

Software Account Codes

Instructional Software - Use account code 4303

Non-Instructional Software – Use account code 4503

Expenditures for software purchases with an initial cost of less than the district's capital outlay threshold (\$200) and that do not require payment of additional periodic fees for continued use.

Software Maintenance - Use account code 5600

Expenditures for software maintenance services, such as to modify software after delivery to correct faults, to improve performance, or otherwise preserve the value of software over the time.

Software Licensing - Use account code 5601

Instructional Software Licensing (allowable with Lottery funds) - Use account code 5603

Expenditures for payments to firms providing software licensing only (no maintenance). Software licensing agreements often require payment of periodic renewal fees for continued use by licensee.

Note: If licensing and maintenance are combined on the invoice on one line, charge to 5600.

Software – Capitalized - Use account code 6490

Instructional Software – Capitalized (allowable with Lottery funds) - Use account code 6493

Software – Capitalized, \$5,000 or more and purchased w/Fed funds - Use account code 6491

NOTE: These account codes are used for first-time purchases of new software meeting the criteria below:

Expenditures for software if they have a value greater than the district's capital outlay threshold (\$200) and an initial useful life longer than one year. Software can be internally generated or purchased. The *initial* costs to implement software, including licensing costs and maintenance costs, for both internally generated and off the shelf software, should be capitalized in accordance with the district's capitalization policy.

Subsequent outlays for maintenance and licensing are generally expensed using account code 5600 (maintenance or maintenance *and* licensing), 5601 (licensing only-noninstructional), or 5603 (licensing only-instructional) unless they include modifications that add capacity or efficiency to the software that defers obsolescence and results extended useful life of the software. Modifications that do not result in added capacity or efficiency or result in extended useful life of the software should be charged to the repairs and maintenance account code 5600 (maintenance or maintenance *and* licensing), 5601(licensing only-noninstructional), or 5603 (licensing only-instructional).

Internet Account Access - Use account code 5890

Expenditures for use of online access, where no actual software or license is purchased. It allows the user to access specific programs and features on the host's website. Example: Survey Monkey.

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