Software Account Codes

Instructional Software - *Use account code 4303* for expenditures for software used for instructional purposes not included with the purchase of computer hardware, and having a purchase price of less than $5,000. Recurring annual instructional subscriptions or fees for student on-line access are also charged to this account.

Non-Instructional Software – *Use account code 4503* for expenditures for software purchases with an initial cost of less than the district's capital outlay threshold ($5,000) that do not require payment of additional periodic fees for continued use.

Software Maintenance - *Use account code 5600* for expenditures for software maintenance services, such as to modify software after delivery to correct faults, to improve performance, or otherwise preserve the value of software over the time.

Software Licensing - *Use account code 5601* for expenditures for software licensing.

Instructional Software Licensing (allowable with Lottery funds) - *Use account code 5603* for expenditures for payments to firms providing software licensing only (no maintenance). Software licensing agreements often require payment of periodic renewal fees for continued use by licensee.
NOTE: *If licensing and maintenance are combined on the invoice on one line, charge to 5600.*

Library Books – Electronic Media/Access (allowable with Lottery funds) – *Use account code 6303* for expenditures for costs of electronic services for books, magazines, periodicals and other library resources for the college libraries which are available through electronic subscriptions. These include electronic access to student materials. Services for administrative functions would continue to use 5600, 5601, or 5890 as appropriate.

Software – Capitalized - *Use account code 6490*
Instructional Software – Capitalized, $5,000 or more (allowable with Lottery funds) - *Use account code 6493*
Software – Capitalized, $5,000 or more and purchased w/Fed funds - *Use account code 6491*
NOTE: These account codes are used for <u>first-time</u> purchases of new software meeting the criteria below:
- Expenditures for software if they have a value equal to or greater than the district's capital outlay threshold ($5,000) and an initial useful life longer than one year. Software can be internally generated or purchased. The *initial* costs to implement software, including licensing costs and maintenance costs, for both internally generated and off the shelf software, should be capitalized in accordance with the district's capitalization policy.
- Subsequent outlays for maintenance and licensing are generally expensed using account code 5600 (maintenance or maintenance *and* licensing), 5601 (licensing only, non-instructional), or 5603 (licensing only, instructional) unless they include modifications that add capacity or efficiency to the software that defers obsolescence and results extended useful life of the software. Modifications that do not result in added capacity or efficiency or result in extended useful life of the software should be charged to the repairs and maintenance account code 5600 (maintenance or maintenance <u>and</u> licensing), 5601(licensing only, non-instructional), or 5603 (licensing only, instructional).

Internet Account Access - *Use account code 5890* *non-instructional*
Use account code 4303 *instructional student access*
For expenditures for use of online access, where no actual software or license is purchased. It allows the user to access specific programs and features on the host's website. Example: Survey Monkey, non-instructional use 5890.