

Function means the action a person takes or the purpose for which a thing exists or is used. The function describes activities for which services or material objects are acquired. The activities of a school district are classified into five (5) broad functional areas -- Instruction, Supporting Services, Community Services, Non-programmed Charges and Debt Services. Functions are further broken down into sub-functions and service areas which are subsequently subdivided into areas of responsibility.

Since all expenditure accounts are not allowed in each fund type, please refer to Table 4, in the "Chart of Accounts", to determine the appropriate accounting for expenditures. Function and Object level detail reporting requirements (by fund type) may be found in the annual *Single Audit Guide* published by the South Carolina Department of Education.

- 100 **INSTRUCTION.** Activities dealing directly with the teaching of students or the interaction between teacher and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, computer, the Internet, multimedia, telephone, and correspondence that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.
- 110 **GENERAL INSTRUCTION.** Instructional activities designed primarily to prepare students for activities as citizens, family members, and workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps. General Instruction program elements include pre-school, primary, elementary, high school, and vocational education.
- 111 Kindergarten Programs. Learning experiences concerned with knowledge, skills, appreciations, attitudes, and behavioral characteristics considered to be needed by all students in terms of their awareness of life within our culture and which normally may be achieved during the kindergarten years. These are defined by applicable State laws and regulations.
- 112 Primary Programs (Grades one through three). Learning experiences concerned with knowledge, skills, appreciations, attitudes, and behavioral characteristics considered to be needed by all students in terms of their awareness of life within our culture and the world of work and which normally may be achieved during the school years one through three.
- 113 Elementary Programs (Grades four through eight). Learning experiences concerned with knowledge, skills, appreciations, attitudes, and behavioral characteristics considered to be needed by all students in terms of understanding themselves and their relationship with society and various career clusters, and which normally may be achieved during the school years four through eight.

- 114 High School Programs (Grades nine through twelve). Learning experiences concerned with knowledge, skills, appreciations, attitudes, and behavioral characteristics considered to be needed by all students in terms of understanding themselves and their relationship with society and the various occupations and/or professions which normally may be achieved during the school years nine through twelve.
- 115 Career and Technology Education (Vocational) Programs. Learning experiences concerned with offering training in one or more skilled or semiskilled trades or occupations as a supplement to the high school program.
- 116 Career and Technology Education (Vocational) Programs – Middle School. Learning experiences for middle school students with training offered in one or more skilled or semiskilled trades or occupations.
- 117 Driver Education Program (Optional). Learning experiences concerned with offering training in the safe and efficient operation of a motor vehicle as a supplement to the high school program.
- 118 Montessori Programs. Learning experiences concerned with hands-on, discovery approaches to learning where students work at their own pace.
- 120 **EXCEPTIONAL PROGRAMS.** Instructional activities designed primarily to deal with students having special needs. Students and programs are classified as provided by the Defined Program and must meet any other criteria of the State Department of Education. The Exceptional Program areas include services for kindergarten, primary, elementary, and high school students in the following classifications:
  - 121 Educable Mentally Handicapped. Instructional activities provided to children whose intellectual limitations require specialized instruction to enable them to function socially and economically.
  - 122 Trainable Mentally Handicapped. Instructional activities and training programs for children of legal school age, who have been identified as having a mental capacity below that of those considered educable, to assist them in becoming self-sufficient. (Profoundly Mentally Handicapped Children are included in this function.)
  - 123 Orthopedically Handicapped. Instructional activities and programs provided for students who have physical impairments which interfere with normal functions of the bones, joints, or muscles to such an extent as to require special facilities and instructional methods.

- 124 Visually Handicapped. Instructional activities and learning experiences provided for students who have no vision or whose visual limitations result in educational handicaps.
- 125 Hearing Handicapped. Instructional activities and learning experiences provided for children four years old or older who are professionally certified as having hearing deficiencies.
- 126 Speech Handicapped. Instructional activities and learning experiences for students with speech and language impediments which interfere with or limit the individual's ability to formulate, express, receive, or interpret oral language.
- 127 Learning Disabilities. Instructional activities and learning experiences provided for students who exhibit a disorder in one or more of the basic psychological processes involved in understanding or using spoken and/or written communication.
- 128 Emotionally Handicapped. Instructional activities and learning experiences provided to students who demonstrate adequate intellectual potential, but whose learning is impaired by emotional, motivational or social disturbances.
- 129 Coordinated Early Intervening Services (CEIS). This is voluntary for LEAs that choose to use a portion of their IDEA Part B funds for services to a defined group of at-risk students. This is an available option to the LEA because they have not been found to have significant disproportionality. Instructional activities and learning experiences provided to students in kindergarten through grade 12 who are not currently identified as needing special education or related services, but who need additional academic and behavioral supports to succeed in a general education environment.
- 130 **PRESCHOOL PROGRAMS**. Instructional activities and learning experiences provided for children from birth to five years old.
- 131 Preschool Handicapped Speech (5-Year-Olds). Instructional activities and learning experiences provided for five-year-old preschool children with speech handicaps.
- 132 Preschool Handicapped Itinerant (5-Year-Olds). Instructional activities and learning experiences provided by the school district to five-year-old preschool handicapped children at the school level.
- 133 Preschool Handicapped Self-Contained (5-Year-Olds). Instructional activities and learning experiences provided at the school level for five-year-old preschool handicapped children in self-contained environments.

- 134 Preschool Handicapped Homebased (5-Year-Olds). Instructional activities and learning experiences provided for five-year-old preschool handicapped children in their homes.
- 135 Preschool Handicapped Speech (3- and 4-Year-Olds). Instructional activities and learning experiences provided for three- and four-year old preschool children with speech handicaps.
- 136 Preschool Handicapped Itinerant (3- and 4-Year-Olds). Instructional activities and learning experiences provided by the school district to three- and four-year old preschool handicapped children at the school level.
- 137 Preschool Handicapped Self-Contained (3- and 4-Year-Olds). Instructional activities and learning experiences provided at the school level for three- and four-year old preschool handicapped children in self-contained environments.
- 138 Preschool Handicapped Homebased (3- and 4-Year-Olds). Instructional activities and learning experiences for three- and four-year old preschool handicapped children in their homes.
- 139 Early Childhood Programs. Early childhood development programs for children from birth to four years old who have indicated significant readiness deficiencies. Only instructional costs are included here. Any childcare or custodial services provided should be recorded in Function 350—Custody and Care of Children.
- 140 **SPECIAL PROGRAMS**. Instructional activities and programs designed to meet the educational needs of exceptional students in the following areas:
  - 141 Gifted and Talented Academic. Instructional activities provided for students who possess demonstrated or potential abilities for high performance in academic areas. (See Function 148 for definition of Gifted and Talented Artistic.)
  - 142 Disadvantaged. Instructional activities provided for students who are classified as disadvantaged according to the guidelines established by the vocational education program. This functional area is a direct correlation to the Vocational Education Disadvantaged Program.
  - 143 Advanced Placement. Instructional activities required to support advanced placement courses in all secondary schools which enroll an adequate number of academically talented students to support the course. Students successfully completing the Advanced Placement requirements receive credit in post-secondary public colleges.
  - 144 International Baccalaureate. Expenditures for students in the IB Diploma Programme (DP) aged 16-19, in an academically challenging and balanced program of education with final examinations that prepares students for success at university. Also include students in

the IB Career-Related Programme (CP) aged 16-19 that incorporates the vision and educational principles into a unique offering specifically designed for students who wish to engage in career-related learning.

- 145 Homebound. Instructional activities provided for students who cannot attend school, even with the help of transportation, wherever they may be confined. A physician must certify that the student is unable to attend school but may profit from instruction given in the home or hospital.
- 147 Full Day 4K. Instructional Activities designed to serve at-risk 4 year olds in a full day academic program.
- 148 Gifted and Talented Artistic. Instructional activities provided for students identified as having demonstrated or potential abilities for high performance in one or more of the following artistic areas: dance, drama, music, and visual arts.
- 149 Other Special Programs. Other instructional activities provided for dropouts, migrants, delinquents, parentally placed private school children, and others who are not served in one of the preceding instructional programs.
- 150 **DISTRICTWIDE ACCOUNTS**. Nominal accounts used to record expenditures in specified funds for objects not attributable to one function and which must be distributed at year-end.
  - 151 Districtwide General/Exceptional. A nominal account used in the General Fund to record expenditures only for Objects 300 - 600 (Purchased Services, Supplies, Capital Outlay, and Other) which are not attributable to one function. The expenditures recorded in this function are to be distributed at year-end by a method recognized by the State Department of Education as appropriate and the account must be adjusted to zero.
- 160 **OTHER EXCEPTIONAL PROGRAMS**. Other instructional activities, not included in the Function 120 or 140 series, designed primarily to deal with exceptional students. Students and programs are classified as provided by the Defined Program and must meet any other criteria of the State Department of Education. The exceptional program areas include services for kindergarten, primary, elementary, and high school students in the following classifications:
  - 161 Autism. Instructional activities and learning experiences for students who have been diagnosed as being autistic.
  - 162 Limited English Proficiency. Instructional activities and learning experience for students aged 3 through 21 enrolled in an elementary school whose native language is a language other than English whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual the ability to meet

the state's proficient level of achievement on state assessments, the ability to successfully achieve in classrooms where the language of instruction is English, or the opportunity to participate fully in society.

- 163 Comprehensive Coordinated Early Intervening Services (CCEIS). Instructional activities and learning experiences mandatory for LEAs when they are identified as having significant disproportionality in identification, placement, and/or disciplinary removals. These services are provided to students in pre-K through grade 12 (with a particular emphasis on students in pre-K through grade three) who are not currently identified as needing special education or related services, but who need additional academic and behavioral supports to succeed in a general education environment. It also serves children currently identified as needing special education or related services (funds can be used primarily but not exclusively for this group).
- 170 **SUMMER SCHOOL PROGRAMS.** Instructional activities for students offered outside the regular school term.
- 171 Primary Summer School. Instructional activities offered outside the regular school term for students in Grades One through Three.
- 172 Elementary Summer School. Instructional activities offered outside the regular school term for students in Grades Four through Eight.
- 173 High School Summer School. Instructional activities offered outside the regular school term for students in Grades Nine through Twelve.
- 174 Gifted and Talented Summer School. Instructional activities offered outside the regular school term for eligible students identified as gifted and/or talented. (See related Functions 141 and 148.)
- 175 Instructional Programs Beyond Regular School Day. Expenditures for instructional activities designed to provide learning experiences for students through additional educational programs offered beyond the regular school day.
- 180 **ADULT/CONTINUING EDUCATION PROGRAMS.** Instructional activities designed to develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning, prepare students for a post-secondary career, prepare students for post-secondary education programs, upgrade occupational competence, prepare students for a new or different career, develop skills and appreciations for special interest, to enrich the aesthetic qualities of life, or to enable parents to enhance their child's development.
- 181 Adult Basic Education Programs. Instructional activities concerned with the fundamental tools of learning for adults who have never

attended school, or whose formal schooling was interrupted, and who need the knowledge and skills necessary to raise their level of education, to increase self-confidence and/or self-determination, to prepare for an occupation, and to function more responsibly as citizens.

- 182 Adult Secondary Education Programs. Instructional activities designed to develop knowledge, skills, appreciations, attitudes, and behavioral characteristics considered necessary for adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities and are preparing for post-secondary careers and/or post-secondary education programs.
  - 183 Adult English Literacy (ESL). Instructional activities specifically designed for immigrants and other limited English proficient persons that provide an integrated program of services incorporating English literacy with civics education.
  - 184 Post-Secondary Programs. Instructional activities concerned with the skills and knowledge required to prepare learners for immediate employment in an occupation or cluster of occupations, upgrade occupational competence, prepare students for a new or different career, or for preparation for post-secondary education programs. State funds only.
  - 185 Vocational Adult Programs. Vocational Instructional activities for adults who are involved in a secondary education program.
  - 186 Integrated Education and Training. A service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for the purpose of education and career advancement as defined in the Workforce Innovation and Opportunity Act, Section 203 (11). Federal funds only.
  - ~~187 Adult Education Remedial. Instructional activities designed to provide remedial instruction to adult education students identified as having deficiencies in the basic skills areas of reading, writing, and mathematics.~~
  - 188 Parenting/Family Literacy. Instructional activities associated with the education of families. Programs in parenting/family literacy programs provide training and support services that enable parents to enhance their child's development.
  - 189 Early Childhood Parenting Program. Instructional programs for families whose children participate in the Early Childhood Education Pilot Program.
- 190 PUPIL ACTIVITY.

Instructional Pupil Activity. Financial transactions related to school-sponsored pupil and interscholastic activities. Only instructionally oriented activities and purchases are recorded in this function. Examples would include student participation in academic decathlons and foreign language declamation competitions and stipends for non-athletic club sponsors.

- 200 **SUPPORT SERVICES.** Supporting services provide administrative, technical, personal (such as guidance and health), and logistical support to facilitate and enhance instruction.
- 210 **SUPPORT SERVICES - STUDENTS.** Activities designed to assess and improve the well-being of students and supplement the teaching process.
- 211 Attendance and Social Work Services. Services and activities which are designed to improve student attendance at school and which attempt to prevent or solve student problems involving the home, the school, and the community. Registration activities for adult education programs are included here. Some examples of other services to be reported within this function code are supervision services, attendance services, and student accounting services.
- 212 Guidance Services. Services and activities designed to provide counseling to students and parents, provide consultation with other staff members on learning problems, assist students in personal and social development, assess the abilities of students, assist students as they make their own educational and career plans and choices, provide referral assistance, and work with other staff members in planning and conducting guidance programs for students. Includes activities for compiling, maintaining, and interpreting cumulative records of individual students such as standardized test results and school performance.
- 213 Health Services. Physical and mental health services which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.
- 214 Psychological Services. Activities include administering psychological tests and interpreting the results, gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the special needs of students as indicated by psychological testing, behavioral evaluation, and planning and managing a program of psychological services.
- 215 Exceptional Program Services. Activities which have as their purpose the identification, assessment, and placement of students with impairments such as speech, hearing, language, visual and orthopedic handicaps.



- 216 Career and Technical Education Placement Services. Activities concerned with the placement of CATE students in jobs. Use only in relationship to the CATE Function 115.
- 217 Career Specialist Services. Services and activities designed to assist school counselors and students in identifying and accessing career information, assist students in the exploration of career clusters, and assist students with the implementation of the district's student career plan or individual graduation plan.
- 220 **SUPPORT SERVICES - INSTRUCTIONAL STAFF.** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.
- 221 Improvement of Instruction Curriculum Development. Activities designed to assist instructional staff in preparing curriculum materials, developing a curriculum which stimulates and motivates students. Instructional technology personnel and Assistant Superintendents of Instruction should be charged here. (Do not include inservice training in this function. See Function 224.)
- 222 Library and Media Services. Activities such as selecting, acquiring, preparing, cataloging, and circulating books and other materials, planning the use of the library by students, teachers and other members of the instructional staff, and guiding individuals in their use of library materials.
- 223 Supervision of Special Programs. Activities associated with the overall supervision, coordination, and direction of special programs. These activities include Title I Coordinators, Adult Education Coordinators, SSI Coordinators, etc.
- 224 Improvement of Instruction Inservice and Staff Training. Costs related to receiving training by members of the instructional staff during the time of their service to the school system or school. Activities include workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, inservice consultant fees, and transportation related to inservice. Inservice training for non-instructional staff should be charged to the appropriate function. (e.g., Food Service staff training should be charged to Function 256.)
- 230 **SUPPORT SERVICES - GENERAL ADMINISTRATION.** Activities concerned with establishing and administering policy in connection with operating schools or the school district. (Do not include the Chief Business Official and his/her activities here. See Function 252.)
- 231 Board of Education. Activities of the elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a given administrative unit.

- 232 Office of Superintendent. Activities performed by the superintendent and deputy, associate, or assistant superintendents, in the direction and management of all affairs of the school district. This program area includes all personnel and materials in the Office of the Superintendent.
- 233 School Administration. Activities concerned with overall administrative responsibility for a single school or a group of schools. Included are the activities performed by the principal, assistant principals, and other assistants in the supervision of all operations of the school. Clerical staff for these activities are included.
- 250 **SUPPORT SERVICES - FINANCE AND OPERATIONS**. Activities concerned with purchasing, paying, transporting, exchanging, and maintaining goods and services for the school district. This function also includes the acquisition of facilities, the operation and maintenance of plant, and fiscal and internal services necessary for operating all schools. Include the Chief Business Official and the activities of this position in Function 252.
- 251 Student Transportation (Federal/District Mandated). Activities concerned with the conveyance of students from home to school to home or to an alternate school district facility to attend instructional classes on a repetitive basis as provided by federal statute or by the district's school board. No state funding is provided to the district to offset the expenses for providing the transportation service.
- 252 Fiscal Services. Activities concerned with the fiscal operation of the school district. This function includes budgeting, receiving and disbursing, financial accounting, payroll, inventory control, and managing funds.
- 253 Facilities Acquisition and Construction. Activities concerned with the acquisition of fixed assets including land and buildings, remodeling and construction of buildings, additions to buildings, initial installation or extension of service systems and other built-in equipment, and improvements to sites.
- NOTE: Generally, this function is limited in use to the Capital Projects Fund. See Object 580 in this Guide for accounting exceptions for mobile classroom expenditures.**
- 254 Operation and Maintenance of Plant. Activities concerned with keeping the physical plant open, comfortable, and safe for use, and the grounds, buildings, and equipment in working condition. Exclude activities which maintain security in schools, on school grounds, and in the vicinity of schools. Expenditures for these activities should be reported in Function 258.
- 255 Student Transportation (State Mandated). Activities concerned with the conveyance of students from home to school as provided by state

law. (See Functions 251 and 271 for pupil transportation costs not provided by state law.)

- 256 Food Services. Activities concerned with providing food to students and staff. This includes the preparation and serving of regular and incidental meals, breakfasts, lunches, or snacks in connection with school activities and the delivery of food. This function is limited in use to the Food Service Fund.
- 257 Internal Services. Activities concerned with buying, storing, and distributing supplies, furniture, and equipment, and those activities concerned with duplicating and printing for the school district.
- 258 Security. Activities concerned with maintaining order and safety in school buildings, on the grounds and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarms, metal detectors, security guards, and similar security items.
- 259 Internal Auditing Services. Activities concerned with verifying the account records, which includes evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of the accounting and reporting systems, and ascertaining compliance with established policies and procedures.
- 260 **SUPPORT SERVICES—CENTRAL**. Activities, other than general administration, which support each of the other instructional and support services programs.
  - 262 Planning. Includes activities on a system-wide basis associated with conducting and managing programs of planning, research, development, evaluation, and statistics (activities concerned with gathering data) for a school district. (Include activities related to the districts strategic plan and school renewal plans).
  - 263 Information Services. Activities concerned with writing, editing, and other preparations necessary to disseminate educational and administrative information to students, staff, or the general public through direct mailing, the news media, or personal contact.
  - 264 Staff Services. Human resource activities concerned with maintaining an efficient staff for the school system including such activities as recruiting and placement, staff transfers, and staff accountability.
  - 265 Subawards in Excess of \$25,000. A subcontract or subgrant awarded to a subrecipient in which the amount exceeds \$25,000.
  - 266 Technology and Data Processing Services. Activities concerned with preparing data for storage and retrieval for reproduction as information for management and reporting. Includes technology services for activities related to computer operations, supervision of

data processing, systems analysis services, and programming services. Also includes operations services related to scheduling, maintaining, and producing data. (Include contracted vendor support here.) This function category also encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks, and similar operations should be captured in this code.

270 **SUPPORT SERVICES—PUPIL ACTIVITY.** Used to record financial transactions related to non-instructional school-sponsored student and interscholastic activities.

271 Pupil Service Activities. Expenditures for non-instructional school-sponsored activities, such as Athletic competitions, cheerleading activities, band activities, chorus activities, and other related interscholastic activities outside the regular instruction program. Coaching supplements and salaries and support for Athletic Directors are charged here. (Pupil transportation for field trips and other transportation costs not provided by state law are included in this function.)

272 Enterprise Activities. Self-supporting activities operated in a manner similar to private business enterprises, where the stated intent is that the costs are financed or recovered primarily through user charges. Examples are a school bookstore or canteen. Food Services expenditures should NOT BE CHARGED HERE but rather to Function 256.

273 Trust and Agency Activities. Financial transactions related to funds held by the school district in a trustee capacity or as an agent for student organizations and clubs.

300 **COMMUNITY SERVICES.** Activities which are not directly related to the provision of education for students. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by the school district for the community.

320 Community Recreation Services. Activities concerned with providing recreation for the community. Included are activities such as organizing and supervising playgrounds, the operation of community swimming pools, and other recreational programs.

- 330 Civic Services. Activities concerned with providing services to civic organizations. This area includes services to parent-teacher association meetings, public forums, lectures, and civil defense planning.
- 340 Public Library Services. Activities pertaining to the operation of public libraries by a school district, or the provision of library services to the general public through the school library.
- 350 Custody and Care of Children. Activities pertaining to the provision of programs for the custodial care of children in child-care centers which are not part of or directly related to the instructional program and where the attendance of children is not included in the attendance figures for the school district.
- 360 Welfare Services. Activities pertaining to the provision of personal needs of individuals who have been designated as needy by an appropriate government entity. These needs include stipends for school attendance, salaries paid to students for work performed (whether for the school district or for an outside concern), and for clothing, food, or other personal needs.
- 370 Nonpublic School Services. Services to a school established by an agency other than the State, subdivision of the State or the Federal Government, which usually is supported primarily by other than public funds. This includes activities related to instructional and support services.
- 390 Other Community Services. Services provided to the community which cannot be classified under the preceding areas.
- 400 **OTHER CHARGES.** Intergovernmental expenditures and conduit-type payments (outgoing transfers) to other school districts or administrative units in the state and transfers from one fund to another in the school district.
- 410 **INTERGOVERNMENTAL EXPENDITURES.** Payments to school districts, generally for tuition and transportation, for services rendered to pupils residing in the paying school district.
- 411 Payments to State Department of Education. Reimbursement of unexpended funds for restricted grants, payments for local Medicaid matching funds, and payments made by school districts as adjustments resulting from State Department of Education financial audits.
- 412 Payments to Other Governmental Units. Payments made for services such as tuition, transportation, and special education services rendered to students residing in the paying district. Also included are payments made to other state agencies such as the State Retirement

System for school employees' benefits and reimbursements of unexpended funds for restricted grants passed through the Office of the Governor.

- 413 Payments to Nonpublic Schools. Conduit-type payments made by school districts to non-public schools within the state for instructional and support services rendered to pupils. (Title I funds paid directly to non-public schools that provide student services are included here.)
- 414 Medicaid Payments to State Department of Education.
- 415 Payments to Nonprofit Entities (For First Steps).
- 416 LEA Payments to Public Charter Schools. Payments made by school districts to public charter schools for instructional and support services rendered to students.
- 417 Payments to Nonprofit Entities (Other than for First Steps).
- 420 INTERFUND TRANSFERS. Transactions which withdraw money from one fund and place it in another without recourse. Fund transfers budgeted to another functional activity such as food service or transportation are coded to the appropriate function and Object 720. Unless State law prohibits, revenues should be allocated between funds when received and recorded in the funds to which they belong rather than placing them in the General Fund and later transferring them. (These accounts are not included in the State totals of expenditures.)
  - 420 Transfer to General Fund (Exclude Indirect Cost)
  - 421 Transfer to Special Revenue Fund
  - 422 Transfer to Special Revenue EIA Fund
  - 423 Transfer to Debt Service Fund
  - 424 Transfer to Capital Projects Fund
  - 425 Transfer to Food Service Fund
  - 426 Transfer to Pupil Activity Fund

Interfund loans are NOT RECORDED HERE, but are handled through the Balance Sheet accounts as interfund receivables and interfund payables in the funds affected.
- 430 INDIRECT COST TRANSFERS.
  - 431 Transfer—Special Revenue Fund Indirect Cost
  - 432 Transfer—Food Service Fund Indirect Cost

For an indirect cost item, the entry should be treated as a fund transfer and as an actual expenditure in the appropriate function.

Self-insurance payments may be treated as interfund operating transfers. When expenditures are made for replacement of damaged or stolen equipment, the expenditure should appear as a 500 object under the appropriate function.

Payments into a debt service fund for the eventual retirement of zero coupon bonds are to be treated as a fund transfer, as in the case of payments made to a sinking fund. Payments to escrow agents should be recorded under Function 500, Object 690.

440 OTHER FINANCING SOURCES/USES. Conduit-type payments to agents other than school districts.

441 Payments to Refunded Debt Escrow Agent. Payments to an escrow agent from resources provided by new debt. (Payments to an escrow agent made from other resources of the entity should be reported as debt service expenditures.)

500 DEBT SERVICE. Transactions related to servicing the debt of a school district, including payments of both principal and interest. Normally, only long-term debt service (obligations exceeding one year) is recorded here. This function should be used to account for bond interest payments, retirement of bonded debt (including current and advance refundings), capital lease payments, and other long-term notes.