

## Fund Codes

A fund is an independent fiscal and accounting entity consisting of cash and other resources together with all related liabilities, obligations, reserves, and equities which are segregated by appropriate accounting techniques for the purpose of carrying on specific activities or attaining certain objectives in accordance with established legal regulations, restrictions, or limitations.

The Chart of Accounts uses six funds and one self-balancing group of accounts which we believe are appropriate for use by a local school administrative unit; however, other funds may be added as required. The Fund Codes are as follows:

- 1- **State Public School Fund** - Appropriations for the current operating expenses of the public school system from monies made available to the local school administrative unit by the Department of Public Instruction.
- 2- **Local Current Expense Fund** - Appropriations for the current operating expenses of the local school administrative unit other than appropriations included in the State Public School Fund and the Federal Grant Fund. This shall include, but not be limited to, revenues from fines and forfeitures, county appropriations for current expenses, supplemental taxes levied for current expenses, state allocations.
- 3- **Federal Grant Fund** - Appropriations for the expenditure of federal categorical grants made available through the Department of Public Instruction.
- 4- **The Capital Outlay Fund** - Appropriations for:
  - a) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages;
  - b) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance;
  - c) The acquisition or replacement of furniture and furnishings, instructional apparatus, data processing equipment, business machines, and similar items of furnishings and equipment;
  - d) The acquisition of school buses as additions to the fleet;
  - e) The acquisition of activity buses and other motor vehicles;
  - f) Such other objects of expenditures as may be assigned to the Capital Outlay Fund by the uniform budget format. The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all

plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans, specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

- 5- **Multiple Enterprise Fund** - Revenues and expenditures for multiple enterprise accounts, as needed by the local school administrative units, to include PRC 035, Child Nutrition operations. Other enterprise accounts may optionally be included in Fund 5, such as Before/After School Care, PRC 701. Each enterprise account must have proper accounting structure and process, including all appropriate general ledger accounts as well as cash.
- 6- **Trust and Agency Funds** - Revenues and expenditures for trust and agency funds as needed by the local school administrative unit to account for trust and agency arrangements such as endowments, funds of individuals held by the school finance officer, and special funds of individual schools.
- 7- Reserved for LEA or Charter School local use.
- 8- **Other Specific Revenue Fund** - Revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs and appropriated fund balances (revenues accruing to a school administrative unit in prior years but not yet expended).
- 9- **Capital Assets** - A self-balancing group of accounts used to provide a record of fixed assets owned by the local school administrative unit except those accounted for in the Child Nutrition Fund.