

PART 7

CLASSIFICATION AND DEFINITION OF OBJECT ACCOUNTS

INTRODUCTION

The object accounts listed in this chapter are part of an all-encompassing list that are applicable to the various types of schools in the state of Indiana. Charter schools will need to determine the applicability of each object accounts per Indiana Code and guidelines from state agencies.

CLASSIFICATION OF OBJECT ACCOUNTS

For the purposes of the manual and the prescribed accounting system for Indiana's public schools, the Object Accounts are separated into nine categories dependent upon their function or general purpose. They are identified by numerical designations related as closely as possible to those used in Financial Accounting for Local and State School Systems, Revised. Some classifications, as presented in Financial Accounting for Local and State School Systems, Revised, have been tailored to meet the special needs of Indiana, with respect to Indiana laws and state reporting requirements.

DEFINITION OF OBJECT ACCOUNTS

The objects are defined within each classification or program by the specific purpose which they served. These are identified by account titles basically comparable to those in Financial Accounting for Local and State School Systems, Revised, excepting those instances where greater detail is required because of Indiana laws or state reporting requirements.

ACCOUNTING FOR OBJECTS

Each transaction should be identified with the object category concerned. The following part identifies and describes each of the object classifications which you will be asked to summarize for reporting to the Department of Education.

OBJECTS

OBJECT means the service or commodity obtained as the result of a specific expenditure. Object categories are identified and described in the manual. Following are definitions of the major categories and subcategories.

Personal Services - Salaries. Amounts paid to both permanent and temporary school corporation employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the school corporation.

| <u>Prior to</u> <u>1-1-08</u> | <u>NEW</u> <u>1-1-08</u> | |
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| 110 | 110 | <u>Certified Salaries.</u> Amounts paid to employees who are required to be certified by the Professional Standards Board in order to engage in a contractual agreement with the school corporation. Administrative staff and instructional staff salaries are recorded here. |
| 115 | 115 | <u>Board Members.</u> Compensation paid to persons for serving as members of the governing body; does not include expenses or fringe benefits. |

| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 120 | 120 | <u>Noncertified Salaries.</u> Amounts paid to employees of the school corporation who are classified as noncertified. These employees are not required to be certified as teachers by the Indiana Department of Education. Included here are the salaries of custodians, maintenance personnel, mechanics, bus drivers, secretaries, clerks, teacher aides, aides to librarian, etc. |
| <u>Temporary Salaries.</u> Full-time, part-time, and prorated portions of the costs for work performed by employees of the school corporation who are hired on a temporary or substitute basis to perform work in positions of either temporary or permanent nature. Substitute teachers are accounted for here. Certified and non-certified temporary salaries are classified here. Teachers on temporary contracts are recorded in Certified Salaries (110). Temporary Salaries will not be required for separate state reporting. | | |
| 135 | 135 | <u>Licensed Employees.</u> |
| 136 | 136 | <u>Nonlicensed Employees.</u> |
| 140 | 140 | <u>Overtime Salaries.</u> Money paid to employees of the school corporation in positions of either a temporary or permanent nature for work performed in addition to the normal work period for which the employee is compensated under non-certified and temporary salaries above. The terms of such payment for overtime are a matter of local regulation and interpretation. Overtime salaries will not be required for separate state reporting. |
| <u>Personal Services - Employee Benefits.</u> Amounts paid by the school corporation 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 parts of the cost of personal services. | | |
| <u>Employee Retirement.</u> Contributions by the school to state and federal retirement programs. Included here are Social Security and Public Employees' Retirement Fund. | | |
| 200, 210, 211 | 211 | <u>Social Security-Noncertified.</u> Contributions by the school corporation for noncertified employees. |
| 200, 210, 212 | 212 | <u>Social Security-Certified.</u> Contributions by the school corporation for certified employees. |
| 200, 210, 213 | 213 | <u>Severance/Early Retirement Pay.</u> Contributions made by school corporations for these programs. |
| 200, 210, 214 | 214 | <u>Public Employees Retirement Fund.</u> Contributions by the school corporation for noncertified employees. |
| 200, 210, 215 | 215 | <u>Teacher Retirement Fund, Prior to 7-1-95.</u> Contributions by the school corporation for certified employees employed prior to 7-1-95. |
| 200, 210, 216 | 216 | <u>Teacher Retirement Fund, After 7-1-95.</u> Contributions made by the school corporation for certified employees employed after 7-1-95. |
| 200, 210, 217 | 217 | <u>Public Employees Retirement Fund - Optional contributions.</u> |
| 200, 210, 218 | 218 | <u>Teacher Retirement Fund - Optional contributions.</u> |

| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 200, 210, 220 | 220 | <u>Employee Insurance.</u> Group life, health and accident insurance for employees. 221 Group life insurance, 222 Group health insurance, 223 Group accident insurance and 224 other group insurance authorized by statute. – Dental, vision, accident, long term disability. |
| 200, 210, 230 | 225 | <u>Workers Compensation Insurance.</u> Contributions by the school corporation for workers compensation. |
| 200, 210, 230 | 230 | <u>Unemployment Compensation.</u> Contributions by the school corporation for unemployment compensation. |
| 200, 210, 235 | 235 | <u>Meals Provided.</u> Payment by the school corporation in accordance with "The School Administrator" Volume 157, March 2002 |
| 200, 210, 240 to 290 | 241 to 290 | <u>Other Employee Benefits.</u> Employee benefits which have not been classified above. |

Purchased Professional and Technical Services. Services that by their nature can be performed only by persons for firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, dentists, medical doctors, lawyers, consultants, and teachers. It is recommended that a separate account be established for each type of service provided to the school corporation.

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| 300, 311 | 311 | <u>Instruction Services.</u> Non-payroll services performed by qualified persons directly engaged in providing learning experiences for pupils. Included are the services of interns engaged in teaching activities. |
| 300, 312 | 312 | <u>Instructional Programs Improvement Services.</u> Services performed by persons qualified to assist teachers and supervisors enhance the quality of the teaching process. The category includes curriculum consultants, in-service training specialists, etc., not on the payroll. |
| 300, 313 | 313 | <u>Pupil Services.</u> Nonpayroll services of qualified personnel to assist pupils and their parents in solving mental and physical problems to supplement the teaching process. |
| 300, 314 | 314 | <u>Staff Services.</u> Services performed by qualified personnel to assist management either in the broad policy area or in the general operation of the school corporation. The category includes consultants, individually or as a team, to assist the chief executive in conference or through systematic studies. |
| 300, 316 | 316 | <u>Data Processing Services.</u> Services performed by persons, organizations, or another agency qualified to process data. The category includes those data processing services purchased from another agency or concern or specialists who are contracted to perform a specific task on a short term basis. |
| 300, 317 | 317 | <u>Statistical Services.</u> Nonpayroll services performed by persons or an organization qualified to assist in handling statistics. The category includes special services for analysis, tabulations, or similar work. |

| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 300, 318, | 318 | <u>Board of Education Services.</u> Services performed by qualified persons to assist the governing body of the school corporation in particular activities. The category includes the specialized services of legal counsel, counseling the governing body in employing a chief executive officer, counsel on tax policy, etc. |
| 300, 319, 390 | 319 | <u>Other Professional and Technical Services.</u> Services which are professional and technical in nature which have not been classified above. |

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

Public or Private Utility Services. Expenditures for services usually provided by public utilities such as water, sewage, and garbage collection. The category includes those same services whether the utility company is public or private. Costs for telephone and telegraph are not included here, but are included in Communication (530 Object Area).

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| 300, 320, 385 | 411 | <u>Water and Sewage.</u> Charges for water used in all buildings and on all grounds; also all charges for sewage disposal. |
| 300, 320, 388 | 412 | <u>Removal of Refuse and Garbage.</u> Expenditures for removing ashes, trash, garbage, etc. |
| 300, 320, 389 | 419 | <u>Other Public or Private Utility Services.</u> Expenditures for public or private utility services not classified above. |
| 300, 320, 322 | 420 | <u>Cleaning Services.</u> Services purchased to clean buildings other than those provided by school corporation employees. |
| 300, 320, 323 | 430 | <u>Repairs and Maintenance Services.</u> Expenditures for repairs and maintenance services not provided directly by school corporation personnel. The category includes contracts and agreements covering the upkeep of grounds, buildings, and equipment. Costs for new construction, renovating and remodeling are not included here, but are included in Construction or Buildings (450, 720, Object Area). |
| 300, 320, 325 | 440 | <u>Rentals.</u> Expenditures for leasing or renting land, buildings, uniforms, and equipment for both temporary and long range use of the school corporation. The category includes vehicle rental when operated by school corporation personnel, lease on data processing equipment, lease-purchase arrangements, and similar rental agreements. Costs for single agreements covering equipment as well as operators are not included here, but are considered elsewhere under Purchased Services [see Transportation (510), Repairs and Maintenance Services (430)]. |
| 500, 520 | 450 | <u>Construction Services.</u> 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. |

| <u>Prior to</u> <u>1-1-08</u> | <u>NEW</u> <u>1-1-08</u> | |
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| 300, 320 326 to 329 | 490 to 499 | <u>Other Purchased Property Services.</u> Property Services purchased which are not classified above. |
| <u>Other Purchased Services.</u> Amounts paid for services rendered by organizations or personnel not on the payroll of the school corporation (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. | | |
| 300, 330, 331, 333 to 339 | 510 | <u>Student Transportation Services.</u> Expenditures for transporting children to and from school and other activities. Expenditures to persons or contract agencies for the purpose of transporting children to and from school. These include those expenditures to individuals or contractors who transport children or to employees or parents who transport children by way of a contract. |
| 300, 330, 331, 333 to 339 | 511 | <u>Student Transportation Purchased From Another School Corporation Within State.</u> |
| 300, 330, 331, 333 to 339 | 512 | <u>Student Transportation Purchased From Another School Corporation Outside the State.</u> |
| 300, 320, 324 | 520 | <u>Insurance.</u> Expenditures for all insurance on any type property owned or leased by the school corporation, liability insurance, and transportation insurance. Workmen's compensation is considered in Employee Benefits (220 - Employee Insurance). |
| 600, 650, 652, 654 | 525 | <u>Official Bond Premiums.</u> Expenditures for bonds guaranteeing the school corporation against losses resulting from the actions of the treasurer, employees, or other persons of the school corporation. |
| <u>Communications.</u> Services provided by persons or businesses to assist in transmitting and receiving messages or information. The category includes telephone and telegraph services as well as postage machine rental and postage. | | |
| 300, 340, 341 | 531 | <u>Telephone.</u> All expenditures of the school corporation for telephone and telegraph services, including rental of telephone equipment, for all purposes except school-to-home telephone for home bound instruction. |
| 300, 340, 343 | 532 | <u>Postage and Postage Machine Rental.</u> Expenditures related to postage and postage machine rental. |
| 300, 340, 344 to 349 | 533 to 539 | <u>Other Communication Services.</u> Expenditures for Communication services other than those classified above. |

| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 300, 350 | 540 | <u>Advertising.</u> Expenditures for printed legal notices in papers. These expenditures include advertising for such purposes as tax levies, bond sales, used equipment sales, and other objects. Costs for professional fees for advertising are not recorded here but are charged to Professional Services (319 Object). |
| 300, 360 | 550 | <u>Printing and Binding.</u> Expenditures for job printing and binding usually according to specifications of the school corporation. The category includes the design and printing of forms and posters as well as printing and binding of school corporation publications. Preprinted standard forms are not charged here, but are recorded under Supplies (611 Object Area). |
| 300, 370 | 561 | <u>Transfer Tuition to Other School Corporations Within the State.</u> |
| 300, 370 | 562 | <u>Transfer Tuition to Other School Corporations Outside the State.</u> |
| 300, 370 | 563 | <u>Transfer Tuition to Private Sources.</u> |
| 300, 370 | 564 | <u>Transfer Tuition to Educational Service Agencies Within the State.</u> |
| 300, 370 | 565 | <u>Transfer Tuition to Educational Service Agencies Outside the State.</u> |
| 300, 370 | 566 | <u>Transfer Tuition to Charter Schools.</u> |
| 300, 370 | 569 | <u>Transfer Tuition – Other.</u> |
| 300, 332 | 580 | <u>Travel.</u> Costs for transportation, meals, hotel registrations, and other expenses associated with reimbursement for traveling on business for the school corporation. |
| 600, 670-680 | 591 | <u>Services Purchased From Another School Corporation or Educational Services Agency Within the State.</u> |
| 600, 670-680 | 592 | <u>Services Purchased From Another School Corporation or Educational Services Agency Outside the State.</u> |
| 300, 390 | 593 | <u>Other Purchased Services.</u> Amounts paid for services rendered by organizations or personnel not on the payroll of the school corporation (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. |

Supplies. Amounts paid for material items of expendable nature that are consumed, worn out, or deteriorated by use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

General Supplies. Expenditures for all supplies (other than those listed below) for the operation of a school corporation, including freight and cartage.

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| 400, 411 | 611 | <u>Operational Supplies.</u> Expenditures for all supplies for the operation of a school corporation, including freight. Types of supplies included here are office, instructional, custodial, maintenance, etc. |
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| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 400, 412 | 612 | <u>Tires and Repairs.</u> Charges for repairs and replacements of tires and tubes. |
| 400, 413 | 613 | <u>Gasoline and Lubricants.</u> Cost of gasoline, oil, grease and gear lubricants. |
| 400, 414 | 614 | <u>Food Purchases.</u> Cost of food. |
| 400, 415 | 615 | <u>Other Supplies.</u> Expenditures for Supplies not classified above. |
| 300, 381 | 621 | <u>Heating and Cooling for Buildings - Electricity.</u> Electricity used in heating and cooling all school corporation owned buildings. |
| 300, 382 | 622 | <u>Heating and Cooling for Buildings - Gas.</u> Gas used in heating and cooling all school corporation owned buildings. |
| 300, 383 | 623 | <u>Heating and Cooling for Buildings - Fuel Oil.</u> Fuel oil used in heating and cooling all school corporation owned buildings. |
| 300, 384 | 624 | <u>Heating and Cooling for Buildings - Other Energy Sources.</u> All other energy sources used in heating and cooling all school corporation owned buildings. |
| 300, 386 | 625 | <u>Light and Power - Other Than Heating and Cooling.</u> Expenditures for electric current for all purposes used in school corporation, except for heating. |
| 300, 387 | 626 | <u>Gas - Other Than Heating and Cooling.</u> Expenditures for gas for use for all purposes except for heating or cooling buildings. |
| 400, 420 | 630 | <u>Textbooks.</u> Expenditures for adopted textbooks which are purchased for pupils or groups of pupils, and resold or furnished free to them. The category includes the cost of workbooks, textbook binding or repairs, as well as the net amount of textbooks which are purchased to be resold or rented. |
| 400, 430, 560 | 640 | <u>Library Books.</u> Expenditures for regular or incidental purchases of library books available for general use of students including any reference books, even though such reference books may be used solely in the classroom. Also recorded here are costs of binding or other repairs to school library books |
| 400, 440 | 650 | <u>Periodicals.</u> Expenditures for periodicals and newspapers. A periodical is any publication appearing at regular intervals of less than a year and continuing for an indefinite period. |
| 400, 450 to 490 | 660 to 689 | <u>Other Supplies and Materials.</u> Expenditures for all other supplies and materials not included above. |
| <u>Property.</u> Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment. | | |
| 500, 510, 515 570, 590 | 710 | <u>Land and Easements.</u> Expenditures for the purchase of land and easement rights. |

| Prior to 1-1-08 | NEW 1-1-08 | |
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| 500-530 570-590 | 715 | <u>Improvements Other Than Buildings.</u> Expenditures for the initial and additional improvement of sites and adjacent ways after acquisition by the school corporation consisting of such work as grading, landscaping, seeding, and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains, installing hydrants; initial surfacing and soil treatment of playgrounds and tennis courts; furnishing and installing for the first time, fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; and demolition work. Special assessments against the school corporation for capital improvements such as streets, curbs and drains are also recorded here. |
| 500, 520 570-590 | 720 | <u>Buildings.</u> Expenditures for acquiring existing buildings. Included are expenditures for installment of 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 record under object 450. |
| 500, 540 570-590 | 730 | <u>Equipment.</u> Expenditures for the initial, additional, and replacement items of equipment, such as furniture and machinery. |
| 500, 550 570-590 | 731 | <u>Vehicles.</u> Expenditures for the purchase of conveyances to transport persons or objects. |
| 600, 690, 691 570-590 | 741 | <u>Computer Hardware.</u> Expenditures for both administrative and instructional uses Computer hardware includes Central Processing Units (CPUs) and other digital equipment (excluding peripherals and telecommunications equipment) that may be necessary to operate a school. Monitors and network cards are included. Items that attach to the network for the primary purpose of accessing or using the CPUs such as network workstations would also be included here (dumb terminals, personal computers, etc.) |
| 600, 690, 692 570-590 | 742 | <u>Distance Learning Equipment.</u> Expenditures for contracts for services that relate to the operation of distance learning equipment. Included may be expenses directly related to distance learning including specialized equipment necessary to participate in distance learning programs. Service contracts such as "Vision Athena", "Classroom Content", and the "Indiana ONLine Academy" would be included. |
| 600, 690, 693 570-590 | 743 | <u>Wireless Equipment.</u> Expenditures for all wireless equipment that may be used for Local Area Network (LANs), Wide Area Network (WANs) and other uses, including room systems. Wireless equipment may include towers, broadcast equipment (airwave), and any other equipment that is used in either sending or receiving a wireless signal. |

| <u>Prior to 1-1-08</u> | <u>NEW 1-1-08</u> | |
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| 600, 690, 694 570-590 | 744 | <u>Connectivity.</u> Expenditures for initial installation and ongoing costs of all circuits used to connect buildings and classrooms within a school corporation. Included also is Internet, and any connection, except for wireless, that serves to connect the LAN/WAN. Ongoing as well as onetime costs are included. Cabling to classrooms, between buildings, and ongoing costs (non-personnel) to provide support is included there. |
| 600, 690, 695 | 745 | <u>Telecommunications Equipment.</u> Expenditures for telecommunications equipment, including routers, hubs, switches, main distribution facilities and intermediate distribution facilities are included here. Included also is equipment needed for voice communications that may be leased or purchased by the local school corporation. |
| 600, 690, 696 | 746 | <u>Other Technology Hardware.</u> Expenditures for other technology hardware. Peripherals such as printers, scanners, web cameras, etc. are included. Expenditures for Personal Digital Assistants (PDAs) and other digital equipment are included here also. |
| 600, 690, 697 | 747 | <u>Content.</u> Content can be described as any software, application systems, or productivity applications that are needed in the operation of a school, including classroom management software, instructional management systems, administrative systems, and other purchase or license/fee related costs. Excluded are video and distance learning contracts and service agreements. |
| 600, 690, 698 | 748 | <u>Professional Development.</u> Training expenditures for technology related development of teachers, administrators and other staff. |
| <u>Other Objects.</u> Amounts paid for goods and services not otherwise classified above. This includes expenditures for the retirement of debt, the payment of interest on debt, the payment of dues and fees, purchase of investments, payments of service charges, and allowable amounts paid for band uniforms. | | |
| 600, 640 | 810 | <u>Dues and Fees.</u> Expenditures or assessments for membership in professional or other organizations or associations or payments to a paying agent for services rendered. |
| 600, 653, 654 | 820 | <u>Judgments Against the School Corporation.</u> Expenditures from current funds for all judgments (except as indicated) against the school corporation 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 corporation 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. |
| <u>Debt Related Expenditures.</u> Expenditures which are from current funds to retire serial bonds, emergency loans and temporary loans. Also expenditures from current funds for interest on serial bonds, lease with option to buy, emergency loans and temporary loans. | | |
| 600, 660 | 831 | <u>Redemption of Principal.</u> Expenditures to retire bonds (including current and advance refundings) and long-term loans. |
| 600, 660 | 832 | <u>Interest.</u> Expenditures for interest on bonds or notes. |

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| 600, 620, 621 | 871 | <u>Bank Service Charges.</u> |
| 600, 620, 622 | 872 | <u>Late Payments.</u> On contracts, etc., where permitted by law. |
| 600, 630, 631 | 873 | <u>Seldom or Non-Recurring Purchases.</u> Expenditures for items purchased not qualified to be included as capital outlay. Includes band uniform purchases. |
| 600, 645 | 875 | <u>Awards.</u> Expenditures for all types of authorized awards. |
| 600, 670 to 680 | 876 to 899 | <u>Miscellaneous Objects.</u> Amounts paid for all other expenses not classified elsewhere. |

Other Items. Used to classify transactions that are not properly recorded as expenditures/expenses but require control and reporting by the school corporation.

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| 700 | 910 | <u>Transfers.</u> This object category does not represent a purchase; but is used as an accounting entry to show that funds have been handled without having goods and services rendered in return. Included here are transactions for interchanging money from one fund to the other and for transmitting flow-through funds to the recipient (person or agency). |
| 600, 610 | 920 | <u>Investments.</u> Expenditures for purchase of investments. |
| | 930 | <u>Subawards/Subgrants – to Other Governmental Units.</u> Use only in conjunction with 17000 series of expenditure accounts for all transactions for which authorized subawards or subgrants have been forwarded to other school corporations, special education cooperatives, vocational education cooperatives, etc.. Please be aware any subawards or subgrants have monitoring responsibilities for the school corporation making the subaward or subgrant. |
| | 940 | <u>SubAwards/SubGrants – to Non Governmental Units.</u> Use only for transactions involving authorized subawards or subgrants to non governmental units. Please be aware any subawards or subgrants have monitoring responsibilities for the school corporation making the subaward or subgrant. |