

# Accounting Bulletin #2008-03

**SUBJECT: Accounting for Nonpublic School Expenditures**

**Effective: Fiscal Year 2008-09**

Date: September 30, 2008

This Bulletin applies to school districts that provide federally funded Title 1 instructional services to nonpublic school students.

Under federal guidelines, Title 1 nonpublic school money that is earmarked for instructional services is distributed to local school districts or intermediate units for allocation. The funds are then used for services that may be of a direct instructional nature or provide instructional support to the nonpublic school.

Currently, intermediate units use Function 1500, *Nonpublic School Programs (For IU use only)*, to code nonpublic instructional expenditures. However, we understand that there may be times when a school district provides the same type of service.

Beginning with fiscal year 2008-09 reporting, any school district that provides instruction to nonpublic school students must use expenditure function 1500 to record the costs. Schools that contract with another district to provide these services should also use function 1500, but use object 323 (*Professional Educational Services – Other Educational Agencies*). Failure to record to function 1500 could negatively impact a district's tuition rate or actual instructional expense (AIE). In addition, it would result in the Commonwealth reporting incorrect data to the Federal Government.

Reporting of costs for other services provided to nonpublic students should remain in their respective functions; nonpublic support services (2280), nonpublic health (2450), and nonpublic transportation (2750).

Questions regarding this bulletin may be directed to the School Finance staff within the Office of Comptroller Operations at [Ra-Schlfin@pa.gov](mailto:Ra-Schlfin@pa.gov)