

STATE OBJECT CODES
(PeopleSoft Accounts)

INTRODUCTION AND BACKGROUND

In the District's accounting system, expenditures are classified by both activity and object codes using the PeopleSoft program and account chartfields, respectively. Classification by activity is used to categorize expenditures by instructional activity using a Taxonomy of Program (TOP) code, or Administrative and Support Activity (ASA) code. Expenditures for the same instructional activity, such as Biological Sciences, whether purchasing department lab supplies or lab equipment should all have the same TOP code. A list of PeopleSoft Program (TOP or ASA) codes is provided at the end of this appendix.

The second method of categorizing expenditures is by state object code, i.e., PeopleSoft account chartfield. Accounts are used to distinguish the type of expenditures such as supplies or equipment. Accounts allow distinction to be made within activity (Program) codes as well as grouping like expenditures across activities. The accounts used by Los Rios Community College district are in accordance with the California Community Colleges Budget and Accounting Manual and are an expansion of the basic state object code reporting requirements mandated by the State.

The correct classification of expenditures by account is important since many financial reports are formatted to reflect expenditures or budgets by account. Please thoroughly review the descriptions that follow to ensure proper classification.

The first character of the account represents the major expenditure classification and the succeeding characters represent subclassifications within the major category. Below is an overview of the major expenditure classifications for non-salary and benefit expenditures:

- 4000 - Supplies and Materials
- 5000 - Other Operating Expenses and Services
- 6000 - Capital Outlay
- 7000 - Other Outgo

Determining the appropriate account may require consideration of how the goods or services will be used. Notation is made for goods or services that may be expended to more than one account. For those cases, the criterion for selecting the appropriate account is provided along with some examples.

When selecting the appropriate budget number, please be sure to include a complete combination of chartfields: Business Unit, Account, Fund, Department ID (Org), Program, Class, Budget Period, Project/Grant.

STATE OBJECT CODES
PeopleSoft Accounts

For reference, the fund titles and numbers are provided:

<u>Fund</u>	<u>Business Unit</u>	<u>Fund Number</u>
General - Unrestricted	GENFD	11
- Restricted	GENFD	12
Capital Outlay Projects Fund	COPFD	41
Capital Outlay – Bond Funds	COPFD	43
Child Development Fund	CCDFD	33
Self-Insurance Fund	SIFFD	61

An example of a line on the District’s OCB report for the General Fund is illustrated below:

<u>Proj</u>	<u>Acct</u>	<u>Prog</u>	<u>Sub-</u>	<u>Description</u>	<u>Appropriation</u>	<u>Pre-Encum</u>	<u>Encumbrances</u>
<u>ID</u>	<u>CD</u>	<u>Class</u>	<u>(Acct-Prog)</u>	<u>(Budget Entries)</u>	<u>(ONL Reqs)</u>	<u>(Purchase Orders)</u>	<u>(JEs & A/P)</u>
041A	4300	05020	00000	In Supply-Acc't.	1000.00	0.00	200.00
							400.00

STATE OBJECT CODES (ACCOUNTS) - 4000 SERIES
Supplies and Materials

Object (Account) code 4000, Supplies and Materials, is the controlling account used to report all expenditures for instructional and non-instructional supplies and materials, including freight, sales/use tax and handling charges. Supplies and materials are items that are expendable and quickly consumed or easily broken, damaged, or lost. This object code also includes equipment items that cost less than \$5,000, unless it meets exception criteria for equipment (see page 13, 6490 Equipment, exceptions).

4100 TEXTBOOKS FOR STUDENT

Limited to use by Training Source and other appropriate contract classes *only*. Student textbooks are not costs that are typically incurred by the District. Contract classes such as those offered by the Training Source may charge the contractor fees to include the cost of textbooks for students.

INSTRUCTIONAL (4300) AND NON-INSTRUCTIONAL (4500) SUPPLIES AND MATERIALS

These accounts are used to record instructional and non-instructional expenditures for supplies and materials. Supplies and materials are generally referred to as expendable, which means they are disposed of after use, not salvaged. Equipment items with a total purchase price including sales tax of under \$5,000 are also recorded in these accounts, unless it meets exception criteria for equipment (see page 13, 6490 Equipment, exceptions).

The term *instructional* (4300) refers to the cost of supplies and materials used primarily in a classroom, lab, or resource center in the course of student instruction. *Non-instructional* (4500) refers to supplies and materials used in support of instructional functions, such as those items used or consumed within department offices such as Records and Admissions. Other District functions, such as maintenance and security, incurring costs for supplies and materials would typically code such expenditures to non-instructional (4500). Because the intended use of the item determines the classifications, some supplies and materials such as periodicals and computer software, can be coded to either 4300 or 4500, depending on their intended use. In the list of examples that follows, these items are noted with an asterisk (*). The lists of items, which can be expended under each title, are not meant to be all-inclusive but are examples of the types of items purchased and consumed in the normal course of operations.

4300 INSTRUCTIONAL SUPPLIES AND MATERIALS

This account is used to record expenditures for the cost of supplies and materials used primarily in a classroom, lab, or resource center for the purpose of student instruction. Proposition 20 states that the funds are “for the purchase of instructional materials” and does not define instructional materials any further. Education Code Section 60010(h) states that “instructional materials” means “all materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted, and may include textbooks, technology-based materials, other educational materials, and tests.” Some examples of instructional supplies include:

- Art Supplies
- Athletic Supplies
- Audio Cassettes*, Films* and Videos*
- Automotive*, Aeronautic, and other supplies used in instruction
- Ammunition and related accessories such as gun cleaning kits (SRPSTC)
- Electronic components
- Food purchases used for Food Instructional Programs (such as Oak Cafe)
- Laboratory supplies, including but not limited to:
 - Biology supplies, plants and specimens
 - Food for laboratory animals
 - Dental/Medical supplies
 - Glassware
- Maps
- Metal and woodworking items
- Printing of class syllabus, handouts and other instructional materials, including printing performed by outside vendors (see 4301)
- Photography supplies and developing costs
- Sheet Music
- Tests and testing supplies
- Theatrical Costumes
- Tools (Automotive, Metal, Woodworking, etc.)
- Toys and Games used in early Childhood Education coursework
- Uniforms (Athletic and other clothing purchased on behalf of student activities only)

Furniture and equipment items with a total purchase price under \$5,000 including sales tax where the end users of the items are students or faculty in the delivery of instruction. If price is \$5,000 or greater, refer to account 6490.

Athletic equipment	Laboratory fittings, tools
Desks, tables, chairs (teacher and student)	Microscopes
Cameras	Overhead projectors
Computer accessories (purchased separately)	Musical instruments
Food production appliances	VCRs

4301 INSTRUCTIONAL PRINTING (Optional)

This account is used to record expenditures for printing materials used in an instructional program such as class syllabus and handouts, including printing performed by outside vendors, when necessary to separate such costs from other instructional supplies.

4303 INSTRUCTIONAL SOFTWARE

This account is used to record 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.

4303 INSTRUCTIONAL SOFTWARE (Cont.)

This account is used to record 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.

4304 INSTRUCTIONAL BOOKS AND PERIODICALS

This account is used to record expenditures for books, magazines and periodicals used in an instructional program (not college library).

Books for department libraries

Periodicals*

Instructor copy Textbooks, Manuals*, Directories* and Handbooks*

4500 NON-INSTRUCTIONAL SUPPLIES AND MATERIALS

This account is used to record expenditures for supplies and materials used in non-instructional activities other than for software (4503) and books and periodicals (4504). Optional accounts are also provided to separately record costs associated with non-instructional printing (4501) and non-instructional Tools (4502).

Audio cassettes, Films, and Videos*

Community Services supplies (including any used in courses)

Course Schedules and Catalogs (see 4501)

Custodial supplies

Directories*(see 4501)

Gasoline, Oil, Antifreeze, Tires used in District vehicles

Landscape supplies and materials

Library operation supplies

Microfilm/Microfiche and development costs (Recordkeeping)

Office supplies, including office equipment supplies such as toner, typewriter ribbons

Mailroom supplies

Tools for repair and upkeep of District equipment, buildings and grounds (see 4502)

Uniforms (security)

4501 NON-INSTRUCTIONAL PRINTING (Optional)

This account is used to record expenditures for printing materials used for non-instructional activities, including printing performed by outside vendors, if necessary to separate such costs from other non-instructional supplies.

STATE OBJECT CODES (ACCOUNTS) - 4000 SERIES (Cont.)
Supplies and Materials

4502 NON-INSTRUCTIONAL TOOLS (Optional)

This account is used to record expenditures for tools and equipment used for non-instructional activities such as auto and building repair and maintenance under \$5,000 including sales tax, if necessary to separate such costs from other non-instructional supplies.

Custodial, Office, Landscaping and Maintenance Equipment purchased under \$5,000 including sales tax.

Calculators	Postage Machines	Drills
Desks, Chairs, Tables	Typewriters	Pruners
Electric staplers	Blowers	Vacuums
Microfilm viewers		

4503 NON-INSTRUCTIONAL SOFTWARE

This account is used to record expenditures for software used for non-instructional activities, not included in the purchase of computer hardware, with a useful life less than one year **or** a purchase price less than \$5,000. Nonrecurring costs **required** for use of the software are also charged to this account. Annual maintenance agreements are recorded in account 5600.

4504 NON-INSTRUCTIONAL BOOKS AND PERIODICALS

This account is used to record expenditures for books, magazines and periodicals used for non-instructional activities.

4507 UNIFORMS

This account is used to track PERS reportable amounts for the purchase of employee uniforms. (Items not reportable are protective vests, pistols, bullets, and safety shoes.)

4790 FOOD SERVICE (Restricted Use-Cafeteria and Child Development Funds only)

This account is used only for food commodities purchased with Cafeteria and Child Development funds. Food purchases are not allowable General Fund expenditures, except for use in instructional (Food Service see object code 4300) and Community Services courses, or as described in object code 5200, Travel, Conference and Meeting Expenses or District special activities policies and regulations.

STATE OBJECT CODES (ACCOUNTS) - 5000 SERIES
Other Operating Expenses and Services

Object (Account) code 5000, Other Operating Expenses and Services, is the controlling account that summarizes those amounts posted to the following accounts, which include expenditures for services, travel, dues and memberships, utilities, repairs, rents, and other operating expenses.

5100 PERSONAL AND CONSULTING SERVICES

This account is used to record expenditures for contracted services, provided by an individual, firm, corporation, or government agency, meeting all Federal, State and District requirements as an independent contractor. Some expenses in this category are:

- Lecturers and Speakers
- Honorariums
- Inspections (not related to Building projects, for projects see 6120 and 6200)
- Consultants to the District

5200 TRAVEL, CONFERENCE AND MEETING EXPENSES

This account is used to record expenditures for per diem according to District regulations and/or actual expenditures incurred by employees, board members, and other district representatives for authorized meetings, transportation, meals, and lodging. Some expenses in this category are:

- | | | |
|------------------------|------------------------------|---------|
| Airline transportation | Parking fees | Meals |
| Bridge tolls | Car rental | Lodging |
| Mileage allowance | Conference/Registration fees | |

Refer to District Regulations R-8341 and R-8343 for reimbursement guidelines.

Costs incurred by the District for sponsoring or hosting a meeting or conference, including but not limited to, facility and equipment rentals, and exhibitor fees may also be charged to this account.

Food purchases or meal reimbursements may be an appropriate expenditure under the following circumstances:

- 1) Meals or food provided at District-sponsored functions or activities meeting the definition of special activities (Board Policy P-8361).
- 2) Staff retreat meals for staff when approved by the Chancellor/President. Typically, college staff retreat expenditures should be charged to the funds established for college special activities (Board Policy P-8361).

5201 MILEAGE – IN DISTRICT (Optional)

This account is used to record expenditures for mileage reimbursements for travel within the district, if necessary to separate such costs from other travel costs.

STATE OBJECT CODES (ACCOUNTS) - 5000 SERIES
Other Operating Expenses and Services (Cont.)

5300 DUES AND MEMBERSHIPS

This account is used to record expenditures for Institutional memberships in associations or organizations. Includes membership fees of the governing board, its members, or its employees who are authorized to join an association or organization. Refer to R-8337 for further details on institutional membership criteria. Also, licenses required for program certification.

5400 INSURANCE

This account is used to record expenditures for all forms of casualty or liability insurance for the District. This account also includes payments to meet the annual funding requirements of the District's self-insurance program. Also included are costs of property appraisals for insurance purposes, fire and theft insurance, any bonds safeguarding the district against losses resulting from the actions of its employees, and insurance for students participating in intercollegiate athletics.

5415 INSURANCE CLAIMS (RESTRICTED USE - SELF INSURANCE FUND ONLY)

Amounts expended as payments and/or accrued costs for claims charged to the District's self-insurance program.

5500 UTILITIES AND HOUSEKEEPING SERVICES

This account is used to record expenditures for water, fuel, light, power, telephone, including cellular phone services, data lease lines, laundry, dust mops, shop rags, doormats, garbage/waste disposal, sewer and other similar expenses, including contracts for these services as well as landscaping and security services. The cost for removal/disposal of hazardous waste and required permits/fees is also included.

5600 REPAIRS AND MAINTENANCE

This account is used to record expenditures for services and/or materials provided in the course of repairs to equipment and buildings. Including, but not limited to:

- Repairs, maintenance, and maintenance agreements
- Architect fees for repairs or minor alterations
- Bus and district vehicle repairs
- Minor building alterations or repairs
- Filling fire extinguishers
- Car wash
- Window coverings
- Flooring or carpet repair or replacement

STATE OBJECT CODES (ACCOUNTS) - 5000 SERIES
Other Operating Expenses and Services (Cont.)

5600 REPAIRS AND MAINTENANCE (Cont.)

Paint and painting services
Scheduled Maintenance (SMSR)* and Major Maintenance projects
Other related repairs and maintenance services not otherwise designated.

*Scheduled maintenance is defined in EC 84660 as “unusual, nonrecurring work to restore a facility to a safe and continually usable condition for which it was intended” and does not necessarily enhance the value of the facility. State funded Scheduled Maintenance and District Major Maintenance project expenditures are recorded in the Capital Outlay Projects Fund (Fund 41), account 5600.

5601 RENTS AND LEASES

This account is used to record expenditures for rent or lease of land, athletic fields, equipment (copiers, pagers, furniture, etc.) and buildings. Rental of meeting rooms or equipment incurred as a cost of hosting or sponsoring a meeting or conference is charged to 5200. For lease purchase agreements refer to 6X95.

5700 LEGAL, ELECTION, AND AUDIT EXPENSES

This account is used to record expenditures for advertisement of bond issues, bids, budget publication and other advertisements required by law. Other types of expenditures recorded in this account include penalties and judgments, lawyers’ fees and other litigation costs, audit, and election expenses.

5800 INDIRECT ALLOCATIONS – SPECIAL PROGRAMS

This account is used to record expenditures for indirect allocations for certain special programs.

5808 ADMINISTRATIVE COSTS – SPECIAL PROGRAMS

This account is used to record expenditures for indirect costs for the administration of certain special programs.

5810 POSTAGE

This account is used to record expenditures for postage and shipping of mail and packages, including postage meters and postal permits, UPS, Aerospeed, Federal Express, etc.

5890 OTHER OPERATING COSTS

This account is used to record expenditures for services and other operating expenses not included in categories above.

STATE OBJECT CODES (ACCOUNTS) - 5000 SERIES
Other Operating Expenses and Services (Cont.)

5890 OTHER OPERATING COSTS (Cont.)

Expenditures in this category include:

- Advertisement and Promotion of College/District
- Investigation reports
- Internet access and on-line services
- Damage to employee personal property (Refer to P-8345)
- Surveys and Appraisals*
- Loan Costs
- Interest (TRANS)
- Notary Bond application and renewal

Costs related to hiring and processing employees, including:

- Employee recruitment
- Employee physical examinations
- Fingerprinting
- Psychological testing
- X-rays required by the District, physicians' fees

All other operating costs not identifiable under any other Object Code 5000 category.

*Appraisals in connection with site purchases shall be charged to Object Code 6100.

5900 DEPRECIATION

This account is used to record expenditures for the systematic distribution of the cost of an asset over the expected useful life.

STATE OBJECT CODES (ACCOUNTS) - 6000 SERIES
CAPITAL OUTLAY

Object (Account) code 6000, Capital Outlay, is the controlling account that summarizes those amounts expended for capital assets, including sites and site improvements, buildings, library books, and equipment.

The Capital Outlay Projects Fund is used to record expenditures for site, building and equipment acquisition, construction, and scheduled and major maintenance projects. See object code 5600 for definition of scheduled maintenance.

Large projects may use different PeopleSoft classes to distinguish expenditures for different phases or aspects of the project. A separate class may be used to establish an appropriation for contingencies; however, a contingency budget should never incur direct expenditures.

6100 SITE ACQUISITION

This account is used to record expenditures for the purchase of land and incidental expenses incurred at the time of acquisition that are necessary to bring the site to the desired condition for which it was purchased. Such expenses include but are not limited to:

Appraisal fees	Removal of existing hazardous wastes
Condemnation proceedings	Surveys
Legal, escrow, closing costs	Title search and insurance fees

If the site is not acquired, the incidental costs are recorded under Other Operating Expenses and Services under the appropriate 5000 series account.

6120 SITE IMPROVEMENT

This account is used to record expenditures for developing new sites or improving existing ones including but not limited to:

Athletic fields/stadiums	Grading	Seeding and planting
Bleachers (permanent, outdoor)	Landscaping	Sewers, storm drains
Fees for architects, Testing & Inspection	Hazardous waste removal	Sidewalks (new)
Flagpoles	Hydrants	Surfacing
Gateways	Playground apparatus (fixed)	Swimming pool (outdoor)
Roadways/parking lots	Retaining walls	Tennis Courts
	Treating soil	Fences

Demolition work connected with site improvement is also reported under object code 6120. State funded projects will generally separate site improvement costs from building and improvement costs.

6200 BUILDING AND IMPROVEMENTS

This account is used to record expenditures for the purchase or construction of a building and additions or improvements to existing building. Improvements must increase the value of the

STATE OBJECT CODES (ACCOUNTS) - 6000 SERIES
CAPITAL OUTLAY (Cont.)

6200 BUILDING AND IMPROVEMENTS (Cont.)

building; otherwise, such costs are recorded under object code 5600, Repairs and Maintenance. Costs include but are not limited to:

Improvements/Construction:

Architectural fees	Electrical work	Legal fees
Bleachers (permanent, indoor)	Engineering fees	Plumbing installation
Blueprinting	Feasibility study	Sprinklers
Consulting fees	Hazardous waste removal	Swimming pools (indoor)
Demolition work	Heating/ventilation	Warning devices (security)
Inspection services/fees		

Purchase:

Appraisal fees	Consulting & legal fees	Escrow/closing fees
----------------	-------------------------	---------------------

Inspection fees, attachments and built-in fixtures are an integral part of a building or building service system and are reported under this object code. This includes permanent cabinets, which are attached to the building, including those constructed by Facilities Management.

Example: A sign that costs at least \$5,000 and is affixed to a building would be reported in object 6200. The same sign, if free standing, would be considered a site improvement and be reported under object 6120. If the sign costs under \$5,000, it should be reported under object code 4500.

6300 LIBRARY BOOKS AND OTHER MEDIA

This account is used to record expenditures for books, magazines, periodicals and non-print media (e.g., CD ROMs, audio cassettes, film, etc.) for *college libraries only*. Departmental libraries shall be reported as supplies and materials, account 4304 if an instructional department or 4504 for non-instructional departments.

6490 EQUIPMENT

This account is used to record expenditures for all equipment and software with a useful life over one year **and** purchase price \$5,000 or greater, including sales tax. Equipment and software with a purchase price under \$5,000 is reported under the applicable 4300 or 4500 object code.

Equipment is defined as tangible property, which can be used for a year or more without material change in form or appreciable impairment of physical condition. Examples include chairs, desks, vehicles, computers, machinery and instruments. Upgrades to existing items (such as computer upgrades), which would extend the useful life of a piece of equipment and exceed the \$5,000 threshold would be recorded in this category.

STATE OBJECT CODES (ACCOUNTS) - 6000 SERIES
CAPITAL OUTLAY (Cont.)

The following questions may provide some guidance in deciding whether a purchase should be coded to equipment. If the answer to any of the following questions is yes, the item should be classified and recorded under supplies (4300 or 4500):

1. Is the cost of the item including sales tax \$5,000 or less?
2. Will the item lose its original shape and appearance with use?
3. Is it consumable with a normal service life of less than one year?
4. Is it easily broken, damaged, depleted, or lost in normal use?
5. Is it usually more feasible to replace it with a new item than to repair it?

The following exceptions are allowable:

- ✓ The purchase of an item that costs less than \$5,000 but is required for the operation of a capitalized item will be capitalized if the expense is incurred as part of and during installation.
- ✓ The initial stocking of a laboratory or classroom with a large quantity of inexpensive items.
- ✓ A “lot” (large quantity of the same item) is capitalized when equipping a new or remodeled classroom, but would be reported under 4300 or 4500 if purchased separately. Such items include, but are not limited to, chairs, cameras, desks, etc.
- ✓ A “lot” of line items that make a single unit with a total cost of \$5,000 or more are reported under 6490. A note should be made in requisition comments, alerting the buyer to group the items on the purchase order.
- ✓ Microcomputer software purchased as part of a computer system is reported in object 6490. However, microcomputer software purchased alone should be coded to object 4303 or 4503, unless the software meets the criteria for a capital asset as described under account 6490 and the acquisition cost should be amortized over multiple years.

The development or purchase of mainframe software for district service applications will be capitalized in this account. This includes all direct support costs associated with the installation of the software.

The District maintains an inventory of all equipment purchases which includes a description, identification number, original cost, date of acquisition, physical location, and date and method of disposal for equipment items charged to account 6490.

6X95 LEASE PURCHASE AGREEMENTS

This account is used to record expenditures for lease payments that will result in ownership of a capital asset at the expiration of the lease. Leases without intent to purchase a capital asset are reported under account 5601.

6195 LAND LEASE PURCHASE

6295 BUILDING LEASE PURCHASE
6495 EQUIPMENT LEASE PURCHASE

STATE OBJECT CODES (ACCOUNTS) - 7000 SERIES
OTHER OUTGO

7311 TRANSFER OUT TO GENERAL FUND

7313 TRANSFER OUT TO CAPITAL OUTLAY PROJECTS FUND

7314 TRANSFER OUT TO RETIREE BENEFITS FUND

7316 TRANSFER OUT TO CHILD DEVELOPMENT FUND

7317 TRANSFER OUT TO BOOKSTORE FUND

7318 TRANSFER OUT TO STUDENT ASSOCIATION/TRUST FUNDS

7319 TRANSFER OUT TO SELF INSURANCE FUND

7334 TRANSFER OUT TO FINANCIAL AID FUND

7500 STUDENT FINANCIAL AID

This account is used to record expenditures for payments to or on behalf of a specific student(s), including, but not limited to, payments for books, child care, enrollment fees, and grants (stipends).

7600 OTHER PAYMENTS TO STUDENTS

This account is restricted to use by Training Source to record enrollment fee transfers from Training Source revenue accounts.