

**GLOSSARY OF TERMS**

This glossary contains definitions of selected terms used in this document for common understanding of the financial accounting procedures of the district. Several terms which are not primarily financial are included because of their impact on the budget process. The glossary is arranged alphabetically with cross-referencing where appropriate.

**ACCOUNT**

A classification that applies to the type or description of revenues or expenditures made.

**ACCOUNTING SYSTEM**

The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity or fund.

**ACCRUAL BASIS**

The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

**ACCRUE**

To record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest bonds.

**ADMINISTRATION**

Those activities which have as their purpose the general regulation, direction, and control of the activities of the school system.

**AD VALOREM TAXES** Taxes levied on the assessed valuation of real and personal property. The tax rates are expressed in “mills” per \$1,000 of the property’s assessed valuation. Taxes are assessed on a calendar year basis. See also ASSESSED VALUATION and MILL LEVY.

**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 the time when it may be expended. In practice, the word “appropriation” is sometimes used as a synonym for the word “budget” when referring to a single or small group of expenditure accounts.

**ASSESSED VALUATION** A valuation set upon real estate, other property, utilities, and motor vehicles by a government as a basis for levying taxes. The Georgia statutory classification rate for residential property is 40% of market value. See also MILL LEVY and AD VALOREM TAXES.

**BALANCED BUDGET** A budget in which projected revenues plus approved used of fund balance equals or exceeds planned expenditures.

**BOARD OF EDUCATION (BOE)** The nine members elected by the public that have policy setting authority, the ability to significantly influence operations, and primary responsibility for fiscal matters.

**BOND** A written promise to pay a specified sum of money, called the par value or principal, at a specified date or dates in the future, called the maturity, and carrying interest at a fixed rate, usually payable periodically. General obligation bonds are financed by a separate tax levy which requires a vote of the public.

**BONDED DEBT** The part of the school district debt which is covered by outstanding bonds of the district.

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| <b>BONDS PAYABLE</b>              | Generally, the face value of bonds issued and unpaid.   |
| <b>BUDGET</b>                     | A plan of financial operations embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing. The budget contains supporting schedules detailing the proposed expenditures and means of financing with comparisons to prior years' actual revenues and expenditures. |
| <b>BUDGET AMENDMENT</b>           | Any change in expenditure budgets, which result in a net increase or decrease in the total dollar amount budgeted at the fund level.  |
| <b>BUDGET CALENDAR</b>            | The schedule of key dates or milestones which the Board of Education and the Administration follow in the preparation, adoption, and administration of a budget.  |
| <b>BUDGET DOCUMENT</b>            | The instrument used as a comprehensive financial plan of operations.  |
| <b>BUDGET TRANSFER</b>            | An administrative procedure used to move an appropriated fund from one line item budget or program to another after the budget has been adopted by the Board of Education. Budget transfers do not affect the total appropriation.  |
| <b>BUDGETARY CONTROL</b>          | The management of the financial affairs of the school system in accordance with the appropriate laws, regulations, and procedures of the various governing bodies with the responsibility to keep expenditures within the authorized amounts.   |
| <b>BUDGETARY LEVEL OF CONTROL</b> | The legal level of budgetary control at which the Board adopts operating budgets for governmental fund types.   |

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| <b>CAFR</b>                                  | Comprehensive Annual Financial Report.   |
| <b>CAPITAL IMPROVEMENTS PROJECTS (CIP's)</b> | Major construction, renovation or physical improvement projects. These projects may include the maintenance and renovation of an existing structure or the construction of a new facility.   |
| <b>CAPITAL OUTLAY BUDGET</b>                 | The appropriation for the acquisition, construction, remodeling and equipping of facilities. These projects may include the maintenance or renovation of an existing structure or construction of a new facility.  |
| <b>CASH BASIS</b>                            | A basis of accounting in which transactions are recognized when the cash is either received or disbursed regardless of when the transaction may have been initiated. See also ACCURAL BASIS.   |
| <b>CATEGORICAL GRANTS</b>                    | Normally used to describe a grant received from another governmental unit to be used or expended on specific programs or activities.   |
| <b>CERTIFICATED EMPLOYEES</b>                | Used to denote employees whose position requires some level of teaching certification by the State of Georgia. See also CLASSIFIED EMPLOYEES.  |
| <b>CHART OF ACCOUNTS</b>                     | A list of all accounts systematically arranged, applicable to a specific concern, giving account names and numbers, if any. A chart of accounts, accompanied by descriptions of their use and of the general operation of the books of account, becomes a classification or manual of accounts: a leading feature of a system of accounts. |
| <b>CLASSIFIED EMPLOYEES</b>                  | Used to denote employees whose position does not require some level of teaching certification by the State of Georgia. See also CERTIFICATED EMPLOYEES.  |

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| <b>COMMITMENTS</b>          | Purchase requisitions and catalog orders for which a part of the appropriation (budget) is reserved. They cease to be commitments once a purchase order is issued, the item is received and paid, or the order is canceled. See also ENCUMBRANCES and PURCHASE ORDER. |
| <b>CONTRACT SERVICES</b>    | Labor, material, and other costs for services rendered by personnel not on the district's payroll.  |
| <b>CONTINGENCY</b>          | Funds included in the budget for the purpose of covering minor unexpected costs during the budget year.   |
| <b>CONTINGENT LIABILITY</b> | Items that may become liabilities as a result of conditions undetermined at a given date such as pending lawsuits, judgments under appeal, unsettled disputed claims, and uncompleted contracts.  |
| <b>CURRICULUM</b>           | An educational guide to the teacher stating what is to be taught in a certain course or group of courses.   |
| <b>DEBT</b>                 | An obligation resulting from the borrowing of money or from the purchase of goods and services on credit.   |
| <b>DEBT LIMIT</b>           | The maximum amount of gross or net debt which is legally permitted.   |
| <b>DEBT RETIREMENT</b>      | The repayment of general long-term debt principal and interest.   |
| <b>DEBT SERVICE</b>         | Payments of principal and interest to lenders or creditors on outstanding debt.   |
| <b>DELINQUENT TAXES</b>     | Taxes that remain unpaid on or after the date on which a penalty for non-payment is attached.   |

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| <b>DEPARTMENT</b>                       | Divisions are subdivided into departments.   |
| <b>DEPRECIATION</b>                     | (1) Expiration in the service life of fixed assets, other than wasting assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.<br>(2) The portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period. |
| <b>DISBURSEMENTS</b>                    | Payments for goods, services, and obligations.   |
| <b>EARLY INTERVENTION PROGRAM (EIP)</b> | Provides additional instructional resources to help students who are performing below grade level obtain the necessary academic skills to reach grade level performance in the shortest possible time.   |
| <b>ELEMENTARY SCHOOL</b>                | A school classified by state and local statutes or practices comprised of kindergarten through fifth grade.  |
| <b>EMPLOYEE BENEFITS</b>                | Amounts paid by the district on behalf of employees over and above the gross salary. Employee benefits include social security tax, a portion of health insurance, workers compensation, disability insurance, unemployment insurance, life insurance, and employee assistance program.  |
| <b>ENCUMBRANCES</b>                     | Purchase orders issued which are chargeable to a budget and for which a part of that budget is reserved. They cease to be encumbrances when the order is canceled or the item or service is received and payment made. See also COMMITMENTS, PURCHASE ORDER, and EXPENDITURE.  |
| <b>ENTITLEMENT</b>                      | The amount of payment to which a state, local government or school system is entitled to as determined by the federal government pursuant to an allocation formula contained in applicable statutes.   |

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| <b>EQUIPMENT</b>   | Fixed assets which have a value of \$1,000 or more and have a useful economic life of more than one year.  |
| <b>ESOL</b>  | English for Speakers of Other Languages. A program for students whose primary language is not English.   |
| <b>EXCEPTIONAL CHILDREN</b>                              | Programs which deliver education services to students with special needs.  |
| <b>EXPENDITURES</b>                                      | Payment for goods, services, and obligations.  |
| <b>EXTRA-CURRICULAR -<br/>INSTRUCTIONAL<br/>PROGRAMS</b> | School sponsored activities designed to provide opportunities for pupils to participate in such experiences on an individual or group basis for purposes of motivation, enjoyment, and improvement of skills (i.e., athletics, yearbooks, clubs, etc.) |
| <b>FEDERAL REVENUE</b>                                   | Revenue provided by the federal government.  |
| <b>FINANCIAL STATEMENT</b>                               | The periodic reporting of actual revenues and expenditures. The reporting normally includes a comparison of budgeted revenues and expenditures to the actual revenues and expenditures. See also ACCOUNTING SYSTEM.                                    |
| <b>FISCAL POLICY</b>                                     | A government's policies with respect to revenues, spending and debt management as these relate to government services, programs and capital investment.  |
| <b>FISCAL YEAR (FY)</b>                                  | A twelve-month period beginning July 1 and ending June 30 to which the annual budget applies and at the end of which the district determines its financial position and the results of its operations.   |

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| <b>FIXED ASSETS</b> | Land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue to use over a long period of time. The term “fixed” denotes the intent to continue use or possession and does not indicate immobility of an asset.   |
| <b>FTE</b>          | Full-Time Equivalent counts or student enrollments are used to compute the amount of QBE earnings for each instructional program. Three such counts are taken during the school year.   |
| <b>FUNCTION</b>     | The action or purpose for which a person or thing is used or exists (why purchased). (Those functional areas identified by the State of Georgia.)   |
| <b>FUND</b>         | A set of interrelated accounts to record revenues and expenditures associated with a specific purpose. Funds are established as fiscal accounting entities in order to segregate financial records for purposes of legal compliance, accountability of special activities, measurement of different objectives, and management control. |
| <b>FUND BALANCE</b> | The excess of the revenues and other financing sources over the expenditures and other uses.  |
| <b>GED</b>          | General Education Diploma. A diploma awarded to students who, although not completing course work required towards high school graduation, successfully pass a standardized competency test. A GED is considered equivalent to a high school diploma.   |
| <b>GENERAL FUND</b> | Accounts for all revenues and expenditures which are not accounted for in specific purpose funds. It finances the regular day-to-day operations of the Board and is supported primarily by the State and local property tax revenue.  |



**GENERAL OBLIGATION BONDS**

Bonds that finance a variety of public projects.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP)**

Uniform minimum standards and guidelines for financial accounting and reporting.

**GEORGIA MUNICIPAL ASSOCIATION (GMA)**

This organization offers a pooled lease program, which provides the opportunity for flexible, low cost financing of major capital outlay purchases.

**GOAL**

A statement of broad direction, purpose or intent based on the needs of the community.

**GRANTS**

Contributions of either money or material goods by a contributing unit (public or private) to a receiving unit for which the contributing unit expects no repayment. Grants are usually given for a specific purpose and required periodic reporting to the contributing unit. Many of the school district grants are from federal and state governments.

**HIGH SCHOOL**

A school classified by state and local statutes or practices and comprised of grades nine through twelve.

**IEP**

Individual Education Plan. A document filed with the government for each student with special needs.

**INSTRUCTIONAL OPERATING COSTS**

Costs of supplies, materials, and other operating expenses related to the instructional program.

**INSTRUCTIONAL SALARIES**

The salaries paid to classroom teachers, support teachers, paraprofessionals, and/or related staff involved in working with students in a teaching/learning environment designed to assist students in acquiring knowledge, skills, and understanding.

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| <b>INSTRUCTIONAL SUPPORT SERVICES</b>   | Activities which provide administrative and logistical support to staff instructors. Included are curriculum development, in-service, and media services.   |
| <b>INTERDISCIPLINARY</b>                | The method of teaming teachers who specialize in different areas to teach a course of study with combined content. This teaching method emphasized the interrelationships among the separate areas of specialization. |
| <b>INTERFUND TRANSFERS</b>              | Amounts transferred from one fund to another fund such as the general fund to the exceptional children fund.  |
| <b>INTERNAL SERVICE FUND</b>            | Used to account for the district's self-insurance funds.  |
| <b>INTERNATIONAL BACCALAUREATE (IB)</b> | A rigorous program that allows students to earn an internationally recognized diploma.  |
| <b>JOURNAL ENTRY</b>                    | The document or process of recording actual expenditures or revenues into the accounts and accounting system of the unit. See also CASH BASIS, ACCRUAL BASIS, MODIFIED ACCRUAL ACCOUNTING, and FINANCIAL STATEMENT.   |
| <b>LEVY</b>                             | (Verb) To impose taxes or service charges for the support of LUA activities. (Noun) The total amount of taxes, special assessment, or service charges imposed by a government.  |
| <b>LONG-TERM DEBT</b>                   | Debt with a maturity of more than one year after the date of issuance.  |
| <b>LUA</b>                              | Local Unit of Administration.   |
| <b>MAINTENANCE</b>                      | Includes the cost of repairs and upkeep of physical facilities, equipment and vehicles other than buses.  |

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| <b>MEDIA OPERATIONS COST</b>       | Cost of supplies, materials, and other routine expenses required in the operation of the school media centers (libraries).   |
| <b>MIDDLE SCHOOL</b>               | A school classified by state and local statute or practices comprised of grades six through eight.   |
| <b>MIDTERM ADJUSTMENT</b>          | The annual mid-year adjustment to State provided Quality Basic Education (QBE) earnings. Because the QBE formula for a given school year is usually received in the spring, an adjustment is necessary after more current FTE enrollment counts have become available. |
| <b>MILL</b>                        | One, One Thousandth of a dollar of assessed value.   |
| <b>MILL LEVY</b>                   | The rate of taxation based on dollars per thousand of taxable assessed value.  |
| <b>MILLAGE RATE</b>                | A unit of tax on real property which is based on 40% of the assessed value of the property. A mill has a value of one-tenth of one cent (\$.001), or one thousandth of a dollar.   |
| <b>MODIFIED ACCRUAL ACCOUNTING</b> | The basis of accounting in which revenues are recorded when collected within the current period or soon enough thereafter to be used to pay liabilities of the current period and expenditures are recognized when the related liability is incurred.                  |
| <b>OBJECT CODE</b>                 | Expenditure classification, which describes the items purchased or services obtained. Examples include salaries, supplies, professional services, etc. This is the most detailed expenditure classification.   |

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| <b>OBJECTIVE</b>            | Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.  |
| <b>OPERATING BUDGET</b>     | Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a unit are controlled.  |
| <b>OPERATION OF PLANT</b>   | Activities dealing with the day-to-day operations of the physical facilities, primarily composed of custodial services, security, and utilities.   |
| <b>ORGANIZATION CHART</b>   | A chart representing the authority, responsibility and relationships among departmental entities within the Board of Education.  |
| <b>PARAPROFESSIONAL</b>     | Non-certified personnel who act as teachers' aides.  |
| <b>PER PUPIL ALLOCATION</b> | The amount of money per student that is allocated to each school building for the acquisition of basic materials, supplies, and equipment for the benefit of the students enrolled at that site. The per pupil allocations are determined for each school classification, i.e., elementary school, middle school, and high school. |
| <b>PERSONNEL SERVICES</b>   | Items of expenditures in the operating budget for salaries and wages paid to Board employees as well as the incidental fringe benefit costs associated with employment.  |
| <b>PO</b>                   | See PURCHASE ORDER   |

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| <b>PROGRAM</b>                        | An organized set of related work activities within a division or department, which are directed toward a common purpose or goal and represent a well-defined use of Board resources. Each Board department usually is responsible for a number of related service programs.  |
| <b>PROPERTY TAX</b>                   | A tax levied on 40% of the assessed value of real property. This tax is also known as ad valorem tax.  |
| <b>PURCHASE ORDER</b>                 | A document, which authorizes the delivery of specified merchandise or the rendering of certain services for which the school district promises payment. Once the Purchase Order is issued, the anticipated cost is recorded as an encumbrance against the budget appropriation. See also ENCUMBRANCE.                        |
| <b>PURCHASED SERVICES</b>             | Services rendered by companies or individuals who are not employees of the school district.  |
| <b>PUPIL SUPPORT</b>                  | Activities which provide technical, personal, and logistical support to facilitate instruction. Included are attendance and social work services, guidance services, health services, and psychological services.  |
| <b>QUALITY BASIC EDUCATION (QBE)</b>  | Georgia's Quality Basic Education Act became effective July 1986. The Act identifies 18 QBE instructional programs which are authorized and supported in an effort to provide a quality basic education to the State's children. Program funding is "weighted" and is calculated based on full-time (FTE) enrollment counts. |
| <b>REGULAR INSTRUCTIONAL PROGRAMS</b> | Instructional activities designed primarily to prepare pupils for activities as citizens, family members, and workers, as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps. Regular instructional programs include grades K-12.                                  |

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| <b>RESERVE</b>         | An account used to indicate that portion of a fund balance which is restricted or set aside for a specific purpose.  |
| <b>RESERVE PAY</b>     | The portion of an employee's pay reserved during the school year so that he/she may be paid over the summer months. Teachers, paraprofessionals, and bus drivers are examples of employee groups, which work during the school year but are paid over the entire calendar year. The ability to pay these employees over the summer months is achieved by holding back (reserving) a portion of each regular school year check amount for future payment. |
| <b>REVENUE</b>         | Money available to fund District expenditures. Revenue may take the form of taxes received, tuition, fees, investment income, fund transfers, insurance payments, donations, proceeds from sales of property, lunch sales, fines, and miscellaneous revenue.   |
| <b>REVENUE BONDS</b>   | Bonds are usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest due on the bond.   |
| <b>RISK MANAGEMENT</b> | The department responsible for the administration of the district's self-insurance funds. See also INTERNAL SERVICE FUND.  |
| <b>SALARIES</b>        | Total expenditures for hourly, daily, and monthly salaries. These include extra duty compensation such as supplements or overtime pay. See also EMPLOYEE BENEFITS.   |
| <b>SAT</b>             | Scholastic Achievement Test.   |

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| <b>SCHOOL ADMINISTRATION</b>                                      | Activities concerned with directing and managing the operation  |
| <b>SERVICES</b>   | of schools. Included are activities performed by the principal, assistant principals, and other support staff in general supervision, operation and maintenance of the schools' records.  |
| <b>SITE-BASED BUDGETING</b>                                       | A decentralized budget process whereby budget preparation and development are based on individual school and departmental sites.  |
| <b>SOUTHERN ASSOCIATION COLLEGES AND SCHOOLS STANDARDS (SACS)</b> | Minimum standards set by the Southern Association of Colleges and Schools covering diverse areas of student instruction, from student curriculum to physical facilities. All member schools are required to meet the established accreditation standards.   |
| <b>SPECIAL INSTRUCTIONAL PROGRAMS</b>                             | Instructional activities designed primarily to deal with pupils having special needs. include having special needs. The Special Instructional Programs include services for the Academically Gifted; Mentally Handicapped; Physically Handicapped; Emotionally Disturbed; Culturally Different; Pupils with Learning Disabilities; and special programs for other pupils. |
| <b>SPECIAL REVENUE FUND</b>                                       | Used to account for the proceeds of specific revenue sources which must be devoted to some special use as required by law or specific regulation.   |
| <b>TAPP</b>   | Teen-Age Parenthood Program.  |
| <b>TAX ANTICIPATION NOTES</b>                                     | Notes (or warrants) issued in anticipation of collection of taxes, usually retireable only from tax collections, and frequently only from the proceeds of the tax levy whose collection they anticipate.  |

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| <b>TAX DIGEST</b>                  | In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation.  |
| <b>TAX RATE</b>                    | The amount of tax stated in terms of a unit of the tax base (e.g., 25 mills per dollar of assessed valuation of taxable property).   |
| <b>TAX RATE LIMIT</b>              | The maximum rate at which an LUA may levy a tax. In Georgia, the limit applies to maintenance and operations purposes, and is limited to 20 mills. A separate levy for debt service purposes is not subject to the 20 mills limit. |
| <b>TAXES</b>                       | Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.   |
| <b>TRUST AND AGENCY FUND</b>       | A fund used to account for assets held by a governmental unit as an agent for others. These are also referred to as fiduciary funds. Trust and agency funds are not required by State statute to be budgeted.                      |
| <b>UNAPPROPRIATED FUND BALANCE</b> | The estimated fund equity or unallocated funds available at the end of the current fiscal year. The unappropriated fund balance amount represents the accumulation of revenues in excess of expenditures from prior years.         |
| <b>VENDOR</b>                      | Provider (individual or organization) that sells products or services to the district.   |



**WEIGHT**

Each of the different QBE instructional programs is assigned a different program weight. These weights reflect varying costs of operation in the areas of teachers, paraprofessional and other instructional personnel, instructional materials, maintenance and operations, media center operations, school and central office administration, and staff development. The "Grades 9-12" program is defined as the base program and is assigned a weight of one. Other programs are assigned weights relative to this base program.

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**ACRONYMS**

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| AC      | Academic Coach   |
| AP      | Assistant Principal  |
| ASBO    | Association of School Business Officials International, Inc. |
| AYP     | Adequate Yearly Progress                                     |
| CAFR    | Comprehensive Annual Financial Report                        |
| CIP's   | Capital Improvement Projects                                 |
| DOE     | Department of Education                                      |
| EIP     | Early Intervention Program                                   |
| E-Rate  | A federal grant titled "Education rate"                      |
| ESOL    | English Speakers of Other Languages                          |
| ESPLOST | Education Special Purpose Local Option Sales Tax             |
| FTE     | Full-Time Equivalent   |
| FY      | Fiscal Year  |
| GAAP    | Generally Accepted Accounting Principles                     |
| GED     | General Education Development                                |
| GCRCT   | Georgia Criterion-Referenced Competency Test                 |
| GHSGT   | Georgia High School Graduation Test                          |
| GFOA    | Government Finance Officers Association                      |
| GMA     | Georgia Municipal Association                                |
| HB      | House Bill   |
| ITBS    | Iowa Test of Basic Skills                                    |
| LFM     | Local Five Mill Share  |
| LUA     | Local Unit of Administration                                 |
| OCGA    | Official Code of Georgia Annotated                           |
| M&O     | Maintenance and Operations                                   |
| PE      | Physical Education   |
| PSC     | Professional Standards Commission                            |
| QBE     | Quality Basic Education                                      |
| REP     | Remedial Education Program                                   |
| RESA    | Regional Education Service Agencies                          |
| ROTC    | Reserve Officers Training Corps                              |
| SACS    | Southern Association of Colleges and Schools                 |
| SAT     | Scholastic Achievement Test                                  |
| SB      | Senate Bill  |
| SCSE    | Self-Contained Special Education                             |
| SPED    | Special Education  |
| TAPP    | Teen-Age Parenthood Program                                  |