

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 18 digits of account. We will only validate the account down to the object (i.e., the first 16 digits):

- Fund, 2 digits,
- Purpose, 5 digits,
- PRC, 4 digits, and
- Object, 5 digits.

Valid account combinations for State and Federal funds, have effective dates as part of the file. Fund code is 2 digits with the **X** designating as the Grant Year.

1. Only values allowed for first digit of Fund are 1-9. The titles of each Fund listed below:
 - Fund 1**X** = State Public School Funds from Dept of Public Instruction (DPI)
 - Fund 2**X** = Local Current Expense Fund
 - Fund 3**X** = Federal grant Fund from DPI
 - Fund 4**X** = Capital Outlay Fund
 - Fund 5**X** = Multiple Enterprise Funds, includes Child Nutrition
 - Fund 6**X** = Trust and Agency Funds
 - Fund 7**X** = Reserved for LEA or Charter School local use
 - Fund 8**X** = Other Specific Revenue Fund
 - Fund 9**X** = 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**X** (Federal), with purpose code beginning 3 or 4, then the PRC cannot be 0000. If the fund is 1**X** (State), the revenue codes are not required to have associated PRCs and object codes. However, if a PRC is used for Fund 1**X** and 3**X**, 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 five digits with the following exceptions:
 - If purpose codes 31010-32499, then validate on the first two digits of purpose code only (make digits three to five = 000), except for purpose code 32110.

- If purpose codes 32500-32599, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 34000-34599, then validate on the first two digits of purpose code only (make digits three to five = 000)
 - If purpose codes 34600-34699, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 35900-35999, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 36000-37999, then validate on the first two digits of purpose code only (make digits three to five = 000)
 - If purpose codes 38000-38099, then validate on the first two digits of purpose code only (make digits three to five = 000).
 - If purpose codes 38500-38599, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 41100-41499, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 42100-42199, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 44100-44599, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 44700-44999, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 48200-48699, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 48800-48999, then validate on the first three digits of purpose code only (make digits four and five = 00).
 - If purpose codes 49100-49199, then validate on the first three digits of purpose code only (make digits four and five = 00).
3. For Funds 1X-8X, 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 codes 50000-99999, then validate on the first three digits of purpose code only (overlay digits four and five with 00), with the following exceptions:
 - ✓ If Purpose codes 81000 or 82000, validate on the entire purpose.
 - ✓ If Purpose code 81XXX/object 04720, validate on the first two digits of purpose (overlay digits 3-5 with 000)
 - ✓ If Purpose Code 90000, these are capital outlay projects and digits two through five represent project numbers. (overlay digits 2-5 with 0000)

4. **Expenditures must have valid PRC and object codes.** PRC codes = **0000** and Object codes = **00000** are not allowed in any Fund if the first digit of Purpose code is equal to 5-9 for Funds 1X-8X. Fund 9X is excluded from this rule.
5. Validate PRCs for Funds 1X and 3X. PRCs are unique for Funds 1X and 3X. If the PRC is valid for Fund 1X, it will not be valid for Fund 3X and vice versa.
6. Validate accounts in Funds 1X and 3X. Be sure to check effective dates.
7. For expenditures in Funds other than 1X and 3X, verify Purpose codes 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 1X:
 - Revenue = 32110,
 - PRC = 0130, and
 - Expenditure Object = 04120

Note: Object 04120 is not allowed in any other fund except Fund 1X (State).

 - Purpose Code = 51100
10. If Purpose Code = 31000, use in Fund 1X only
11. Purpose Code = 36000, use in Fund 3X only
12. If Object = 07XX0, Purpose code must be = 8XXX0
13. Account with purpose code 82000 and object code 03990, is for budgeting only. **This account cannot be used for expenditures.**
14. Local Fund 2X PRC 0056 should mirror the State Fund 1X PRC 0056.

Some other COA Rules

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

1. For Funds transferred to Charter Schools, use account 81XX0-0XXX-07170, where 0XXX is appropriate PRC.