
ICC INDEXES OBJECT OF EXPENDITURE EXPLANATION 07/01/89

Object of expenditure codes are used to identify the nature of amounts disbursed from an accounting entity wherein the activity is accounted for as an expenditure (expense)/deduction or transfer out. Unlike program and object of revenue codes, which are unique to an agency, established object of expenditure codes are used by all agencies.

Objects of expenditure are established in SBAS by input Form 161 - Object of Expenditure Description. Form 161 is prepared by the requesting agency in conjunction with the Accounting Division, Department of Administration per instructions found in MOM Chapter 2-0400, Information and Control Core.



OBJECT OF EXPENDITURE DEFINITIONS

1000 Personal Services

The personal services category includes expenditures for salaries, wages, and related employee benefits provided to all persons employed (i.e. authorized FTE's only) by state agencies, including units of the university system and vocational technical centers. Employee benefits include employer contributions to a retirement system, insurance, sick leave, termination pay and similar benefits.

Per diem payments to appointed members of State Boards, commissions and councils may be recorded under this category (see code series 1300).

1100 Salaries

Compensation paid to employees of the State of Montana who are employed on a full-time, part-time, or temporary basis and at a monthly or yearly salary. (Even if the salary is converted to an hourly rate for payroll purposes, the employee is still considered to be salaried.) Does not include employee benefits (see code series 1400).

1200 Hourly Wages

Compensation paid to employees of the State of Montana who are employed on a full-time, part-time, or temporary basis at an hourly rate only. Also includes inmate pay at the State's institutions. Includes payments to hourly employees for overtime, sick leave, vacation, holidays, military leave, jury duty, etc. Does not include employee benefits (see code series 1400).

1300 Other Compensation

Payments made directly to employees, including members of boards or commissions, which are not accurately classified as either salaries or wages but are made as remuneration for services rendered. Does not include travel per diem.

1400 Employee Benefits

Payments made by the State of Montana on behalf of its employees relative to salaries or wages earned. Includes payments such as:

- Social Security (FICA)
- Retirement System Contributions
- Group Insurance
- Workmen's Compensation Insurance Premiums
- Unemployment Insurance (if applicable)
- Surety Bond

1900 Personal Services - Other

To provide a series for miscellaneous personal services expenditure and budgetary description.

2000 Operating Expenses

Includes the costs of consumable commodities or services relating to the operating needs of the various functions of State government. Does not include the purchase of assets intended for long-continued use or possession.

2100 Other Services

Includes expenditures for services which are: (1) required by State government in the administration of its assigned functions; or (2) legally or morally obligatory on the State. Includes both professional and nonprofessional services such as audit fees, printing, insurance, social services and all other services which are not specifically required to be classified under another category. The services received may involve the receipt of either a product or a process. Includes all the service provider's costs incurred during performance of the service if those costs are passed on to the state, such as travel expenses and supplies and materials. The services charged to this category may be performed by another state agency, another department/division within the receiving agency, or by the private sector.

2200 Supplies and Materials

Includes consumable commodities purchased for inventory or immediate consumption. Includes articles and commodities which are consumed or materially altered when used. The principal type of supplies include operating supplies, office supplies, and small tools.

2300 Communications

Includes the cost of transmitting messages, such as: charges for telephone, telegraph, teletype, radio services and advertisements. Postage, rental of post office boxes, messenger services, telephone installation and the cost of outgoing freight, express or cartage charges are also included. (Incoming freight charges are to be charged to the cost group to which the applicable goods are charged.)

2400 Travel

Includes the cost of transportation (for State employees and appointed members of State Boards, commissions and councils) on public conveyances, such as: airplanes, railroads, buses, taxicabs. Also includes: meals, lodging, per diem, and mileage allowances when privately-owned vehicles are used for transportation or charges paid to the State Motor Pool.

This category also includes nonemployee travel not associated with the 2100 code series (e.g., student field trips and athletic team travel should be coded using 2498 - Nonemployee Travel).

The cost of operating State-owned vehicles is not included in this group (see code series 2200). This group does not include repair and maintenance of transportation vehicles (see code series 2700). Does not include vehicle and related expenses involved in routine patrol activities.

2500 Rent

Charges paid for the use of equipment, land or buildings.

2600 Utilities

Charges paid for utility services such as:

- Charges for electric power, including standby services.
- Charges for gases or fuels for heating, lighting, cooking, or laboratory use.
- Charges for water or water services.
- Charges to remove and/or treat sewage.
- Charges to remove and/or dispose of garbage or trash.

2700 Repair and Maintenance

The costs recorded in this group include all labor, materials and overhead, of maintaining State property, facilities or equipment in working order (including the cost of repair and maintenance contracts). If an agency maintains its own repair and maintenance work force, labor charges will be classified under the personal services category.

The costs of any activity which results in substantial improvement or increase in the life of a fixed asset is not recorded in this group. These costs are properly treated as capital outlay.

2800 Other Expenses

Includes expenditures not more specifically classified in other groups, including such items as:

- Dues for membership in State, County and other organizations which State officials and employees are required to join.
- Subscriptions to newspapers, magazines and other periodicals, including continuous tax, rate, legal and other technical service subscriptions.
- Taxes, Assessments etc. including filing fees, etc. on State-used or owned properties.
- Registration fees for training conferences.
- Interest excluding debt services.

2900 Goods Purchased for Resale

Includes the following:

- Raw materials purchased for manufacture or processing of articles for ultimate resale.
- Merchandise purchased by a State agency for the purpose of resale to the public without further processing.
- Freight-in or other handling or processing charges, including the cost of freight to point of sale.

Payroll costs relating to handling, storing, or processing goods which will be resold are to be charged to Personal Services.

3000 Equipment & Intangible Assets

This category includes disbursements relating to the purchase of equipment, livestock, and intangible assets. It also includes capital leases and installment purchases of equipment.

3100 Equipment

Includes new and replacement equipment which is of a non-consumable nature and has an estimated life of more than one year.

3200 Livestock

Includes the cost of horses, cattle, pigs and other live animals purchased by the State. Does not include animals that are used for laboratory purposes (see code series 2200 - Supplies and Materials).

3300 Capital Leases - Equipment

To separate capital leases from normal equipment purchases for accounting purposes.

3400 Intangible Assets

To record purchases of intangible assets (e.g., computer software).

3500 Installment Purchases - Equipment

To be used for installment purchases of equipment.

4000 Capital Outlay

Includes all expenses relating to the purchase of land, buildings, or improvements wherein the building or other improvement is purchased pre-constructed or the nature of the expenditure for construction is not identified through reference to the program to which the expenditure is connected in the identification. Does not include equipment.

Also includes construction of new structures and attached fixtures, major renovations, and additions to (and major replacement of) assets owned by the State of Montana.

4100 Land and Interest in Land

Includes the purchases of land, mineral rights, or land easements. Also includes survey, title search, legal, fiscal and other auxiliary costs required to receive title to the property (not paid directly to State personnel which would be classified as Personal Services).

4200 Buildings

Includes the contracted price of structures housing people, equipment or materials. Includes: mechanical and electrical work which is an integral part of the structure and engineering, architectural fees, site preparation, inspection and related services which are not charged to any other category, including Department of Administration construction supervision charges. Building costs also include remodeling if the productive capacity or life of the structure is enhanced. Routine maintenance, painting and similar repairs are not included.

4300 Other Improvements

Includes the cost of work performed upon the land and its adjacent ways including: grading, landscaping, seeding, planting, sidewalks, parking lots, pavements, fences, etc.

Does not include the cost of buildings (see code series 4200), except for repair and maintenance.

4400 Capital Leases - Capital Outlay

To identify the capital outlay associated with capital leases for land or buildings.

4500 Installment Purchases - Capital Outlay

This series of expenditure objects are to be used at the inception of Installment Purchase Contracts.

5000 Local Assistance

The local assistance category represents monies disbursed by the State to units of local governments (counties, cities, towns, or subdivisions thereof) to be used by them without specific restriction.

5100 From State Sources

Monies derived from State-controlled revenue sources and given without restrictions to counties, cities, towns, school districts, etc. to be used by the recipient entities as they deem appropriate. This is accomplished pursuant to State policies and not paid as an agent of the other governments or groups.

5200 From Federal Sources

Monies derived from Federal sources and given without restrictions to counties, cities, towns, school districts, etc. to be used by the recipient entities as they deem appropriate. This is accomplished pursuant to Federal and/or State policies and paid as an agent of the Federal Government.

5300 From Other Sources

Monies derived from other than State or Federal sources and given without restrictions to counties, cities, towns, schools districts, etc. to be used by the recipient entities as they deem appropriate. This is accomplished pursuant to State policies and paid as an agent for the donor.

6000 Grants

Includes the distribution of monies derived from various sources, to a variety of recipient entities to be utilized by them as stipulated in the grant agreement.

6100 From State Sources

Monies derived from State sources and given to counties, cities, towns, schools districts, local agencies, professional societies, etc. to be used or distributed by the recipient entities as specified by the grant agreement.

6200 From Federal Sources

Monies derived from Federal sources and given to counties, cities, towns, school districts, local agencies, professional societies, etc. to be used or distributed by the recipient entities as specified by the grant agreement.

6300 From Other Sources

Monies derived from other than State or Federal sources and given to counties, cities, towns, school districts, local agencies, professional societies, etc. to be used or distributed by the recipient entities as specified by the grant agreement.

6600 Payments to Group Homes

Monies given to group homes to be used or distributed by the recipient entities as specified by the grant agreement.

7000 Benefits and Claims

This category is used to identify the disbursement of monies, regardless of source, to individuals in payment of various benefits and claims.

7100 To Individuals

Monies given directly to individuals for reasons such as:

- retirement payments
- labor claims
- social assistance
- judgments, etc.

7200 From State Sources

To identify benefit and claim payments made from State funding sources.

7300 From Federal Sources

To identify benefit and claim payments made from Federal funding sources.

7500 From Other Sources

To identify benefit and claim payments made from other sources.

7600 Payments to Group Homes

To identify benefit and claim payments made to group homes.

7700 Insurance Payments

This code is used to identify costs for payments of insurance claims.

7900 Other Financing Uses/Deductions

Used to record deductions which are not expenditures of governmental unit but a use of funds of individual A/E(s) or funds. (See MOM Chapter 2-2200 for details). Examples are:

- Loss on Debt Extinguishment
- Demand Bonds - Expiration of takeout agreement

8000 Transfers

This category includes the transfer of monies between or among State accounting entities and programs.

8100 Accounting Entity Transfers

Includes the transfer of monies from one accounting entity to another within the Treasury Fund Structure.

8500 Retirement Fund Transfer

To record transfers to retirement funds from A/E 02401 and A/E 02802.

8700 Mandatory Transfers

Used by higher education units for transfers "arising out of (1) binding legal agreements related to the financing and educational plant, such as amounts for debt retirement, interest, and required provisions for renewals and replacements of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan and other funds. Mandatory transfers may be required to be made from either unrestricted or restricted current funds."

8800 Nonmandatory Transfers.

Used by higher education units for "transfers to other fund groups made at the discretion of the governing board to serve a variety of objectives, such as additions to loan funds, additions to quasi-endowment funds, general or specific plant additions, voluntary renewals and replacements of plant and prepayments on debt principal."

9000 Debt Service

Includes all disbursements related to the retirement of long-term debts.

9100 Bonds

Payments made in connection with long-term debts of the State of Montana. Includes:

- principal payments
- interest payments
- premiums
- trustee fees
- agent fees, etc.

9200 Loans

Identifies disbursements of, or relating to, the retirement of the State's debt through loan financing.

9300 Leases

Used to identify costs associated with principal and interest payments on capital leases.

9400 Installment Purchases

Used to identify costs associated with principal and interest payments on installment purchases.

9500 Lease Participation Notes

Used to identify costs associated with payment of principal, interest, issuance costs, discount amortization, etc., on lease participation notes.

plan of action according to purpose of money

complete services requested

CACFP - need prev. & fut. things

quality - training

cc. disc. } infant toddler support