

Glossary of Terms

Board Approved Budget – the district or charter school’s spending plan for the current fiscal year as approved by the Board of Education or Board of Directors.

Preliminary Budget –Operational financial plan in use until such time as the September 30 enrollment count is confirmed.

Fiscal Year – July 1st to June 30th

Revenue Budget – the projected receipts from state, local and federal sources.

Division I – state supported salaries and other employment costs funded through the September 30th unit count

Division II – All Other Costs and Energy funds that may pay for any item except salaries, other employment costs (OEC), transportation and debt service

Other Employment Costs (OEC) – Employer costs that include Pension, Workers Compensation, Unemployment Insurance and Health Insurance.

Debt service – Principle and Interest payments for bonds related to school construction

Division III – state equalization funds

Equalization – attempt to level the playing fields for the property wealthy districts versus the property poor

Encumbrance – a purchase order or promise to pay. Vendor has not been paid; the funds are set aside or “encumbered”.

Expenditures – the payment to a vendor or employee.

Percent Obligated – the total encumbered amount (*promise to pay*) and expenditures (*paid*) as compared to the total budget. It is important to note that school districts and charter school do not pay proportionally through the year. This means that a district or charter school does not necessarily have 50% of the budget remaining 50% of the way through the school year. For example, the majority of school supplies and materials are ordered at the beginning of the fiscal year in order to be ready for the opening of school.

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