

NC Department of Public Instruction

Business Rules for Chart of Accounts Edits – LEAs

The NC Department of Public Instruction requires LEAs to use a standard Chart of Accounts (COA). 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:

<https://licsalweb.dpi.state.nc.us/licsal/salary/salarydocuments.asp>

Because the LEAs do not consistently use valid account codes, we need the vendors to automate COA verifications for **all funds**.

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,

PRC, 3 digits, and

Object, 3 digits.

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

1. Only values allowed for Fund are 1-9. The titles of each Fund are listed below:
 - 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 Specific Revenue 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 the list of PRCs. The only Revenue codes allowed are the ones published in the COA. Vendor should validate all four digits with the following exceptions:
 - If purpose 3101-3249, then validate on the first two digits of purpose only (make digits three and four = 00), except for purpose code 3211.

- If purpose 3250-3259, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 3400-3459, then validate on the first two digits of purpose only (make digits three and four = 00)
 - If purpose 3460-3469, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 3590-3599, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose code 3600-3799, then validate on the first two digits of purpose code only (make digits three and four =00).
 - If purpose 3800-3809, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 3850-3859, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4110-4149, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4210-4219, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4410-4459, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4470-4499, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4820-4869, then validate on the first three digits of purpose only (make digit four = 0).
 - If purpose 4880-4899, 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:
 - ✓ If Purpose codes 8100 or 8200, validate on the entire purpose.
 - ✓ If Purpose code 81xx/object 472, validate on the first two digits of purpose (overlay digits 3-4 with 00)
 - ✓ If Purpose Code 9000, these are capital outlay projects and digits two through four represent project numbers. (overlay digits 2-4 with 000)
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 Funds 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. PRCs with Open COA will not have purpose/object combinations; therefore, vendors will need to validate that the LEA is using a valid purpose code, using the rules for validating purpose outlined in #3 above, and a valid object code.
7. Validate accounts in Funds 1 and 3. Be sure to check effective dates. Only exceptions are PRCs with Open COA, and the use of the last 2-3 digits 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 list and the Object Code list. 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
13. Account with purpose code 8200 and object code 399, is for budgeting only.
This account cannot be used for expenditures.
14. Local Fund 2 PRC 056 should mirror the State Fund 1 PRC 056.

Some other COA Rules

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

1. For Funds transferred to Charter Schools, use account 81XX-XXX-717, where XXX is appropriate PRC.
2. Installment Collapse codes:
 - 1-5110-001-120
 - 1-5110-001-210
 - 1-5110-001-220
3. Installment Indicators