



# USAS Coding – Digging Deeper

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# What is this USAS Coding System

- Where did this coding system begin?
- Why were these codes used?
- Here is where you find the manual for the codes:
  - Auditor.state.oh.us>publications>USAS manual (Revised Spring 2013)
  - Link on ODE website: education.ohio.gov.>topics>finance and funding>news>expenditure per pupil rankings>scroll to bottom to see link

# Is USAS Coding Really a Big Deal?

It's a bunch of codes we use that separate the expenses. Why do we use numbers for codes? Why don't we just code expenses to a wording system of salaries, benefits, services, supplies and equipment? Why not keep it simple? We have so much complicating our jobs in schools and we would just like something to be easy.

# Coding is a Big Deal

Up until 1977, all expenses were coded to salaries, benefits, services, supplies and equipment and it became a monster in big districts. Searching for a record became a nightmare.

# What is the Big Deal?

USAS coding was implemented by the State Auditor's office in 1977 .

It was set up to be a 28-digit coding system in anticipation of a basic software program that would integrate into data processing system. It was modeled after the National Uniform Accounting System established in the early 1970's.

# Why is Coding a Big Deal?

The State Auditors office developed the system so that schools could categorically separate their expenses and be able to track these expenses.

Recognizing that each school district in the state functions differently and that no two districts are alike, the State Auditors office came in to each district to set up codes in 1978 so that each district could remain its unique self.

# Use the Codes

Proper account coding using the USAS manual makes a difference on all state reports, and can reflect your districts efficiency and accountability

It is very important that the staff who inputs the data understand USAS coding and the structure of the USAS system.

# Use the Codes

If you look at the USAS system as a whole, you can view every aspect of a school district's operational system. If we put that into context, you should be able to see where each piece of the system fits into its place.



# How does this USAS System Work?

If you look at the USAS coding system as a whole, the “Method to the Madness” has a pattern:

The coding system includes:

Fund ( 3 digits)	mandatory code
Function (4 digits)	mandatory code
Object ( 3 digits)	mandatory code
Special Cost Center (4 digits)	optional code
if separating cash funds	mandatory code
Subject (6 digits)	optional code
Operational Unit ( 3 digits)	optional code
Instructional Level (2 digits)	optional code
Job (3 digits)	optional code

# Making Sense of the Codes

Looking at the big picture of USAS Coding :

The most important fund which also includes most of the district expenditures, the general fund is #1 or 001, and radiates out from there

# Making Sense of the Codes

Looking at the big picture of USAS Coding:

The most important function, over 50% of the district expenditures should be spent in this area - the area of instruction, which is why it is 1000, then 2000 is support service, 3000 community service, 4000 extracurriculars, etc.

# Making Sense of the Codes

The most important object, this will probably also make up about 50% of a district's general fund expenditures is for salaries, which are 1xx. This is why, when a district has to make budget cuts, staff must be included to make a significant impact. The next most expensive object code is 2xx, which are the benefits to those salaries, make up about 20% of the budget and average 38% - 43% of a salary cost.

# Making Sense of the Codes

It is easy to see that if a district reaches 80% of their budget in salaries and benefits, that it puts a school budget in the danger zone.

Special cost centers are used to track programs.

# Making Sense of the Codes

Special costs centers within the funds that are used to track programs need to begin with a number less than 9xxxx

If you want to create a separate cash account in a fund, then the special costs center should begin with a 9xxx

# Making Sense of the codes

- Subject codes are used for secondary teachers salaries and textbooks only. The subject codes to be used can be found in the EMIS manual on the ODE webpage.
- Operational units are used to separate expenses by building. It is important because the state will issue yearly building reports as part of the building part of the expenditure standards report.

# Making Sense of the Codes

- The Instructional Level is used to show grade level for elementary teachers' salary. It follows the grades 01-06 and grade K is 14. Multi grades are 16.
- The job is for whatever the district wants it to be and is optional
- Now you know how the 28 digit system is set up, so how does it work?



# Examples

District A is doing a construction project. They are using Fund 004, function code 2740, object code 640.

Will their construction project be reflected in the expenditure standards report?

Should they change the codes?

# Examples

District B sponsors a community school. They pay the community school teachers out of their fund 001 function, 11xx and object 111. They bill the community school for the salaries and benefits and receipt the money in a 001-1832 code.

**What affect will this have on their expenditure report? What should they do?**

# Why do We Need to Use the Correct Codes?

# Expenditure Standards Ranking

The new expenditure standards ranking report will reflect how districts are spending their money and will be compared to districts of their size.

Crosswalk Report

# Locating the Reports



# Contact Information

If you need assistance, you may reach me at

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