

SECTION XII--INTERPRETATIONS

ACCOUNTING INTERPRETATION NO. 3

Subject: Equipment and Repair of Equipment

The following is given as part of the Instruction function definition in the School Accounting Manual:

Included here are the activities of aids or assistance of any type (clerk, graders, teaching machines, etc.) which assist in the instruction process.

In accordance with this definition, all teaching machines purchased to be used in the instructional process are to be coded to the various applicable instructional functions. All other equipment items are to be coded to the supporting services functions. Teaching machines are those machines that must be used by the students to develop the skills necessary to successfully complete the course.

All equipment purchases with the exception of teaching machines are to be coded to the applicable supporting services functions, such as, Executive Administration Services, Office of the Principal Services, Fiscal Services, etc. Audio-visual equipment is to be coded to the educational Media Services function. Equipment not chargeable to an instructional or a specific supporting services function should be coded to the Operation and Maintenance of Plant Services function.

In accordance with the rationale for charging employee benefits to the function where the salary is coded, we must also code the repair of equipment (by sources outside the LEA) to the same function to which the equipment was coded when purchased.

The repair of equipment by personnel on the LEA payroll would be coded to the functional area which the person has as his main purpose for being employed by the school district. For example, a custodian's principal occupation is the operation and maintenance of plant; therefore, his salary and employee benefits would be coded to that function. An exception to this statement would be the case where an individual(s) is employed for the purpose of repairing and maintaining various pieces of equipment. In this case the person's salary and employee benefits are to be charged to the applicable functions where the equipment purchases were charged.