

NATIONAL CENTER FOR EDUCATION STATISTICS

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The National Public Education Financial Survey

Instruction Booklet

**U.S. Department of Education
Institute of Education Sciences**



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The National Center for Education Statistics (NCES) is the primary federal entity for collecting, analyzing, and reporting data related to education in the United States and other nations. It fulfills a congressional mandate to collect, collate, analyze, and report full and complete statistics on the condition of education in the United States; conduct and publish reports and specialized analyses of the meaning and significance of such statistics; assist state and local education agencies in improving their statistical systems; and review and report on education activities in foreign countries.

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THE NATIONAL PUBLIC EDUCATION FINANCIAL SURVEY

I. Overview

The **National Public Education Financial Survey** is a key component of the U.S. Department of Education's Common Core of Data (CCD), the annual collection of basic information about the nation's public elementary and secondary schools. The survey collects school finance data derived from administrative and fiscal records from the 50 state education agencies (SEAs), the District of Columbia, and the outlying areas under U.S. jurisdiction. The Bureau of the Census is NCES's collecting agent. Census will receive, process and edit the data under the direction of NCES.

Due dates. The date on which submissions (survey form ED 2447) will first be accepted is March 15 of each calendar year--covering data for the preceding school year. Submissions should be made to the Census Bureau via mail or electronic submission. The mandatory deadline for submitting fiscal data is the **first Tuesday after Labor Day, September 2, 2003**, for purposes of this report, the fiscal year is the 12-month period beginning July 1 and ending June 30.

When Census receives a completed fiscal survey from a state or other jurisdiction, Census staff will use a computer edit procedure to check for internal and longitudinal consistency. If there is a question about one or more of the entries, Census will notify the SEA and request verification or correction prior to publication of the fiscal data. Revisions will be accepted through the **first Tuesday after Labor Day**. Procedures for transmitting the survey form to Census appear below in entitled "Instructions for Submitting Fiscal Data - Final Steps."

NOTE: All account codes listed in these instructions and the FY 2002 survey form, are from the 1990 Accounting Handbook: *Financial Accounting for State and Local School Systems 1990*.

Final Steps Before Submitting Fiscal Data

Below are instructions for final review and submission of the fiscal survey. Respondents should take the following steps after completing the survey form. Although the Census Bureau has provided several means for reporting your survey data, these instructions apply to all submissions.

- ! Review the section of the Instruction Booklet entitled "Steps for Ensuring Comparability of Submitted Data" and check to make sure these steps were followed.
- ! Review the section of the instructions entitled "Record Keeping Requirements" to identify the records, notes, and other materials that must be retained in the event of an audit or to assist a future staff member to understand how the submitted numbers were compiled.
- ! Check all addition on the survey form. Make certain that subtotals add up to totals. Remember, the most common errors in responding to the fiscal survey are mistakes in addition. The web form has an add-check component in each section. You will be prompted whenever the detail does not add to the subtotal or total for any data item.
- ! Make certain to compare the current year's submission with fiscal data for the previous year. Large differences may indicate an error. Census will ask survey respondents to provide a written explanation for unusual year-to-year changes in any item.
- ! Make certain that the survey form is signed by the "authorized state official" who has been designated to certify the accuracy of the submission. This official MUST have been approved, in writing, by the Chief State School Officer for the purpose of certifying the accuracy of the revenue and expenditure information on the survey. NCES strongly recommends that the staff completing the survey review all responses carefully with this official and that his/her sign off not be perfunctory. (See pages 4-5)
- ! Initial fiscal data (the Financial Survey) are due on March 15 of each year or as soon thereafter as possible. If an SEA cannot submit fiscal data by March 15 or shortly thereafter, the SEA should inform Census in writing of the delay and note the date by which the SEA will submit the fiscal data.

Steps for Mailing the Survey

! Final fiscal data on the survey form to be used for federal program allocations are due at the address indicated below on or before 4 p.m. (Washington, D.C., Eastern standard time) on the Tuesday following Labor Day. Regular mail submissions of the survey form must be postmarked by midnight of the Thursday preceding Labor Day; survey forms sent by express mail must be postmarked by midnight of the Friday preceding Labor Day. An SEA must show one of the following as proof of mailing:

(1) A legibly dated U.S. Postal Service postmark.

(2) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.

(3) A dated shipping label, invoice, or receipt from a commercial carrier.

(4) Any other proof of mailing acceptable to the Secretary of the U.S. Department of Education.

! If the survey form is mailed through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing:

(1) A private metered postmark.

(2) A mail receipt that is not dated by the U.S. Postal Service.

! Please note that the U.S. Postal Service does not uniformly provide dated postmarks. Before relying on this method, an SEA should check with its local post office.

! Address: Mail the survey form to the Bureau of the Census, ATTN: Governments Division, Washington, DC 20233-6800.

! The address for FEDEX or U.P.S. or hand delivery is:

Governments Division
Bureau of the Census
8905 Presidential Parkway
Washington Plaza II , Room 508
Upper Marlboro, MD 20772

! Respondents should call Eunice Ave at the Census Bureau with questions regarding proper procedures for completing the survey form (Telephone 1-(800) 437-4196, FAX (301) 457-1540, Email npefs.govs@census.gov). However, questions about a particular method of completing a survey item should not be considered resolved until a designated NCES staff member responds in writing. The NPEFS staff consists of the following and may be reached at the 800 number and FAX number above:

Mary M. Church:	Crosswalk Coordinator/Team Leader
Freda M. Spence:	Imputations/Web-Based Applications/Team Leader
Selena Caldera:	Statistical Survey Analyst/Data review

! If you wish to address questions to the NCES Project Director, you may contact him at the listing below:

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Instructions for Electronic Data Submissions

Transmissions via Internet

NPEFS data and the fiscal data plan may be submitted using the interactive internet form developed by the Census Bureau. Instructions for using this method of data transmission will be explained more fully in the NPEFS package received by the CCD fiscal coordinators in February. The URL for this site is:

www.census.gov/govs/www/npefs.html

If the data is submitted using another electronic format (e.g. spreadsheets) or database files, you may submit these files via internet. In particular, large database files should be sent to the Census Bureau via FTP. If you wish to submit your NPEFS data using the FTP protocol you should follow the directions below:

BEFORE BEGINNING, please rename your file to include the following:

- 1) The **state abbreviation** of your state
- 2) The **year** of data
- 3) The survey name, i.e., **NPEF**

For example, the filename for California would include **CA2002NPEF**

Instructions for sending files FTP are on the NPEFS website at the URL above.

You may also send your submission as an E-mail attachment. Send your document as an attachment to the following E-mail address: **govs.npefs@census.gov**.

All fiscal data submitted on CD or diskette must be accompanied by a cover letter from the appropriate authorizing official. The letter must certify the accompanying CD or diskette as containing the official transmission of that state and confirm that the data were prepared in accordance with current procedures as stated in The National Public Education Financial Survey Instruction Booklet. If you use the web form, there is a method for the designated certifying official to electronically approve the data submission. There is also a page that you can print and have signed by the authorizing official. This page must follow your submission of the form by five business days. If another form of electronic transmission is used, you may still use the certification page. If you prefer, you may send in the official certification via letter. The letter must contain the following statement:

I hereby certify that to the best of my knowledge and belief, the data reported on the accompanying CD (or diskette) constitute a true and full report of revenues, expenditures and student attendance during the regular school year and for summer school for the public elementary and secondary schools under this jurisdiction for purposes of publications revised by ELEMENTARY AND SECONDARY ACT OF 1965. The CD (or diskette) accompanying this letter has a label affixed to it reading: CCD NPEFS FY2002, (state), (date).

Instructions for the electronic submission of NPEFS crosswalk data can be found in the Crosswalk Instruction Manual that is sent to all states that are participating in the crosswalk program for FY 2002.

Prior Year Submissions

We have upgraded the method for electronic submission of prior year data. Please contact the Census Bureau for instructions on how to submit your prior year data via the web.

NCES Response

The Census Bureau, under NCES directives, enters the data from each state's fiscal survey form into an electronic database and performs edit procedures to check for internal and longitudinal consistency. Questionable entries are referred to the SEA for verification or correction before publication. All state submissions are acknowledged with letters that include a summary of questions raised during the editing procedures. NCES strongly recommends that states respond in writing to resolve any questions addressed in these letters. All data collected by the Census Bureau is transmitted to NCES for their review and concurrence.

NCES may write to Chief State School Officers to remind them of the March 15 or September response dates. However, states bear the full responsibility for ensuring that fiscal data are submitted to NCES on or about March 15 and that the data have been certified as accurate by the "designated state official." States also bear the full responsibility for responding to questions raised in letters sent to the NPEFS/CCD state coordinator and for revising fiscal data submissions by close of business no later than the Tuesday following Labor Day.

To ensure that federal education funds are allocated to state and local education agencies in a timely manner and based upon the most accurate data available, NCES must establish a final date by which the fiscal survey form must be submitted. Nonetheless, SEAs should be aware that all fiscal data are subject to audit and that the U.S. Department of Education may seek to recover overpayments for the applicable programs if any inaccuracies are discovered as a result of an audit.

NCES accepts revised fiscal data from SEAs for up to one year after the "first Tuesday after Labor Day" ("Labor Tuesday") deadline. The revised data will go through the same edit process and will be published as final data about 18 months after the Labor Tuesday closeout. Only changes that result in a decrease in SPPE and received before the month

of February following the "Labor Tuesday" deadline will be accepted. These data will be forwarded to the U.S. Department of Education offices that use SPPE to calculate program allocations. States should be aware that the Department may move to recover funds where over-allocations were made on the basis of incorrect SPPE data.

II. How Fiscal Data Are Used

Publications. NCES publishes fiscal data reported by states in many different types of publications, ranging from the Statistics in Brief series (tabular displays of fiscal data) to the annual Digest of Education Statistics. The most recent Statistics in Brief is Revenues and Expenditures for Public Elementary and Secondary Education: School Year 1999-2000 (NCES 2002-367). Other NCES publications include The 2001 Digest of Education Statistics (NCES 2002-130) and State Profiles of Public Elementary and Secondary Education (NCES 2000-304). Data are also available, along with other CCD data, on CD-ROM Common Core of Data (CCD) School Years 1996-97 through 1999-2000 (NCES 2002-373). All NCES publications are available for free by calling ED PUBS toll free at 1-877-433-7827.

Federal grants. Data from the fiscal survey are also used in determining state funding allocations for a number of federal education programs including Title I of the Elementary and Secondary Education Act of 1965 as amended by the No Child Left Behind Act (Title I), Impact Aid, and Indian Education. Other programs such as the Educational Technology State Grants (Title II, Part D), the Education for Homeless Children and Youth Program under Title VII of the Stewart B. McKinney Homeless Assistance Act, the Teacher Quality State Grants Program (Title II, Part A) and the Safe and Drug-Free Schools and Communities Programs make use of SPPE data indirectly because their allocation formulas are based, in whole or in part, on State Title I allocations. Because the data are used in determining grant allocations, state fiscal submissions and records may be audited by the Office of the Inspector General of the U.S. Department of Education, authorized representatives of the Comptroller General of the United States and the U.S. General Accounting Office, auditors conducting audits required by the Single Audit Act of 1984, and non-Federal auditors. If auditors discover inaccuracies in fiscal data supplied by a state, the Department of Education may seek to recover overpayments for the applicable programs.

III. Why Comparable Data Are Important

It is essential that states submit comparable fiscal data because:

Federal education program offices require comparable fiscal data for determining funding allocations to state and local education agencies. The multiple uses of fiscal data and the wide audience for publications that use the data require that SEA staff use the utmost care in responding to the fiscal survey.

- Statistics from the financial survey are widely compared and analyzed to identify issues and trends in public elementary and secondary school finance and to assess the relative condition of school finance in each state.
- State policy analysts and school finance researchers compare states on the basis of the reported data.
- State-by-state comparisons appear in NCES publications and other U.S. Department of Education publications.

1990 Accounting Handbook. NCES strongly recommends that SEA staff who respond to the fiscal survey adhere to the definitions and classifications in the NCES accounting handbook, Financial Accounting for Local and State School Systems, 1990 (the "1990 Handbook"). States may order a free copy of the handbook from NCES or the Census Bureau. (See page 23 for ordering information.) Although many states use accounting handbooks that differ from the 1990 Handbook, all states should complete the fiscal survey in accordance with the NCES handbook. In order to do this, some SEAs may have to disaggregate data reported by their LEAs and recombine the data to fit the categories specified in the 1990 Handbook.

The GAAFR. NCES also encourages fiscal survey respondents to become familiar with the Government Finance Officers Association (GFOA) publication Governmental Accounting, Auditing, and Financial Reporting, 2001 (GAAFR). This document has gained widespread acceptance as an authoritative statement on the application of generally accepted accounting principles (GAAP) to state and local government. The publication may be ordered from GFOA, 203 N. LaSalle St., Ste 2700, Chicago, Illinois, 60601-1210, Tel: (312-977-9700).

NCES questions survey responses that do not appear to conform to the generally accepted accounting principles and the 1990 Handbook specifications.

NCES Support

Processing Assistance. NCES and the Census Bureau offer training and other types of assistance to states responding to the fiscal survey. NCES and Bureau personnel are available to guide the state coordinators through the survey process by providing answers to processing and subject matter questions throughout the survey processing cycle. States are encouraged to contact either agency with questions about definitions and classifications in the survey. In addition, the Bureau takes steps to ensure that all states respond before all final deadlines and that the appropriate submission procedures are followed.

Conferences and Workshops. The NCES Elementary and Secondary Education Data Conference held each summer provides training, at NCES expense, for selected SEA personnel who complete the fiscal survey. The Center also holds workshops and demonstrations at the Management Information Systems conference every spring. Details are available approximately three months before each conference by accessing NCES's home page at <http://nces.ed.gov/conferences>.

Fiscal "Crosswalk" Project. In addition, the Center funds the "Crosswalk Project" as part of NPEFS. The project makes an extensive study of state education accounting and reporting systems. The Crosswalk Project has recently been redesigned; the redesign is discussed in more detail in the crosswalk manual mailed to all states.

Through this project, NCES obtained detailed fiscal data from states, and, where state data were presented in categories that differed from those in the standard NCES reporting system, the Center's contractor "cross-walked" or recombined the necessary fiscal data items into the correct aggregates. This process also identified difficulties that the states are likely to encounter in attempting to report fiscal data in accordance with NCES standards. The Crosswalk Project has enabled the Center to tailor training to individual states and to develop a protocol for state fiscal coordinators to use in responding to the survey.

IV. Steps for Ensuring Comparability of Submitted Data

Survey respondents can take the following steps to ensure that the fiscal data they submit to NCES are comparable to data submitted by other states.

! Step one: Use the correct fiscal year.

This year, we are collecting data for fiscal year 2002. For purposes of this report, the fiscal year is the 12-month period beginning July 1 and ending June 30. Some states and LEAs use other fiscal years. If your state is among those that use a different fiscal year, it is essential to point this out in a cover letter to Census when submitting the survey form. For example, if a state's 2002 fiscal year ends between July 1, 2001, and June 30, 2002 (e.g., December 31, 2001), the state need only inform Census in a cover letter of the fiscal year being reported (with exact dates). However, if the 2002 fiscal year ends after June 30, 2002 (e.g., August 31, 2002), the state should report revenues and expenditures as of the end of its fiscal year (in this example, August 31, 2002) and inform Census in a cover letter that it has done so. Fiscal data from states whose fiscal year end after June 30 of the reported fiscal year will be footnoted in NCES publications.

A more complex situation arises when one or more LEAs within a state use a different fiscal year, and the SEA does not require a uniform reporting date. For example, the Chicago Board of Education uses a fiscal year that ends on August 31 even though all other LEAs in Illinois end their fiscal year on June 30. Illinois should report fiscal data for all LEAs except Chicago as of June 30 for that fiscal year and report Chicago's fiscal data as of August 31. This should be noted in a cover letter to NCES.

! Step two: Separate reporting for "traditional" and "non-traditional" pre-kindergarten-through grade-12 public education programs.

The traditional public elementary-secondary education programs include:

- Pre-kindergarten (programs from birth to kindergarten)
- Head Start (if funded by school districts)
- special education
- vocational education
- summer school (even when students pay tuition to attend)
- co-curricular activities
- safety and driver education
- ROTC

Traditional public elementary-secondary education does not include:

- day care
- Head Start (if privately funded)
- adult education

- continuing education
- community/junior college
- community service programs
- school district support or private education

The NPEFS survey collects data on both traditional and non traditional education programs, however only traditional education program expenditures should be reported under the instruction, support services and non-instructional services sections of the survey. Expenditures for non-traditional education programs should be reported under facilities acquisition and construction services, community services and direct cost programs as appropriate. Only revenues and expenditures of local education agencies (school districts), and those state government expenditures that go toward the operation of state schools should be reported on NPEFS. State direct support for and on behalf of school districts should be considered LEA expenditures for NPEFS reporting purposes. Expenditures for operating the state education agency should not be included in NPEFS.

Some states use public funds for programs that benefit both public and private school students (e.g., transporting private school students on public school buses). Expenditures for private school students should be reported on the survey in Part IV.. Direct Program Support for Private School Students or in Part IX. Direct Cost Programs. Instructions for reporting the above non-traditional programs are more fully explained in later sections of this manual.

! Step three: Differentiate between "Current Expenditures" and "Total Expenditures."

The 1990 Handbook notes that current expenditures exclude capital outlays and debt service. The GAAFR defines capital outlays as expenditures resulting in the acquisition of or addition to the government's general fixed assets. Fixed assets are defined as "long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances"--including buildings, equipment, improvements other than buildings, and land. In the private sector, fixed assets are often referred to as property, plant and equipment GAAFR. The 1990 Handbook specifically excludes initial, additional, or replacement purchases of machinery and equipment (tools, trucks, cars, school buses, furniture, and furnishings) from Current Expenditures. This treatment of Current Expenditures may differ from state accounting practices; thus, it may be necessary to make adjustments to Current Expenditures when responding to the fiscal survey.

! Step four: Report revenue and expenditure items only once.

"Double counting" of revenues and expenditures can occur when fiscal reports are submitted by overlapping political jurisdictions or when one LEA pays tuition to another to educate students who reside in the LEA that pays tuition.

Overlapping political jurisdictions sometimes report the same revenues or expenditures, particularly in the case of "fiscally dependent" school districts (districts that do not have the authority to raise revenues by levying taxes but that instead receive funds from another government entity such as a city or county). When a state education agency allocates funds to a fiscally dependent school district, the funds are paid to a city or county government rather than directly to the dependent school district. The city or county government then transfers the revenue to the LEA. As a result, both the school district and the city or county may report these funds as state revenue for education. Double counting may also occur if both the fiscally dependent school district and the city or county from which it receives funds report education expenditures (because the LEA is spending funds provided by the city or county).

Cases in which one LEA pays tuition to another for educating students may result from the particular organization of some school systems (e.g., several K-9 LEAs send their students to a regional high school that is part of a separate school district). This can also occur when students from one LEA attend school in another LEA in order to participate in a particular program or curricular offering not available in their home school district (e.g., an appropriate special education program for handicapped children). In some school districts (often termed non-operating LEAs), there are no school buildings within an LEA's boundaries and students residing in the LEA must attend school in another LEA.

Regardless of the reason for such tuition payments, states must ensure that expenditures made by one LEA to another LEA in the same state are not included in current expenditure totals. Therefore, it is essential that tuition expenditures from LEAs within state are accurately reported. This must be done because both the "sending LEA" and the "receiving LEA" would then be reporting expenditures for the same child. The LEA making the tuition expenditure (sending LEA) counts the tuition expenditures and the children that it is sending on a tuition basis to another LEA in average daily attendance. Likewise, the LEA providing the education (receiving LEA) should claim any tuition received as revenue and may not claim tuition expenditures or the average daily attendance of any child for whom it receives tuition.

As an example, consider that some states require all school districts to send expenditure reports to the SEA, whether the LEA is operating or not. Reports

from non-operating "sending" LEAs (which have students, but no school buildings) and "receiving" LEAs (which educate both their own students and those from LEAs without buildings) each include the same expenditures for educating the same children. For this reason, NCES will subtract tuition expenditures from other LEAs (or revenue, if tuition expenditures are not available) from state totals to prevent double-counting the expenditures for a single child.

! Step five: Include expenditures made by SEAs for, or on behalf of, local school districts.

States often pay all or part of the retirement benefits for teachers and other LEA employees. They do so by transferring funds from the state treasury to the state employees' retirement fund. Because school districts are bypassed in these transactions, LEAs do not report the funds to the SEA as either state revenues or as school district expenditures for employee retirement benefits. Yet these payments often represent a large percentage of an SEA's total revenues and expenditures, and substantial under-reporting can occur if the funds are not included in the survey.

State textbook and computer purchases, student transportation programs, and school building construction programs are other examples of revenues and expenditures that may not be reported by LEAs to the SEA. It may be necessary for fiscal survey respondents to contact other state agencies to determine if they are distributing revenues and making expenditures on behalf of LEAs in a particular state.

Please note that NCES would prefer that SEAs report direct program support expenditures in the appropriate function and object, rather than under the category "Direct Program Support". "Direct Program Support" items are only provided as a means for those states that cannot correctly report these expenditures.

! Step six: Don't forget special school districts. Include revenues and expenditures for:

- LEAs that serve special student populations, i.e.,
 - schools for handicapped
 - juvenile custodial institutions
 - other special education state-established entities

- schools for the deaf, blind, and mentally retarded
- charter schools

Special service school districts

Special service school districts do not always report their revenues and expenditures to their SEAs (although they may report numbers of pupils served as well as numbers of staff and staff characteristics). Thus, survey respondents must take care to identify special LEAs within their states and to include educational revenues and expenditures from those LEAs in the fiscal survey. State education department staff may need to contact other state agencies to alert them to the need to provide fiscal data on these special schools and school districts. Revenues and expenditures for these schools and school districts must be reported on the fiscal survey even if they are not classified in your state as "regular school districts" or "local education agencies." However, it is also necessary to remove non-educational costs such as medical and room and board costs, particularly in residential facilities.

! Step seven: Report the amounts for State Per-Pupil Expenditure correctly.

SPPE for statistical purposes. NCES reports two types of per-pupil expenditures. The figure derived by dividing state total Current Expenditure by state total student membership is used for statistical purposes such as comparing per-pupil expenditures among states and appears in NCES publications. State Per Public Expenditures (SPPE) are used in calculating state allocations for certain federal education programs including Title I of the Elementary and Secondary Education Act (ESEA) of 1965, Impact Aid, Indian Education, and the Individuals with Disabilities Education Act (IDEA). SPPE is calculated in accordance with federal program legislation. This booklet provides detailed instructions for computing SPPE in the section entitled "Exclusions from Current Expenditures for Purposes of Determining SPPE." The following discussion addresses key issues related to SPPE.

SPPE for allocation purposes. To determine SPPE for federal grant purposes, NCES begins by calculating a state's "Net Current Expenditure" as defined by federal statute. To obtain this figure, NCES subtracts the following items from a state's total Current Expenditures: community services expenditures; Title I expenditures (Part A - Improving Basic Programs Operated by LEAs; Part B - grants made for Even Start Family Literacy programs; Part C-Migrant Education Programs; Part D-prevention programs for neglected or delinquent children at risk of dropping out); Title VI expenditures; revenue from pupils for food services, textbooks, and student

body activities; tuition paid by nonresident students educated by another school district; transportation fees paid by students; and student tuition for summer school.

The state's "Net Current Expenditure" is the numerator in the equation for determining SPPE, and the state's average daily attendance is the denominator.

$$\frac{\text{Net Current Expenditures}}{\text{Average Daily Attendance (ADA)}} = \text{SPPE}$$

The Elementary and Secondary Education Act of 1965 requires that state education agencies calculate ADA in accordance with state law if such laws exist. Thus, if ADA is defined by state law or regulation, the SEA must calculate ADA accordingly and report it to NCES. The state has no discretion to use another method for calculating ADA.

Survey respondents should become familiar with any state laws regarding average daily attendance as well as instructions or rulings regarding ADA by the Attorneys General of their states. However, if there is no state law or regulation regarding ADA, a state may use the definition provided by NCES. That definition requires an SEA to collect attendance figures from each school or school district in the state on a daily basis and to divide that figure by the actual number of days the school or district is in session. The resulting figures are then added for the entire state.

Regardless of which method is used, states should report an ADA figure that includes every school district, local education agency, and special school for which expenditures are reported. (**Note:** *Federal law requires that when one LEA pays tuition to another for students to be educated by the receiving LEA, the school district that pays tuition counts the students in ADA.*)

It is important to remember that the SPPE is used only for determining federal program allocations--not for making state-by-state comparisons--because significant expenditures have been subtracted by NCES from the SPPE figure (e.g., Title I, Title VI).

V. Record Keeping Requirements

Each state education agency must retain copies of completed fiscal survey forms and all documentation on the preparation of SPPE data for at least five years (as required by the U.S. Department of Education's regulations at 34 CFR 80.42). This documentation includes all financial and programmatic records, supporting documents (such as worksheets and spreadsheets), statistical records, SEA publications, internal guidelines and control document; and any other records that are pertinent to program regulations or grant agreements. The written memo designating the "authorized state official" who certified the accuracy of the fiscal submission also must be retained. For example, the FY 2002 survey (for the 2001-2002 school year) should be retained in state education agency archives until January 1, 2006. Federal auditors from the Office of the Inspector General and non-federal auditors frequently review fiscal survey submissions three to five years after they are submitted to NCES.

Documentation requirements. Documentation on the preparation of the fiscal survey form should include the following information: name of the person who calculated the totals on the fiscal survey ;his or her title; the Department of Education reports that were relied upon to obtain the aggregate numbers; a list of the LEAs and other agencies (e.g., schools for the deaf) that were included or excluded from the calculations; and the item detail (spreadsheets) that resulted in each subtotal and total. Similar documentation should be maintained for the calculation of average daily attendance.

Working files, internal guidelines. NCES strongly recommends that each SEA maintain spreadsheets, databases, or other working files of fiscal data each year. State education agencies should also develop guidelines and controls for the preparation of the fiscal survey. Establishing internal guidelines and controls is important because they provide continuity when staff assignments change and different individuals work on the survey.

VI. Federal Program Classifications

Congress routinely makes changes in the funding levels, purposes, and even titles of federal education programs. More than half of the programs listed in the 1980 NCES accounting handbook had been combined into block grants or discontinued by 1990. In order to build flexibility into the **National Public Education Financial Survey** and allow for the possibility of annual changes in federal education aid programs, no list of programs has been included in either the 1990 Handbook or the Instruction Booklet.

Catalog of federal programs. Instead, fiscal survey respondents are urged to become familiar with the Catalog of Federal Domestic Assistance (CFDA), an annual publication of the U.S. Office of Management and Budget (OMB) that lists, describes, and provides uniform code numbers for all federal aid programs including those funded by the U.S. Department of Education. The Catalog is published every June and the catalog Update is published every December. It lists over 1000 assistance programs administered by more than 50 federal agencies classified by types of assistance. The U.S. General Services Administration distributes a limited number of the catalogs at no charge to federal, state, and local government offices. Each Chief State School Officer receives a free copy. The catalog is available on magnetized tape, high speed diskettes, and CD-ROM. Private individuals may purchase a hard copy of the catalog or an electronic media copy by writing: Federal Domestic Assistance Catalog Staff (MVS), General Services Administration, 300 7th Street, SW, Suite 101, Washington, DC 20407. You may order by telephone: (202) 708-5126. You may also access the catalog at the CFDA website: <http://www.cfda.gov>.

Computerized search. A computerized system is available to answer specific queries regarding domestic assistance programs listed in the catalog. Searches may be requested at designated access points in each state. For information on the use of the Federal Assistance Programs Retrieval System (FAPRS), call the Federal Domestic Assistance Catalog Staff at the telephone number above.

VII. New Initiatives and Programs

New state and federal initiatives and programs require that special instructions be included in the manual to advise respondents on the appropriate classification of their revenues and expenditures. Following are descriptions of two new programs; the Universal Service Fund and Charter Schools:

Universal Service Fund Schools and Libraries Program

Background. On May 7, 1997, the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services. Up to \$2.25 billion annually is available to provide eligible schools and libraries with discounts, often referred to as the "E-rate," for authorized services. This benefit is supported by the Universal Service Fund, established by the Federal Communications Commission (FCC), to provide for affordable access to specified telecommunications services for all

communities, regardless of location or economic strata. The not-for-profit Universal Service Administrative Company (USAC) is responsible for administering the Fund under the direction of the FCC. The Schools and Libraries Division of the USAC administers the schools and libraries (SL) program. This program is popularly referred to as the E-rate program.

Eligible schools and libraries may receive discounts, ranging from 20 percent to 90 percent, on authorized telecommunication services. The level of discount is dependent on economic need and location (urban or rural) and is based upon the percentage of students eligible for participation in the National School Lunch or other federally approved alternative mechanisms contained in the Improving America's Schools Act. Libraries use the discount percentage of the school district in which they are located.

Discounts can be applied to commercially available telecommunications services, Internet access, and internal connections. Eligible services range from basic local and long distance phone services, and Internet access services, to acquisition and installation of equipment to provide internal connections. You may find additional information on this program at <http://www.universalservice.org>.

NPEFS Reporting Instructions of Universal Services Discounts and Revenues. If public school districts in your state are participating in the Universal Service SL program, you should account for the revenues or expenditures on the NPEFS survey as follows:

- ◆ Any Universal Service Fund SL discounts received during the same fiscal year should not be reported as revenue.
- ◆ Any retroactive revenues for previous fiscal years that are received in the current fiscal year via the SL program should be reported other local revenues."
- ◆ Any school district expenditures made as a part of the SL program should be reported in NPEFS under Support Services-Operations and Maintenance (Code 2600 or Facilities Acquisition and Construction Services (for improvements to the property, e.g. , wiring) and in the appropriate object class (purchased services, supplies, or property), for each function.

Charter Schools

A public school charter is generally formed by a charter or a contract between an organization and a state or local education agency. The charter or contract authorizes that organization to manage a school's operations outside of many of the rules and regulations governing public schools in the surrounding district.

Public revenues and expenditures and average daily attendance for charter schools should be reported on the NPEFS form unless these data have already been included in data from LEAs in your state. Funding for charter schools in some states flows directly to charter schools. In other states, funding flows through LEAs. In any case, double counting of data must be avoided. If not otherwise included, public charter school revenues should be reported along with revenues for regular public schools under the appropriate source. Don't forget to include student fees for textbooks, student activities, etc. in the local revenue items. If you are not getting this information from the charter schools in your state, then you should provide a best estimate.

If possible, the expenditures should be broken out into the functions and objects requested on the NPEFS form. However, if this is not possible, the expenditures should be reported as a total figure under "Expenditures Part IV, Direct Program Support, e. Other Direct Program Support for Public School Students," and a note identifying these expenditures as charter schools should be made in the space provided for specifying program names.

Expenditures from Title I and Title VI (formerly Chapter 1 and Chapter 2) funds must be reported with other Title I and Title VI expenditures in the section titled "Exclusions from Current Expenditures for SPPE" near the end of the form.

The average daily attendance calculation should include students attending charter schools. These students should be treated the same as other public school students in the formula to calculate average daily attendance. See page 106 for calculating average daily attendance.

VIII. Distinguishing Between Supplies and Equipment

Distinguishing between supplies and equipment is crucial to accurately reporting expenditures on the **National Public Education Financial Survey**. The 1990 Handbook specifies that purchases of supplies are considered Current Expenditures while equipment purchases are property expenditures, which are covered by Total Expenditures but not

Current Expenditures. Although state practices vary greatly on this subject, it is essential to adhere to the guidelines contained in the 1990 Handbook and this Instruction Booklet when responding to the fiscal survey. For example, federal auditors have determined that the 1990 Handbook classifies the purchase of school buses in such a way that they are never considered a current expenditure, regardless of state practice.

The distinction between supplies and equipment is very important as: different accounting procedures are required for supplies and equipment; insurance requirements may also differ for supplies and equipment; and some types of funds can only be used to purchase certain items (for example, some funds cannot be used to purchase equipment and others cannot be used to purchase supplies). This distinction also affects comparisons of state per-pupil expenditures and federal funding allocations to LEAs, which usually are based on Current Expenditures rather than Total Expenditures. Recall that supplies (600) fall within Current Expenditures while equipment is considered property (700), and property is not included in Current Expenditures. (For more information on this topic, see the 1990 Handbook, pp. 143-145.)

Criteria. At one time, the NCES accounting handbook contained extensive lists of items considered to be supplies or equipment. However, such lists quickly become outdated, and they can never be exhaustive. To assist state and local education agencies in categorizing items without using such lists, NCES has developed a "decision tree" diagram with five criteria for distinguishing between equipment and supplies (Instruction Booklet, figure 1, p. 22; 1990 Handbook, p. 144b). An item is measured against each of the criteria, starting at the top of the decision tree. At the first "no," the item is designated a supply. Only if the item meets all five criteria is it considered equipment. The decision tree has a bias toward classification of items as supplies rather than equipment because of the long-term responsibilities that are assumed for an item identified as equipment. Unlike supplies, equipment must be inventoried each year of its useful life. Other accounting requirements for equipment include general fixed assets, subsidiary accession ledgers, tagging, and reconciliation of book balance to inventory.

Classifying items. By way of example, let us classify two items, a new personal computer and a package of CDs. The computer is likely to meet the first criterion--"lasts more than one year." But let us suppose that the computer begins to malfunction before a year is over. In most cases the computer would be repaired not replaced. Thus, the computer meets the second criterion--"repair rather than replace." The process continues for the remaining criteria: Is it an independent unit? Is the cost of tagging and inventory a small percent of item cost? Did the cost exceed minimum dollar value for equipment established by state or other government unit? Finally, after there is a "yes" answer to all five criteria, the computer would be designated as equipment.

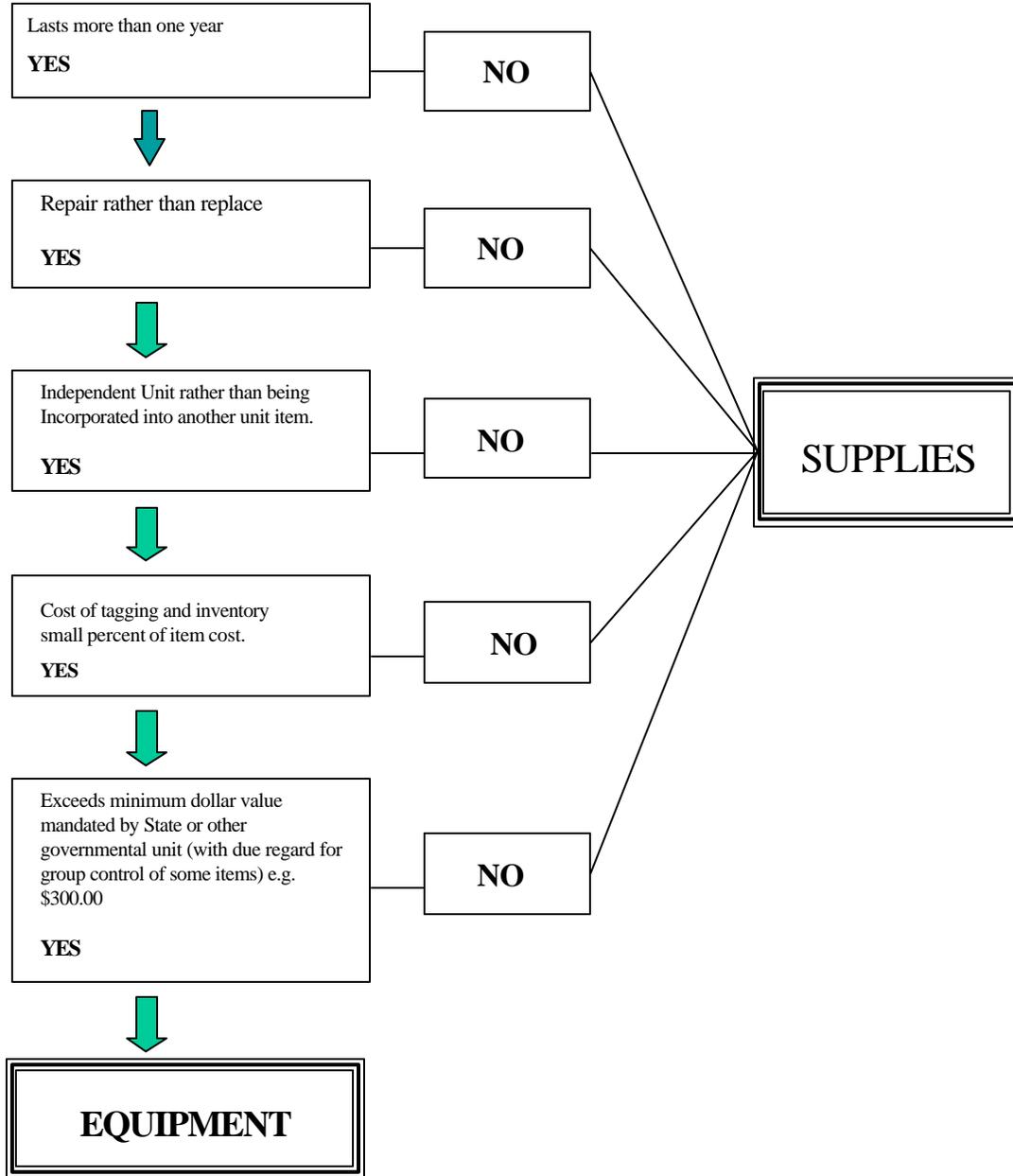
Now let us consider the box of CDs. Although the box of diskettes might last for more than a year (however unlikely), when the box is used up it would be replaced not repaired. Thus, the response would be "no" to the second criterion, and the item would be declared a supply. Although it is not necessary to continue down the list, many of the criteria support the classification of diskettes as supplies rather than equipment. Diskettes are not independent units. Nor would the cost of keeping inventory on them represent a small percentage of the item cost. All of these criteria strengthen the classification of diskettes as supplies.

While the criteria are helpful, survey respondents must exercise judgment in making a final determination about how to classify an item. This is particularly true for items where the distinction is unclear. Once again, it is important to remember that there are more stringent accounting requirements for any item designated as equipment and that such equipment must remain in the accounting system throughout its useful life.

FIGURE 1

CRITERIA FOR DISTINGUISHING SUPPLIES FROM EQUIPMENT

(Listed in Priority Order)



This diagram has a bias toward classification of items as supplies rather than equipment. This is primarily due to the inherent long-term responsibilities that are assumed for any item identified as equipment (e.g., general fixed assets, subsidiary accession ledger, tagging, inventory, and reconciling book balance to inventory).

This diagram was conceived by James Bliss, Ph.,D., Assistant Superintendent for Business Services, Grandview Consolidated School District, Grandview, MO, and Stuart L. Graff, CPA, of the American Institute of Certified Public Accountants (AICPA).

IX. Steps To Assist Respondents in Completing the Fiscal Survey

There are several steps that will assist respondents in completing the fiscal survey and ensure that the data are complete and accurate. These steps are very important for those who are providing CCD fiscal data to NCES for the first time.

- ! First, obtain a copy of the NCES accounting handbook, Financial Accounting for Local and State School Systems, 1990. A single copy of the handbook may be ordered at no cost by calling the National Library of Education at 1-(800) 424-1616. Multiple copies may be ordered from the U.S. Government Printing Office, Washington, D.C. 20402 (\$11 per copy) (Stock # 065-000-000414-3) You may use VI SA and MasterCard. Call GPO at (202) 512-1803.

- ! Next, obtain copies of the accounting handbook used by your state education agency and any instructions given to LEAs on reporting revenue and expenditure data to the SEA. Compare the state reporting requirements with those in the 1990 Handbook and determine where they differ.

- ! Third, obtain copies of fiscal surveys submitted previously by your state to NCES, which will show the person(s) who completed the earlier surveys. That person may be able to provide invaluable advice on many aspects of the fiscal survey, including information about the steps taken to complete the survey in the past and about state guidelines or control documents that can assist you. This former respondent may also be able to inform you about special-purpose districts whose finances should be included in the survey and about expenditures by other agencies for, or on behalf of, LEAs that may not be included in LEA fiscal reports to the SEA.

- ! Fourth, identify the person designated by the Chief State School Officer as the "authorized state official" who must certify that the submission is correct. The "authorized state official" should agree with the methods used to obtain totals for all functions (revenues and expenditures) and with the decisions about what fiscal data to include or exclude (e.g., fiscal data from school districts and expenditures by other agencies). This person should also agree with the calculation of average daily attendance.

- ! Fifth, check all addition prior to submitting the fiscal survey to NCES. The most common errors made in completing the survey are mistakes in adding up the subtotals to determine the correct totals.

! Sixth, make certain to compare the fiscal survey for the current year with fiscal data from the previous year. Large differences may indicate errors such as "double counting," including an item in one expenditure function that should be included in another (e.g., placing an item under "Support Services" when it has already been included in "Instruction"), or failure to include an expenditure object (e.g. salaries) in a total. Dramatic changes in average daily attendance may mean that some LEAs have been erroneously included or excluded.

X. Courses, Training Activities, and Information Sources

Several professional accounting organizations offer classes in governmental accounting that may be helpful to those who are new to the school finance area. The **Government Finance Officers Association (GFOA)** presents classes several times each year at various locations throughout the country. GFOA also publishes Governmental Accounting, Auditing, and Financial Reporting, 1988 (GAAFR), which has gained widespread acceptance as an authoritative statement on the application of generally accepted accounting principles (GAAP) to state and local government. To order a copy of the GAAFR or to obtain information about accounting courses, call or write the association at 203 N. LaSalle St., Ste 2700, Chicago, Illinois 60601-1210, Tel: (312) 977-9700.

Courses in government accounting are also offered by the Association of School Business Officials (ASBO), 11401 North Shore Drive, Reston, Virginia 22091, Tel: (703) 478-0405.

The **Governmental Accounting Standards Board (GASB)** is an independent professional organization whose purpose is to establish standards for accounting and financial reporting for state and local governments. A number of professional accounting organizations supported the creation of GASB in 1984, including the Financial Accounting Foundation, the American Institute of Certified Public Accountants, and the Government Finance Officers Association. GASB establishes standards by issuing pronouncements after appropriate due process. Final GASB pronouncements apply to all state and local government entities. Information on GASB's publications may be obtained from the Governmental Accounting Standards Board, 401 Merritt No. 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116, Tel: (203) 847-0700.

NCES offers training for state fiscal staff at the annual Elementary and Secondary Education Data Conference (held in July). At the conference, NCES staff and invited speakers present a series of workshops, training sessions, and other activities designed to assist SEA staff in responding to the fiscal survey and other CCD surveys. Conference sessions also provide information about important issues and trends in education finance and other topics, future NCES data collection efforts, and issues regarding the use of

CCD data. In recent years, NCES has provided funds for three to four persons from each state to attend the Data Conference.

Every state education agency has a CCD coordinator who acts as a liaison between NCES and the SEA and who facilitates NCES data requests. To obtain the name of the CCD coordinator for your state, contact your state department of education or visit the CCD web site list of coordinators at: <http://nces.ed.gov/ccd/ccMembersFis.asp>.

The CCD web site also has links to the published data, this instruction booklet, and survey form. The accounting handbook "Financial Accounting for State and Local School Systems 1990" is on the web at: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R>.

XI. General Instructions for Completing the National Public Education Financial Survey

The Department of Education actually requests that each state submit responses for the fiscal data plan and the NPEFS survey.

Fiscal Data Plan - The data plan contains a list of questions that help the Census Bureau and NCES to properly analyze each state's data submission. See "Instructions for Electronic Data Submissions," page 4 of this instruction booklet for further information on this aspect of submitting NPEFS information on the web site. The fiscal data plan:

1. Requests information about each state's chart of accounts;
2. Catalogs each state's response to questions raised about subject matter areas, e.g., grants, changes in reporting due to GASB statements, etc.;
3. Gathers information about new initiatives that affect elementary-secondary fiscal reporting, e.g., school choice, charter schools.

National Public Education Financial Survey - Please refer to the survey form while reading the following instructions:

A. Rounding

Round all numbers to the nearest whole dollar before entering them on the survey. Any value of 0.5 and above should be rounded up, any value below rounded down. Examine one significant digit after the decimal point. For example, 1.50 would be treated as 2, while 1.49 would be treated as 1.

B. Missing Data

DO NOT LEAVE ANY BOXES BLANK. NCES treats boxes left blank as errors to be referred to the SEA for correction. Two possibilities exist when a box is left blank: (1) no revenue was received or expenditure made, in which case the entry should be zero or (2) revenue was received or an expenditure occurred, but the value of that transaction is missing. Where a value was measured and no quantity found, use a "0." Where a value was expected but no value was measured, use an "M." Census will contact states with "M" submissions to request that the data be supplied when they become available.

We would expect every state to report expenditures of over \$1,000 for each of the following items:

Revenues

Local Revenues:

At least one of four tax revenue items

Individual Tuition

Tuition from other LEAs within state

Earnings on Investments

Food Service

Student activities

State revenues

Federal revenues:

Directly to LEAs

Through state governments

Other revenue from federal sources

Expenditures

Current:

Every item in:

Instruction

Support Services

Food Services
especially
Instruction expenditures, Tuition

Other Expenditures:

Facilities acquisition and construction services expenditures
 Non-property (construction)
 Existing buildings and land (subtotal)
 Equipment (for new and renovated schools)
Other uses - debt service
 Interest and redemption of principal
Community services expenditures
 Non-property
 Property
Direct cost: adult education
Exclusions for Title I
 Title I expenditures
 Title VI expenditures
Average Daily Attendance

C. Negative Data

Negative numbers are not acceptable responses to the items in this collection. This survey requests data on expenditures and revenues made by public elementary and secondary education agencies in the state. Whereas negative expenditures are sometimes used in fund accounting they are not appropriate for reporting expenditures made for specific functions and objects.

D. Cover Sheet

In the designated boxes on the cover sheet, provide the name of the responding state and the name and telephone number (including area code and extension) of the person preparing the report. Also, provide the name, title, and signature of the "authorized state official" who must certify the accuracy of the fiscal submission. NCES requests that this official be the highest level fiscal official in the SEA (e.g., Assistant Commissioner for Finance, Assistant Commissioner for Research). The individual designated as the "authorized state official" MUST have been approved, in writing, by the Chief State School Officer for the purpose of certifying the accuracy of the report.

E. Internal Data Review

After data have been received, logged and entered into the file, comparisons are made with prior year data reported by the State. If any of the following conditions occur they will be flagged.

- ◆ Total Revenues less than current expenditures
- ◆ Instruction subtotal less than 50% of total current expenditures
- ◆ Employee benefits greater than salaries in any function
- ◆ Current expenditures for function are reported, but no expenditures for property are reported for that function
- ◆ Facilities acquisition and construction services - non-property less than 50 % of all facilities acquisition and construction services expenditures
- ◆ Current expenditures increase more than 12% or decrease more than 1%
- ◆ Exclusions subtotal increases more than 12% or decrease by more than 10%
- ◆ Average daily attendance increases by more than 5% or decreases by more than 2%.

ED Form 2447
OMB Number 1850-0067
Approval expires
December 31, 2004

U.S. DEPARTMENT OF EDUCATION
NATIONAL CENTER FOR EDUCATION STATISTICS

**The National Public
Education Financial Survey**

Fiscal year 2002

NAME OF STATE	NAME OF PERSON PREPARING THIS REPORT	TELEPHONE NUMBER (Include area code, extension)

RETURN COMPLETED FORM TO:

Bureau of the Census
ATTN: Governments Division
Washington, D.C. 20233-6800

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1850-0067. The time required to complete this information collection is estimated to average 78 hours, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this survey, please write to:** U.S. Department of Education, Washington, D.C. 20202-4651. **If you have comments or concerns regarding the status of your individual survey, write directly to:** U.S. Department of Education, National Center for Education Statistics, Elementary/Secondary and Libraries Studies Division, Washington, DC 20008-5651.

CERTIFICATION: I hereby certify that to the best of my knowledge and belief, the data reported in sections I-XV below constitute a true and full report of revenues, expenditures and student attendance during the regular school year and for summer school for the public elementary and secondary schools under this jurisdiction for purposes of public law 97-35, as revised by ELEMENTARY AND SECONDARY ACT OF 1965.	
TYPE OR PRINT NAME OF AUTHORIZED OFFICIAL	SIGNATURE OF AUTHORIZED OFFICIAL

PUBLIC ELEMENTARY AND SECONDARY EDUCATION REVENUES FROM ALL SOURCES

Discussion of Revenues

The 1990 Handbook defines revenues as "additions to assets which do not increase any liability, do not represent the recovery of an expenditure, and do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets." The Governmental Accounting, Auditing, and Financial Reporting (GAAFR), published by the Government Finance Officers Association (GFOA), adds that revenues are "increases in net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers General long-term debt proceeds and operating transfers in are classified as 'other financing sources' rather than as revenues."

Modified accrual accounting. The GAAFR states that "governmental fund revenues should be recognized when they become measurable and available." The implication of recognizing revenue when it becomes measurable and available is apparent when one considers local property tax revenue. Generally, property tax revenue is recorded even if received as much as 90 days after the end of the fiscal year if the property tax has been billed and property owners are expected to pay promptly. Notice that property tax abatements (reductions) have already been determined and that the school district knows the amount of revenue it expects to collect. In addition, the revenue becomes available when billed.

Cash basis accounting. Contrast the approach described above with that of school districts whose accounting systems are on a cash basis. Such school districts would only recognize property tax revenue when received. At the beginning of a property tax collection cycle, these districts may appear to be operating without local property tax funds.

Revenue from "other sources." The 1990 Handbook notes that revenue from "other sources" including receipts from bond sales and inter-fund transfers are not considered revenues to LEAs. Typically, bonds are sold to finance long-term construction and property acquisition--not to finance current operations. Inter-fund transfers are not considered revenue because the same revenue would be counted twice: first, when collected and recorded in one fund, and again when transferred to another fund.

Revenue classifications. Revenues are classified into four major sources: local, intermediate, state, and federal. Each of these sources is described below.

I. REVENUE FROM LOCAL SOURCES (1000)

Definition

Revenue from local sources refers to money produced within the boundaries of an LEA that is available for the use of the LEA. These revenues include money collected by another government unit for use by an LEA--for example, revenue raised by a municipal government to fund a dependent school district. School districts that do not have the authority to raise funds directly and that, instead, receive revenues from another unit of government are dependent school districts. Those that have the authority to raise funds directly through local taxes are independent school districts.

Revenue from local sources includes shared revenue--funds raised by another unit of government and shared in proportion to the amount collected within the LEA.

NOTE: Only report those revenues that are tracked by school districts in the student fees and student activity items of local revenue. If these funds belong to the students or are under the control of the principal they do not need to be reported on NPEFS as long as the expenditures from these funds also are not reported in the expenditure sections of NPEFS.

PUBLIC ELEMENTARY AND SECONDARY
EDUCATION REVENUES FROM ALL SOURCES

I. REVENUE FROM LOCAL SOURCES

AMOUNT
(omit cents)

<p>a. Property Tax (1110) [Include only Ad Valorem taxes. Do not include penalties and interest or dependent district's property taxes here.]</p>	<p>\$ _____ _____</p>
<p>b. Non-property Tax (1120-1190) [Include Sales and use taxes, income taxes, penalties and interest on taxes, and other taxes. Do not include dependent district's non-property taxes here.]</p>	<p>\$ _____ _____</p>
<p>c. Other Local Government Units-Property Tax (1210) [Include only Ad Valorem taxes for dependent district's property taxes. Do not include penalties and interest here.]</p>	<p>\$ _____ _____</p>
<p>d. Other Local Government Units-Non-property Tax (1220-1290) [Include Sales and use taxes, income taxes, penalties and interest on taxes, and other taxes. Include dependent district's non-property taxes here.]</p>	<p>\$ _____ _____</p>

Details for Revenue from Local Sources

a. Property Tax (1110). These are "ad valorem" taxes levied by an LEA on the assessed value of real property (e.g., dwellings and commercial property) and personal property (e.g., automobiles, boats) located within the LEA. However, penalties and interest are reported under non-property tax (1140) below. DO NOT report property taxes that go to dependent school districts here; report them in 1210. State education agencies should instruct LEAs filing comprehensive annual financial reports (CAFRs) to include property

taxes billed within the school year and collected within 60 days of the close of the school year.

b. Non-property Tax (1120-1190). These taxes include sales and use taxes (1120) imposed upon the sale and consumption of goods and services; income taxes (1130) levied on individuals, corporations, and unincorporated businesses; penalties and interest (1140) on late and delinquent taxes; and "other taxes," such as, revenue raised through licenses and permits. DO NOT include non-property taxes that go to dependent school districts here; report them in 1220-1290.

c. Other Local Government Units--Property Tax (1210). This category is used to report property taxes raised by a unit of government for use by a dependent school district. DO NOT include penalties and interest here.

d. Other Local Government Units--Non-property Tax (1220-1290). This category is used to report non-property taxes raised by a governmental unit for use by a dependent school district. These taxes include sales and use taxes (1220); income taxes (1230) on individuals, corporations, and unincorporated businesses; penalties and interest (1240) on late or delinquent taxes; revenue in lieu of taxes (1280); and "other taxes" (1290).

I. REVENUE FROM LOCAL SOURCES

AMOUNT
(omit cents)

<p>e. Tuition From Individuals (1310) [Include tuition from individuals only.]</p>	<p>\$ _____ —</p>
<p>f. Tuition From Other LEAs Within The State (1320) [Include tuition from other LEAs within the State only.]</p>	<p>\$ _____ —</p>
<p>g. Transportation Fees From Individuals (1410) [Include transportation fees from individuals only.]</p>	<p>\$ _____ —</p>
<p>h. Transportation Fees from Other LEAs Within the State (1420) [Include transportation fees from other LEAs within the State only.]</p>	<p>\$ _____ —</p>

e. Tuition from Individuals (1310). Tuition paid by an individual to attend school in an LEA other than the one in which he or she resides.

f. Tuition from Other LEAs Within the State (1320). Tuition from one LEA to another within the same state for educating students (e.g., an LEA pays tuition to another LEA to provide a special program for a student that is not available in the LEA where the student resides).

Note: Tuition from other LEAs outside the state (1330) and tuition from "other sources" (1340), including adult education tuition, are reported in Other Revenue from Local Sources on page 2 of the survey form.

g. Transportation Fees from Individuals (1410). Fees paid by students to be transported to school. Such students usually reside outside the zone of free public school

busing established by a school district. Fees paid by students for transportation on school field trips should also be included.

h. Transportation Fees from Other LEAs Within the State (1420). Transportation fees from one LEA to another within a state for transporting students.

Note: Transportation fees from other LEAs outside the state (1430) and from "other sources" (1440) are included in Other Revenues from Local Sources on page 2 of the survey.

i. Earnings on Investments (1500-1540). Include interest (1510) and dividends (1520) on investments; gains or losses from the sale of stocks or bonds (1530) (gains from the sale of U.S. treasury bills represent interest income and should be recorded under 1510); and earnings from investments in real property (1540), including rentals and use charges.

j. Food Service (excluding federal reimbursements) (1600-1630).

Revenue from students from the daily sales of school lunch, breakfast, and milk programs that are considered reimbursable by the U.S. Department of Agriculture. These programs include the National School Lunch Program (1611), the School Breakfast Program (1612), and the Special Milk Program (1613). This category also includes revenues from students and adults for the sale of non-reimbursable breakfasts, lunches, and milk--including all sales to adults, the second Type-A lunch to students, and a la carte sales. Include receipts from students, adults, and organizations for the sale of food products and services considered special functions such as athletic banquets, pot-luck dinners, and PTA-sponsored functions. Federal reimbursements for food service programs should appear under restricted Grants-in-Aid from the Federal Government Through the State (4500).

I. REVENUE FROM LOCAL SOURCES

AMOUNT
(omit cents)

<p>k. Student Activities (1700-1790) [Include admissions, bookstore sales, student organization membership dues and fees, student fees, and other student activity income.]</p>	<p>\$ _____</p>
<p>l. Other Revenue from Local Sources (1330-1340, 1430-1440, 1800, 1900-1990; not 1940) [Include tuition from other LEAs outside the State, and tuition from other sources. Include transportation fees from other LEAs outside the State, and transportation fees from other sources. Include revenues from community service activities operated by an LEA. Include revenue from the rental of real or personal property owned by the school, contributions and donations from private sources, gains or losses on sale of fixed assets of proprietary funds, services provided other LEAs, other local governmental units, other funds, and miscellaneous.]</p>	<p>\$ _____</p>
<p>m. Textbook Revenues (1940) [Include textbook sales and rentals.]</p>	<p>\$ _____</p>

k. Student Activities (1700-1790). Revenue from admissions fees (1710) to school-sponsored activities such as concerts or football games; book sales (1720) by students or student sponsored bookstores; dues and fees (1730) for student membership in school clubs and organizations; fees (1740) for goods and services such as towels, lockers, and equipment; and "other student activity income" (1790). Student transportation fees are reported in the appropriate account under Transportation Fees (1410).

Only revenues that are under the control of LEAs should be reported here. Those revenues that belong to the students do not need to be reported, as long as the expenditures from those funds are not reported on NPEFS.

I. Other Revenue from Local Sources (1330-1340, 1430-1440, 1800, 1900-1990--except 1940). This category includes revenue from local sources not included in earlier accounts. These revenues include tuition from other LEAs outside the state (1330), tuition from other sources (1340), transportation fees from other LEAs outside the state (1430), and transportation fees from other sources (1440). This category includes revenues from community services activities (1800) operated by an LEA as a community service (e.g., swimming pool, child care program). This category also includes revenues from the rental (1910) of real or personal property owned by the school (however, the rental of property held for income purposes is reported under 1540); contributions and donations (1920) from private philanthropic foundations, organizations, and individuals; gains or losses on the sale of fixed assets of proprietary funds (1930) (gains or losses on the sale of nonproprietary funds are reported in 5300); services provided to other LEAs (1950), other local governmental units (1960), and other funds (1970); and miscellaneous local sources not reported elsewhere (1990).

m. Textbook Revenues (1940). Revenue from the sale (1941) and rental (1942) of textbooks.

n. Summer School Revenue. Tuition, fees, and charges paid by students to attend summer school programs. I include only tuition, fees, and charges (1310). Transportation fees from individuals to attend summer school should be reported in Transportation Fees from Individuals (1410) on page 1 of the survey form. Summer school revenue received from other school districts should appear in Tuition from Other LEA's within the State (1320), also on page 1 of the survey form.

Subtotal--Local Sources of Revenue (1000). Carefully add all revenues from local sources (1110-1990 and Summer School Revenue). DO NOT include Tuition from Other LEAs Within the State (1320) or Transportation Fees from Other LEAs Within the State (1420). Be sure to check addition.

II. REVENUE FROM INTERMEDIATE SOURCES (2000)

Definition

Intermediate state education agencies (I SAs) are government agencies that are neither local nor state entities but that operate at an intermediate level between local and state education agencies and that possess independent fund-raising capability. I SAs provide four types of revenue to LEAs: unrestricted grants-in-aid, restricted grants-in-aid, revenue in lieu of taxes, and revenue for or on behalf of LEAs.

Survey respondents should be careful to avoid double counting revenues contributed by ISAs for, or on behalf of, local education agencies. For example, consider a situation in which an ISA receives funds from the state and distributes this money to several local education agencies. Double counting could occur if these funds are reported as revenue by the ISA as well as by the LEAs that ultimately receive the funds.

**II. REVENUE FROM INTERMEDIATE SOURCES
(2000)**

[Include all revenues that can be used for any legal purpose desired by an ISA without restriction.

Include revenues that must be used for a categorical or restricted purpose.

Include revenues to an ISA in lieu of taxes ISA would have collected its property or other tax base been subject to taxation.

Include payments to pension fund by other governmental jurisdiction for the benefit of the ISA, contributions of equipment and supplies, and contributions to fixed assets.]

\$ _____ _____

Revenue Details for Intermediate State Agencies

Unrestricted Grants-in-Aid (2100). Grants from an intermediate unit to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA.

Restricted Grants-in-Aid (2200). Grants from an intermediate unit to a local education agency that must be used for a "categorical" or specific purpose.

Revenue in Lieu of Taxes (2800). Commitments or payments made out of general revenues by an intermediate unit to an LEA in lieu of taxes the unit would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property or other tax base. This revenue includes payments in lieu of taxes on privately owned property that is not subject to taxation on the same basis as other private property because of an action taken by the intermediate unit.

Revenue for, or on Behalf of, the LEA (2900). Commitments or payments made by an intermediate unit for the benefit of an LEA including contributions of equipment and supplies. Such revenue includes payments made for, or on behalf of, an LEA by an intermediate unit to a pension fund for LEA employees.

III. REVENUE FROM STATE SOURCES (3000)

Definition

State revenues provided to local education agencies in the form of grants or other types of allocations. States provide four types of revenue to local education agencies: unrestricted grants-in-aid, restricted grants-in-aid, revenue in lieu of taxes, and revenue for, or on behalf of, LEAs.

III. REVENUE FROM STATE SOURCES (3000)

[Include all revenues that can be used for any legal purpose desired by an LEA without restriction.

Include revenues that must be used for a categorical or specific purpose.

Include revenues to an LEA in lieu of taxes LEA would have collected had its property or other tax base been subject to taxation.

Include payments to pension fund by other governmental jurisdiction for the benefit of the LEA, contributions of equipment and supplies, and contributions to fixed assets.]

	\$ _____ —
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Revenue Details for State Source

Unrestricted Grants-in-Aid (3100). State grants to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA.

Restricted Grants-in-Aid (3200). State grants to an LEA that must be used for a "categorical" or specific purpose.

Revenue in Lieu of Taxes (3800). Commitments or payments made out of general revenues by a state to an LEA in lieu of taxes the state would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property. This revenue includes payments in lieu of taxes for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action(s) taken by a state.

Revenue for, or on Behalf of, the LEA (3900). State commitments or payments for the benefit of an LEA and contributions of equipment and supplies. Such revenue includes payments made for, or on behalf, of an LEA by a state to a pension fund for LEA employees.

IV. REVENUE FROM FEDERAL SOURCES (4000)

Definition

Federal revenue provided directly, or through a state agency, to a local education agency. This category includes unrestricted and restricted Grants-in-Aid Direct from the Federal Government, unrestricted and restricted Grants-in-Aid Through the State, Grants-in-Aid from the Federal Government Through Other Intermediate Agencies, and Other Revenue from Federal Sources, which includes payments in lieu of taxes and contributions to LEAs.

IV. REVENUE FROM FEDERAL SOURCES

AMOUNT
(omit cents)

<p>a. Grants-in-Aid Direct from the Federal Government (4100,4300) [Include all revenues that can be used for any legal purpose desired by an LEA without restriction. Include all direct revenue grants to the LEA which must be used for a categorical or specific purpose.]</p>	<p>\$ _____ —</p>
<p>b. Grants-in-Aid from the Federal Government Through the State (4200,4500) Include all revenues that can be used for any legal purpose desired by an LEA without restriction. Include all revenues through the State as grants to the LEA which must be used for a categorical or specific purpose. Federal reimbursements for food service should appear here.]</p>	<p>\$ _____ —</p>
<p>c. Grants-in-Aid from the Federal Government Through Other Intermediate Agencies (4700) [Include all revenue grants through an intermediate agency to the LEA.]</p>	<p>\$ _____ —</p>

Revenue Details for Federal Sources

a. Grants-in-Aid Direct from the Federal Government--Unrestricted and Restricted (4100, 4300). Federal grants provided directly to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA (4100). Federal grants provided directly to an LEA that must be used for a "categorical" or specific purpose (4300).

b. Grants-in-Aid from the Federal Government Through the State--Unrestricted and Restricted (4200, 4500). Federal grants provided to a local education agency

through the state that can be used, without restriction, for any legal purpose desired by the LEA (4200). Federal grants provided to a local education agency through the state that must be used for a "categorical" or specific purpose (4500). Include Medicaid Reimbursements here.

c. Grants-In-Aid from the Federal Government Through Other Intermediate Agencies (4700). Federal revenue provided to a local education agency through an intermediate unit.

d. Other Revenue from Federal Sources (4800, 4900). Federal commitments or payments made out of general revenues to an LEA in lieu of taxes it would have had to pay had federal property or other tax base been subject to taxation by the LEA on the same basis as privately owned property or other tax base (4800). This revenue includes payments in lieu of taxes 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 government. This category also includes other federal commitments or payments for the benefit of an LEA and contributions of equipment or supplies. Such revenue includes federal contributions of fixed assets and donations of food to an LEA (commodities) (4900).

Subtotal--Federal Sources of Revenue (4000). Add federal revenue items a. through d.

V. OTHER SOURCES OF REVENUE (5000)

V. OTHER SOURCES OF REVENUE (5000)

[Include bond principal and premiums. Accrued interest realized from the sale of bonds should be included when permitted by State law.

Include amounts available from the sale of school property or compensation for the loss of fixed assets. Do not include proprietary funds gain on sale of fixed assets here, but in 1900.]

	\$ _____
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Bond Sales (5100). Revenue from the sale of bonds including bond principal (5110) and premium (5120). Accrued interest (5130) from the sale of bonds should be included only when state law permits.

Inter-fund Transfers (5200). Amounts available from another fund that will not be repaid.

Sale or Compensation for Loss of Fixed Assets (5300). Proceeds from the sale of fixed assets. Report gains from the sale of fixed assets of proprietary funds under Other Revenue from Local Sources--Gains or Losses on Sale of Fixed Assets (1930) (proprietary funds are funds generated by Enterprise Operations).

TOTAL REVENUE FROM ALL SOURCES

Add subtotals from Revenue from Local Sources (1000), Revenue from Intermediate Sources (2000), Revenue from State Sources (3000), and Revenue from Federal Sources (4000). DO NOT INCLUDE "Other Sources of Revenue" (5000) in total.

Total Revenue from All Sources
[Should agree with sum of subtotals I, II, III, and IV. DO
NOT include other sources of revenue (5000).]

\$ _____

PUBLIC ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Distinguishing Between Total and Current Expenditures

Total Expenditures are decreases in net financial resources. They include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays. Total Expenditures are calculated by adding Current Expenditures and Long-Term Expenditures. Current Expenditures include salaries, employee benefits, purchased services, and supplies. Long-Term Expenditures include capital outlays, debt service, Facilities Acquisition and Construction Services, and property expenditures (equipment).

Special note on property expenditures. Although a property item (700) appears in each expenditure category (e.g., Instruction, School Administration Support Services), property is not a component of Current Expenditures. Instead property expenditures are totaled in a separate section of the fiscal survey (X. Property [700], p. 11) for inclusion in Total Expenditures. For the survey's purposes, property is synonymous with machinery and equipment. For criteria to assist in making the distinction between supplies and

equipment, see "Distinguishing Between Supplies and Equipment" (Instruction Booklet, p. 19-22).

<p style="text-align: center;">COMPONENTS OF TOTAL EXPENDITURES (Types of Expenditures)</p>
--

Programs Included in Current Expenditures and Total Expenditures

The 1990 Handbook notes that Current Expenditures includes all spending for regular elementary and secondary education programs (pre-kindergarten through grade 12), special education, vocational education, co-curricular activities and athletics, enterprise operations, ROTC, driver education, and summer school (even when students pay tuition to attend). Programs EXCLUDED from Current Expenditures, but covered by Total Expenditures include Direct Cost Programs (such as, support for nonpublic school students, adult/continuing education, and community/junior colleges) and community services programs (such as, school-sponsored day care centers, swimming pools, and programs for the elderly). To assist respondents in maintaining this distinction, programs included in Current Expenditures appear on pages 4-9 of the survey form and those that are added to produce Total Expenditures appear on pages 9-11.

**PROGRAMS INCLUDED IN TOTAL
EXPENDITURES**

<u>Programs Included in Current Expenditures</u>	<u>Other Programs</u>
- Regular pre-k through grade 12 curricula	- Nonpublic School Programs
- Special Education	- Adult/Continuing Education Programs
- Vocational Education	- Community/Junior Colleges
- Co-curricular activities (clubs, athletics)	- Community Services Programs (day care, programs for elderly)
- Enterprise Operations	
- ROTC	
- Driver Education	
- Summer School (even if tuition paid)	

Special Note on Enterprise Operations. Although SEAs often exclude Enterprise Operations from Current Expenditures, enterprise activities are considered a component of Current Expenditures in the Financial Survey and for purposes of calculating federal program allocations to state and local education agencies. This is because activities such as school food services and student athletics may be operated as businesses supported primarily by fees and charges. If so, these activities are categorized as Enterprise Operations.

Enterprise Operations may receive subsidies from local or state education agencies to make up for deficits not covered by fees. Government expenditures made to Enterprise Operations are included in Current Expenditures, however, revenues from fees or other charges are subtracted in calculating Current Expenditures. For more information, see Public Elementary and Secondary Education Expenditures, Part III.b. [Operation of Non-instructional Services--Enterprise Operations], in this manual.

Expenditure Categories Included in Financial Survey

The **National Public Education Financial Survey** uses the following three primary categories of expenditures:

(1) Functions. These identify the major types of services and activities provided by local school systems: Instruction (1000), Support Services (2000), Operation of Non-instructional Services (3000), Facilities Acquisition and Construction Services (4000), Other Uses (Debt Service) (5000). The 1990 Handbook designates a 4-digit number to each of these functions. The survey form provides a separate section for Community Services (3300) even though this category is a component of Operation of Non-instructional Services.

In addition, the survey form includes two major expenditure categories that do not have function numbers: Direct Program Support, which includes state expenditures for textbooks, student transportation, public school employee benefits, and programs for private school students; and Direct Cost Programs, which include LEA expenditures for programs that are not part of the regular elementary and secondary education curricula (pre-kindergarten through grade 12), such as nonpublic school programs, adult education, and community/junior college programs.

(2) Sub-functions. Within the Support Services (2000) function, there are nine sub-functions. They include Student Support Services (2100), Instructional Staff Support Services (2200), General Administration Support Services (2300), School Administration Support Services (2400), Operations and Maintenance (2600), Student Transportation Support Services (2700), and "Other Support Services" (2500,2800,2900). The sub-functions appear in a grid on pages 5-7 of the survey form.

(3) Objects. The Financial Survey breaks down spending for the major functions and sub-functions by specific types of expenditures called objects. Objects include salaries (100), employee benefits (200), purchased services (300-500), supplies (600), property (700), and other (800). (Instructional expenditures include two additional objects-- tuition paid by an LEA to another LEA within a state and tuition paid by an LEA to an LEA in another state or to a private school.) Let us take a close look at the object categories.

Salaries. Salaries (100) includes both payroll salaries and "supplemental amounts for additional duties" such as coaching, supervising extracurricular activities, bus supervision, and summer school teaching. Salaries are reported under the function or sub-function to which the staff are assigned. For example, salaries for teachers

would most likely fall under Instruction (1000) while salaries for school bus drivers would be reported under Student Transportation (2700).

However, in cases where staff serve in more than one capacity, their salaries should be distributed, when feasible, among the appropriate functions or sub-functions on an FTE basis. For example, if a department chair spends three periods per day on administrative duties and two periods teaching math, three-fifths of the chair's salaries should be reported under School Administration Support Services (2400) and two-fifths under Instruction (1000). (The department chair's employee benefits would be pro rated between the two categories in the same proportion. [See Employee Benefits, below.]

The types of expenditures included in salaries are likely to vary among different staff categories. For example, teachers and Student Support Services staff are more likely to be assigned to supervise athletic and extracurricular activities than Operations and Maintenance or Student Transportation staff. Similarly, teachers and administrative staff are more likely to receive paid sabbatical leave than Operations and Maintenance or Student Transportation staff.

Employee benefits. Employee benefits (200) are expenditures for instructional staff that are made in addition to gross salary and "not paid directly to employees" (1990 Handbook, p. 102). They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other benefits such as unused sick leave.

The types of employee benefits--and the way benefits are reported in the Financial Survey--may vary among different types of services and staff; for example, pay for "unused sick leave" is provided primarily to instructional staff. In cases where staff serve in more than one capacity, their employee benefits are distributed, when feasible, among the categories on an FTE basis (see example of pro rating salaries above).

Purchased services. The purchased services (300-500) object covers many types of services including (1) purchased professional and technical services, (2) purchased property services, and (3) other purchased services (e.g., student transportation services, certain types of insurance [not employee benefits], communications and advertising, printing and binding, tuition, food services management, and travel).

Some types of purchased services are more likely to apply to certain functions than to others. For example, "professional and technical services" usually apply to Instruction (1000) and to the Support Services (2000). Purchased property services are most likely to fall under Operations and Maintenance (2600). However, some purchased property services--such as equipment and vehicle rental--may apply to any function.

Supplies. The 1990 Handbook defines supplies (600) as "items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances."

Property. For purposes of the survey, property (700) is synonymous with machinery and equipment.

Distinguishing between supplies and equipment. For purposes of the survey, supplies and property are separate categories. This is an important distinction because supplies are a component of Current Expenditures but property is not. Property is included only in Total Expenditures. NCES has created a "decision tree" to assist survey respondents in distinguishing between expenditures for supplies and equipment. See page 19-22 for criteria for distinguishing between supplies and equipment. The criteria also appear on page 124b of the 1990 Handbook.

Other Expenditures. Other expenditures (800) include dues and fees paid by LEAs on behalf of instructional staff for membership in professional or other organizations. Miscellaneous expenditures for goods and services not classified above are also reported here.

Direct Program Support. Direct Program Support is not a function itself but a category that cuts across all functions. These are expenditures made by state education agencies for, or on behalf of, local education agencies. States provide Direct Program Support primarily for textbooks, transportation, employee benefits, and support for private school students. However, states may also provide other types of Direct Program Support (see Public Elementary and Secondary Education Expenditures, IV. Direct Program Support).

If a Direct Program Support expenditure can be identified with a particular function or sub-function, or broken down among several functions or sub-functions, the expenditures should be reported accordingly. However, if the expenditure cannot be identified with a particular function or sub-function or prorated among them, survey respondents should

report the entire expenditure under the separate Direct Program Support section of the survey.

This is particularly important in the case of employee benefits. In some states, SEAs make contributions to a pension fund or other benefit program for LEA employees. If such contributions can be broken down by function or sub-function, they are reported under employee benefits (200) in the appropriate category. However, if these expenditures cannot be broken down, which is often the case, the entire sum should be reported under Direct Program Support. State contributions for employee benefits often go directly from the state treasury to a particular fund without passing through the local education agency. Therefore, it is important for survey respondents to check with state agencies to determine whether the state has made such contributions.

I. INSTRUCTION (1000)

Introduction

Instruction encompasses all "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. [I t] may also be provided through some other approved medium such as television, radio, telephone, and correspondence" (1990 Handbook).

Staff. Instructional staff include regular and part-time teachers, teachers' aides, homebound teachers, hospital-based teachers, substitute teachers (including permanent substitute teachers), teachers on sabbatical leave, and classroom assistants of any type who assist in the instructional process, including clerks and graders.

Supervisory staff excluded. DO NOT include salaries, benefits, or other expenditures for principals or principals' offices, head teachers serving as principals, full-time department chairpersons, supervisors of instruction, teaching school nurses, or librarians. However, expenditures for department chairpersons who teach part time may be included if their departmental and teaching expenditures cannot be prorated using full-time equivalent (FTE) ratios. (Information needed to prorate expenditures is not always available to an SEA.) DO NOT include salaries or other expenditures for non-teaching staff who perform duties to which teachers may be assigned but that do not include instruction such as detention or lunch supervision.

Student Body Activities. There is no separate section in the survey form for reporting Student Body Activity expenditures, instead, these expenditures are included in

Instruction. Salaries for staff such as athletic coaches should appear in instructional salaries (100). Staff benefits, if provided, should be reported in employee benefits (200). When applicable, expenditures should also be reported under purchased services (300-500), supplies (600), property (700), and other (800).

Student Body Activities refer to school-sponsored programs such as co-curricular activities and athletic programs that supplement regular instruction. Co-curricular activities (420) are carried out under the guidance and supervision of LEA staff and are designed to enhance student motivation, enjoyment, and skill improvement. These activities include band, chorus, choir, speech, and debate. They also include student-managed activities such as "Class of 199X," chess clubs, senior proms, and Future Farmers of America. School-sponsored athletics (490) usually involve interscholastic competition, which frequently generates gate receipts or fees. If such activities are profit-making ventures that receive the bulk of their support from receipts rather than from local government, these activities should be reported under "Enterprise Activities" (see Elementary and Secondary Education Expenditures, Part III .b. [Operation of Non-instructional Services--Enterprise Operations].).

PUBLIC ELEMENTARY AND SECONDARY
EDUCATION EXPENDITURES

I. INSTRUCTION (1000) ¹	AMOUNT (omit cents)
1. Salaries (100) [Include gross salary of those involved in instruction (see footnote) while on the payroll of the LEA.]	\$ _____
2. Employee benefits (200) [Include amounts paid by the LEA in behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	\$ _____
3. Purchased services (300-500; exclude 560) [Include the services of teachers or others who provide instruction to students. Include computer-assisted instructional (CAI) expenditures, travel for instructional staff and per diem expenses. Exclude tuition (560).]	\$ _____
4. Tuition (562, 563, 569) [Include tuition to other LEAs outside the State, tuition to private schools, and other tuition. Exclude (561).]	\$ _____

Expenditure Details for Instruction

1. Salaries for Instruction (100) include the gross salaries of permanent and temporary instructional staff on the payroll of local education agencies including those substituting for permanent employees. Salaries for full- and part-time staff are included along with overtime and salaries for staff on sabbatical leave. Report supplemental amounts for additional duties such as coaching or supervising extracurricular activities, bus supervision, and summer school teaching. DO NOT include salaries, benefits, or other expenditures for principals or principals' offices, head teachers serving as principals, full-time department chairpersons, supervisors of instruction, teaching school nurses, or librarians.

In cases in which staff members serve in more than one capacity, their salaries should be distributed, when feasible, among the functions or sub-functions on an FTE basis (see p. 46, "Expenditure Categories Used in Financial Survey" for an example of prorating salaries among more than one function or sub-function).

2. Employee Benefits for Instruction (200) are expenditures for instructional staff that are made in addition to gross salary and "not paid directly to employees" (1990 Handbook, p. 102). They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other benefits such as unused sick leave.

Payments made by LEAs for employee benefits such as unemployment benefits, worker's compensation, and "other employee benefits" may be distributed among the functions according to an employee's assignment (see "Expenditure Categories Used in Financial Survey" in this booklet [pp. 46] for an example of prorating salaries and employee benefits among more than one function or sub-function).

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function, the contributions should be included in the appropriate category. However, if state expenditures cannot be prorated, the entire sum should be reported under Direct Program Support.

3. Purchased Services for Instruction (300-500, exclude 560-569) include the purchased professional services of teachers or others who provide instruction to students (including expenditures for computer-assisted instruction [CAI]), as well as travel and per-diem expenses for instructional staff. Include employee benefits and sabbatical leave when appropriate.

DO NOT include tuition payments because these expenses are reported in special categories below (561 and 562, 563, 569). Also, DO NOT include utility services, cleaning services, repairs and maintenance, and other purchased services such as student transportation. Such expenditures should be reported in Operations and Maintenance (2600) (object 300-500) or Student Transportation Support Services (2700) (object 300-500), as appropriate.

4. Tuition (562, 563, 569) includes tuition paid to LEAs outside the state for instruction of elementary and secondary school students (grades pre-K through 12), tuition paid to private schools, and other tuition.

5. Tuition to Other LEAs within the State (561) includes ONLY tuition paid to other LEAs within the state for instruction of elementary and secondary school students (pre-kindergarten through grade 12).

PUBLIC ELEMENTARY AND SECONDARY
EDUCATION EXPENDITURES

I. INSTRUCTION (1000) ¹	AMOUNT (omit cents)
<p>6. Supplies (600) [Include items that are consumed, worn out or deteriorated through use. Examples include classroom teaching supplies, audiovisual supplies, books and periodicals. Do not include energy expenditures.]</p>	\$ _____
<p>7. Property (700) [Include tangible property of a more or less permanent nature, other than land or buildings or improvements thereon. Examples are machinery, tools, trucks, cars, furniture and furnishings.]</p>	\$ _____
<p>8. Other (800) [Include dues and fees paid by LEAs on behalf of instructional staff for membership in professional or other organizations.]</p>	\$ _____

6. Instructional Supplies (600) are "items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances" (1990 Handbook). Examples include classroom teaching and audiovisual supplies, textbooks, workbooks, other books (including reference books), and periodicals that are prescribed and available for general use. This category includes textbooks purchased to be resold or

rented and the cost of binding or other repairs to textbooks or library books. (See page 19-22 for criteria for distinguishing between supplies and equipment.)

Energy expenditures ARE NOT included under Instruction but under Operation and Maintenance (2600).

7. Instructional Property (700) is synonymous with machinery and equipment for purposes of this survey. Examples include machinery and tools (731) (e.g., drill press), trucks and cars (732) (e.g., vehicles for driver education), and furniture and fixtures (733) (e.g., student desks). DO NOT include land, buildings, or improvements thereon.

8. Other Instructional Expenditures (800) include dues and fees paid by LEAs on behalf of instructional staff for membership in professional or other organizations. Miscellaneous expenditures for goods and services not classified above are also reported here.

Subtotal--Instructional Expenditures (1000). Add the expenditure objects of salaries for instruction (100), employee benefits for instruction (200), purchased services for instruction (300-500), instructional supplies (600), and other expenditures (800). Include tuition expenditures (562, 563, 569), but DO NOT include "tuition to other LEAs within the State" (561) or property (700) in this subtotal.

II. SUPPORT SERVICES (2000)

Support services provide administrative, technical (e.g., guidance and health), and logistical support to facilitate and enhance instruction. These services are adjuncts that help to fulfill the objectives of instruction, community services, and enterprise programs rather than entities in themselves. The 1990 Handbook identifies the following nine Support Services sub-functions:

- ! Student Support Services (2100): attendance and social work, guidance, health, psychological services, speech pathology, audiology, and other student support services;
- ! Instructional Staff Support Services (2200): instructional improvement, educational media (library and audiovisual), and other instructional staff support services;
- ! General Administration Support Services (2300): board of education, executive administration;

- ! School Administration Support Services (2400): office of the principal, full-time department chairpersons, graduation expenses;
- ! Business Support Services (2500): fiscal services (such as payroll); purchasing, warehousing and distribution; printing, publishing, and duplicating; and other business support services (**note: 2500 is grouped with 2800 and 2900, below, in the "Other Support Services" category**);
- ! Operation and Maintenance Services (2600): supervision of operations and maintenance, operating buildings (heating, lighting, ventilating, repair, and replacement), care and upkeep of grounds and equipment, vehicle operations and maintenance (other than student transportation), security, and other operations and maintenance services;
- ! Student Transportation Support Services (2700): supervision, vehicle operation, monitoring, vehicle servicing and maintenance, and other student transportation services;
- ! Central Support Services (2800): planning, research, development, and evaluation; information; staff; data processing; and other central support services;
- ! Other (2900): all other support services not classified elsewhere in the 2000 series.

The last two items--Central Support Services and Other--are combined with Business Support Services under a single heading, Other Support Services, on page 7 of the survey form.

The survey requests the following object expenditures for each of the nine Support Services sub-functions: salaries (100), employee benefits (200), purchased services (300-500), supplies (600), property (700), and other support services (800). Particular attention should be paid to the staff included in each category.

Support Services--Students (2100)

Introduction

Student Support Services are "activities designed to assess and improve the well-being of students and to supplement the teaching process" (1990 Handbook). This category includes staff in areas such as health, attendance, and social work; guidance; psychology; speech pathology; audiology; physical therapy; and occupational therapy.

II. SUPPORT SERVICES (2000) See instructions for a more detailed listing under each Support Services function and object.]	AMOUNT (omit cents)		
	Students ² (2100)	Instructional Staff ³ (2200)	General Administration ⁴ (2300)
1. Salaries (100) [Include gross salary while on the payroll of the LEA.]	Note: Include salaries only for staff in footnote 2. \$ _____ —	Note: Include salaries only for staff in footnote 3. \$ _____ —	Note: Include salaries only for staff in footnote 4. \$ _____ —

²Include only staff in attendance and social work services, guidance, health, psychology, speech pathology and audiology.

³Include only supervisors of instruction (not department chairmen), curriculum coordinators and inservice training staff, school library staff, audiovisual staff, educational television staff and staff engaged in the development of computer-

Expenditure Details for Student Support Services

1. Student Support Services Salaries (100) include the gross salaries of permanent and temporary employees on the payroll of a local education agency including those substituting for permanent employees. Salaries for full- and part-time staff are included along with overtime and salaries for staff on sabbatical leave. Report supplemental amounts for additional duties such as coaching or supervising extracurricular activities, bus supervision, and summer school teaching.

If staff members serve in more than one capacity, their salaries should be distributed, when feasible, among the functions or sub-functions on an FTE basis.

(See "Expenditure Categories Included in Financial Survey" in this manual (pp. 34-36) for an example of prorating salaries among several functions.

II. SUPPORT SERVICES (2000) See instructions for a more detailed listing under each Support Services function and object.]	AMOUNT (omit cents)		
	Students ² (2100)	Instructional Staff ³ (2200)	General Administration ⁴ (2300)
2. Employee benefits (200) [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	Note: Include employee benefits only for staff in footnote 2. \$ _____ —	Note: Include employee benefits only for staff in footnote 3. \$ _____ —	Note: Include employee benefits only for staff in footnote 4. \$ _____ —

²Include only staff in attendance and social work services, guidance, health, psychology, speech pathology and audiology.

³Include only supervisors of instruction (not department chairmen), curriculum coordinators and inservice training

2. Student Support Services Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave). Payments made by an LEA for employee benefits including unemployment benefits, worker's compensation, and other employee benefits may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Included in Financial Survey" in this booklet (pp. 46) for an example of prorating benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If

state expenditures can be identified by function or sub-function, the contributions should be included in the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

II. SUPPORT SERVICES (2000) See instructions for a more detailed listing under each Support Services function and object.]	AMOUNT (omit cents)		
	Students ² (2100)	Instructional Staff ³ (2200)	General Administration ⁴ (2300)
3. Purchased Services (300-500) [a. Include the services of medical doctors, social workers, psychologists, psychiatrists, audiologists and other consultants providing for student needs. b. Include expenditures for instructional staff (see footnote below). c. Include the services of legal firms, election services and staff relations and negotiations services. Travel for these staff is also included in a, b or c as appropriate.]	Note: Only include 3a here \$ _____ -	Note: Only include 3b here \$ _____ -	Note: Only include 3c here \$ _____ -

²Include only staff in attendance and social work services, guidance, health, psychology, speech pathology and audiology.

³Include only supervisors of instruction (not department chairmen), curriculum coordinators and inservice training staff, school library staff, audiovisual staff, educational television staff and staff engaged in the development of computer-

3. Student Support Services Purchased Services (300-500) primarily cover professional and technical services, which "by their nature can be performed only by persons or firms with specialized skills and knowledge" (1990 Handbook). Examples include expenditures for the services of medical doctors, social workers, psychologists, psychiatrists, audiologists, and other consultants providing for student needs. I include fees, salaries, travel expenses, employee benefits, and payment for sabbatical leave when appropriate.

**II. SUPPORT SERVICES
(2000)**

See instructions for a more detailed listing under each Support Services function and object.]

**AMOUNT
(omit cents)**

	Students ³ (2100)	Instructional Staff ⁴ (2200)	General Administration ⁵ (2300)
4. Supplies (600) [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are attendance supplies, medical supplies, films, tapes, paper supplies, books and periodicals.]	\$ _____ —	\$ _____ —	\$ _____ —
5. Property (700) [Include expenditures for furniture and fixtures, as well as desks, file cabinets, typewriters, duplicating machines, computers, audiovisual equipment and the like.]	\$ _____ —	\$ _____ —	\$ _____ —
6. Other (800) [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees.]	\$ _____ —	\$ _____ —	\$ _____ —
Support Services Expenditures Subtotal (2100-2300) [DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]	Subtotal 2100 \$ _____	Subtotal 2200 \$ _____	Subtotal 2300 \$ _____

³Include only staff in attendance and social work services, guidance, health, psychology, speech pathology and audiology.

4. Student Support Services Supplies (600) are "items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances" (1990 Handbook). These include attendance supplies, medical supplies, films, tapes, paper supplies, books, and periodicals. See page 19-22 for criteria for distinguishing between supplies and equipment.

5. Student Support Services Property (700) is synonymous with machinery and equipment for purposes of this survey. Include expenditures for furniture, fixtures, and other equipment including desks, file cabinets, typewriters, duplicating machines, bookshelves, computers, audiovisual equipment (e.g., videocassette recorders, film projectors, televisions).

6. Other Student Support Services (800) include expenditures for dues and fees for membership by instructional staff in professional and other organizations. Miscellaneous expenditures for goods and services not classified above are also included.

Subtotal--Student Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Support Services--Instructional Staff (2200)

Introduction

Instructional Staff Support Services are "activities associated with assisting the instructional staff with both the content and process of providing learning experiences for students" (1990 Handbook). This category includes the following three service areas:

- ! Improvement of instruction: Instruction and curriculum development, instructional staff training, supervision, and other services whose goal is to improve instructional services.
- ! Educational media services: School libraries, audiovisual services, educational television, computer-assisted instruction, supervision of educational media services, and other educational media services.
- ! Other support services: Services in support of the instructional staff that are not covered by either of the other two categories.

Staff in this category include supervisors of instruction (but NOT department chairpersons, who are included in school administration); curriculum coordinators and in-service training staff; school library, audiovisual, and educational television staff; and staff engaged in the development of computer-assisted instruction.

Expenditure Details for Instructional Staff Support Services

1. Instructional Staff Support Services--Salaries (100) include the gross salaries of permanent and temporary employees on the payroll of a local education agency including those substituting for permanent employees. Salaries for full- and part-time staff are included along with overtime and salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be prorated, when feasible, among the functions and sub-functions on an FTE basis. See "Expenditure Categories Used in Financial Survey" in this booklet (pp. 46) for an example of prorating salaries among more than one function or sub-function.

2. Instructional Staff Support Services--Employee Benefits (200) are expenditures in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by the LEA for employee benefits including unemployment benefits, worker's compensation, and "other employee benefits" may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Included in Financial Survey" in this booklet (pp. 46 for an example of prorating employee benefits among more than one function or sub-function.)

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions must be included the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. Instructional Staff Support Services--Purchased Services (300-500) primarily covers professional and technical services "which by their nature can be performed only by persons with specialized skills and knowledge" (1990 Handbook). Some types of property services and "other purchased services" may be included (e.g., equipment rental [442] and data processing purchased from other LEAs within or outside the state [592, 593]).

Include activities that support the instructional program and its administration such as curriculum improvement services, counseling and guidance services, and library and media support. Such activities include purchased services of curriculum developers and individuals who make presentations at workshops, demonstrations, and school visits. Also included are expenditures for courses taken for college credit by LEA staff and other staff training programs. Fees for on-line computer information retrieval services for students such as computer bulletin boards and data bases are also recorded here. Report fees, salaries, travel expenses, employee benefits, and payment for sabbatical leave when applicable.

4. Instructional Staff Support Services--Supplies (600) include expenditures for items that are consumed, worn out, or deteriorated through use, or those that lose their identity through fabrication or incorporation into different or more complex units or substances. Supplies include curricular books and periodicals (but NOT textbooks, which are reported under expenditures for instruction), films, slides, tapes, videotapes, television programs, reference books, and other books and periodicals used by staff for purposes other than classroom instruction. See page 19-22 for criteria for distinguishing between supplies and equipment.

5. Instructional Staff Support Services--Property (700) includes expenditures for furniture and equipment such as desks, file cabinets, book shelves, computers, televisions, videocassette recorders, film projectors, and film screens. See page 19-22 for criteria for distinguishing between supplies and equipment.

6. Other Instructional Staff Support Services (800) include expenditures for dues and fees for membership by other instructional staff in professional and other organizations. Miscellaneous expenditures for goods and services not classified above are also reported here.

Subtotal--Instructional Staff Support Services Expenditures: Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other instructional staff support services (800). DO NOT include property (700).

Support Service--General Administration (2300)

Introduction

General Administration Support Services are "activities concerned with establishing and administering policy for operating the LEA" (1990 Handbook). Staff include those assigned to an LEA's central office such as board of education staff, the board treasurer, the board secretary/clerk staff, the superintendent, the superintendent's staff, and staff relations and negotiations personnel. School board members are included only if they receive salaries or benefits or if they have staff assigned to assist them. Include special area administration personnel such as Title I (ESEA) program staff.

General Administration Support Services cover two key categories:

- ! Board of education services include supervision of board of education services, board secretary/clerk services, board treasurer services, election services, tax assessment and collection services, staff relations and negotiations services, and other board of education services.

- ! Executive administration services include the office of the superintendent, community relations services, state and federal relations services, and other executive administration services.

DO NOT include the chief business official or the official's staff and activities. Expenditures for such staff are reported in Support Services-Business (2500). Central Support Services staff in the areas of planning, research, development, evaluation, and data processing are NOT INCLUDED HERE but in Central Support Services (2800). Both 2500 and 2800 are consolidated in "Other Support Services" below.

Expenditure Details for General Administration Support Services

1. General Administration Support Services--Salaries (100) include the gross salaries of permanent and temporary general administration employees on the payroll of a local education agency including those substituting for permanent employees. Salaries and overtime for full- and part-time staff are included along with salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be distributed, when feasible, among the functions or sub-functions on an FTE basis. See "Expenditure

Categories Used in the Financial Survey" in this booklet (pp. 46) for an example of prorating salaries among more than one function or sub-function.

2. General Administration Support Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits such as unemployment benefits, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet (pp. 45) for an example of prorating employee benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions should be included their appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. General Administration Support Services--Purchased Services (300-500) primarily cover professional and technical services, which "by their nature can be performed only by persons or firms with specialized skills and knowledge" (1990 Handbook). They include expenditures for legal services, elections, staff relations and negotiations, grant procurement, community relations, and tax assessment and collection services. Report fees, salaries, travel expenses, employee benefits, and payment for sabbatical leave when applicable.

4. General Administration Support Services--Supplies (600) include expenditures for items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Supplies include books, periodicals, and general supplies. Other examples include paper supplies for school board election materials and printing of school district budget information. See page 19-22 for a criteria for distinguishing between supplies and equipment.

5. General Administration Support Services--Property (700) is synonymous with machinery and equipment for purposes of this survey. Include expenditures for furniture, fixtures, and other equipment such as desks, file cabinets, typewriters, duplicating machines, bookshelves, and computers (see page 19-22 for criteria for distinguishing between supplies and equipment).

6. Other General Administration Support Services (800) include expenditures for dues and fees for membership by general administration support staff in professional and other organizations. Include miscellaneous expenditures for goods and services not classified above.

Subtotal--General Administration Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Support Services--School Administration (2400)

Introduction

School Administration Support Services are "activities concerned with overall administrative responsibility for a school" (1990 Handbook, p. 94). Staff include school principals, vice principals, administrative assistants, other principal's office staff, head teachers serving as principals, and full-time department chairpersons and their staffs.

School Administration Support Services focus primarily on the activities of the office of the principal, which are "concerned with directing and managing the operation of a particular school" (1990 Handbook). This category includes activities performed by the principal, assistant principal, and other assistants while they supervise the operations of the school, evaluate staff, assign duties, supervise and maintain school records, and coordinate school instructional activities with the policies and objectives of the LEA. Also included are the activities of full-time department chairpersons, the work of clerical staff in support of teaching and administration, and expenses for graduation activities.

**II. SUPPORT SERVICES
(2000)**

**AMOUNT
(omit cents)**

[See instructions for a more detailed listing under each Support Services function and object.]

School
Administration⁵
(2400)

Operations and
Maintenance⁶
(2600)

Student
Transportation⁷
(2700)

<p>1. Salaries (100) [Include gross salary while on the payroll of the LEA.]</p>	<p>Note: Include salaries only for staff in footnote 5.</p> <p>\$ _____</p> <p>—</p>	<p>Note: Include salaries only for staff in footnote 6.</p> <p>\$ _____</p> <p>—</p>	<p>Note: Include salaries only for staff in footnote 7.</p> <p>\$ _____</p> <p>—</p>
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⁵Include only the staff of the office of the principal (including vice principals and other assistants), department chairpersons and the principal.

⁶Include only operations and maintenance supervisor, operation staff (heating, lighting, ventilation, repairing and replacing facilities and equipment), care and upkeep of grounds and equipment staff, vehicle operations and maintenance staff

Expenditure Details for School Administration Support Services

1. School Administration Support Services--Salaries (100) include the gross salaries of permanent and temporary school administration staff on the payroll of a local education agency, including those substituting for permanent employees. Salaries and overtime for full- and part-time staff are included along with salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be distributed, when feasible, among the functions or sub-functions on an FTE basis. See "Expenditure Categories Used in Financial Survey" in this booklet (pp.) for an example of prorating salaries among more than one function or sub-function.

**II. SUPPORT SERVICES
(2000)**

**AMOUNT
(omit cents)**

[See instructions for a more detailed listing under each Support Services function and object.]

School
Administration⁵
(2400)

Operations and
Maintenance⁶
(2600)

Student
Transportation⁷
(2700)

<p>2. Employee benefits (200) [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]</p>	<p>Note: Include employee benefits only for staff in footnote 5.</p> <p>\$ _____</p> <p>—</p>	<p>Note: Include employee benefits only for staff in footnote 6.</p> <p>\$ _____</p> <p>—</p>	<p>Note: Include employee benefits only for staff in footnote 7.</p> <p>\$ _____</p> <p>—</p>
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²Include only staff in attendance and social work services, guidance, health, psychology, speech pathology and audiology.

³Include only supervisors of instruction (not department chairmen), curriculum coordinators and inservice training staff, school library staff, audiovisual staff, educational television staff and staff engaged in the development of computer-

2. School Administration Support Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet (pp. 46) for an example of prorating salaries and benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function, these contributions

should be included the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

II. SUPPORT SERVICES (2000)	AMOUNT (omit cents)		
[See instructions for a more detailed listing under each Support Services function and object.]	School Administration ⁵ (2400)	Operations and Maintenance ⁶ (2600)	Student Transportation ⁷ (2700)

3. School Administration Support Services--Purchased Services (300-500) include professional and technical services that "by their nature can be performed only by persons or firms with specialized skills and knowledge" (1990 Handbook, p. 102). They include the services of consultants, school scheduling firms, and individuals or firms that provide administrative staff in-service training. Purchased services may also include fees, salaries, travel expenses and communications expenses such as telephone, postage, and postage machine rental costs.

II. SUPPORT SERVICES
(2000)

AMOUNT
(omit cents)

[See instructions for a more detailed listing under each Support Services function and object.]

School
Administration⁵
(2400)

Operations and
Maintenance⁶
(2600)

Student
Transportation⁷
(2700)

<p>4. Supplies (600) [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are books and periodicals, energy expenditures, services received from utility companies, food expenditures from school food service programs, and routine auto and bus maintenance.]</p>	<p>\$ _____ -</p>	<p>\$ _____ -</p>	<p>\$ _____ -</p>
<p>5. Property (700) [Include expenditures for furniture and fixtures, as well as desks, file cabinets, computers, vehicles and machinery.]</p>	<p>\$ _____ -</p>	<p>\$ _____ -</p>	<p>- \$ _____ -</p>
<p>6. Other (800) [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees.]</p>	<p>\$ _____ -</p>	<p>\$ _____ -</p>	<p>\$ _____ -</p>

4. School Administration Support Services--Supplies (600) include expenditures for items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Examples include books, periodicals, and general supplies, (see page 19-22 for criteria for distinguishing between supplies and equipment).

5. School Administration Support Services--Property (700) is synonymous with machinery and equipment for purposes of this survey. Report expenditures for furniture, fixtures, and other equipment such as desks, file cabinets, computers, typewriters, copiers, bookshelves, and audiovisual equipment (e.g., videocassette recorders, film projectors, televisions); see page 19-22 for criteria for distinguishing between supplies and equipment.

6. Other School Administration Support Services (800) include expenditures for dues and fees for membership by school administration staff in professional and other organizations. Include miscellaneous expenditures for goods and services not classified above.

Subtotal--School Administration Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Support Services--Business (2500). See "Other Support Services (2500,2800, 2900)" below.

Support Services--Operations and Maintenance (2600)

Introduction

Operations and Maintenance of Plant Services are "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. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools" (1990 Handbook).

Staff include the operations and maintenance supervisor; operations staff for services such as heating, lighting, ventilation, and repair and replacement of facilities and equipment; personnel responsible for the care and upkeep of grounds and equipment; security staff; and vehicle operations and maintenance staff (EXCEPT for student transportation staff, who are included in 2700, and driver education staff, who are included in 1000).

Expenditures for Operations and Maintenance Support Services include the costs associated with all services addressed above as well as building rental and property insurance costs. These costs include the care and upkeep of equipment (EXCEPT for instructional equipment, which is reported in 1000) and vehicle operations and maintenance services (EXCEPT for student transportation vehicles, which are included in 2700, and vehicles used in instructional programs such as driver's education, which are reported in 1000).

Expenditure Details for Operations and Maintenance

1. Operations and Maintenance Support Services--Salaries (100) include the gross salaries of permanent and temporary Operations and Maintenance staff on the payroll of a local education agency, including those substituting for permanent employees. Include salaries and overtime for full- and part-time staff.

If staff members serve in more than one capacity, their salaries should be distributed, when feasible, among the functions or sub-functions on an FTE basis. See "Expenditure Categories Used in Financial Survey," Instruction Booklet, (pp. 46) for an example of prorating salaries among more than one function or sub-function.

2. Operations and Maintenance Support Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet (pp. 46) for an example of prorating benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services), these contributions must be included in the appropriate

category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. Operations and Maintenance Support Services--Purchased Services (300-500)

include purchased services of companies that provide maintenance, security, vehicle maintenance and equipment repair (EXCEPT for student transportation), and grounds upkeep.

4. Operations and Maintenance Support Services--Supplies (600) are items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. These include expenditures for energy such as electricity and natural gas purchased from a public or private utility, bottled gas, gasoline, and oil and coal for heating. Energy expenditures should be included here rather than in Instruction (1000). Include general supplies such as paper towels and cleaning supplies, (see page 16 for criteria for distinguishing between supplies and equipment).

5. Operations and Maintenance Support Services--Property (700) is synonymous with machinery and equipment for purposes of this survey. Include expenditures for initial, additional, and replacement equipment such as machinery (e.g., lathes, drill presses, snow removal equipment, lawn mowers), vehicles, furniture and fixtures, and other equipment.

NOTE that equipment and vehicles used for instructional purposes should be reported in Instruction (1000) (e.g., computers used for classroom instruction, cars used in driver education). Vehicles used for student transportation should be reported in Student Transportation (2700) rather than Operations and Maintenance. See page 19-22 for criteria for distinguishing between supplies and equipment.

6. Other Operations and Maintenance Support Services (800) include expenditures for dues and fees for membership by operations and maintenance staff in professional and other organizations if paid by the employer. Include miscellaneous expenditures for goods and services not classified above.

Subtotal--Operations and Maintenance Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Support Services--Student Transportation (2700)

Introduction

Student Transportation Support Services are "activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school and trips to school activities" (*1990 Handbook*, p. 97). Staff include student transportation supervisors and personnel responsible for vehicle operation and maintenance and student monitoring.

Student Transportation Support Services include the following categories: supervision of student transportation services, vehicle operation services, student monitoring, vehicle servicing and maintenance, and other student transportation services.

Expenditure Details for Student Transportation Support Services

1. Student Transportation Support Services--Salaries (100) include the gross salaries of permanent and temporary student transportation staff on the payroll of a local education agency, including those substituting for permanent employees. Report salaries and overtime for full- and part-time staff.

If staff members serve in more than one capacity, their salaries should be distributed among the functions or sub-functions on an FTE basis when feasible. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries among more than one function or sub-function.

2. Student Transportation Support Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries and benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions must be included in the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. Student Transportation Support Services--Purchased Services (300-500) include the purchased services of student busing companies and handicapped transportation services. Also report subsidized student transportation (e.g., families receiving a subsidies to offset the cost of transporting their children to and from school using public or private transportation).

4. Student Transportation Support Services--Supplies (600) are items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. These include expenditures for parts and materials required for routine vehicle maintenance, energy supplies such as gasoline, and general supplies. See page 19-22 for criteria for distinguishing between supplies and equipment.

5. Student Transportation Support Services--Property (700) is synonymous with machinery and equipment for purposes of this survey. Include expenditures for initial, additional, and replacement vehicles for transporting students including school buses, vans, automobiles, machinery, furniture and fixtures, and other equipment see page 19-22 for criteria for distinguishing between supplies and equipment.

6. Other Student Transportation Support Services (800) include expenditures for dues and fees for membership by student transportation staff in professional and other organizations. Include miscellaneous expenditures for goods and services not classified above.

Subtotal--Student Transportation Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Other Support Services (2500,2800,2900)

Introduction

The survey form combines the following three expenditure categories in the column entitled "Other Support Services":

Business Support Services (2500) are "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" (1990 Handbook, p. 95). Staff include the chief business officer, the supervisor of fiscal services, their staffs, and all staff involved in budgeting, payroll operations, financial accounting, internal auditing, purchasing, warehousing, and printing and duplication.

Business Support Services include activities concerned with the fiscal operation of the LEA such as supervising fiscal services (the assistant superintendent, director, or school business official who directs and manages fiscal activities), budgeting services, receiving and disbursing funds, payroll services, financial accounting, internal auditing, property accounting, and other fiscal services. These services also include purchasing; warehousing and distribution; printing, publishing, and duplicating services; and other business services.

Central Support Services (2800) are "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" (1990 Handbook, p. 98). Staff include personnel involved in planning, research, development, evaluation, and data processing.

Central Support Services include activities associated with conducting and managing programs of planning, research, development, and evaluation on a system-wide basis.

! Planning services include activities concerned with selecting or identifying the overall, long-range goals and priorities of the school system or a particular program. Planning also involves formulating various courses of action needed to achieve these goals by identifying needs and the relative costs and benefits for each alternative.

! Research services include activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

- ! Development services include activities that are part of the ongoing effort to improve education programs including the application of research findings in the school and classroom setting.
- ! Evaluation services include activities concerned with appraising specified data in view of the particular situation and the established goals.

Central Support Services also include information services such as supervision of information services, internal information, public information, management information services, and other information services; staff services such as supervision of staff services, recruitment and placement, staff accounting, in-service training for non-instructional staff, health services, and other staff services; and data processing services including supervision of data processing services, systems analysis, programming, and operations, and other data processing services.

Support Services--Other (2900). Includes Support Services staff not covered by other support services categories (2000 series).

II. SUPPORT SERVICES (2000)

AMOUNT
(omit cents)

[See instructions for a more detailed listing under each Support Services function and object.]

Other Support Services⁸
(2500, 2800, 2900)

Total
by object (100, 200, etc.)

<p>1. Salaries (100) [Include gross salary while on the payroll of the LEA.]</p>	<p>Note: Include salaries only for staff in footnote 8.</p> <p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
<p>2. Employee Benefits (200) [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]</p>	<p>Note: Include employee benefits only for staff in footnote 8.</p> <p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
<p>3. Purchased Services (300-500) [Include purchased business support services such as budgeting, payroll, financial accounting, internal auditing, purchasing, warehousing, printing and duplicating; purchased central support services such as planning, research, development, evaluation and data processing services. Travel for these staff is also included here.]</p>	<p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
<p>4. Supplies (600) [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are paper supplies, books and periodicals.]</p>	<p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
<p>5. Property (700) [Include expenditures for furniture and fixtures, as well as desks, file cabinets, and computers and other equipment.]</p>	<p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
<p>6. Other (800; <i>exclude 830</i>) [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees.]</p>	<p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>
	<p>\$ _____</p> <p>_____</p>	<p>\$ _____</p> <p>_____</p>

Expenditure Details for Other Support Services

1. Other Support Services--Salaries (100) include the gross salaries of permanent and temporary Business, Central, and other Support Services staff on the payroll of a local education agency, including those substituting for permanent employees. Salaries and overtime for full- and part-time staff are included along with salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be distributed among the functions/sub-functions on an FTE basis, when feasible. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries among more than one function or sub-function.

2. Other Support Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries and benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions must be included in the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. Other Support Services--Purchased Services (300-500) include professional and technical services that "by their nature can be performed only by persons or firms with specialized skills and knowledge" (1990 Handbook, p. 102).

- ! Business Support may include such purchased services as budgeting, payroll, financial accounting, internal auditing, purchasing, warehousing and distribution, and printing and duplicating.
- ! Central Support may include such purchased services as planning, research, development, evaluation, and data processing services.
- ! Support Services--Other may include purchased services not covered by other support services categories (2000 series). Include fees/salaries, benefits, travel, and sabbatical leave for purchased services staff.

4. Other Support Services--Supplies (600) are items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. These include expenditures for general supplies; paper and other materials required for printing and copying; and books, periodicals, and reference materials. (See page 19-22 for criteria for distinguishing between supplies and equipment.)

5. Other Support Services--Property (700) is synonymous with machinery and equipment for purposes of this survey. Include expenditures for initial, additional, and replacement furniture and fixtures such as desks, file cabinets, computers, copying machines, printing equipment, and other equipment. (See page 19-22 for criteria for distinguishing between supplies and equipment.)

6. Other Support Services (800) include miscellaneous expenditures for goods and services not mentioned above such as staff membership fees. Interest on current loans (repayable within one year of receiving the obligation) should be reported here as well. EXCLUDE interest payments on long term loans (obligations exceeding one year). Interest payments on long term loans should be reported under "VII. Other Uses: Debt Service (5100) - Interest (830)."

Subtotal--Other Support Services Expenditures. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other student support services (800). DO NOT include property (700).

Instructions for Calculating Support Services Subtotal

Survey respondents should take great care in calculating the "Total" column at the end of the Support Services (2000 series) section of the survey. The first step is to add, horizontally, the expenditure objects (e.g., salaries [100], employee benefits [200], etc.)

for each Support Services sub-function and enter the sums in the appropriate spaces in the "Total" column on the right (survey form, p. 7). Then add all the figures, vertically, in the "Total" column and enter the sum in the space at the bottom marked "subtotal all support services (2100-2900)." Remember that Support Services property (700) expenditures are excluded from the vertical subtotal although they are added later to the property total on page 12 of the survey form.

Calculating object totals. To obtain total expenditures for Support Services salaries (100), add the salary figures for Student Support Services (2100), Instructional Staff Support Services (2200), General Administration Support Services (2300), School Administration Support Services (2400), Operations and Maintenance Support Services (2600), Student Transportation Support Services (2700), and Other Support Services (2500, 2800, 2900). Enter this sum in the appropriate space in the "Total" column at the right. Perform the same calculation for employee benefits (200), purchased services (300-500), supplies (600), property (700), and other (800). Then add these figures (EXCEPT property) to obtain the support services subtotal.

Checking calculations. One way to check these calculations is to determine the subtotals for each Support Services sub-function (vertical columns). The sum of these subtotals should match the "subtotal for all support services" in the "Total" column.

Student Body Activities

The survey form has no separate section for reporting Student Body Activity expenditures. Instead, these activities are included in Instruction (1000) on page 4 of the survey form. Salaries for staff such as athletic coaches should appear in Instructional salaries (100). Staff benefits, if provided, should be reported in employee benefits (200). Student Body Activities expenditures should also be reported under purchased services (300-500), supplies (600), property (700), and other (800) when applicable.

Student Body Activities are school-sponsored programs such as co-curricular activities and athletics that supplement the regular instruction. Carried out under the guidance and supervision of LEA staff, co-curricular programs (420) are designed to enhance student motivation, enjoyment, and skill improvement. They include activities such as band, chorus, choir, speech, and debating. Also included are student-managed activities such as "Class of 199X," chess clubs, senior proms, and Future Farmers of America. School-sponsored athletics (490) in this category usually involve interscholastic competition and frequently receive some financing through gate receipts or fees. However, if sports

activities are profit-making ventures and rely primarily on gate receipts and fees, rather than on governmental funds, they should be reported under "Enterprise Activities." (See Elementary and Secondary Education Expenditures, Part III. b., Operation of Non-instructional Services--Enterprise Operations.)

III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

Introduction

Non-instructional services include Food Services for students and staff and Enterprise Operations. Although Community Services (e.g., child care programs) are within the 3000 function, they are recorded separately on the survey form because Community Services are not part of the regular elementary and secondary education curriculum (pre-kindergarten through grade 12) and thus, are EXCLUDED from Current Expenditures.

Food Services Operations (3100)

Introduction

Food Services operations are activities that provide food to students and staff in a school or LEA. These services include preparing and serving regular and incidental meals or snacks in connection with school activities as well as delivery of food to schools. Gross food services expenditures should be reported even if the services receive substantial funding from federal nutrition programs. The value of food commodities received from USDA or other agencies and consumed by students or staff should be included also. If food services are run as enterprise operations in your state, note this practice below the food services operations column. (Expenditures are still recorded in 3100 not enterprise operations [3200]).

III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

[Include food services operations and enterprise operations

Note: Community Services appear on page 12.]

	AMOUNT (omit cents)	
	Food Services Operations (3100) ⁹	Enterprise Operations (3200) ¹⁰
1. Salaries (100) [Include gross salary while on the payroll of the LEA.]	\$ _____	\$ _____

⁹Note that food services expenditures should be gross expenditures, even if substantially aided by federal nutrition programs. If food services are run as an enterprise operation in your state, enter amounts in 3100 and note practice below column.

Expenditure Details for Food Services Operations

1. Food Services--Salaries (100) include the gross salaries of permanent and temporary food services staff on the payroll of a local education agency, including those substituting for permanent employees. Salaries and overtime for full- and part-time staff are included along with salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be distributed among the functions or sub-functions on an FTE basis when feasible. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries among more than one function or sub-function.

III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

[Include food services operations and enterprise operations

Note: Community Services appear on page 12.]

	AMOUNT (omit cents)	
	Food Services Operations (3100) ⁹	Enterprise Operations (3200) ¹⁰
<p>2. Employee benefits (200) [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and other employee benefits as unused sick leave.]</p>	\$ _____	\$ _____

⁹Note that food services expenditures should be gross expenditures, even if substantially aided by federal nutrition programs. If food services are run as an enterprise operation in your state, enter amounts in 3100 and note practice below column.

2. Food Services--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave). If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution.

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries and benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions

must be included in the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

[Include food services operations and enterprise operations

Note: Community Services appear on page 12.]

	AMOUNT (omit cents)	
	Food Services Operations (3100) ⁹	Enterprise Operations (3200) ¹⁰
3. Purchased services (300-500) a. [Include purchased food service operations such as Pizza Hut, McDonalds, and SAGA.] b. [Include purchased enterprise operations such as computer services, preschool, and handicapped.]	NOTE: Only include 3a here \$ _____	NOTE: Only include 3b here \$ _____

⁹Note that food services expenditures should be gross expenditures, even if substantially aided by federal nutrition programs. If food services are run as an enterprise operation in your state, enter amounts in 3100 and note practice below column.

¹⁰Enterprise operations are activities that are financed by user charges [without governmental funds] similar to a private business. Include payments to the enterprise fund by a school system to cover deficit operations. Note below column

3. Food Services--Purchased Services (300-500) include the services of firms that provide meals for students and staff such as Pizza Hut, McDonald's, and SAGA. Also include purchased cleaning and disposal services.

III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

[Include food services operations and enterprise operations

Note: Community Services appear on page 12.]

AMOUNT
(omit cents)

	Food Services Operations (3100) ⁹	Enterprise Operations (3200) ¹⁰
4. Supplies (600) a. [Include amounts paid for items such as silverware, trays, napkins, plates, etc.] b. [Include amounts paid for items such as computer diskettes, laser toner, etc.]	NOTE: Only include 4a here \$ _____	NOTE: Only include 4b here \$ _____
5. Property (700) a. [Include expenditures for oven, dishwasher, refrigerator, etc.] b. [Include expenditures for purchases of P.C.'s, modems, printers.]	NOTE: Only include 5a here \$ _____	NOTE: Only include 5b here \$ _____
6. Other (800); exclude Interest on Bonds (830) [Put 830 in function 5100.] a. [Include miscellaneous expenditures for goods and services not mentioned above.] b. [Include miscellaneous expenditures for goods and services not mentioned above.]	NOTE: Only include 6a here \$ _____	NOTE: Only include 6b here \$ _____
Operation of Non-Instructional Services Expenditures Subtotal [DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]	\$ _____	\$ _____

⁹Note that food services expenditures should be gross expenditures, even if substantially aided by federal nutrition programs. If food services are run as an enterprise operation in your state, enter amounts in 3100 and note practice below column.

4. Food Services--Supplies (600) include expenditures for items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Expenditures for supplies include the cost of food used in school food services programs as well as items such as silverware, plastic utensils, trays, napkins, plates, and paper or

styrofoam cups. The value of food commodities received from USDA or other agencies and consumed by students or staff should be included also.

5. Food Services--Property (700) include expenditures for machinery and equipment such as ovens, dishwashers, and refrigerators.

6. Other Food Services (800) include miscellaneous expenditures for goods and services not mentioned above. EXCLUDE interest on bonds (830), which is recorded under debt service (5100) on page 10 of the survey form.

Subtotal--Food Services. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other food services (800). DO NOT include property (700).

Enterprise Operations (3200)

Introduction

Enterprise Operations are financed and operated in a manner similar to private businesses. They receive most, if not all, of their financing from receipts for the goods or services they provide, and they may be operated as profit-making ventures. Examples include a local education agency providing computer services to neighboring LEAs on a fee basis and a school book store that is financed through receipts from sales.

Expenditures reported in this category should be for activities that are part of the traditional pre-kindergarten-through-grade 12 public education program as defined on page 10-11. Other activities, such as day care or adult education classes, should be reported under community services or direct cost programs, even if they are operated as an enterprise.

The criterion for inclusion in this category is not the type of activity, per se, but that the operation be run as a business--not as a regular government entity funded primarily with public revenues. Note that Food Services are an EXCEPTION to this rule and should be reported in Food Services (3100) even if operated as a business. However, Enterprise Operations sometimes receive supplemental local government funding to cover deficits, and this funding should be reported. Survey respondents should identify the types of enterprises being reported in the space below the Enterprise Operations column on the survey form.

To understand the distinction between enterprise operations and government-sponsored education programs, consider the case of school athletic programs. If an athletic program is financed primarily by the LEA, it is considered a Student Body Activity--even if the program receives some funds from gate receipts, concessions, and other sources. However, if the program is financed primarily by the profits generated by the athletic events and related activities, expenditures would be reported under Enterprise Operations.

Because Enterprise Operations are treated as businesses, they require different accounting practices than those used with regular government operations. In particular, property (700) used in Enterprise Operations should be depreciated as it would in a business.

When reporting these expenditures, the gross amounts should be reported (i.e. include those expenditures which are covered by student fees, gate receipts, concessions etc.).

Expenditure Details for Enterprise Operations

1. Enterprise Operations--Salaries (100) include the gross salaries of permanent and temporary enterprise operations staff on the payroll of a local education agency, including those substituting for permanent employees. Salaries and overtime for full- and part-time staff are included along with salaries for staff on sabbatical leave.

If staff members serve in more than one capacity, their salaries should be distributed among the functions or sub-functions on an FTE basis when feasible. See "Expenditure Categories Used in Financial Survey" in this booklet for an example of prorating salaries among more than one function or sub-function.

2. Enterprise Operations--Employee Benefits (200) are expenditures made in addition to gross salary and not paid directly to employees. They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including payments for health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other employee benefits (e.g., unused sick leave).

Payments made by LEAs for employee benefits including unemployment, worker's compensation, and "other employee benefits" (290) may be distributed among the functions according to an employee's assignment. See "Expenditure Categories Used in Financial Survey" for an example of prorating salaries and benefits among more than one function or sub-function.

If the employer contribution is paid by the state, the survey respondent should contact the state agency that made the payment to determine the amount of the contribution. If state expenditures can be identified by function or sub-function (e.g., instruction, student support services, school administration support services), these contributions must be included in the appropriate category. However, if state expenditures cannot be broken down, the entire sum should be reported under Direct Program Support.

3. Enterprise Operations--Purchased Services (300-500) include the purchased professional services of firms that provide computer services, preschool programs, and programs for the handicapped.

4. Enterprise Operations--Supplies (600) include expenditures for items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Report the cost of items such as computer diskettes, laser printer toner, and printer paper.

5. Enterprise Operations--Property (700) include expenditures for equipment such as mainframe and personal computers, monitors, modems, printers, plotters, tape drives, large-scale disk drives, and computer furniture. If a school district operates student transportation as an enterprise operation, then expenditures for purchasing school buses are also included.

6. Other Enterprise Operations (800) include miscellaneous expenditures for goods and services not mentioned above. EXCLUDE interest on bonds (830), which is recorded under Debt Service (5100) on page 10 of the survey form.

Subtotal--Enterprise Operations. Add salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other food services (800). DO NOT include property (700).

Subtotal--Operation of Non-instructional Services (3000). Add Food Service Operations expenditures (3100) and Enterprise Operations expenditures (3200). DO NOT include property (700) or Community Services (3300) expenditures. These expenditures are recorded in the appropriate spaces on pages 9 and 10, respectively.

IV. DIRECT PROGRAM SUPPORT

As noted earlier, Direct Program Support is not a function itself but cuts across all functions as it refers to expenditures made by state education agencies for, or on behalf of, local education agencies. State financial contributions to LEA employee retirement funds are an example of Direct Program Support. States that pay the employer's contribution to retirement funds often do so by transferring money directly from the state treasury to the state retirement fund for public employees. Because local school districts never actually receive these funds, LEAs do not include them in year-end financial audit reports to the SEA. State practices vary greatly in this area, and survey respondents must check with other state agencies to identify any expenditures for, or on behalf of, local education agencies.

Please note that NCES would prefer that SEAs report direct program support expenditures in the appropriate function and object, rather than here. These items are only provided as a means for those states that cannot correctly report these expenditures.

For example, employee retirement expenditures should be reported under each sub-function (Instruction, School Administration, etc.) as an employee benefit object expenditure (200). However, if the state makes a lump-sum transfer payment for the employer's contribution to retirement funds for all school districts in the state, it may not be possible to determine what the expenditure was for the Instruction (1000), employee benefit object (200), compared to the expenditure for the School Administration (2400), employee benefit object (200). In such a case, the state would complete the items for direct program support, because it cannot report in the correct expenditure sub-functions and objects.

Since this survey was first developed, there has been growth in contract schools. Some SEAs and LEAs do not collect detailed information on the expenditures for contract schools, but these expenditures should be included on the survey. If data for these schools is not available in sufficient detail to be included under the specific functions and objects of this survey, then we ask that the expenditures be reported under "Direct Program Support: e. Other Direct Program Support for Public Schools" and that it be labeled as "charter school expenditures" on the dotted line.

IV. Direct Program Support

[Include expenditures by SEA or State made on behalf of LEA not classified elsewhere.]

**AMOUNT
(omit cents)**

<p>a. Textbooks for Public School Children</p> <p>1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).</p> <p>2. Property (700) [furniture, fixtures, equipment]</p>	<p>\$ _____</p> <p>—</p> <p>\$ _____</p> <p>—</p>
<p>b. Transportation for Public School Children</p> <p>1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).</p> <p>2. Property (700) [furniture, fixtures, equipment]</p>	<p>\$ _____</p> <p>—</p> <p>\$ _____</p> <p>—</p>
<p>c. Employee Benefits for Public School Employees</p> <p>1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).</p> <p>2. Property (700) [furniture, fixtures, equipment]</p>	<p>\$ _____</p> <p>—</p> <p>\$ _____</p> <p>—</p>
<p>d. Direct Program Support for Private School Students</p> <p>[Include expenditures by SEA or State made for/on behalf of private school students.]</p>	<p>\$ _____</p> <p>—</p>

Expenditure Details for Direct Program Support

The survey form lists five categories of Direct Program Support expenditures:

- a. Textbooks for Public School Children
- b. Transportation for Public School Children
- c. Employee Benefits for Public School Employees
- d. Direct Program Support for Private School Students
- e. Other Direct Program Support for Public School Students

Two figures are requested for each category:

- (1) a total for salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other (800);
- (2) property (700) including furniture, fixtures, and equipment.

NOTE that property is a separate item because property is not a component of Current Expenditures.

If your state has Direct Program Support expenditures for activities other than the first four categories, record them in the extra spaces allotted under Other Direct Program Support for Public School Students.

Subtotal--Direct Program Support. Add expenditures for Textbooks, Transportation, Employee Benefits, and Other Direct Program Support. DO NOT include Support for Private School Students or property (700). Provide additional documentation and explanations to support the reported figures.

V. CURRENT EXPENDITURES TOTAL

Add expenditures for Instruction (1000), Support Services (2000), Non-instructional Services (3000) (except for Community Services [3300]), and Direct Program Support (except for Support for Private School Students). Care should be taken not to include any property (700) expenditures. As noted earlier, the 1990 Handbook specifically excludes property from the definition of "Current Expenditures."

V. CURRENT EXPENDITURES

[Sum subtotals for I. Instruction (1000), II. Support Services (2000), III. Non-Instruction (3000) (but not Community Services) and IV. Direct Program Support (but not Private School Student Aid). DO NOT include

\$ _____

VI. FACILITIES ACQUISITION AND CONSTRUCTION SERVICES (4000)

Facilities Acquisition and Construction Services include the acquisition of land and buildings; building construction, remodeling, and additions; the initial installation or extension of service systems and other built-in equipment; and site improvement. This category also encompasses architectural and engineering services including the development of blueprints.

Remember that in government accounting "equipment" is considered "property." The first two items below request "non-property" expenditures for Facilities Acquisition and Construction Services.

VI. FACILITIES ACQUISITION AND CONSTRUCTION SERVICES
(4000)

	AMOUNT (omit cents)
1. Non-Property Expenditures (Construction) (4100-4900) [Include salaries (100), employee benefits (200), purchased professional and technical services (300), purchased property services (400), other purchased services (500), supplies (600) and other expenditures (800).]	\$ _____ —
2. Property Expenditures [Include Land and Improvements (710), and Land and Existing Buildings (720).]	\$ _____ —

Expenditure Details for Facilities Acquisition and Construction Services

1. Non-property Expenditures--For Buildings Built and Alterations Performed by Contractors (4100-4900). This category requires a single entry for all non-property construction expenditures for the following object categories: salaries (100), employee benefits (200), purchased professional and technical services (300), purchased property services (400), expenditures to contractors for the construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating, ventilating, fire protection, and other service systems in existing buildings are reported under construction services (450), other purchased services (500), supplies (600), and other (800). Report expenditures for services provided by architectural and engineering firms including the development of blueprints. Be sure to include payments to contractors for construction services (450)--construction, renovation, and remodeling. Temporary and/or portable buildings should also be included here. Also include expenditures for technical services (340), which although not considered professional, require basic

scientific knowledge, booklet skills, or both. Report expenditures for wiring for Local Area Networks (LANs) and Internet here.

Do not include property expenditures in Non-property Expenditures (4100-4900). Property expenditures should be reported under: 2. Property Expenditures (710) and (720), and 3. Equipment (730).

2. Property Expenditures (700). Include expenditures for Land and Improvements (710) and Land and Existing Buildings (720).

Land and Improvements (710). Expenditures for the purchase of land and the improvements thereon. Report expenditures for the purchase of air rights, mineral rights, and the like. Also include special assessments against an LEA for capital improvements such as streets, curbs, and drains. DO NOT include expenditures for improving sites and adjacent ways after acquisition by an LEA; such expenditures are reported under construction services (450) or technical services (340) as appropriate. Report those expenditures under the non-property expenditure items of Facilities Acquisition and Construction Services. This category (710) is used only when purchases are made with governmental funds.

Buildings (720). Expenditures for acquiring existing buildings. Include expenditures for installment or lease payments (EXCEPT interest) that have a specific termination date and that result in the acquisition of existing buildings. DO NOT include payments to public school housing authorities or similar agencies. This category is used only when buildings are purchased or leased with government funds.

3. Equipment (730). Expenditures for initial, additional, and replacement equipment including machinery, vehicles, and furniture and fixtures. Expenditures for the initial purchase of property items such as books for a newly constructed library or equipment for a newly constructed laboratory should be included here as well. Expenditures for the same items but for already existing structures should be reported as supplies (books) or property (lab equipment) under Instruction (1000) or Support Services (2000).

VII. OTHER USES (5000)

A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary controls. These include debt service (5100) payments--both principal and interest. Normally, only long-term debt service--obligations exceeding one year--are reported here. The survey form includes separate lines for reporting interest and principal. (**Note:** Interest on current loans--repayable within one year of receiving

the obligation--are labeled as Business Support Services--Receiving and Disbursing Funds Services [2513] and should be reported under Other Support Services - Other [2500-800].)

VII. OTHER USES (5000)

[Include debt service payments (principal and interest).]

Expenditure Details for Other Uses

a. Debt Service (5100). Include only long-term debt service (obligations exceeding one year).

1. Interest (830). Interest on long-term debt.
2. Principal (910). Redemption of principal on long-term debt.

Subtotal--Other Uses. Add Interest and Principal expenditures.

VIII. COMMUNITY SERVICES OPERATIONS (3300)

Community Services Operations are activities that provide services to students, staff, or community participants. Examples include community swimming pools, recreation or transportation programs for the elderly, and child care centers. Community services requested here are provided by governmental entities as a service and are not operated as businesses.

VIII. Community Services (3300)
[Include expenditures for child care and community swimming pool.]

AMOUNT
(omit cents)

Expenditure Details for Community Services Operations

Report the following two figures:

1. The sum of the following object categories: salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other expenditures (800).
2. Property (700). Includes expenditures for machinery, equipment, furniture, fixtures, and vehicles.

If community services are operated as business (that is, as enterprise activities), this fact should be reported in a footnote on the survey form along with the expenditures for operating them.

IX. DIRECT COST PROGRAMS

Direct Cost Programs encompass expenditures by LEAs for education activities that are not considered part of the regular elementary and secondary education curricula (pre-kindergarten-grade 12). There are separate lines for three categories of Direct Cost Programs--Nonpublic School Programs, Adult Education, and Community Colleges. In addition, there are several dotted lines for reporting other Direct Cost Programs. A separate property (700) category is included. Although Direct Cost Programs are not assigned function numbers in the 1990 Handbook, they do have program numbers. (See 1990 Handbook, pp. 83-87.)

IX. DIRECT COST PROGRAMS

[Include here educational expenditures for other than public pre-K through 12 programs not shown above.]

<p>1a. Non-Public School Programs (program #500) [Do not include property (object 700).]</p>	<p>\$ _____ —</p>
<p>1b. Adult Education (program #600) [Do not include property (object 700).]</p>	<p>\$ _____ —</p>
<p>1c. Community College (program #700) [Do not include property (object 700).]</p>	<p>\$ _____ —</p>
<p>1d. Other (specify program name on dotted line) ----- ----- -----</p>	<p>\$ _____ —</p>

Expenditure Details for Direct Cost Programs

1a. Non-public School Programs (Program No. 500). Services for students attending schools established by agencies other than states, subdivisions of states, or the federal government. These schools usually receive their primary financial support from nonpublic sources. The services are paid for by local government (LEA) funds, not state funds. Among the services included in this category are instructional services, attendance and social work services, health services, and transportation services.

1b. Adult/Continuing Education Programs (Program No. 600). Activities that develop knowledge and skills to meet the immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Adult basic education programs are included as well as career education. The activities may foster the development of fundamental learning skills,

prepare students for postsecondary careers or education programs, upgrade occupational competence, prepare students for a new or different career, develop skills and appreciation for special interests, or enrich the aesthetic qualities of life.

1c. Community/Junior College Education Programs (Program No. 700). Programs for students attending institutions of higher education that offer (in most cases) the first two years of college instruction. If an LEA is responsible for providing this program, all program costs should be reported here. If the LEA is not responsible for providing this program, the survey respondent should enter a zero.

1d. Other Direct Cost Programs. The survey provides several lines for expenditures for additional Direct Cost Programs.

2. Property (700). Add equipment expenditures (property) from a, b, c, d above.

Subtotal--Direct Cost Programs. Add expenditures for Nonpublic School Programs, Adult Education, Community Colleges, and Other Direct Cost Programs. DO NOT include Property (Object 700) in the subtotal.

X. PROPERTY (700)

Add equipment (property) expenditures for Instruction (I), Support Services (II), Operation of Non-instructional Services (III), Direct Program Support (IV), Facilities Acquisition (VI), Community Services (VIII), and Direct Cost Programs (IX).

X. PROPERTY (700)

[Total from Property in Instruction (I), Support Services (II), Operation of Non-Instructional Services (III), Direct Program Support (IV), Facilities Acquisition (VI), Community Services (VIII) and Direct Cost Programs (IX).]

\$ _____

XI. TOTAL EXPENDITURES FOR EDUCATION

Add Current Expenditures (V) from page 9 of the survey form (including expenditures for Instruction, Support Services, Operation of Non-instructional Services, and Direct Program Support), Non-property Expenditures from Facilities Acquisition (VI),

Community Services (VIII), Direct-Cost Programs (IX), and Property (X). This total should include all expenditures for public elementary and secondary education in your state. To avoid double-counting, DO NOT INCLUDE Other Uses (5000) (VII).

XI. TOTAL EXPENDITURES FOR EDUCATION

[Sum Current Expenditures (V), Non-Property Expenditures from Facilities Acquisition (VI), Community Services (VIII), Direct Cost Programs (IX) and Property

\$ _____

XII. EXCLUSIONS FROM CURRENT EXPENDITURES FOR PURPOSES OF DETERMINING SPPE

Allocations to state and local education agencies for a number of federal programs are based, in whole or in part, on state per-pupil expenditures (SPPE). SPPE is calculated by subtracting certain "exclusions" from Current Expenditures to obtain "Net Current Expenditures" and dividing that figure by average daily attendance. NCES calculates total exclusions, Net Current Expenditures, and SPPE for each state based on information provided in the Financial Survey.

Calculating SPPE

Step 1

Current Expenditures - Exclusions = Net Current Expenditures

Step 2

Net Current Expenditures
_____ = SPPE

Average Daily Attendance

Programs using SPPE. The following are among the federal programs whose allocations are calculated using SPPE: Title I of the Elementary and Secondary Education Act (ESEA) of 1965, Title VIII of the ESEA-Impact Aid, Title IX of the ESEA-Part A Indian Education, Section 1411 of the Individual with Disabilities Education Act (IDEA), and the Education for Homeless Children and Youth Program under Title VII of the Stewart B. McKinney Homeless Assistance Act.

NCES calculates SPPE. States must report all elementary and secondary education revenues and expenditures on the Financial Survey even though NCES excludes some revenues and expenditures when calculating SPPE. It may be helpful to think of the exclusions as "subtractions" made after all appropriate revenues and expenditures have been reported. NCES does the subtractions, not the survey respondents.

XII. EXCLUSIONS FROM CURRENT EXPENDITURES FOR PURPOSES OF P.L. 100-297	AMOUNT (omit cents) (shaded areas need not be completed)
a. Tuition paid by individuals (1310)	obtained from p. 1 (1310)
b. Transportation fees paid by individuals (1410)	obtained from p. 1 (1410)
c. Title I expenditures [Note: DO NOT simply restate revenues received. This item to contain expenditures.]	\$ _____ —
d. Title I carryover funds	\$ _____ —
e. Title VI expenditures [Note: DO NOT simply restate revenues received. This item to contain expenditures.]	\$ _____ —
f. Title VI carryover funds	\$ _____ —
g. Food Service revenues (1600-1630)	obtained from p.1 (1630)
h. Student activities revenues (1700-1790)	obtained from p.1 (1790)

Items excluded. For purposes of calculating SPPE, carryover funds from federal program allocations (see explanation of carryover funds, below) as well as fees and other revenue from individuals must be SUBTRACTED from Current Expenditures. Section XI I of the Financial Survey provides a list (p. 11 of the survey) of revenues and expenditures

to be subtracted. Most of the revenues from individuals have already been reported on pages 1-3 of the survey, and these figures will be entered by NCES in the appropriate spaces on pages 11-12. The list includes (a) tuition paid by individuals (1310), (b) transportation fees paid by individuals (1410), (g) food service revenues (1630), (h) student activities revenues (1790), (i) textbook revenues (1940), and (j) summer school revenues. Federal law requires NCES to report net expenditures (expenditures minus revenues) for these programs.

The EXCLUSION list also includes expenditures and carryover funds for Title I and Title VI (ESEA). Federal law permits states to retain Title I and Title VI revenues for more than one fiscal year and to spend that money at a later date (often termed "carryover funds"). NCES excludes expenditures and carryover funds for ALL Title I (ESEA) programs including Part A--compensatory education grants to LEAs, Part B--Even Start program grants, Part C--grants made under the Secondary School Programs for Basic Skills Improvement and Dropout Prevention and Reentry, and Part D--grants received under state agency programs for migrants, neglected or delinquent children, and handicapped children.

Although the survey does not provide a separate place for reporting Title I and Title VI spending in the expenditure sections, these funds must be included in the appropriate expenditure categories. For example, Title I and Title VI funds should be included in expenditures for instruction and support services (Financial Survey, pp. 4-7) and in other expenditure categories when applicable. There would be no need to subtract Title I and Title VI expenditures or carryover funds from Current Expenditures for the purpose of determining SPPE if these funds had not been reported earlier in the survey.

Under the No Child Left Behind Act, states and LEAs may transfer a portion of the funds they receive under certain federal programs into other programs that more effectively address the state's unique needs and to the appropriate allocations under Part A or Title I (see ESEA Sections 6121 through 6123). When reporting Title I and Title VI expenditures and carryover exclusions, only report expenditures and carryover exclusions from their initial allocations under those titles and do not include any expenditures of funds that were transferred to those titles under the transferability provisions.

Carryover fund requirements. The U.S. Department of Education's Title I, Part A: Policy Guidance Booklet establishes policies governing the use of Title I carryover funds based on the Title I law and other applicable federal laws and regulations. The Policy Booklet notes that Title I funds are initially available for a 15-month period, beginning on

the July 1 preceding the federal fiscal year for which the funds are appropriated and continuing until the end of that fiscal year (September 30). If an LEA does not obligate all of its Title I allocation by the end of the federal fiscal year for which Congress appropriated the funds, the LEA has the authority to obligate the remaining funds during a carryover period of an additional 12 months, subject to certain limitations. Thus, Title I allocations are available to LEAs for a maximum of 27 months.

The intent of the form is to collect financial information on Title I for a specific fiscal year, including (1) expenditures against Title I funds that were appropriated for the fiscal year or the school year in operation during the fiscal year being reported and (2) expenditures for the school year being reported that were made against funds that were appropriated for the prior fiscal year but remained available for obligation under the carryover provision in the Title I statute.

For this report, obligations as defined in section 76.707 of the Education Department General Administrative Regulations should be reported. For example, for the fiscal year 2001 NCES report, you should report all Title I obligations during school year 1999-2001 that were made against the 1999-2001 grant awards and against carryover funds from the 1998-99 grant awards.

No more than 15 percent of the Title I, Part A (subpart 2) funds allocated to an LEA for a given fiscal year may be carried over for an additional year. (This limitation applies only to LEAs that receive \$50,000 or more.) In addition, there are no percentage limits on carryover of school improvement funds (section 1003), capital expenses funds (section 1002), Title I funds for state agency programs for migratory children (section 1002 (c)), and neglected and delinquent children (section 1002(d)), and Title I state administration funds (section 1603(c)).

Even if a state uses a fiscal year that is different from that of the federal government the Title I carryover limitations are based on the 15-month period ending September 30. Although a state may establish a Title I project period that coincides with a different fiscal year (e.g., July 1 through June 30), LEAs are entitled to the Title I funds for the full 15-month period. The state may not apply the limitations on LEA carryover amounts until after September 30. SEAs should establish controls to ensure that LEAs do not use prior year funds that exceed the carryover limitations, and SEAs and LEAs should continue to account for Title I funds by grant year.

Under section 1127(b) of Title I, a state may grant an LEA a waiver once every three years of the percentage limitations on carryover funds if the SEA determines that the

waiver is "reasonable and necessary" if a supplemental Title I appropriation becomes available.

Under the Elementary and Secondary Education Act of 1965 (ESEA), a State educational agency (SEA) may consolidate state administrative funds under covered programs. Similarly, a local educational agency (LEA) may consolidate local administrative funds under covered elementary and secondary programs, and combine in a school-wide program school funds from virtually any Federal education program administered by the Secretary. Title I and Title VI of the ESEA are covered programs. As a result, if an SEA or LEA consolidates those funds under any of these authorities, current expenditures of the Title I and Title VI funds will lose their specific program identify.

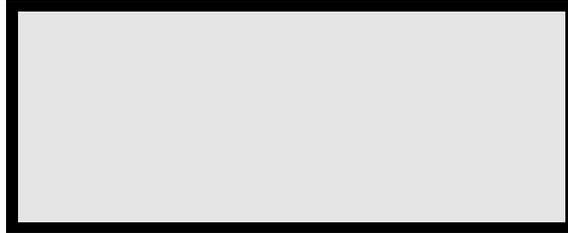
In calculating "current expenditures" for the purpose of determining a State per pupil expenditure (SPPE) figure, an SEA must account separately for the expenditures of the Federal Title I and Title VI funds, even if those funds are consolidated. In order to separate state and local expenditures of consolidated Title I or Title VI funds, the SEA should calculate the percentage of funds that Title I and Title VI contributed to a consolidated expense category, like school-wide programs, and apply those same percentages to the total expenditures in that category to estimate the expenditures of Title I and Title VI funds. For example, if Title I, Part A contributed 20% of the funds in an LEA school-wide program and Title VI contributed 5%, the SEA would attribute 20% of the funds expended in the school-wide program, to Title I Part A and 5% to Title VI. These estimated amounts would then be excluded by the State in the respective Title I and Title VI accounts in its NPEF survey for the purposes of calculating SPPE. Other reasonable methods may also be used to attribute Title I and Title VI consolidated fund expenditures to the appropriate categories. If you use a method for separating consolidated Title I and Title VI fund expenditures, please note this on your NPEFS submission.

XIII. NET CURRENT EXPENDITURES AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (20 U.S.C. 8801(11))

Subtract total Exclusions (XII) from Current Expenditures (V). NCES WILL COMPUTE THIS.

XIII. Net Current Expenditure as defined by
Elementary and Secondary Education Act of 1965.

[Subtract Total Exclusions (XII) from Current
Expenditures (V)]
(NCES will compute this)



XIV. AVERAGE DAILY ATTENDANCE (ADA)

To obtain state per-pupil expenditures (SPPE) for use in determining federal program allocations, NCES divides each state's net current expenditure by the state's Average Daily Attendance (ADA) (Financial Survey, p. 12). States may use one of two NCES-approved methods for reporting average daily attendance. Method A is to follow state laws and regulations governing ADA. In state law, ADA must be reported in accordance with that definition. Method B is to use the NCES definition of ADA. Method B may ONLY be used in the absence of state legislation or regulations defining ADA. Only one ADA figure should be reported. DO NOT compute ADA using both Method A and Method B. Whichever method is used, every state must report ADA--aggregated to the state total--for every school district, local education agency, or special school for which expenditures are reported.

Average daily attendance refers to "resident attendance," defined in 20 U.S.C. 8801(I) as the average daily attendance of students residing within the boundaries of a local education agency. Students who reside in one state and attend school in another state should only be counted by the state in which the student resides. In this type of situation, the state in which the student attends school should be careful to exclude the out-of-state students from their ADA count.

Current Expenditures and SPPE. States must reconcile the total count of students in attendance with the number of students in attendance in programs covered by Net Current Expenditures. This means that a state must be able to identify the number of students in attendance for each of the programs included in Current Expenditures--and the expenditures for each program--in order to count the students in ADA.

XIV. AVERAGE DAILY ATTENDANCE (ADA)**Use either method A or B**

A. ADA as defined by State Law [Append definition, statutory citation, length of school year and length of school day.]	
B. ADA as defined by NCES [The aggregate days of attendance of a given school during a given reporting period divided by the number of days in session during this period.]	

Method A: ADA as defined by state law. When state laws or regulations define average daily attendance or provide methods for calculating ADA, those definitions and methods must be used to report ADA in the Financial Survey. Survey respondents should become familiar with the laws and regulations regarding ADA in their states--as well as with instructions or rulings on ADA by the attorneys general of their states.

Federal law requires states to report ADA exactly as mandated by their laws and regulations even if state requirements differ from those of NCES regarding summer school attendance, partial-day attendance, excused absences, and other issues.

Method B: ADA as defined by NCES. States that have no laws or regulations governing the determination of average daily attendance are requested to use the NCES definition of ADA:

The aggregate number of days of attendance at a given school during a given reporting period divided by the number of days in session during this period.

This definition requires every school or school district in a state to collect attendance every day it is in session and to record the number of days it is in session. The aggregate number of days of student attendance for each school or school district is divided by the number of days each school or school district is in session. To calculate the state total, add the figures for every school or school district in the state.

As with states that use their own laws or regulations governing ADA, states that use the NCES definition must reconcile the total count of students in attendance with the number of students in attendance in programs covered by Net Current Expenditures. This means that a state must be able to identify the number of students in attendance

for each of the programs covered by Current Expenditures--and the expenditures for each program--in order to count the students in ADA.

States should aggregate attendance figures at either the school or the school district level, but not both. Combining attendance figures for schools and school districts would result in double counting because school district attendance figures include attendance figures for individual schools.

Measure to nearest half day. Student attendance should be measured to the nearest half day. A child who attends pre-kindergarten for three hours a day is considered a half-day student while a vocational education student who attends school for five hours a day is considered a full-day student.

Summer school is considered part of the free public education program even if students pay a fee to attend. However, for federal allocation purposes, NCES subtracts summer school tuition revenue from Current Expenditures.

Figure 2

EXAMPLE OF CALCULATION OF AVERAGE DAILY ATTENDANCE (ADA)

Collecting ADA on a daily basis from every school or school district in the state for both the regular school year and summer school, and totaling, the following numbers are obtained:

Total student days in attendance for regular school year: 685,288,968

Total student days in attendance for summer school year: 20,598,508

Average number of days schools are in session in regular school year: 182

[Note: although the state-mandated minimum is 180 days, the actual average should be used].

[Note: the number of days of summer school will not be used in the calculation].

Calculation of State ADA:

$$\begin{array}{r} (685,288,968 + 20,598,508) \\ \hline (182) \\ \hline (705,887,476) \\ \hline (182) \end{array} = 3,878,502.6 = 3,878,503$$

XV. STATE PER PUPIL EXPENDITURES TO BE USED, IN PART, IN THE CALCULATION OF FEDERAL ENTITLEMENTS FOR TITLE I, (ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965), IMPACT AID, INDIAN EDUCATION, AND OTHER FEDERAL PROGRAMS

Divide Net Current Expenditures (XIII) by Average Daily Attendance (XIV). NCES WILL COMPUTE.

AMOUNT
(omit cents)

XV. STATE PER PUPIL EXPENDITURE TO BE
USED, IN PART, IN THE CALCULATION OF
FEDERAL ENTITLEMENTS FOR Title I (ESEA),
IMPACT AID, INDIAN EDUCATION AND
OTHER FEDERAL PROGRAMS.

[Divide XIII by XIV.]

(NCES will compute this)

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Tuition	10, 12, 14, 15, 26, 27, 33, 35, 36, 43, 45-47, 50, 51, 53, 99
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