

A.4.6 Expenditure and Expense Object Codes

An **expenditure** is an outflow of cash, a promise to pay, or other financial resource in return for goods and services that have been received.

An **expense** is a decrease in net position resulting from a using up or an outflow of assets in the course of operating your district.

An expenditure and expense object code is a four-digit code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit “6,” which distinguishes them from other types of object codes.

An expenditure or expense object code identifies the nature and object of an account or a transaction.

Expenditures and expenses should be classified by the major object classes according to the types of items purchased or services obtained. Your district’s accounting records must reflect expenditures and expenses:

- at the most detailed level (four digits) for reporting (actual data) for:
 - accounting and
 - PEIMS; and
- to the second digit of detail (6100, 6200, etc.) for PEIMS budget reporting.

If your school district needs to use codes in addition to the mandatory codes for managerial purposes, your district should use the optional codes provided for local use.

The following table summarizes the major categories of operating expense object codes. See the following pages for the detailed codes for posting transactions.

Summary of Expenditure or Expense Object Codes	
6100	Payroll Costs
6110	Teachers and Other Professional Personnel
6120	Support Personnel
6130	Employee Allowances
6140	Employee Benefits
6200	Professional and Contracted Services
6210	Professional Services
6220	Tuition and Transfer Payments
6230	Education Service Center Services
6240	Contracted Maintenance and Repair Services
6250	Utilities

6260	Rentals—Operating Leases
6290	Miscellaneous Contracted Services
6300	Supplies and Materials
6310	Supplies and Materials for Maintenance and Operations
6320	Instructional Materials
6330	Testing Materials
6340	Food Service and Other Resale Items
6390	Supplies and Materials—General
6400	Other Operating Expenses
6410	Travel, Subsistence, and Stipends
6420	Insurance and Bonding Costs
6430	Election Costs
6440	Depreciation Expense of Proprietary and Nonexpendable Trust Funds
6490	Miscellaneous Operating Costs
6500	Debt Service
6510	Debt Principal
6520	Interest Expenditures or Expenses
6590	Other Debt Service Expenditures or Expenses
6600	Capital Outlay—Land, Buildings, and Equipment
6610	Land Purchase and Improvement
6620	Building Purchase, Construction, or Improvements
6630	Furniture and Equipment
6640	Fixed Assets—District Defined
6650	Fixed Assets under Capital Leases
6660	Library Books and Media

Expenditures (Governmental Fund Types and Expendable Trust Funds)

Expenditures are debited in the accounting period in which a measurable fund liability is incurred, except for unmatured principal and interest on general long-term debt, prepaid items, and other long-term obligations, which are recorded as a debit in the accounting period when due.

Expenses (Proprietary Fund Type, Nonexpendable Trust, and Pension Trust Funds)

Expenses are debited in the accounting period in which they are incurred.

6000**EXPENDITURE AND EXPENSE OBJECT CODES**

These codes are used to account for expenditures and expenses.

6010–6030**EXPENDITURE AND EXPENSE CONTROL ACCOUNTS**

These codes are used for accounts that summarize appropriated (budgeted) and actual (realized) expenditures and expenses. These are optional codes and accounts that may be used in financial accounting applications for school districts.

Districts using subsidiary ledgers may, at the local option, use control accounts as listed in the general ledger to reflect the summarized balances of the subsidiary ledgers.

6010 Appropriated Expenditures and Expenses—Control—Locally Defined

This code is used to credit an account at the beginning of the fiscal year for the amount of budgeted expenditures or expenses. The debit entry uses the object code 3700, Budgetary Fund Balance—Locally Defined. At the end of the fiscal year, this code is debited and closed to the appropriate fund balance accounts.

6020 Encumbrances—Control—Locally Defined

This code is used to debit an account for amounts encumbered and to credit the account for encumbrances liquidated during the fiscal year. The amounts encumbered (debits) and liquidated (credits) in the subsidiary ledger detail must equal the total debits and credits to this Encumbrances—Control account. At the end of the fiscal year, this account is closed to code 4310, Reserve for Encumbrances—Locally Defined.

6030 Expenditures and Expenses—Control—Locally Defined

This code is used to debit an account for the total actual expenditures and expenses (including any accrued amounts) during the fiscal year. The postings of the expenditures and expenses in the detail subsidiary ledger accounts for actual expenditures and expenses and must be equal to this Expenditures and Expenses—Control account. At the end of the fiscal year, this account is closed to the appropriate fund balance accounts.

6100**PAYROLL COSTS**

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The

school district acts in a supervisory capacity over an employee and furnishes or approves the working area and usually the equipment and materials needed to perform a task or service. Although an employee may work with more than one supervisor before, during, or after the normal employment hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.

6110–6119 Teachers and Other Professional Personnel

This series of codes is used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by your district to be a professional staff member. Substitute teachers or other professional personnel are also classified using this code.

***R*6112 Salaries or Wages for Substitute Teachers and Other Professionals**

This code is used to classify the gross salary and wage expenditures or expenses for substitute teachers and is primarily used with function code 11, Instruction. Substitutes for other professionals should be coded to the same function code as the payroll record of the professional being replaced.

6116–6118 Salaries or Wages for Teachers and Other Professional Personnel—Locally Defined

These codes are used, at the option of your district, to classify salaries or wages not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6119.

***R*6119 Salaries or Wages—Teachers and Other Professional Personnel**

This code is used to classify the gross salary and wage expenditures or expenses for teachers and other professional exempt personnel as defined by the .⁴⁷ This includes:

- gross salary and wage expenditures or expenses;
- wages paid to employees for performing duties beyond the normal working day;

⁴⁷ [Fair Labor Standards Act](#)⁴⁸ [TEC, §2254.002\(2\)](#)

- amounts above the school district’s standard pay for additional certification requirements, such as a bilingual teacher; and
- amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring, and department heads.

Note: Any local option codes that your district uses must be converted to object code 6119 for PEIMS reporting.

6120 Support Personnel

This code is used to classify the gross salary and wage expenditures or expenses for support personnel.

℞6121 Extra Duty Pay or Overtime—Support Personnel

This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or for amounts above the school district’s standard pay for additional qualifications.

℞6122 Salaries or Wages for Substitute Support Personnel

This code is used to classify the gross salary and wage expenditures or expenses for substitute support personnel and should be used with the function code being used for payroll record purposes.

6125–6128 Salaries or Wages for Support Personnel—Locally Defined

These codes are used, at the option of your district, to classify salaries or wages not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6129.

℞6129 Salaries or Wages for Support Personnel

This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff defined as nonexempt by the [Fair Labor Standards Act](#).

Note: Any local option codes that your district uses must be converted to object code 6129 for PEIMS reporting.

6130 Employee Allowances

This code is used to classify an employee allowance, which is an amount paid to an employee for which the employee is not required to render a detailed accounting.

℞6131 Contract Buyouts

This code is used to identify expenditures or expenses for employee contract buyouts. Such expenditures may include direct payments made by a school district as severance and any other benefits extended as part of a contract buyout agreement. Such costs should be recorded in the function codes in which the person was classified. These payments are subject to federal withholding, social security (if applicable), and Medicare (if applicable). These payments are not subject to the TRS.

6134–6138 Employee Allowances—Locally Defined

These codes are used, at the option of your district, to classify employee allowances not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6139.

℞6139 Employee Allowances

This code is used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting.

Object Code 6139—Expenditures and Expenses to Include:	Object Code 6139—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> • automobile allowances • housing allowances • cell phone allowance • uniform and meal allowance • in-kind payments unless exempted under Internal Revenue Service (IRS) Code 	<ul style="list-style-type: none"> • mileage reimbursement for travel for actual miles driven (object code 641X)

In-kind payments such as rent-free housing or employer-furnished automobiles are debited to an account with this code and credited to the appropriate revenue account using the following code:

- 5743, Rent, or
- 5749, Other Revenues from Local Sources.

Note: Any local option codes that your district uses are converted to object code 6139 for PEIMS reporting.

Questions regarding taxable income for the employee for these allowances should be directed to the Internal Revenue Service. See Module 1, section 1.8, Tax Concerns and Obligations for further guidance.

6140 Employee Benefits

This code is used to classify employee benefits, which are those amounts paid by the school district to provide benefits to employees. This does not include the amount deducted from the employee's salary or wages, which are considered employee contributions toward a benefit.

℞ 6141 Social Security or Medicare

This code is used to classify expenditures or expenses required to provide employee benefits under the federal Social Security program. This excludes employee contributions.

℞ 6142 Group Health and Life Insurance

This code is used to classify expenditures or expenses made to provide personnel with group health and life insurance benefits. This excludes employee contributions but includes benefit amounts transferred to an internal service fund.

℞ 6143 Workers' Compensation

This code is used to classify expenditures or expenses made to provide personnel with workers' compensation benefits. This includes benefit amounts transferred to an internal service fund. There are no employee contributions.

℞6144 Teacher Retirement or TRS Care—On-Behalf Payments and Medicare Part D Payments

This code is used to classify expenditures or expenses from on-behalf payments of matching teacher retirement paid for active members of the school district in accordance with [GASB Statement No. 24](#). A school district contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The school district also provides certain employer contributions for the retired teachers' health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of school district contributions are recorded here. An equal revenue amount should be recorded using code 5831, Teacher Retirement or TRS Care—On-Behalf Payments.

Medicare Part D payments made by the federal government to the TRS are also recorded to this account with an equal revenue amount to object code 5831, Teacher Retirement or TRS Care—On-Behalf Payments. For more information, see Module 1, sections 1.2.5.1 Payroll Liabilities and 1.3.3 On-Behalf Teacher Retirement System Payments.

℞6145 Unemployment Compensation

This code is used to classify expenditures or expenses made to provide personnel with unemployment compensation. This includes benefit amounts transferred to an internal service fund. There are no employee contributions.

℞6146 Teacher Retirement or TRS Care

This code is used to classify the following:

- expenditures or expenses made from local, state, and federal program funds
- private grants to pay state matching of teacher retirement on the state minimum contribution
- the required matching amount from federal funds
- any employer contribution for the retired teachers' health insurance plan

℞6147 Pension Expense

This code is used to account for the district's costs associated with maintaining the employee pension plan(s) that the district offers to its employees.

6148 Employee Benefits—Locally Defined

This code is used, at the option of your district, to classify employee benefits not defined elsewhere.

Note: For PEIMS reporting, this code is converted to object code 6149.

℞6149 Employee Benefits

This code is used to classify expenditures or expenses made to provide personnel with other employee benefits not detailed above. This excludes employee contributions but includes any benefit amounts transferred to an internal service fund.

Note: Any local option codes that your district uses must be converted to object code 6149 for PEIMS reporting.

6200 PROFESSIONAL AND CONTRACTED SERVICES

The major code series is used to classify expenditures or expenses for services rendered to your district by firms, individuals, and other organizations. This includes services provided by internal service funds, unless the internal service fund is used to account for employee benefits. Internal service fund expenditures or expenses for employee benefits, such as health insurance, are classified to the appropriate code in the 6100 series of codes. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies.

6210 Professional Services

This code is used to classify expenditures or expenses for professional services rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the professional services contract.

℞6211 Legal Services

This code is used to classify fees, associated travel, and other related costs for legal services. However, legal fees, associated travel, and other costs related to the collection of taxes are classified using object code 6213, Tax Appraisal and Collection. Delinquent tax collection fees that are charged as costs to the taxpayer and paid to an attorney are treated as a liability in code 2110, Accounts Payable, not as an

expenditure. All expenditures or expenses coded to object code 6211 use function code 41, General Administration.

℞6212 Audit Services

This code is used to classify fees, associated travel, and other related costs for audit services. All expenditures or expenses coded to object code 6212 use function code 41, General Administration.

℞6213 Tax Appraisal and Collection

This code is used to classify fees, associated travel, and other related costs for appraising property and collecting taxes, including attorney fees directly related to the collection of taxes. This account is also used by the school district to record its pro rata share of the administrative cost of the consolidated taxing district. Delinquent tax collection fees that are charged as costs to the taxpayer and paid to an attorney are treated as a liability using code 2110, Accounts Payable, not as an expenditure. This code is used only in the general fund.

Payments made to another governmental entity for appraisal costs only should be coded to function code 99, Other Intergovernmental Charges; otherwise, function code 41, General Administration, should be used for the collection of taxes.

℞6214 Lobbying

This code is used to classify fees, associated travel, and other related costs for lobbying services. Refer to the [Texas Ethics Commission](#) for guidelines regarding what is considered lobbying.

6216–6218 Professional Services—Locally Defined

These codes are used, at the option of your district, to classify professional fees and related costs not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6219.

R 6219 Professional Services

This code is used to classify expenditures or expenses for professional services rendered by personnel who are not on the payroll of the school district. The law⁴⁸ defines professional services to be the following:

Architecture	Optometry
Landscape architecture	Professional engineering
Land surveying	Real estate appraising
Medicine	Professional nursing

Accounting (audit services belong in object code 6212)

These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity, or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures or expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

This does not include any costs required to be capitalized as ancillary charges necessary to place the asset into service. Those costs should be recorded in the appropriate 6600 series capital outlay object codes.

6220 Tuition and Transfer Payments

This code is used to classify the following:

- tuition payments made when the school district pays for tuition to an institution of higher education on behalf of a staff member or a student
- transfer payments made when the school district pays for students to attend another school district, either private or public

⁴⁸ [TEC, §2254.002\(2\)](#)

R 6221 Staff Tuition and Related Fees—Higher Education

This code is used to classify expenditures or expenses for services rendered by institutions of higher learning for the benefit of school district personnel. Expenditures or expenses classified in this account are excluded from the calculation of indirect cost rates.

R 6222 Student Tuition—Public Schools

This code is used to classify expenditures or expenses for tuition if a school district is under contract with a public school to provide instructional services to students. This includes payments made:

- for transferring entire grades of students from one district to another district⁴⁹ or
- for additional tuition to transfer a child to a district in a contiguous state under an agreement by both school districts.⁵⁰

R 6223 Student Tuition—Other than to Public Schools

This code is used to classify expenditures or expenses for tuition if a school district is under contract with an institution of higher learning or with a nonpublic school to provide instructional services to students. This includes payments made to juvenile justice alternative education programs (function code 95, Payments to Juvenile Justice Alternative Education Programs).

R 6224 Student Attendance Credits—School Districts Only

This code is used to classify expenditures or expenses for the purchase of attendance credits from the state or from other school districts under the [TEC, Chapter 41, Subchapter D or E](#) or both, including career and technology education programs.⁵¹ This code may be used only with function code 91, Contracted Instructional Services between Public Schools.

6227–6228 Tuition—Locally Defined

These codes are used, at the option of your district, to classify expenditures or expenses for tuition not specifically defined elsewhere.

⁴⁹ [TEC, §25.039](#)

⁵⁰ [TEC, §25.040](#)

⁵¹ [TEC, §41.125](#)

Note: For PEIMS reporting, these codes are converted to object code 6229.

℞ 6229 Tuition and Transfer Payments

This code is used to classify expenditures or expenses for tuition and transfer payments not detailed above.

Note: Any local option codes that your district uses are converted to object code 6229 for PEIMS reporting.

6230 Education Service Center Services

Each school district is a member of an education service center that provides various services to the school districts. The function code in conjunction with the expenditure object code defines the type of service provided.

6234–6238 Education Service Center Services—Locally Defined

These codes are used, at the option of your district, to classify services provided by an education service center not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6239.

℞ 6239 Education Service Center Services

This code is used to classify all contracted services provided by the regional education service center. Included in this account services such as the following:

- data processing services
- accounting services
- media services
- special education services
- career and technical education services
- staff development
- curriculum development
- drug training
- grant writing services

This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center but does include a fee assessed for providing the service.

Note: Any local option codes that your district uses must be converted to object code 6239 for PEIMS reporting.

6240–6249 CONTRACTED MAINTENANCE AND REPAIR SERVICES

These expenditure object codes are used to classify expenditures or expenses for maintenance and repair services rendered by firms, individuals, or other organizations, other than the school district. Maintenance and repair services are for normal upkeep, repair, and minor restorations, but do not include such costs as new building construction, renovating and remodeling of buildings, etc. When contracted maintenance and repair services are rendered, the total cost of the service, including labor and parts, is included in the appropriate contracted services account. Maintenance contracts are included in the appropriate expenditure object codes defined below.

6244–6248 Contracted Maintenance and Repair—Locally Defined

These codes are used, at the option of your district, to classify expenditures or expenses for contracted maintenance and repair not specifically defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6249.

℞ 6249 Contracted Maintenance and Repair

This code is used to classify expenditures or expenses for normal contracted maintenance and repair of items.

Object Code 6249—Expenditures and Expenses to Include:	Object Code 6249—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> • expenditures or expenses for normal contracted upkeep, repairs, maintenance, and renovation of: <ul style="list-style-type: none"> ○ office equipment ○ furniture ○ computers and electronic equipment • copiers • district-owned telephone systems 	<ul style="list-style-type: none"> • purchase of furniture, technology equipment, software, and capital outlay items (object code 6399 or 66XX) • purchase of site licenses, single user software, such as apps for tablets, etc. (object code 6399, or 6659)

Object Code 6249—Expenditures and Expenses to Include:	Object Code 6249—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> • fax machines • software upgrades • maintenance agreement fees • other equipment when the repairs are provided by an outside individual or firm • buildings and grounds (janitorial or landscaping, etc.) 	

For vehicles, this code includes expenditures or expenses for normal upkeep and contracted repair of vehicles, including buses, maintenance vehicles, driver education vehicles, and any other vehicles used by the school district staff or students.

For buildings and grounds, this code includes expenditures or expenses such as the following:

- normal upkeep of buildings and grounds
- contracted costs of maintenance for buildings including:
 - heating
 - ventilation
 - air conditioning
- any related maintenance agreements

Services may be provided on an on-call basis or within the terms of a maintenance agreement.

Any local option codes that your district uses are converted to object code 6249 for PEIMS reporting.

6250

UTILITIES

Utilities comprise charges for water; electricity; gas for heat, cooking, and cooling; ongoing telephone (including telecommunications and cell phones); and faxes.

6255–6258 Utilities—Locally Defined

These codes are used, at the option of your district, to classify expenditures or expenses for utilities not specifically defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6259.

℞6259

Utilities

This code is used to classify expenditures or expenses, including fees, for utilities. This includes the following:

- water, wastewater treatment, and sanitation (garbage disposal)
- telephone and telecommunication services for cell phones, pagers, internet connections, faxes, etc.
- electricity
- natural gas, propane, coal, and any other fuel used for heating and cooling buildings

Note: Any local option codes that your district uses must be converted to object code 6259 for PEIMS reporting.

All expenditures or expenses coded to object code 6259 must be coded to either function code 51, Facilities Maintenance and Operations, or 81, Facilities Acquisition and Construction. Your district may code a cellular telephone or pager to the function code of its user.

6260

RENTALS—OPERATING LEASES

These codes are used to record expenditures or expenses for renting or leasing either equipment or property under operating lease agreements. Refer to the Debt section (Other Types of Debt) in *FASRG* Module 1 for further guidance.

6264–6268 Rentals—Operating Leases—Locally Defined

These codes are used, at the option of your district, to classify expenditures or expenses for rentals under operating leases not specifically defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6269.

℞6269

Rentals—Operating Leases

This code is used to classify expenditures or expenses for other rentals or operating leases. This includes, but is not limited to, rental or lease of the following:

- furniture

- computers
- telecommunications equipment
- audio-visual equipment
- vehicles (including buses)
- land
- buildings
- space in buildings
- grounds

Note: Any local option codes that your district uses must be converted to object code 6269 for PEIMS reporting.

6290 MISCELLANEOUS CONTRACTED SERVICES

These expenditure object codes are used to classify expenditures or expenses for miscellaneous contracted services not included above.

***R*6291 Consulting Services**

This code is used to classify expenditures or expenses for consulting services. “Consulting services” refers to the practice of helping districts by analyzing existing problems and developing plans to improve performance. Consulting may involve the identification and interchange of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration.

Consulting does not include a routine service or activity that is necessary to the functioning of a school district’s programs, such as hiring additional people on contract to supplement the present staff. It also does not apply to services provided to conduct organized activities, such as training or other similar educational activities.

6294–6298 Miscellaneous Contracted Services—Locally Defined

These codes are used, at the option of your district, to classify contracted services not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6299.

R 6299 **Miscellaneous Contracted Services**

This code is used to classify expenditures or expenses for miscellaneous contracted services not specified elsewhere.

Note: Any local option codes that your district uses are converted to object code 6299 for PEIMS reporting.

6300 **SUPPLIES AND MATERIALS**

This major classification includes all expenditures or expenses for supplies and materials.

6310–6319 **Supplies and Materials for Maintenance and Operations**

This group of codes is used to classify expenditures or expenses for supplies and materials necessary to maintain or operate furniture, computers, equipment (including telecommunications equipment), vehicles, grounds, and facilities of the school district. Normally expenditures or expenses in this group of accounts arise when district employees purchase supplies for use by the district as opposed to supplies that are provided by a contractor as part of a contracted service.

R 6311 **Gasoline and Other Fuels for Vehicles (Including Buses)**

This code is used to classify expenditures or expenses for gasoline, motor oil, and other fuels required for operating vehicles.

6315–6318 **Supplies for Maintenance and Operations—Locally Defined**

These codes are used, at the option of your district, to classify supplies and materials for maintenance or operations not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6319.

R 6319 **Supplies for Maintenance and Operations**

This code is used to classify expenditures or expenses for supplies and materials necessary for maintenance or operations not detailed above. Expenditures or expenses in this account include, but are not limited to:

- janitorial or custodian supplies
- building maintenance supplies for minor repairs and upkeep by the maintenance staff
- supplies for upkeep of furniture and equipment

Note: Any local option codes that your district uses are converted to object code 6319 for PEIMS reporting.

6320–6329 INSTRUCTIONAL MATERIALS

This group of codes is used to classify expenditures or expenses for instructional materials purchased by the school district; magazines, periodicals, newspapers, and reference books, in print or electronic format; and technological equipment that are placed in the classroom or in an office. Expenditures or expenses in this group of codes do not meet the capitalization criteria.

℞6321 Instructional Materials

This code is used to classify expenditures or expenses for instructional materials purchased by your district and furnished free to students, certain classes, or grades.

6325–6328 Reading Materials—Locally Defined

These codes are used, at the option of your district, to classify reading materials that do not meet the capitalization criteria.

Note: For PEIMS reporting, these codes are converted to object code 6329.

℞6329 Reading Materials

This code is used to classify all expenditures or expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices, or libraries, whether in print or electronic format. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. This code also includes library books and media that do not meet the capitalization criteria of the school and have a per unit value of less than \$5,000 or a useful life of one year or less.

Note: Any local option codes that your district uses are converted to object code 6329 for PEIMS reporting.

6330 TESTING MATERIALS

This group of codes is used to classify expenditures or expenses for testing materials such as test booklets. Test scoring must not be classified here, but rather, in the 6200 series of codes, Professional and Contracted Services.

6334–6338 Testing Materials—Locally Defined Note:

These codes are used, at the option of the school district, to classify testing materials.

Note: For PEIMS reporting, these codes are converted to object code 6339.

℞6339 Testing Materials

This code is used to classify expenditures or expenses for testing materials, including test booklets and study materials related to those tests.

Note: Any local option codes that your district uses must be converted to object code 6339 for PEIMS reporting.

6340 FOOD SERVICE AND OTHER RESALE ITEMS

These expenditure object codes are used to classify supplies and materials for operating the food service program of the school district. Also included are items for sale through vending machines, school stores, etc., that are not related to the regular food service program. These items for resale are classified in function code 36, Extracurricular Activities.

℞6341 Food

This code is used to classify expenditures or expenses for food, including related costs such as transportation, handling, processing, etc.

℞6342 Nonfood

This code is used to classify expenditures or expenses for nonfood items such as napkins, straws, brooms, etc.

℞6343 Items for Sale

This code is used to classify expenditures or expenses for such items as soft drinks, food, or other goods to be sold through vending machines, school stores, etc., not related to the regular food service program.

R 6344 **USDA Commodities**

This code is used to classify the costs of commodities. Expenses in this code should agree with the revenue realized in code 5923, USDA Commodities.

For school districts using an enterprise fund, nonoperating revenue code 7954, USDA Commodities, must be used for items such as the following:

- purchased products for which your district receives no USDA commodity equivalent; for example, condiments such as catsup and mustard. The inventory value for these items should be based on the net purchase price for that item.
- USDA commodity products for which your district purchases no commercial equivalent; for example, frozen diced chicken.
- products that your district purchases as well as receives as commodities. Canned fruits and vegetables are examples of such products.

6348 **Food Supplies—Locally Defined**

This code is used, at the option of your district, to classify food supplies not defined above.

Note: For PEIMS reporting, this code is converted to object code 6349.

R 6349 **Food Service Supplies**

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere.

Note: Any local option codes that your district uses must be converted to object code 6349 for PEIMS reporting.

6390 **SUPPLIES AND MATERIALS—GENERAL**

These codes are used to classify general supplies and materials not specified in other supplies and materials accounts.

6395–6398 **Supplies and Materials—Locally Defined**

These codes are used, at the option of your district, to classify supplies and materials.

Note: For PEIMS reporting, these codes are converted to object code 6399.

R 6399

General Supplies

This code is used to classify expenditures or expenses for those items of relatively low unit cost (cost less than the capitalization rate, which may not exceed \$5,000, even though used in large quantities) necessary for the instruction process or for administration.

Object Code 6399—Expenditures to Include:	Object Code 6399—Expenditures to Exclude:
<ul style="list-style-type: none"> • consumable teaching and office items such as paper, pencils, forms, postage, etc. • workbooks • audio-visual aids such as video, CD, or DVD disks; flash drives, software • site licenses, single or limited use software, such as apps for tablets, etc. that have a per unit cost of less than \$5,000 • supplies for a satellite dish and other supplies for technology 	<ul style="list-style-type: none"> • purchase of furniture, technology equipment, software, and capital outlay items having a per unit cost of \$5,000 or more (object code 6639) • items that do not meet the individual \$5,000 capital asset criterion, but by district policy, are defined to be capital assets or aggregated items that equal or exceed \$5,000 (for example, library books) (object code 6649 or 6669) • site licenses, single or limited use software, such as apps for tablets, etc. that have a per unit cost that is equal to or exceeds \$5,000 (object code 6639 or 6659)

Note: Any local option codes that your district uses must be converted to object code 6399 for PEIMS reporting.

Certain items, such as software, mentioned in this definition may be recorded under the 666X account series according to local policies for capitalization. For more clarification, see *FASRG* Module 1 1.2.4 Capital Assets.

6400

OTHER OPERATING COSTS

This major classification is used for expenditures or expenses for items that are necessary for operating the school district other than the following:

- payroll costs

- professional and contracted services
- supplies and materials
- debt service
- capital outlay

6410 Travel, Subsistence, and Stipends

These expenditure object codes must be used to classify travel, subsistence, and stipends to both employees and nonemployees.

℞6411 Travel and Subsistence—Employee Only

This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business.

Travel expenses must conform to IRS and [2 CFR §200.474](#) regulations. Any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act.

The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, in-service training, etc. Membership dues are classified in object code 6495, Dues.

℞6412 Travel and Subsistence—Students

This code is used to classify the cost of transportation (rental of vans, buses, and other vehicles), meals, participation fees, room, and other expenses associated with students' traveling for school-sponsored events. (Do not use function code 34, Student Transportation.)

℞6413 Stipends—Nonemployees

This code is used to classify stipends paid to persons not employed by your district for allowances related to participating in district-controlled or district-directed activities.

Expenditures or expenses relating to travel for persons not employed by your district should be classified using object code 6419, Travel and Subsistence—Nonemployees. Expenditures or expenses classified in this account are excluded from the calculation of indirect cost.

6417–6418 Travel and Subsistence—Locally Defined

These codes are used, at the option of your district, to classify travel and subsistence not specifically defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6419.

℞6419 Travel and Subsistence—Nonemployees

This code is used to classify the costs of travel and subsistence that are:

- associated with traveling on official school business and
- incurred by persons who are participating in district-controlled or district-directed activities and who are not employed by the district, including:
 - parents
 - board members
 - other nonemployees

Expenditures or expenses classified in this object code include:

- transportation, meals, room, and other travel costs not specified elsewhere;
- registration fees associated with attending conferences, seminars, in-service training, etc.; and
- allowances related to participating in district-controlled or district-directed activities.

Travel expenses must conform to IRS and [2 CFR §200.474](#) regulations, and any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the General Appropriations Act.

Note: Any local option codes that your district uses must be converted to object code 6419 for PEIMS reporting.

6420 INSURANCE AND BONDING COSTS

This code is used to classify expenditures or expenses for insurance and bonding costs. Property insurance should be classified in function code 51, Facilities Maintenance and Operations, including building insurance and property insurance for band and athletic or UIL equipment. Other types of insurance are classified in the appropriate function. For example, insurance to cover student athletic injuries are classified in function code 36, Extracurricular Activities. Instructional materials custodian and administrative bonding expenses are classified in function code 41, General Administration. School bus driver bonding,

and liability insurance are classified in function code 34, Student Transportation.

6425–6428 Insurance and Bonding Costs—Locally Defined

These codes are used, at the option of your district, to classify insurance and bonding costs.

Note: For PEIMS reporting, these codes are converted to object code 6429.

***R*6429 Insurance and Bonding Costs**

This code is used to classify costs for insurance, including property insurance, liability insurance, bonding costs, athletic insurance, etc.

Note: Any local option codes that your district uses are converted to object code 6429 for PEIMS reporting.

6430 ELECTION COSTS

This code is used to classify expenditures or expenses for conducting an election. The costs for printing ballots, election officials who are not school district employees, and legal notices, etc., use this classification.

6434–6438 Election Costs—Locally Defined

These codes are used, at the option of your district, to classify election costs.

Note: For PEIMS reporting, these codes are converted to object code 6439.

***R*6439 Election Costs**

This code is used to classify expenditures or expenses to cover costs incurred for elections, including election officials who are not school district employees, legal notices, etc.

Note: Any local option codes that your district uses are converted to object code 6439 for PEIMS reporting.

6440 DEPRECIATION EXPENSE OF PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

This series of codes is used to classify depreciation expense of capital assets in the proprietary fund types or nonexpendable trust funds of a school district. Capital assets of the governmental fund types and expendable trust funds are not depreciated.

6444–6448 Depreciation Expense—Locally Defined

These codes are used, at the option of your district, to classify depreciation expense.

Note: For PEIMS reporting, these codes are converted to object code 6449.

℞6449 Depreciation Expense

This code is used to classify depreciation expense of capital assets owned by proprietary fund types or nonexpendable trust funds.

Note: Any local option codes that your district uses are converted to object code 6449 for PEIMS reporting.

6490 Miscellaneous Operating Costs

This code is used to classify expenditures or expenses for operating costs not mentioned above.

℞6491 Statutorily Required Public Notices

This code is used to classify budgeted and actual expenditures for amounts paid by the school district or its representative to publish statutorily required public notices in a newspaper in accordance with [Texas Local Government Code §140.0045](#).

℞6492 Payments to Fiscal Agents of Shared Services Arrangements

This code is used to classify expenditures or expenses for amounts paid to a fiscal agent of a shared services arrangement in which your school district is a participant. The expenditure is classified in function code 93, Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements.

℞6493 Payments to Member Districts of Shared Services Arrangements

This code is used to classify expenditures or expenses for amounts paid to a member district of a shared services arrangement in which your

school district is a participant. The expenditure is classified in function code 93, Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements.

R 6494

Reclassified Transportation Expenditures or Expenses

This code can be used as an option to identify expenditures or expenses for transportation costs other than those incurred in transporting students to and from school. Expenses from various expenditure object codes for salaries, fuel, etc., in function code 34, Student Transportation, should be reclassified to this expenditure object code with the appropriate function assigned. Examples of such costs include those associated with field trips (function code 11, Instruction) and extracurricular activities (function code 36, Extracurricular Activities). Identification of the costs of transporting students for any purpose other than to and from school is required by law.⁵²

R 6495

Dues

This code is used to classify expenditures or expenses for dues paid to clubs, committees, or other organizations. Examples of organizations include the Texas Association of School Administrators (TASA), Texas Association of School Psychologists (TASP), Texas Association of School Boards (TASB), Lions Club, Rotary Club, and local chambers of commerce, and other associations. This does not include any registration fees associated with attending conferences or seminars, which are classified in object code 6411, Travel and Subsistence—Employee Only. Dues paid on behalf of an employee should be coded to that employee's function code; dues paid on behalf of the district should be coded to function code 41.

6497–6498 Miscellaneous Operating Costs—Locally Defined

These codes are used, at the option of your district, to classify miscellaneous operating costs.

Note: For PEIMS reporting, these codes are converted to object code 6499.

⁵² [TEC, §34.010](#)

R 6499 **Miscellaneous Operating Costs**

This code is used to classify expenditures or expenses for all other operating costs not mentioned above. This account includes:

- fees (not associated with travel)
- awards
- graduation expenses
- food or refreshments for school-related meetings
- newspaper advertisements, etc.
- expenditures for a tax increment fund (TIF)

Note: Any local option codes that your district uses are converted to object code 6499 for PEIMS reporting.

6500 **DEBT SERVICE**

This major classification includes all expenditures for debt service. All debt service object codes must be used only with function code 71, Debt Service.

6510–6519 **Debt Principal**

These expenditure object codes are used to classify all expenditures to retire debt principal in function code 71, Debt Service.

R 6511 **Bond Principal in the Debt Service Fund**

This code is used to classify expenditures to retire the principal of bonds.

R 6512 **Capital Lease Principal**

This code is used to classify expenditures to retire the principal of long-term capital leases.

R 6513 **Long-Term Debt Principal**

This code is used to classify expenditures to retire the principal of long-term debt (except bond and capital lease principal), using dedicated tax proceeds and other revenue. This includes non-voter-approved debt repaid using tax proceeds dedicated to debt repayment. Long-term debt is defined as any debt that will not be paid with currently available financial resources.

6517–6518 Debt Service—Locally Defined

These codes are used, at the option of the school district, to classify principal on debt service not defined above.

Note: For PEIMS reporting, these codes are converted to object code 6519.

℞6519 Debt Principal

This code is used to classify expenditures to retire the principal of debt not specified elsewhere.

Note: Any local option codes that your district uses are converted to object code 6519 for PEIMS reporting.

6520 INTEREST EXPENDITURES OR EXPENSES

These expenditure object codes are used to classify all interest expenditures or expenses in function code 71, Debt Service.

℞6521 Interest on Bonds

This code is used to classify expenditures or expenses to pay interest on bonds.

℞6522 Capital Lease Interest

This code is used to classify expenditures or expenses to pay interest on capital leases.

℞6523 Interest on Debt

This code is used to classify expenditures or expenses to pay interest on debt.

℞6524 Amortization of Bond and Other Debt-Related Costs

This code is used to classify expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds.

℞6525 Amortization of Premium and Discount on Issuance of Bonds

This code is used to classify expenses amortized as debt premium or discount in connection with the issuance of debt.

6527–6528 Interest Expenditures or Expenses—Locally Defined

These codes are used, at the option of your district, to classify interest expenditures or expenses not specified elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 6529.

℞6529 Interest Expenditures or Expenses

This code is used to classify expenditures or expenses to pay interest not specified elsewhere.

Note: Any local option codes that your district uses are converted to object code 6529 for PEIMS reporting.

6590 Other Debt Service Expenditures or Expenses

These object codes are used to classify all debt service expenditures or expenses other than debt principal and interest in function code 71, Debt Service.

6594–6598 Other Debt Service Expenditures or Expenses—Locally Defined

These codes are used, at the option of your district, to record debt service expenditures or expenses, excluding principal and interest.

Note: For PEIMS reporting, these codes are converted to object code 6599.

℞6599 Other Debt Service Fees

This code is used to classify expenditures or expenses for issuance costs, and any allowable fees related to debt service activity, including fiscal agent fees and payment to an escrow agent from sources other than proceeds from the new debt.

Note: Any local option codes that your district uses must be converted to object code 6599 for PEIMS reporting.

6600 CAPITAL OUTLAY—LAND, BUILDINGS, AND EQUIPMENT

This major classification is used to classify expenditures for capital assets. See *FASRG* Module 1 section 1.2.4 Capital Assets for capital asset requirements.

6610–6619 Land Purchase and Improvement

These expenditure object codes are used to classify the acquisition or major improvement of a school district's land.

6614–6618 Land Purchase and Improvements—Locally Defined

These codes are used, at the option of your district, to classify expenditures for land purchases and improvements.

Note: For PEIMS reporting, these codes are converted to object code 6619.

℞6619 Land Purchase and Improvement

This code is used to classify expenditures for the purchase of land, land improvements other than buildings, and any associated fees. This includes any other costs necessary to alter the land for its intended purpose.

Note: Any local option codes that your district uses must be converted to object code 6619 for PEIMS reporting.

6620–6629 Building Purchase, Construction, or Improvements

These expenditure object codes are used to classify the purchase, construction, or substantial improvement of buildings, and any related fees, including architect fees.

6624–6628 Building Purchase, Construction, or Improvements—Locally Defined

These codes are used, at the option of your district, to classify expenditures for building purchases, construction, or improvements.

Note: For PEIMS reporting, these codes are converted to object code 6629.

℞6629 Building Purchase, Construction, or Improvements

This code is used to classify expenditures to purchase buildings or for materials, labor, etc., to construct new buildings. This account also includes expenditures for substantial alteration or remodeling of existing buildings that materially increase building life and/or usefulness. All associated fees are included in this account.

Note: Any local option codes that your district uses must be converted to object code 6629 for PEIMS reporting.

6630 Furniture and Equipment

This code is used to classify expenditures for the purchase of furniture and equipment having a per unit cost of \$5,000 or more and a useful life of more than one year as listed below. If the per unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the district should use the code series 6640, Capital Assets—District Defined.

℞6631 Vehicles Per-Unit Cost of \$5,000 or More

This code is used to classify expenditures for the purchase of vehicles having a per unit cost of \$5,000 or more and a useful life of more than one year. If the per unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the district should use the code series 6640, Capital Assets—District Defined.

6635–6638 Furniture and Equipment—Locally Defined

These codes are used, at the option of your district, to classify expenditures for furniture and equipment.

Note: For PEIMS reporting, these codes are converted to object code 6639.

℞6639 Furniture, Equipment and Software

This code is used to classify expenditures for all equipment, furniture, technology equipment, and capital outlay items having a per unit cost of \$5,000 or more and a useful life of more than one year not classified elsewhere.

Note: Any local option codes that your district uses must be converted to object code 6639 for PEIMS reporting.

Object Code 6639—Expenditures to Include:	Object Code 6639—Expenditures to Exclude:
<ul style="list-style-type: none"> • telephone systems • intercommunication and telecommunication systems • mainframes, servers, and other computer or network equipment • high capacity copy machines 	<ul style="list-style-type: none"> • contract programming non-ownership (object code 6219) • lease-purchases with \$5,000 or more per unit costs (object code 6659) • maintenance fees and/or upgrades (object code 6249)

Object Code 6639—Expenditures to Include:	Object Code 6639—Expenditures to Exclude:
<ul style="list-style-type: none"> purchase of site licenses, single use software, software applications (apps), such as apps for tablets, etc., if more than \$5,000 or more per unit costs 	<ul style="list-style-type: none"> purchase of site licenses, single use software, apps for tablets, network fees, etc. under \$5,000 per unit cost (object code 6399 or 6659) items that do not meet the individual \$5,000 capital asset criterion, but by school district policy are defined to be a capital asset or aggregated items that equal or exceed \$5,000 (example: library books) (object code 6649 or 6669)

6640

CAPITAL ASSETS—DISTRICT DEFINED

These expenditure object codes are used to classify any items that do not meet the individual \$5,000 capital asset criterion, but by school district policy, are required to be recorded as capital assets either:

- when your district policy requires an item costing less than \$5,000 to be defined as a capital asset; or,
- when aggregate amounts purchased equal or exceed \$5,000.

***R*6641**

Vehicles Per-Unit Cost of Less than \$5,000

This code is used to classify expenditures for the purchase of vehicles having:

- a per unit cost of less than \$5,000 and
- a useful life of more than one year.

6644–6648 Capital Assets—Locally Defined

These codes are used, at the option of the school district, to classify expenditures for capital assets groupings.

Note: For PEIMS reporting, these codes are converted to object code 6649.

***R*6649**

Capital Assets—Other—Locally Defined Groupings

This code is used at the discretion of your district if the district policy requires the capitalization of items that individually, or as a group, are less than the \$5,000 criterion identified in the 6630 series of accounts. If a school district does not account for these items under object code

6649, then the items must be classified under object code 6399, General Supplies.

Note: Any local option codes that your district uses must be converted to object code 6649 for PEIMS reporting.

6650–6659 CAPITAL ASSETS UNDER CAPITAL LEASES

These expenditure object codes are used to classify capital assets under capital leases.

℞6651 Capital Lease of Buildings

This code is used to classify capitalization of movable buildings and major repairs to buildings under a capital lease arrangement. The corresponding entry is to other resources.

6654–6658 Capital Assets Under Capital Lease—Locally Defined

These codes are used, at the option of your district, to classify expenditures for capital assets under capital leases.

Note: For PEIMS reporting, these codes are converted to object code 6659.

℞6659 Capital Lease of Furniture, Equipment and Software

This code is used to classify capitalization of furniture, equipment, and software under a capital lease arrangement. The corresponding entry is to other resources.

Note: Any local option codes that your district uses must be converted to object code 6659 for PEIMS reporting.

Object Code 6659—Expenditures and Expenses to Include:	Object Code 6659—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> • lease-purchase of: <ul style="list-style-type: none"> ○ telephone systems ○ intercommunication and telecommunication systems ○ mainframes, servers, and other computer hardware or network equipment 	<ul style="list-style-type: none"> • contract programming nonownership (object code 6219) • maintenance fees and/or upgrades (object code 6249)

Object Code 6659—Expenditures and Expenses to Include:	Object Code 6659—Expenditures and Expenses to Exclude:
<ul style="list-style-type: none"> ○ high capacity copy machines • site licenses and single use software purchase, software applications, such as apps for tablets, etc., if a lease-purchase for \$5,000 or more per unit 	<ul style="list-style-type: none"> • purchase of site licenses, single use software, such as apps for tablets, network fees, etc. (object code 6399 if less than \$5,000, or code 6669, if in the library)

6660 LIBRARY BOOKS AND MEDIA

This account classification is used to account for the acquisition of library books and media that meet the capitalization criteria of the school. Library books and media such as CDs, DVDs, software, and videos may be recorded in a capital assets system as a block of items purchased; however, the library should maintain an acquisition ledger that records the detailed cost of each book or other media item.

6665–6668 Library Books and Media—Locally Defined

These codes are used, at the option of your district, to classify expenditures for library books and media.

Note: For PEIMS reporting, these codes are converted to object code 6669.

℞ 6669 Library Books and Media

This code is used to classify expenditures for books and videos that meet one or more of the following criteria:

- have one year or more useful life and
- meet the capitalization criteria of the school, or
- have a per unit value of equal to or greater than \$5,000 and
- are catalogued and controlled by the library.

All expenditures or expenses coded to object code 6669 must be coded to function code 12, Instructional Resources and Media Services.

Note: Any local option codes that your district uses must be converted to object code 6669 for PEIMS reporting.

A.4.7 Other Resource and Nonoperating Revenue Object Codes

Other resource is a resource such as proceeds from

- the sale of bonds or real and personal property,
- capital leases, and
- operating transfers in.

Nonoperating revenue is revenue from activities outside the regular course of operations of your district, such as insurance payments for losses of insured property.

Other resource and nonoperating revenue object code is a four-digit object code that comprises the sixth through ninth digits in the code structure described in the Accounting Code Structure and Definitions. These codes begin with the digit “7,” which distinguishes them from other types of object codes.

Your district’s accounting records must reflect other resources and nonoperating revenue at the most detailed level (four digits) for purposes of:

- accounting and
- Public Education Information Management System (PEIMS) reporting:
 - budgeted data and
 - actual data.

If your district needs to use codes in addition to the mandatory codes for managerial purposes, the district should use the optional codes provided for local use in the code structure.

7000

OTHER RESOURCES AND NONOPERATING REVENUES

These detail codes reflect estimated (budgeted) and incurred (actual) other resources or nonoperating revenues. School districts using subsidiary ledgers may, at the local option, use these codes to identify control accounts listed in the general ledger that reflect the summarized balances of the subsidiary ledgers.

7010

Estimated Other Resources and Nonoperating Revenues—Control—Local Option

This code is used to classify an account that is debited at the beginning of the period for the amount of other resources or nonoperating revenues anticipated (for example, National School Lunch Program and earnings from temporary investments for proprietary fund types and similar trust funds). The credit entry is to the object code 3700, Budgetary Fund Balance—Locally Defined.

At the end of the period, the 7010 account is credited when the fund balance is debited. This control account is used at the option of your school district.

7020 Realized Other Resources and Nonoperating Revenues—Control—Local Option

This code identifies an account that is credited for the total actual other resources or nonoperating revenues received or receivable during the period (for example, National School Lunch Programs and earnings from temporary investments for proprietary fund types and similar trust funds). The postings to the subsidiary ledger detail accounts must be equal to these total other resources or nonoperating revenues control account. The debit entry is to cash or an accounts receivable account. At the end of the period, this account is closed to fund balance. This control account is used at the option of your school district.

7911–7949 OTHER RESOURCES

Other resources include sale of bonds, sale of real and personal property, proceeds from capital leases, operating transfers in, etc. These amounts are classified separately from:

- revenues on the statement,
- revenues and expenditures, and
- changes of fund balance of governmental fund types and expendable trust funds.

***R*7911 Issuance of Bonds**

This code is used to record the face amount of bonds that are issued.

***R*7912 Sale of Real and Personal Property**

This code is used to classify amounts received from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through governmental fund types and expendable trust funds.

***R*7913 Proceeds from Capital Leases**

This code is used to classify amounts paid (net of initial or down payments) on contracts for capital leases. This code represents the remaining balance to be paid at the time the capital lease is entered into. These amounts are classified as other resources and not as revenue.

- ℞7914 Loan Proceeds—Governmental Fund Types and Expendable Trust Funds Only (Noncurrent)**
- This code is used to classify amounts of proceeds from long-term loans that will not be repaid during the current year. The entire amount of loan proceeds is recorded in this code at the time of receipt. These receipts are classified as other resources and not as revenue.
- ℞7915 Operating Transfers In**
- This code is used to classify operating transfers from other funds of the school district.
- An asset or liability must be debited when this account is credited for transfer of fund balance from one fund to another fund. Transferring revenues, expenditures, and expenses does not conform with generally accepted accounting principles (GAAP).
- ℞7916 Premium or Discount on Issuance of Bonds**
- This code is used to classify the premium or discount on the issuance of bonds.
- ℞7917 Prepaid Interest**
- This code is used to classify prepaid interest in connection with the issuance or defeasance of bonds.
- ℞7918 Special Items**
- This code is used to classify special items in accordance with [GASB Statement No. 34](#). Included are transactions or events within the control of district administration that are either unusual or infrequent, including:
- sale of certain general governmental capital assets,
 - sale or lease of mineral rights, including oil and gas,
 - sale of infrastructure assets,
 - significant forgiveness of debt by a financial institution, or
 - revenue generated once every 25 years when it is a district's turn to host the state performing arts competition.
- Any significant transaction that is either unusual or infrequent, but is outside the control of the district, is not a special item. But it should be disclosed in the notes to the financial statements.

R7919 Extraordinary Items

This code is used to classify extraordinary items in accordance with [GASB Statement No. 34](#). Included are transactions or events that are both unusual and infrequent, including:

- insurance proceeds to cover significant costs related to
 - a natural disaster caused by fire, flood, tornado, hurricane, or hail storm; or
 - an environmental disaster; or
- a large bequest to a small government by a private citizen.

7940–7948 Other Resources—Locally Defined

These codes are used, at the option of your district, to classify other resources not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 7949.

R7949 Other Resources

This code is used to record other resources not classified above.

7951–7989 Nonoperating Revenues (Proprietary Fund Types and Similar Trust Funds Only)

These codes are used to classify nonoperating revenues that are recorded as credits in the accounting period in which they are earned and become measurable. These accounts are closed to fund balance at the end of the accounting period.

R7951 Gain on Sale of Real and Personal Property

This code is used to classify the net gains from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through proprietary fund types and similar trust funds.

R7952 School Breakfast Program

This code is used to record nonoperating revenues in the enterprise fund for the federally funded breakfast programs administered by the Texas Department of Agriculture.

For districts that use the general or special revenue fund to account for the school breakfast program, the amounts are recorded using object code 5921, School Breakfast Program. (CFDA 10.553)

R7953 National School Lunch Program

This code is used to record nonoperating revenues in the enterprise fund for federally funded lunch program administered by the Texas Department of Agriculture.

For school districts that use the general or special revenue fund to account for the National School Lunch Program, the amounts are recorded using object code 5922, National School Lunch Program. (CFDA 10.555)

R7954 United States Department of Agriculture (USDA) Commodities

For school districts that use the enterprise fund to account for the food service program, this code is used to record USDA commodities used in the school lunch program as nonoperating revenues.

Under the consumption method, revenue is realized when commodities are used, whereas under the purchase method, revenues are realized when commodities are received. Since actual cash is not received, a debit entry is made to either:

- expenditure object code 6344, USDA Commodities (purchase method), or
- asset object code 1310, Inventory—Supplies and Materials (consumption method).

R7955 Earnings from Temporary Deposits and Investments

This code is used to record nonoperating revenues in the enterprise fund for earnings from temporary deposits and investments. Earnings from investments in the general or special revenue fund are recorded using the revenue object code 5742, Earnings from Temporary Deposits and Investments.

R7956 Insurance Recovery

This code is used to record amounts received from insurance companies for the repair or replacement of the insured property for assets of proprietary fund types and similar trust funds. But insurance payments for assets of government funds and expendable trust funds are recorded using object code 5745, Insurance Recovery.

R7957 Contributed Capital

This code is used to record amounts for transactions involving the “net investment in capital assets (net of related debt)” component of net

position, including transactions to record additional capital assets that are transferred to an enterprise fund.

7980–7988 Nonoperating Revenues—Locally Defined

These codes are used, at the option of your district, to classify nonoperating revenues not defined elsewhere.

Note: For PEIMS reporting, these codes are converted to object code 7989.

℞ 7989 Other Nonoperating Revenues

This code is used to classify amounts received from other nonoperating revenue sources.