

## **GLOSSARY OF TERMS**

- 1. Beginning Balance-October 1<sup>st</sup>** Revenues not expended during the previous fiscal year and available in the next year.
  
- 2. Fund Types**
  - A. Governmental**

These fund types are the segment of the accounting system through which most school system functions are typically financed. The reporting focus of these fund types is to determine financial position through the recording of changes caused by the receipt of revenues and the expenditure of resources rather than determining net income or loss.

    - (1) **General** This fund type accounts for all financial resources of the school system except those required to be accounted for in another fund. The primary operating functions of a local school system are performed in the general fund type.
    - (2) **Special Revenue** This fund type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
    - (3) **Debt Service** This fund type accounts for the accumulation of resources for the payment of general long-term debt, both principal and interest.
    - (4) **Capital Project** This fund type accounts for financial resources used to acquire or construct major capital facilities other than those of proprietary and trust funds.
  
  - B. Proprietary**

This fund type is used to account for school system activities that are similar to business operations in the private sector, or where the reporting focus is on determining net income, financial position and cash flows and when the activity is to be self supporting. It is recommended that proprietary fund types be used when the school system conducts business type activities that receive a significant portion of their financial resources through user charges.

C. Fiduciary

This fund type is used to account for assets held by the school system as trustee or agent. Expendable Trust Fund sources are accounted for in essentially the same manner as governmental fund sources. Non-expendable Trust Fund sources are accounted for in essentially the same manner as proprietary fund sources. Agency fund sources are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

### **3. Expenditures by Function**

A. Instructional Services

Instructional activities dealing directly with the interaction between teachers and students. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital and in other learning situations such as those involving co-curricular activities (Co-curricular includes such activities as field trips, athletics, band and school clubs.)

B. Instructional Support Services

Those services or activities providing supervision and/or technical and logistical support to facilitate and enhance instruction. Such services will include student support, instructional staff support, educational media and local school administration.

C. Operation & Maintenance Services

Activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, building and equipment in effective working condition and good state of repair.

D. Auxiliary Services

Those activities or services functioning in a subsidiary capacity and lending assistance to the educational process. Included in this function are student transportation services and food service operations.

E. General Administrative Services

Activities concerned with establishing and administering policy for operating the school system.

F. Capital Outlay - Real Property

Activities concerned with acquiring land and buildings, land and building improvements, building additions, and construction and architecture and engineering services.

- G. Debt Services - Long Term      Activities involved in servicing the long term debt(s) of the school system. These include payments of principal and interest on bond and warrant obligations, payments of principal and interest on lease-purchase agreements and payments of other related debt service charges incurred such as handling charges from lending institutions.
- H. Other Expenditures              Activities involving the operations of programs other than those normally considered “day school”. These include activities dealing with Adult/Continuing education programs, nonpublic school programs and services, and community services.
- 4. Expenditures By Cost Center**      Direct charge to the applicable school site or vocational cost centers. Expenditures which are not charged to a specific site are charged to a cost center pool.
- 5. Expend by Object and/or Category**              The object of expenditure component is to identify the service or commodity obtained as the result of a specific function of expenditure.
- 6. Foundation Program Operating Resources Earned (State and Local Funds)**      Allocation of appropriated state dollars to include required local revenue amounts that school systems are required to match in order to receive the state dollars. Allocation amounts are determined in accordance with the formula as outlined in the Foundation Program law.