

Chapter 3

Accounting for Revenues and Other Financing Sources

Table of Contents

Chapter 3.....	3-1
GENERAL.....	3-2
CLASSIFICATION OF REVENUES AND OTHER FINANCING SOURCES	3-3
8100 Federal Revenues	3-4
8110 Forest Reserve	
8120 Higher Education Act	
8130 Workforce Investment Act (formerly Job Training Partnership Act)	
8140 Temporary Assistance for Needy Families (TANF)	
8150 Student Financial Aid	
8160 Veterans Education	
8170 Career and Technical Education Act (CTEA)	
8190 Other Federal Revenues	
8600 State Revenues	3-6
8610 General Apportionments	
8620 General Categorical Programs	
8630 Education Protection Account	
8650 Reimbursable Categorical Programs	
8670 State Tax Subventions	
8680 State Non-Tax Revenues	
8690 Other State Revenues	
8800 Local Revenues.....	3-12
8810 Property Taxes	
8820 Contributions, Gifts, Grants, and Endowments	
8830 Contract Services	
8840 Sales and Commissions	
8850 Rentals and Leases	
8860 Interest and Investment Income	
8870 Student Fees and Charges	
8890 Other Local Revenues	
8900 Other Financing Sources.....	3-21
8910 Proceeds from Sale of Capital Assets	
8940 Proceeds from Long-Term Debt	
8980 Incoming Transfers	
REVENUE ABATEMENTS	3-24

GENERAL

This chapter explains the procedures that community college districts are to use to account for revenues (additions to assets without any accompanying increase to liabilities). It prescribes the minimum accounting standards for classifying revenues and other financing sources and for abating revenues.

Detailed revenue accounting serves several important purposes, in that it:

- provides districts with a uniform method of recognizing and classifying revenues;
- provides districts a means of determining whether all revenues that should have been received, have, in fact, been received;
- captures information that districts must report in various financial statements; and
- facilitates district planning and budget preparation by providing historical information on sources of revenue.

In Governmental Funds and Expendable Trust Funds, revenues are recorded when they are earned, measurable, and available to pay liabilities of the current period – modified accrual basis of accounting. In Proprietary Funds and Nonexpendable Trust Funds, revenues are recognized when they are earned, regardless of the timing of related cash flows – full accrual basis of accounting. Receivables are accrued for amounts that satisfy the applicable definition of revenue but are not received at the close of the accounting period. Amounts that are received that do not meet the definition of revenue (i.e., they are not earned) must be recorded as deferred revenues.

One notable exception to the rules for recognition of revenue is the treatment of enrollment fees charged for instructional periods after the close of the Spring term. Such fees must be recorded as deferred revenue, regardless of whether they are earned by the end of the fiscal year.

Revenue is to be distinguished from income (the excess of revenues over expenses). Income from the conduct of district operations such as the bookstore or cafeteria is accounted for within Proprietary Funds Group – Enterprise Funds.

Likewise, non revenue receipts - moneys received for which the district incurs an obligation (liability) - such as moneys received through long-term loans, the sale of bonds, etc., are not to be accounted for as revenue, but as Other Financing Sources (Account 8900). (Refer to *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR) for details)

CLASSIFICATION OF REVENUES AND OTHER FINANCING SOURCES

Community college revenues and other financing sources are to be classified by fund and by source. Classification by fund is explained in the previous chapter. The classification by source presented here depicts major and subsidiary reporting classes that shall be used in recording such information. Districts may increase the detail of their revenue recording by creating further subdivisions to this classification as needed. Revenue accounts in this chapter apply to all funds except as otherwise noted.

Federal and State revenue classifications are used to record awards or financial assistance which are required to be included in Federal or State compliance reports. Office of Management and Budget (OMB) Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations* defines Federal awards as: “Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors”. Therefore, contracts to provide instructional services to Federal or State agencies are recorded as Local Revenue, Account 8830, Contract Services, unless there is an external requirement to report them as Federal or State Revenue.

Expenditures of Federal revenues (grants or contracts) are accounted for and reported in accordance with OMB Circular A-21; “*Cost Principles for Educational Institutions*.” Copies of the circular are available at www.whitehouse.gov/omb/circulars_a021_2004. This circular provides guidance for determining costs applicable to Grants, Contracts and Other Agreements with Educational Institutions.

Accounts that are not numbered in this manual are required, but the district may assign the account number.

8100 Federal Revenues

- 8110 Forest Reserve
- 8120 Higher Education Act
- 8130 Workforce Investment Act (formerly Job Training Partnership Act)
- 8140 Temporary Assistance for Needy Families (TANF)
- 8150 Student Financial Aid 8160 Veterans Education
- 8170 Career and Technical Education Act (CTEA)
- 8190 Other Federal Revenues

All revenues received or accrued from federal awards (whether distributed by State, Federal, or local agencies) shall be recorded as Federal Revenues. Federal awards are defined in OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations* as: “Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors”.

Account 8100, Federal Revenues, is the controlling account that summarizes amounts recorded in the following subsidiary accounts. Districts can determine if a particular grant is authorized by Federal agencies by searching the *Catalog of Federal Domestic Assistance* via the Internet at:

<http://www.gsa.gov/fdac/queryfdac.htm>

8110 Forest Reserve

Revenue from the State Controller’s Office as allocation of timber sale proceeds from U.S. Forest Reserve Land, *EC* § 2300 and *GC* § 29484.

8120 Higher Education Act

Revenue from grants authorized by the Higher Education Act of 1965. Grants include Title III programs for institutional development (including Part A: Strengthening Institutions); Title IV programs to motivate and support students from disadvantaged backgrounds (including Upward Bound, Student Support Services, and Educational Opportunity Centers, and the Federal Work-Study Program); and Title VI programs for international education programs

8130 Workforce Investment Act (WIA) (formerly Job Training Partnership Act)

Revenue from the provisions of the Workforce Investment Act (Public Law 105-220) for job training, employment opportunity, and other services to enhance the self-sufficiency of economically disadvantaged, unemployed, or underemployed persons. This account does **not** include the Employment Training Panel (ETP) or Economic Development programs. These funds are to be recorded within Account 8650, State Reimbursable Categorical Programs.

8140 Temporary Assistance for Needy Families (TANF)

Revenue (Federal portion) for additional fixed, variable, and one-time costs to provide support services and instruction for welfare recipients under the State's CalWORKs Program. The State's matching share is recorded within Account 8620, General Categorical Programs.

8150 Student Financial Aid

Revenue for direct student financial aid (accounted for in the Student Financial Aid Trust Fund) or for administering student financial aid programs (accounted for in the Restricted General Fund).

Applicable assistance would include the Perkins Loans, Pell Grants Program, Supplemental Educational Opportunity Grants (SEOG), Academic Competitiveness Grants and Nursing Loans as well as other Federal financial aid as may become available.

College work-study moneys are to be reported under the Higher Education Act (8120).

8160 Veterans Education

Revenue for the operation of veterans outreach, recruitment, special counseling, and special educational programs. Includes any financial assistance for U.S. military veterans.

8170 Career and Technical Education Act (CTEA)

Revenue from Career and Technical Education Act grants for special studies, demonstration projects, supplemental services to special populations in identified educational programs, etc. including Perkins Title I and Title II

8190 Other Federal Revenues

Revenue from all other federal awards, as defined above, even if received through another State or local agency. This includes federal funds from the State Department of Rehabilitation for the WorkAbility II and III programs.

8600 State Revenues

- 8610 General Apportionments
- 8620 General Categorical Programs
- 8650 Reimbursable Categorical Programs
- 8670 State Tax Subventions
- 8680 State Non-Tax Revenues
- 8690 Other State Revenues

State funds received or accrued from the State government (whether distributed by State or local agencies) shall be recorded as State Revenues. Federal moneys distributed by State or local agencies are to be recorded under Federal Revenues. The presence of a CFDA Number on the Grant Award Letter is an indication the funding is from a Federal source. Contracts to provide instructional services to State agencies are reported as Local Revenue, Account 8830, Contract Services, unless there is an external requirement to report them as State revenue.

Emergency apportionment (*CCR §58316*) is recorded within Account 8940, Proceeds of General Long Term Debt—Other General Long-Term Debt. The deduction from apportionment made by the State Controller for repayment of Emergency Apportionment is accounted for as an expenditure (Object 7100, Debt Retirement) and not a reduction of General Apportionment.

Account 8600, State Revenues, is the controlling account that summarizes amounts recorded in Accounts 8610 through 8690.

8610 General Apportionments

- Apprenticeship Apportionment
- State General Apportionment
- Other General Apportionments

These accounts are used to record the receipt of state moneys allocated by the Chancellor's Office through certification to the State Controller's Office as well as any adjustments accrued for the First Principal Apportionment (P-1). The certification is based on calculations prescribed by law (e.g., levels of student attendance). General Apportionments are distributed periodically in accordance with provisions of law or as scheduled by the Chancellor's Office. These moneys are unrestricted and are used at the discretion of the district's governing board for general instructional and operational purposes.

Account 8610, General Apportionments, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Apprenticeship Apportionment

Revenue from apprenticeship apportionment resulting from the attendance of eligible students in related and supplemental apprenticeship courses (*EC §8150*).

State General Apportionment

Revenue from State General Apportionment pursuant to the SB 361 (*CCR §58700*) resulting from the attendance of California residents and specified nonresidents as provided by law in credit and noncredit courses approved by the Chancellor's Office.

Other General Apportionments

All other revenues apportioned and available to finance unrestricted general operations, including State funds for Basic Skills, Part Time Faculty allocations, Office Hours and Insurance, and the two percent of enrollment fees waived pursuant to the Board Financial Assistance Program.

8620 General Categorical Programs

Child Development

Extended Opportunity Programs and Services (EOPS)

Disabled Students Programs and Services (DSPS)

Temporary Assistance for Needy Families (TANF)

California Work Opportunities and Responsibility to Kids (CalWORKs)

Telecommunications and Technology Infrastructure Program (TTIP)

Other General Categorical Programs

These accounts are used to record the receipt of restricted State revenue allocated by the Chancellor's Office or other State agencies for which districts receive funds without filing an application or claim. While these items are not necessary to receive such funds, expenditure reports may be required. Moneys are distributed periodically in accordance with provisions of law or as scheduled by the applicable office. These funds are restricted for specific purposes and are recognized as revenue only when earned. Advances are recorded as deferred revenue until earned.

Account 8620, General Categorical Programs, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Child Development

Revenue for child care and development services and programs pursuant to Chapter 2 of Part 6 of the *Education Code* (commencing with Section 8200). These revenues are accounted for in the **Child Development Fund**.

Revenue received as Campus Child Care Tax Bailout for former tax revenue derived from *EC §§ 8329 and 8330* are recorded in Other General Categorical Programs and are also accounted for in the **Child Development Fund**.

Extended Opportunity Programs and Services (EOPS)

Revenue for providing allowable supplemental services through EOPS to encourage enrollment of students handicapped by language, social, and/or economic disadvantages (*EC* §69640).

Disabled Students Programs and Services (DSPS)

Revenue for providing allowable supplemental services and programs to disabled students (*EC* §84850).

Temporary Assistance for Needy Families (TANF)

Revenue (State portion) for additional fixed, variable, and one-time costs to provide support services and instruction for welfare recipients under the State's CalWORKs Program. The Federal share is recorded within Account 8140, Temporary Assistance for Needy Families (TANF).

California Work Opportunities and Responsibility to Kids (CalWORKs)

Revenue for providing educational services to CalWORKs recipients through work/study, childcare, curriculum development and redesign, and instruction for job development and placement.

Telecommunications and Technology Infrastructure Program (TTIP)

Revenue for the development and implementation of a comprehensive telecommunications infrastructure including model applications and faculty and staff development in the areas of telecommunications and technology.

Other General Categorical Programs

All other restricted State funds automatically allocated to districts for specific restricted purposes or programs not elsewhere identified, such as Campus Child Care Tax Bailout (*EC* §§8329 and 8330), Cooperative Agencies Resources Education (CARE), Board Financial Assistance Program (BFAP) Administrative Allowance, Matriculation, Faculty and Staff Development and Diversity, Instructional Equipment and Library Materials, Block Grants (on-going and one-time allocations), Foster Care/Parent Program, and any other on-going or one-time allocations from state sources not accounted for within specific sub-object codes.

Districts shall identify and keep separate records of the receipt and expenditure of these moneys as required by law.

8630 EPA Education Protection Account

This account is used to record the receipt of State Revenue generated as a result of The Schools and Local Public Safety Protection Act of 2012. Revenue from EPA is unrestricted. The Act specifically prohibits the expenditure of EPA funds for administrative salaries and benefits and other administrative costs

8650 Reimbursable Categorical Programs

Community College Construction Act
Scheduled Maintenance and Special Repair Program
Instructional Improvement Grant
Other Reimbursable Categorical Programs

These accounts are used to record amounts received or accrued from the apportionment process or grants and contracts for which the district is required to submit an application or claim for reimbursement. These funds are restricted for specific purposes and are recognized as revenue only when earned. Advances are recorded as deferred revenue until earned.

Account 8650, Reimbursable Categorical Programs, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Community College Construction Act

Revenue for capital outlay projects funded through State appropriations as part of the Community College Construction Act (*EC* §81800 et seq., and *CCR* §57000 et seq.). These funds are deposited in the **Capital Outlay Projects Fund**.

Scheduled Maintenance and Special Repair Program

Revenue for approved scheduled maintenance and special repair projects as defined by *EC* § 84660 et seq., and *California Code of Regulations* Section 57200 et seq. These funds are deposited in the **Capital Outlay Projects Fund**. If a district match is required it shall be transferred into the same fund for the designated project or purpose through an interfund transfer object code.

Instructional Improvement Grant

Revenue for developing, implementing, and testing alternative learning programs and services (*EC* §84381 et seq., and *CCR* §56650 et seq.).

“Loans” provided under the “Fund for the Improvement of Instruction” are nonrevenue receipts that are accounted for as Other Financing Sources – Proceeds of General Long-Term Debt.

Other Reimbursable Categorical Programs

All other revenue for specially funded projects where moneys are restricted for specific purposes such as Economic Development, Maintenance Allowance (*CCR* §54200),

Employer-Based Training, Hazardous Substances Removal, and any other restricted program funding not identified above.

8670 State Tax Subventions

Homeowners' Property Tax Relief

Timber Yield Tax

Other State Tax Subventions

These accounts are used to record the amounts received or accrued from the State for tax revenues and revenues relating to subventions of State funds to replace reduced property taxes on owner-occupied property, agricultural land, motion pictures, wine and brandy products, etc. These revenues are treated as local property taxes for purposes of calculating a district's revenue level for each fiscal year (*EC* §84751).

Account 8670, State Tax Subventions, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Homeowners' Property Tax Relief

Revenue for reimbursement of lost revenue due to homeowners' property tax exemptions pursuant to *GC* §16120.

Timber Yield Tax

Revenue from the tax on sales of privately owned timber distributed by the State in lieu of property tax revenue (*RTC* §38905).

Other State Tax Subventions

All other revenue for tax subventions, e.g., agricultural land preservation programs pursuant to the Williamson Land Act (*GC* §51200) and Farmland Security Zones (*GC* §51296).

8680 State Non-tax Revenues

State Lottery Proceeds

State Mandated Costs

Other State Non-Tax Revenues

These accounts are used to record non-tax revenues received or accrued from the State.

State Lottery Proceeds

Revenue for the district's allocation of State Lottery proceeds (*GC* §8880 et seq.).

Current year lottery revenue that is not received by the end of the fiscal year shall be accrued.

Lottery revenues are **Unrestricted General Fund** revenues that “shall be used exclusively for the education of pupils and students”. No funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose” (*GC §8880.5*). The portion of Lottery that is subject to Proposition 20 is restricted revenue and is to be recorded in the **Restricted General Fund**. (*GC §8880.4*)

Amounts expended from lottery revenues are excluded from the calculation of the Current Expense of Education for the purposes of determining compliance with the 50 Percent Law (*EC §84362* and *CCR §59200 et seq.*). See Common Terminology: 50 Percent Law/Current Expense of Education.

State Mandated Costs

Revenues for reimbursement of State mandated costs resulting from passage of State legislation, (*GC §17500 et seq.*).

Reimbursements for State mandated costs are reported on a cash basis.

Other State Non-Tax Revenues

All other non-tax revenue received from the State.

8690 Other State Revenues

This account is used to record all other amounts received or accrued from the State not accounted for within other specific State Revenue object codes.

8800 Local Revenues

- 8810 Property Taxes
- 8820 Contributions, Gifts, Grants, and Endowments
- 8830 Contract Services
- 8840 Sales and Commissions
- 8850 Rentals and Leases
- 8860 Interest and Investment Income
- 8870 Student Fees and Charges
- 8890 Other Local Revenues

All revenues received or accrued from local sources, other than those classified as Federal or State revenues shall be recorded as Local Revenues. Revenues generated from instructional services performed under procurement contracts with Federal or State agencies are recorded as Local Revenue, Account 8830, Contract Services unless there is an external requirement to report them as Federal or State revenues. Account 8800, Local Revenues, is the controlling account that summarizes amounts recorded in Accounts 8810 through 8890.

8810 Property Taxes

- 8811 Tax Allocation, Secured Roll
- 8812 Tax Allocation, Supplemental Roll
- 8813 Tax Allocation, Unsecured Roll
- 8814 Voted Indebtedness, Secured Roll
- 8815 Voted Indebtedness, Unsecured Roll
- 8816 Prior Years Taxes
- 8817 Education Revenue Augmentation Fund (ERAF)
- 8818 Redevelopment Agency Funds – Pass-Through
- 8819 Redevelopment Agency Funds – Residual
- 8819 Redevelopment Agency Funds – Liquidation of Assets

These accounts are used to record amounts received as the district share of the one percent ad valorem property tax or of special taxes for voted indebtedness as authorized by statute.

Property taxes are levied on the secured and unsecured rolls. *EC § 84751* prescribes that these forms of property tax shall be used in calculating a district's revenue level for each fiscal year.

In accordance with *EC § 84751(d)*, redevelopment property tax revenues received pursuant to *Health and Safety Code* Sections 33492.15, 33607.5, 33607.7, and 33676 (except those amounts allocated exclusively for educational facilities) are recorded in the applicable property tax account. Redevelopment property tax revenues allocated exclusively for educational facilities pursuant to these *Health and Safety Code* sections are recorded in Account 8890, Other Local Revenues in the Capital Projects fund. *Effective February 1, 2012, Redevelopment Agencies have been dissolved by State Law.*

For Redevelopment Revenue that is subject to AB 1290 the following applies:

47.5% portion of RDA revenues for post-AB 1290 projects: Report them in the local property tax revenue - object code 8818. Districts may not currently know which of the four Property Tax Accounts (secured, supplemental, unsecured, or prior years taxes) to use to report your 47.5% RDA revenues in the **General Fund – Unrestricted**.

The 52.5% portion of RDA revenues for post-AB 1290 projects is designated by law for capital projects. These revenues will be recorded in object code 8890 in the **Capital Projects Fund**.

A brief note containing the total for the 47.5% portion of RDA revenues for post-AB 1290 projects and a separate total for the 52.5% portion of RDA revenues for post-AB 1290 projects is to be emailed to the State Chancellor's Office at the time the CCFS-311 is submitted

Property tax revenues are recorded on the modified accrual basis of accounting. All property taxes that are earned, measurable, and available (received within 60 to 90 days after the end of the fiscal year) should be accrued to the extent that the county considers the revenues to be prior year assessments. Measurability is improved by coordinating with the county auditor to determine the amount of property tax, if any, to accrue at the end of the fiscal year (i.e., those taxes which are collected but unapportioned). Property tax revenues received that are more or less than the accrual established in the prior year and are not the result of an error, as described in the Governmental GAAP Guide, should be recorded as an increase or abatement to the current-year revenue and not an adjustment to the beginning fund balance.

Account 8810, Property Taxes, is the controlling account that summarizes amounts recorded in the following subsidiary accounts:

8811 Tax Allocation, Secured Roll

Revenue for the district's share of the one percent ad valorem property tax on the secured roll.

8812 Tax Allocation, Supplemental Roll

Revenue for taxes on the supplemental roll. These taxes are on property that has changed hands since the last secured roll was issued.

8813 Tax Allocation, Unsecured Roll

Revenue for the district's share of the one percent ad valorem property tax on the unsecured roll.

8814 Voted Indebtedness, Secured Roll

Revenue from tax levies for voted indebtedness (*EC §§15250, 74290*) on the secured roll of the district. These revenues are recorded and accounted for in the Debt Service Fund only.

8815 Voted Indebtedness, Unsecured Roll

Revenue from tax levies for voted indebtedness (*EC §§15250, 74290*) on the unsecured roll. These revenues are deposited and accounted for in the Debt Service Fund only.

8816 Prior Years Taxes

Revenue from tax levies from prior years and adjustments to taxes reported in prior years, including delinquent secured and unsecured tax receipts, applicable penalties and interest and any tax sale proceeds of prior years.

Note: Prior year property tax revenues are **not** to be treated as adjustments to beginning balance.

8817 Education Revenue Augmentation Fund (ERAF)

Revenue from secured tax collections for ERAF.

8818 Redevelopment Agency Funds – Pass-Through Payments

Revenue from the tax portion of prior local redevelopment agency property tax as discussed previously. As noted above, Redevelopment Agencies have been dissolved by State Law effective February 1, 2012. Pass-through payments will be calculated as they were previously and made by the County Auditor. The tax portion for AB1290 and SB211 payments will continue to be recorded in Account 8818 in the General Fund and the facilities portion will be recorded in Account 8890 in the Capital Outlay Projects Fund. Agreements and 2% payments will remain 100% for facilities and be recorded in Account 8890 in the Capital Outlay Projects Fund.

8819 Redevelopment Agency Funds – Residual

Prior redevelopment agency funds that remain after all obligations have been paid will be distributed to the appropriate taxing entities. These funds are intended to offset state revenue and are not available for educational facilities purposes.

8819.5 Redevelopment Agency Funds – Liquidation of Assets

Proceeds from asset sales and other liquid assets will be distributed to the appropriate taxing entities. Assets may come from “Low and Moderate Income Housing Fund Distributions” or “Other Funds and Accounts Distribution”. These funds are intended to offset state revenue and are not available for education facilities purposes.

8820 Contributions, Gifts, Grants, and Endowments

Amounts received or accrued as contributions, gifts, grants, bequests, and endowments from private sources. Contributions may be restricted by the donor as to use, and are accounted for within the Trust of Agency Fund.

8830 Contract Services

Contract Instructional Services Other Contract Services

These accounts record the amounts received or accrued for services rendered to local public or private agencies, companies, or individuals. Revenues generated from instructional services performed under procurement contracts with Federal or State agencies are recorded as Contract Services.

Account 8830, Contract Services, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Contract Instructional Services

Revenue from contracted instructional services for other local public or private agencies (including federal and state agencies), companies, or individuals.

Other Contract Services

Revenue from all other contracted services, (e.g., transfers received by the Self-Insurance Fund from other funds of the district). (See Chapter 2, Self-Insurance Fund.)

8840 Sales and Commissions

Amounts received or accrued from commissions, sales of tickets to sporting, arts, or cultural events, and the sale of other goods or services such as food, publications, farm products, bookstore merchandise, and advertising.

The proceeds from the sale of general fixed assets are recorded in Account 8910, Proceeds of General Fixed Assets, Sale of Equipment and Supplies.

8850 Rentals and Leases

Amounts received or accrued from the rental or lease of land and buildings no longer needed by the district (*EC §81360 et seq.*) or charges for the use of athletic facilities, buildings, etc., by civic groups, the general public, and public agencies, including other districts and schools (*EC §82537 et seq.*).

Amounts from the rental or lease of land, buildings, and/or equipment to an enterprise fund of the district are also included in this account. If the rental charge includes maintenance and/or utilities, the entire amount is treated as rent. The rent received shall be treated as revenues to the General Fund or appropriate fund.

8860 Interest and Investment Income

Amounts received or accrued as interest earned on moneys held with the county treasurer or on other investments, including premiums and accrued interest at the time of sale of bonds, etc.

Interest and investment income shall be credited to the fund earning the revenue. Interest received on restricted money shall include the same restrictions as the principal. The Attorney General has issued an opinion (CV 75/238, dated 1/8/76) that, in effect, requires that interest paid for cash on deposit in the county treasury from sources which have imposed restrictions on expenditures shall be prorated to those sources.

The requirements for final disposition of earned interest will vary depending on the source of the principal, laws and regulations, and written conditions of gifts, grants, and contracts. Unless otherwise provided in law, regulations, or other legal requirements, interest earned shall be restricted to the purpose of the fund.

8870-8885 Student Fees and Charges

- 8871 Child Development Services
- 8872 Community Service Classes
- 8873 Dormitory
- 8874 Enrollment
- 8875 Field Trips and Use of Nondistrict Facilities
- 8876 Health Services
- 8877 Instructional Materials Fees and Sales of Materials
- 8878 Insurance
- 8879 Student Records
- 8880 Nonresident Tuition
- 8881 Parking Services and Public Transportation
- 8883 Student Center Fee
- 8884 Student Representation Fee
- 8885 Other Student Fees and Charges

These accounts are used to record the amounts received or accrued from authorized student fees and charges.

Expressed statutory authority is required to charge any mandatory student fee; however, optional student fees or charges may under certain circumstances be charged pursuant to the authority of the “permissive code” as set forth in *EC* §70902(a). If a fee must be paid as a condition of admission to a college; or as a condition of registration, enrollment, or entry into classes; or as a condition of completing the required classroom objectives of a course, the fee is mandatory (required) in nature.

<http://extranet.cccco.edu/Divisions/Legal/Resources.aspx>

Account 8870, Student Fees and Charges, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

8871 Child Development Services

Revenue from student development services. These revenues are accounted for in the **Child Development Fund**.

8872 Community Service Classes

Revenue from student fees for community service classes in civic, vocational, literary, health, homemaking, technical, and general education. This revenue account includes fees charged for class materials for community service classes.

Fees charged to students for such classes may not exceed the cost of maintaining the classes (*EC* §78300).

Community service classes include those in the fields of music, drama, art, handicraft, science, literature, nature study, nature contacting, aquatic sports, and athletics, which provide instruction contributing to the physical, mental, moral, economic, or civic development of the individual or groups enrolled therein.

8873 Dormitory

Revenue from rental of dormitories (*EC* §81670).

Revenues derived from dormitories constructed from the sale of bonds shall be deposited in Governmental Funds Group—Special Revenue Funds—**Revenue Bond Project Fund**. (See Chapter 2 for authorized uses of such revenues.)

8874 Enrollment

Revenue from student charges for enrollment fees authorized by *EC* §§ 76300 and 76140(k) and *California Code of Regulations* Section 58500 et seq. Such fees are recorded as revenue in the current fiscal year if the related courses begin before the close of the spring term.

Enrollment fee revenue includes the full amount of the fees charged, regardless of whether the fees are collected. Accounts receivable must be established to record the revenue on enrollment fees charged for the spring term or earlier if such fees are not collected by year end. In accordance with GASB Statements 33 and 34 requirements, bad debts are to be treated as a contra-revenue rather than an expense for financial reporting purposes.

GASBS 34 Implementation Guide Q & A:

138. Q: How should uncollectible *exchange* transaction revenues of governmental activities be reported in the statement of activities?

138. A: Consistent with the requirements in Statement 33 and [paragraph 100](#), exchange revenues for governmental activities should be recognized *net of uncollectible amounts*.

Reporting of enrollment fee revenue to the State Chancellor's Office for apportionment purposes may not net the enrollment revenue against the contra account. Enrollment Fees are to be reported as the gross amount assessed regardless of collections.

Enrollment fees charged for instructional periods after the close of the spring term are recorded as deferred revenue in the current fiscal year.

The “merchant discount” (credit card service fee) associated with enrollment fees paid by credit card is accounted for as an operating expense of the district and not a reduction of the enrollment fee revenue. Students may be charged an amount equal to the “merchant discount” provided that use of the card is optional and the charge is allowed by the operating regulations of the credit card issuer. Such a charge is separately identified from enrollment fees and accounted for as Other Student Fees and Charges.

8875 Field Trips and Use of Nondistrict Facilities

Revenue from student charges authorized by *California Code of Regulations* Section 55220 and *EC* §76395 for the cost of field trips and student use of nondistrict facilities for physical education.

8876 Health Services

Revenue from student health fees authorized by *EC* §76355 for the support of district health supervision and services.

8877 Instructional Materials Fees and Sales of Materials

Revenue from mandatory student charges authorized by *EC* §§76365 and 81458 and student charges that are optional in nature provided that the fee is not in conflict or inconsistent with existing law and are not inconsistent with the purposes for which community college districts are established.

EC §76365 (implemented by *CCR* §§59400-59408) allows districts to require students to furnish certain of their own materials if all of the following conditions are met. The material is tangible personal property, is owned or controlled by the student, and has continuing value outside of the classroom setting (e.g., textbooks, tools, equipment, clothing, and materials necessary for a student’s vocational training and employment). However, such materials may not be exclusively available from the district unless they are provided at the district’s actual cost and: (1) the material is otherwise generally available but there are health and safety reasons for the district being the provider, or (2) the material is provided in lieu of other generally available but more expensive materials that would otherwise be required.

EC §81458 authorizes districts to charge students taking noncredit classes for materials that are necessary for the making of articles. The materials shall be sold at not less than the cost to the district and the article becomes the property of the student.

8878 Insurance

Revenue from student charges for athletic insurance (*EC* §32221), field trip insurance (*CCR* §55222), malpractice insurance, and other permissive student insurance charges.

8879 Student Records

Revenue from student charges for district administrative costs related to providing copies of student records (*EC* §76223).

8880 Nonresident Tuition

Revenue from nonresident tuition fee authorized by *EC* §76140 and Capital Outlay charges authorized by *EC* §76141.

A student who is not a resident of California is required under the uniform student residency requirements (*EC* §68000 et seq., and *CCR* §54000 et seq.) to pay a tuition fee, as prescribed by *EC* §76140, unless otherwise exempted by statute. (Example: AB 540 students)

Application fees charged to nonresident students in accordance with *EC* §76142 are reported as Other Student Fees and Charges and not Nonresident Tuition.

The nonresident tuition fee shall be set by the district's governing board not later than February 1 of each year for the Fall semester of the succeeding fiscal year. The district shall provide nonresidents with notice of nonresident tuition fee changes during the spring term before the fall term in which the change will take effect (*EC* §76140).

In addition to the nonresident tuition fee established pursuant to *EC* §76140, a community college district may charge nonresident students an amount not to exceed the amount that was expended by the district for capital outlay in the preceding fiscal year divided by the total full-time equivalent students of the district in the preceding fiscal year pursuant to *EC* §76141. Any fee charged pursuant to this section shall not exceed 50 percent of the nonresident tuition fee established pursuant to *EC* §76140 and shall be expended only for purposes of capital outlay, maintenance, and equipment.

8881 Parking Services and Public Transportation

Revenue from parking fees authorized by *EC* §76360 to be expended only for parking services or for reducing the costs to students and employees of using public transportation to and from the college. The revenues generated are restricted to the purposes noted here and are to be accounted for in the **Restricted General Fund**.

8883 Student Center Fee

Revenue for the purpose of financing, constructing, enlarging, remodeling, refurbishing, and operating a student center (*EC* §76375). These revenues are accounted for in the **Student Body Center Fee Trust Fund**.

8884 Student Representation Fee

Revenue for the support of governmental affairs representatives (*EC* §76060.5). These revenues are accounted for in the **Student Representation Fee Trust Fund**.

8885 Other Student Fees and Charges

Revenue from all other authorized student fees and/or charges, e.g., transportation services (*EC* §76360), course audits (*EC* §76370), and application fees for nonresident applicants that are citizens and residents of a foreign country (*EC* §76142). For more information of student fees see the Student Fee Handbook on the Chancellor's Office website in the legal affairs section.

8890 Other Local Revenues

Amounts received or accrued from all other local sources, such as fees for applicant or employee identification cards (*EC* §88024), parking and traffic fines (*Vehicle Code* §40200.3), and fees for returned/NSF checks, etc.

Account 8890 also includes redevelopment property tax revenues allocated exclusively for educational facilities, which are exempt from inclusion in the calculation of a district's revenue level for each fiscal year pursuant to *EC* §84751(d). These tax revenues are reported in the **Capital Projects Fund**.

8900 Other Financing Sources

- 8910 Proceeds from Sale of Capital Assets
- 8940 Proceeds from Long-Term Debt
- 8980 Incoming Transfers

Other Financing Sources include incoming transfers as well as proceeds from long-term debt and sale of fixed assets. These moneys are considered nonrevenue receipts.

8910 Proceeds from Sale of Capital Assets

- Compensation for Loss of Capital Assets
- Sale of Equipment and Supplies
- Sale of Land and Buildings

Account 8910, Proceeds from Sale of Capital Assets, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Compensation for Loss of Capital Assets

Amounts provided from sources such as joint powers arrangements and insurance carriers as compensation for the loss of general fixed assets.

Sale of Equipment and Supplies

Amounts provided from the sale of supplies and equipment no longer needed by the district (*EC* §81450 et seq.).

The proceeds received are to be credited to the fund from which the original acquisition expenditure occurred (*EC* §81453).

Sale of Land and Buildings

Amounts provided from the sale of land and buildings no longer needed as determined by the district governing board (*EC* §81360 et seq.).

Funds so derived must be used to meet district capital outlay needs and deposited in the **Capital Outlay Projects Fund**. If the district's governing board determines prior to sale that the district has no anticipated need for additional sites or building construction for a five-year period (*EC* §81363), the proceeds shall be deposited in the **General Fund** for discretionary purposes.

8940 Proceeds from Long-Term Debt

Sale of Bonds

Other Long-Term Debt

These subsidiary accounts are used to record the proceeds from the sale of bonds or from other long term financing. The gross proceeds from long-term debt should be recorded in these accounts. Underwriting and other fees are recorded as expenditures and not a reduction of the proceeds from the issuance of debt.

The net proceeds are held in the fund in which the money will be used. Resources accumulated for the repayment of general long-term debt are held in the Debt Service Fund.

Account 8940, Proceeds of Long-Term Debt, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Sale of Bonds

Proceeds provided from the sale of bonds at par value pursuant to *EC* §§15100 et seq., and 81901 et seq.

The proceeds must be recorded and accounted for in the **Revenue Bond Construction Fund**, the **Capital Outlay Projects Fund** or the **General Obligation Bond Construction Fund** as appropriate (*EC* §§15146 and 81961). Expenses incurred for the sale of bonds may be paid from the proceeds of bond sales (*EC* §15145).

Other Long-Term Debt

Proceeds provided from financing on a long-term basis, such as for Emergency Apportionment (*CCR* §58316), energy loans, Instructional Improvement Loans (*CCR* §56680), Certificates of Participation (COP), etc.

8980 Incoming Transfers

Interfund Transfers-In

Intrafund Transfers-In

Other Incoming Transfers

Incoming Transfers primarily include either residual equity transfers (transfers of resources [money] from one fund to another, such as transfers of the residual balance of a discontinued fund to the General Fund) or operating transfers (such as transfers of General Fund moneys to the Debt Service Fund for repayment of indebtedness or fund operating subsidy).

Moneys received from sources such as foundations, auxiliary organizations, and the student body are not to be considered transfers but are revenue under Account 8820, Contributions, Gifts, Grants, and Endowments, or Account 8830, Contract Services.

Account 8980, Incoming Transfers, is the controlling account that summarizes amounts recorded in the following subsidiary classifications:

Interfund Transfers-In

Amounts, typically considered restricted, transferred in from other funds arising out of (1) binding legal agreements related to financing of facilities, such as amounts for debt retirement, interest, and required provisions for renewals and replacements of facilities not financed from other sources; or (2) grant agreements with government agencies, donors, and other organizations to match gifts and grants.

Incoming transfers from other funds at the discretion of the local governing board are typically considered unrestricted.

Intrafund Transfers-In

Amounts transferred within a fund. An example of an intrafund transfer is a transfer from one Subfund to another Subfund.

Other Incoming Transfers

All other transfers of money such as from lapsed or reorganized districts and from transfers not otherwise classified.

REVENUE ABATEMENTS

An abatement of revenue is the cancellation of part or all of any specific revenue previously recorded. Abatements generally occur when revenue is recorded before it is fully earned, measurable or available to pay liabilities of the current period.

When revenue received by a community college district must be returned to the source from which it is received or paid to another entity that is entitled to all or a portion of the receipts, the transaction shall be accounted as an abatement to revenue and not as a charge to an expenditure account. For example, the portion of parking citations that is remitted to the county for courthouse construction is recorded as an abatement of revenues from parking fines.

Revenue abatements are also recorded if a receivable is accrued that exceeds the actual amount of revenue received. However, abatements are generally only made to adjust estimated revenues to the actual revenues earned and not to adjust earned revenues to the amount collected. If a district has revenue that is uncollected, the full amount earned is recorded as revenue and the uncollectible amount is recognized as an expenditure. For example, if enrollment fees are charged and due from students, the full amount of enrollment fees must be recorded as revenue, regardless of whether they are collected.

Uniformity in accounting for abatements of revenue is an important part of establishing comparable fiscal records and reports.

Payments or cancellations of receivables that reduce previously recorded revenue must be accounted for by abating the revenue account originally credited for the fiscal year in which the revenue adjustment is made, irrespective of the fiscal year in which the revenue was originally recorded. In some cases such payments or cancellations of receivables may exceed the actual revenue for the fiscal year in which the abatement is made and thus result in negative balances in the accounts or entries reported.

The following kinds of transactions shall be accounted for as abatements of revenue:

Refunds of receipts from Federal, State or local sources, such as taxes, grants, rentals, and fees which were recorded as revenue prior to becoming fully earned;

Payments to other entities for collections on behalf of the entity which were recorded as revenue when collected (e.g., surcharges on citations for courthouse construction);

Cancellation of receivables over-accrued in a prior period. However, revenues (e.g., enrollment fees) that are determined to be uncollectible are to be recorded as an expense of the district and not an abatement of revenues.

Conditional donations when the condition cannot be fulfilled by the district/college; and reversal of payments made by checks with insufficient funds.