



OPERATING FUND ACCOUNT DESCRIPTIONS

For British Columbia School Districts



OPERATING FUND - *Operating Fund Account Descriptions*
Background

BACKGROUND

INDEX OF CHANGES

Expenditures by Program:

FUNCTION 1: Instruction

- Rename Program 1.02 from "Regular Instruction and Classroom Support" to "Regular Instruction"
- Delete Program 1.05 "Languages" (costs should be recorded in Program 1.02)
- Delete Program 1.09 "Program Implementation" (costs should be recorded in Program 1.02)
- Delete Program 1.11 "New School Start-Up" (costs should be recorded in Program 1.02)
- Delete Program 1.43 "Instructional Support" (costs should be recorded in Program 1.02)
- Delete Program 1.44 "Testing Assessment" (costs should be recorded in Program 1.02)
- Add Program 1.41 "School Administration"
- Add Program 1.10 "Special Education"
- Delete Special Education Programs (1.04, 1.13, 1.16, 1.17, 1.18, 1.19, 1.32, 1.33 and 1.45) (costs should be recorded in Program 1.10)
- Renumber Program "Summer School" from 1.12 to 1.60 to group before Program "Continuing Education"

FUNCTION 4 – District Administration

- Rename Function 4 from "District and School-Based Administration" to "District Administration"
- Delete Program 4.42 "Human Resources Administration" (costs recorded in Program 4.41)
- Delete Program 4.46 "School-Based Administration" (costs recorded in Program 1.41)
- Delete Program 4.47 "Labour Relations" (costs should be recorded in Program 4.41)

FUNCTION 5 – Operations and Maintenance

- Rename Program 5.50 from "Plant Maintenance" to "Maintenance Operations"
- Delete Program 5.51 "Custodial Services" (costs recorded in Program 5.50)**
- Delete Program 5.54 "Equipment Repair and Maintenance" (costs recorded in Program 5.50)
- Delete Program 5.57 "Facility Leases/Portable Moves" (costs recorded in Program 5.50)
- Delete Program 5.62 "Central Stores" (costs should be recorded in Program 5.50)
- Delete Program 5.63 "Community Use of Facilities" (costs recorded in applicable Function/Program)

FUNCTION 7 – Transportation & Housing

- Rename Program 7.70 from "Busing" to "Student Transportation"
- Delete Program 7.72 "Extra-Curricular Transportation" (costs recorded in applicable Function/Program)
- Delete Program 7.74 "Crossing Guards" (costs should be recorded in Program 7.70)

OPERATING FUND - *Operating Fund Account Descriptions*
Background (Continued)

EXPENDITURES by Objects:

- Rename Object 105 "Principal/Vice-Principal" (previously Administrative Officer")
- Add Object 120 "Support staff"
- Renumber Object 121 "Other Professional" from 121 to Object 130
- Delete Object 125 "Clerical" (costs to be recorded in Object 120- Support staff)
- Delete Object 127 "Other staff" (costs to be recorded in Object 120- Support staff)
- Rename Object 310 "Services" (previously named Professional services)
- Rename Object 330 "Student transportation" (previously named Transportation)
- Rename Object 340 " Professional Development and Travel" (previously Training and Travel)
- Rename Object 360 "Rentals & Leases" (previously named Rentals)
- Delete Object 420 " Other contracted services" (costs to be recorded in Object 310-Services)
- Delete Object 430 "Telecommunications services" (costs recorded in Object 310-Services)
- Delete Object 440 "Other office services" (costs to be recorded in Object 310-Services)
- Delete Object 520 "Instructional Supplies" (costs to be recorded in Object 510-Supplies)
- Rename Object 540 "Utilities" (previously named Electricity)
- Delete Object 551 "Gas-Heat" (costs to be recorded in Object 540- Utilities)
- Delete Object 552 "Oil-Heat" (costs to be recorded in Object 540 - Utilities)
- Delete Object 554 "Propane-Heat" (costs to be recorded in Object 540 – Utilities)
- Delete Object 560 "Water and Sewage" (costs to be recorded in Object 540 – Utilities)
- Delete Object 570 " Garbage and recycling" (costs to be recorded in Object 540- Utilities)
- Reposition Salary objects in the following order: 110 Teacher, 105 Principal/Vice-Principal, 123 Educational Assistant, 120 Support Staff, 130 Other Professional, 140 Substitute.

REVENUE by Objects:

- Delete Object 614 "French Program Grants" (costs recorded in Object 610 "Federal Grants")
- Delete Object 619 "Other Federal Grants" (costs to be recorded in Object 610 "Federal Grants")
- Rename Object 641 "Provincial Grants – Other"
- Rename Object 620 "Provincial Grants – Ministry of Education"
- Delete Object "Donations" (costs recorded in Object 649 "Miscellaneous")
- Rename Object 640 "Other Revenue" (previously named Other Fees and Revenue)
- Delete Object 645 "Instructional cafeteria revenue" (costs recorded in Object 649 "Miscellaneous")
- Delete Object 646 "Central Stores" (costs to be recorded in Object 649 "Miscellaneous")
- Delete Object 651 "Community use of facilities" (costs recorded in Object 650 "Rentals and Leases")
- Delete Object 652 "Dormitories" (costs to be recorded in Object 650 "Rentals and Leases")
- Delete Object 659 "Other rentals and leases" (costs recorded in Object 650 "Rentals and Leases")
- Delete Object 661 "Interest on short term deposits" (costs recorded in Object 660 "Investment Income")
- Delete Object 669 "Other Investment income" (costs recorded in Object 660-Investment Income)
- Reposition objects in the following order: 620 Provincial Grants – Ministry of Education, 641 Provincial Grants – other, 610 Federal Grants, 640 Other Revenue, 650 Rentals and Leases, 660 Investment Income.

**OPERATING FUND** - *Operating Fund Account Descriptions*
*Revenues***REVENUES**

The categories of revenue that follow have been determined based on a classification of types of school district revenue. The intent of the structure is to facilitate placement of a majority of the significant types and sources of revenue within as few standardized headings as possible.

600 REVENUE OBJECTS**610 Federal Grants (includes old objects 614, and 619)**

This account includes support grants and special project grants received from the Federal Government for incremental costs of programs of French instruction and all other Federal source revenue.

620 Provincial Grants**621 Operating Grant, Ministry of Education (Functions 1-7)**

This account includes Ministry of Education grants for operating expenditures.

629 Other Ministry of Education Grants

This account includes miscellaneous Ministry of Education grants that do not fall into either operating, debt service or capital categories, such as special purpose grants.

630 School Referendum Taxes

Under section 112 of the *School Act*, a board may, by resolution passed at a public meeting, authorize the holding of a referendum to obtain the approval of the electors for any money that the board wishes to raise for the next fiscal year by residential taxes.

In order to raise revenue approved by a referendum a board levies a school referendum tax on residential land and improvements in the district.

Money raised as a result of a referendum may be used to provide new programs, to enhance existing programs for additional activities for students, or for local capital project initiatives.



OPERATING FUND - *Operating Fund Account Descriptions*
*Revenues (Continued)***640 Other Revenue****641 Provincial Grants - other**

This account includes amounts received from other Provincial Ministries and Government Reporting Entities (including Hospitals, Universities, Colleges, Crown Corps.)

642 Revenue from Other School Districts/Education Authorities

This account comprises revenue from other school districts and education authorities, such as a Conseil Scolaire Francophone de la C.-B. It includes reimbursement for the provision of education to children who are registered in other districts at September 30, revenue from Conseil Scolaire Francophone de la C.-B for providing education services for students enrolled in the CSF, and other contractual arrangements.

643 Summer School Fees

This account includes student fees received from the offering of courses as part of a Summer Program.

644 Continuing Education Fees

This account includes fees received from the offering of credit, non-credit and recreational courses as part of a Continuing Education Program administered by the school district.

Courses which are part of a continuing education program and are funded by the Ministry under regular operating grants are not included here.

647 Off-shore Tuition Fees

This account includes fees received for students who are not ordinarily a resident in a school district and the guardian of the student is not ordinarily a resident in British Columbia.

648 Local Education Agreements/Direct Funding From First Nations

This account includes revenue from Bands for the education of Aboriginal students covered under a locally negotiated contract or from Bands that have opted for direct tuition funding from the Federal Government.

649 Miscellaneous: (includes old objects 645 and 646)

This account includes donations, both instructional and non-instructional food services/cafeteria revenue, revenue generated in districts which operate "central stores" and other fees not falling into one of the above mentioned objects.



OPERATING FUND - *Operating Fund Account Descriptions*
Revenues (Continued)

650 Rental and Leases (includes old objects 651, 652, and 659)

This account includes all revenue from rental and leases. This includes the rental of gymnasiums, classrooms or other facilities owned by the school district, fees paid to the school district for student accommodation and any other miscellaneous rentals and leases.

660 Investment Revenue (includes old objects 661 and 669)

This account includes revenue from funds deposited by the school district in term deposits or other investments, and all other investment income.

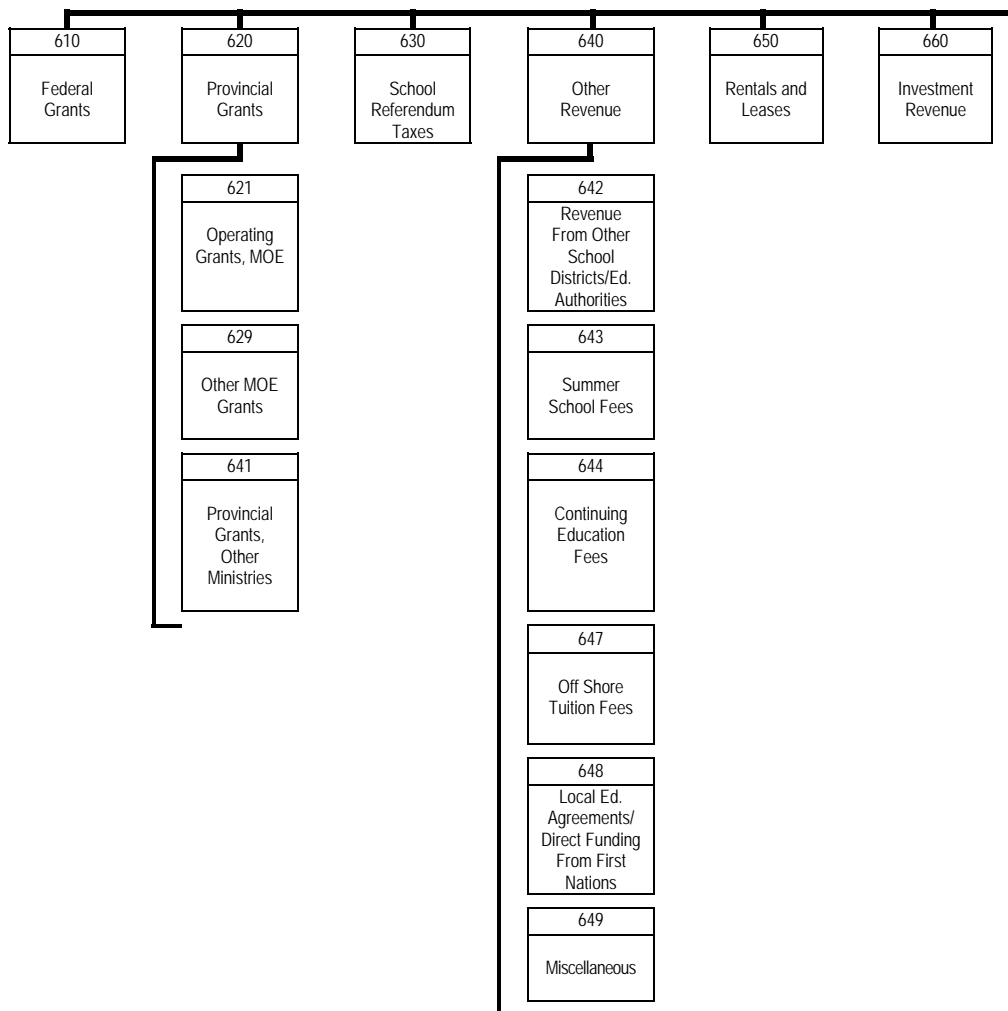
Revenue shall be recorded on an **accrual basis**, except for miscellaneous amounts which are not considered to be material.

Revenues and expenditures are to be recorded on a **gross** basis.

Tax recoveries, such as the Goods and Services Tax rebate (GST), are not revenues and should be netted against the applicable expenditures.

OPERATING FUND - *Operating Fund Account Descriptions*
Revenues (Continued)

Operating Fund
Reporting Structure Revenues by Object





OPERATING FUND - *Operating Fund Account Descriptions Expenses*

OVERVIEW

The operating Object of Expenditure Structure is intended to identify the major types of expenditure within the operating fund.

This section defines and describes account of expenditure categories, which are accumulated into three major categories as follows:

100	SALARIES
200	EMPLOYEE BENEFITS AND ALLOWANCES
300-500	SERVICES AND SUPPLIES

These categories are further sub-divided into sub-categories or "second-level" accounts of expenditure.

<u>Example:</u>	100	SALARIES	(first-level)
	120	SUPPORT STAFF SALARIES	(second-level)

The accounts of expenditure costs will be reported on Ministry prescribed reporting forms. The next two sections of this chapter, "Structure" and "Definitions", identify the categories of accounts of expenditure.

STRUCTURE

<u>Example:</u>	100	SALARIES	(first-level)
	120	SUPPORT STAFF SALARIES	(second-level)

In this example, costs for "SUPPORT STAFF SALARIES" would be required for reporting by the districts.

1st-Level Account

2nd-Level Account

100 SALARIES

- 105 PRINCIPAL AND VICE-PRINCIPAL SALARIES
- 110 TEACHER SALARIES
- 120 SUPPORT STAFF SALARIES
- 123 EDUCATIONAL ASSISTANT SALARIES
- 130 OTHER PROFESSIONAL SALARIES
- 140 SUBSTITUTE SALARIES

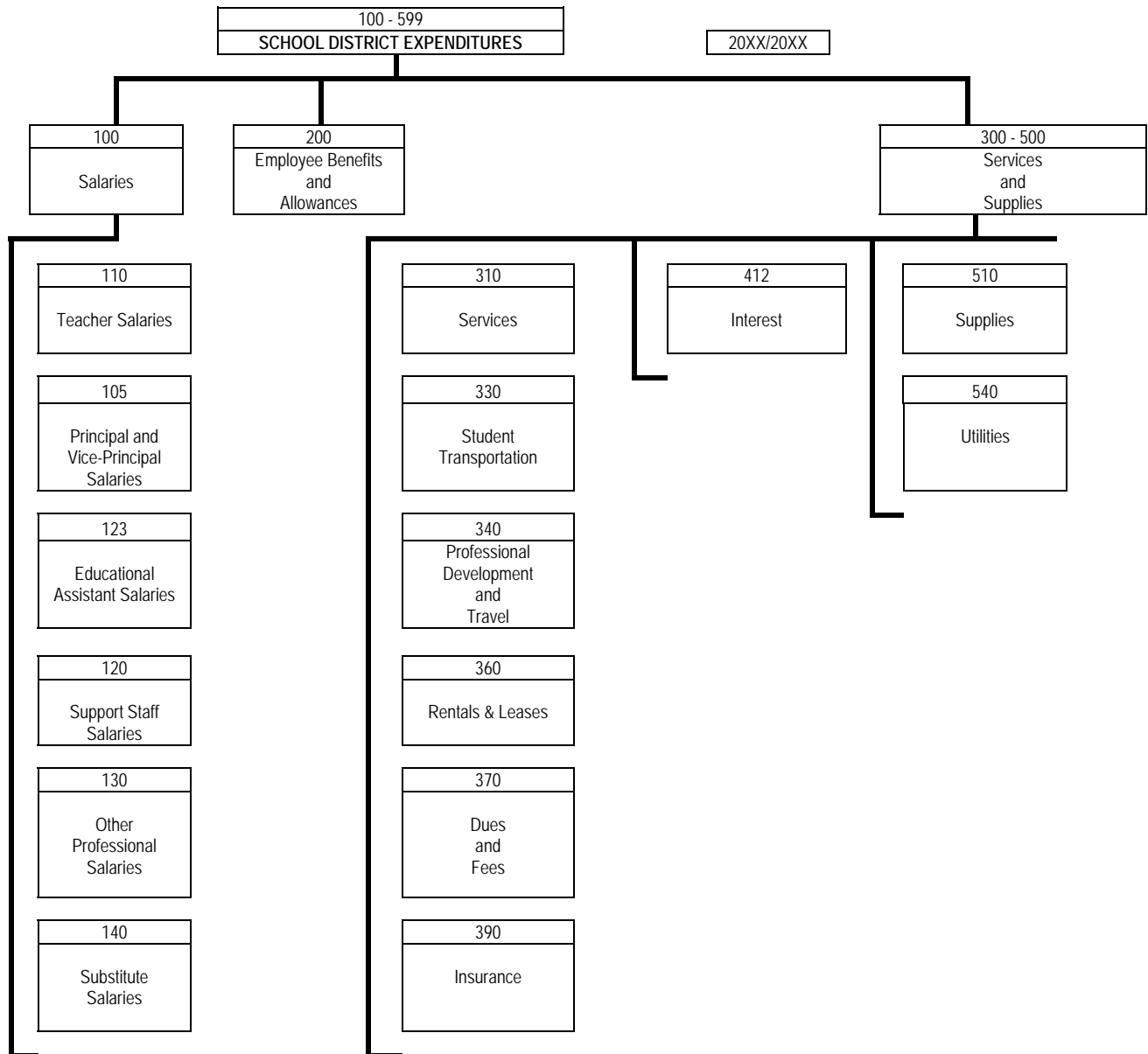
200 EMPLOYEE BENEFITS AND ALLOWANCES

300-500 SERVICES AND SUPPLIES

- 310 SERVICES
- 330 STUDENT TRANSPORTATION
- 340 PROFESSIONAL DEVELOPMENT AND TRAVEL
- 360 RENTALS AND LEASES
- 370 DUES AND FEES
- 390 INSURANCE
- 412 INTEREST
- 510 SUPPLIES
- 540 UTILITIES

OPERATING FUND - *Operating Fund Account Descriptions
Expenses (Continued)*

EXPENDITURES
REPORTING STRUCTURE EXPENDITURES BY OBJECT





**OPERATING FUND - *Operating Fund Account Descriptions
Expenses (Continued)***

In this section, costs relative to account of expenditure by program, are the minimum that must be maintained separately.

100 SALARIES

This account includes the gross amounts paid to employees of a school district as salary, vacation pay, termination pay and administrative allowance for services rendered. It would include payments to teachers, principals and vice-principals, non-teaching personnel, aides, substitutes, and trustees employed on a continuous basis, full-time or part-time. Time taken for sick leave, and other paid leave, is also considered a salary cost.

105 Principal and Vice-Principal Salaries

This account includes "salaries" (see definition) paid to certified teachers (or teachers with a letter of permission) employed by a school district on a continuous basis, full-time or part-time, under contract (i.e., principals, vice-principals, and directors of instruction.)

Also included in this remuneration would be administrative allowances for the temporary assumption of those duties (e.g., principal's allowance, vice-principal's allowance.)

110 Teacher Salaries

This account includes "salaries" (see definition) paid to certified teachers (or teachers with a letter of permission) employed by a school district on a continuous basis, full-time or part-time, excluding superintendents, assistant/deputy superintendents, principals, vice-principals, and directors of instruction. Also included in this remuneration would be administrative allowances for the assumption of supervisory duties (e.g., department head's allowance and head teacher's allowance).

120 Support Staff Salaries (includes old objects 125 and 127)

"Salaries" (see definition) paid to administrative staff (other than principals and vice-principals) and support staff that are employed by a school district on a continuous basis, full-time or part-time, would be included in this account.

This account includes "salaries" paid to non-excluded secretaries, clerks and non-excluded staff such as accountants, maintenance staff, custodians, noon hour supervisors and bus drivers.

123 Educational Assistant Salaries

This account includes "salaries" paid to educational assistants, teacher assistants and child care workers.

130 Other Professional Salaries (previously 121)

This account includes "salaries" paid to Superintendents, Assistant Superintendents, Secretary-Treasurers, Assistant Secretary-Treasurers, Trustees, and any other board employee who is excluded from a union agreement.



**OPERATING FUND - *Operating Fund Account Descriptions
Expenses (Continued)*****140 Substitute Salaries**

This account includes "salaries" (see definition) paid by the school district to those individuals who substitute for regular continuing staff while the regular staff are ill or absent for other reasons.

200 EMPLOYEE BENEFITS AND ALLOWANCES

This account includes the amounts paid by a school district on behalf of or to its employees for either an earned contributed benefit (e.g., Employment Insurance, Canada Pension Plan, medical plan insurance) or for miscellaneous allowances (car, mileage, isolation). Also included here are payments to or on behalf of employees for educational upgrading.

300 - 500 SERVICES AND SUPPLIES**300 - 400 SERVICES**

The accounts in the 300 and 400 series include the expenditures incurred for individuals, organizations or companies to perform various services for a school district (the primary purpose being the service provided, and a product does not necessarily result). Included are professional/technical services, data processing services, contracted transportation, transportation assistance, travel, facilities and equipment rental, dues and fees, insurance, interest, other contracts, services, and office and communication expenses.

310 Services (includes old objects 420, 430, 440)

Included here are the expenditures for services rendered to a school district by professional and/or technical personnel (non-employees) or professional firms for services such as audit, legal and data processing. This account also includes services provided by all other contracted professionals including doctors, dentists, psychologists, nurses, architects, consultants, construction engineers, surveyors and for contracted services that do not fit into other specific accounts of expenditure.

Included are payments to non-employees or companies for services rendered to a school district in the data processing area (e.g. computer specialists, service bureaus). Also included are the costs of leasing data processing equipment and peripherals, computer maintenance, costs for contracted professional and technical services, repair and maintenance, grounds upkeep, snow removal, security services, bank service charges, etc.

This account includes school district expenditures for telephone, telefax, telegraph, information services and enhanced telecommunications services above service levels provided by the Provincial Learning Network (PLNet).

This account includes school district expenditures for printing services, courier services, postage (including postage machine rental), duplicating and copy machine rentals and any other miscellaneous office services provided. All advertising costs will be included in this account (e.g. meeting notices, recruitment advertisements, etc.).

Contracted transportation services should be included in Account 330 - STUDENT TRANSPORTATION.



**OPERATING FUND - *Operating Fund Account Descriptions
Expenses (Continued)***

This account does not include computer supplies, fax paper and other supplies, which are included under Account - 510 SUPPLIES.

330 Student Transportation

This account includes payments to the owners of vehicles who provide transportation for school district pupils. This would include payments to public carriers, other school districts and any others who provide transportation to and from school, for curricular activities, and for extracurricular activities, on a contract basis. It does not include allowances paid to parents who provide transportation in their own vehicles.

Where districts provide their own transportation service, these costs (salaries, supplies, etc.) will be coded to the appropriate account of expenditure and included in the appropriate instructional program for curricular transportation (such as field trips), or within the transportation function.

This account includes payments by school districts to parents for providing approved transportation (if no regular bus service exists) to and from school, or the nearest regular bus stop, for their own children or for groups of children. This does not include transportation provided under contract arrangements.

340 Professional Development and Travel

This account includes non-taxable (to the participant) costs incurred for training and travel. Costs included are registration fees, transportation, mileage allowances, meals, accommodation, per diem payments and other expenses. Costs incurred may be for employees, trustees and students travelling on curricular or extracurricular business for the school district, for training, professional development, conventions or conferences.

If training or travel is a taxable benefit, it should be coded to object 250 Allowances.

NOTE: Salary costs of employees and their substitutes on training or travel status are not charged to account 340 but to the appropriate salary account.

360 Rentals and Leases

Included here are the operating expenditures for the rental or lease of land, buildings, vehicles and equipment for temporary or long term use by school districts. Also included are leases of word processing and audio-visual equipment, buses or other vehicles (when operated by persons on the school district payroll), portable buildings, and any other similar rental agreements. Not included in this account are rentals of postage machines, duplicating or copying equipment, rental or lease of data processing equipment which are coded to 310 SERVICES.

This account of expenditure includes operating lease agreements in which the school district is under no obligation to purchase the asset at the expiration of the leases and in which the buy-out provision represents a reasonable estimate of future market value.



OPERATING FUND - *Operating Fund Account Descriptions*
Expenses (Continued)

Lease agreements in which the school district is obliged to purchase the asset at the expiration of the lease, or in which the buy-out provision represents a nominal estimate of future market value should be accounted for in the same manner as if the asset was acquired outright (i.e. as a capital expenditure).

370 Dues and Fees

This account includes membership fees and/or dues in professional organizations as determined by the policies, regulations and needs of a school district. Registration fees for conventions and conferences are coded to 340 PROFESSIONAL DEVELOPMENT AND TRAVEL.

390 Insurance

This account includes the expenditures for all forms and types of insurance coverage (e.g. property, liability, fidelity bonds, etc.). Costs would include premiums, deductible portions of insurance coverage (such as uninsured losses), costs of judgements, etc.

412 Interest

This account consists of expenditures to service the school district's debt.

Included in this account are all interest payments made on debt such as temporary borrowing for operating needs, bank term loans and other similar interest charges incurred by a school district.

500 SUPPLIES

The accounts in the 500 series consist of the expenditures of a school district for all supplies and materials of a consumable and/or non-capital nature. This includes supplies, books and guides, audio-visual materials, electricity, fuel, water and sewage, garbage and replacement of equipment. Charges for freight, sales tax, courier services, etc., associated with the applicable supply of items are to be included with the cost of the items.

Also included here are the expenditures of a school district for supplies which meet or fall within one or more of the following criteria:

- a. They are consumable in nature.
- b. They are inexpensive (inadvisable to capitalize).
- c. They lose their original shape or appearance with use.
- d. They are expendable (replaced rather than repaired).
- e. They are replacement of existing furniture and equipment.

510 Supplies (includes old object 520)

This account includes school district expenditures for "supplies" (see definition) used in the general operation and maintenance of schools and board offices.



OPERATING FUND - *Operating Fund Account Descriptions*
Expenses (Continued)

This account includes school district expenditures for regular or incidental purchases of learning resources, curriculum guides, library materials including hard and soft cover books, magazines, journals, bulletins and reports. The cost to bind and repair these items would also be included here.

This account includes school district expenditures for regular or incidental purchases of film, filmstrips, slides, audio materials (records, tapes, etc.), film materials, television materials (tapes, discs, etc.), charts, kits, and other similar media material.

540 Utilities (includes old objects 540, 551, 552, 554, 560, 570)

Included here are the expenditures by a school district for utility costs provided by public or private utilities for electricity, heating, water and sewage, garbage and recycling.



OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs

FUNCTIONS & PROGRAMS

This section details the function and program structure with associated definitions and codes. The structure described here is the minimum level of reporting that is required from the school districts to the public and to the Ministry of Education.

Functions are groups of related programs and represent the highest level of aggregation of costs within a district. This function classification in the reporting structure identifies distinct areas of activity in the British Columbia educational system. These functions or areas of activity are:

- | | |
|-------------------------------|-------------------------------|
| 1. INSTRUCTION | 7. TRANSPORTATION AND HOUSING |
| 4. DISTRICT ADMINISTRATION | 9. DEBT SERVICES (OPERATING) |
| 5. OPERATIONS AND MAINTENANCE | |

Programs are unique and identifiable activities within a function. Costs are allocated to programs based on the type of activity involved. For example, Function 1 is comprised of the following programs:

- | | |
|----------------------------------|--|
| 02: Regular Instruction | 41: School Administration |
| 03: Career Programs | 60: Summer School |
| 07: Library Services | 61: Continuing Education |
| 08: Counselling | 62: Off-shore Students |
| 10: Special Education | 64: Other |
| 30: English as a Second Language | 65: Conseil Scolaire Francophone de la C-B |
| 31: Aboriginal Education | |

The Function and Program Structure chart that follows displays the five functions and their component programs. The coding structure associated with those functions and programs is also indicated. It should be noted that there are a few programs that are common to two or more functions. Common programs include: School Administration, Business Administration, Operations and Maintenance Administration and Transportation and Housing Administration (41), and Conseil Scolaire Francophone de la C-B (65).

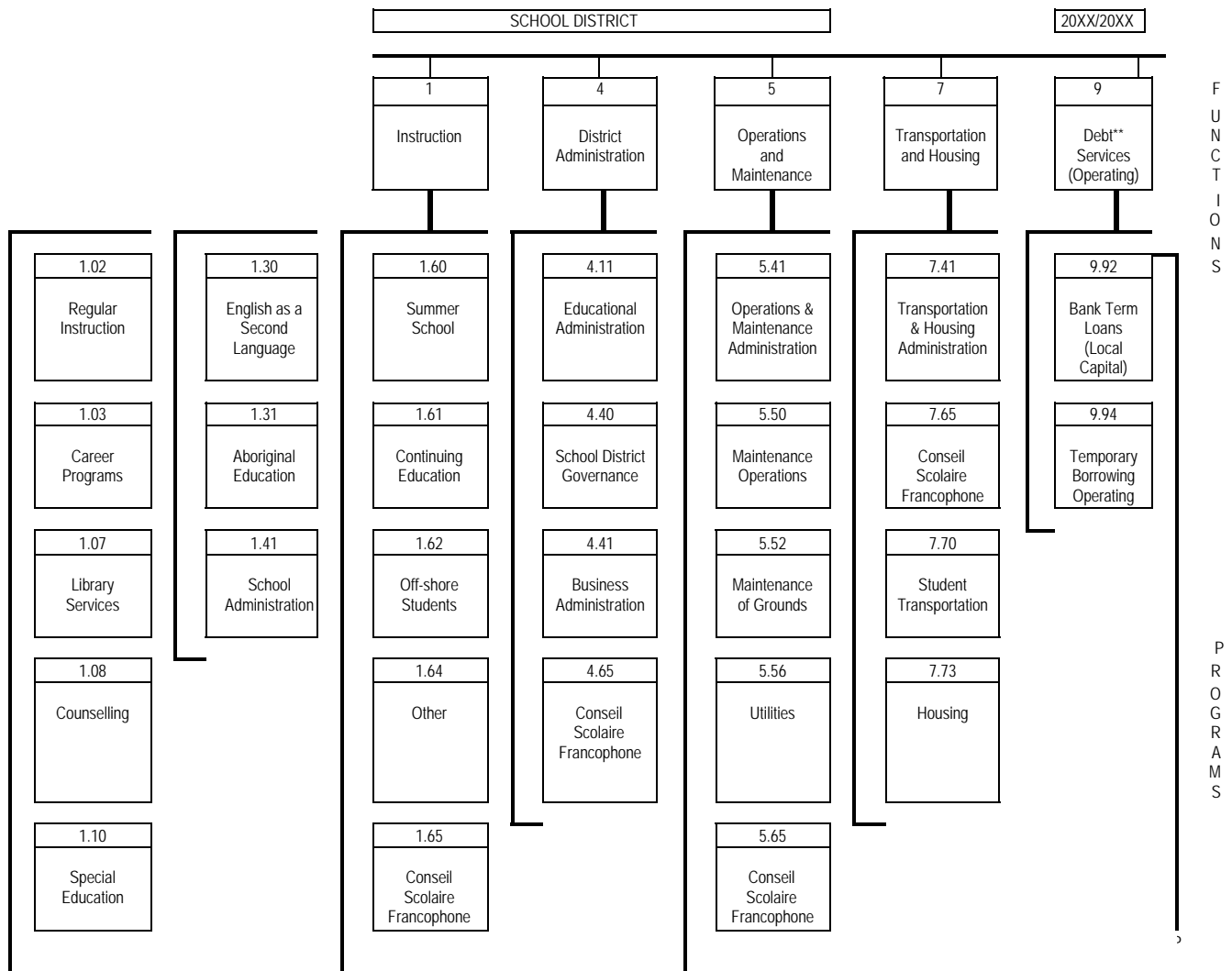
Due to this program code similarity, it is therefore necessary in some cases to refer to the function (e.g. 1-9) prior to referencing the program in order to obtain specific program costs.

Districts may add other programs for internal reporting, but any additional programs must be incorporated into Ministry defined programs for budget and year-end financial reporting.



OPERATING FUND - *Operating Fund Account Descriptions
Functions & Programs (Continued)*

Expenditures
Functions & Programs Structure



**Note: A few school districts still have Debt Services (Capital)



OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

FUNCTIONS & PROGRAMS DEFINITIONS

FUNCTION 1: INSTRUCTION

This function incorporates all programs related to the instruction of students.

Salaries, employee benefits, services, and supplies used in the execution of this function are charged to individual programs as applicable.

02 Regular Instruction (includes old programs 1.02, 1.05, 1.09, 1.11, 1.43, 1.44)

This program comprises all regular instruction costs for Kindergarten to Grade 12.

Adults, Continuing Education, Correspondence and Home Schooling education costs that relate to students who are included on 1701 enrolment forms and receive provincial funding are also included here. In addition, locally developed program costs that do not fall under one of the individually defined programs would also be coded here.

Examples of instructional costs include the following services:

- Noon hour and before and after school supervision
- Department Head functions
- Instruction to students
- Teacher assistants supporting regular instruction
- Telephone and modem costs for services directly in classrooms
- Instructional supplies
- Exam Supervision

Also included in this program is the regular instruction component of all special programs offered in segregated classrooms.

03 Career Preparation

Costs related to providing Career Preparation, Co-op and Apprenticeship courses. Examples are courses relating to the mechanical, commerce and hospitality industries.

Additional costs would include work experience arrangements directly related to this program and clerical support assigned to this program.

07 Library Services

Costs of activities directly relating to the operation of a Library Resource Centre at a school or district level. Costs related to personnel (librarians, aides and clerical support assigned to this program) responsible for circulating, cataloguing, and maintaining resource materials would all be included in this program.

OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

08 Counselling

Costs of activities directly related to counselling which would include assisting students in obtaining educational requirements for post secondary and career goals, general counselling of students' emotional needs, and providing advice to parents and teaching staff. Costs related to counselling would be teachers, consultants, assistants, clerical support assigned to this program, telephones and supplies.

10 Special Education (includes old programs 1.04, 1.13, 1.16, 1.17, 1.18, 1.19, 1.32, 1.33 and 1.45) (Revised March 2009)

This program includes costs such as:

- salaries and benefits on an FTE basis for specialist teachers such as resource room teachers, special class teachers, teachers of the Deaf and Hard of hearing, teachers on call, psychometricians, psychologists, learning assistant teachers and itinerant teachers;
- salaries and benefits on an FTE basis for specialist paraprofessionals, such as teacher assistants, child care workers, braillists, and sign or oral interpreters, working directly with special education students;
- salaries and benefits of classroom teachers as determined by class size reduction provisions (see Cost Allocation section);
- salaries and benefits on an FTE basis for Directors of Instruction, Principals and Vice-Principals within a special education school or program;
- specialized learning resources, materials and replacement equipment which are over and above those supplied for regular instruction;
- direct clerical support assigned to this program, travel and phone costs for itinerant personnel;
- costs associated with contracted specialists such as orientation/mobility services;
- additional work experience costs over the costs required for regular career programs.

This program includes costs related to providing additional specialized services to students identified as follows:

- | | |
|---|---|
| • Level 3 FTEs (includes students identified as Intensive Behaviour Interventions or Serious Mental Illness) | • Level 1 FTEs (includes students identified as Physically Dependent or Deafblind) |
| • Special Health Services | • Gifted |
| • Learning Assistance Services | • Hospital / Homebound |
| • Students with special needs funded within the Student Base Allocation (Learning Disability, Mild Intellectual Disability, Moderate Behaviour Supports/Mental Illness) | • Level 2 FTEs (includes students identified as moderate to profound Intellectually Disabled, Physically Disabled or chronically Health Impaired, Visually Impaired, Deaf or Hard of Hearing, Autism Spectrum Disorder) |
| • Identification / Planning | |

30 English as a Second Language (E.S.L.)

This program includes the additional costs related to providing educational programs to students whose use of English is sufficiently different from standard English as to prevent that student from reaching his or her potential. Activities may include English skill enhancement and acquisition, cultural integration, academic upgrading, and/or social adjustment.

OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

31 Aboriginal Education

This program includes the additional direct costs related to providing Aboriginal Language and Culture Programs, Aboriginal Support Service Programs, or another Aboriginal Education Program that has the written permission of the Aboriginal community served. In all cases there should be clear demonstration that every funded student receives an enhanced program.

Aboriginal Language and Culture Program

This program will lead to knowledge, understanding and fluency in a student's heritage language and / or culture. This program could involve an overview of the aboriginal cultural mosaic, but should primarily deal with the language and culture of the students served.

Aboriginal Support Service Program

This program is intended to assist Aboriginal students achieve greater success in all school programs by providing personnel who are familiar with and sensitive to the values, beliefs and needs of the aboriginal community from which the student comes, as well as the needs of the school system. Services such as aboriginal tutorial support, elder or peer counselling, and home-school coordination could be provided in this program.

Costs for these Aboriginal Education programs could include:

- salaries and benefits for language and culture teachers and paraprofessionals, home-school coordinators and counsellors;
- honoraria for elders and community experts;
- purchase of materials to support instruction;
- costs of transporting students to instructional sites outside of the school; and
- transportation costs associated with home visits and community liaison.

In addition, a district may charge up to 10% of the Aboriginal Education funding for specific recorded costs associated with consultation / advisory processes, and negotiation and management of Local Education Agreements.

41 School Administration (previously 4.46 –School–based Administration)

This program includes costs directly related to administering both instructional and business activities at the school level. Included in this program are all activities by office clerical staff and non-teaching time for Principals and Vice-Principals. Some clerical support costs can be recorded in Instruction programs other than 1.41, if the clerical staff is assigned to those programs.

60 Summer School (previously 1.12)

This program includes costs specifically related to the offering of a summer school program.

OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

61 Continuing Education

This program includes the costs related to offering credit courses, non-credit courses and recreational courses for students who have not been included on Form 1701 (Student Data Collection) or have not been funded by the Province. Costs also include additional administrative and operations and maintenance costs resulting from the Continuing Education program.

Costs incurred in renting facilities to other organizations (e.g. colleges) for the purpose of conducting a Continuing Education program are no longer included in program 5.63 Community Use of Facilities as this program has been deleted. Costs should be recorded in an appropriate program.

62 Off-shore Students

This program includes the costs related to offering credit courses, non-credit courses and recreational courses for off-shore students. Costs also include additional administrative and operations and maintenance costs resulting from programs for off-shore students.

64 Other

This program includes the costs incurred for services offered other than those programs already discussed in this function. These other services include: community schools, preschool, supplies for resale to students, municipal health services, a non-instructional cafeteria service, and other miscellaneous services.

65 Conseil Scolaire Francophone de la C-B

This program includes the instruction costs incurred by a school district related to providing education services for students enrolled in Conseil Scolaire Francophone de la C-B where the CSF has contracted with the school district to provide those services. Costs that may be charged to this program include:

- direct instruction and classroom support of offering Programme Francophone;
- additional costs directly associated with delivery of Career programs, English as a Second Language, Aboriginal Education, and Special Education programs;
- proportional school-based costs for such programs as library services, and counselling.

FUNCTION 4: DISTRICT ADMINISTRATION

This function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.

Salaries, employee benefits, services and supplies used in the execution of this function are charged to individual programs as applicable. Also included in the individual programs is the cost of maintenance for vehicles used by personnel charged to the program.



OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

11 Educational Administration (*Revised February 2006*)

This program includes the costs of activities related to overall district educational leadership and administration. Activities would include strategic planning, instructional staffing allocations, new programming, coordination of district, school and community for the delivery of educational services and BCeSIS costs.

40 School District Governance

This program includes the costs of activities related to the work of the elected body responsible for all activities in the district, and services related to parent advisory council activities.

Included here are all payments to board members (trustees) and other expenses incurred by this body such as travel, membership fees and school board elections. It also includes costs for parent advisory councils and costs of a public relations (communications) nature.

41 Business Administration (includes old programs 4.42, and 4.47) (*Revised August 2005*)

This program includes the costs of activities related to the business and financial operations of the school system at the district level.

Activities would include budgeting, financial accounting, payroll, internal and external audits, legal, labour relations, purchasing, human resources administration and housing, and activities related to the work of keeping the minutes of the Board of School Trustees.

This program does not include activities carried out at the school level.

65 Conseil Scolaire Francophone de la C-B

This program includes the costs of activities related to the school-based administration of the services provided to a Conseil Scolaire Francophone de la C-B. Included here are actual or some proportional allocation of school-based administration costs. This program may also include additional district administration costs incurred specifically for this program.

FUNCTION 5: OPERATIONS AND MAINTENANCE

This function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, furniture and equipment, and computer equipment. Also included in the individual program is the cost of maintenance for vehicles used by personnel charged to the program.

Salaries, employee benefits, services, and supplies used in the execution of this function are charged to individual programs as applicable.

Any capital expenditure for district facilities must be charged to either Local Capital, Capital Reserve or the Bylaw Capital.

OPERATING FUND - *Operating Fund Account Descriptions*
Functions & Programs (Continued)

41 Operations and Maintenance Administration

This program includes the costs of activities related to the overall administration of operations and maintenance.

Activities would include facilities planning, the coordination and administration of operations and maintenance, as well as communications with schools, municipalities, the Ministry, and the school board, internal courier costs, and the activities of health and safety officers. This program also includes the cost of public liability and property loss insurance coverage.

50 Maintenance (includes old programs 5.51, 5.54, 5.57, 5.62)

This program includes the costs of activities related to Plant Maintenance, custodial services, and equipment repair and maintenance. This program also includes cost incurred by a district for facility leasing, portable moves and central stores.

Activities would include the cleaning, repair, maintenance, safety and security of building structures, all instructional and administrative furniture, equipment and computer equipment, and direct supervision of these activities (e.g. lead hand or working foreman). Operating lease costs incurred by a district for instructional and administrative buildings as well as the cost of moving and setting up portables should be recorded here. Costs related to the operations of a central store would also be included.

52 Maintenance of Grounds

This program includes the costs of activities related to the care and upkeep of all the land and grounds that are the responsibility of the board.

Activities would include snow removal, gardening, repair and maintenance of playgrounds, fields, and grounds equipment and direct supervision of maintenance of grounds (e.g. lead hand or working foreman).

56 Utilities

This program includes all of the costs incurred by a district for the consumption of heat, light, and water, as well as expenditures on garbage, sewer, conservation measures and recycling programs.

65 Conseil Scolaire Francophone de la C-B

This program includes the costs of activities related to the operations and maintenance of the district facilities used to provide services to a Conseil Scolaire Francophone de la C-B.

Deleted: (Old program 5.63)

63 Community Use of Facilities (costs recorded in applicable function/program)

**OPERATING FUND - *Operating Fund Account Descriptions
Functions & Programs (Continued)***

FUNCTION 7: TRANSPORTATION AND HOUSING

This function incorporates programs involving the transportation and housing of students. Housing for employees (teacherages) must be accounted for through a trust account.

Transportation costs related to activities that are associated with an instructional program should be allocated to the appropriate program.

Salaries, employee benefits, services and supplies used in the execution of this function are charged to individual programs as applicable. Also included in the individual programs is the cost of maintenance for vehicles used by personnel charged to the program.

41 Transportation and Housing Administration

This program includes the costs of activities related to the overall administration of transportation and housing programs.

Activities would include bus scheduling, transportation planning, contract administration, coordination of bus maintenance, and communications with schools, parents, the Ministry of Transportation and Highways, and the school board.

65 Conseil Scolaire Francophone de la C-B

This program includes the costs of activities related to the provision of transportation and housing services to students enrolled with a Conseil Scolaire Francophone de la C-B.

70 Student Transportation (includes old program 7.74)

This program includes the costs of activities related to the conveyance of students to and from school on a regular basis and direct supervision of busing (e.g. lead hand or working foreman). The method of conveyance can be bus, water taxi, ferry, train, plane, etc.

This program also includes the costs of activities related to providing guards or attendants at crossing locations. Note that travel (e.g. field trips) that is connected with an instructional program is a cost of the program in Function 1 (Instruction).

73 Housing

This program includes the costs of activities related to providing accommodation to students in lieu of transportation. Housing for employees (teacherages) must be accounted for through a trust account.

This program includes costs such as utilities, operations and maintenance, and boarding allowances incurred as a result of boarding students in lieu of transportation.

OPERATING FUND - *Operating Fund Account Descriptions
Functions & Programs (Continued)*

Deleted: (Old program 7.72)

72 Extra-Curricular Transportation (7.72) (costs recorded in applicable Function/Program)

FUNCTION 9: DEBT SERVICES (OPERATING)

This function incorporates all activities related to the servicing of debt. Bank charges or other expenses related to the financial operations of a district should be charged to Function 4 (Business Administration), Program 41.

Interest charges that are payable as a result of operating borrowings shall be paid out of the district's operating grant. (Section 139).

92 Bank Term Loans (Local Capital)

This program includes interest and other payments related to bank term loans used for local capital purposes.

94 Temporary Borrowing (Operating)

This program includes interest paid on temporary borrowing to meet current operating expenses.

NOTE: A few school districts still have Debt Services (Capital)

Financial activity in the capital component of the debt services function is funded by the district's Debt Services Surplus, if any, and by provincial debt services funding.

92 Bank Term Loans (Capital)

This program includes interest and other payments related to bank term loans used for capital purposes.



OPERATING FUND - *Operating Fund Account Descriptions*
Cost Allocation Guidelines

As a result of the need to identify costs by function and program within the reporting systems, cost allocation principles must be identified in order to ensure consistency in expenditure treatment and financial reporting from district to district.

Where an expenditure is for one program only, there is no cost allocation since the expenditure is charged to only one program. When an expenditure is for more than one program, however, that expenditure must be allocated to two or more different programs by some cost allocation principle.

NOTE: Allocations should not be taken so literally that minuscule amounts are being allocated to various programs. A sense of reasonableness should prevail.

Functions 4 - 9 should be considered support activities for Function 1 (Instruction) and are classified as overhead of the district.

The following are identified cost allocation principles:

1. Actual costs should be used whenever feasible.

For example, when the actual employee salary and time in a program is known and is allocated accordingly, actual costs should be used. When actual costs cannot be used, the use of an average cost is appropriate.

2. Only additional costs pertaining specifically to unique (special) instructional programs should be allocated to these individual programs. All other costs should be allocated to regular programs.

For example, given a classroom with a number of regular and special needs children, it would be appropriate to charge the cost of the assistant and direct expenses for the special needs students to the special education program. The cost of the regular instructional classroom teacher for the total number of students in the class should be coded to the regular instruction program, and the cost of class size reduction associated with having special needs students in the class should be charged to the special education program.

Before allocating costs to special programs, whether for salaries, services, or supplies, districts must be able to demonstrate that costs allocated are required in excess of the amount required for regular instruction.

If a district is unable to determine what portion of a particular cost pertains to regular instruction vs. special programs, then no allocation should be made to the special programs. The entire cost should be budgeted and accounted for in regular instruction.



OPERATING FUND - *Operating Fund Account Descriptions*
Cost Allocation Guidelines (Continued)

3. **Overhead is not allocated to various instructional programs. These costs are coded directly to their specific overhead programs.**

For example, all utility costs are to be coded to Function 5 (Operations and Maintenance) Program 56 (Utilities), and not to other programs. Therefore, even though an expense may be related to an individual program, the functional activity takes precedence over the program. For example, only instructional costs would be allocated to programs in Function 1.

There are a few specific exceptions to this principle that should be noted. In some instances, **additional** non-instructional staff (custodial for example) may be hired for programs such as summer school, continuing education, and day care. This **additional** cost may be coded to the applicable program.

4. **Costs may be allocated using the following methods:**

Time Method (Salaries and Benefits)

The largest cost of any school district operations is salaries and this is also the area where allocation problems can exist. This section attempts to minimize those problems by setting some general rules for salaries and by providing some examples of their allocations.

The general rules to be used for the allocation of salaries are as follow:

1. Individual salaries must be charged to the applicable function and program. In the case of teachers, averages may be used to make cost allocation easier.
2. Salaries of personnel working in two or more functions or programs are to be prorated based on the time spent in each function and program. (Subject to the additional cost principle).
3. Employee benefits and any allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
4. Unassigned time is to be included in the overall allocation and not allocated separately. For example, if a teacher's time is spent as follows:

40%	Instruction: Regular Instruction
50%	English as a Second Language
10%	Unassigned Time, the salary allocation would be 44% Program 02 and 56% Program 30.



OPERATING FUND - *Operating Fund Account Descriptions*
Cost Allocation Guidelines (Continued)

EXAMPLES: The following examples are for illustrative purposes only.

Teacher Salaries

For a regular teacher whose assignment is to teach Grade 3 - 50% and to teach English as a Second Language - 50%, with an annual salary of \$50,000, the salary would be allocated as follows:

Function 1: Instruction, Program 02 - Regular Instruction	\$25,000
Function 1: Instruction, Program 30 – English as a Second Language.....	<u>25,000</u>
Total.....	<u>\$50,000</u>

Teacher Salaries

For a regular teacher whose class size assignment would normally be 23 students but due to two low incidence students is reduced to 18 students, with an annual salary of \$50,000, the salary would be allocated as follows:

Function 1: Instruction, Program 02 - Regular Instruction 78% (18/23) of \$50,000	\$39,000
Function 1: Instruction, Program 10 – Special Education 22% (5/23) of \$50,000	<u>11,000</u>
Total.....	<u>\$50,000</u>

Principal Salaries

A principal of an elementary school has an assignment that is calculated as being 60% instruction, in accordance with program 1.02 of this manual, and 40% administrative, in accordance with program 1.41 of this manual. The total monthly salary, inclusive of administrative allowance, is \$5,000. The total salary should be allocated as follows:

Function 1: Instruction, Program 02 - Regular Instruction 60% of Total salary & allowance.....	\$3,000
Function 1: Instruction, Program 41 - School Administration 40% of Total salary & allowance.....	<u>2,000</u>
Total.....	<u>\$5,000</u>

Vice Principal Salaries

A vice principal of an elementary school with a full teaching load must have some allocation of costs to administration. For example, it could be calculated as being 90% instruction, in accordance with program 1.02 of this manual, and 10% administrative, in accordance with program 1.41 of this manual. The total monthly salary, inclusive of administrative allowance is \$4,000. The total salary should be allocated as follows:

Function 1: Instruction, Program 02 - Regular Instruction 90% of total salary & allowance.....	\$3,600
Function 1: Instruction, Program 41 - School Administration 10% of total salary & allowance.....	<u>400</u>
Total.....	<u>\$4,000</u>



OPERATING FUND - *Operating Fund Account Descriptions*
Cost Allocation Guidelines (Continued)

EXAMPLES: The following examples are for illustrative purposes only.

Business Administration Salaries

A Secretary Treasurer has an assignment of:

Business Administration	60%
Operations and Maintenance Administration	20%
Transportation and Housing Administration	20%
Monthly Salary \$5,000	

Example:

The salary would be allocated as follows:

Function 4: District Administration, Program 41- Business Administration	
60% of \$5,000.....	\$3,000
Function 5: Operations and Maintenance, Program 41 - Operations and Maintenance Administration	
20% of \$5,000.....	1,000
Function 7: Transportation and Housing, Program 41 - Transportation and Housing Administration	
20% of \$5,000.....	<u>1,000</u>
Total.....	<u>\$5,000</u>

Clerical Support Salaries

Office clerical support staff are reported in Program 1.41 – School Administration. Clerical staff assigned to other programs may be allocated to those programs. A secondary school clerical support person's assigned activities are:

School administration	50%
Assigned Clerical support to Library services program	<u>50%</u>
	<u>100%</u>
Monthly salary \$2,500	

Example:

The total salary would be allocated as follows:

Function 1: Instruction, Program 41 - School Administration	
50% of \$2,500.....	\$ 1,250
Function 1: Instruction, Program 07 – Library Services	
50% of \$2,500.....	<u>\$ 1,250</u>
Total.....	<u>\$2,500</u>



OPERATING FUND - *Operating Fund Account Descriptions*
Cost Allocation Guidelines (Continued)

Number of Students (FTE) or Employees (FTE) (Services & Supplies)

In this method, the expenditure is allocated in proportion to the number of students (FTE) or employees (FTE) using a service or supply. For example, the cost of paper at a school could be allocated between programs using this method.

Before allocating costs to special instructional programs districts must be able to demonstrate that costs allocated are required in excess of the amount required for regular instruction.

If a district is unable to determine what portion of a particular cost pertains to regular instruction vs. special programs, then no allocation should be made to the special programs. The entire cost should be budgeted and accounted for in Regular Instruction.

Example: - bulk purchase of supplies to be used by all staff

The allocation depends on where the supplies will be used. If this usage cannot be determined, then the allocation could be based on the percentage of persons in each program.

Total cost of supplies is \$20,000

District Administration staff	9	60%	\$12,000
School Administration staff	6	40%	<u>8,000</u>
		Total	<u>\$20,000</u>

Kilometers (Transportation)

In this method, the expenditure is allocated to programs based on the distance travelled. This would be an appropriate method to use in allocating vehicle costs between grounds and maintenance programs, or in charging transportation costs for field trips that are connected to an instructional program. Driver time may be appropriate for short runs.

Example:

Based on historical data, the district has determined that operating costs for busing students is approximately \$1.50 per kilometer.

As part of an instructional program, students are transported to the field trip location. The number of kilometers to and from the location is 260 kilometers. Therefore, \$390.00 would be charged to the applicable instructional program.

Salaries for the bus drivers should be allocated based on the actual costs if known, or included in the cost per kilometer.

Cost allocation principles should be explained in the notes to the annual financial statements. The methods applied should be used consistently amongst similar programs, between budgets and financial statements and from year to year.