
Fiscal Services Terms & Acronyms

What in the heck is a DBC? What does FTES stand for? What is an ERP?

Having heard these questions multiple times, your District Budget Committee representatives felt it would be helpful to produce a document that explains many of the terms and acronyms used in our budgeting process. We hope this is helpful in promoting understanding and transparency.

50 Percent Law: The “50 Percent Law”, as defined in *Education Code* Section 84362 and *California Code of Regulations* Section 59200 et seq., requires California Community College districts to spend each fiscal year 50% of the current expense of education for payment of salaries of classroom instructors. The intent of the statute is to limit class size and contain the relative growth of administrative and non-instructional costs.

Academic Salaries: Salaries for district employees who are required to meet minimum academic standards as a condition of employment.

Account Code: A sequence of numbers and/or letters assigned to ledger accounts to classify transactions by fund, object, activity, etc.

Accounting: (1) The special field concerned with the design and implementation of procedures for the accumulation and reporting of financial data. (2) The process of identifying, measuring, and communicating financial information to permit informed judgments and decisions by users of the information.

Accounting Period: Any period of time at the end of which a district determines its financial position and results of operations.

Accounting Procedures: All processes which identify, record, classify, and summarize financial information to produce reports and to provide internal control.

Accounting System: The total structure of records and procedures which identify, record, classify, and report information on the financial operations of an agency through its funds, account groups, and organizational components.

Accounts Payable: A short-term liability account reflecting amounts due to others for goods and services received prior to the end of an accounting period (includes amounts billed, but not paid). Most of these definitions are from Governmental Accounting, Auditing, and Financial Reporting (GAAFR).

Accounts Receivable: An asset account reflecting amounts due from others for goods and services provided prior to the end of an accounting period (includes amounts advanced but not repaid).

Accrual Basis: Method of accounting which calls for recognizing revenue/gains and expenses/losses in the accounting period in which the transactions occur regardless of the timing of the related cash flows. (Contrasts with Cash Basis method of accounting.)

Actuarial Report: A report prepared by an actuary to determine the financial impact of risks and uncertainties. Generally used to determine the required contributions of post-employment benefits or self-insured liabilities.

Ad Valorem: Latin for “according to value”. A tax based on the assessed value of real estate or personal property.

Allocation: Division or distribution of resources according to a predetermined plan.

Amortization: (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annual Appropriation Limit: Also known as GANN Limit. In California, all governmental jurisdictions, including community college districts, must compute an annual appropriation limit based on the amount in prior years adjusted for changes in population, cost-of-living, and other factors, if applicable (Article XIII-B of the State Constitution).

Annuity: A series of equal money payments made, or received, at equal intervals during a designated period of time.

Apportionment: Allocation of state or federal aid, district taxes, or other moneys to community college districts or other governmental units.

Apportionment Notice: A document notifying community college districts of moneys deposited on their behalf with the county treasurer.

Appropriation: A legal authorization granted by a legislative or governing body to make expenditures and incur obligations for a specified time and purpose. Apportionment: Allocation of State or Federal aid, district taxes, or other moneys to community college districts or other governmental units.

Appropriation for Contingencies: That portion of current fiscal year's budget not appropriated for any specific purpose and held subject to intra budget transfer, i.e., transfer to other specific appropriations as needed during the fiscal year.

Assessed Property Values: The assessed valuation is the value computed by the county assessor's office on each unit of property, which serves as the basis for calculating property taxes.

Associated Students Fund: These moneys are held in trust by the District for its organized student body associations, excluding clubs.

Audit: An official examination and verification of financial statements and related documents, records, and accounts for the purpose of

determining the propriety of transactions, whether transactions are recorded properly, and whether statements drawn from accounts reflect an accurate picture of financial operations and financial status. Audit procedures may also include examination and verification of compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program results. The general focus of the annual audit conducted on the district is usually a financial statement examination and compliance audit.

Auditors' Opinion: A statement signed by an auditor which states that she or he has examined the financial statements of the entity in accordance with generally accepted auditing standards (with exceptions, if any) and expresses an opinion on the financial position and results of operations of an entity.

Auxiliary Enterprise: Self-supporting activities which provide non-instructional support in the form of goods and services to students, faculty, and staff upon payment of a specific user charge or fee for the goods and services provided (e. g. Student Housing, Transportation and Parking Services). The general public may be served only incidentally.

Balanced Budget: A budget in which receipts are equal to or greater than outlays in a fiscal period.

Basis of Accounting: A term used to refer to *when* revenues, expenditures, expenses, and transfers—and the related assets and liabilities—are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Board of Trustees: The body of elected officials that governs the San Bernardino Community College District.

Body Center Fee Fund: Account used for moneys collected by the District for the purpose of establishing an annual building and operating fee to finance, construct, enlarge, remodel, refurbish, and operate a student center.

Bond: A bond is a written promise to pay a specific sum of money, called the face value or principle amount, at a specified date (or dates) in the future, called the maturity date, and with periodic interest at a

rate specified in the bond. A bond is generally issued for a specific purpose or project, such as construction of a new facility.

Bond Interest & Redemption Fund: Account used only to record transactions related to the receipt and expenditure of local revenues from property taxes levied for the payment of the principal and interest on outstanding District bonds.

Bond Premium: The excess of the purchase or sale price of a bond, exclusive of accrued interest, over its face value.

Bonded Debt: The portion of district indebtedness represented by outstanding bonds.

Bonds Authorized and Unissued: Legally authorized bonds that have not been sold.

Bookstore Fund: Receives the proceeds derived from the bookstore operations. All necessary expenses for the bookstore may be paid from generated revenue.

Budget: A financial plan of operation for a given period consisting of an estimate of proposed expenditures and revenues.

Budget Calendar: The schedule of key dates which the city follows in the preparation, adoption, and administration of the budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial program to the governing authority (form CCFS-311 for California Community Colleges). Included is a balanced statement of revenues and expenditures (both actual and budgeted), as well as other exhibits.

Budgetary Control: The management of business affairs in accordance with an approved plan of estimated income and expenditures.

Budgeting: The process of allocating available resources among potential activities to achieve the objectives of an organization.

Cafeteria Fund: Receives all moneys from the sale of food or any other services performed by the cafeteria. Costs incurred from the operation and maintenance of the cafeteria are paid from this fund.

CalWORKS – California Work Opportunity & Responsibility to Kids: A welfare program that gives

cash aid and services to eligible needy California families.

Capital Assets: See Fixed Assets.

Capital Expenditures: Capital expenditures are incurred when money is spent to purchase a fixed asset, or add to the value of an existing fixed asset, which has a useful life that extends beyond the taxable year. Capital expenditures are used to acquire or upgrade physical assets such as equipment, property, or industrial buildings.

Capital Outlay: The acquisition of or additions to fixed assets, including land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

Capital Outlay Projects Fund: Used to account for the accumulation and expenditure of moneys for the acquisition or construction of significant capital outlay items and Scheduled Maintenance and Special Repairs projects.

CARE – Cooperative Agencies Resources For Education: A supplemental component of the Extended Opportunity Programs and Services (EOPS) that specifically assists students who are single heads of welfare households with young children.

Cash: Includes currency, coin, checks, money orders, and bank drafts on hand or deposit with a designated agent or official acting as custodian of deposited funds.

Cash Advance: Money received or paid out before the goods or services.

Cash Basis of Accounting: Method of accounting in which income and expenditures are recorded only when cash is actually received or disbursed.

Cash Flow: Incomings and outgoings of cash, representing the operating activities of an organization.

Categorical Funding: Allocations that are required to be spent in a particular way or for a designated program.

CEE – Current Expense of Education: Education Codes §84362, CCR §59200 et seq: The Unrestricted General Fund expenditures of a community college district in Object Codes 1000-5000 and 6400 (Equipment Replacement sub-object) for activity codes 0100-6700 for the calculation of compliance

with the 50% Law. Excluded from the current expense of education are expenditures for student transportation, food services, community services, lease agreements for plant and equipment, and other costs specified in law and regulations. Amounts expended from State Lottery proceeds are also excluded. (See 50 Percent Law.)

Chart of Accounts: A systematic list of accounts applicable to a specific entity.

Child Development Fund: Accounts for all revenues for, or from, the operation of child care and development services, including student fees for child development services.

Classified Salaries: Salaries for district employees not required to meet minimum academic standards as a condition of employment.

COLA: Cost-of-living-allowance.

Commingling: To deposit or record funds in a general account without the ability to identify each specific source of funds for any expenditure.

Community Services: Educational, cultural, and recreational services which an educational institution may provide for its community in addition to its credit and noncredit programs. Community college districts receive no direct State apportionment for community services.

Compensated Absences: Absences, such as vacation and compensatory time off for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance, and long-term disability pay.

Contingent Liabilities: Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. All contingent liabilities should be disclosed within the basic financial statements, including the notes thereto when there is a reasonable possibility a loss may have occurred.

Contracted Services: Services rendered by personnel who are not on the payroll of the college system, including all related expenses covered by the contract.

Cost: The amount of money or other consideration exchanged for goods or services. Cost may be incurred even before money is paid; that is, as soon as liability is incurred.

Cost Accounting: The method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Credit: The right side of a double-entry accounting entry. A credit reduces assets or expenditures and increases income, liabilities, or fund balance.

Current Asset: Assets that are available or can be made readily available to pay for the cost of current operations or to pay current liabilities.

Current Liabilities: Amounts due and payable for goods and services received prior to the end of the fiscal year. Current liabilities are paid within a relatively short period of time, usually within a year.

DBC: District Budget Committee.

Debit: The left side of a double-entry accounting entry. A debit increases assets or expenditures and reduces income, liabilities, or fund balance.

Debt Limit: The maximum amount of bonded debt for which an entity may legally obligate itself.

Debt Service: Expenditures for the retirement of principal and interest on long-term debt.

Deferral: A state's withholding of apportionment funding due to a cash flow shortage in the state.

Deferred Charges: Expenditures that are not chargeable to the fiscal period in which they are made, but that are carried as an asset on the balance sheet pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time and are not regularly recurring costs of operations which are paid for prior to their occurrence. Examples include discounted bonds sold and prepaid expenses, such as insurance.

Deferred Revenue: Revenue received prior to being earned such as bonds sold at a premium, advances received on Federal or State program grants, or enrollment fees received for a subsequent period.

Deficit: (1) The excess of liabilities over assets. (2) The excess of expenditures or expenses over revenues during an accounting period.

Deficit Factor: Applied to apportionment revenue based on available funding from the State Chancellor's Office.

Drawdown: Process whereby a State or district requests and receives Federal funds.

DFSPS – Disabled Student Programs & Services: A program to provide support services, specialized instruction, and educational accommodations to students with disabilities.

Employee Benefits: Amounts paid by an employer on behalf of employees. Examples are group health or life insurance payments, contributions to employee retirement, district share of taxes, and workers' compensation payments. These amounts are not included in the gross salary, but are over and above. While not paid directly to employees, they are a part of the total cost of employees.

Encumbrances: Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise Funds: A subgroup of the Proprietary Funds Group used to account for operations when the governing board has decided either that the total cost of providing goods and services on a continuing basis (expenses including depreciation) be financed or recovered primarily through user charges; or that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Entitlement: The amount of payment to which an entity is entitled pursuant to an allocation formula contained in applicable statutes.

EOPS – Extended Opportunity Programs & Service: A financial aid program of the State of California and Community College districts to encourage enrollment, retention and transfer of students handicapped by language, social, economic and educational disadvantages.

Equipment: Tangible property with a purchase price of at least \$200 and a useful life of more than one year, other than land or buildings and improvements thereon.

ERP – Enterprise Resource Planning: A business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources

Estimated revenue: Expected receipt or accruals of moneys from revenue or nonrevenue sources during a given period.

Expenditures: Payment of cash or cash equivalent for payroll, goods or services, or a charge against available funds in settlement of an obligation.

Expense of Education: This includes all General Fund expenditures, restricted and unrestricted, for all objects of expenditure 1000-5000 and all expenditures of activity from 0100-6700. (See also 50 Percent Law and CEE.)

Expenses: Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

Fees: Amounts collected from or paid to individuals or groups for services or for use purchase of goods or services.

Fidelity bond: A written promise to indemnify an employer for losses arising from theft, defalcation, or misappropriation of moneys by government officers and employees.

Fiduciary Funds Group: A group of funds used to account for assets held by the district in a trustee or agent capacity on behalf of individuals, private organizations, student organizations, other governmental units, and/or other funds.

Financial Aid Fund: Account used for the deposit and direct payment of government-funded student financial aid.

Financial & Compliance Audit: An examination leading to the expression of an opinion on (1) the fairness of presentation of the audited entity's basic financial statements in conformity with GAAP, and

(2) the audited entity's compliance with the various finance-related legal and contractual provisions used to assure acceptable governmental organizational performance and effective management stewardship. Public sector oversight bodies typically require independent auditors to include responses to standardized legal compliance audit questionnaires in financial and compliance audit reports.

Financial Resources: Cash and other assets that, in the normal course of operations, will become cash.

Fiscal: Of or relating to government expenditures, revenues, and debt.

Fiscal Year: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. For governmental entities in the State of California, this period is begins July 1 and ends June 30.

Fixed Assets: Long-lived tangible assets having continuing value such as land, buildings, machinery, furniture, and equipment.

Fixtures: Attachments to buildings that are not intended to be removed and cannot be removed without damage to the buildings. Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of the building; all others are classified as equipment.

FON – Full-Time Equivalent Faculty Obligation Number: The number of full-time faculty positions that are required to be maintained within a district per Title 5 Section 51025. This section requires a community college district to increase the number of full-time faculty over the prior year in proportion to the amount of growth in funded credit FTES. The inverse applies when there are workload measure reductions.

FNX – First Nations Experience: First public television network in the United States focusing on Native American and World Indigenous cultures.

FTE: Full-time equivalent.

FTE Employees – Full-Time Equivalent Employees: Ratio of the hours worked based upon the standard work hours of one full-time employee. For example, classified employees may have a standard work load of 40 hours per week, if several classified

employees worked 380 hours in one week, the FTE conversion would be 380/40 or 9.5 FTE.

FTE Faculty – Full-Time Equivalent Faculty: Ratio of the standard work load for a full-time faculty, (e.g. 15 units).

FTES – Full-Time Equivalent Students: An FTES represents 525 class (contact) hours of student instruction/activity in credit and noncredit courses. FTES is one of the workload measures used in the computation of state aid for California Community Colleges.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

Fund Accounting: Control device used to separate financial resources and ensure they are used for their intended purposes.

Fund Balance: The difference between fund assets and fund liabilities of governmental and similar trust funds; used to describe the net assets, or available resources, of funds.

Fund Group: Compilation of two or more individual funds used to report sources and uses of resources in providing some major service or group of services.

GAAP – Generally Accepted Accounting Principles: Guidelines to financial accounting and reporting which set uniform minimum standards for accepted accounting practices.

GANN Limit: See Annual Appropriation Limit. In California, all governmental jurisdictions, including community college districts, must compute an annual appropriation limit based on the amount in prior years adjusted for changes in population, cost-of-living, and other factors, if applicable (Article XIII-B of the State Constitution).

GASB – Governmental Accounting Standards Board: The authoritative accounting and financial reporting standard-setting body for governmental entities.

General Fund: The fund used to account for the ordinary operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

General Ledger: A record containing the accounts needed to reflect the financial position and the results of operations. General ledger accounts may be kept for any group of items of receipts or expenditures.

General Reserve: An account to record the reserve budgeted to provide operating cash in the succeeding fiscal year until taxes and State funds become available.

GFOA – Government Finance Officers Association: A professional association of state, provincial and local finance officer in the United States and Canada.

Governmental Funds: Grouping of funds used to account for activities directly related to an institution’s educational objectives. These funds include the general fund, debt service funds, special revenue funds, and capital project funds.

Grant: A contribution of assets from one organization to another to support a particular function or purpose.

Income: A term used in proprietary fund-type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

Indirect Expenses or Costs: Those elements of cost necessary in the production of a good or service which are not directly traceable to the product or service. Usually these costs relate to objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management and supervision.

Instructional Service Agreement: An agreement with a third party to provide instruction which is open to all students and is eligible for apportionment if specific criteria are met. See Appendix C for the Contract Guide for Instructional Service Agreements between College Districts and Public Agencies.

Interest Income: A sum of money received or due to be received for the use of money loaned or invested.

Interfund Accounts: Accounts in which transactions between funds are reflected.

Interfund Transfers: Money that is taken from one fund and added to another fund without an expectation of repayment.

Internal Audit: An examination made by one or more employees to make continuous or periodic checks

to determine whether acceptable policies and procedures are followed, established standards are met, resources are used efficiently and economically, accounting and reporting procedures are reliable, and the organization’s objectives are being achieved.

Internal Control Structure: A plan of organization in which employees’ duties are arranged and records and procedures designated to provide a system of self-checking, thereby enhancing accounting control over assets, liabilities, income, and expenditures. Under such a system the employees’ work is subdivided so that no one employee performs a complete cycle of operation; such procedures call for proper delegation by designated officials.

Internal Service Funds: A subgroup of the Proprietary Funds Group used to account for the financing of goods or services provided on a cost reimbursement basis by one department to other departments within or outside the community college district.

Intrabudget Transfers: Amounts transferred from one appropriation account to another within the same fund.

Intrafund Transfer: The transfer of moneys within a fund of the district.

Investments: Securities, real estate, etc., held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term excludes fixed assets used in governmental operations.

Levy: The imposition of taxes, special assessments, or service charges for the support of governmental activities; also, the total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Liabilities: Debt or other legal obligations (exclusive of encumbrances) arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

Long-Term Debt: A borrowing that extends for more than one year from the beginning of the fiscal year.

Marginal Costs: Costs incurred as a result of adding one unit of enrollment or production.

Object Code: Revenue or Expenditure classification within the system – wide chart of accounts.

Obligations: Amounts that an entity may be legally required to pay out of its resources. Included are not only actual liabilities, but also unliquidated encumbrances. (See also Liabilities.)

OPEB – Other Post-Employment Benefits: Post-employment benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee. Other post-employment benefits that a retiree can be compensated for are life insurance premiums, healthcare premiums, and deferred-compensation arrangements.

Operating Expenses: Expenses related directly to the entity’s primary activities. Generally used in proprietary funds and the full accrual entity-wide financial statements.

Operating Income: Revenues received directly related to the entity’s primary activity. Generally used in proprietary funds and the full accrual entity-wide financial statements.

Opportunity Costs: The value of an activity or opportunity that must be foregone to implement an alternative.

Other Internal Services Fund: Accounts for revenues and expenditures for services such as retiree benefit funds.

Other Special Revenue Fund: Includes all other specific revenue sources legally restricted to expenditures for specified purposes not integral to the District’s instructional or administration and support operation.

Other Trusts Fund: Used to account for all other moneys held in a trustee capacity by the District for individuals, organizations, or clubs.

Overdraft: The amount by which checks, drafts, or other demands for payment on the treasury or on a bank account exceed the amount of the balance upon which they are drawn; or the amount by which encumbrances and expenditures exceed the appropriation to which they are chargeable.

Prepaid Expenses: Goods or services for which payment has been made, but for which benefits have not been realized as of a certain date; e.g., prepaid rent, prepaid interest, and premiums on unexpired

insurance. Expenses are recorded in the accounting period in which the related benefits are received.

Program: Category of activities with common outputs and objectives. A program may cut across existing departments and agencies.

Prop 39: Proposition 39 California Clean Energy Jobs Act is state program providing funding to local educational agencies for improving energy efficiency and creating clean energy jobs.

Property Taxes: In general, property taxes are those taxes levied on real property for the purpose of providing service for the public good.

Proprietary Funds Group: A group of funds used to account for those ongoing government activities which, because of their income-producing character, are similar to those found in the private sector.

Proration: Allocation of expenditures or income from a single source to two or more accounts to show the correct distribution of charges or income.

Purchase Order: A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Purchase Requisition: A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RAM – Resource Allocation Model: The overall process by which funds are best allocated to the campuses and district office operations in order to meet District goals and objectives.

Real Property: Property consisting of land, buildings, minerals, timber, landscaping, and related improvements.

Reasonable Assurance: The concept that internal control, no matter how well designed and operated, cannot guarantee an organization’s objectives will be met. This is because of inherent limitations in all internal control systems.

Replacement Cost: The amount of cash or other consideration that would be required today to obtain the same asset or its equivalent.

Representation Fee Fund: Used to account for moneys collected pursuant to California Ed. Code Section

76060.5, which provides for a student representation fee.

Reserve: An amount set aside to provide for estimated future expenditures or losses, for working capital, or for other specified purposes.

Resources: All assets owned including land, buildings, cash, estimated income not realized, and, in certain funds, bonds authorized but unissued.

Restricted Fund: Cash or other assets which are limited as to use or disposition by their source. Their identity is therefore maintained and their expenditure or use is also recorded separately.

Retained Earnings: The accumulated earnings of a proprietary fund that are not reserved.

Revenue: Increase in net assets from other than expense or expenditure refunds or other financing sources (e.g., long-term debt proceeds, residual equity, and operating transfers, and capital contributions).

Revenue Bond Construction Fund: Designated for deposit of proceeds from the sale of revenue bonds to meet the costs of acquisition or construction of authorized projects.

Revenue Bonds: Bonds whose principal and interest are payable exclusively from earnings of the funded facilities operation.

Revenue Clearing Account: Account used to accumulate total receipts for clearing prior to depositing the funds with the county treasury and distributing to the accounts to which such receipts are properly allocable.

Revolving Cash: A stated amount of money authorized by the district governing board to be used primarily for emergency or small sundry disbursements. The fund is reimbursed periodically through properly documented expenditures, which are summarized and charged to proper account classifications.

RFP: Request for proposal.

RFQ: Request for quote.

RTVF: Radio-Television-Film.

Scholarship & Loan Fund: Used to account for gifts, donations, bequests, and devises (subject to donor restrictions) which are to be used for scholarships or grants in aid and loans to students. It excludes categorical governmental moneys and their

required match, which are recorded in the Financial Aid Fund.

Securities: Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

Self-Insurance Fund: Used to account for income and expenditures of authorized self-insurance programs.

Separation of Duties: An internal control practice in that no one person has complete control over any financial transaction. Each person's work should routinely serve as a complementary check on another's work.

SERP: Supplemental Early Retirement Plan.

Short-Term Debt: Debt with a maturity of one year or less after the date of issuance. Short term debt usually includes variable-rate debt, bond anticipation notes, tax revenue anticipation notes, and revenue anticipation notes.

Stipend: For career staff, a regular or fixed payment made to an individual in recognition of added responsibility.

Student Services: Student services include those activities which provide assistance to students in the areas of financial aid, admissions and records, health, placement testing, counseling and student activities.

Student Tuition & Fees: The student tuition and fees category includes all student tuition and student fees assessed against students for educational and general Purposes.

Supervisor: For the purpose of Education Code Section 84362 (the Fifty Percent Law), "Supervisor" means any employee having authority, on behalf of the district, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, discipline other employees, adjust their grievances, or effectively recommend such action, if the exercise of such authority is not of a merely routine or clerical nature.

Supplanting: To use one type of funds to provide goods or services previously paid for with another type of funds. Generally, this practice is prohibited when State or Federal funds are used to replace local funds.

Supply: A material item of an expendable nature that is consumed, wears out, or deteriorates in use; or one

that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

Surety Bond: A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document through nonperformance or through defalcation. For example, a surety bond might be required of a contractor or an official who handles cash or securities.

Trial Balance: A list of the balances of the accounts in a ledger kept by double entry with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or if their net balance agrees with a controlling account, the ledgers from which the figures are taken are said to be "in balance."

TRAN – Tax Revenue Anticipation Note: Instrument issued to secure short-term moneys borrowed in expectation of collection of taxes.

Trust Fund: A fund consisting of resources received and held by an entity as trustee to be expended or invested in accordance with the conditions of the trust.

Tuition: An amount charged to students for instructional services provided to students.

Unencumbered Balance: That portion of an appropriation or allotment not yet expended or obligated.

Unit Cost: The total expenditure for a product, program, or service divided by the total quantity obtained or

some other quantitative measure; e.g., total expenditure divided by number of students equals cost per student.

Unfunded FTES: The Full-time Equivalent Students (FTES) that the District serves above the number of funded FTES provided by the State Chancellor's Office. In other words, the State funds a maximum number of FTES for each District; if the District serves more FTES than the State funds, the District has Unfunded FTES.

Unrestricted General Fund: Used to account for resources available for general District operations and support for educational programs.

Warrant: A written order drawn by the governing board or its authorized officer(s) or employee(s) and allowed by the county auditor, directing the county treasurer to pay a specified amount to a designated payee. A warrant may or may not be payable on demand and may or may not be negotiable.

Withholding: Money deducted from an amount payable to an employee or a business (e.g., Federal and State income taxes withheld from employee payroll checks and by contract agreement the amount retained until final inspection and acceptance on construction projects).

WASC – Western Association of Schools & Colleges: WASC is the accrediting body for all schools, colleges and universities located in the Western United States.

Work Load Measure Reduction: Utilized to quantify the reduction in FTES required when corresponding reductions in revenues have been imposed.

Still have questions? Email them to us at kgoodric@sbccd.cc.ca.us and we'll do our best to answer them.
