

AFR Expenditure Code Guidance

The Louisiana Accounting and Uniform Governmental Handbook (LAUGH) is designed to guide financial data reporting to ensure accuracy and uniformity among school systems for all federal and state required reporting such as the Louisiana Minimum Foundation Program (MFP) formula and the federal National Public Education Financial Survey (NPEFS).

The LAUGH can be viewed using the following link: https://www.louisianabelieves.com/docs/default-source/school-choice/guide---laugh-guide.pdf?sfvrsn=ae3e96bd_4

The following guidance provides additional guidance regarding coding of specific expenditures.

- **Object Code 100 – Employee compensation or salaries**

An employee is an individual employed by the LEA and the LEA will prepare an IRS Form W-2 for this individual.

- **Object Code 200 – Employee benefits**

These benefits are related directly to the amounts budgeted/reported in object code 100. Reimbursements to an employee for **tuition** or payments made to a university on behalf of LEA staff related to tuition, textbooks, testing fees, and certification fees should be coded to object 240. Payments to speakers for in-service employee training programs or workshops should not be coded to object 200, but should be coded to object 320.

- **Object Code 300 – Professional and technical services**

These services may or may not be in the form of a contract and can only be performed by persons or firms with specialized skills and knowledge. **Speakers** for in-service training and workshops for LEA staff that are provided by an organization or university should be coded to object 320. **Software support services** (software maintenance and support) should be coded to object 340.

- **Object Code 400 – Purchased property services**

This includes services such as **maintenance, cleaning, repairs**, etc., which may or may not be in the form of a contract, and are performed by persons other than school system employees.

- **Object Code 500 – Other purchased services**

This includes services such as **student transportation, advertising, instructional services** provided to students, **food service management, communication**, etc., which may or may

not be in the form of a contract, and are performed by organizations or personnel not on the payroll of the LEA. Also included in this object code is **staff travel (580)** and **purchased services from other local educational agencies both within (596) and outside (597) of the State**. Payments to universities on behalf of employees should not be charged to 500, but to either 240 (tuition) or 320 (in-service workshops, speakers) depending on the specific type of expenditure.

Communications (530) includes items such as **access licenses, subscription fees, and internet or web portals**, regardless of whether they are **instructional or non-instructional**. Blackboard is an example of a web portal.

- Software licenses that facilitate the purchase of software should not be coded to object 500 as communications, but to either supplies (615) or equipment (735), depending on the unit cost.
- An access license is a service that assists in transmitting or receiving information by providing access to a web-based program, training site, or software that is not owned by the LEA. The cost for this license may be incurred on a recurring basis, and should be categorized as communications and coded to 530. The costs for these licenses are not for software, but for access to programs/software that are not owned by the LEA.

- **Object Code 600 – Supplies (items with a unit cost below the district’s capitalization threshold that are consumed, worn out, or deteriorated)**

Items included in this object are **food, books, technology-related supplies**, and other items that are generally consumed, used, or worn out after use. Technology-related supplies include **software licenses** and **software** such as QuickBooks, Microsoft Office, and other similarly purchased items that are either downloaded or purchased off the shelf. These are one-time purchases where ownership is established upon the initial purchase of the software and are not subject to renewal fees. Software licenses can be purchased as part of the software and included in the initial cost (may not be separately identifiable as a license but is considered part of the software purchase); or they can be purchased separately to allow the originally purchased software to be installed on more than a single computer. Upon purchasing a separately identifiable software license, ownership of that license has been established and is now a purchased supply. However, if the unit cost for any technology-related software exceeds the capitalization threshold, it is not a supply but equipment, which is coded to 735.

Mobile labs (cart and laptops) can be considered supplies or equipment depending on the unit cost.

- Each individual component of the mobile lab has its own unique identifiable unit cost and does not lose its identity through fabrication or incorporation into the more complex unit. Additionally, the mobile lab remains operational even if

individual components are missing; therefore, each individual component should be coded and tracked separately as either a supply (615) or equipment (734).

For specific guidance on determining if an item should be coded as equipment or as supplies, see page 93 of the LAUGH.

- **Object Code 700 – Property (assets with a unit cost that meet or exceed the district’s capitalization threshold)**

This includes **land and land improvements, buildings, infrastructure, and equipment**. Equipment includes **technology-related hardware and software**, if the unit cost meets or exceeds the capitalization threshold. For specific guidance on determining if an item should be coded as equipment or as supplies, see page 93 of the LAUGH.

- **Object Code 800 – Debt service and miscellaneous.**

Included within this object are **dues and fees** associated with **professional organization memberships, debt-related expenditures**, and all costs paid directly to or on behalf of non-public employees (*stipends, benefits, tuition reimbursements, and travel*). Non-public payments on behalf of non-public schools are vendor payments and an IRS Form 1099 is issued to vendors if the total amount paid is equal to or greater than \$600 should be coded to 895. All other expenditures should be coded in accordance with the LAUGH Guide.

- **Object Code 900 – Other uses of funds and transfers**

This includes **interfund transactions** and **local transfers out**.