

## ***Quakertown Community School District***

### ***Basics of Account Structure***

- QCSD has 207 revenue accounts and over 9,000 expenditure accounts in the General Fund Budget.
- Each account number is comprised of 18 digits.
- QCSD has 5 different funds, and each has its own chart of accounts. The 5 funds are the General Fund, the Food Service Fund, the Agency Fund (Student activities), the Scholarship Fund and the Capital Projects Fund. **The General Fund Budget is the budget that is approved in June and submitted to the State.**

#### General Fund Revenue Account Structure:

Example of a revenue account – 10-6111-000-104-00-01-00

- The first two digits of the account code designate the Fund. The Funds used by QCSD are General Fund (10), Food Service Fund (51), Student Activities Fund (81), Scholarship Fund (71) and Capital Projects Fund (39). In this example, the first two digits are 10, so it is a General Fund account.
- The second four digits of the account designate the Revenue Account. The accounts in the 6000 series are Local Revenue Accounts (including property and other local taxes), the 7000 series are the State Revenue Accounts, the 8000 series are the Federal Revenue accounts and the 9000 series are Other Financing Sources. In this example the second four digits are 6111 which represents Current Local Property Tax Revenues.
- The third three digits of the account designate the Funding Source. Any accounts with a funding source of 000-199 are local revenue accounts, any accounts with a funding source of 200-399 are state revenue accounts and any accounts with funding sources greater than 400 are federal revenue accounts. In the example, the funding source is 000, so the account is a local revenue account.
- The remaining account structure are district designated. In our example the fourth series of the account is 104, which means that it is Richland Township. So, sample account is Richland Township local current property tax revenues.

## General Fund Expenditure Account Structure:

Example of an expenditure account – 10-1100-610-000-30-80-10

- The first two digits of the account represent the Fund, in this example, the first two digits are 10, so this is a General Fund Account.

The following is copied from the Manual of Accounting provided by the State:

**Function** (Use Required For State Reporting Purposes) The Function describes the activities for which a service or material is acquired. The functions of an LEA are classified into five broad areas: 1) Instruction, 2) Support Services, 3) Operation of Non-instructional Services, 4) Facilities Acquisition, Construction, and Improvement Services, and 5) Other Financing Uses. Functions consist of activities, which have somewhat the same general operational objectives. For example, the subfunctions (the first major subdivision of a function), of the function Support Services consist of such areas as transportation, pupil personnel services, administration, etc. The function for Instruction is broken down by program (e.g., regular, special, vocational, etc.). Construction of the functional coding structure beyond the subfunction classification is based on the principle that the classification of activities should be combinable, comparable, relatable, and mutually exclusive.

**Object** (Use Required For State Reporting Purposes) The Object Dimension is the service or commodity bought. This manual identifies nine (9) major object categories: (1) Personnel Services – Salaries, (2) Personnel Services – Employee Benefits, (3) Purchased Professional and Technical Services, (4) Purchased Property Services, (5) Other Purchased Services, (6) Supplies, (7) Property, (8) Other Objects, (9) Other Financing Uses.

**Funding Source** (Use Required to track Federally funded expenditures for State Reporting) The Funding Source dimension permits LEAs to accumulate expenditures to meet a variety of specialized reporting requirements at Local, State, and Federal levels. The first two digits of this dimension identify the funding source (e.g., Local, State or Federal), authority (e.g., Title I or Title II), or expenditure purpose (e.g., Child Nutrition Projects) for which a special record or report of revenues, expenditures or both is required. The third digit of this three digit dimensional code is available to identify particular projects (e.g., Part A of a Title I project). Use of Funding Sources is not required but is recommended particularly for federal revenue sources. LEAs must have the ability to identify expenditures funded with any specific revenue source upon request or for various required reports.

**Instructional Organization** (Use Required For State Reporting Purposes) The Instructional Organization dimension segregates expenditures by organizational level (i.e., elementary, secondary, etc.).

**Operational Unit** The Operational Unit dimension segregates costs by school.

**Subject Matter** This dimension describes a group of related subjects and allows the accumulation of costs for providing instruction for particular subject areas.

In our sample account the following are the account dimensions:

Fund – 10 – General Fund  
Function – 1100 – Regular Instruction  
Object – 610 – Supplies  
Funding Source – 000 – Local  
Instructional Organization – 30 – Secondary (High School)  
Operational Unit – 80 – High School  
Subject – 10 – Industrial Arts

**Note:**

***While the Quakertown Community School District has over 9,000 total accounts, the budget that is approved by the Board of School Directors and is submitted to the State, only includes the following level of detail:***

***Revenues – Summarized by Major Functional area (example 6111 – Current Property Taxes.) All other detail is maintained in order to provide internal reports and other State reports that may require additional detail (such as the ESSER report on the Annual Financial Report).***

***Expenditures- Summarized by Major Functional area (example 1100 – Regular Instruction) and major object area. The major object areas are as follows:***

- Object 100—Personnel Services: Salaries for all school district employees.
- Object 200—Personnel Services: Benefits provided to school employees.
- Object 300—Professional and technical services (for example legal counsel and local auditors
- Object 400—Purchased property services (for example contracted transportation and custodial services)
- Object 500—Other Purchased Services (includes tuition payments to charter schools)
- Object 600—Supplies (classroom materials, utilities and energy, books and software)
- Object 700—Property
- Object 800—Other

Major Functional Areas are as follows:

- 1100 – Regular Instruction
- 1200 – Special Education
- 1300 – Vocational Education
- 1400 – Other Instructional Programs
- 1500 – Nonpublic School Programs
- 1600 – Adult Education Programs
- 1800 – Pre-Kindergarten Programs
- 2100 – Support Services – Student
- 2200 – Support Services – Instructional Staff
- 2300 – Support Services – Administration
- 2400 – Support Services – Health
- 2500 – Support Services – Business
- 2600 – Operation and Maintenance of Plant Services
- 2700 – Student Transportation Services
- 2800 – Support Services – Central
- 2900 – Other Support Services
- 3000 – Student Activities and Athletics
- 4000 – Facilities Acquisition, Improvement and Construction
- 5000 – Debt Services and Other Financing Uses