

LOCAL EDUCATION AGENCY

INDIRECT COST PROPOSAL

(IN ACCORDANCE WITH OMB CIRCULAR A-87)

New Jersey State Department of Education

Division of Finance

David C. Hesse

Commissioner

(Control Number 2014-061: Effective 2014-19)

LOCAL EDUCATION AGENCY

Local Education Agency Indirect Cost Proposal

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NEW JERSEY INDIRECT COST RATE PROPOSAL

(Updated December 2013)

Introduction

The U.S. Office of Management and Budget (OMB) Circular A-87, sets forth the cost principles and standards for determining the allowable costs of federally funded grants and contracts administered by state and local governments and contains provisions for determining indirect cost rates for grantees and sub grantees of federal grants. The objectives of the Circular are:

1. *Establish uniform standards of allowability.* All federal agencies agree to recognize the central service costs which benefit grant programs as allowable costs of those programs, so long as they are calculated in accordance with the Circular.
2. *Establish uniform standards of allocation.* All federal agencies accept the method of allocation agreed to by the “cognizant” federal agency. Costs are allocated to the benefiting departments regardless of the funding source or the ability of that source to pay.
3. *Identify the full cost of federal programs.* By identifying, accumulating, and allocating all allowable direct and indirect costs to the program for which the cost was incurred, the exact cost of all federal programs may be determined.
4. *Ensure federal programs bear their fair share of costs.* Only by identifying and allocating all direct and indirect costs within a central service cost allocation plan in conformity with the Circular will localities be reimbursed for the total cost of federal programs.
5. *Simplify intergovernmental relations.* Under the OMB Circular A-87 concept of the “cognizant” agency, one agency with one group of reviewers approves a cost plan. All other agencies accept the plan. Thus, uniform methods of allocation and allowability are applied to all federal grants.
6. *Encourages consistency of treatment.* Grantee organizations are encouraged to process all grant applications through a central office that is also aware of the basis of which an indirect cost rate was developed to minimize inconsistent treatment.

The New Jersey Department of Education (the department) has, in cooperation with the U.S. Department of Education (US-DOE), developed an indirect cost proposal to be used by local education agencies (LEAs) in New Jersey. The department has been delegated the authority by the US-DOE to review indirect cost applications and to approve indirect cost rates for LEAs. In order to bill/recover indirect costs for a particular fiscal year, LEAs must obtain the department’s indirect cost rate approval for that particular fiscal year. A new indirect cost rate must be obtained for every fiscal year beginning July 1,

2014. An approved indirect cost rate is obtained by completing the indirect cost application which is at the end of this proposal. The application is also available at <http://www.nj.gov/education/finance/fp/af/>.

Indirect Cost Rates

An indirect cost rate is a means of determining in a reasonable manner the percentage of allowable general management costs that each federal grant should bear. Indirect costs are generally administrative costs such as the salaries and expenses for people who are engaged in administrative activities from which the entire LEA benefit.

Generally, an indirect cost rate is a ratio of total indirect costs to total direct costs, based on an LEA's actual expenditures, exclusive of any extraordinary or distorting expenditures such as capital outlay and major subcontracts. When calculating the indirect cost rate the *expenditures for the second preceding fiscal year* are used. For example, expenditures for FY 2012-13 will be used when calculating the rates for FY 2014-15. The second preceding year is used because the actual costs for the immediately preceding year will not be available at the time the LEA needs to calculate the rate for the following year. **LEAs are required to use the fixed with carry-forward rate for indirect costs. This means that the following year's rates will be reduced or increased for under- or over- application of indirect costs in the current year. For example, in FY 2014-15, the actual indirect costs from FY 2012-13 will be compared to the estimated FY 2012-13 indirect costs used to calculate the indirect cost rate in that year. The difference will be applied to the FY 2014-15 estimated indirect cost used in the calculation of the FY 2014-15 indirect cost rate.**

Indirect costs are recovered only to the extent of direct costs incurred. Once a rate is received it is applied to the net direct cost amount expended (total direct costs less equipment purchases, alterations and renovations, the portion of individual subawards exceeding \$25,000 and flow-through funds). The approved rate is the maximum rate and can be applied at less than the maximum.

The sources of information utilized to determine indirect cost rates are the LEA's official audited Comprehensive Annual Financial Report (CAFR) and the detail accounts that make up that report. Therefore, it is essential that LEAs classify expenditures uniformly and consistently. Types of expenditures, which are identified as indirect costs, shall not also be included as direct costs. All expenditures detailed on the CAFR must have been made, and records supporting them must be maintained by the LEA.

Classification of Costs

Direct Costs

Direct costs are those that can be identified specifically with a particular cost objective. These costs may be charged directly to grants, contracts, or to other programs against which costs are finally assigned. Typical direct costs chargeable to a grant include, but are not limited to:

- (a) Compensation of employees for the time devoted and identified specifically to the performance of those programs;
- (b) Cost of materials acquired, consumed, or expended specifically for the purpose of those programs;
- (c) Travel expenses incurred specifically to carry out the program; etc.

Indirect Costs

Those costs which are not readily identifiable with the activities of the grant but are, nevertheless, incurred for the joint benefit of those activities and other activities or programs of the organization.

In accordance with OMB Circular A-87, indirect costs are costs meeting the following criteria:

- a. Incurred for a common or joint purpose benefiting more than one cost objective; and
- b. Not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

A cost may not be allocated to a federal financial assistance program as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal financial assistance program as a direct cost.

Due to the diverse characteristics and accounting practices of State and local agencies, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include: procurement, payroll, personnel functions, maintenance and operations of space, data processing, accounting, auditing, budgeting, communications (telephone, postage), etc.

Disallowed Costs

OMB Circular A-87 classified certain items of cost as disallowed which means that the federal funds cannot be used for these purposes. These are costs directly attributable to governance. However, for rate computational purposes, these disallowed costs should be included in the base for allocation along with direct costs if they generated or benefited from allowable indirect cost. Examples of disallowed costs are:

- (a) Bad Debts;
- (b) Contingencies;
- (c) Entertainment;
- (d) Fines and Penalties;
- (e) Governance; and
- (f) Contributions and donations to outside organizations.

Excluded Costs

Certain items of costs are classified in OMB Circular A-87 as extraordinary or distorting expenditures and are excluded from the computation of the indirect cost rate. Excluded costs in this category include capital outlay, debt service, judgments against the school district, certain transfers, and internal service fund expenditures. For formula computational purposes, these costs are excluded from the rate computation. Indirect cost recoveries on federal or state programs and refunds returned on federal or state programs are also categorized as excluded costs.

Rate Types

Restricted Rates

As defined in the Education Department General and Administrative Regulations (EDGAR), at 75.563 and 76.563 restricted rates apply to grants that are made under federal programs with supplement and in no case supplant requirements. This means that the funds are for support in addition to state and local funding. Such amounts are intended to supplement, but in no way replace, local funds. Most of the federal grants that the LEA obtains through the department are of the “restricted” type.

Restricted grants include only indirect costs consisting of **general management costs** and **fixed charges** as defined below:

General Management Costs: Consist of the salaries and expenses for employees performing accounting, payroll preparation, or personnel management activities. Those activities that are limited to one school, subject, or phase of operation, are not general management costs such as the salaries and expenditures related to the direction and supervision of such functions as instruction, guidance, attendance, transportation, community services, and student services. The costs of these functions are considered direct costs.

Generally, salaries and expenses for auditing, budgeting, payroll, personnel, purchasing, and employee relations are examples of services which typically benefit several activities and programs for which costs may be attributed by means of an indirect cost proposal. In theory, all such costs can be charged directly. However, practical limitation and consideration of efficiency in accounting preclude such an approach and therefore these costs are considered indirect.

- a. As stated in EDGAR 76.565, “general management costs mean the costs of activities that are for the direction and control of the grantee’s affairs that are organization-wide. An activity is not organization-wide if it is limited to one activity, one component of the grantee, one subject, one phase of operations, or other single responsibility. General management costs include the costs of performing a service function, such as accounting, payroll preparation, or personnel management, that is normally at the grantee’s level even if the function is physically located elsewhere for convenience or better management.”

When calculating a **restricted indirect cost rate**, the term “General Management Costs” does not include expenditures for:

1. The governing body (members of the board of education) of the grantee;
2. Compensation of the chief executive officer (Superintendent of a school district) of the grantee; and
3. Operation of the immediate offices of these officers.

Accordingly, the superintendent’s and board of education’s salary, benefits, communications/telephone charges and other expenditures related directly to the operation of the Superintendent’s and board of education offices, specifically, are not included in indirect costs and are considered, for rate computation purposes, to be disallowed costs in the calculation of the **restricted indirect cost rate**.

Charges for individuals whose time is divided between district-wide management responsibilities and specific program or administrative activities will be based on Personal Activity Reports prepared at least monthly in compliance with OMB Circular A-87, Attachment B, Paragraph (11)(h)(5). If the Superintendent is part-time, both Superintendent-time and non-Superintendent-time must be captured by time distribution records. Non-superintendent-time (direct for **restricted** rate calculation purposes) should be a minimal proportion, not more than 20%.

An individual principal’s salary, benefits and expenditures related to the operation of the principal’s immediate offices are also not considered indirect costs. These costs are disallowed costs and are considered to be direct costs for rate computation purposes for both the **restricted and unrestricted rate**.

Fixed charges: Fixed charges classified as indirect costs are limited to those amounts which are associated with general management costs. The fixed charges can be viewed as appended to those administrative functions, and the classification rules are the same as those applied to salaries.

These expenditures are exclusively identified as:

- a. Employee retirement
- b. Social Security/Medicare
- c. Pension fund payments
- d. Premium expenditures for:
 - (1) employee insurance
 - (2) liability insurance
- e. Unemployment and workers compensation, and
- f. All similar costs normally considered being employee fringe benefits.

No other items are to be classified as indirect fixed charges.

Severance Pay:

OMB Circular A-87, Attachment B. Paragraph 8.g. provides the criteria for Severance Pay as follows:

- 1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer-employee agreement, or (c) established written policy.
- 2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.
- 3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if advance approval is received by the cognizant Federal agency.

Normal Severance Payments:

Severance payments (but not accruals) to separating employees for termination benefits and/or unused leave (“terminal leave costs”) associated with normal turnover are treated as indirect costs when computing the Restricted and Unrestricted indirect cost rate with one exception. When computing the Restricted indirect cost rate, terminal leave costs to employees who are indirect for the Unrestricted Rate, but direct for the Restricted Rate (i.e. superintendent and their office), are considered direct cost payments for rate calculation purposes only. Payments to separating employees for unused leave are NOT charged as direct costs to any federal awards.

Mass or Abnormal Severance Costs:

The NJ DOE will not issue advance approvals to charge mass or abnormal severance costs to federal programs as an indirect cost. All costs associated with mass or abnormal severance will be treated as direct/disallowed costs for purposes of calculation of the restricted and unrestricted indirect cost rates. Accordingly, early retirement incentive payments (ERIP) is treated as a disallowed cost for purposes of indirect cost rate calculation.

Generally, Post Retirement Health Benefits for former LEA employees are obligations of the State of New Jersey and paid by the State on a pay as you go basis. Any LEA paid Post Retirement Health Benefits (“PRHB”) are treated as indirect costs for both the Restricted and Unrestricted rate regardless of where the employees’ salary is recorded with one exception. For purposes of calculating the restricted rate, PRHB costs associated with Superintendent, Chief Executive Officer (CEO) of components (as defined by EDGAR 76.565(d)(2)) and their immediate offices will be treated as direct.

Unrestricted Rates

Unrestricted rates apply to grants not subject to the supplement but not supplant legislative restriction.

1. **Indirect Costs** - Expenditure for the Office of the Superintendent in addition to operations and maintenance of plant are classified as an indirect cost when calculating

an unrestricted rate. All other costs are classified the same as the restricted rate calculations.

2. **Direct Costs, Disallowed Costs, and Excluded Costs** are also classified the same as the restricted rate calculations.

Audit Requirements

General Statement

The classification of expenditures will conform to the object codes used in the Uniform Chart of Accounts for New Jersey Public Schools 2008 edition and updated for any subsequent revision to that Chart of Accounts. The 2008 edition is available for download at <http://www.nj.gov/education/finance/fp/af/coa/>.

Additional Documentation - Indirect Costs

Detailed records are required to support any indirect costs attributed to function 230 (Support Services – General Administration). These records should contain a detailed analysis of costs classified as indirect which should include a justification or explanation as well as other pertinent information. Failure to provide adequate documentation may result in Single Audit questioned costs related to indirect cost recovery.

Additional Documentation - Excluded Costs

Schedules or other records that document the reporting of all expenditures recorded as excluded costs should be maintained. Failure to document that all excluded type costs have been reflected accurately may result in Single Audit comments relative to the indirect cost calculation.

Generally, records and documentation supporting the indirect cost allocation plan must be retained for a period of three years after the last day of the fiscal year to which the proposal applies or until audited, whichever occurs sooner. If audit exceptions have been noted, records must be retained until those exceptions have been resolved.

BUDGETING INDIRECT COSTS IN FIXED GRANT AWARDS

Use of Rates

Once the applicable rate has been determined, the amount available to earn indirect cost dollars can be computed as follows:

The amount available to earn indirect cost is determined by subtracting excluded costs (items of equipment, subcontracts in excess of \$25,000 and flow-through funds) from the grant award. Note that only the first \$25,000 of a subaward is included in the Base of Application, and only during the first year of the subaward. Amounts exceeding \$25,000 during the first year, as well as the entire subaward amounts during subsequent years, are excluded from the Base of Application.

The remaining amount is the net available for both indirect and direct costs. To determine the amount available to be assessed Indirect Costs, the net amount is divided by the combined percentage of 100.00 percent plus the applicable indirect cost rate percentage. For example: the indirect cost rate is 5.45 percent, the total entitlement for a Title 1 project is \$945,000.00, and the project included \$1,395.00 for capital outlay.

Grant Award	\$945,000.00
Less: Capital Outlay.....	\$1,395.00
Net Available for Indirect and Direct Cost	\$943,605.00

**Amount Available to be
Assessed Indirect Costs**

\$943,605 ÷ 105.45%
 \$943,605 ÷ 1.0545
 \$894,836
 =====

Indirect Cost Dollar Amount =

\$894,836 x 5.45% = Indirect Cost Dollar Amount
 \$894,836 x .0545 = Indirect Cost Dollar Amount
 \$ 48,769 = Indirect Cost Dollar Amount

NOTE: The above example shows how to calculate the maximum amount of indirect costs that could be claimed against a grant; however, the amount of indirect costs actually paid for a fixed grant will depend on the actual amount of direct costs actually incurred for the grant. In no case can the amount of actual direct costs plus calculated indirect costs plus capital outlay costs exceed the total amount of the fixed grant award.

INDIRECT COST APPLICATION PROCESS

1. The sources of information utilized in completing the application are the district's Comprehensive Annual Financial Report (CAFR) from the *second preceding fiscal year*. The LEA must record, on applicable lines, expenditures reported in the last submitted CAFR. For example, when submitting an application for FY 2014-15, the June 30, 2013 CAFR is utilized. The department, for the convenience of the LEA, has separated direct/disallowed, indirect, and excluded costs by using shaded lines. Please note that there are certain line items that will need to be reported at a lower level of detail than what is reported in the CAFR.

The Indirect Cost Rate Forms (*2014-15 Indirect Cost Forms.xls*) and Instructions (*Completion of Indirect Cost Rate Forms.doc*) can be accessed at <http://www.nj.gov/education/finance/fp/af/>. Also, see *Guide to Forms Restricted (R-1) and Unrestricted (U-1)* contained in this document for further information. The indirect cost rate forms include the total amount of expenditures reported in the General Fund. The other three governmental funds, Special Revenue, Debt Service (except interest expense), and Capital Projects Funds (except interest earned) are excluded since all expenditures of these funds would be removed in the calculation to arrive at direct costs.

2. The completed application will consist of the originals of all worksheets in the **2014-15 Indirect Cost Forms.xls** including the Data Entry Worksheet, Unallocated Benefits, Terminal Leave, Form R-1 (Restricted Rate), Form U-1 (Unrestricted Rate), CFC – Restricted and CFC – Unrestricted. In addition, an original and one copy of the signed certification and an organizational chart (obtained from CAFR) is also required. A hardcopy of these forms and a diskette containing your completed **2014-15 Indirect Cost Forms.xls** (or e-mailed to Patricia.Lagarenne@doe.state.nj.us) should be forwarded to:

New Jersey Department of Education
Office of Fiscal Policy and Planning
Division of Finance
PO Box 500
Trenton, New Jersey 08625-0500
Attn: Patricia Lagarenne, CPA

3. Once the indirect cost application and rate is approved by the department, the rate may be applied at the maximum rate or less than the maximum rate. If the rate applied is less than the maximum rate, then it is not necessary that the reduced rate be applied uniformly to all projects. However, LEA's may not average the indirect cost charges to projects: that is, if the approved rate was six percent, charge one project at three percent and another project at nine percent for an average of six percent. The indirect costs should be recorded in special revenue fund (fund 20)-account code 20-XXX-200-860.

The rate negotiated with the department is the maximum allowable indirect cost rate. Federal law or grant conditions may limit the amount of indirect costs or the indirect cost rate. For example, if a district has a restricted rate of five percent and the law allows only a three percent rate of recovery, then it can recover only indirect costs equal to three percent of the direct costs. Grant terms and conditions may also exist for some grants that prohibit any recovery or allow limited recovery of indirect costs.

Recovery of indirect costs on grants is subject to the availability of funds. Most restricted grants are allocated to the state as a block grant in which each district is entitled to a maximum grant amount. The total direct costs plus indirect costs cannot exceed the maximum entitlement.

Indirect costs are recovered only to the extent of direct costs incurred. The indirect cost rate is applied to the direct cost amount expended, not to the grant award.

4. An indirect cost rate certification issued by the department is established for a specific fiscal year. The rate is valid from July 1 through June 30 of the applicable fiscal year of approval. To recover indirect costs, LEAs apply the indirect cost rate in effect for a given fiscal year to the grant expenditures during the fiscal year, including any disbursements made on a project balance that are brought forward.

CERTIFICATION FOR AUTHORIZED INDIRECT COST RATE FY 201X-201X

COUNTY _____

DISTRICT _____

By submitting the requested Supplemental Data Collection for General Administrative Salaries, General Administrative Communications, Central Services Public Relations, and Normal Terminal Leave Costs Including Paid Unused Sick Time, we acknowledge having reviewed that information which will be utilized by the New Jersey Department of Education (DOE) along with our previously submitted fiscal year July 1, 2012 – June 30, 2013 Audsum data to calculate the district's 2014-15 Indirect Cost Rate(s), and we hereby certify the following:

- (1) The information contained herein has been prepared in accordance with the instructions issued by NJ DOE and conforms to the criteria in OMB Circular A-87, and is correct to the best of our knowledge and belief.
- (2) No costs other than those incurred by this agency have been included in the indirect cost rate application.
- (3) The same costs that have been treated as indirect costs have not been and will not be claimed as direct costs. Similar types of costs have been accorded consistent treatment.
- (4) All expenditures detailed on the application form have been made, and records supporting them have been maintained and are available for audit.

Name of Chief School Administrator

Signature

Date

Name of School Business Administrator/
Board Secretary

Signature

Date

GUIDE TO FORMS RESTRICTED (R-1) AND UNRESTRICTED (U-1)

Forms R-1 and U-1 distributes expenditures into direct/disallowed, excluded costs and indirect costs. Use the following as a guide when completing these forms. Note that within some functions some objects may be direct/disallowed and some may be indirect or excluded.

<u>Function</u>	<u>Description</u>	<u>Allocation</u>
100	Instruction	These expenditures are direct costs.*
200	Support Services	These expenditures are direct costs.*
211	Attendance and Social Work Services	These expenditures are direct costs.*
213	Health Services	These expenditures are direct costs.*
216	Speech/OT/PT and Related Services	These expenditures are direct costs.*
217	Other Support Services-Students-Extra.	These expenditures are direct costs.*
218	Guidance Services	These expenditures are direct costs.*
219	Child Study Teams	These expenditures are direct costs.*
221	Improvement of Instructional Services	These expenditures are direct costs.*
222	Educational Media Services/Sch. Library	These expenditures are direct costs.*
223	Instructional Staff Training Services	These expenditures are direct costs.*
230	Support Services-General Administration	This function includes costs associated with board of education services and executive administration services, including school election services.

For Restricted Rates:

Federal regulations
disallow expenditures for:

1. The governing body (members of the board of education) of the grantee;
2. Compensation of the chief executive officer (Superintendent of a school district) of the grantee; and
3. Operation of the immediate offices of these officers.

Accordingly, no portion of the salaries, benefits and other expenditures such as travel (object code 585) and supplies incurred for board members and superintendent may be included in the indirect cost pool. For the purpose of calculating the rate, these costs must be treated as disallowed costs in their entirety and included in the base (in the denominator). Accordingly this function should mainly consist of direct and disallowed costs with the exception of the following expenditures which are considered **indirect** costs:

- (a) Auditors fees.

- (b) District wide cost of Communication/Telephone except incurred for the board members, superintendent and his/her office.

Judgments Against the School District are **excluded** from the calculation.

For Unrestricted Rates:

All costs **except** for the governing body (members of the board of education) of the grantee and operation of the immediate offices of the board are **indirect**.

The board of education and the operation of the immediate office must be treated as disallowed costs in their entirety and included in the base (in the denominator).

Judgments Against the School District are **excluded** from the calculation.

240 Support-Services-School Administration

These expenditures are **direct** costs.*

251 Central Services

For Restricted and Unrestricted rates:

The following expenditures under this function are considered **indirect** costs:

- (a) Salaries
- (b) Purchased Technical services
- (c) Purchased Professional Services, less unallowable public relation costs
- (d) Misc. Purchased Services
- (e) Supplies and Materials
- (f) Miscellaneous Expenditures

The following expenditures under this function are considered **direct/disallowed** costs:

- (a) Any unallowable public relations costs included in Purchased Professional Services
- (b) Sale/Leaseback Payments

Following expenditures under this function are considered **excluded** costs:

- (a) Interest on current loans
- (b) Interest on Bond Anticipation Notes

See below for treatment of **Interest on Lease Purchase Agreements**

252 Administrative Information Tech.

For Restricted and Unrestricted Rates:

These expenditures are **indirect** costs.

26X, (261, 262 263, 266)	Operation and Maintenance of Plant Services (Including custodial, grounds, and security)	<u>For Restricted Rates:</u> These expenditures are direct costs. <u>For Unrestricted Rates:</u> These expenditures are indirect costs.
270	Student Transportation Services	These expenditures are direct costs.*
291	Fringe Benefit Allocations	<u>For Restricted Rates:</u>
	230	All fringe benefit objects for function 230, General Administration, are direct/disallowed costs.
	251	All fringe benefit objects for function 251 Central Services, are considered indirect costs with the exception of ERIP payments which are disallowed costs.
	252	All fringe benefit objects for function 252 administrative Information Technology, are considered indirect costs with the exception of ERIP payments which are disallowed costs.
		Fringe benefit objects 210, 220, 250, 260, 270, 280, for all other functions are direct/disallowed costs .
		Fringe benefit objects 232,241,242 for all other functions are indirect .
		<u>For Unrestricted Rates:</u> Same as Restricted but Support Services – General Administration (function 230) fringe benefits are indirect with the exception of ERIP payments which are disallowed costs.
310	Food Services	These expenditures are direct costs.
	“On-behalf” TPAF Pension/Social Security	These expenditures are excluded costs
330	Community Services Programs/Operations	These expenditures are direct costs.
100-400	Capital Outlay (fund 12)	These expenditures are excluded costs.
100-2xx	Special Schools (fund 13)	These expenditures are direct costs.
56X	Transfer to Charter Schools	These expenditures are excluded costs.
various	Interest	<u>For Restricted and Unrestricted rates:</u>

The sum of Interest on Lease Purchase Agreements (Function 251, object 832) and objects 830, 833 and 834 in the Debt Service Fund, **less** any interest earned in the Capital Projects Fund (30-1510) is **direct/disallowed** (the net). If the interest earned is greater than the interest expense then these costs are **excluded**.

- * If any terminal leave benefits (i.e. buyout) are recorded in these salary accounts those expenditures must be classified as **indirect**.

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form R-1 (Restricted)
FY 2014-15**

1	2	3	4	5	6	7
Function	Object	Description	Total Expenditures	Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
		Instruction:				
100	ALL	Regular Programs	1,000,000	999,000		1,000
100	ALL	Special Education	200,000	198,900		1,100
100	ALL	Basic Skills/Remedial	12,000	10,800		1,200
100	ALL	Bilingual Education	6,000	4,700		1,300
100	ALL	Vocational Programs - Local	10,000	8,600		1,400
100	ALL	School-Sponsored Co-curricular Activities	14,000	12,500		1,500
100	ALL	School-Sponsored Athletics	6,000	4,400		1,600
100/200	ALL	Other Instructional Programs(4XX)	2,500	800		1,700
330	ALL	Community Service Programs/Operations	2,700	900		1,800
		Subtotal	1,253,200	1,240,600		12,600
		Undistributed Expenditures:				
100	ALL	Instruction	1,900,000			
211	ALL	Attendance and Social Work Services	10,000			500
213	ALL	Health Services	43,000			510
216	ALL	Speech, OT, PT and Related	53,000			520
217	ALL	Other Support Services-Students-Extraordinary	12,000			530
218	ALL	Guidance Services	21,000			540
219	ALL	Child Study Teams	124,000			550
221	ALL	Improvement of Instruction Services	2,000			560
222	ALL	Educational Media /Library Services	70,000			570
223	ALL	Inst. Staff Training Services	14,000			580
230	-	Support Services – General Administration:				
230	100/180	Salaries-Superintendent, Fiscal Monitor, & Superintendent's Staff	98,000	98,000		
230	100	Salaries-BOE & Staff	6,000	6,000		
230	108/331	Legal Services (In-house and purchased legal services)	1,000	1,000		
230	332/333	Audit Fees (Annual and Expenditure & Internal Control)	5,000			5,000
230	334/339	Other Professional Services (Including A&E)	5,000	5,000		
230	340	Purchased Technical Services	2,000	2,000		
230	530	Communications/Telephone-except Sup. & Sup. Staff	25,000			25,000
230	530	Communications/Telephone-Sup. & Sup. Staff	2,500	2,500		
230	585	Board of Education – Other Purchased Services	2,000	2,000		
230	590	Other Purch. Services (400-500 Series other than 530 & 585)	1,000	1,000		

State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form R-1 (Restricted)
FY 2014-15

1	2	3	4	5	6	7
				Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
Function	Object	Description	Total Expenditures			
230	610	General Supplies	4,000	4,000		
230	630	BOE In-house Training/Meeting Supplies	1,500	1,500		
230	820	Judgments Against the School District	800		800	
230	890	Miscellaneous Expenditures	600	600		
230	895	BOE Membership Dues and Fees	1,000	1,000		
240	ALL	Support Services – School Administration	34,000	33,410		590
251	-	Central Services				
251	100	Salaries	200,000			200,000
251	330	Other Purchased Professional Services	50,000	10,000		40,000
251	340	Purchased Technical Services	10,000			10,000
251	592	Misc. Purchased Services	22,000			22,000
251	594	Sale/Leaseback Payments	12,000	12,000		
251	600	Supplies and Materials	5,000			5,000
251	831	Interest on Current Loans	6,000		6,000	
251	832	Interest on Lease Purchase Agreements	2,000	250	1,750	
251	836	Interest on Bond Anticipation Notes (BANs)	1,000		1,000	
251	890	Miscellaneous Expenditures	900			900
252		Admin. Info. Technology				
252	100	Salaries	120,000			120,000
252	330	Purchased Professional Services	1,000			1,000
252	340	Purchased Technical Services	2,000			2,000
252	500	Other Purchased Services (400-500 Series)	3,000			3,000
252	600	Supplies and Materials	7,000			7,000
252	800	Other Objects	1,700			1,700
26X	ALL	Operation/Maintenance-Plant/S Facilities	303,000	302,400		600
270	ALL	Student Transportation Services	400,000	399,390		610
291		Employee Benefits Function Code 230:				
291	210	Group Insurance – Function 230	10	10		
291	220	Social Security Contrib. – Function 230	20	20		
291	232	T.P.A.F. Contrib. - ERIP – Function 230	30	30		
291	241	Other Retirement Contrib. – PERS-Function 230	40	40		
291	242	Other Retirement Contrib. - ERIP – Function 230	50	50		
291	248	Other Retirement Cont Deferred	60	60		

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form R-1 (Restricted)
FY 2014-15**

1	2	3	4	5	6	7
Function	Object	Description	Total Expenditures	Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
		PERS- Function 23051				
291	249	Other Retirement Cont Regular- Function 251230	70	70		
291	250	Unemployment Comp. – Function 230	80	80		
291	260	Workmen's Comp. – Function 230	90	90		
291	270	Health Benefits – Function 230	100	100		
291	280	Tuition Reimbursement – Function 230	110	110		
291	290	Other Employee Benefits – Function 230	120	120		
291		Employee Benefits Function Code 251:				
291	210	Group Insurance - Function 251	110			110
291	220	Social Security Contributions - Function 251	120			120
291	232	T.P.A.F. Contributions - ERIP - Function 251	130	130		
291	241	Other Retirement Contributions - Regular PERS- Function 251	140			140
291	242	Other Retirement Contributions - ERIP - Function 251	150	150		
291	248	Other Retirement Cont Deferred PERS- Function 251	160			160
291	249	Other Retirement Cont Regular- Function 251	170			170
291	250	Unemployment Compensation - Function 251	180			180
291	260	Workmen's Compensation - Function 251	190			190
291	270	Health Benefits - Function 251	200			200
291	280	Tuition Reimbursement – Function 251	210			210
291	290	Other Employee Benefits – Function 251	220			220
291		Employee Benefits Function Code 252:				
291	210	Group Insurance - Function 252	220			220
291	220	Social Security Contributions - Function 252	230			230
291	232	T.P.A.F. Contributions - ERIP - Function 252	240	240		
291	241	Other Retirement Contributions - Regular PERS - Function 252	250			250
291	242	Other Retirement Contributions - ERIP - Function 252	260	260		

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form R-1 (Restricted)
FY 2014-15**

1	2	3	4	5	6	7
				Direct/ Disallowed Costs		
			Total Expenditures		Excluded Costs	Indirect Costs
Function	Object	Description				
291	248	Other Retirement Cont Deferred PERS- Function 252	270			270
291	249	Other Retirement Cont Regular- Function 252	280			280
291	250	Unemployment Compensation - Function 252	290			290
291	260	Workmen's Compensation - Function 252	300			300
291	270	Health Benefits - Function 252	310			310
291	280	Tuition Reimbursement - Function 252	320			320
291	290	Other Employee Benefits - Function 252	330			330
291	-	Employee Benefits Except Function Codes 230, 251&252:				
291	210	Group Insurance - except 230, 251, & 252	4,660	4,660		
291	220	Social Security Contrib. - except 230, 251, & 252	5,630	5,630		
291	232	T.P.A.F. Contrib. - ERIP - except 230, 251, & 252	6,600	6,600		
291	241	Other Retirement Contrib. – Reg PERS. - except 230, 251, & 252	7,570			7,570
291	242	Other Retirement Contrib. - ERIP - except 230, 251, & 252	8,540	8,540		
291	248	Other Retirement Cont Deferred PERS- Except 230, 251& 252	9,510			9,510
291	249	Other Retirement Cont Regular- Except 230, 251& 252	10,480			10,480
291	250	Unemployment. Comp. - except 230, 251, & 252	11,450	11,450		
291	260	Workmen's Comp. - except 230, 251, & 252	12,420	12,420		
291	270	Health Benefits - except 230, 251, & 252	13,390	13,390		
291	280	Tuition Reimburse. - except 230, 251, & 252	14,360	14,360		
291	290	Other Employee Ben. - except 230, 251, & 252	15,330	15,330		1,300
310	ALL	Food Services	55,000	55,000		
		TPAF Pension/Social Security Contrib.	350,000		350,000	
100 thru 400	ALL	Total Capital Outlay	25,000		25,000	
100 & 200	ALL	Total Special Schools	26,000	26,000		
100	56X	Transfer of Funds to Charter Schools	10,000		10,000	

State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form R-1 (Restricted)
FY 2014-15

1	2	3	4	5	6	7
			Total	Direct/ Disallowed	Excluded	Indirect
Function	Object	Description	Expenditures	Costs	Costs	Costs
		Total General Fund Expenditures	5,430,200	4,540,430	394,550	495,220
		Debt Service Fund - interest expense	11,000		11,000	
		Grand Total	5,441,200	4,540,430	405,550	495,220

State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form U-1 (Unrestricted)
FY 2014-15

1	2	3	4	5	6	7
Function	Object	Description	Total Expenditures	Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
		Instruction:				
100	ALL	Regular Programs	1,000,000	999,000		1,000
100	ALL	Special Education	200,000	198,900		1,100
100	ALL	Basic Skills/Remedial	12,000	10,800		1,200
100	ALL	Bilingual Education	6,000	4,700		1,300
100	ALL	Vocational Programs - Local	10,000	8,600		1,400
100	ALL	School-Sponsored Co-Extra-curricular Activities	14,000	12,500		1,500
100	ALL	School-Sponsored Athletics	6,000	4,400		1,600
100/200	ALL	Other Instructional Programs(403-425)	2,500	800		1,700
330	ALL	Community Service Programs/Operations	2,700	900		1,800
		Subtotal	1,253,200	1,240,600		12,600
		Undistributed Expenditures:				
100	ALL	Instruction	1,900,000	1,900,000		
211	ALL	Attendance and Social Work Services	10,000	9,500		500
213	ALL	Health Services	43,000	42,490		510
216	ALL	Speech, OT, PT and Related Svs.	53,000	52,480		520
217	ALL	Other Support Services-Students-Extra.	12,000	11,470		530
218	ALL	–Guidance Services	21,000	20,460		540
219	ALL	–Child Study Teams	124,000	123,450		550
221	ALL	Improvement of Instruction Services	2,000	1,440		560
222	ALL	Educational Media/Library Services	70,000	69,430		570
223	ALL	Inst. Staff Training. Services	14,000	13,420		580
230	-	Support Services - General Administration:				
230	100/180	Salaries-Superintendent, Fiscal Monitor, & Superintendent’s Staff	98,000			98,000
230	100	Salaries-BOE & Staff	6,000	6,000		
230	108/331	Legal Services	1,000			1,000
230	332/333	Audit Fees	5,000			5,000
230	334/339	Other Professional Services	5,000			5,000
230	340	Purchased Technical Services	2,000			2,000
230	530	Communications/Telephone	27,500			27,500
230	585	Board of Education - Other Purchased Services	2,000	2,000		
230	590	Other Purch. Services(400-500 series other than 530 & 585)	1,000			1,000
230	610	General Supplies	4,000			4,000

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form U-1 (Unrestricted)
FY 2014-15**

1	2	3	4	5	6	7
			Total	Direct/ Disallowed	Excluded	Indirect
Function	Object	Description	Expenditures	Costs	Costs	Costs

230	630	BOE In-house Training/Meeting Supplies	1,500	1,500		
230	820	Judgments Against the School District	800		800	
230	890	Miscellaneous Expenditures	600			600
230	895	BOE Membership Dues and Fees	1,000	1,000		
240	ALL	Support Services - School Administration	34,000	33,410		590
251		Central Services				
251	100	Salaries	200,000			200,000
251	330	Other Purchased Professional Services	50,000	10,000		40,000
251	340	Purchased Technical Services	10,000			10,000
251	592	Misc. Purchased Services	22,000			22,000
251	594	Sale/Leaseback Payments	12,000	12,000		
251	600	Supplies and Materials	5,000			5,000
251	831	Interest on Current Loans	6,000		6,000	
251	832	Interest on Lease Purchase Agreements	2,000	250	1,750	
251	836	Interest on Bond Anticipation Notes (BANs)	1,000		1,000	
251	890	Miscellaneous Expenditures	900			900
252		Admin. Info. Technology				
252	100	Salaries	120,000			120,000
252	330	Purchased Professional Services	1,000			1,000
252	340	Purchased Technical Services	2,000			2,000
252	500	Other Purchased Services (400-500 Series)	3,000			3,000
252	600	Supplies and Materials	7,000			7,000
252	800	Other Objects	1,700			1,700
26X	ALL	Operation & Maintenance of Plant/Services	303,000			303,000

State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form U-1 (Unrestricted)
FY 2014-15

1	2	3	4	5	6	7
				Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
Function	Object	Description	Total Expenditures			
270	ALL	Student Transportation Services	400,000	399,390		610
291		Employee Benefits Function Code 230:				
291	210	Group Insurance – Function 230	10			10
291	220	Social Security Contrib. – Function 230	20			20
291	232	T.P.A.F. Contrib. - ERIP – Function 230	30	30		
291	241	Other Retirement Contrib. – Reg.PERS – Function 230	40			40
291	242	Other Retirement Contrib. - ERIP – Function 230	50	50		
291	248	Other Retirement Contrib. – Deferred PERS – Function 230	60			60
291	249	Other Retirement Contrib. - Regular – Function 230	70			70
291	250	Unemployment Comp. – Function 230	80			80
291	260	Workmen's Comp. – Function 230	90			90
291	270	Health Benefits – Function 230	100			100
291	280	Tuition Reimbursement – Function 230	110			110
291	290	Other Employee Benefits – Function 230	120			120
291		Employee Benefits Function Code 251:				
291	210	Group Insurance - Function 251	110			110
291	220	Social Security Contributions - Function 251	120			120
291	232	T.P.A.F. Contributions - ERIP - Function 251	130	130		
291	241	Other Retirement Contributions - Regular PERS - Function 251	140			140
291	242	Other Retirement Contributions - ERIP - Function 251	150	150		
291	248	Other Retirement Contrib. – Deferred PERS – Function 251	160			160
291	249	Other Retirement Contrib. - Regular – Function 251	170			170
291	250	Unemployment Compensation - Function 251	180			180
291	260	Workmen's Compensation - Function 251	190			190
291	270	Health Benefits - Function 251	200			200

State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form U-1 (Unrestricted)
FY 2014-15

1	2	3	4	5	6	7
Function	Object	Description	Total Expenditures	Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
291	280	Tuition Reimbursement - Function 251	210			210
291	290	Other Employee Benefits - Function 251	220			220
291	-	Employee Benefits Function Code 252:				
291	210	Group Insurance - Function 252	220			220
291	220	Social Security Contributions - Function 252	230			230
291	232	T.P.A.F. Contributions - ERIP - Function 252	240	240		
291	241	Other Retirement Contributions - Regular PERS - Function 252	250			250
291	242	Other Retirement Contributions - ERIP - Function 252	260	260		
291	248	Other Retirement Contrib. – Deferred PERS – Function 252	270			270
291	249	Other Retirement Contrib. - Regular – Function 252	280			280
291	250	Unemployment Compensation - Function 252	290			290
291	260	Workmen's Compensation - Function 252	300			300
291	270	Health Benefits - Function 252	310			310
291	280	Tuition Reimbursement - Function 252	320			320
291	290	Other Employee Benefits - Function 252	330			330
291		Employee Benefits Except Function Codes 230, 251, & 252:				
291	210	Group Insurance - except 230, 251, & 252	4,660	4,660		
291	220	Social Security Contributions - except 230, 251, & 252	5,630	5,630		
291	232	T.P.A.F. Contributions - ERIP - except 230, 251, & 252	6,600	6,600		
291	241	Other Retirement Contributions - PERS - except 230, 251, & 252	7,570			7,570
291	242	Other Retirement Contributions - ERIP - except 230, 251, & 252	8,540	8,500		
291	248	Other Retirement Contrib. – Deferred PERS – except 230, 251, & 252	9,510			9,510
291	249	Other Retirement Contrib. -	10,480			10,480

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Indirect Cost Forms
Form U-1 (Unrestricted)
FY 2014-15**

1	2	3	4	5	6	7
Function	Object	Description	Total Expenditures	Direct/ Disallowed Costs	Excluded Costs	Indirect Costs
		Regular – except 230, 251, & 252				
291	250	Unemployment Compensation - except 230, 251, & 252	11,500	11,500		
291	260	Workmen's Compensation - except 230, 251, & 252	12,420	12,420		
291	270	Health Benefits - except 230, 251, & 252	13,390	13,390		
291	280	Tuition Reimbursement - except 230, 251, & 252	14,360	14,360		
291	290	Other Employee Benefits - except 230, 251, & 252	15,330	14,030		1,300
310	ALL	Food Services	55,000	55,000		
		TPAF Pension/Social Security Contrib.	350,000		350,000	
100 thru 400	ALL	Total Capital Outlay	25,000		25,000	
100 & 200	ALL	Total Special Schools	26,000	26,000		
100	56X	Transfer of Funds to Charter Schools	10,000		10,000	
		Total General Fund Expenditures	5,430,200	4,123,230	394,550	912,420
		Debt Service Fund - interest expense	11,000		11,000	
		Grand Total	5,441,200	4,123,230	405,550	912,420

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Sample Carry-Forward Computation**

Carry-Forward Computation

Beginning with the five-year agreement effective FY 2004-05, LEA's were directed to compute a fixed rate **with** a carry-forward provision. A fixed rate with carry-forward provision has characteristics of both a provisional rate, which is a temporary rate subject to adjustment, and a predetermined rate, which is a permanent rate not subject to adjustment. A rate is computed and fixed for a specified future period based on an estimate of that future period's level of operations. However, when the actual costs of that period become known, the difference between the estimated costs and the actual costs is carried forward as an adjustment to a subsequent period for which a rate is established. The adjustment cannot be made in the fiscal period immediately following because the fixed rate for the immediately following fiscal period will already have been determined. An adjustment generally will be carried forward to the second fiscal period following the period being adjusted. A fixed rate should be selected that will closely approximate the actual rate expected to be incurred. An accurate forecast will confine carry-forward amounts to minimal differences.

Examples of the format to be used for restricted and unrestricted carry-forward computations for fiscal year 2014-15 (and continuing throughout the term of this agreement) can be found on the following page.

**State of New Jersey – Department of Education
Division of Finance – Office of Fiscal Policy and Planning
Sample Carry-Forward Computation**

<u>YEARS</u>	<u>INITIAL YEAR</u>		<u>SUBSEQUENT</u>	
	FY 2008		FY 2010	FY 2012
(a) FIXED RATE AS NEGOTIATED				
(B/A) - Computed as follows:		<u>5.3%</u> (C)	<u>4.0%</u> (C)	<u>5.6%</u> (C)
Direct/Disallowed Costs		<u>\$106,995,436</u> (A)	<u>\$110,550,600</u> (A)	<u>\$114,100,980</u> (A)
Indirect cost pool:				
Indirect Costs	\$5,692,672	\$5,150,000		\$5,820,200
Fixed-Carry Forward (FCF)	<u>\$0</u>	<u>(\$709,182)</u>		<u>\$546,979</u>
Total Pool		\$5,692,672 (B)	\$4,440,818 (B)	\$6,367,179 (B)
(b) ACTUAL COSTS NEGOTIATED:				
Actual Direct/Disallowed Costs		\$110,550,600 (D)	\$114,100,980 (D)	
Actual Indirect Costs	\$5,150,000		\$5,820,200	
FCF	<u>\$0</u>		<u>(\$709,182)</u>	
Total Pool		<u>\$5,150,000</u> (F)	<u>\$5,111,018</u> (F)	
(c) CARRY-FORWARD COMPUTATION:				
Indirect Eligible for Recovery (C*D):				
Fixed rate x Actual Direct/Disallowed Base:				
2008		\$5,859,182 (E)		
2010			\$4,564,039 (E)	
Should have recovered:				
Actual Indirect Costs for:				
FY 2008		<u>\$5,150,000</u> (F)		
FY 2010			<u>\$5,111,108</u> (F)	
UNDER OR (OVER) RECOVERY (F-E), CARRY-FORWARD TO SUBSEQUENT YEAR				
		(\$709,182)	<u>\$546,979</u>	

* This is a sample only and is not intended to prescribe methods of charging costs.
Source: Based on OASC-10, 1976, Page 82

GLOSSARY OF FUNCTIONS

Code	Function	Description
100	Instruction	<p>Instruction includes the activities involving the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, computer, Internet, multimedia telephone, and correspondence, that is delivered inside or outside the classroom, or in other teacher-student settings.</p> <p>Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) who assist in the instructional process.</p>
200	Support Services	<p>Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.</p>
211	Attendance & Social Work Services	<p>Includes activities designed to improve student attendance at school and which attempt to prevent or solve student problems.</p>
213	Health Services	<p>Includes physical and mental health services that are not direct instructional.</p>
216	Speech/Occupational Therapy /Physical Therapy and Related Services	<p>Costs of related services as a result of individualized education programs (I.E.P.s).</p>
217	Other Support Services-Students-Extraordinary	<p>Includes services other than related services provided to students as a result of an I.E.P. that are unique to individual students such as one-to-one aids.</p>
218	Guidance Services	<p>Includes guidance services and any other activities, supplemental to the teaching</p>

		process, that are designed to assess and improve the well-being of students other than functions 211, 213, 216, 217 and 219.
219	Child Study Teams	Includes services provided by child study team members, including psychologist, social workers, learning consultants, and speech correctionists, and other services related to the classification of students and the development of I.E.P.s.
221	Improvement of Instruction Services	Includes activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students.
222	Educational Media Services/ School Library	Includes activities concerned with the use of all teaching and learning resources, including hardware and content materials. Includes school library services, audiovisual services, educational television services, and computer assisted instruction services.
223	Instructional Staff Training Services	Includes activities that contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service.
230	Support Services- General Administration	Activities concerned with establishing and administering policy for operating the LEA. These include board of education services and executive administration services.
240	Support Services- School Administration	Includes activities concerned with overall administrative responsibility for a school. They include the activities performed by the principal, assistant principals, and other assistants while they supervise operations of the school, evaluate school staff members, supervise and maintain the records of the school and coordinate school instructional activities with those of the LEA. Also included here would be the activities of department directors such as guidance, athletic, and special education.
251	Central Services	Includes activities that support other administrative and instructional functions including fiscal services, human resources, strategic planning, purchasing, warehousing and distribution services, and printing services

		including public information services. The chief business official expenditures are included here.
252	Administrative Information Technology	Includes activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes.
26X (261, 262, 263, 266)	Operation & Maintenance of Plant Services	Includes activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition. Includes security, custodial, and grounds.
270	Student Transportation Services	Includes activities concerned with conveying students between home and school and from school to other school activities as provided by state and federal law.
291	Fringe Benefits- Unallocated	Unallocated fringe benefits are allocated to functions 230, 251, and 252.
310	Food Services	Includes the board's share of expenditures for the food service program.
330	Community Services Programs	Activities concerned with providing community services to students, staff, or other community participants. Also includes maintenance and management of public playgrounds and recreation places controlled by the board of education.
400	Capital Outlay (fund 12)	Is used to record capital items that are funded by general fund revenues. Includes increases in the capital reserve account, equipment purchases, and facilities acquisition and construction services.
100-2XX	Special Schools (fund 13)	Is used to report the costs of special schools funded by current resources other than state and federal grants. The entire cost of adult school programs, including community schools, is recorded here.