



# Standard Expenditure Coding

July 2019

# Welcome and Introductions

- Introductions
- Please don't get too far into the weeds (yet)
- Special thanks to:
  - Deb Roberts, Red Clay Consolidated SD
  - Ada Puzzo, Delmar School District
  - Division of Accounting, FSF, PHRST

# Purpose

- Comply with new federal reporting requirements under Every Student Succeeds Act (ESSA)
- Comply with Senate Bill 172, requiring school funding transparency and standardized reporting
- Utilize the National Center for Education Statistics (NCES) categories to allow the State to generate better reports for:
  - The online Report Card for each LEA and school (published on DOE website)
  - The Annual Financial Statement process which feeds several processes and federal reports

# Benefits

- More accurate reporting to the public
- Better data for LEA decision support
- Saves time in the long run
- Improved transparency and trust

# School Codes

- In FSF and PHRST, only use the school codes provided in the listing posted on the DOE Financial Transparency page at [www.doe.k12.de.us](http://www.doe.k12.de.us) >> Public Information >> Financial Transparency
- Make an honest effort to code expenses that are for a school, to a school ... this may mean split coding
- Be reasonable – if split coding is not possible or is too time/labor intensive, use the xx-9999 code
- Remember that transparency can build trust

# About NCEC Codes

- NCEC codes enable consistent reporting and are used for many federal reports
- SB 172 categories are aligned with NCEC codes
- **NCEC codes are NOT part of the FSF chartfield string, nor are they in PHRST**
- Account codes are mapped to NCEC codes where possible in the DOE account code guidance document on the Financial Transparency page
- Where impractical to map from an account code directly to NCEC codes, expenditures will be prorated by DOE when creating reports

# About NCES Codes

- **NCES codes are NOT part of the FSF chartfield string, nor are they in PHRST**
- The NCES codes for expenditures are available beginning on page 123 at <https://nces.ed.gov/pubs2015/2015347.pdf>
- There is also a link to this resource on the Financial Transparency page

# Quick quiz ...

- (1) In which FSF chartfield do you enter the NCES Code for an expenditure?
- (2) Your district has an invoice for \$4500 worth of cleaning supplies for three of your seven schools. How many lines should be on the voucher?
- (3) Your waste removal bill has all eleven of your schools on it. How many lines should be on the voucher?



# Quick quiz ...

- (4) Your tech department buys \$400 in replacement mice and you have five schools. The techs are just stocking them and will distribute to the schools as needed. How many lines should be on the voucher?
- (5) The NCES Code for an expenditure goes in which chartfield?

# Account Codes – a new way

- Who/what is the purchase/service for?
  - This will determine which NCES category the purchase matches
- What is the item or service?
  - This will determine the account code that maps to the appropriate NCES category

# Account Codes – a new way

- Account codes are no longer “one code fits all” for a purchase of the same item
- Every attempt was made to leave an account code in the NCES category where it was used appropriately and most often
- New account codes were created as needed within NCES categories ...
  - Example: office supplies account code depends on which NCES category is purchasing. New account codes were created within each NCES category for office supplies.

# Account Codes – a new way

- Review and know NCES categories ... make sure expenses are in correct NCES category ... may need to split code if practical and/or it makes a difference AND do so ethically
  - Example: Data Storage Service storing student work and HR data could be split between 2200 Support Services – Instruction and 2500 Central Services
  - Practical - yes, only two categories
  - Makes a difference - \$1,000, maybe not, \$150K yes
  - Ethically - if you know it is 80% for HR and 20% for students, don't split 50-50 ...

# Account Codes – a new way

- Review account codes listed within the category
  - Most account codes have a description detailing usage and a reference to another account code for a similar service in another NCES category
  - The account code guidance document is a living document – please suggest clarifications and additional cross-references as you think of them
- Contact DOE for opinion/direction if necessary

# NCES Categories (High level)

- 1000 – Instruction
  - Activities dealing directly with the interaction between teachers and students
    - ◆ Includes traditional classrooms, homebound and hospital schools
    - ◆ Includes athletics, student travel, private placement
    - ◆ Teachers, instructional paras
    - ◆ Field trip transportation
    - ◆ Driver's education expenses

# NCES Categories (High level)

- 2100 – Support Services – Students
  - Activities designed to assess and improve the well-being of students and to supplement the teaching process
    - ◆ Includes nurses, substitute nurses
    - ◆ Related services – OT, PT, Speech
    - ◆ Other student health/medical services
    - ◆ Attendance
    - ◆ Social work
    - ◆ In-school student activities, field trip expenses except for transportation, PBS and reward activities

# NCES Categories (High level)

- 2200 – Support Services – Instruction
  - Includes tuition reimbursement for instructional staff, stipends/honorariums, conference registrations for instructional staff, professional development supplies
    - ◆ Curriculum Office
    - ◆ Special Ed Office, Curriculum Development
    - ◆ PD – staff training
    - ◆ Library (if not an instructional class)
    - ◆ Instructional technology that does not “directly instruct” students



# NCES Categories (High level)

- 2300 – Support Services – General Administration
  - Activities concerned with establishing and administering policy for operating the school district
    - ◆ School Board expenses including board travel, legal services
    - ◆ Superintendent
    - ◆ Community Relations
- 2400 – Support Services – School Administration
  - Activities concerned with overall administrative responsibility for a school
    - ◆ Administrative supplies, office supplies and office equipment for a school office
      - Principals, AP, school clerical, department chair expenses

# NCES Categories (High level)

- 2500 – Central Services
  - Activities that support other administrative and instructional functions (District Office)
    - ◆ Human Resources includes recruitment
    - ◆ Business and Finance
    - ◆ Printing directories and staff handbooks
    - ◆ Non-Instructional training/PD
    - ◆ Planning and administrative information technology

# NCES Categories (High level)

- 2600 – Operations of Maintenance and Plant
  - Activities concerned with keeping the buildings comfortable and safe for use
    - ◆ Buildings and grounds maintenance (not athletic fields)
    - ◆ Security
    - ◆ Safety
    - ◆ Maintenance vehicles including vehicle fuel
    - ◆ Building equipment (HVAC, elevators)
- 2700 – Student Transportation
  - Activities concerned with getting students to and from school as provided by state and federal law
    - ◆ Transporting student to and from school and for student activities except those related to athletics
      - Includes contractors and all district transportation staff
      - Homeless and Foster Care Transportation
      - ICT Private Placement Transportation
      - All supplies and repair expenses related to maintenance of transportation vehicles and office needs

# NCES Categories (High level)

- 2900 - Other Support Services
  - All other support services not classified in any other categories in the 2000 series
    - ◆ Every effort should be made to use a specific category
- 3100 - Food Service Operations
  - Activities concerned with providing food to students and staff in a school or school district
    - ◆ All expenses coded to 91100 and all cafeteria workers and nutrition department staff including clerical, supervisors, specialists, etc...

# NCES Categories (High level)

- 3200 - Enterprise Operations
  - Activities that are financed in a manner similar to a private enterprise
    - ◆ Does not include activities directly related to instruction such as vocational programs that charges for services/goods
- 4000 – Facilities Acquisition
  - Activities concerned with acquiring land and buildings, including remodeling, building additions, and purchase of major equipment (refer to BAM)
- 5000 – Debt Service
  - Related to servicing the long-term debt of a school district
    - ◆ Includes principal and interest

# Account Codes

- [Here we go through introduction of new account code list]
  - [Major categories 51xxx, 52xxx, 54xxx, 55xxx, 56xxx, 57xxx etc.]
  - [New codes?]
  - [Example of cross references ... maybe technology?]

# Reminders for FY20

- EDPs will update with current FY19 coding
  - The new account codes will not be available until start-up on July 9<sup>th</sup>, so it was not possible to correct EDPs prior to the end of FY19
  - EDPs will need to be updated as necessary to comply with changes based on the staff and where they fall under the NCES categories
- The July 5<sup>th</sup> payroll will charge under the old account codes
  - The largest employee group (teachers) will be correct and not require EDP correction except for some instructional and clerical staff
    - ◆ Refer to 2100 and 2200 NCES categories for the identified positions
  - Districts/Charters can decide if they want to do PFAs for the July 5<sup>th</sup> payroll

# Reminders for FY20

- Clerical Coding – This will be a change for everyone
  - Due to clerical staff needing to be categorized within the NCES category where they worked there is a significant change
  - One clerical account code within each NCES code
  - For those utilizing the FTE report in Data Service Center, it will be updated to use program code for FTE tracking instead of account code for the clerical report
  - Units can be tracked through the use of new clerical program codes
    - ◆ 99781 10 month Clerk
    - ◆ 99782 12 month clerk
    - ◆ 99783 Secretary
    - ◆ 99784 Senior Secretary
    - ◆ 99785 Financial Secretary
    - ◆ 99786 Administrative Secretary



# Reminders for FY20

- Commodity Codes – still required in FSF
  - Example of use: Office Supplies – regardless of NCES category or account code, you would still use the commodity code for office supplies
- Purchase Orders that carry forward with balances from FY19 to FY20 will need to have the account code changed
  - Change at payment (easiest option)
  - PO Change Order process

DOE will run an analysis in December to verify that new account codes are being utilized [LEAs can also access using the DGL115 or DGL025 Document Direct reports.

- Questions and/or comments??