

NC Department of Public Instruction

Business Rules for Chart of Accounts Edits - LEAs

There is a standard Chart of Accounts (COA) that LEAs are required to use. The LEAs should always use valid purpose and object codes, **regardless of Fund**. There is a copy of the COA in BUD on their AS/400. There is also a copy of the COA on the internet:

www.ncpublicschools.org/fbs/finance/reporting/coa2009

Because the LEAs do not consistently use valid account codes, we need for the vendors to automate COA verifications for **all funds**. The following Business Rules apply when editing against the LEA COA in BUD.

We do not validate the last 8 digits of account. We will only validate the account down to the object (i.e., the first 11 digits):

Fund,	1 digit	
Purpose,	4 digits,	TPURPOSEPF file in BUD and is by FY
PRC,	3 digits,	TPRCPF file in BUD and is by FY
Object,	3 digits,	TOBJPF and is by FY

Valid account combinations for State and Federal funds are in the TCOAPF file in BUD. This file is not by year, but has effective dates as part of the file.

1. Only values allowed for Fund are 1-9.

- Fund 1 = State Public School Funds from Dept of Public Instruction (DPI)
- Fund 2 = Local Current Expense Fund
- Fund 3 = Federal grant Fund from DPI
- Fund 4 = Capital Outlay Fund
- Fund 5 = Multiple Enterprise Funds, includes Child Nutrition
- Fund 6 = Trust and Agency Funds

- Fund 7 = Reserved for LEA or Charter School local use
- Fund 8 = Other Local Current Expense Fund
- Fund 9 = Capital Assets

2. If the first digit of purpose code is a 3 or 4, then it is a revenue code. If the fund is 3 (Federal), with purpose code 3 or 4, then the PRC cannot be 000. If the fund is 1 (State), the revenue codes are not required to have associated PRCs and object codes. However, if a PRC is used for Fund 1 and 3, then the PRC should be validated against TPRCPF. The only Revenue codes allowed are the ones published in the COA. Vendor should validate all four digits with the following exceptions:

- ✓ If purpose 3101-3199, then validate on the first three digits of purpose only (make digit four = 0).
- ✓ If purpose 3200-3599, then validate on the first three digits of purpose only (make digit four = 0), except for purpose code 3211.
- ✓ If purpose code 3600-3699, then validate on the first two digits of purpose code only (make digits three and four =00).
- ✓ If purpose 3700-3800, then validate on the first three digits of purpose only (make digit four = 0).
- ✓ If purpose 4110-4299, then validate on the first three digits of purpose only (make digit four = 0).
- ✓ If purpose 4410-4499, then validate on the first three digits of purpose only (make digit four = 0).
- ✓ If purpose 4810-4899, then validate on the first three digits of purpose only (make digit four = 0).
- ✓ If purpose 4910-4919, then validate on the first three digits of purpose only (make digit four = 0).

3. For Funds 1-8, if the first digit of purpose code is a 5-9, then it is an expenditure code. Vendors should validate purpose code as follows:
 - If purpose 5000-9999, then validate on the first three digits of purpose only (overlay digit four with 0), with the following exceptions:
 - Purpose codes 8100 and 8200 validate on the entire purpose. All others validate with purpose digit 4 changed to 0.
 - ✓ Purpose code 81xx/object 472 (make purpose digits 3-4 = 00)
4. **Expenditures must have valid PRC and object codes.** PRC and Object codes = 000 **are not allowed in any Fund** if the first digit of Purpose code is equal to 5-9 for Funds 1-8. Fund 9 is excluded from this rule.
5. Validate PRCs for Funds 1 and 3. PRCs are unique for Fund 1 and 3. If the PRC is valid for Fund 1, it will not be valid for Fund 3 and vice versa.
6. Some PRCs have an open COA. If the PRC has an Open COA, then the OPEN COA flag is set to Y on TPRCPF. PRCs with Open COA will not have purpose/object combinations on TCOAPF; therefore, vendors will need to validate that the LEA is using a valid purpose code (TPURPOSEPF) and a valid object (TOBJECTPF) code.
7. Validate Funds 1 and 3 against TCOAPF in BUD. Be sure to check effective dates. Only exceptions are PRCs with Open COA, and LEAs can use the last digit of purpose code as explained in #2 and #3 above.
8. For expenditures in Funds other than 1 and 3, verify Purpose and Object codes used are valid per the Purpose Code table (TPURPOSEPF) and the Object Code table (TOBJECTPF). Note Purpose Code exceptions in #2 and #3 above.

9. State Textbook should be captured in Fund 1:

- Revenue = 3211,
- PRC = 130, and
- Expenditure Object = 412

Note: Object 412 is not allowed in any other fund except Fund 1 (State).

- Purpose Code = 5110

10. If Purpose Code = 3100, use in Fund 1 only

11. Purpose Code = 3600, use in Fund 3 only

12. If Object = 7XX, Purpose code must be = 8XXX

Some other COA Rules

For information purposes, Vendors do not necessarily need to edit:

1. If purpose is 8200 and object code is 399, then use for budgeting only. This account cannot be used for expenditures.
2. For Funds transferred to Charter Schools, use account 81XX-XXX-717, where XXX is appropriate PRC.