

# Virginia State Government Expenditure Structure

=====  
*Note: This is a static document intended to explain the background and current functionality behind the Commonwealth's budgeting structure for expenditures. For a listing of current subobject codes and their descriptions, please reference DPB's Website for Chart of Accounts listings at: <http://dpb.virginia.gov/budget/budget.cfm?page=COA>.*  
=====

## SUMMARY OF THE CURRENT EXPENDITURE STRUCTURE

### A. General

The Expenditure Structure is a mechanism for classifying in a systematic manner different categories and levels of expenditures and for collecting expenditure information. The information is used for accounting control, financial management, and budgeting purposes. This document focuses on the budgeting aspect of expenditures.

DPB is responsible for creating and maintaining the expenditure structure. This document is simply intended to explain the structure behind existing Subobject Codes.

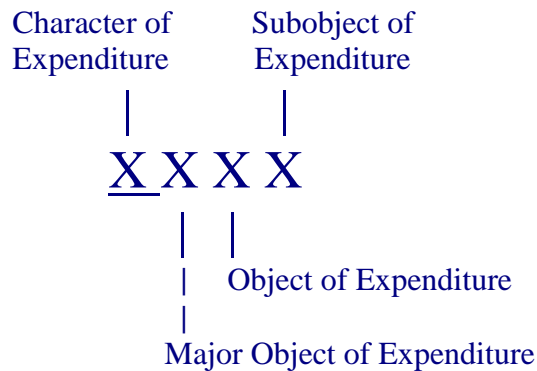
### B. Levels of Expenditure Definitions

Though this knowledge is not generally needed for agency budgeting in the Commonwealth of Virginia, the following definitions attempt to educate on the foundation of the expenditure structure where each position of the 4-digit Subobject code has a unique identifier:

1. **Character of Expenditure.** The broadest grouping of expenditures, based on designated use. The characters of expenditure consist of three major divisions: Operating Expenses, Fixed Asset Expenses, and Debt Service Expenses.
2. **Major Object of Expenditure.** The broadest subdivision of character, which describes an aggregation of objects of expenditure. Examples of values are personal services and contractual services.
3. **Object of Expenditure.** An organization of expenditures, which describes an aggregation of subobjects of expenditure. Examples are employee benefits and salaries.
4. **Subobject of Expenditure.** A distinct expenditure. While this definition refers to the 4<sup>th</sup> position in the 4-digit Subobject Code
5. **Subobject Code.** Refers to the sequential collection of single digit values assigned to the 4 levels of expenditure defined above.

## C. Coding Formats

The expenditure classification code, most commonly known as the Subobject Code, consists of four digits, which identify the four components defined above:



The first digit denotes the expenditure character, such as:

- 1xxx - Operating Expenses
- 2xxx - Fixed Asset Expenses
- 3xxx - Debt Service Expenses

The two left digits denote the major object classification of expenditure, such as:

- 11xx - Personal Services
- 12xx - Contractual Services

The three left digits denote the object of expenditure, such as:

- 111x - Employee Benefits
- 112x - Salaries

The four digits denote the subobject of expenditure, such as:

- 1111 - Employer Retirement Contributions– VRS Defined Benefits program
- 1114 - Group Life Insurance

For budgeting and accounting purposes, all source documents must be coded at the subobject of expenditure level using the four-digit code, e.g., 1113.

## D. Examples for Analyzing Expenditures

The following are examples of the various groupings that you may consider for analyzing expenditures.

**For a complete listing of current Subobject Codes, please reference DPB's Website for Chart of Accounts listings at:** <http://dpb.virginia.gov/budget/budget.cfm?page=COA>.

### OPERATING EXPENSES

**11-XX, PERSONAL SERVICES:** Include expenditures for employee benefits, salaries, special payments and wages of state employees.

**111-X, Employee Benefits:** Include expenditures for employer retirement contributions, federal old-age insurance for salaried state employees, federal old-age insurance for wage-earning state employees, group insurance, medical-hospitalization insurance, and teachers' insurance annuity.

**112-X, Salaries:** Include expenditures for administrative higher education salaries, appointed officials' salaries, classified salaries, other officials' salaries, overtime salaries, and teaching and research salaries.

**113-X, Special Payments:** Include expenditures for bonuses and incentives, commissions and fees, overseas differential compensation, specified per diem services, wages and allowances, and work programs.

**114-X, Wages:** Include expenditures for general wages, graduate assistant, overtime, student, teaching and research part-time, and work study student wages.

**115-X, Disability Benefits:** Include expenses for income replacement payments made to state employees under the Virginia Workers' Compensation Act or the short-term or long-term disability benefit program.

**116-X, Termination Personal Service Costs:** Include expenditures for final compensation costs associated with the termination of employees. [Eff. 7/1/99]

**117-X, WTA – Workforce Transition Act Termination Personal Service Costs:** Include expenditures for final compensation costs associated with the termination of employees under the provisions of the Workforce Transition (WTA) Act of 1995, Title 2.2, Chapter 32 of the Virginia Code: §2.2-3202. [Eff. 7/1/02]

**12-XX, CONTRACTUAL SERVICES:** Include expenditures for communication services, employee development services, health services, management and informational services, repair and maintenance services, support services, technical services, and transportation services.

**121-X, Communication Services:** Include expenditures for freight and express services, media services, messenger services, postal services, printing services, and telecommunications services.

**122-X, Employee Development Services:** Include all expenditures related to employee training and development, including expenditures for organization memberships, publication subscriptions, and all training-related support costs.

**123-X, Health Services:** Include expenditures for clinic services, dental services, hospital services, medical services, nursing home services, and x-ray and laboratory services.

**124-X, Management and Informational Services:** Include expenditures for auditing services, fiscal services, attorney services, miscellaneous legal services, management services, personnel development services, and public informational and public relations services.

**125-X, Repair and Maintenance Services:** Include expenditures for custodial services; repair and maintenance of equipment, mechanical, vehicles, physical plant, and highways; extermination/vector control services; and reclamation services that are under contract.

**126-X, Support Services:** Include expenditures for architectural and engineering services, aviation services, clerical services, food and dietary services, laundry and linen services, manual labor services, production services, and skilled services.

**127-X, Technical Services:** Include expenditures for information technology (*IT*) related services such as systems design and development, hardware maintenance, software maintenance, packaged software acquisition and maintenance, and operations. [Rev. 7/1/02]

**128-X, Transportation Services:** Include expenditures for moving and relocation services, personal vehicle travel, public carrier travel, state vehicle travel, subsistence and lodging, and travel supplements and aid.

**13-XX, SUPPLIES AND MATERIALS:** Include expenditures for administrative supplies, energy supplies, manufacturing and merchandising supplies, medical and laboratory supplies, repair and maintenance supplies, residential supplies, and specified use supplies.

**133-X, Manufacturing and Merchandising Supplies:** Include expenditures for alcoholic beverages, license tags, manufacturing supplies, merchandise, and packaging and shipping supplies.

**134-X, Medical and Laboratory Supplies:** Include expenditures for laboratory and field supplies and medical

and dental supplies.

**135-X, Repair and Maintenance Supplies:** Include expenditures for building repair and maintenance materials, custodial repair and maintenance supplies, electrical repair and maintenance supplies, mechanical repair and maintenance supplies, and vehicle repair and maintenance supplies.

**136-X, Residential Supplies:** Include expenditures for clothing supplies, food and dietary supplies, food service supplies, laundry and linen supplies, and personal care supplies.

**137-X, Specific Use Supplies:** Include expenditures for agricultural supplies, architectural and engineering supplies, computer operating supplies, educational supplies, fish and wildlife supplies, law enforcement supplies, photographic supplies, and recreational supplies.

**14-XX, TRANSFER PAYMENTS:** Include expenditures for awards, contributions, and claims; educational and training assistance; grants and aid; and dedicated and general shared revenues.

**141-X, Awards, Contributions, and Claims:** Include expenditures for income assistance payments, individual claims and settlements, interstate compacts and agreements, premiums, unemployment compensation awards, unemployment compensation reimbursements, and workers' compensation awards.

**142-X, Educational and Training Assistance:** Include expenditures for graduate scholarships and fellowships, student loans, tuition and training assistance, tuition waivers, and undergraduate scholarships.

**143-X, Grants and Aid to Local Governments:** Include expenses for categorical aid, payments in lieu of taxes, and non-categorical aid (general revenue sharing) to cities, counties, and towns to support local government operations (including public schools) and Constitutional Officers.

**144-X, Payments on Behalf of Local Governments:** Include payments to substate entities and individuals made to benefit the citizens of local government.

**145-X, Grants to Other Organizations:** Include expenses for grants and assistance to intergovernmental and nongovernmental organizations, and to political subdivisions located outside of Virginia.

**146-X, Payments for Local Employees Health Insurance Programs:** Include expenses for political subdivision employee health insurance programs.

**148-X, Indirect Cost Recoveries:** Records recoveries of statewide indirect costs and agency indirect costs that are eligible for recovery from federal grants and contracts.

**15-XX, CONTINUOUS CHARGES:** Include expenditures for insurance-fixed assets, insurance-operations, capital and operating lease payments, installment purchases and service charges.

**151-X, Insurance-Fixed Assets:** Include expenditures for aircraft insurance, automobile liability insurance, flood insurance, inland marine insurance, marine insurance, property insurance and boiler and machinery insurance.

**152-X, Capital Lease Payments:** Include expenditures for computer equipment capital lease payments, computer software capital lease payments, equipment capital lease payments, plant capital lease payments, and property capital lease payments. Use these codes when leases have the substance of purchase in which ownership of the asset often changes hands.

**153-X, Operating Lease Payments:** Include expenditures for computer equipment operating lease payments, computer software operating lease payments, equipment operating lease payments, plant operating lease payments, and property operating lease payments. Use these codes when leases do not have the substance of purchases and ownership of the asset does not change hands.

**154-X, Service Charges:** Include expenditures for agency service charges, electrical service charges, refuse service charges, and water and sewer service charges.

**155-X, Insurance-Operations:** Include expenditures for general liability insurance, money and securities insurance, medical malpractice insurance, surety bonds, and workers' compensation insurance.

**156-X, Installment Purchases:** Include expenditures for computer equipment installment purchases, computer software installment purchases, equipment installment purchases, plant installment purchases, and property installment purchases. Use these codes when there is agreement to purchase an asset in installments and ownership changes hands at the beginning of the agreement.

**157-X, Payments for State Employee Health Insurance Programs:** Include expenses for state employee health insurance programs. [Eff. 9/1/93]

#### **FIXED ASSET EXPENSES**

**21-XX, PROPERTY AND IMPROVEMENTS:** Include expenditures for property and improvements acquisition, natural resources acquisition, and site development.

**211-X, Acquisition of Property and Improvements:** Include expenditures for acquisitions as well as associated costs of property, rights-of-way, and waterways.

**212-X, Natural Resources:** Include expenditures for animals, minerals, and plants.

**213-X, Site Development:** Include expenditures for site improvements, site preparations, and utilities.  
**2131, Site Improvements:** Include expenses for exterior lighting systems, fences, landscaping, parking areas, roadways, walks, and similar site improvements.

**22-XX, EQUIPMENT:** Include expenditures for computer, educational, cultural, electronic, photographic, medical, laboratory, motorized, office, specific use, and stationary equipment.

**221-X, Computer Hardware and Software :** Include expenditures for computing platforms (mainframes to hand held), other equipment, and software. Note: code any purchase of service for equipment and software through a seat management contract to subobject code 1205. [Rev. 7/1/03]

**222-X, Educational and Cultural Equipment:** Include expenditures for college library books and educational, exhibitivite, and reference equipment.

**223-X, Electronic and Photographic Equipment:** Include expenditures for electronic, photographic, and voice and data transmission equipment.

**224-X, Medical and Laboratory Equipment:** Include expenditures for laboratory and field equipment and medical and dental equipment.

**225-X, Motorized Equipment:** Include expenditures for agricultural vehicles, aircraft, construction equipment, motor vehicles, power repair and maintenance equipment, and watercraft.

**226-X, Office Equipment:** Include expenditures for office appurtenances, office furniture, office incidentals, and office machines.

**227-X, Specific Use Equipment:** Include expenditures for household, law enforcement, manufacturing, nonpower repair and maintenance, and recreational equipment.

**228-X, Stationary Equipment:** Include expenditures for built-in equipment, fixtures, and mechanical equipment.

**23-XX, PLANT AND IMPROVEMENTS:** Include expenditures for acquisition of plant and improvements and construction of plant and improvements.

**231-X, Acquisition of Plant and Improvements:** Include expenditures for purchase or condemnation of bridges, buildings, highways, water ports, and improvements.

**232-X, Construction of Plant and Improvements:** Include expenses of construction of bridges, buildings, highways, and water ports.

#### **DEBT SERVICE EXPENSES**

**31-XX, OBLIGATIONS:** Includes expenditures for bonds and loans.

**311-X, Bonds:** Includes expenditures for bond issuance expenses, bond issuance fees, general obligation bond

financing, general obligation bond interest retirement, revenue bond financing, and revenue bond interest retirement.

**312-X, Loans-Agency:** Includes expenditures for anticipation loan interest retirement.

**313-X, Loans-State:** Includes expenses for drawdown loans and mortgage loans.