

GUIDANCE TO CLARIFY THE DIFFERENCE BETWEEN OBJECT CODES 300, 600, & 800

It is extremely important your local accounting records match those approved and on file in the Division of Student Support & Innovation. The Division of Student Support & Innovation uses the North Dakota School District Financial Accounting and Reporting Manual (NDSDFARM) to determine the activities under each object code. There is often confusion regarding whether some expenditures are coded to object code 300, 600, or 800. This guidance is meant to clarify and provide examples for each object code.

Object Code 300

In the fiscal accounting process, **object code 300** is labeled “Purchased Professional and Technical Services.” This code is to be used any time funds will be utilized to purchase a service. The following are examples of a purchased service:

- Paying a consultant or speaker to do a presentation for staff development.
- Paying a company, such as NWEA, to access an assessment, receive technical assistance, and obtain reports on testing results.
- Paying a provider, such as Sylvan Learning Center, to provide tutoring services to at-risk students.

Under object code 300, you are not paying for a product; rather, **you are paying a person or a company to provide services (i.e., purchased services)**.

If funds are being used to purchase a service and will be listed under object code 300, the school district **must have a contract with the vendor**. The contract should, at a minimum, include:

- A. scope of services
- B. duration of the contract
- C. method and amount of payment
- D. executed by both parties

Additionally, districts must ensure they do not enter into a contract or sub-grant with any vendor that is debarred, suspended, or is ineligible for participation in federal programs by:

1. Checking the Excluded Parties List (EPLS) in the System for Award Management (SAM) at www.sam.gov
2. Collecting a certification from the vendor and attaching it to the contract
3. Adding a clause or condition to the contract which indicates the vendor is eligible

A contract template can be found at www.nd.gov/dpi/uploads/1269/SampleContract.pdf. School districts can use or modify this form to fit their needs.

If you are paying a vendor with federal funds, it is crucial to have a contract with the vendor which shows exactly how the funds will be used to demonstrate the services are appropriate for the program. A document that sets forth the specific goods and services being purchased with your federal funds proves to auditors and the U.S. Department of Education (USDE) your intentions for spending federal funds.

Object Code 600

In the fiscal accounting process, object code 600 is labeled “Materials and Supplies.” The following are examples of expenditures coded to object code 600:

- Expendable items that are consumed, worn out, or deteriorated in use
- Freight
- Books and classroom supplies (tangible items)
- Computer software/software applications
- Periodicals/subscriptions
- Books for study groups
- Parent involvement supplies/materials

* Equipment such as computers, printers, white boards, furniture, iPads, etc., will always be listed under object code 730, even if the purchase price is under \$750 per item.

Object Code 800

In the fiscal accounting process, **object code 800** is labeled “Dues, Memberships, and Registration Fees.” The following are examples of expenditures coded to object code 800:

- Paying dues for Title I personnel to belong to the International Reading Association
- Registration fees for Title I staff to attend trainings
- Paying an annual membership fee for the school to participate in an organization (schoolwide programs only)
- Registration expenses for teachers to take for college courses (tuition, books)
- Paying for licenses for Title I students to access a computer-based intervention program
- Paying for online courses

Questions

If you have further questions regarding how to code federal Title expenditures, please contact Shauna Greff, Title I fiscal officer, at sfgreff@nd.gov or (701) 328-2958, Jane Gratz, Title II fiscal officer, at jmgratz@nd.gov or (701) 328-2292, Jill Frohlich Title III fiscal officer at jmfrohlich@nd.gov or (701) 328-2254, Angela Thomas, Title IV fiscal officer at afthomas@nd.gov or (701) 328-2317 or your contact person in the Division of Student Support & Innovation, or Laurie Matzke at lmatzke@nd.gov or (701) 328-2284.