

## EXPENDITURES

"Several levels of classification are used to present governmental fund expenditure data. The major classifications are by fund, function (or program), organizational unit, activity, character and object class. The function level provides information for a group of related activities. Standard function classifications include general government, public safety, highways and streets, sanitation, health and welfare, culture and recreation, and education. These functions vary in importance and nature, based on the government's activities. The object classification is a grouping of types of items purchased or services obtained." (Governmental Accounting, Auditing, and Financial Reporting, GFOA Pg. 18)

### **BY FUNCTION:**

**1000 Instruction** includes all activities dealing directly with the interaction between teachers and students which can be directly attributed to a program of instruction. 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, telephone, and correspondence. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

**1100 Regular Programs** are those activities designed to provide grades K-12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.

**1200 Special Programs** are those activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary, and secondary students that have been identified as exceptional.

**1300 Vocational Programs** are those activities which provide organized learning experiences designed to develop skills, knowledge, and working habits in order to prepare individuals for productive employment in occupational fields including agriculture, business, distribution, health, gainful and useful home economics, and trade and industry.

**1400 Other Programs** are those activities that provide learning experiences not included elsewhere. Examples include remedial and developmental programs in given subjects, as well as safety and homebound education.

**1600 Community Education Programs** are designed to meet immediate and long-range educational objectives of adults. Programs include activities to foster the development of fundamental tools of learning, prepare for a post-secondary career, upgrade occupational competence, develop skills and an appreciation for special interests, or to enrich the aesthetic qualities of life. Adult Basic Education and Graduate Equivalency Diploma programs are included in this category.

**2000 Support Services** are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Support Services exist as adjuncts for the fulfillment of the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.

**2100 Pupil Personnel Services** include those activities designed to assess and improve the well being of students to supplement the teaching process.

**2200 Instructional Staff Services** include those activities associated with assisting, supporting, advising and directing the instructional staff with or on the content and process of providing learning experiences for students.

**2300 Administration Services** include those activities concerned with establishing and administering policy in connection with operating the LEA.

**2400 Health Services** include physical and mental health services which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.

**2500 Business Services** include those activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

**2600 Plant Operation and Maintenance Services** are those activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair.

**2700 Transportation Services** include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school. Transportation costs for educational field trips and student activities are charged to the functional area to which the costs are applicable.

**2800 Central Services** include those activities, other than general administration, which support each of the other instructional and supporting services programs. These activities include planning, research, development, evaluation, information, staff, and data processing services.

**3000 Operations of Non-instructional Services** are those activities concerned with providing non-instructional services to students, staff or the community.

**3200 Student Activities** include School sponsored activities under the guidance and supervision of the LEA staff. Included are cocurricular activities supplementing the regular instructional program such as athletics, band, chorus, debate, technology education, theatrics, and others.

**3300 Community Services** include the shared expense of providing crossing guards. These services are provided jointly with certain municipalities.

**4000 Facilities** expenditures include the initial purchase of land and buildings; construction, remodeling, additions, and improvements to buildings; initial installation, replacement, or extension of service systems and other built-in equipment; improvements to sites; and activities related to all of the above.

**5000 Other Financing Uses** Other financing uses represent the disbursement of governmental funds not classified in other functional areas that require budgetary and accounting control. These include debt service payments (principal and interest) and transfers of moneys from one fund to another.

**5100 Debt Service** includes payments on general long-term debt, authority obligations and interest.

**5900 Budgetary Reserve** is not an expenditure function or account. It is strictly a budgetary account. In addition to the appropriations which are made to each of the functions, it is a sound management practice to

provide for operating contingencies through a Budgetary Reserve. Experience indicates that there are certain variables over which control is impossible regardless of the care with which the budget is prepared. These variables include unpredictable changes in the costs of goods and services, and the occurrences of events which are vaguely perceptible during the time of budget preparations, but which, nevertheless, may require expenditures by the LEA during the year for which the budget is being prepared. Rather than provide for such contingencies by "padding" the functional appropriations, it is preferable to limit the functional appropriations to amounts which are supportable by estimates based upon financial, enrollment, and other statistics as related to the more definite educational plans and programs for the budget year, and earmark a reserve for the less predictable requirements. The Budgetary Reserve should be reasonable in amount and in proper proportion to the known operating requirements of the LEA.

## **BY OBJECT**

**100 Salaries & Wages** include gross salaries paid to employees of the LEA who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions. See the personnel distributions and comparisons in Section 10 for more details.

**200 Benefits** are amounts paid by the LEA on behalf of employees; these amounts are not included in gross salary, but are in addition to that amount. Such payments are fringe benefit payments; and, while not paid directly to employees, nevertheless, are part of the cost of personnel services.

**300 Professional Services** are services which by their nature require persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc.

**400 Property Services** include services purchased to operate, repair, maintain, and rent property owned and/or used by the LEA. These services are performed by persons other than LEA employees.

**500 Other Services** are amounts paid for services not provided by LEA personnel but rendered by organizations or personnel, other than Professional Services and Property Services.

**600 Supplies** are amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use; or items that lose their identity through fabrication or incorporation into different or more complex unity or substances.

**700 Property** are expenditures for the acquisition of fixed assets, including expenditures for land or existing buildings and improvements of grounds, initial equipment, additional equipment, and replacement of equipment.

**800 Other Objects** are amounts paid for goods and services not otherwise classified in objects 100 through 700.

**900 Other Financing Uses** include transactions which are not recorded as expenditures to the LEA but require budgetary or accounting control.