

TERMINOLOGY USED IN IOWA SCHOOL FINANCE

A-133 Compliance Audit

An audit of an agency receiving federal funding. This agency is called a sub-recipient. The audit must be conducted by an independent auditor and be done in compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. At a minimum, the audit must include an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of federal funds, financial transactions and accounts, and financial statements and reports. An A-133 Compliance Audit is required as part of the annual audit of all Iowa school districts and AEAs that expend at least \$500,000 from federal awards.

Abatement

A reduction in amount, usually referring to taxation.

Account

A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as function, object, or source.

Accounting

The procedure of maintaining systematic records of events relating to persons, objects, or money and summarizing, analyzing, and interpreting the results of such records.

Accounting Basis

Iowa school districts and AEAs are required to use modified accrual for governmental funds and full accrual for propriety funds. This is the same basis of accounting as the fund financial statements in an audit.

Accounting Records

The records kept of revenue, expenditures or expenses, and balances. These documents may be able to provide more detailed information on specific items than is published in the district's financial reports.

Accrual

Any assets, liabilities, revenues or expenditures/expenses that are not recognized in the same accounting period as the one in which the cash is received or disbursed.

Accounting Equation

Assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equals net position.

Accrual Basis

The basis of accounting and budgeting under which most financial transactions are recorded when they occur regardless of when the cash is actually received or disbursed. It includes incurred expenses (including salaries) and all receivables in the year in which the services or goods were received. The entire annual salary for each employee is included in the fiscal year in which the services are rendered. All Iowa school districts and AEAs are required to be in compliance with Governmental GAAP and use the accrual/modified accrual basis of accounting and budgeting for all parts of the CAR-COA, audit, all official annual and periodic financial reports and certified budgets. All school districts and AEAs shall use 60 days for the cut-off period for revenue recognition. The CAR-COA, CAR-SES, and similar Department data collections are reported at the fund level prior to any adjusting entries necessary to complete the entity-wide statements for the audit.

Actual Enrollment

The enrollment determined annually on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, pursuant to Iowa Code section 257.6. Actual enrollment, with a few exceptions, is the full-time equivalency (FTE) count of resident enrolled students and should not be confused with the BEDS enrollment.

Activity Based Budgeting

A technique to give management information to continuously improve performance and reduce costs. It is a continuous process involving strategic planning and value analysis. It identifies support costs and their relationship to products or outputs, and determines the best index to measure the activity rather than using a single cost accounting measure. This technique might be used for local reporting and planning purposes but would not be used in the accounting records or on any official financial reports or certified budgets.

Activity Fund

See Student Activity Fund

Additional Levy

A property tax levy in the amount necessary to raise the difference between a school district's combined district cost and the school foundation base and supplements each fiscal year. It is one component of funding the combined district cost.

ADA

(Average Daily Attendance)

ADM

(Average Daily Membership)

Adopted Budget

The budget voted on and adopted by the local school board after publication and public hearing. See Certified Budget.

Advance Refunding

See Refunding Bonds

AEA

(Area Education Agency)

AEA Flow Through

An amount determined by the Iowa School Foundation Formula based on the size of the school district's enrollment which must be budgeted by the local school district. This amount is withheld from the local district's state aid and is paid directly to the AEA. AEA flow through is for media services, special education support services, educational services and supplements for teacher salary and professional development. AEA flow through is shown as both a revenue and an expenditure on the district's financial statements.

Affidavit

A written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oaths or affirmation. A person is guilty of perjury if in any official proceeding or on any official report, this person knowingly and willfully makes a false statement under oath or equivalent affirmation, including in an affidavit.

Agency Funds

Funds used to account for assets received and held as an agency for individuals, private organizations such as school foundations, and other governments. The school acts merely as a custodian of the assets and is not an owner.

Aggregate Days of Attendance

The total number of days that pupils are enrolled and actually present for all pupils for all days in session during a reporting period.

Aggregate Days of Membership

The total number of days that pupils are enrolled for all pupils for all days in session during a reporting period.

Aid and Levy Worksheet

A document prepared by the Department of Management to assist districts to calculate their total spending authority, property tax and state foundation aid under the Iowa School Foundation Formula.

Allowable Growth (beginning with FY15, called Supplemental State Aid)

The annual dollar amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next. The dollar amount is the product of the allowable growth rate set by the legislature times the state cost per pupil from the prior budget year.

Amended Budget

A revised certified budget with changes which were adopted in the same manner as the original certified budget filed on April 15th of the prior fiscal year. Amended after July 1 and generally prior to May 31 in any fiscal year.

Ancillary Services

Services to support the main educational program. Ancillary services include transportation services and food services.

Anticipatory Warrants

Warrants issued in anticipation of collection of taxes, retireable only from tax collections, and frequently retireable only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans (balance sheet transactions), and the principal is not recorded as revenue or expenditure.

Appeal Board (State Appeal Board)

A board established by Iowa Code chapter 24 which includes the Director of the Department of Management, the Auditor of State, and the Treasurer of State. This board holds hearings on protests of municipal budgets, such as school districts, and considers requests by municipalities such as school districts to transfer money between funds not handled by the SBRC.

Apportionment

The division or distribution of funds on the basis of a plan.

Appraisal

The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often engineering estimates. Also, the value established by estimating.

Appropriation

An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

Arbitrage

Transactions where securities are bought and sold in different markets at the same time for the purpose of profits arising from different prices in the two markets. Internal Revenue Service regulations govern arbitrage.

Area Education Agency (AEA)

Established by the Sixty-fifth General Assembly to replace county and joint county school systems effective July 1, 1975. The AEA receives funding through the local school district budget process to provide instructional services, media services and special education support services to local school districts. An AEA is a school corporation.

Assessed Valuation

The value of property determined on an annual basis by the county assessor for purposes of taxation.

Assessment

A compulsory levy made by a local government against certain properties to defray part or all of the cost of a special improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such property.

Assets

An amount owned of items of value including all properties and claims against others, which may be applied to cover liabilities.

Assigned Fund Balance

The assigned fund balance classification reflects amounts that are constrained by the government's *intent* to be used for specific purposes, but meet neither the restricted nor committed forms of constraint. Also, according to GASB, the assigned fund balance classification is the residual classification for the special revenue, debt service, capital projects, and/or permanent funds (unless that amount is negative, which would require presentation as unassigned fund balance). Iowa school districts and AEAs will only use this in the General Fund since governmental funds are established by law for specific purposes.

Attendance Center

A public school building that contains classrooms used for instructional purposes for elementary, middle, or secondary school students.

Audit

The examination of records and documents and internal accounting systems and procedures for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn there from in accordance with Generally Accepted Accounting Principles (GAAP).

Authorized Budget

The maximum amount a district may expend from the General Fund for the budget year. The amount is the sum of the combined district cost plus the unspent balance from the prior budget year plus the actual miscellaneous income received during the budget year plus the instructional support program and educational improvement program. The authorized budget is also called the maximum spending authority.

Average Daily Attendance (ADA)

The aggregate days of attendance of a given school district during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers shall be considered as days in session.

Average Daily Membership (ADM)

The aggregate days of membership of a school district during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers shall be considered as days in session.

Balance Sheet / Statement of Net Position

A financial report which provides information regarding the financial health of a school district as of a given date. The balance sheet, used for governmental funds, contains the amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances. The statement of position, used for proprietary and fiduciary funds and entity-wide statements, contains amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

Base Year

The fiscal year prior to the budget year. This is the school year ending during the calendar year in which a budget is certified.

Baseline data

Information gathered at a selected point in time and used thereafter as a basis from which to monitor change.

Basic Education Data Survey (BEDS)

An annual data collection of staffing, student, and curriculum information. The student enrollment is reported by the receiving district where the student attends and may not be the district of residence. The BEDS enrollment should not be confused with the actual enrollment.

Basic Enrollment

For a budget year, the basic enrollment equals the actual enrollment in the base year.

Basis of Accounting

Iowa school districts and AEAs are required to use modified accrual for governmental funds and full accrual for propriety funds. This is the same basis of accounting as the fund financial statements in an audit.

Beginning Balance

The amount of fund balance a district or AEA has on hand, in a governmental fund, at the start of a fiscal year (July 1), which is equal to the fund balance at the end of the previous fiscal year (June 30). Balances are reported for each fund separately.

Bid

The process which includes legal advertising and direct contact with appropriate vendors for goods or services based on specifications.

Board of Education

The elected body, which has been created according to state law and vested with the responsibilities for educational activities in a given geographical area (the legal boundaries of its territory).

Board Secretary

An executive position established by law and appointed by the local board of education. This is not a clerical position.

Board Treasurer

An executive position established by law and appointed by the local board of education. The board secretary may also serve as the board treasurer. This is not a clerical position.

Bond

A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, and payable as specified. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also Refunding Bonds, Surety Bonds.

Bond Anticipation Note

Short-term debt incurred to provide funds on an interim basis in anticipation of long-term debt being issued on a future date. This type of note is most commonly issued to provide interim funding for a capital project.

Bonded Indebtedness

The portion of the school district debt which is covered by outstanding bonds of the district.

Book Value

Value as shown by the accounting records.

Budget

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

Budget Adjustment

An adjustment which adds an amount of spending authority to the school district's budget to ensure the school district's regular program district cost is no less than 101% of the prior year's regular program district cost without budget adjustment. It is funded by property tax as approved by the district's board. The budget adjustment was previously called the budget guarantee.

Budget Enrollment

The budget enrollment is the certified enrollment count of the base year. The base year enrollment is used for the budget because the enrollment for the budget year has not yet been taken (October) at the time that the budget is certified (April).

Budget Guarantee

See budget adjustment.

Budget Year

The fiscal year immediately following the base year. It is the school year beginning during the calendar year in which a budget is certified. Budgets are certified in April of a calendar year with the school year beginning the following July 1 in the same calendar year.

Budgetary Accounts

Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances. These accounts are not included on official financial statements.

Budgetary allocation

The portion of the funding that is specifically earmarked for a particular purpose or designated program and which, in the case of the general fund, has been rolled into, or added to, the school district cost per pupil or school district regular program cost.

Budgetary allocations may include both state aid and property tax. Budgetary allocations increase budget authority on the first day of the fiscal year for which the allocation has been certified or on the date that the school budget review committee (SBRC) approves modified allowable growth for a specific purpose or program; the budget authority remains even if the full amount of revenue is not received or if the local board does not levy a cash reserve. There is no assumption that a school district or AEA will receive the same amount of revenue as it has received in budget authority due to delinquent property taxes, cuts in state aid, or legislative decisions to fund other instructional programs off the top of state aid. The school district or AEA must expend the full amount of budget authority for the specific purposes for which it was earmarked. When the school district or state cost per pupil is transferred from one school district to another school district in the form of tuition as required by the Iowa Code, any budgetary allocation that is included in the school district or state cost per pupil shall be considered transferred to the receiving school district and shall be expended for the specific purpose for which it was earmarked.

Budgetary Control

The control or management of the business affairs of the school district in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

Bundling

A collection of items from a single vendor in a single transaction related to a specific technology purchase.

Capital Project Funds

Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Outlay

Expenditures for assets such as land, buildings and certain equipment. Capital assets are generally characterized as those having a useful life of greater than one year and a cost greater than an amount established by the state for distinguishing equipment from supplies (\$500).

Career Academy

A program of study as defined in IAC 281—Chapter 47. A career academy shall not qualify as a regional academy, but career academy courses may supplement an existing regional academy. A career academy course may qualify as a concurrent enrollment course if it meets the requirements of Iowa Code section 261E.8.

Cash Balance

The actual cash on hand at a specific point in time. Cash balance is not used as a measure in Iowa for school districts and AEAs. Cash balance is often confused with fund balance, but the former only measures actual cash on hand, in the bank, and investments, and does not accurately reflect the actual financial position of any district or AEA.

Cash Basis

The basis of accounting under which revenues are recorded when the cash is received and expenditures/expenses are recorded when the cash is disbursed. Iowa school districts and AEAs shall not use cash basis for budgeting or accounting.

Cash Reserve

Funds kept by a government that are beyond its immediate needs.

Cash Reserve Levy

A property tax levy which a local school board may implement in order to provide cash to fund its maximum authorized budget and/or to provide cash flow. This levy does not increase the budget authority. This levy is limited by law and may also be reduced by the School Budget Review Committee (SBRC).

Cash Reserve Levy Limit

Cash reserve levies in the general fund for the budget year shall not exceed 20 percent of the general fund expenditures for the year previous to the base year minus the unexpended fund balance for the year previous to the base year. For fiscal years that began prior to July 1, 2012, the percent was 25 percent. Unexpended fund balance in this calculation is the sum of the assigned and unassigned fund balances.

Categorical Aid

Financial support from state and federal governments that is targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or AEA general purpose revenue, is beyond the basic educational program, and most often has restrictions on its use. Where categorical funding requires a local match, that local match also is considered to be categorical funding. Categorical funding includes both grants in aid and budgetary allocations.

Certificate of Need

A written approval requested by a school district that has a certified enrollment of fewer than 250 students in the district or that has a certified enrollment of fewer than 100 students in grades 9-12 to expend SAVE for new construction or for payments for bonds issued for new construction against SAVE.

Certified Annual Report (CAR)

An electronically submitted report of financial data required by Iowa Code to be filed with the Department of Education by each school district and AEA annually no later than September 15. It is an upload of the local district or AEA's chart of accounts at the fund level prior to any adjusting entries necessary to complete the entity-wide statements.

Certified Budget

A document showing the amount of taxes to be levied for each fund and/or program and the aggregate revenues and expenditures/expenses. This report is certified by the local board no later than April 15 each year for the upcoming fiscal year after holding a public hearing and adoption. See Adopted Budget.

Certified Enrollment

The actual enrollment of the school district on October 1st of each school year submitted electronically as part of the student records system to the Department of Education no later than October 15th annually. The enrollment is used for the Iowa School Finance Formula calculations, including supplementary weighting for shared programs, Limited English Proficient weighting, nonpublic shared time, open enrollment, home school assistance programs, and dual enrollment of students under competent private instruction.

Certifying Board

Any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

Chart of Accounts

A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

Charter School

A school designated by the state board and created within an existing school district or a school created by converting an existing attendance center to charter status. Charter schools are public schools.

Clearing Account

Accounts used to accumulate total revenues or expenditures either for later distribution among the accounts to which such revenues or expenditures are properly allocable, or for recording the net differences under the proper account. Also called revolving accounts. Iowa school districts and AEAs shall not use clearing accounts in any fund.

Coding

A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

Combined District Cost

Sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, and the total early intervention supplement district cost, plus the sum of the additional district cost allocated to the district to fund media services educational services provided through the AEA, the AEA total teacher salary supplement district cost and the AEA total professional development supplement district cost. A school district may increase its combined district cost for the budget year to the extent that an excess tax levy is authorized by the SBRC.

Combined District Cost Per Pupil

An amount which is the sum of the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year.

Combined State Cost Per Pupil

An amount which is the sum of the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year.

Committed Fund Balance

A classification of fund balance that reflects specific purposes pursuant to constraints imposed by formal action of the district's highest level of decision-making authority (generally the school board). Such constraints can only be removed or changed by the same form of formal action. Iowa school districts and AEAs will only use this classification in the General Fund.

Comprehensive Annual Financial Report (CAFR)

A set of government financial statements, which goes beyond the minimums established for Annual Financial Reports. A CAFR has three major sections : Introductory, financial, and statistical. A CAFR is recommended, but not required.

Community College

A publicly supported school which may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, preprofessional, or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree; or which offers as the whole or as part of the curriculum up to two years of vocational or technical education, training, or retraining to persons who are preparing to enter the labor market.

Community Education

A life-long education process concerning itself with every facet that affects the well-being of all citizens within a given community. It extends the role of the school from one of teaching children through an elementary and secondary program to one of providing for citizen participation in identifying the wants, needs, and concerns of the neighborhood community and coordinating all educational, recreational, and cultural opportunities within the community with community education being the catalyst for providing for citizen participation in the development and implementation of programs toward the goal of improving the entire community. Community education energizes people to strive for the achievement of determined goals and stimulates capable persons to assume leadership responsibilities. Community education is not synonymous with community service and does not include such things as preschools or before and after school programs.

Competent Private Instruction (CPI)

Private instruction provided on a daily basis for at least 148 days during a school year, to be met by attendance for at least 37 days each school quarter, by or under the supervision of a licensed practitioner, parent, guardian or legal custodian, which results in the student making adequate progress. See Private Instruction.

Concurrent Enrollment

A course offered by a community college pursuant to a contract with the public school district where a qualifying high school student may enroll in the community college course, and receive both community college credit and high school credit for that course. Some, but not all, concurrent enrollment courses are eligible for supplementary weighting.

Consortium

A consortium is a cooperative arrangement, based on a written agreement, between two or more school districts with the objective of jointly administering a common activity, program, or power, to achieve a common goal where each member school district possesses the authority individually to administer that activity, program or power. The intent of the consortium is generally to maximum efficiency and effectiveness by jointly administering the activity, program, or power. Although an AEA, community college, or private provider might be a purchased instructional service for a consortium established by school districts, the AEA, community college, or private provider would not be a member of the consortium.

Constant Dollars

Dollar amounts that have been adjusted by means of price indexes to eliminate inflationary factors and allow direct comparisons across years. Also called real dollars.

Consultant

A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means. A consultant may perform services under contract (purchased services) or may be an employee on the payroll of a state or AEA.

Cost or Cost per Pupil

Cost, as used in Iowa, refers to the cost to the state of funding education through the foundation formula. It does not correlate to actual expenditures or expenditures per pupil which would include expenditures from other revenue sources.

Cost Accounting

That 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. Cost accounting is done outside of the regular accounting records in school districts and AEAs and never is included in the accounting records. Cost accounting is used in corporate accounting, but is not used in governmental accounting except for local management analysis.

Cost Benefit

Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Cost Effectiveness

Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective so that different ways of gaining the objective may be compared.

Credit Rating

A financial rating obtained from a credit rating agency. The rating is based on the school district's financial condition and accounting practices. The credit rating directly impacts the interest rates on bond issues which impacts the amount of property tax necessary to repay the bond issue.

Current Dollars

Dollar amounts that have not been adjusted for inflation.

Current Expenditures Per Pupil

An average amount expended per student served by a district. The calculation considers all public education, K-12, expenditures without debt service, capital outlay, community service, fiduciary or proprietary expenditures/expenses.

Curriculum Based Budgeting

See Program Budgeting

Debt Limit

The maximum amount of debt that a school district is legally permitted to incur.

Debt Service

Expenditures for the payment of principal and interest on qualified long-term debt.

Debt Service Fund

A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues from the Debt Service Levy certified by the board may be used to retire only bonded indebtedness authorized by the voters. Debt, other than bonded indebtedness, is paid from the Debt Service Levy after funds are transferred from the fund originating the debt to pay the principal and interest due.

Defeasance

The act of extinguishing debt based on provisions in the debt instrument even though the debt has not actually been paid. This term is used with refunding bonds.

Deferred Inflows of Resources

An acquisition of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources should be recognized when resources are received or recognized as a receivable before (1) the period for which property taxes are levied, or (2) the period when the resources are required to be used. When an asset is recorded in governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue is available.

Deferred Outflows of Resources

A consumption of net assets by the government that is applicable to a future reporting period.

Deficit

The excess of the obligations of a fund or program over the fund's or program's resources.

Depreciation

A method to decrease the value of fixed assets, other than real property, over a specified time period. Assets in governmental funds are not depreciated within the accounting system, however assets in proprietary funds are.

Dillon Rule

Iowa school corporations operate under Dillon Rule which states that they possess and can exercise the following powers and no others: (1) Those granted in express words, (2) Those necessarily implied or necessarily incident to the powers expressly granted, and (3) Those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school laws may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions or Rules, once given, have the effect of law on schools. Dillon Rule helps maintain equity for all Iowa students and minimize legal costs to ensure more education resources are used for the instructional program.

District Cost Per Pupil

Local district costs per pupil were initially established in 1971-72 and recalculated in 1991-92 as part of the school foundation formula. The number is used to establish the combined district cost. Each year the amount is increased by a dollar amount which is the product of the allowable growth times the state cost per pupil. The district cost per pupil is also called the Maximum Tuition Rate.

Double Entry

A system of accounting which requires that for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts must be made. Iowa school districts and AEAs are required to use double entry accounting in all funds.

Dual Enrollment

Enrollment of a child who receives competent private instruction, including a child over compulsory attendance age, in a school district to enable the child to participate in any academic or extracurricular activity on the same basis as similarly-situated public school children.

Educational Improvement Program Levy

A voted levy to provide additional funding for a school district in which the regular program district cost per pupil for a budget year is 110% of the regular program state cost per pupil for the budget year or the district had adopted an enrichment levy of 15% prior to July 1, 1992, and which have approved the use of the instructional support program. The Educational Improvement Program may include a property tax and income surtax. The Educational Improvement Program must be accounted for in the General Fund.

Eligible Elector

A person who possessed all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered.

Encumbrances

Purchase orders, contracts, and salaries or other commitments which are chargeable to an appropriation and for which a part of the appropriation is designated. They cease to be encumbrances when paid, when an actual liability is established, or at the end of the budget year. An encumbrance may be re-established in the subsequent year's budget.

Ending Balance

The amount of fund balance a district or AEA has on hand, in a governmental fund, at the end of a fiscal year (June 30), which is equal to the fund balance at the beginning of the subsequent fiscal year (July 1). Balances are reported for each fund separately.

Enrolled

A student that has registered with the school district and is taking part in the educational program is considered enrolled.

Enterprise Funds

Funds used to account for operations for which a fee is charged to users for goods or services. Enterprise funds are required to be used when there are legal requirements to recover costs through fees and charges or when the governing board makes a policy decision to recover the costs of providing services, where legally allowed, through fees or charges. No taxes are levied for these funds and no tax funds used.

Entry

The record of a financial transaction in its appropriate book of accounts.

Equipment

An item which meets ALL of the following tests: (1) lasts more than one year, (2) would be repaired rather than replaced, (3) is an independent unit rather than being incorporated into another unit item, (4) the cost of tagging and inventory is a small percent of the item cost, and (5) the cost exceeds a minimum dollar value set by the Department of Education (\$500).

Equity

The mathematical excess of assets over liabilities. Generally this excess is called Fund Balance in a governmental fund.

Equity, Horizontal

A term used in school finance reform that means to create equity by providing equal funding for all students.

Equity, Vertical

A term used in school finance reform that means to create equity by additional weighted funding for certain categories of students according to their educational needs.

Expenditures

The costs of goods or services, whether paid or unpaid, received by the district or AEA. Expenditures include uses of funds such as principal payments on outstanding debt and the cost of capital assets. The term "expenditure" is used with governmental funds.

Expenses

The costs of goods or services, whether paid or unpaid, received by the district. Expenses do not include uses of funds such as principal payments on outstanding debt or the cost of capital assets. Instead the cost of depreciation on capital assets would be included. The term "expenses" is not used with governmental funds.

Face Value

This term designates the amount of the liability stated in the security document.

Facility

A dimension in the Uniform Financial Accounting System which identifies the school building, grade level, operational unit, or cost center. This is mainly used for site-based management and charter schools.

Feasibility Study

A report of the financial practicality of a proposed activity or project. The report may include estimates of revenues and expenditures and a review of the operating or economic aspects of the proposal.

Fee

A charge to students, calculated at cost, for goods or services provided to the students, and which are authorized by law.

Fidelity Bond

A bond guaranteeing the school district against losses resulting from the actions of the specified officers and employees of the district.

Fiduciary Funds

A classification category which includes both Agency Funds and certain Trust Funds. These funds are established when the entity handles assets in a trustee or agent capacity.

Financial Accounting

The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned with (1) determining what accounting records are to be maintained, how they will be maintained, and the procedures, methods, and forms to be used; (2) recording, classifying, and summarizing activities or events; (3) analyzing and interpreting recorded data; and (4) preparing and initializing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operation in terms of established objectives.

Financial Solvency Ratio

An IASB ratio that provides a picture in time of the financial health of a school district from a lenders perspective that is calculated by dividing the sum of the assigned and unassigned General Fund balances by the actual General Fund revenues (less the AEA flow through) of the school district for the fiscal year.

Fiscal Period

Any period at the end of which a school district determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The fiscal period for Iowa school districts and AEAs is July 1 through the following June 30. The fiscal period for federal government is October 1 through the following September 30.

Fixed Assets

Long-lived tangible assets such as land, buildings, machinery, furniture, and other equipment which the school district or AEA intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

Foundation Formula

A system established in Iowa Code to determine the level of funding school districts shall receive from state aid, property taxes, and certain income surtaxes for the General Fund.

Function

A dimension in the Uniform Financial Accounting System structure which is used with expenditures/expenses in all funds. The function describes the activity for which a service or material object is acquired. The functions are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, Debt Service, and Other Uses.

Fund

An independent accounting entity with its own assets, liabilities, and fund balance. Generally, funds are established to account for financing of specific activities of an agency's operations.

Fund Balance

The excess of the assets of a fund over its liabilities in a governmental fund.

Furniture and Fixtures

Equipment used for sitting, or as a support for writing and work activities, or as storage space for material items. Furniture is moveable; a fixture is "fixed" or not moveable.

General Fund

This fund must be established by all Iowa school districts and AEAs. It is a governmental fund under GAAP and accounts for the revenues and expenditures for the educational program and most school district operations. All moneys received by a school corporation from taxes and other sources must be accounted for in the General Fund except moneys required by law to be accounted for in another fund.

General Obligation Debt

The debt incurred by a school district, the repayment of which is secured by the district's general taxing authority.

Generally Accepted Accounting Principles (GAAP)

GAAP is a codified set of currently effective accounting and reporting standards and principles. Governmental GAAP is established by the Governmental Accounting Standards Board (GASB) after a lengthy process of public review. Governmental entities cannot follow GAAP established by the Financial Accounting Standards Board (FASB) unless GASB so states. Iowa school districts and AEAs are required by law to be in compliance with Governmental GAAP for both accounting and budgeting. Uniform Financial Accounting embodies the Governmental GAAP that districts and AEAs shall follow.

Gifted and Talented Program

A program for which categorical funding is included in the school district cost per pupil calculated for each school district under the school foundation formula. After subtracting carryover and funding received from other sources for this program, the remaining program cost is funded by 75% from the amount of allowable growth that was added in FY2000 and which increases each year by the allowable growth percentage and 25% from the district's regular program district cost. The purpose of the gifted and talented program is to provide for identified gifted students' needs beyond those provided by the regular school program pursuant to each gifted student's individualized plan. The funding shall be used only for expenditures that are directly and exclusively related to providing the gifted and talented program.

Governmental Accounting Standards Board (GASB)

A board established in 1984 to promulgate standards of financial accounting and reporting of activities and transactions of state and local governments.

Governmental Funds

A classification of funds which include the General Fund, Special Revenue Funds, Debt Service Fund, Permanent Funds, and Capital Project Funds.

Governmental L-T Liabilities/Debt Summary Accounts

A self-balancing group of accounts used to account for general long-term debt of governmental funds of a governmental unit. This account group was established in Iowa when the general long-term debt account group was eliminated as part of the audit with the implementation of GASB Statement 34; however, Iowa school districts and AEAs are required to continue to maintain similar records for purposes of reporting.

Governmental Long-term Assets Summary Accounts

A self-balancing group of accounts used to account for fixed assets of governmental funds of a governmental unit. This account group was established in Iowa when the General Fixed Assets Account Group was eliminated as part of the audit with the implementation of GASB Statement 34; however, Iowa school districts and AEAs are required to continue to maintain similar records for purposes of reporting.

Grants-in-Aid

Financial support, usually from state or federal appropriations, that is either allocated to the school district or AEA or for which a school district or AEA applies. This support is paid separately from state foundation aid. In the general fund, grants in aid become miscellaneous income and increase budget authority when the support is received as revenue.

Home School Assistance Program (HSAP)

A program for a specific category of students provided outside the basic educational program that is provided to regularly enrolled students by the school district. HSAP students are private instruction children rather than public school children. A licensed teacher, employed by the public school district, supervises a parent, guardian, or legal custodian in providing instruction to their children.

ICN

Iowa Communications Network.

Impact Aid

Federal funds paid to district predominantly based on the number of federally employed parents in the district or students of Native American descent. Impact aid may also be received as a payment in lieu of property taxes for land taken for federal projects.

Imprest System

A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed, and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside. Petty cash funds are handled on an imprest system.

Independent Audit

An examination of the financial records, accounts, business transactions, accounting practices, compliance with laws and regulations and internal controls of the district or AEA by an external auditor/CPA who is not an employee of the district. Audits performed by the Office of the Auditor of State are also independent audits. An independent audit is required of all school districts and AEAs annually, due by March 31 following the end of the fiscal year, and auditor selection requires an RFP process.

Indirect Costs

Those elements of cost necessary in the provision of a service which are of such a nature that they cannot be readily or accurately identified with the specific service.

Indirect Cost Rate

The rate used to recover a portion of the general expenditures of operating a school district (overhead costs) to a specific federal grant or program. The indirect cost rate is not used with state programs. In Iowa, the indirect cost rates for school districts and AEAs are calculated by the Department of Education.

Individualized education program (IEP)

The written record of an eligible individual's special education and related services needs for children aged 3 years through 21 years with disabilities as defined in Iowa Administrative Code.

Individualized family service plan (IFSP)

The written plan for providing early intervention services to an eligible child and the child's family in accordance with Iowa Administrative Code.

Instructional Support Program Levy

A school district may establish an Instructional Support Program to provide additional funding. The board may adopt a resolution for a period not exceeding five years without a public vote, unless it receives a proper petition to submit the question to a vote. The public may vote for the Program for a period not exceeding ten years. The Instructional Support Program may be funded by all property tax or a combination of property tax and income surtax. The Instructional Support Program must be accounted for in the General Fund and may be used for any purpose allowed from the General Fund but not for supplanting other funding streams.

Interfund Loans

Money which is taken temporarily from one fund under the control of the board of education and added to another fund also under the board's control. Interfund loans and temporary transfers are not revenues or expenditures of the funds or of the school district or AEA, and are accounted for on the balance sheet.

Interfund Transfers

Permanent transfers of assets, usually cash, from one fund to another fund. Interfund transfers require Code authority or permission of the state appeal board (SAB) or school budget review committee (SBRC).

Internal Auditing

Activities involved with evaluating the adequacy of the internal control system; verifying and safeguarding assets; reviewing the reliability of the accounting and reporting system; and ascertaining compliance with established policies and procedures.

Internal Control

A plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. For example, under such a system, the employee's work is subdivided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely established and such procedures call for proper authorizations by designated officials for all actions to be taken.

Internal Service Funds

Funds used to account for the provision of goods or services by one department or fund to other departments or funds of the governmental unit on a cost-reimbursement basis. If the governmental unit is not the major user of the good or services, the activity should be reported in an enterprise fund rather than internal service fund.

Intrafund Transfers

Permanent transfers from one account to another account within the same fund.

Inventory

A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property or supplies on hand at a given time. At the fund level, inventory may be accounted for either on the purchases basis or on the consumption basis, except that proprietary funds must use the consumption basis. On the purchases basis, the inventory is

considered to be an expenditure when purchased. On the consumption basis, the inventory is considered to be an expenditure when used.

Invoice

An itemized list of merchandise purchased from a particular vendor. The list includes such information as quantity, description, price, terms, and date.

Junior-Senior Rule

Eleventh and twelfth grade nonresident pupils, who are still Iowa residents, who were residents of the district during the preceding school year, may continue to enroll in the district until the pupils graduate without requiring open enrollment. The junior-senior rule is available to students both with or without an IEP, but the financing is handled differently. Students without IEPs are counted by the serving district and no tuition is billed. Students with IEPs are counted by the resident district and the serving district bills for special education tuition.

LEA

Local Education Agency

Lease, Capital

Lease agreements in which title passes or is expected to pass at some later date or in which there exists the ability for the lessee to purchase at less than fair market value. Lease-purchases are capital leases. Leases are only allowed in those funds for which Iowa Code grants express authority. Capital leases are not authorized in the General Fund.

Lease, Operating

Written rental agreement in which title does not pass, nor is intended to pass, to the lessee. Leases are only allowed in those funds for which Iowa Code grants express authority. Operating leases for facilities are not authorized in the General Fund.

Levy

The total of taxes or special assessments imposed by a governmental unit. Also the act of imposing taxes or special assessment.

Levy Rate

The dollar amount that is determined by dividing the total tax levy by the value of property to be taxed. This is normally expressed in dollars and cents per \$1000 of taxable valuation.

Levying Board

The board of supervisors of the county and any other public body or corporation that has the power to levy a tax. A school district board is a levying board but an AEA board is not.

Liabilities

Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. An encumbrance is not a liability; it becomes a liability when the services or materials for which the encumbrance was established have been rendered or received.

Library Levy Fund

A fund created to deposit and expend money related to providing a community library. The Library Levy Fund is a Special Revenue Fund and is only authorized by Code to The Clear Creek-Amana Community School District for Amana.

Limited English Proficient (LEP)

A student who has a language background other than English, and the proficiency in English is such that the probability of the student's academic success in an English-only classroom is below that of an academically successful peer with an English language background. There is special weighting for Limited English Proficient students.

Line-Item Budget

An internal financial document or managerial tool used in most public school districts and AEAs, but not required by law. This budget provides amounts on a districtwide basis at the chart of account level, including an estimated beginning balance, expected revenues listed by source, planned expenditures listed by function, program, project, and object, and a resulting ending balance. See Program Budget.

Local Education Agency (LEA)

An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Taxes may be levied by such publicly-operated agencies for school purposes. Also called a school district. An LEA is a school corporation.

Maintenance

Maintenance means to cause to remain in a state of good repair or to keep equipment in effective working condition and ready for daily use. Maintenance includes cleaning, upkeep, inspecting for needed maintenance, preserving the existing state or condition, preventing a decline in the existing state or condition, and replacing parts, unless otherwise a repair. Maintenance and maintenance contracts shall not be expended from any capital projects fund.

Management Information System (MIS)

A network of information that acquires, retrieves, and redistributes data used in managing the educational process and in supporting the individual and collective decision-making process. Uniform Financial Accounting is an MIS.

Management Levy Fund

A fund created to deposit and expend money from a levy certified by the board of directors for the purpose of tort liability insurance, unemployment, early retirement incentives, and judgments. The Management Levy Fund is a Special Revenue Fund.

Maximum Authorized Budget

The amount authorized under the school foundation formula that expenditures in the General Fund in a local school district cannot legally exceed. It is the sum of the combined district cost, pre-school funding, instructional support program, educational improvement program, miscellaneous income, SBRC approved modified allowable growth, and prior year's unspent balance. It does not include the cash reserve levy.

Maximum Tuition Rate

See District Cost Per Pupil.

Memoranda Account

An informal record of a school district transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

Mill

A rate used in calculating property taxes expressed in units of one-tenth of one cent or 0.001 of one dollar. Instead of reporting tax levies in terms of millage, Iowa reports tax levies in terms of cents per thousand dollars.

Miscellaneous Income

All revenues and receipts deposited to the General Fund but not including state foundation aid, categorical funding that is part of the formula, foundation property tax, or additional property tax generated through the school foundation formula. It does not include cash reserve levy property taxes.

Modified Accrual Accounting

Accrual accounting for governmental funds is called Modified Accrual Accounting. The main difference between accrual accounting for proprietary funds and entity-wide statements and modified accrual accounting for governmental funds is the accounting measurement objectives. Modified accrual basis does not recognize revenues until they are measurable and available to finance expenditures of the current period, and expenditures are recognized when the goods or services are received. Federal grants are not recognized as revenue if not yet expended.

Modified Allowable Growth (Beginning in FY15, it is called Modified Supplemental Amount)

Additional budget authority granted by the SBRC for specific purposes or unusual or unique circumstances as allowed by Code.

Motion

A proposal that the board of directors takes certain action on a matter. It is a statement of direction rather than policy, and is made to handle routine business and to conduct meetings. See Resolution.

Municipality

Generally includes a township, city, county, or school corporation. Iowa Code defines municipality differently for different chapters.

Net Position

The amount remaining after subtracting total liabilities from total assets on an accrual basis.

Nonprofit School Organization

An entity or organization that meets all 3 of the following criteria: established by the board of directors of the school district, established for the sole benefit of the district and its students, and exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

Nonpublic School

A school, other than a public school, which is accredited.

Nonresident Student

A student whose legal residence is outside the geographic area served by a specified school district.

Nonspendable Fund Balance

A classification of fund balance which includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash, including inventories and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

Object

A dimension used in the Uniform Financial Accounting System for expenditures. The object is the service or commodity bought. Objects include salary, employee benefits, purchased services, supplies, property, debt service and miscellaneous objects, and other items/uses of funds.

Obligations

Amounts which the school system will be required to meet out of its resources, including both liabilities and encumbrances.

Open Enrollment

A procedure allowing a parent/guardian to enroll one or more pupils in an Iowa public school district other than the Iowa district of residence at no tuition cost to the parent/guardian.

Operational Audit

A systematic identification of ways to improve efficiency and effectiveness. Also called a performance audit. An operational audit is recommended, but not required.

Para-educator

A person who is certified to assist a teacher in the performance of instructional tasks to support and assist classroom instruction and related school activities.

Performance Audit

See Operational Audit.

Permanent Fund

Trust funds where the interest earned, but not the principal, may be used for purposes that support the governmental unit's program.

Petty Cash

A small sum of money set aside for the purpose of paying small obligations for which the issuance of a formal purchase order and check would be too expensive and time-consuming. Iowa school districts and AEAs must use an imprest system for any petty cash funds they establish. See Imprest System.

Physical Plant and Equipment Levy Fund (PPEL)

A fund created to deposit and expend money from a levy certified annually by the board of directors for a maximum of 33 cents and/or a voter-approved levy for a maximum of \$1.34 per \$1000 of assessed valuation (for a maximum total of \$1.67). The voter-approved levy may be all property tax or a combination of property tax and income surtax and may be levied for up to 10 years. The PPEL fund is a capital projects fund limited to expenditures for facilities, grounds, and certain equipment.

Political subdivision

A political subdivision in the state of Iowa includes a city, a township, a county, a public school district, a community college, an area education agency, or an institution governed by the state board of regents (Iowa Braille and Sight Saving School, Iowa School for the Deaf, Iowa State University, University of Iowa, and University of Northern Iowa).

Posting

The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher, or similar books or documents of original entry.

Principal

A licensed member of a school's instructional staff who serves as an instructional leader, coordinates the process and substance of educational and instructional programs, coordinates the budget of the school, provides formative evaluation for all practitioners

and other persons in the school, recommends or has effective authority to appoint, assign, promote, or transfer personnel in a school building, implements the local school board's policy in a manner consistent with professional practice and ethics, and assists in the development and supervision of a school's student activities program.

Private Instruction

Instruction using a plan and a course of study in a setting other than a public or organized accredited nonpublic school. See Competent Private Instruction.

Private-Purpose Trust Fund

Trust funds where the principal and interest earned may be used for purposes that benefit individuals, private organizations, or other governments rather than the governmental unit.

Program

A dimension used in the Uniform Financial Accounting system for classifying revenues and expenditures. The program is a plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

Program Budget

A technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. Line-items are organized by functions or programs and may also be organized by facilities. See Line-Item Budget.

Project

A dimension used in the Uniform Financial Accounting System for classifying revenues, expenditures, and balance sheet accounts. The project dimension permits the accumulation of expenditures to meet a variety of specialized reporting requirements at the local, state, and federal levels and is used for all categorical funding.

Proprietary Funds

Funds which account for operations for activities for which a fee is charged to users for goods or services. The intent of the entity is that the costs of providing the goods or services be financed primarily through user charges or where a periodic determination of revenues, expense and net income is appropriate. Proprietary fund types include the School Nutrition Fund, the Day Care Fund, the Regular Education Preschool Fund, Student Construction Fund, and Internal Service Funds.

Proposed Budget

The budget recommended based on a process of administrative planning.

Public Education and Recreation Levy Fund

(PERL)

A fund created to deposit and expend money from a levy authorized by the voters for up to \$0.135 per \$1000 of assessed valuation. The PERL fund is a special revenue fund limited to expenditures for playgrounds and community education. See community education.

Public Improvement

A building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

Public Measure

Any question authorized or required by law to be submitted to the voters at an election.

Public School

Any school directly supported in whole or in part by taxation.

Pupil Accounting

A system for collecting, computing, and reporting information about pupils.

Purchase Order

A document which authorized the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Qualified Elector

See registered voter

Real Property

Property consisting of land, buildings, minerals, timber, landscaping, and all improvements thereto.

REAP

Rural Education Achievement Program. Part B of Title VI of the reauthorized ESEA contains REAP initiatives that are designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

Reconstructing

Rebuilding or restoring as an entity a thing which was lost or destroyed.

Refunding Bonds

Bonds issued to retire bonds already outstanding; usually issued at a lower interest rate.

Regional Academy

An educational institution established by a school district to which multiple other school districts send pupils in grades seven through twelve and which includes advanced-level courses. In addition to the advanced-level courses, the curriculum of the academy may include vocational-technical programs, Internet-based courses or ICN courses. A regional academy is not a regional high school or career academy. Regional academy courses shall not qualify as concurrent enrollment courses and do not generate any postsecondary credit; however, the district may supplement its regional academy with concurrent enrollment classes.

Registered Voter

A person who is registered to vote.

Regular Election

See School Election

Repairing

Restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.

Requisition

A written request to a purchasing officer for specified articles or services. It is a request from one school employee to another school employee, whereas a purchase order is from a school official to a vendor.

Reserve

An amount of fund balance set aside for some specified legal purpose. These amounts are included in the nonspendable fund balance.

Resident Pupil

A child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions: (1) is in the district for the purpose of making a home and not solely for school purposes, (2) meets the definitional requirements of the term homeless individual under federal law, or (3) lives in a juvenile detention center, foster care facility, or residential facility in the district. As a practical matter, students with IEPs, students living in juvenile homes, students living in residential facilities do have their resident established by operation of law.

Resolution

A proposal used for official decisions of the board of directors that take legal effect when they are passed and are likely to establish policy. See Motion.

Restricted Fund Balance

The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted Grants-in-Aid

Revenues to the school district or AEA that must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the granting governmental unit. These grants, if federal, will include a "supplement, not supplant" clause; and if indirect costs are allowed, the restricted cost rate must be used. See Unrestricted Grants-in-Aid.

Restricted Net Position

This account is used to record the net component-restricted net position—which represents a restriction by sources internal or external to the organization. This account is to be used in proprietary funds only.

Returning Dropout and Dropout Prevention Program

A program for which a district may apply to the SBRC for modified allowable growth to fund a portion. After subtracting carryover and funding received from other sources for this program, the remaining program cost is funded by 25% or more from the district's regular program district cost and 75% from property taxes. The purpose of the returning dropout and dropout prevention program is to provide for the needs of identified students at risk of dropping out of school beyond the instructional program and services provided by the regular school program. The funding shall be used only for expenditures that are directly and exclusively related to providing the returning dropout and dropout prevention program.

Revenue

Amounts received by or due to a school district or AEA that result in an increase in fund balance.

Revenue Bonds

Debt incurred by a district, the repayment of which is secured by anticipated future revenues, such as SAVE revenues. Revenue bonds are not general obligation bonds.

Revenue purpose statement

A document voted by the taxpayers of the school district indicating the specific purposes for which the SAVE revenue will be expended.

School Age

A person at least five and less than twenty-one years of age on September 15.

School Based Budget

A budget format presenting the expenditures to be made by an individual school. This is an alternative to the traditional line-item budget. See Line-Item Budget.

School Board

A board of school directors regularly elected by the qualified voters of a school corporation.

School Budget Review Committee (SBRC)

A committee established by Iowa Code chapter 257 and appointed by the Iowa Governor that includes the Director of the Department of Education as the Chair and non-voting member, the Director of the Department of Management as the Secretary, and four public members. This committee reviews school budgets and hears requests from school districts for modified allowable budget growth, and has authority over anything impacting school district accounting and budgeting. The SBRC is a separate agency from the Department of Education and Department of Management.

School District

See Local Education Agency

School Election

The election held in each school district for the election of officers of the district and merged area and for the purpose of submitting to the voters any matter authorized by law.

School Foundation Formula

A statutory plan to fund public education in Iowa.

School Nutrition Fund

A fund created to deposit and expend money related to the operation of the school nutrition program. No taxes are levied for this fund. The School Nutrition Fund is an Enterprise Fund.

Secretary's Balance

A budget term referring to the ending fund balance on the GAAP basis in each fund, separately stated. The term is used most commonly with the General Fund. It is no longer synonymous with the term "unexpended fund balance."

Sharing Incentives

Financial incentives to encourage districts to share instructional programs, instructional programs, and operational function staff.

Solvency Ratio

An IASB ratio that provides a picture in time of the financial health of a school district from a lenders perspective that is calculated by dividing the sum of the assigned and unassigned General Fund balances by the actual General Fund revenues (less the AEA flow through) of the school district for the fiscal year.

Source

A dimension of the Uniform Financial Accounting System for revenues to differentiate local, intermediate, state and federal sources of funding.

Special Election

Any election other than the school election held for any purpose authorized or required by law.

Special Revenue Funds

Funds which are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Student Activity Fund, the Management Levy Fund, the Public Education and Recreation Levy Fund, Entrepreneurial Education Fund, Equalization Levy Fund, Emergency Levy Fund, Disaster Recovery Fund, Special Revenue Trust Funds, and the Library Levy Fund.

Special Revenue Trust Fund

Trust funds where the principal and interest may be used for purposes that support the governmental unit's programs.

Staff Accounting

Pertains to services rendered in connection with the systematic recording, filing, and storing of information related to staff members employed by the school system.

Stamped Warrants

A warrant (check) which is registered by the paying officer for future payment on account due to present lack of funds, and which is to be paid in the order of its registration.

State Categorical Supplements

Teacher salary supplement, professional development supplement, and early intervention supplement. These categorical budgetary allocations are funded on a per pupil basis beginning in FY2010 with an allowable growth rate established annually.

State Cost Per Pupil

The state cost per pupil was initially established in 1971-72 and recalculated in 1990-91. The number is used to establish the combined state district cost and to establish the district cost per pupil. Each year a dollar amount is determined which is the product of the allowable growth rate set by the legislature times the state cost per pupil. This dollar amount is added to the cost per pupil of the prior year. District costs per pupil in each Iowa school district are between 100% and 105% of the state cost per pupil.

State Foundation Aid

Funding paid by the state to school districts to provide equitable funding on a per pupil basis in the General Fund under the school foundation formula.

STEM

Science, Technology, Engineering, and Mathematics.

Strategic Budgeting

A goal-oriented process for developing a resource allocation plan.

Student Activity Fund

A fund created to deposit and expend money related to district sponsored and supervised co-curricular activities for students. No taxes are levied for this fund. The Student Activity Fund is a Special Revenue Fund.

Subsidiary Accounts

Related accounts which support in detail the summaries recorded in a controlling account.

Superintendent

An administrator who promotes, demotes, transfers, assigns, or evaluates practitioners or other personnel, and carries out the policies of a governing board in a manner consistent with professional practice and ethics.

Supplemental Aid

A payment calculated under Iowa Code 257.31(14) that a school district may request from the School Budget Review Committee (SBRC) if that district ended the fiscal year with a special education deficit balance.

Supplemental State Aid (SSA)

Starting with FY14, and currently through FY15, the increase in the additional property tax will be paid by state aid, rather than property tax. FY13 is the base year, at \$750 per student, with FY14 at \$765, and FY15 at \$796.

Supplementary Weighting

Additional funds for districts which send resident pupils to another school district or community college for classes, jointly employ and share the services of teachers, or use the services of a teacher employed by another school district. Also available for a district that establishes and hosts a regional academy of advanced-level curriculum to which multiple other districts send students.

Supplement, not Supplant

Categorical funding shall be in addition to general purpose revenues; that categorical funding shall not be used to provide services required by federal or state law, administrative rule, or local policy; and that general purpose revenue shall not be diverted for other purposes because of the availability of categorical funding. Supplanting is presumed to have occurred if the school district or area education agency uses categorical funding to provide services that it was required to make available under other categorical funding or law, or uses categorical funding to provide services that it provided in prior years from general purpose revenues, or uses categorical funding to provide services to a particular group of children or programs for which it uses general purpose revenues to provide the same or similar services to other groups of children or programs. These presumptions are rebuttable if the school district or area education agency can demonstrate that it would not have provided the services in question with general purpose revenues if the categorical funding had not been available.

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 given by a contractor or by an official handling cash or securities.

Surtax

A tax applied to individual income taxes to generate additional funds for local school districts.

Tax and Revenue Anticipation Notes (TRANs)

Debt that is issued by school districts for cash flow purposes.

Tax Credits

Financial allowances made by the legislature which are designed to provide property tax relief.

Tax Increment Financing (TIF)

Financing secured by the incremental property tax revenues generated from a development project. The project area is designated and its property tax base frozen. Revenues from the incremental growth of the property base are used to provide additional funds for further development or for debt service on financing issued for development purposes.

Taxes

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses, permits and surtaxes. It does not include special assessments.

Teacher

A licensed member of a school's instructional staff who diagnoses, prescribes, evaluates, and directs student learning in a manner which is consistent with professional practice and school objectives, shares responsibility for the development of an instructional program and any coordinating activities, evaluates or assesses student progress before and after instruction, and who uses the student evaluation or assessment information to promote additional student learning.

Technology

Technology includes such things as hardware, non-instructional software and software required to provide functionality to the hardware, wireless presenters, networking and connectivity systems, computing storage, website development services, hardware carrying equipment, licensing, and technical assistance for installation of hardware, software, or software updates. To be expended from a capital projects fund such as PPEL or SAVE, technology may be bundled in a single transaction from a single vendor to meet the cost threshold of more than \$500 per transaction. Technology does not include such items as instructional software or textbook substitutes as defined in Iowa Code chapter 301, professional development, staff providing support to teachers or students, general supplies, district personnel or individuals/companies hired or contracted in lieu of district personnel, travel, printing costs or media services not listed in this definition, insurance, most purchased services, or similar district functions. Maintenance contracts do not meet the definition of technology unless they are actually a license renewal fee; Internet subscriptions, licenses, or fees; or cable or satellite services; or very similar services. Technology would include assistive technology; however if it is expended from PPEL or SAVE, it would not be a special education cost.

Textbooks

Books and loose-leaf or bound manuals, and systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process, or electronic textbooks, including but not limited to software, applications using computer-assisted instruction, interactive videodisc, other computer courseware and magnetic media, and laptop computers or other portable personal computing devices which are used for nonreligious instructional use only.

Transaction

For purposes of Iowa Code section 298.3, a transaction means a business deal or agreement between a school district and a provider of goods or services.

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 their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be in balance.

Trust Funds

Trust funds are used to account for assets held in a trustee capacity by the school district.

Tuition

An amount of money charged by a school district or educational institution for instruction for a set period of time.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for the general fund only. It is also where *negative residual amounts* for all *other* governmental funds would be reported. It is the unobligated district resources available for expenditure after payment of accrued liabilities and recognition of accrued assets which have not been assigned by the district.

Unencumbered

That portion of an appropriation, or allotment, or fund balance which has not yet been expended or encumbered; the balance remaining after deducting the accumulated expenditures and outstanding encumbrances.

Unexpended Fund Balance

For purposes of chapter 257, unexpended fund balance in the General Fund means a school district's unreserved and undesignated fund balance. [Note: the terms "unreserved" and "undesignated" no longer have meaning within accounting and the sum of assigned and unassigned fund balances has been substituted.]

Uniform Financial Accounting

A system of accounting for financial activity and transactions which is required of all school districts and area education agencies. The system is a management information system (MIS) and is based on the Handbook II, published by the National Center for Education Statistics at the U.S. Department of Education, and updated as accounting standards are revised.

Uniform Levy

A property tax levy in the amount of \$5.40 per \$1000 of assessed valuation that is required by the school finance formula to be levied in every school district each fiscal year. It is sometimes referred to as the foundation levy.

Unrestricted Grants-in-Aid

Revenues to the school district or AEA that can be used for any legal purpose without restriction. These grants will not include a "supplement, not supplant" clause, and if indirect costs are allowed, the unrestricted cost rate may be used. See Restricted Grants-in-Aid.

Unrestricted Net Position

This account is used to record the net component—unrestricted net position — which represent net assets not classified as restricted or as capital assets. This account is to be used in proprietary funds only.

Unspent Balance

The unspent balance is the difference between the district's maximum authorized spending authority (maximum authorized budget) and its actual expenditures for a year in the General Fund. The unspent balance from the prior fiscal year is added to the district's combined budget and can be spent the following year. It is a measure created by statute to determine if a school district has exceeded its legal budget authority in a given fiscal year. An unspent balance represents spending authorization under the Iowa school finance formula and might not be backed by sufficient cash.

Voucher

A document which authorizes the payment of money and usually indicates the accounts to be charged.

Warrant

A written order drawn by the school board or its authorized officer directing the school district treasurer to pay a specified amount to a designated payee. It is also referred to as a check.

Weighted Enrollment

The budget enrollment (base year actual enrollment) plus additional enrollment because of special education calculated by November 1 of the base year plus additional enrollment added due to the application of the supplementary weighting (shared classes, shared teachers, LEP weighting, operational function sharing, at-risk weighting).

Whole-Grade Sharing

A procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement. Whole grade sharing may be one-way or two-way sharing. Agreements to discontinue grades and tuition students to other contiguous school district are whole-grade sharing agreements, even if the proper procedures were not followed.

Zero-Based Budgeting

A technique which prepares several service level alternatives based on funding levels for both existing and new program initiatives. Resources are appropriated to the various programs based on the priority of these alternatives. It involves justification of each item in the entire budget during each budgeting cycle as well as consideration of the consequences of not funding a specific program.