

WEST CHESTER AREA SCHOOL DISTRICT
2003-04 BUDGET

Glossary of Terms

GLOSSARY

This glossary contains definitions of terms used in the budget, and not specifically defined elsewhere, and such additional terms as seem necessary to provide a common understanding concerning financial accounting procedures for schools. The glossary has been divided into three sections: (I) those terms specifically used in the Revenue Budget; (II) those terms specifically used in the Expenditure Budget; and (III) those terms which are not primarily financial accounting terms but have been included because of their significance for school budgets.

I. REVENUE BUDGET TERMS

Federal Sources: That revenue from funds collected by the Federal Government and distributed to school districts in amounts that differ in proportion from those which were collected within such school districts. Examples of this revenue would be restricted or unrestricted Grants-in-Aid such as funds for Handicapped Children, Disadvantaged Children, Vocational Education, and Child Nutrition Programs.

Fund Balance Appropriations: Monies appropriated from the district's fund balance to offset the shortfall in expected revenues.

Local Sources: That amount of money produced within the boundaries of the school district and available to the School District for its use. Examples of this revenue would be real estate taxes, interest income, rentals and tuition payments.

Other Financing Sources: These include funds received from the proceeds from long term debt, receipt of interfund transfers.

State Sources: That revenue from funds produced within the boundaries of and collected by the state and distributed to school districts in amounts different proportionately from the amounts collected within such school districts. Examples of this revenue would be the basic instructional and operating subsidies, and subsidies for specific educational programs such as Special Education and Vocational Education.

II. EXPENDITURE BUDGET TERMS

Benefits: Money budgeted for benefits for all paid personnel which includes: retirement contribution, Social Security, hospitalization insurance, life insurance, dental insurance, disability insurance, prescription drug insurance, unemployment compensation, worker's compensation and tuition reimbursement.

Budgetary Reserve: This account is not an expenditure function or account. It is strictly a budgetary account to provide for contingencies.

Business Services: Those activities concerned with the administering of the district's business functions, the accounting for the district physical inventories, purchasing, storage, and data processing.

Central Support Services: Activities, other than general administration, which support each of the other instructional and supporting service programs. These activities include planning, research, development, evaluation, information, staff, and data processing services.

Community Services: Activities concerned with providing recreation for the community as a whole, or for some segment.

Debt Service: Includes payments of both principal and interest on all debt of the school district.

Equipment: Money budgeted for the purchase of equipment to be used in the operation of the school district.

Food Services: This service area includes the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food.

II. EXPENDITURES (Continued)

Fund Transfers: The transfer of funds from the General Fund to the Capital Reserve Fund, the Athletic Fund and the Food Service Fund.

Instructional Staff Services: Those activities associated with assisting the instructional staff improving the content and process of providing learning experiences for students. These activities include library/audio-visual operations, curriculum development, and staff development.

Other Financing Uses: Money budgeted for principal payments on debt service and transfers to other funds including General Fund contributions to the Athletic and Food Service Funds.

Other Instructional Programs: Elementary and secondary programs not included in regular, special, or vocational education. This includes federal programs and Homebound Instruction.

Other Objects: Money budgeted for interest payments on debt service, dues, fees, and memberships in school-related organizations.

Other Support Services: All other support services not classified elsewhere in the 2000 series.

Plant Services: Those activities concerned with keeping the physical plant open, comfortable, and safe.

Pupil Health Services: Activities that provide health services which are not a part of curriculum and instruction. Included are activities that provide students and staff with appropriate medical, dental, and nursing services as required by the state.

Pupil Services: Activities designed to assess and improve the well-being of students, to supplement the teaching process, and meet the provisions of Article XIII of the Public School Code of 1949. This includes the Director of Pupil Services, guidance counselors, and psychological services.

Purchased Professional & Technical Services: Those services provided by independent persons or firms with specialized skills or knowledge. This includes educational services purchased from the intermediate unit or independent providers.

Purchased Property Services: Those services provided by an outside agency, firm or individual to operate, repair, or maintain equipment, buildings, and sites of the district. Included in this area are utilities such as electricity, water, sewer, and trash/recycling removal.

Purchased Services: Money budgeted for transportation services, tuition to other schools (intermediate unit, private school, technical school, other school districts), insurance contracts, staff travel, printing of district information, postage, telephone charges and fidelity bonds for tax collectors and district officials.

Regular Programs: Provides for regular education of elementary and secondary students (K through 12).

Salaries: Money budgeted for all paid personnel of the school district.

Special Programs: (including Chester County Intermediate Unit and approved private schools) Activities designed primarily for students having special needs. These programs include support classes for pre-kindergarten, kindergarten, elementary and secondary students that have been identified as exceptional.

Student Activities: School sponsored extra-curricular activities including interscholastic and intramural athletics, band, chorus, speech and debate, etc.

Supplies: All items of an expendable nature which are purchased for use in the schools including supplies and books used in the operation of the schools, and fuel used to operate the buildings.

II. EXPENDITURES (Continued)

Support Services-Administration: Those activities concerned with recommending new policies, administering existing policies, and the developing and implementing procedures in connection with the operation of the school district. It also includes the services of those professional, independent, and separate agencies or individuals that are elected, appointed, or retained to assist in the administration.

Transportation Services: Consists of those activities involved with the conveyance of pupils to and from school; as provided by state law. It includes transportation costs only for trips between home and school.

Vocational Education Programs: Activities designed to prepare students for entrance into and progress through various levels of employment in occupational fields such as agriculture, business, distribution, health, gainful and useful home economics, and trade and industry.

III. OTHER TERMS

Accounting System: The total structure of records and procedures which discover, record, classify, and report information on the financial position and operations of a school district or any of its funds or accounts.

Account Group: These groups account for and control general fixed assets and unmatured principal of general long-term debt.

Accrual Basis: The basis of accounting under which revenues are recorded when they are levied and expenditures are generally recorded when a related liability is incurred, regardless of when the revenue is actually received or the payment is actually made.

Aid to Families with Dependent Children (AFDC): This is a federal (60%) and state (40%) program which provides direct cash payments to families with dependent children. Both the Title 1 programs and the free and reduced meal programs are available to children from families receiving this aid.

Americans with Disabilities Act (ADA): This is federal legislation which mandates non-discrimination on the basis of handicap or disability and prescribes that services, activities, programs and facilities be accessible to and usable by handicapped or disabled persons.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Approved Private Schools (APS): These are state approved private institutions which provide special education programs on a day and residential basis for students whose educational needs cannot be met by either the District or the I. U. given the severity of their handicapping condition.

Asbestos Hazard Emergency Response Act (AHERA): This is a regulation that requires schools to conduct inspections, develop comprehensive asbestos management plans, and select asbestos response action to deal with asbestos hazards.

Assessed Value: This is the value placed on property, both land and building, by the Chester County Board of Assessment Appeals. All counties in the Commonwealth are subject to state statutes governing assessments but each county may establish its own procedures for calculating assessments.

Association of School Business Officials (ASBO): ASBO is a professional association which provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

Board of School Directors: The elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a given geographical area.

III. OTHER TERMS (continued)

Bonded Debt: An obligation resulting from the borrowing of money through issuance of bonds by the school district.

Bond, General Obligation: A written promise to pay specified amounts of money at certain times in the future and carrying interest at fixed rates. The obligation to pay is backed by the taxing authority of the district. The proceeds of bond issues are to pay for capital projects and improvements.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Charter School: An independent public school established and operated under a charter from the local Board of School Directors and in which students are enrolled or attend. A charter school must be organized as a public, non-profit corporation.

Comprehensive Annual Financial Report (CAFR): This is the primary vehicle by which the School District reports the results of operations and financial condition of all funds at year end.

Contracted Services: Labor, materials and other costs for services rendered by personnel who are not on the payroll of the school district.

Elementary: As defined by state practice, expenditures of a school organization composed of the grades pre-kindergarten through grade six (6).

Encumbrances: Purchase orders, contracts, and/or other commitments which are chargeable to an appropriation. Encumbrances are not liabilities and therefore are not recorded as expenditures until receipt of material or service. Encumbrances are used in the accounting records for budgetary control.

Expenditures: These are charges incurred, whether paid or not, which benefit the current period.

Fiscal Year: A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations.

Function: This term refers to an expenditure activity or service area aimed at accomplishing a certain purpose or end; for example, Regular Instruction Programs, Special Instruction Programs, Vocational Education Programs, Instructional Staff Services, and Plant Operation and Maintenance.

Fund: A fund is a fiscal and accounting entity, with a self-balancing set of accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses.

Fund Balance: The excess of assets of a fund over its liabilities and reserves.

Fund, General: This is the general operating fund of the District. All activities of the District are accounted for through this fund except for those required to be accounted for in another fund.

Fund, Proprietary: This fund type accounts for District 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 flow. The Food Service Fund is a proprietary fund which accounts for all revenues, food purchases, and costs and expenses for the Food Service Program.

Fund, Special Revenue: These funds are maintained to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. These include the Athletic Fund and the Capital Reserve Fund.

Government Finance Officers Association (GFOA): GFOA is a professional association of government finance managers. GFOA develops and administers programs and provides services in the areas of research, technical assistance, public publications, and career development and training.

III. OTHER TERMS (continued)

Instructional Support Team (IST): A state supported initiative where a team of school professionals review and discuss a child's learning and recommend appropriate strategies.

Levy: To impose taxes or special assessments.

Mill: Property tax rate per thousand dollars of assessed value. One mill is equal to \$1.00 per \$1,000 of assessed value. To calculate the tax rate, the total property tax amount levied by the district is divided by the assessed valuation of the taxable property, divided by 1,000.

Object: This term refers to the service or commodity obtained as the result of a specific expenditure; for example, Salaries, Fringe Benefits, Professional Services, Supplies, and Property.

PDE: Pennsylvania Department of Education.

Secondary: As defined by state practice, expenditures of a local school organization composed of the grades seven (7) through twelve (12).

Underground Storage Tank and Spill Prevention Act (UST): This is a federal program mandating registration, compliance monitoring and regulated removal by certified contractors of all underground fuel storage tanks to protect the public and the environment.