement, and professional development may be used for any of the expenditures identified in these Rules.

8.03 Districts shall report the funds received under each special needs state funding category.

8.04 Districts shall report the expenditures of all special needs state funds as required by law, including, but not limited to, fund balances remaining on June 30 of each year.

8.05 The funds received, transferred, expended, and carried over shall balance.

8.06 If the Division determines that a district would lose any federal funding due to these explicated expenditure requirements, the special needs state funds may be expended for other academic programs or salaries, as permitted by the Division.

#### **9.00 CATEGORICAL FUND BALANCES**

9.01 As of June 30 of each school year, the total aggregate balance of all state categorical fund sources shall not exceed twenty percent (20%) of the total aggregate annual state categorical fund allocations for the current school year, except as provided herein.

9.01.1 On June 30 of each school year thereafter, if the total aggregate balance of all state categorical fund sources exceeds twenty percent (20%) of the school district's total aggregate annual state categorical fund allocations for the current school year, the school district shall reduce that total balance by ten percent (10%) each year until the school district's June 30 balance of aggregate annual categorical fund sources is twenty percent (20%) or less of the total aggregate annual state categorical fund allocations for the current school year.

9.01.2 The annual reduction required under Section 9.01.1 shall be a minimum of ten percent (10%) of the total excess balances of all state categorical fund sources.

9.01.3 ESA Matching Grant funds shall not be included when calculating the total aggregate annual state categorical fund allocation.

9.02 A school district may transfer funds received from any categorical fund source to another categorical fund source.

9.03 The Division shall monitor on a yearly basis each school district's compliance with the requirements of Ark. Code Ann. § 6-20-2305(e) and this Section 9.00.

9.03.1 If a school district fails to comply with the requirements of Ark. Code Ann. § 6-20-2305(e) or this Section 9.00 during a school year, the Division may in the following school year withhold from that school district's categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of Ark. Code Ann. § 6-20-2305(e) and this Section

9.00.

9.03.2 The Division may redistribute amounts withheld under Ark. Code Ann. § 6-20-2305(e) and this Section 9.00 to other school districts entitled to receive categorical funding allocations.

## **APPENDIX 14 Fund 3200\* Transfers from Net Legal Balance, Act 1105 of 2017/CM RT-18-021**

Coding updates pursuant to Act 1105 of 2017: Ark. Code Ann. § 6-20-2210

Coding requirement effective immediately for all transfers from the general operating fund (2001) to the designated building beginning fiscal year 2018 and transferred by close of fiscal year 2018 is as follows: The designated fund/sof for Act 1105 transfers from the legal balance funds can be transferred only to the designated/required building fund/source of fund '3200.' The only revenue allowed in this fund will be transfers from the general operating fund (2001). (Coding to transfer from Fund 2001: 2001-5200-000-000-00 69330; and revenue into fund 3200 is revenue account 52200). Expenditure budget unit/object combinations will be added for fund 3200 as requested by the districts as long as the expenditure requests meet the expenditure requirements set forth in Ark. Code Ann. § 6-20-2210(c).

(B) Any funds transferred into the public school district's building fund under subdivision (c) (1)(A) of this section shall be used for construction, renovation, repair, or other planned building fund expenditure or project allowed within building fund coding specifications in the latest version of the annual financial report and budget expenditures fund specification of the Arkansas Public School Computer Network. (C) If the construction, renovation, repair, or other planned building fund expenditure or project under subdivision (c)(1)(B) of this section is cancelled or revised such that the funds are no longer dedicated to the construction, renovation, repair, or other planned building fund expenditure or project, the public school district may transfer the funds back into the fund from which the transfer was made under subdivision (c)(1)(A) of this section unless transferring the funds will result in the net legal fund balance exceeding twenty percent (20%) of the public school district's current year net legal balance revenues; or

(2) Spending funds on, including without limitation:

(A) Prekindergarten programs;

(B) Remediation programs;

(C) Career and technical education or workforce readiness programs; or

(D) Any other program or for any other purpose authorized by law