

# University of Missouri System

## Accounting Policies and Procedures



**Policy Number:** APM-3.45.15

**Policy Name:** Program Classification Structure Definitions

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### **General Policy and Procedure Overview:**

The following discussion and definitions of Program Classification Structure (PCS) categories are used in higher education to report expenses by function or purpose. These definitions were extracted from the online National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual for Higher Education and the Missouri Higher Education Uniform Financial Reporting Manual (2006 revision). This document provides definitions to be used in establishing the PCS coding of DeptIDs at the University of Missouri System (the University).

At the University, it is occasionally impractical to completely segregate costs so that one DeptID has expenses only for a single purpose. When this occurs and the amounts are immaterial, the PCS that represents the majority of expenses should be assigned to the DeptID. If the amounts are material, the activity should no longer be commingled in the same DeptID, but should be recorded in a separate DeptID with the appropriate PCS.

Service operations should be classified according to the activity performed or supported. Service operations include activities established primarily to provide goods and services to the institution on a break-even, fee-for-service basis. To a lesser extent, the same goods and services may be provided to faculty, staff, students, and related entities.

This is a hierarchal document. The activity taking place within individual DeptIDs is first evaluated and classified, if appropriate, according to the Primary Missions of Instruction, Research, or Public Service. If the activity does not fit one of the definitions of the Primary Missions, it should be evaluated to determine fit within the Supporting Activities. Finally, if the activity does not fit within the Primary Mission or Support Activities categories, it should be classified within the appropriate Other Operations category.

### **PRIMARY MISSIONS**

INSTRUCTION  
RESEARCH  
PUBLIC SERVICE

### **SUPPORT ACTIVITIES**

ACADEMIC SUPPORT  
STUDENT SERVICES  
INSTITUTIONAL SUPPORT  
OPERATIONS AND MAINTENANCE OF PLANT  
SCHOLARSHIPS AND FELLOWSHIPS

**OTHER OPERATIONS**  
AUXILIARY ENTERPRISES  
HOSPITAL  
AGENCY  
ENDOWMENT  
LOAN  
RETIREMENT  
PLANT

## **PRIMARY MISSIONS**

### **INSTRUCTION**

The instruction category includes expenses for all activities that are part of the University's instruction program. Included are expenses for academic instruction of credit and noncredit courses in regular, special, and extension sessions.

**Expenses for departmental research and public service that do not meet the criteria for [Research 2X](#) and [Public Service 3X](#) should be included in this classification.** Expenses for department chairpersons and administrators for whom instruction is an important role are included here. Faculty sabbaticals, professional leaves, early retirement, and related costs of instructional staff should be included as a cost of the instructional program.

This category excludes expenses for those academic personnel whose primary assignment is administration—for example, academic deans (see [46 Academic Administration, Personnel Development, and Course and Curriculum Development](#)).

The instruction category includes the following subcategories:

- 11 On-Campus General Academic Instruction
- 13 Community Education
- 14 Off-Campus General Academic Instruction

### **11 ON-CAMPUS GENERAL ACADEMIC INSTRUCTION**

**Expenses Included:**

- Instructional activities described above that are carried out during the academic year and offered for credit as part of a formal postsecondary education degree or certification program
- Short courses and home study activities falling within this classification and offered for credit
- Instructional information technology expenses including instructional computing labs, student instructional computing support and instructional computing software support such as BlackBoard
- Departmental research funds not established to provide a specific research outcome and support activities not meeting the criteria for research and support activities may include:
  - Research Incentive Funds not established for a specific research outcome or goal
  - Lab technician costs to keep labs running but not for a specific project
  - Funds to support proposal development and acquisition of external funding for a sponsored project
  - Seed funding for general research not toward a specific outcome

Examples:

- Academic department operation expense
- Compensation for teaching faculty
- Departmental chair salary and administrative expense
- Teaching support staff compensation

Expenses Not Included:

Instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher educational level, such as adult basic education (see [13 Community Education](#)).

### 13 COMMUNITY EDUCATION

Expenses Included:

- Formally organized instructional activities that do not generally result in credit toward any formal postsecondary degree or certificate
- Noncredit instructional offerings carried out by the University's extension division as well as noncredit offerings that are part of the adult education or continuing education program
- Activities associated with programs leading toward a degree or certificate below the higher education level, such as adult basic education

Examples:

- Continuing education conferences
- Non-credit adult education classes
- Non-credit continuing professional education
- Non-credit academic programs for high school students

Expenses Not Included:

- Activities such as camps for band, cheerleaders, sports, etc. (see [32 Community Service](#))

### 14 OFF-CAMPUS GENERAL ACADEMIC INSTRUCTION

This subcategory follows the same definition as [11 Instruction](#) except the location at which the class is taught, and meets, is off-campus.

### RESEARCH

The research category includes all expenses for activities specifically organized to produce research focusing on a **specific outcome/goal or hypothesis**, whether commissioned by an external agency or separately budgeted by an organizational unit within the University. Subject to these conditions, the category includes expenses for individual and/or project research as well as that of institutes and research centers. This category does not include all sponsored programs nor is it necessarily limited to sponsored research.

Research expenses budgeted to support a specific research project are included in this category. Departmental research activities not tied to a specific research project should be included in the appropriate instruction category (see [1X Instruction](#)).

The research category includes the following subcategories:

- 21 Institutes and Research Centers
- 22 Individual and Project Research

*Note: Research Incentive Fund distributions to departments or divisions that are used to fund research support as opposed to directly fund research should not be included in the Research category. Research support (such as shared departmental administrative support) should be included in Instruction (see [IX Instruction](#)). However, if the research support staff supports specific research projects, then their activity should be recorded in the Research category.*

## **21 RESEARCH INSTITUTES AND RESEARCH CENTERS**

Research Institutes and Research Centers are established through an administrative process and must be formally approved before being recognized. Please see the Collected Rules and Regulations [50.010 Establishing Centers](#) for approval procedures.

### Expenses Included:

- Expenses for **research activities** that are part of a formal research organization created to manage a number of research efforts.

#### Examples:

Agriculture Experiment Station  
Center for Environmental Science  
and Technology  
Center for Transportation Studies

Dalton Cardiovascular Research Center  
Institute for Human Development  
Research Reactor (activity for research)

### Expenses Not Included:

- Center activities not specifically for research should be included in other non-research categories such as fundraising (see [65 Public Relations and Development](#)) or utilities (see [74 Utilities](#)).

## **22 INDIVIDUAL AND PROJECT RESEARCH**

### Expenses Included:

- Expenses for specific research activities that are managed within academic departments and are not commingled with other activities. Such activities may have been undertaken as the result of a sponsored agreement to perform research or through a specific allocation of the University's general resources.

#### Examples:

Internal funds separately budgeted and designed to produce specific research outcomes, i.e. Research Board awards. Other sources, if designed to produce specific research outcomes, may include seed money, lab startup funding, PRIME funds, Research Incentive Fund awards, and University Research Council awards. *Note: these same funding sources may also be included in other classifications depending on the purpose of the expenses or if for research that does not have a specific outcome.*

External funds separately budgeted and designed to produce specific research outcomes. Example sources may include grants, contracts, sponsored agreements, appropriations, gifts, or program income.

Expenses Not Included:

- Departmental research funds carried out as part of the instructional program (see [11 Academic Instruction](#)).
- Seed money and Research Incentive Funds not designed to produce specific research outcomes.

## **PUBLIC SERVICE**

The public service category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

The public service category includes the following subcategories:

- 32 Community Service
- 33 Cooperative Extension Service
- 34 Public Broadcasting Services

## **32 COMMUNITY SERVICE**

Expenses Included:

- Expenses for activities organized and carried out to provide general community services, excluding instructional activities. Community service activities make available to the public various resources and special capabilities that exist within the University.
- Activities included in this subcategory are generally sponsored and managed **outside** the context of both the agricultural and urban extension programs **and outside** the University public broadcasting station.

Examples:

Conferences (including research conferences)  
Institutes (except Research Institutes - see [21 Institutes and Research Centers](#))  
Testing Services (e.g.; soil or structural testing, carbon dating)  
Consulting  
General advisory services and references bureaus

Expenses Not Included:

- Conferences offered as continuing education (see [13 Community Education](#))
- Instructional activities whether for credit or non-credit courses (see [1X Instruction](#))
- Remedial or tutorial instruction (see [45 Ancillary Support](#))
- Student testing (see [53 Counseling & Career Guidance](#))

### 33 COOPERATIVE EXTENSION SERVICE

#### Expenses Included:

- Expenses for non-instructional public service activities established as the result of cooperative extension efforts between the University and outside agencies such as the U.S. Department of Agriculture's extension service and the affiliated state extension services.
- This subcategory is intended primarily for land-grant colleges and universities and includes both agricultural extension and urban extension services.
- The distinguishing feature of activities in this subcategory is that programmatic and fiscal control is shared by the University with the Department of Agriculture's extension service, the related state extension services, and agencies of local government.

### 34 PUBLIC BROADCASTING SERVICES

#### Expenses Included:

- Expenses for operation and maintenance of broadcasting services operated outside the context of the institution's instruction, research, and academic support programs (i.e. public radio station operations.)

#### Expenses Not Included:

- Broadcasting services conducted primarily in support of instruction (see [45 Ancillary Support](#))
- Broadcasting services operated primarily as a student service activity (see [52 Social and Cultural Development](#))
- Broadcasting services that are auxiliary enterprises

## SUPPORT ACTIVITIES

### ACADEMIC SUPPORT

The academic support category includes expenses incurred to provide support services for the University's primary missions: **Instruction, Research, and Public Service**. It includes:

- the retention, preservation, and display of educational materials, such as libraries, museums, and galleries;
- the provision of services that directly assist the academic functions of the University;
- media, such as audio-visual services;
- technology such as computing support;
- academic administration (including academic deans but not department chairpersons (see [11 Instruction](#))) and personnel development providing administration support and management direction to the three primary missions; and
- support for course and curriculum development.

When the University charges some of the expenses—for example, computing support—directly to the various operating departments, this category does not reflect such expenses.

This category includes the following subcategories:

41 Libraries

42 Museums and Galleries

- 43 Educational Media Services
- 45 Ancillary Support
- 46 Academic Administration

## **41 LIBRARIES**

### Expenses Included:

- Expenses for organized activities that directly support the operation of a catalogued or otherwise classified collection.

#### Examples:

Archives	Library Collections
Book Appraisals	Library Reference Room Services
Book Binding	Library Resource Program
Book Repair	Main Libraries
Health Sciences Libraries	Newspaper and Periodical Acquisition
Law Libraries	Restoration of Library Objects
Learning Resource Center	Traveling Library Exhibits
Library Book Acquisition	

### Expenses Not Included:

- Departmental collections not classified and catalogued are reported in the same category as other departmental expenses.

## **42 MUSEUMS AND GALLERIES**

### Expenses Included:

- Expenses for organized activities that provide for the collection, preservation, and exhibition of historical materials, art objects, scientific displays, etc.

#### Examples:

Archaeology Museum	Art Rental (Lending) Galleries
Art Appraisals and Valuations	Galleries
Art Commissions	Museums
Art and Museum Exhibits	Restoration of Art or Museum Objects
Art Purchases	Traveling Displays (Art, Museum)

### Expenses Not Included:

- Libraries

## **43 EDUCATIONAL MEDIA SERVICES**

### Expenses Included:

- Expenses for organized activities providing audiovisual and other services that aid in the transmission of information in support of the University's instruction, research, and public service programs.

#### Examples:

Audiovisual Equipment, Rental and Repair	Learning Resource Centers
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Closed Circuit Television  
Dial-Access Center  
Instructional Graphics  
Instructional Media Center  
Instructional Resources Center  
Language Laboratories

Media Resources  
Movie and Film Equipment  
Multimedia Center  
Record, Film and Video Center  
Telecommunications Center  
Telemedicine

## **45 ANCILLARY SUPPORT**

### Expenses Included:

- Expenses for organized activities that provide support services to the three primary missions of instruction, research, and public service, but are not appropriately classified in the previous subcategories.
- Ancillary support activities usually provide a mechanism through which students can gain practical experience.

### Examples:

Animal Laboratories  
Arboretum  
Computer Laboratory  
Dairy Creameries  
Electronics Design Facility  
Learning Skills Centers (writing, math)

Machine Shop  
Nuclear Reactor (research support activity)  
Planetarium  
Print Shop (Instructional)  
Speech and Hearing Clinic  
Thesis and Dissertation Publications

### Expenses Not Included:

- Expenses of medical teaching hospitals
- Organized activities that provide support unique to a particular academic program or department should remain in the appropriate category of instruction, research, or public service

## **46 ACADEMIC ADMINISTRATION, PERSONNEL DEVELOPMENT, AND COURSE AND CURRICULUM DEVELOPMENT**

### Expenses Included:

- Formally organized activities specifically designed and carried out to provide administrative and management support to the primary missions.
- Activities of academic deans and support staff (including deans of research, deans of graduate schools, and college deans).
- Activities that provide the faculty with opportunities for personal and professional growth and development to the extent such activities are formally organized.
- Formally organized activities that evaluate and reward professional performance of the faculty.
- Activities established either to significantly improve or to add to the institution's instructional offerings, but only to the extent such activities are formally organized.

### Examples, Academic Administration:

Academic Advising/Counseling, formal  
Accreditation Fees, Single Program  
Academic Deans

School/Department controlled fundraising  
School/Department controlled public relations



Examples, Academic Personnel Development:

Faculty Awards	In-service Faculty Education Programs
Faculty Development Programs	Instructional Evaluation
Faculty Retreats	Professional Publishing (academic)

Examples, Course Curriculum Development:

Course Planning Curriculum Committee  
Student Educational Outcomes Assessment Centers

Expenses Not Included:

- Expenses of department chairpersons. These should be classified in the appropriate primary function categories of [Instruction](#) 1X, [Research](#) 2X, or [Public Service](#) 3X.
- Expenses associated with the office of the Provost are not included in this subcategory (see [61 Executive Management](#)).

## STUDENT SERVICES

The student services category includes expenses incurred for offices of admissions and the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an essentially self-supporting activity), expenses for the office of enrollment management, counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an essentially self-supporting activity).

The student services category includes the following subcategories:

- 51 Student Services Administration
- 52 Social and Cultural Development
- 53 Counseling and Career Guidance
- 54 Financial Aid Administration
- 55 Student Health Services
- 57 Student Admissions and Records

### 51 STUDENT SERVICES ADMINISTRATION

Expenses Included:

- Organized administrative activities that provide assistance and support (excluding academic support) to the needs and interests of students.
- Administrative activities that support more than one subcategory of student activities and/or that provide central administrative services related to the various student service activities.
- Services provided for particular types of students (for example, minority students, veterans, and students with disabilities).

Examples:

Convocation	Graduation Ceremonies
Dean of Students	International Student Office
Director of Student Services	Student Affairs Administration
Disadvantaged-student Services	Veterans Services

Expenses Not Included:

- Functions related to a single subcategory's administration are to be classified in that subcategory (for example, the Director of Counseling would be classified under [53 Counseling and Career Guidance](#)).

## **52 SOCIAL AND CULTURAL DEVELOPMENT**

Expenses Included:

- Expenses for organized activities that provide for students' social and cultural development outside the formal academic program
- Activities primarily supported and controlled by the student body
- Activities outside the curriculum program that have been established to expand the education experience of the student such as cultural events and student newspapers
- Intramural athletics
- Activities that support special student groups and organizations
- Expenses for an intercollegiate athletics program are included in this subcategory if the program is not operated as an essentially self-supporting operation (in which case all the related expenses would be reported as auxiliary enterprises).

Examples:

Cultural Groups/Activities	Student Government
Greek Affairs	Student Operated Radio Station
Lecture Series	Student Yearbook
Recreation Programs	

Expenses Not Included:

- Intercollegiate scholarships (see [81 Scholarships](#))

## **53 COUNSELING AND CAREER GUIDANCE**

Expenses Included:

- Expenses for formally organized placement, career guidance, and personal counseling services for University students.
- Vocational testing and counseling services and activities of the placement office.

Examples:

American College Testing Program (ACT)	Placement Activities and Offices
College Level Examination Program (CLEP)	Psychological Testing
National Testing Program (LSAT, etc.)	Student Counseling Services and Activities
Orientation	

Expenses Not Included:

- Formal academic advising/counseling activities (see [46 Academic Administration](#))
- Informal academic counseling services provided by the faculty in relation to course assignments (see [11 Instruction](#))
- Student employment services provided to students still enrolled in school (see [54 Financial Aid Administration](#))

- Psychological or psychiatric testing conducted under the auspices of the student health program (see [55 Student Health Services](#))

## **54 FINANCIAL AID ADMINISTRATION**

### Expenses Included:

- Expenses for activities that provide financial aid services and assistance to students.

#### Examples:

Fellowship Administration	Scholarship Administration
Financial Aid Counseling Seminars	Student Employment Administration
Financial Aid Grant Administration	Work-study Fund Administration
Financial Aid Loan Administration	

### Expenses Not Included:

- Scholarships and fellowships to students, which should be classified as student aid (see [8X Scholarships and Fellowships](#))

## **55 STUDENT HEALTH SERVICES**

### Expenses Included:

- Expenses for organized student health services that are not self-supporting.

#### Examples:

Health Service	Student Health Center Pharmacy
Student Health Insurance	

### Expenses Not Included:

- Student health services that are self-supporting are reported as auxiliary enterprises.

## **57 STUDENT ADMISSIONS AND RECORDS**

### Expenses Included:

- Expenses for activities related to the identification of prospective students, the promotion of attendance at the institution, and the processing of applications for admission.
- Expenses for activities to maintain, handle, and update records for currently enrolled students as well as for students previously enrolled.

#### Examples:

Admissions Officers	Registrar
Advertising for Student Recruitment	Student Records
Graduate Admissions Office	Transfer Credit Evaluation
Photo/I.D. Cards	Transcripts
Recruiting Costs	Undergraduate Admissions Office

## **INSTITUTIONAL SUPPORT**

The institutional support category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board,

planning and programming operations, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing; transportation services to the University; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

Any DeptIDs that are used to record the recovery of institutional support from auxiliary enterprises, hospitals, and any other self-supporting activities should be recorded as institutional support.

This category includes the following subcategories:

- 61 Executive Management
- 62 Fiscal Operations
- 63 General Administration
- 65 Public Relations/Development

## **61 EXECUTIVE MANAGEMENT**

### Expenses Included:

- Expenses for all central, executive-level activities concerned with management and long-range planning for the entire University or campus (as distinct from planning and management for any one program within the University)
- Officers with University or Campus-wide responsibilities, such as the president, chief academic officer, chief business officer, chief student affairs officer, and chief development officer
- Operations of the governing board
- Planning and programming operations
- Legal operations and services

### Examples:

Accreditation Fees	Executive Special Projects
Accreditation Studies	Faculty Council/Senate
Board of Curators	Institutional Memberships
Budget Planning and Administration	Provost
Chancellor	Vice Chancellor
Executive Dues	Vice President
Executive Special Committee	

### Expenses Not Included:

- Administrative activities below the executive level

## **62 FISCAL OPERATIONS**

### Expenses Included:

- Expenses for operations related to day-to-day financial management, fiscal control and investments
- Campus Accounting, Sponsored Programs, Cashier's, Treasurer's, Business Services (fiscal) offices,
- Internal, compliance and external audits

### Examples:

Bad Debt Expense	Disbursements
Bank Checking Charges	Endowment Management

Contracts  
Controller  
Debt Collection

Interest on Short Term Debt  
Internal/External Auditor  
Payroll Operations

Expenses Not Included:

- Long-range financial planning (see [61 Executive Management](#))
- College, School fiscal operations (see [46 Academic Support](#))
- Departmental fiscal operations should be classified in the appropriate functional category

### **63 GENERAL ADMINISTRATION**

Expenses Included:

- Activities related to general administrative operations and services (except fiscal operations)
- Personnel administration, space usage scheduling, procurement, and maintenance of supplies and materials, campus-wide communications and transportation services, general stores, and printing shops

Examples:

Administration of Personnel	Labor Relations Office & Negotiating Team
Administration of Staff Insurance Programs	Motor Pool Services (fuel, oil, and repairs)
Administrative/Staff Development Programs	Non-classroom Scheduling
Business Services (non-fiscal)	Printing Services
Campus Mail Services	Retirement Counseling Program
Equal Opportunity Offices	Retirement Program
Faculty Records	Staff Council/Association
General Liability Insurance	Telephone Services
Human Resources	

Expenses Not Included:

- Activities provided as a service or convenience to students, faculty or staff that are essentially self-supporting should be classified as auxiliary enterprises (see [Auxiliary Enterprises](#)).
- Facilities and space management—space survey (see [71 Physical Plant Administration](#))

### **65 PUBLIC RELATIONS AND DEVELOPMENT**

Expenses Included:

- Expenses for activities to maintain relations with the local community, the institution's alumni, governmental entities, the general public or other constituents
- Activities related to institution-wide development and fundraising efforts

Examples:

Alumni Offices and Related Activities	Government Financial Support
Alumni Records	Government Relations
Communications, External	Internal Newsletter
Community Public Relations	Legislative-liaison Activities
Development Fund Administration	News Services
Development Office	Parent Activities
Director of Development	Public Relations and Information Services
External Relations	University Relations

Expenses Not Included:

- Activities that are not institution-wide such as school or departmentally controlled fundraising or public relations (see [46 Academic Administration](#)).

**OPERATIONS AND MAINTENANCE OF PLANT**

The operation and maintenance of plant category includes all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; and facility planning and management. It does not include interest expense on capital related debt.

This category includes the following subcategories:

- 71 Physical Plant Administration
- 72 Building Maintenance
- 73 Custodial Services
- 74 Utilities
- 75 Landscape and Grounds Maintenance
- 76 Major Repairs and Renovations
- 77 Security and Safety
- 78 Logistical Services

**71 PHYSICAL PLANT ADMINISTRATION**Expenses Included:

- **Administrative activities** that directly support physical plant operations
- Activities related to the development of plans for plant expansion or modification as well as plans for new construction
- Property, liability, and all other insurance relating to property

Examples:

Building Services	Facilities & Space Management
Campus Architect	Physical Plant Director
Construction Inspectors	Property Accounting and/or Control
Energy Planning and Audits	Property Taxes
Facilities Planning and Design	

Expenses Not Included:

- Expenses that can be properly classified as maintenance and repair (see [72 Building Maintenance](#))
- Space usage scheduling (see [63 General Administration](#))

**72 BUILDING MAINTENANCE**

Expenses Included:

- Expenses for activities related to routine repair and maintenance of buildings and other structures, including normally recurring repairs and preventive maintenance that is less than the capitalization limits.
- Expenses for activities related to routine repair and maintenance of capital equipment
- Salaries, benefits, and other costs associated with institutional staff performing maintenance and repair activities

### **73 CUSTODIAL SERVICES**

Expenses Included:

- Expenses related to custodial services in buildings

### **74 UTILITIES**

Expenses Included:

- Expenses related to heating, cooling, light and power, gas, water, and any other utilities necessary for operation of the physical plant
- Salaries, staff benefits, and other institutional expenses incurred producing utilities

Examples:

Coal	Propane Gas
Electricity	Steam and Chilled Water
Fuel	Water and Sewage
Labor and Supervision to Produce Utilities	Water Treatment Plant
Oil	Wood

Expenses Not Included:

- Expenses for energy audits and conservation (see [71 General Physical Plant](#))
- Communications services, such as telephone (see [63 General Administration](#))

### **75 LANDSCAPE AND GROUNDS MAINTENANCE**

Expenses Included:

- Expenses related to the operation and maintenance of landscape and grounds

### **76 MAJOR REPAIRS AND RENOVATIONS**

Expenses Included:

- Expenses related to major repairs, maintenance, and renovations
- Costs that meet the institution's capitalization threshold

Expenses Not Included:

- Minor repairs (see [72 Building Maintenance](#))

### **77 SECURITY AND SAFETY**

Expenses Included:

- Expenses related to security and safety

- Earthquake and disaster preparedness
- Hazardous waste disposal

Examples:

Campus Security  
 Environmental Safety  
 Fire Protection

Hazardous Material  
 Health & Safety  
 Police

## 78 LOGISTICAL SERVICES

Expenses Included:

- Expenses related to logistical services such as central receiving as well as space and capital leasing.

Examples:

Building Rental Payments  
 Freight Management  
 Materials Handling

Receiving/Shipping  
 Warehousing/Central Stores

## SCHOLARSHIPS AND FELLOWSHIPS

Expenses for Scholarships and Fellowships can be in the form of grants-in-aid to students, resulting from selection by the institution or from an entitlement program. This category also includes trainee stipends and financial awards. Recipients of grants-in-aid are not required to perform services to the institution as consideration for the grant, nor are they expected to repay the amount of the grant to the funding source. Aid to students in the form of tuition or fee remissions should also be included in this category.

Any compensation for services in exchange for financial assistance, such as Work-Study payments, is not included as Scholarships or Fellowships and should be recorded in other PCS categories. Student loan expenses should be included in [LOAN FUNDS](#). Scholarships, fellowships or trainee stipends awarded to individuals who are not enrolled in formal course work or awards to individuals who are not students at the University, should be charged to Instruction 1X, Research 2X, or Public Service 3X.

This category includes the following subcategories:

- 81 Scholarships
- 82 Fellowships

### 81 SCHOLARSHIPS

Expenses Included:

- Grants, trainee stipends, tuition and fee waivers, and financial awards to **undergraduate students**.

Examples:

Intercollegiate Athletic Scholarships  
 Pell Grant  
 Supplemental Education Opportunity  
 Grant (SEOG)

Undergraduate Student Travel Award  
 Work-Study Matching

### 82 FELLOWSHIP



### Expenses Included:

- Grants, trainee stipends, tuition and fee waivers, and financial awards to **graduate and professional students**.

### Examples:

Graduate Student Travel Award

## OTHER OPERATIONS

### AUX AUXILIARY ENTERPRISES

An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, other institutional departments, or to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed as an essentially self-supporting activity. **They are operated as a convenience but are not integral to carrying out the primary missions of instruction, research, and public service.** Examples are residence halls, food services, intercollegiate athletics (if essentially self-supporting), college stores, faculty clubs, parking, golf courses, faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. **Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.**

The auxiliary enterprise category includes all expenses relating to the operation of auxiliary enterprises, including expenses for operation and maintenance of plant, depreciation (if allocated to functional expense categories) and administration. **This includes all direct and indirect costs and should be fully costed.**

### HOSP HOSPITALS

The hospital category includes all expenses associated with the patient care operations of a hospital, including nursing and other professional services, general services, administrative services, fiscal services, depreciation (if allocated to functional expense categories) and charges for physical plant operations. Also included are other direct and indirect costs, whether charged directly as expenses or allocated as a proportionate share of costs of other departments and units. **Expenses for activities that take place within the hospital, but that are categorized more appropriately as instruction or research, are excluded from this category and accounted for in the appropriate categories.**

This category includes the following subcategories:

- Direct Patient Care. This subcategory includes expenses for direct patient care such as prevention, diagnosis, treatment, and rehabilitation. Patient care activities solely for the benefit of the institution's students should be classified as student services.
- Health Care Supportive Services. This subcategory includes expenses for organized activities that are unique to a teaching hospital, health services center, or clinic, and that directly support the provision of health care but cannot be considered part of the provision of direct patient care. Included in this subcategory are such activities as the pharmacy, blood bank, and X-ray services.

- Administration of Hospitals. This subcategory includes expenses for the day-to-day functioning and the long-range viability of the hospital, excluding physical plant operations.
- Physical Plant Operations for Hospitals. This subcategory includes expenses for activities related directly to maintaining the grounds and facilities of a hospital as well as providing utility services.

## **AGEN AGENCY**

Any expenses that belong to an outside entity where the University processes and records transactions in the University financial system and is acting as a custodian (agent) for the funds.

## **END ENDOWMENT**

Expenses made from distributions for endowments are normally recorded in the appropriate PCS category. The END endowment category is used only for the endowment corpus in pending status for an indefinite period, such as when the donor has not provided the University with a purpose for expenditures or the terms of the endowment have not been met. Other endowments in this category include charitable gift annuities, unitrust and life income funds because there are no expenses in the functional categories until the beneficiary payments end.

Endowments generally do not have expenses, but they share the same DeptID as the distribution so they have the same PCS code. This category is assigned only by the Accounting Office.

## **LOAN LOAN**

This category accounts for loans. This category is assigned only by the Financial Aid Office or the Accounting Office.

## **PLNT PLANT**

In accordance with governmental standards for fund accounting, expenditures in this category include improvement or expansion of the physical facilities of the University, outside of the normal operating Current funds, i.e., Campus Facilities operations. This category code is assigned by the Accounting Office.

### Expenses Included:

- Expenses and debt obligations for land and building acquisition
- Construction of new facilities
- Major rehabilitation, renovation or remodeling of existing facilities that may or may not meet the capitalization criteria.

### Examples:

Capital campaigns or fund drives for construction of buildings  
 Reserves for maintenance and repair projects  
 Reserves for capital equipment replacement  
 System Facilities bond issues

### Expenses Not Included:

- Transfers for payments of debt obligations from auxiliaries or other Current Funds
- Current fund expenses for major repairs and renovations to existing physical facilities (see [76 Major Repairs and Renovations](#)).
- Costs of capital assets, such as library books or equipment, that are initially charged to Current Funds

**RET RETIREMENT**

This category is assigned only by the Controller’s Office for expenses of the University’s retirement plan, both operational and retirement payments to retirees or beneficiaries.

**UNDF UNDEFINED**

This category is used temporarily until a final determination of the appropriate use can be made.

The following table lists the PCS codes as defined in the University financial system.

<b>PCS Code</b>	<b>Description</b>
11	On-Campus General Academic Instruction
13	Community Education
14	Off-Campus General Academic Instruction
21	Institutes and Research Centers
22	Individual and Project Research
32	Community Service
33	Cooperative Extension Service
34	Public Broadcasting Services
41	Libraries
42	Museums and Galleries
43	Education Media Services
45	Ancillary Support
46	Academic Administration, Personnel Development, and Course and Curriculum Development
51	Student Services Administration
52	Social and Cultural Development
53	Counseling and Career Guidance
54	Financial Aid Administration
55	Student Health Services
57	Student Admission and Records
61	Executive Management
62	Fiscal Operations
63	General Administration
65	Public Relations and Development
71	Physical Plant Administration
72	Building Maintenance
73	Custodial Services
74	Utilities
75	Landscape and Grounds Maintenance
76	Major Repairs and Renovations

77	Security and Safety
78	Logistical Services
81	Scholarships
82	Fellowships
AUX	Auxiliary Enterprises
HOSP	Hospitals

**The following codes are not recognized by NACUBO but are used by the University to facilitate reporting requirements.**

AGEN	Agency Funds
END	Endowment Funds
LOAN	Loan Funds
PLNT	Plant Funds
RET	Retirement Funds
UNDF	Undefined

*Effective Date: July 1, 2006*

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### **Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.