

Financial Terms



FINANCIAL TERMS

Average Daily Attendance – (ADA) - Just as the name suggests, the average number of students in attendance at a school; used to determine SEEK funding to districts and materials allocations to schools.

Average Daily Membership – (ADM) - Aggregate days membership of pupils divided by the actual number of days the school was in session.

Balanced Budget - A budget for which expenditures are equal to income. Sometimes a budget for which expenditures are less than income is also considered balanced.

Capital Equipment - Fixed assets valued above \$5,000, such as automobiles, furniture, or instruments.

Capital Expenditures - Repair or maintenance of facilities and grounds, including boiler repair, air conditioning units, carpet replacement, and the resurfacing of roads, parking lots, and play areas.

Categorical (aka Grant) Program - activities and services paid for by money with legal limitation on its use, such as Title I., Extended School Services, Professional Development, and other programs.

Comprehensive Annual Financial Report – This is a statistical and financial report issued by the Accounting Department. The first CAFR was produced for FY 2005-2006. From the CAFR: “The completeness, accuracy, and clarity of the financial statements and data herein are the responsibility of the Board’s Chief Financial Officer.”

Fee Waiver - Specific Fees to be waived for students – 702 KAR 3:220

Mandatory waiver of fees shall apply to all charges, direct or indirect, which are required to participate in school sponsored courses, activities, programs, events, or services to include:

- charges/deposits for use of school property such as locks, towels, lab equipment, special workbooks
- charges for field trips, any part of which are within the school day
- charges/deposits for uniforms or equipment related to intramural sports, music, or fine arts programs
- special supplies or fees for particular class
- graduation fees required for participation
- special education fees
- school records fees
- school health service fees
- general activities fees
- vocational education fees
- driver's education fees
- any fees not on exemption list below:

Exemptions:

- ⊕ activities or rental of property taking place or for exclusive use outside the normal six-hour school day.

- ⊕ activities having no impact upon graduation or credit for instructional courses costs for materials, equipment, or supplies beyond those necessary for full credit for instructional courses or essential for meeting student performance objectives

Full-Time Equivalent (FTE) - Method of calculating hourly or part-time employees on a full-time position basis. Fund - As defined by the State auditor of public accounts, a group of accounts that are similar in nature (have similar activities, objectives, or funding sources).

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

Fund Balance Reserve - The School Board may establish fund balance reserves to address future requirements. Fund balance reserves represent funds available for appropriation by the School Board

Fund Statements - Financial statements that display revenue, expenditures, transfers in, transfers out, and changes in fund balance for each of the School Board funds. These can be found in the annual CAFR.

Indirect Costs - Costs of a general nature which are not readily identifiable with the activities of the grant but are incurred for the joint benefit of those activities and other activities or programs of the organization. Examples:

- Finance office
 - Payroll processing
 - Purchasing processing
 - Budgeting
- Human Resources
- Audit costs
- Insurance
- Utilities
- Much more

Other pertinent information:

- ▶ The indirect cost rate is a device for determining what portion of allowable general administrative expenses each federal grant should bear;
- ▶ Therefore, indirect cost is an expense to each federal program and a revenue to General Fund;
- ▶ Indirect cost is the ratio of total direct costs to total indirect costs, less excluded items such as capital outlay;
- ▶ The rate is based on the LEA's (i.e. Local Education Agency; School District) actual expenditures;
- ▶ Rates are calculated by Kentucky Department of Education using district's AFR data and then posted on KDE website;
- ▶ Each local board must approve the rates prior to October 1 to have the option to claim indirect costs for the October 1 – September 30 federal fiscal year;
- ▶ Approval of the rates does not commit the local board to claim indirect costs.
- ▶ However, it is equitable that Indirect Cost be applied to all federal programs rather than to exclude some.
- ▶ Application of Indirect Cost to the optimal level also insures the maximum level of flexibility and decision-making for the LEA.

Major Renovations – These are projects that can be bonded or use Building Fund cash for. This type of building improvement must have the following:

- 3 systems
- 20% of value
- 30 year life of project

MUNIS - This is accounting software used to track and control school districts' money. The state requires the utilization of MUNIS by all LEAs.

On Behalf Payments - Payments made by state agencies on behalf of local school districts for Administrative Fees, Flex Spending, Health Insurance, Life Insurance, Kentucky Teacher Retirement, and Vocational Ed.

The KDE [On-behalf Payments](#) webpage consists of six different categories along with the On-Behalf Payments Summary Report, On-Behalf Payment Instructions, contact information for each category, and other helpful tools and information. Below is a breakdown of the different categories available on this webpage:

- **Debt Service On-behalf Payments** – consist of the debt service payments paid by the SFCC. These totals are posted annually.
- **Federal Reimbursement of Health Benefits On-behalf Payments** – amounts for July 2016-May 2017 are available. June 2017 amounts will be posted in July 2017. These totals are posted monthly.
- **Health Benefits On-behalf Payments** – amounts for July 2016-June 2017 are available. These totals are posted monthly.
- **Teachers' Retirement System On-behalf Payments** – For the final FY 2017 TRS On Behalf Payments amount that will be recorded in the district's governmental funds financial statements in object code 0280, KDE will accept only the "Schedule of Employer Allocations" totals from the state contributions column recorded in the "GASB 68 Auditor's Report as of June 30, 2016" as found on the Teachers' Retirement System Kentucky website at <https://trs.ky.gov/financial-reports-information/>.
- **KISTA Energy Savings Capital Leases On-behalf Payments** – consists of the KISTA energy savings capital leases payments paid by SFCC. These totals are posted annually.

Request for Proposal (RFP) - shall mean all documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in state regulations and the provisions of KRS Chapter 45A applicable to the Board.

Revised Budget - The current year revised reflects the most recent data available on the budget. The is distinguished from the original budget in that there may have been changes in the budget from the onset when the budget was originally established.

SEEK - Support Education Excellence in Kentucky. This is the state formula for funding school districts, and it consists of state and local funding requirements. This is Kentucky's main system for funding schools, combining local and state dollars to guarantee that each district will have needed basic funding for all pupils. The SEEK formula is intended to provide adequacy, equality, and equity of funding for the support of elementary and secondary education across the Commonwealth.

NON-FINANCIAL TERMS

Accommodation – Modified instruction with ECE (Exceptional Child Ed) student with IEP (Individual Education Plan). Also, special testing arrangements made for some students with disabilities.

Adequate Yearly Progress the amount by which schools are required to improve student performance in reading and mathematics based on state standards.

Certified Staff - school and district employees whose jobs require a state certificate, including teachers, principals, superintendents, and some other positions

Class size caps - a maximum number of students allowed in one class; each school council must receive enough money in its allocation to allow the school to stay within the caps.

Classified staff school and district employees whose jobs do not require a state certificate, including teaching aides, secretaries, custodians, and some other positions. There are two types of classified positions--hourly and salaried. Hourly positions include, *but are not limited to*, non-administrative positions such as a nutrition service assistant, instructional assistant (para-educator), ECE instructional assistant (para-educator), custodian, bus driver, bus monitor, in-school security monitor, secretary, clerk, or maintenance. Salaried positions include, *but are not limited to*, administrative positions not requiring a teaching certificate, but which require a minimum of a bachelor's degree, i.e., Family Resource Center Coordinator, School Administration Manager (SAM), etc.

Free and Reduced-Price Meals (FRM) - This program is required for participation in the federally funded school lunch program under the National School Lunch and Child Nutrition Acts. This program provides free or reduced-price meals to children determined to be eligible under the program, and supports the belief of the Fairfax County School Board that every school-age child should have an adequate lunch

Highly Qualified Teacher – Teacher must be highly qualified in every academic subject that he/she is teaching. This means that the teacher has demonstrated mastery in core academic subject(s) they are teaching. No Child Left Behind guidelines require teachers of core academic subjects to be Highly Qualified (HQ):

- Elementary grades K-5;
- Math,
- English, Reading, Writing, Language Art,
- Foreign Language,
- Economics, History, Geography (Social Sciences)
- Music
- Civics and Government (Political Science)
- Art
- Science (each area)

In order to be Highly Qualified a teacher must:

- Hold at least a Bachelor's Degree,
- Hold full Kentucky certification,

- Demonstrate competency in EACH of the core academic subjects taught.

Teachers of special education students with Limited English Proficiency (LEP) must meet HQ requirements for each content area in which they deliver instruction or collaborate with a teacher who is HQ in the content area.

A teacher may be deemed Highly Qualified by:

- Passing the PRAXIS content test,
- Demonstrating a minimum of thirty hours in the content area on college transcripts,
- Completing the HOUSSSE Calculator on the KY Education Professional Standards Board (EPSB) website.

IEP - Individual Education Program. An Individual Education Program (IEP) is a written document that is developed within an Admissions and Release Committee (ARC) meeting. The IEP document targets goals and objectives/benchmarks and provides information regarding specially designed instructional techniques that may be appropriate to assist the student in achieving the outlined goals and objectives/benchmarks. Federal law requiring a free, appropriate education for children with disabilities. Part B of the law provides funds to support that education. A written plan to meet a student's unique learning needs; required for students with disabilities and for gifted and talented students.

LEA – Local Education Agency (the local District; e.g. JCPS). [side note: SEA = State Education Agency = KDE]

Lunch hour - 803 KAR 1:065. Hours worked.

Bona fide meal periods are not worktime. Bona fide meal periods do not include coffee breaks or time for snacks. These are rest periods. The employee must be completely relieved from duty for the purpose of eating regular meals. Ordinarily, thirty (30) minutes or more is long enough for a bona fide meal period. A shorter period may be long enough under special conditions. The employee is not relieved if he is required to perform any duties, whether active or inactive, while eating. It is not necessary that an employee be permitted to leave the premises if he is otherwise completely freed from duties during the meal period.

Office of Education Accountability – (OEA) – this an office that reports directly to the General Assembly on how Kentucky's school system is working; independent of the Kentucky Department of Education and intended to allow the General Assembly to assess whether it has fulfilled its constitutional responsibility to create "an efficient system of common schools."

Open Meetings Law Kentucky law protecting rights of citizens and the press to attend meetings of school councils, committees created by councils, school boards and many other government groups.

Open Records Act Kentucky law providing for rights of citizens to review records of school councils and many other government agencies.

Professional Development - activities that allow school staff to improve their knowledge and skills; parents involved in school-based decision making may also participate. Kentucky provides state dollars to fund professional development and requires all certified staff to receive at least 24 hours of professional development a year. Also, P.D. is the learning activities that are designed to help practicing or in-service educators enhance their professional knowledge, skills and effectiveness.

PSD – Professional Staff Data (PSD) reports are due on October 1st and should reflect staffing as of September 15th. This is a certified staff report required to be submitted to KDE.

PVA – Property Valuation Administrator – This elected official is responsible for the valuation of property within Jefferson County.

Research-Based Instruction - Classroom practices and the curriculum vary in their effect on academic and behavior outcomes. Thus, ensuring that the practices and curriculum have demonstrated their efficacy is important. If not, one cannot be confident that students' limited achievement or failure to meet behavior expectations is independent of the classroom experiences.

Research-Based Interventions - When students' screening results or progress monitoring results indicate a deficit, an appropriate instructional intervention is implemented, either a standardized treatment protocol or an individually designed instructional intervention. The standardized treatment protocols are the academic and behavior interventions that researchers have proven effective. School staff is expected to implement specific, research-based interventions to address the student's difficulties. These interventions might include a "double-dose" of the classroom instruction or other instructional methods that are not adaptations of the current curriculum or accommodations.

RIF - (Reduction in Force) – Personnel actions typically due to a fund source decreasing or being eliminated or other factor

SEA – State Education Agency (the state education authority; e.g. KDE
(side note: LEA =Local Education Agency = the local District = JCPS).

Superintendent's Annual Attendance Report (SAAR) – Annual attendance report submitted at the close of the school year. The report includes attendance data by grade, school and transportation code. The report provides local school district information including ADA, ADM, membership, enrollment, percent of attendance, and drop-out information by school and district