

# State of Delaware

## Public Education Financial Coding Guidance

In accordance with federal and state financial transparency reporting requirements, the Department of Education has worked collaboratively with the Office of Management and Budget, Department of Finance, school districts, charter schools, and other stakeholders to develop a plan for ensuring consistency in the coding of financial transactions for public education within the State's accounting system, First State Financials (FSF).

The State will use a three-pronged standardized statewide approach to collecting and reporting school-level per pupil expenditures that will increase transparency and will allow for more equitable comparisons statewide. This approach relies on (1) standardized state coding frameworks for revenues and expenditures which map to National Center for Educational Statistics (NCES) [standard codes](#) used in federal reporting, (2) transparent reporting of financial transactions through the [Delaware Open Checkbook](#) and datasets available through the [Delaware Open Data Portal](#) such as [state employee credit card transactions](#), and (3) financial data available through the Delaware Department of Education's [Delaware Report Card](#).

Within the standardized coding frameworks for expenditure reporting, effective July 1, 2019, Delaware public schools will utilize standard statewide lists of school codes, appropriation numbers and expenditure account codes for financial coding. Effective, July 1, 2020, Delaware public schools will utilize standard statewide revenue codes for financial coding of cash receipts. Detailed information on those code sets is available via the Delaware Department of Education's [financial transparency web page](#). The United Nations Standard Products and Services Code (UNSPSC) is used in coding expenditures in FSF as well.

### **School Codes**

Districts and charter schools are required, where known and practical, to code all expenditures directly attributable to any school to the appropriate school code, regardless of funding source. For expenditures that are not directly or easily attributable to a specific school or schools, those expenditures must be charged against school codes established for Central Office or To Be Allocated. Any expenditures coded to either of those school codes will be pro-rated across all school buildings based on Division I units for purposes of financial reporting.

Districts and charter schools can find a current list of school codes (as established FSF) called *FSF School Codes* at: <https://www.doe.k12.de.us/domain/558>. All expenditures should be coded to a school code that is listed as active on that listing. School codes that are inactive should not be used for coding of expenditures.

## Appropriations

For financial reporting, the Department of Education will utilize appropriation numbers to identify expenditures that should be included in or excluded from public education expenditure categories. Exclusions are listed in our separate document describing the Department of Education's standardized statewide school-level per-pupil expenditure reporting approach.

Appropriations are established by the Division of Accounting, using a numbering system that aligns with the purpose of the expenditures. Additional information on appropriation numbering and ranges is available at: [https://extranet.fsf.state.de.us/jobajds/gl/ranges\\_ledger.pdf](https://extranet.fsf.state.de.us/jobajds/gl/ranges_ledger.pdf) (for FSF users) or <https://www.doe.k12.de.us/cms/lib/DE01922744/Centricity/Domain/558/FSF%20Appropriation%20Ranges%20and%20Ledger%20Groups%20as%20of%20July%202019.pdf> (for all other users).

## Account Codes

The Department of Education will utilize account codes to report expenditures by NCES categories that are aligned with the purpose of the expenditure. This will allow for increased transparency, and improve financial reporting accuracy and timeliness for mandatory federal surveys. When coding public education expenditures, staff must understand the purpose of the expenditure and align that purpose with the most appropriate account code that aligns to the related NCES category.

Below is a brief summary of each major NCES category. Additional detailed information can be found at: <https://nces.ed.gov/pubs2015/2015347.pdf>.

- **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, the Internet, multimedia, telephone, and correspondence—that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (graders, teaching machines, etc.) who assist in the instructional process. If proration of expenditures is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Expenditures for full-time department chairpersons should be reported in function 2490 Other Support Services – School Administration.
- **2100 Support Services - Students.** Activities designed to assess and improve the well-being of students and to supplement the teaching process.

- **2200 Support Services - Instruction.** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.
- **2300 Support Services - General Administration.** Activities concerned with establishing and administering policy for operating the school district.
- **2400 Support Services - School Administration.** Activities concerned with overall administrative responsibility for a school
- **2500 Central Services.** Activities that support other administrative and instructional functions, including fiscal services, human resources, planning, and administrative information technology.
- **2600 Operation and Maintenance of Plant.** 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.
- **2700 Student Transportation.** Activities concerned with conveying students to and from school, as provided by state and federal law. These include trips between home and school and trips to school activities. The Transportation Director should be coded here. Expenditures for driver's education programs should be coded to 1000 Instruction.
- **2900 Other Support Services.** All other support services not classified elsewhere in the 2000 series.
- **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.
- **3200 Enterprise Operations.** Activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is to finance or recover the costs primarily through user charges. The school district bookstore, for example, could be charged to this code. Instruction should not be charged here. Food services should not be charged here, but rather to function 3100.
- **4000 Facilities Acquisition and Construction.** Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.
- **5000 Debt Service.** Activities related to servicing the long-term debt of the school district, including payments of both principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt (including current and advance refundings), capital lease payments, and other long-term notes.

To ensure consistent reporting statewide, use the *FSF Account Codes Guidance* available at <https://www.doe.k12.de.us/domain/558> when coding financial transactions.

## **Revenue Codes**

The Department of Education will utilize revenue codes to report cash receipts by NCES categories that are aligned with the purpose of the revenue. This will allow for increased transparency, and improve financial reporting accuracy and timeliness for mandatory federal surveys. When coding public education cash receipts, staff must understand the purpose of the revenue and align that purpose with the most appropriate revenue code that aligns to the related NCES category.

Below is a brief summary of each major NCES category. Additional detailed information can be found at: <https://nces.ed.gov/pubs2015/2015347.pdf>.

- **1110 Ad Valorem Taxes (Levied/Assessed by School Districts).** Taxes levied by a school district on the assessed value of real and personal property located within the school district that, within legal limits, is the final authority in determining the amount to be raised for school purposes.
- **1190 Other Taxes (Levied/Assessed by School Districts).** Other forms of taxes the school district levies/assesses, such as licenses and permits.
- **1200 Revenue from Local Governmental Units Other Than School Districts.** 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, if 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.
- **1310 Tuition From Individuals**
- **1311 Tuition from Individuals Excluding Summer School.**
- **1312 Tuition from Individuals for Summer School.**
- **1421 Transportation Fees from Other School Districts Within the State.**
- **1500 Investment Income.** Revenue from short-term and long-term investments.
- **1600 Food Services.** Revenue for dispensing food to students and adults. Any revenue from food rebates should be reported here as well.
- **1700 District Activities.** Revenue resulting from co-curricular and extracurricular activities controlled and administered by the school district. Student activity revenues should be reported here as well, but school districts should have methods internally to track student activity revenue separately.

- **1750 Revenue From Enterprise Activities.** Revenue (gross) from vending machines, school stores, soft drink machines, and so on, not related to the regular food service program.
- **1900 Other Revenue From Local Sources.** Other revenue from local sources not classified above.
- **1910 Rentals.** Revenue from the rental of either real or personal property owned by the school district.
- **1920 Contributions and Donations From Private Sources.** Revenue associated with contributions and donations made by private organizations. These organizations include, but are not limited to, educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals. 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).
- **1950 Miscellaneous Revenues From Other School Districts.** Revenue from services provided other than for tuition and student transportation services. These services could include data processing, purchasing, maintenance, cleaning, consulting, and guidance.
- **1980 Refund of Prior Year's 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.
- **1990 Miscellaneous Local Revenue.** Revenue from local sources not provided for elsewhere, including services provided to individuals. Other examples could include food rebates, coupon refunding, and sales of materials.
- **2100 Unrestricted Grants-in-Aid.** 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.
- **3700 State Grants Through Intermediate Sources.** Revenues from the state government through an intermediate agency.
- **3800 Revenue in Lieu of Taxes.** Commitments or payments made out of general revenues by a state 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. This code 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 state.
- **4100 Unrestricted Grants-in-Aid Direct from the Federal Government.** Revenues direct from the federal government as grants to the school district that can be used for any legal purpose desired by the school district without restriction.

- **4500 Restricted Grants-in-Aid From the Federal Government Through the State.** Revenues from the federal government through the state as grants to the school district that must be used for a category 48005 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 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. 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.
- **4900 Revenue for/on Behalf of the School District.** 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.
- **5000 Other Financing Sources.**

To ensure consistent reporting statewide, use the *FSF Revenue Codes Guidance* available at <https://www.doe.k12.de.us/domain/558> when coding financial transactions.

## UNSPSC

The United Nations Standard Products and Services Code is used to code financial transactions in FSF as well. UNSPSC describes what an item or service is, rather than what its function is, so it is not consistent with our statewide approach to reporting how and where resources are used. Nonetheless, it is important to code transactions accurately with the proper UNSPSC and at an appropriate level of specificity (two-digit through eight-digit) because transaction-level data is available to the public. The UNSPSC code can also be useful in procurement efforts within or across districts and state agencies. For more information on the UNSPSC, see the [UNSPSC Web site](#).