The definitions included in this section represent various sources and are a compilation of terms that are generally accepted for the purposes of the New Mexico Manual of Procedures for Public School Accounting and Budgeting. This compilation is not all inclusive.
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<td>Automated Clearing House</td>
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<td>ADA</td>
<td>Average Daily Attendance</td>
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<td>AFT</td>
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<td>Commercial Driver's License</td>
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<td>Instruction Material Bureau.</td>
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<td>LAST-IN, FIRST-OUT</td>
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<td>OIP</td>
<td>Original Issue Premium</td>
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<td>Property Control Division</td>
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<td>PDA</td>
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<td>PED</td>
<td>New Mexico Public Education Department.</td>
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PSAB Glossary of Terms
Rev. 7/11
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<tr>
<th>Abbreviation</th>
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<td>PERA</td>
<td>Public Employees' Retirement Authority</td>
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<td>PO</td>
<td>Purchase Order</td>
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<td>Point Of Sale</td>
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<td>Per Pupil Expenditure</td>
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<td>PR</td>
<td>Requisition</td>
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<td>PSCOC</td>
<td>Public School Capital Outlay Council.</td>
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<td>PSFA</td>
<td>New Mexico Public School Facilities Authority.</td>
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<td>PTR</td>
<td>Pupil-Teacher Ratio</td>
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<td>QSCBS</td>
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<td>QZABS</td>
<td>Qualified Zone Academy Bonds</td>
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<td>R&amp;D</td>
<td>Retention and Disposition</td>
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<td>Regional Education Center.</td>
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<td>RHCA</td>
<td>Retiree Health Care Authority</td>
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<td>RFP</td>
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<td>RM</td>
<td>PSFA Regional Manager.</td>
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<td>RSI</td>
<td>Required Supplementary Information</td>
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<td>SAEA</td>
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<td>SAS</td>
<td>AICPA’s Statement on Auditing Standards.</td>
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<td>SAO</td>
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<td>School Budget Planning and Analysis Bureau</td>
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<td>SRCA</td>
<td>State Records Center and Archives</td>
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<td>SY</td>
<td>School Year</td>
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<td>T&amp;E</td>
<td>Training and Experience.</td>
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<td>Telecommunication Devices for the Deaf.</td>
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<td>Teaching to Speakers of Other Languages</td>
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<td>Third Party Administrator</td>
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<td>The Tenant User Liability Insurance Program</td>
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<td>United States Government Accountability Office.</td>
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- Facilities
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<th><strong>UCOA</strong></th>
<th>Uniform Chart of Accounts</th>
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<tr>
<td><strong>UFRS</strong></td>
<td>Uniform Financial Reporting Standards.</td>
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<td><strong>USDA</strong></td>
<td>United States Department of Agriculture</td>
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<td><strong>W.A.</strong></td>
<td>Weighted Average</td>
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<td><strong>WC</strong></td>
<td>Worker's Compensation</td>
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<td><strong>WIS</strong></td>
<td>Warehouse Inventory System</td>
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</table>

**Accounting**

**Federal Law**

**Education**

**Benefits**

**Accounting**
Glossary of Terms

24 HOUR RULE - School Districts and charter schools in New Mexico are required to deposit all funds collected for any purpose at any site or for any fund raising efforts within twenty four (24) hours of collection in order to minimize risk of theft or loss or misuse of these funds.

• A

ABATEMENT - A complete or partial cancelation of an expenditure or revenue.

ABATEMENT OF EXPENDITURES - Cancelation of part or all of a charge previously made, usually because of refunds, rebates, resale of materials originally purchased by the local educational agency (LEA), or collections for loss or damage to the LEA’s property. An abatement of expenditure applies to current expenditures and capital outlay expenditures from all funds.

ABATEMENT OF REVENUE - The cancelation of all or some part of any specific revenue previously recorded.

ACCESS - Physical accessibility, as well as the provision of appropriate accommodations to ensure use of programs by persons with disabilities.

ACCOUNT - A fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For reporting purposes, the state identifies certain accounts as major funds, and administratively combines all remaining accounts into roll-up funds. Refer to MAJOR FUND, and ROLL-UP FUND.

ACCOUNT CODE - An account code is a combination of numerical segments or components in a district or charter schools’ Uniform Chart of Accounts. The numbering scheme is a consistent framework provided by the National Center for Education Statistics (NCES). It is useful to determine proper transaction recording, to determine control, and provide comparative reports between districts and charter schools. For New Mexico, the account code structure contains a fund, function, object, program, location and job classification component. The use of a standardized system is required by the New Mexico Public Education Department. Ref: Uniform Chart of Accounts, Supplement 3, in the New Mexico Public School Accounting and Budgeting Manual of Procedures.

ACCOUNT GROUP - A self balancing set of accounts that list government's fixed assets and long term debt and that are not otherwise a part of governmental funds.
ACCOUNT NUMBERS - Numbers that are assigned to the ordinary titles of accounts for classification of accounts and ease of reference.

ACCOUNTABILITY - The state of being obliged to explain one’s actions, to justify what one does. Accountability requires governments to answer to the citizenry – to justify the raising of public resources and the purposes for which they are used.

ACCOUNTING - The term known as Accounting is often considered the "language of business" and comprises a set of concepts and techniques that collectively measure, summarize, and report financial information about an economic unit.

ACCOUNTING PERIOD - Any period of time designated for which financial statements are prepared. Refer to FISCAL PERIOD.

ACCOUNTING PRINCIPLES - The rules and guidelines that companies and governments must follow when reporting financial data. The common set of accounting principles is the generally accepted accounting principles (GAAP).

ACCOUNTING PROCEDURES - All procedures that discover, identify, record, classify, maintain, and summarize financial information to either produce financial reports or to provide internal control.

ACCOUNTING SYSTEM - The methods and records established to identify, assemble, analyze, classify, record, and report the district’s transactions and to maintain accountability for its assets and liabilities.

ACCOUNTS PAYABLE - A short term liability account reflecting amounts owed to private persons, business firms, governmental units, or others for goods received and/or services rendered prior to the end of the fiscal year. Accounts Payable does not include amounts due to other agencies, funds of the same LEA, or other governments. Refer to DUE TO.

ACCOUNTS RECEIVABLE - An asset account reflecting amounts due from people or organizations for goods, and/or services furnished by the district. Accounts Receivable does not include amounts due from other agencies, funds of the same LEA, or other governments. Refer to DUE FROM.

ACCRUAL BASIS - The recording of the financial effects on a district or charter school of transactions and other events and circumstances that have cash consequences for the district or charter school 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 and expenditures/expenses when they meet the recognition criteria of the fund type involved regardless of when the cash activity occurs.
ACCRUED EXPENDITURES/EXPENSES - Expenses or expenditures that meet the appropriate recognition criteria of the fund type involved but have not been paid. Accrued expenditures are expected to be paid in a subsequent accounting period. Refer to ACCRUAL BASIS and ACCRUE.

ACCRUED LIABILITIES - Liabilities reflecting the obligation to pay for goods or services that have been incurred or received but not paid for by the end of the accounting period.

ACCRUED REVENUES - Revenues that meet the appropriate recognition criteria of the fund type involved, but are not realized during the accounting period. Refer to ACCRUAL BASIS, ACCRUE, and MODIFIED ACCRUAL BASIS.

ACCUMULATED DEPRECIATION - A contra-asset valuation account used to record the accumulation of periodic credits made to reflect the expiration of the estimated useful life of capital assets. (See also DEPRECIATION.)

ACTIVE AT WORK REQUIREMENT - Eligible employees shall be employed at the school place of business or other location if his job requires him/her to travel, on the date the benefits are to go into effect.

ACTUALS REPORTING - The reporting to the PED of actual totaled results as compared to budgeted totals.

ACTUARIAL BASIS - A basis used in computing the amount of contributions to be made periodically to a fund or account so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund or account. The factors taken into account in arriving at the amount include the length of time over which each collection or payment is to be made and the rate of return compounded on such amounts over its life. A Pension Trust Fund for a public employee retirement system is an example of a fund concerned with actuarial basis data.

AD VALOREM TAX - a tax based on the value of real estate or personal property.


ADEQUACY PLANNING GUIDE - is a reference guide to the New Mexico Public School Facilities Adequacy Standards that is used to meet adequacy requirements when programming and designing school projects.

ADEQUACY STANDARDS - establish the acceptable level of facilities standards needed to provide and sustain the learning and operating environments for public schools.

ADEQUACY VARIANCES - are exemptions from specific standards of adequacy when those specific standards do not apply to a particular facility, based on the educational
program. For example, a charter school that offers physical education in a local community facility might be given a variance on space for a gymnasium/multi-use room.

**ADJUSTMENTS** - See BUDGET ADJUSTMENT.

**ADMINISTRATIVE PROCEDURES** - rules regarding the operation of an agency, designed to implement, interpret, or prescribe law or policy or describing the organization, procedure, or practice requirements of an agency and may include the approval or prescription for the future of rates, wages, agency or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefore or of valuations, costs, or accounting, or practices bearing on any of the foregoing.

**ADOPTION** - means approval by the secretary of a multiple list of core/basal instructional materials and a list of non-core/basal supplemental materials for use in the schools.

**AGENCY** - Every state agency, office, board, commission, department, state institution, or state institution of higher education, and public schools or public charter schools for which appropriations are made by the legislature; any political subdivision of the state.

**AGENCY FUND** - A fund normally used to account for assets held by an LEA as an agent for individuals, private organizations or other governments and/or other funds. Agency funds are purely custodial in nature, and may include school activity accounts. Refer to FIDUCIARY FUNDS.

**AICPA** - means American Institute of Certified Public Accountants.

**ALLOCATE** - To divide a lump-sum appropriation into parts in accordance with a predetermined plan that are designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects. Refer to ALLOCATION.

**ALLOCATION** - A part of a lump-sum appropriation that is designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects. Refer to EXPENDITURE AUTHORITY.

**ALLOWABLE COSTS** - Costs that meet the specific criteria of a granting agency.

**ALLOWANCE** - A provision for valuing an asset at net, such as an allowance for bad debts. The allowance for bad debts would be deducted from accounts receivable to reflect the receivables that are likely to be collectable.

**ALLOWANCE FOR DEPRECIATION** - Refer to ACCUMULATED DEPRECIATION.

**ALLOWANCE FOR UNCOLLECTIBLES** - A contra-asset valuation account used to indicate the portion of accounts receivable that is estimated to be uncollectible.
AMORTIZATION - The gradual reduction or liquidation of an amount over a period of time according to a specified schedule (such as, the retirement of a debt by serial payments to the creditor or in a sinking fund) either by a direct credit, or debit; or through the use of a valuation account.

AMORTIZED COST - The par value of the investment increased or decreased by any unamortized premium or discount.

AMOUNT AVAILABLE IN DEBT SERVICE FUNDS - An "other debit" general ledger code used in the General Long-Term Obligations Subsidiary Account that designates the amount of assets available in debt service funds for the retirement of outstanding general obligation debt.

AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS - An “other debit” general ledger code used in the General Long-Term Obligations Subsidiary Account that represents the amount to be provided from taxes or other general revenues to retire outstanding general long-term obligations debt.

ANCILLARY COSTS - Costs that are directly attributable to asset acquisition, such as freight and transportation costs, site preparation costs, and professional fees that are necessary to place a capital asset into its intended state of operation. Ancillary costs are capitalized as part of the cost of a capital asset. For an investment, ancillary costs include legal fees and commissions and are included as part of the cost of the investment. Ancillary Costs, alternative: Services delivered for student therapy, speech or mobility.

ANNUITY - A series of equal money payments made or received at equal intervals over a designated period of time.

ANTI-DONATION CLAUSE - Article IX, Section 14, New Mexico Constitution limiting aid or donations to any person, association or public or private corporation.

APPLICATION CONTROLS - Application controls ensure the authority of data origination, accuracy of data input, integrity of processing, and verification and distribution of output in data processing systems.

APPRaisal - An estimate of property value made by the use of systematic procedures based on physical inspection and inventory, engineering studies, and other economic factors. Refer to APPRAISE.

APPRAISE - To make an estimate of value of an asset, for example an investment or capital asset, particularly of the value of property.

APPROPRIATENESS OF EXPENDITURES - As defined by a White Paper issued July 2002, the Financial Control Division (FCD) of the Department of Finance and Administration (DFA) expenditures must be used according to Constitutional, Statutory,
and Contractual Mission of the district, the public benefit and purpose, necessity, and appropriations, budgets, and available resources.

**APPROPRIATION** - A legal authorization granted by a legislative body to a school district or charter school to make expenditures and to incur obligations for specific purposes from designated resources available or estimated to be available during a specified time period. An appropriation usually is limited in amount and time it may be expended.

**APPROPRIATION LEDGER** - A subsidiary ledger containing an account for each appropriation. Each account usually shows the amount originally appropriated in the budget, budget increases or decreases during the year, expenditures, encumbrances, unencumbered balances, and other related information.

**ARBITRAGE** - The profit earned (i.e., interest earnings in excess of interest costs) from the investments of the proceeds of lower-interest tax-exempt securities in higher yielding taxable securities.

**ARRA** - American Recovery and Reinvestment Act. A federal law passed to mitigate the effects of the financial downturn that began in 2007. Supplemental funding to support various public education needs was authorized by this legislation, as well a regulation of how the funds may be spent and must be accounted for.

**ASBO** - Association of School Business Officials, International. The organization that provides professional information, communication, and professional development for school business administrators.

**ASSESSED VALUATION (AV)** - Value placed on personal and real property by a governmental unit for purposes of taxation.

**ASSET MANAGEMENT SYSTEM (AMS)** - Computerized system for tracking assets that are capitalized and depreciated including the adjustment of records when assets are disposed of or revalued.

**ASSETS** - A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. These economic resources can be tangible or intangible and are owned by a district. Also represents property or items of value controlled by a district or charter school. Assets can reflect, cash, buildings, inventories, land, or equipment.

**ASSIGNED FUND BALANCE** - A classification for governmental fund balance reporting that includes amounts that the district intends to use for specific purposes.

**AT RISK UNITS** - Units calculated based on a factor or index determined by establishing a three year average of the following: 1) percentage of membership used for Title I allocation; 2) percentage of membership classified as English language learners (using the Office of Civil Rights (OCR), and, 3) percentage of student mobility.
**AT-RISK INDEX** - an index determined by establishing a three year average of the following: 1) percentage of membership used for Title I allocation; 2) percentage of membership classified as English language learners (using the Office of Civil Rights (OCR), and, 3) percentage of student mobility. See AT RISK UNITS.

**AUDIT** - An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether all transactions are recorded properly; and (3) determining whether statements that are drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time. The examination produces a collection of the sufficient, competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties. Refer to COMPLIANCE AUDIT, CORRECTIVE ACTION PLAN, FINANCIAL AUDIT, PERFORMANCE AUDIT, AND SINGLE AUDIT.

**AUDIT COMMITTEE** - See AUDIT SUBCOMMITTEE

**AUDIT FINDING** - Generally and in the context of school district and charter school audits, an audit finding reflects a weakness in internal control or an instance of non-compliance with applicable laws and regulations. A typical audit finding is composed of a statement of the condition and the criterion or criteria used to define it, an explanation of the cause of the condition, a discussion of its results, and recommendations for improvement.

**AUDIT PROGRAM** - A detailed outline of work to be done and the procedures to be followed during an audit.

**AUDIT REPORT** - See AUDIT

**AUDIT SUBCOMMITTEE** - a subcommittee of the school board or governing authority of a district or charter school whose role is primarily to provide assistance to management in fulfilling its responsibilities with respect to its oversight of the quality and integrity of the district’s accounting and reporting practices and controls, and the financial statements and reports of the district; the district’s compliance with legal and regulatory requirements; the independent auditor’s qualifications and independence; and the performance of both the district’s internal audit function and independent auditors.

**AUDITED CASH BALANCE** - the district’s annual audit must include a cash reconciliation reconciling the cash balance at the end of the previous fiscal year to the cash balance at the end of the current fiscal year. This audited cash balance at year end should be the beginning cash balance for the new fiscal year.

**AUDITOR** - means state auditor or Independent Public Accountant (IPA).
AUTOMATED CLEARING HOUSE (ACH) - A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH.

AUTOMOBILE LIABILITY – This liability coverage includes bodily injury, property damage and physical damage for all owned, non-owned and hired vehicles.

AVAILABLE CASH - Cash that is on hand or on deposit in a given fund and that is unencumbered and can be used for meeting current obligations.

AVERAGE COST METHOD - Method of valuing inventory based on the average, actual acquisition cost.

AVERAGE DAILY ATTENDANCE (ADA) - Total approved days of attendance in the LEA divided by the number of days the schools in the LEA are in session for at least the required minimum day.

AYP - Adequate Yearly Progress. A term used in the No Child Left Behind law that regulates the ever increasing academic threshold students must meet each year.

BALANCE SHEET - A financial statement that discloses the assets, liabilities, and fund balance or fund deficit of an entity at a specific date and that is properly classified to exhibit the financial condition of the entity as of that specific date in conformity with generally accepted accounting principles (GAAP).

BANS - Bond Anticipation Notes.

BAR - See Budget Adjustment Request.

BASIC ACCOUNTING EQUATION - This equation reflects a mathematical relationship: Assets = Liabilities + Fund Balance

BASIS OF ACCOUNTING - This refers to the methodology and timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Refer to ACCRUAL BASIS, MODIFIED ACCRUAL BASIS and CASH BASIS.

BEST PRACTICES - A set of guidelines, ethics or ideas that represent the most efficient or prudent course of action. Best practices are often set forth by an authority, such as a governing body or management, depending on the circumstances. While best practices generally dictate the recommended course of action, some situations require that such practices be followed.
**BLANKET PURCHASE ORDERS** - A purchase order issued for a cumulative purchase amount for purchases over a specified time, but in no case to extend across fiscal years.

**BLOCK GRANT** - A federal grant that consolidates, for a broad purpose, funding previously awarded for a wide range of activities.

**BOARD OF EDUCATION** - A governing board for school districts or charter schools.

**BOILER & MACHINERY COVERAGE** - Boiler and Machinery covers incidents of physical loss to member agency owned and scheduled boiler, fired vessel or electric steam generators.

**BOND** - A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state. Alternative: **BOND** - A certificate containing a written promise to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

**BOND DISCOUNT** - The excess of the face value of a bond over the price for which it is acquired or sold resulting from a disparity between the market rate of interest and the stated rate of interest on the bonds, also referred to as original issue discount (OID). In governmental funds, bond discount associated with a bond sale is reported as another financing use.

**BOND ISSUE** - A reference indicating the particular classification or quantity of bonds issued at a given time.

**BOND PREMIUM** - The excess of the price for which a bond is acquired or sold over its face value resulting from a disparity between the market rate of interest and the stated rate of interest on the bonds, also referred to as original issue premium (OIP). In governmental funds, bond premium associated with a bond sale is reported as another financing source.

**BOND REDEMPTION** - The regaining of possession of bonds formerly issued by payment of amount due to the holder.

**BONDED DEBT** - That portion of indebtedness represented by outstanding bonds.

**BONDED DEBT SERVICE** - Expenditures for interest and redemption of bonds.

**BONDING CAPACITY** - The New Mexico Constitution, Article IX, Section 11, limits the amount of bonds outstanding to 6% of the Taxable Assessed Value (A.V.). Thus, if a district was located in a community that had an assessed valuation of property of $839,000,000 x .06, there would be an upper limit of outstanding debt allowed to the district of $50,340,000.
BONDS AUTHORIZED AND UNISSUED - Legally authorized bonds that have not been sold and that may be sold without further authorization.

BONDS PAYABLE - The face value of bonds issued and unpaid. In the case of zero coupon bonds, however, only the accreted value of the bond is reported as bonds payable on the balance sheet.

BOOK VALUE - The net amount at which an asset or asset group appears on the books of account, as distinguished from its market or intrinsic value. In the case of assets subject to reduction by valuation allowances for accumulated depreciation; book value refers to cost or stated value less the appropriate allowance.

BOOKS OF ORIGINAL ENTRY - Books of original entry are a record in which the various transactions are initially and formally recorded and serve as the direct source of postings to ledgers (e.g. payroll register).

BOOSTER CLUBS - A booster club is an organization that is formed to support (e.g. coordinate events, contribute money, etc.) an associated club, sports team, or organization. Booster clubs are at the high school and university level. The clubs are generally run and organized by the parents of the students in the supported organization in high schools, and by athletic supporters and fans. It is not a social club. Its main function is to develop support for the student program.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them. The term usually indicates a financial plan for a single fiscal year.

BUDGET ADJUSTMENT - An adjustment made to the current budget due to new funds or grant awards, or the need to reallocate or distribute to other budgeted categories.

BUDGET ADJUSTMENT REQUEST (BAR) - requests for net increases and decreases to the budget which may include increases due to new grant funds and decreases due to the need to reduce appropriations to keep spending within available revenues and must be approved by designated authority prior to posting as a budget adjustment. See BUDGET ENTRY.

BUDGET ALLOCATIONS - The result of process of distributing budget to specified schools or programs.

BUDGET AUTHORITY - Authority to make expenditures limited by certain parameters in the approved budget including an authorized account string. See BUDGETED ACCOUNTS.

BUDGET COMMITTEE - See BUDGET SUBCOMMITTEE.
BUDGET ENTRY - An entry made to the budget ledger as an adjustment. See BUDGET ADJUSTMENT REQUEST.

BUDGET MAINTENANCE - The maintaining of budget distributions based on changing conditions or priorities to reflect objectives and assure that functions are not overspent.

BUDGET PREPARATION STANDARDS - Every school district and charter school in New Mexico shall follow requirements in Section 22-8-5 through 22-8-12.2 NMSA 1978 for preparing, planning, submitting, maintaining and reporting.

BUDGET TRANSFER - Changes among budgeted items. They do not increase or decrease the total budget.

BUDGETARY ACCOUNTS - Those accounts that make it possible for a budgetary-type fund (governmental fund) to show how (1) estimated revenue and revenue realized to date compare; and (2) expenditures and encumbrances compare with appropriations during the fiscal period. The budgetary accounts are estimated revenues, appropriations, and encumbrances and are used as part of the management control technique of formal budgetary integration.

BUDGETARY CONTROL - The management of financial transactions in accord with an approved plan of estimated revenue and expenditures.

BUDGETED ACCOUNTS - Accounts that are subject to the appropriation and/or allotment process. Refer to APPROPRIATION and ALLOTMENT.

BUDGETING - The process of allocating the available resources of an organization among potential activities to achieve the objectives of the organization; planning for the use of resources.

BUILDINGS - Permanent structures owned or held by the school district. The cost of buildings includes both acquisition costs (historical cost, ancillary costs, and, for proprietary and trust funds, net interest during construction) and capital improvement costs (betterments). Buildings include not only structures in the form of school buildings, storage quarters, or other facilities, but also associated items such as loading docks, heating and air-conditioning equipment, refrigeration equipment, and all other property permanently attached to or forming an integral part of the structure. Buildings can be capitalized as a single unit, or by individual component. Buildings do not include furniture, fixtures, or other equipment, which are not integral parts of the building. Refer to CAPITAL ASSETS.

BUSINESS-TYPE ACTIVITIES - Reported in the district-wide financial statements. Financed in whole or in part by fees charged to external parties for goods or services that are usually reported in enterprise funds. Refer to GOVERNMENT-WIDE FINANCIAL STATEMENTS, DISTRICT-WIDE FINANCIAL STATEMENTS.
C

CABC - Current Available Bonding Capacity. See BONDING CAPACITY.

CAPITAL ASSET SCHEDULE - A schedule prepared for annual Financial Statements to be presented in the Notes to the Financial Statements. See FIXED ASSETS and CAPITAL ASSETS.

CAPITAL ASSETS - Assets that meet the district's capitalization policy such as land, improvements to land, easements, buildings, leasehold improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in district operations and that have initial useful lives extending beyond one year. See FIXED ASSETS.

CAPITAL BUDGET - The portion of a budget, or a separate budget, devoted to proposed additions to capital assets and the means of financing those additions.

CAPITAL EXPENDITURE - Refer to CAPITAL OUTLAYS.

CAPITAL GRANTS - Grants that are restricted for the acquisition, construction, or renovation of capital assets associated with a specific program. Refer to GRANTS and OPERATING GRANTS.

CAPITAL LEASE - A lease agreement that meets one or more of the following criteria is classified as a capital lease.

CAPITAL OUTLAY BUREAU - Bureau of the New Mexico Department of Education, charged with providing technical assistance to school districts, legislators, the general public and external entities relating to capital outlay funding, procedures, and rules relating to public schools in New Mexico.

CAPITAL OUTLAYS - Amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, the improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

CAPITAL PROJECTS FUNDS - Capital projects funds are used to account for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Refer to GOVERMENTAL FUNDS.

CAPITALIZATION POLICY - The criteria used to determine which capital outlays should be reported as capital assets on the state's financial statements.

CAPITALIZED LEASES - A lease that meets one or more of the following criteria, meaning it is classified as a purchase by the lessee: the lease term is greater than 75%
of the property’s estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceeds 90% of the fair market value of the property.

**CARD CUSTODIAN** - An individual, designated by the agency program administrator, to administer and control the use of department purchase cards by authorized designated card users within the card custodian’s workgroup. (For agencies choosing to utilize department cards rather than individually assigned cards.)

**CARD STATEMENT** - The detailed itemized monthly statement of purchase card charges provided by the purchase card issuing bank to the agency.

**CARD USER AGREEMENT FORM** - This form states that the purchase card user has read and understands the policies and procedures of the State and his/her agency relative to purchase card use and agrees to comply with all of these established procedures. This form must be signed by the card user prior to issuance and use of the purchase card.

**CARDHOLDER** - An individual, designated by the agency program administrator and approving official, to make purchases using an individually assigned purchase card. (for agencies choosing to utilize individually assigned cards rather than department cards.)

**CARRY OVER** - Reference to grant funds, cash, or fund balances available to “carry over” from one fiscal year to another.

**CARRY OVER FUNDS** - See CARRY OVER.

**CASH** - Currency, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. Any restriction or limitation as to the availability of cash should be indicated.

**CASH ADVANCE** - Cash apportioned in advance of the usual apportionment period.

**CASH BALANCES** - Cash available or on hand; or reconciled to bank statements.

**CASH BASIS** - A basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid without regard to the period in which they were earned or incurred.

**CASH DISBURSEMENTS** - Cash disbursements are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, and EFTs (Electronic Fund Transfers) paid by the district during a period regardless of when the related obligations are incurred.

**CASH DISCOUNT** - An allowance made on a purchase if payment is made within a stated period. (This term is not to be confused with trade discount.)
CASH EQUIVALENT - Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash, and (2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally only investments with original maturities of three months or less meet this definition.

CASH IN BANK - Balances in all bank accounts, such as operating accounts, student body activity accounts, and cafeteria accounts.

CASH RECEIPTS - Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, or EFTs) received by the district during a period regardless of when the moneys are earned.

CASH RECONCILIATION - The process of comparing and accounting for differences in the book balance of cash compared to the bank account statement at a certain date. Differences may occur because of timing or transactions in progress or accounting errors.

CASH REPORT – A report required periodically, either monthly or quarterly for districts and charter schools to report their reconciled cash balances to the Public Education Department, School Budget and Analysis Bureau.

CASH/INVESTMENTS WITH ESCROW AGENT - An asset account reflecting deposits with escrow agents.

CASHIER’S REPORT - A report required at the local level for all cashiering activities that may be but are not limited to selling tickets for sporting events, sales of school lunches in the Student Nutrition Program, or operation of concessions at sporting events.

CATEGORICAL AID - Funds from state or federal sources that are in addition to the general-purpose funding to serve a specific pupil population or to provide specific services and activities. These funds have fiscal and program compliance requirements of varying degree. See CATEGORICAL FUNDING.

CATEGORICAL GRANTS - Federal grants that are awarded for specific limited purposes.

CENTRAL KITCHEN - A facility used for preparing meals for students at a central location to be distributed throughout a school district or to other districts and charter schools.

CENTRAL WAREHOUSE SYSTEM - A system for ordering, receiving and storing supplies and equipment to be requisition by user sites as needed.

CENTRALIZED PURCHASING - is a system of purchasing in which authority, responsibility, and control of all purchasing activities are concentrated in one administrative unit.
CENTRALIZED RECEIVING - A process of receiving delivery for all supplies and equipment ordered by district sites or programs at a centralized facility and distributing to the ordering units.

CERTIFICATE OF INSURANCE - A document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals. More specifically, the document lists the effective date of the policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability.

CERTIFICATES OF PARTICIPATION (COPS) - A financing technique that provides long-term financing through a lease (with an option to purchase or a conditional sale agreement).

CERTIFIED PERSONNEL - Personnel classification based on the requirement for specified licensure related to job duties. Teachers and administrators are classified as “certified” personnel due to requirements for licensure.

CFDA NUMBER - Catalog of Federal Domestic Assistance provides a full listing of all Federal programs.


CHANGE ACCOUNTS - Accounts used solely for making change in across-the-counter cash transactions. Refer to IMPREST ACCOUNT.

CHART OF ACCOUNTS - A specific systematically arranged list of accounts that is applicable to a New Mexico School District and Charter Schools. All account names and numbers, if any, are listed in numerical order and are used for recording budgets and transactions according to GAAP. See UCOA

CHARTER SCHOOLS - A public school created by petition to be separate from the rules and regulations of the LEA, but funded by a combination of local and state financial resources. Charter schools often take students on a lottery basis if applications exceed capacity. Some specialize in a certain programmatic focus, such as the arts. In New Mexico these schools may be either locally or state chartered.

CHECK - A written order on a bank to pay on demand a specified sum of money to a named person, out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It also differs from a voucher in that the latter is not an order to pay.

CHECK REGISTER - The document used to record pertinent details relating to expenditure/expense vouchers and coding for each check issued.

CHILD NUTRITION PROGRAM-INFORMATION MANAGEMENT SYSTEM - Computer software designed for specific use with management of school student...
nutrition programs, providing applications for student tracking, meal serving, inventory, etc.

**CLASS SIZE REQUIREMENTS** - Class loads shall be in compliance with the most current class load requirements in Section 22-10A-20 NMSA 1978 and Section 22-5-15 NMSA 1978. The individual class load for elementary school teachers shall not exceed 20 students for kindergarten, provided that any teacher in kindergarten with a class load of 15 to 20 students shall be entitled to the assistance of an educational assistant. The average class load for elementary school teachers at an individual school shall not exceed 22 students when averaged among grades one, two and three, provided that any teacher in grade one with a class load of 21 or more shall be entitled to the full-time assistance of an educational assistant. The average class load for an elementary school teacher at an individual school shall not exceed 24 students when averaged among grades four, five and six.

**CLASSIFICATION** - The naming or identification of an item or a category, such as the designation of the particular account into which a receipt or an expenditure is to be recorded or the separation of data into acceptable groupings so that financial facts can be stated more clearly. See UCOA.

**CLEARING ACCOUNT** - An account used to accumulate total charges or credits so that they can be distributed later among the accounts to which they are allocable or so that the net differences can be transferred to the proper account.

**CLOSING ENTRIES** - Entries recorded at the end of each fiscal period to transfer the balances in the revenue and expenditure (or expense) accounts to the permanent equity accounts (fund balance or retained earnings) of an accounting entity.

**CLUB ACCOUNTS** – Accounts set up for student activities which organize to raise money and/or promote particular programs, projects or subject areas. “Club accounts” offer a vast array of other educationally related opportunities for schools and students. The activities associated with these accounts provide opportunities outside the general budgeted state or federal revenue sources.

**COBRA** - Consolidated Omnibus Budget Reconciliation Act. The federal law that requires employers to offer departing (not retiring) employees an extension of health benefits under the employer's existing insurance plan at the individual's own cost, for up to 18 months.

**CO-CURRICULAR** – outside of but complementing the regular curriculum. See EXTRA-CURRICULAR.

**CODE** - (1) A distinguishing reference number or symbol; (2) a statement of the laws of a specific field (e.g., Education Code, Penal Code, Civil Code, and Labor Code).
COMBINING BALANCE SHEET - A balance sheet in governmental accounting in which the balances of non major funds have been combined as a single column.

COMMITTED FUND BALANCE - A classification for governmental fund balance reporting that includes amounts that can only be used for specific purposes pursuant to constraints imposed by state law.

COMMITTEE OF SPONSORING ORGANIZATIONS OF THE TREADWAY COMMISSION - See COSO.

COMMODITIES - Raw, bulk USDA supplied food which may include ground meats, turkey, flour, cheese, etc.

COMMODITY PROCESSING - Commodity Processing allows State distributing agencies and eligible recipient agencies such as school districts to contract with commercial food processors to convert raw bulk USDA commodities into more convenient, ready-to-use end products.

COMPENSATED ABSENCES - Absences for which compensation is paid (e.g., vacation and sick leave).

COMPENSATORY TIME - Time worked by certain state employees that, if not used for paid time off, results in compensation to be cashed out in accordance with regulations or agency policy.

COMPETITIVE BID - See COMPETITIVE SOLICITATION

COMPETITIVE SOLICITATION - A documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria which may include such factors as the consultant's fees or costs, ability, capacity, experience, reputation, responsiveness to time limitations, responsiveness to solicitation requirements, quality of previous performance, and compliance with statutes and rules relating to contracts or services.

COMPLIANCE AUDIT - An examination leading to the expression of an opinion on the audited governmental unit's compliance with the various finance-related, legal contractual provisions or internal controls. Refer to AUDIT.

COMPONENT UNIT - A unit legally separate from the district but for which the elected officials of the district are financially accountable, or that has a relationship with the district such that exclusion would cause the district's financial statements to be misleading or incomplete. For reporting purposes, depending upon the nature of component unit and its relationship with the district, financial data may be either discretely presented or blended.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) - The official annual financial report of the district encompassing all funds and component units of the
district. It includes an introductory section (general information on the LEA's structure, services, and environment), management's discussion and analysis (MD&A), basic financial statements, required supplementary information other than MD&A, combining and individual fund statements, schedules, a statistical Section and discretely presented component units (if any) not reported separately in the financial statements.

**CONSTRUCTION IN PROGRESS (CIP)** - A general ledger account that reflects the cost of construction work undertaken on capital projects, but not completed as of the end of the accounting period.

**CONSULTANT** - An independent individual or entity contracting with an agency to perform a personal service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

**CONSUMABLE INVENTORIES** - Supplies consumed in the course of an agency's operations; or incidental items held for resale.

**CONSUMPTION METHOD** - The method under which inventories are recorded as an expenditure/expense when used. Refer to PURCHASES METHOD.

**CONTINGENT LIABILITY** - Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

**CONTRA ACCOUNT** - An account to record offsetting transactions (e.g., abatements, accumulated depreciation).

**CONTRACT** - An agreement between two or more people or entities to do something. Contracts are usually in writing and are enforceable by law.

**CONTRACT MANAGEMENT** - Activities related to contracting, including the decision to contract, contractor screening and selection, contract preparation, contract monitoring, auditing and post-contract follow-up.

**CONTRACT MANAGER** - Any district staff involved in the contracting process who is responsible for oversight of a contract (e.g. contract specialists, program managers, agency executives, etc).

**CONTRACT MONITORING** - Planned, ongoing or periodic activity that measures and ensures contractor compliance with the terms, conditions, and requirements of a contract.
**CONTRACTED SERVICES** - Expenditures for services rendered under contract by personnel who are not on the payroll of the LEA, including all related expenditures covered by the contract.

**CONTRACTS PAYABLE** - Amounts due on contracts for public improvements on work done for a governmental unit are to be recorded as Contracts Payable. Amounts withheld from that which is due the contractor and are intended to serve as a guarantee on the contracts are to be recorded separately as retainage payable.

**CONTROL ACCOUNT** - An account in the general ledger in which the aggregate of all debit and credit postings to a number of related accounts (called the subsidiary accounts) are recorded. For example, the Accounts Receivable account is a control account supported by the aggregate of the individual customer subsidiary accounts. Its balance equals the sum of the balances of the detail accounts. Refer to GENERAL LEDGER and SUBSIDIARY ACCOUNTS.

**CONTROL ACTIVITIES** - Control activities are the internal policies and procedures that help ensure district directives are carried out. They help ensure necessary actions are taken to address risks to achieving the school district’s objectives. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, review of operating performance, security of assets, and segregation of duties.

**CONTROL ENVIRONMENT** - The control environment is the collective effect of various factors in establishing, enhancing, or mitigating the effectiveness of specific policies and procedures. The control environment reflects the overall attitude, awareness, and actions of the school board, management and others concerning the importance of control and its emphasis in the district or charter school.

**CONTROL PROCEDURES** - Control procedures are those processes in addition to the control environment and accounting system that the district or charter school has established to provide reasonable assurance that specific school district objectives will be achieved. Control procedures have various objectives and are applied at various organizational and data processing levels.

**COOKING SITES** - District designated sites for the preparation of daily breakfast and lunches to be distributed to non-cooking sites for serving.

**COPS** - Certificates of Participation.

**CORE/BASAL INSTRUCTIONAL MATERIALS ADOPTION** - “Core” or “basal” means the primary tool(s) of instruction in a set of subjects and material (science, mathematics, social studies, language acquisition, comprehensive health, early childhood education, special education, physical education, vocational education, fine arts, performing arts, and language arts) or courses that make up a required portion of a curriculum.
CORRECTIVE ACTION PLAN - A district response to audit findings that documents how deficiencies are to be corrected, how improvements are to be made, or demonstrates that audit findings are invalid or do not warrant any subsequent action. Refer to AUDIT.

CORRECTIVE ACTIONS - See CORRECTIVE ACTION PLAN

COSO - means committee on sponsoring organizations of Treadway commission. See COMMITTEE OF SPONSORING ORGANIZATIONS OF THE TREADWAY COMMISSION.

COST - The amount of money or its equivalent value paid or agreed to be paid for property or services. Cost may be incurred even before money is paid; that is, as soon as a liability is assumed. Ultimately, however, money or its equivalent must be given in exchange. The cost of some property or service may in turn become part of the cost of another property or service. For example, the cost of materials will be reflected in the cost of articles made from such materials.

COST ACCOUNTING - That method of accounting which provides for accumulating 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 RECORDS - All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of projects, jobs, production centers, processes, operations, products, or services, or the cost of any of the component parts thereof.

COST REIMBURSABLE CONTRACTS - Cost-reimbursement types of contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract. These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer.

CPE - means Continuing Professional Education.

CREDIT - A tool used to increase and decrease account balances; also, the right-hand side of a T-account. The right side of a double-entry posting. Credits will reduce assets and expenditures and increase liabilities, revenue, and fund balance.

CREDIT CARD - A card entitling the holder to buy services or goods on credit.

CREDIT MEMO - A credit memorandum or memo is a form or document, sometimes called a credit memo invoice, informing a buyer that the seller will be decreasing or crediting the amount that the buyer owes in accounts payable, thus decreasing the amount of accounts receivable in the seller's account.
CRITERIA - the plural of criterion; A standard, rule, or test on which a judgment or decision can be based.

CURRENT ASSETS - Resources that are available, or can readily be made available, to meet the cost of operations or to pay current liabilities.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS - Measurement focus used by governmental funds that accounts for the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Refer to MEASUREMENT FOCUS.

CURRENT LIABILITIES - Amounts due and payable for goods and services received prior to the end of the fiscal year. Current liabilities should be paid within a relatively short period of time, usually within a year.

CURRENT LOANS - Loans payable in the same fiscal year in which the money was borrowed.

CURRICULAR CYCLES - The adoption “cycle” for New Mexico Public schools refers to the six year rotation of the content curriculum that is to be reviewed for alignment to curriculum standards and relevant criteria.

CUT-OFF DATE - A selected date whereby transactions generally are stopped to provide for closing of the books of accounts for a given period, or for audit purposes.

• D

DATA BASE - A database is an organized collection of data for one or more purposes, usually in digital form.

DATA FILES - A data file is a computer file which stores data for use by a computer application or system.

DATA ORIGINATION - The process of putting data in a form that can be read by a machine.

DEBIT - A tool used to increase and decrease account balances, also, the left-hand side of a T-account. The left side of a double-entry posting. A debit will increase assets and expenditures and reduce liabilities, revenue, and fund balance.

DEBIT CARD - A card that draws funds directly from a deposit account.

DEBT - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of the district include bonds, accounts payable, and other liabilities. Refer to BONDS PAYABLE, ACCOUNTS PAYABLE, LIABILITIES, LONG-TERM OBLIGATIONS and GENERAL LONG-TERM OBLIGATIONS.
DEBT SERVICE - Expenditures for the retirement of debt and for interest on debt.

DEBT SERVICE FUNDS - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest. Refer to GOVERNMENTAL FUNDS.

DECENTRALIZED - School sites or accounting centers that are not the district's Central Office.

DECENTRALIZED PURCHASING - Decentralized purchasing school sites and departments may have the authority to issue purchase orders.

DEFERRED CHARGES - Asset account reflecting costs which are not chargeable to the accounting period in which paid but are recorded as assets until amortized. An example is discount on bonds issued. Deferred charges differ from prepaid expenses in that deferred charges usually extend over a long period of time (more than five years) and are not a regularly recurring cost of operation. Refer to PREPAID EXPENSES.

DEFERRED REVENUES - Deferred revenues are amounts for which asset recognition criteria have been met, but for which revenue recognition criteria for the fund type have not been met.

DEFICIT - (1) The excess of the liabilities and reserves of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period. (3) The amount by which a sum of money falls short of a required amount (e.g., apportionment deficits or budget deficits).

DEFICIT FINANCING - The amount to be provided when estimated expenditures exceed the estimated revenues.

DEFICIT FUND BALANCE - The excess of liabilities of a fund over its assets.

DEFINITE QUANTITY CONTRACT - Purchase contract which provides for the supply of a specified amount of goods over a specified period, with deliveries scheduled according to an agreed upon timetable.

DELINQUENT TAXES - Taxes remaining unpaid after the close of the year in which levied. (See also Prior years' taxes, in most cases the preferred term.)

DEPOSIT - Money or securities held in a bank or other financial institution. In the context of required note disclosures, deposits include cash and near cash items placed on account with a financial institution or fiscal agent. Some deposits (e.g., checking accounts) are subject to withdrawal upon demand without notice or penalty (demand deposits) and others (e.g., certificates of deposit) can only be withdrawn without penalty upon completion of a fixed period (time deposits).
DEPOSITORIES - facilities where things can be deposited for storage or safekeeping, such as a bank, or depository for textbooks or library books.

DEPRECIABLE CAPITAL ASSETS - Capital assets that are depreciated because they are exhaustible in that their useful lives diminish over time. Exceptions to this include infrastructure assets reported using the modified approach to depreciation. Refer to DEPRECIATION.

DEPRECIATION - The portion of the cost of a capital asset representing the expiration in the useful life of the capital asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence which is charged off during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated useful life of such an asset. Refer to COMPOSITE METHOD and STRAIGHT-LINE METHOD.

DESIGNATED UNRESERVED FUND BALANCE - intended use of available expendable financial resources in governmental funds, which reflects actual plans approved by the government's senior management. Expressed another way, designations reflect a government's self-imposed limitations on the use of otherwise available expendable financial resources in governmental funds.

DESIGNATION FOR ECONOMIC UNCERTAINTIES - The portion of the fund balance that has been designated (set aside) by the governing board to provide for emergencies or economic events, such as revenue shortfalls, that could not be anticipated.

DFA - means the New Mexico Department of Finance and Administration.

DIRECT COSTS - Costs that include direct materials and labor. Refer to DIRECT EXPENSES.

DIRECT EXPENSES - Expenses which are charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, departments, or operating units.

DIRECT SUPPORT CHARGES - Expenditures for a support program and services that directly benefit other programs.

DISBURSEMENT - Payment by cash, warrant, check, journal voucher, EFT, or any other technological payment method approved by OFM.

DISPOSAL AUTHORIZATION - All dispositions of real property having a current resale value of more than five thousand ($5,000) must be approved by PED and the school board or governing authority approval prior to such disposition.
DISPOSAL DATE - With proper approval, the date that an agency officially disposes of or relinquishes responsibility for an asset.

DISPUTED ITEM - An item in question or lacking agreement by parties involved, such as an item appearing on a purchase card statement that the agency disagrees with.

DISTRICT WIDE FINANCIAL STATEMENTS - See GOVERNMENT-WIDE FINANCIAL STATEMENTS.

DONATED ASSETS - Assets acquired by gift, donation, or payment of a nominal sum, which is not reflective of the assets' true market value.

DONATED INVENTORIES - Food or other items held for future distribution.

DONATED LEAVE - The dollar value of the hours of leave a donor donates through the district’s policies or sick banks.

DONATIONS - See DONATED ASSETS, DONATED INVENTORIES, DONATED LEAVE.

DOUBLE ENTRY SYSTEM - A system of bookkeeping that requires an amount credited for every corresponding amount debited. Thus, the double-entry ledger maintains equality of debits and credits.

DP - Design Professional.

DRAWDOWN - Process whereby a district requests and receives capital outlay funds.

DUE FROM FEDERAL GOVERNMENT - An asset account reflecting amounts due to the state from the federal government. These amounts may represent grants-in-aid, shared revenues, loans, and/or charges for services rendered by the state for the federal government.

DUE FROM OTHER AGENCIES - An asset account reflecting amounts billed or otherwise due for materials or services rendered by one Washington state agency to another Washington state agency.

DUE FROM OTHER FUNDS - An asset account reflecting amounts owed to a particular fund by another fund in the same agency for goods sold or services rendered. This account includes only short-term obligations on open account and not non-current portions of long-term loans.

DUE FROM OTHER GOVERNMENTS - An asset account reflecting amounts due to the state from another government (e.g., county or municipality). These amounts may represent grants-in-aid, shared revenues, loans, and charges for services rendered by the state for another governmental entity.
**DUE PROCESS** - An established course for judicial proceedings or other governmental activities designed to safeguard the legal rights of the individual.

**DUE TO FEDERAL GOVERNMENT** - A liability account reflecting amounts owed by the state to the federal government.

**DUE TO OTHER AGENCIES** - A liability account reflecting amounts owed by one New Mexico state agency to another New Mexico state agency.

**DUE TO OTHER FUNDS** - A liability account reflecting amounts owed by a particular fund to another fund in the same agency. These amounts include only short-term obligations on open account.

**DUE TO OTHER GOVERNMENTS** - A liability account reflecting amounts owed by the state to another government (e.g., county or municipality).

**DUPLICATE COVERAGE** – An employee is prohibited from having duplicate coverage from the Authority for any line of coverage. An employee is also prohibited from having employee coverage and dependent coverage at the same time from the authority for any line of coverage.

**DUPLICATE PAYMENTS** - Payments made in error as evidenced by invoice number, shipping dates, receiving dates and amounts or quantities.

• **E**

**EARLY CHILDHOOD EDUCATION (ECE)** - Kindergarten programs may be half day or full day as approved by the Public Education Department.

**EARNED INTEREST REVENUE** - A sum of money received or due to be received for the use of money loaned or invested.

**ECONOMIC FEASIBILITY** - An application is economically feasible when, over a reasonable period of time, the application’s cumulative benefits outweigh or are equivalent to the application's cumulative costs.

**ECONOMIC RESOURCES MEASUREMENT FOCUS** - Considers all of the assets available for the purpose of providing goods and services and reports all inflows, outflows, and balances affecting or reflecting an entity’s net assets. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. Refer to MEASUREMENT FOCUS.

**ECONOMICAL** - Direct financial, work-related costs that occur at the least cost to the state and which the state is responsible to pay.
ECONOMIES OF SCALE - refers to the cost advantages that a school district or charter school obtains due to growth. There are factors that cause the average cost per student to fall as the size of the district or charter school is increased. "Economies of scale" is a long run concept and refers to reductions in per student cost as the size or usage of facilities needed or the teacher/pupil ratio is increased with the availability of students to maximize class sizes to the maximum allowed by statute with no loss of functionality. The number of administrators per student ratio may also be greatly reduced.

ED SPECS - Educational Specifications

EDGAR (EDUCATION DEPARTMENT GENERAL ADMINISTRATIVE REGULATIONS) - The regulations of the U.S. Department of Education incorporating certain circulars from the Office of Management and Budget. EDGAR is found in The Code of Federal Regulations, Title 34, parts 74, 75, 76, 77, 79, 80, 81, 82, 85, and 86. It is defined in The Code of Federal Regulations, Title 34, part 77.1.

EDUCATIONAL ASSISTANTS - Classroom personnel that assist the certified classroom teacher to achieve desired outcomes and increase individualized instruction.

EDUCATIONAL PLAN FOR STUDENT SUCCESS - See EPSS.

EFFECTIVE INTEREST RATE - The rate of earning on a bond investment based on the actual price paid for the bond, the coupon rate, the maturity date and the length of time between interest dates, in contrast with the nominal interest rate.

ELECTRONIC BENEFIT TRANSFER (EBT) - The electronic transfer of government benefit funds to individuals through the use of automated card technology, automated teller machines (ATM) and point of sale (POS) terminals.

ELECTRONIC CHECK - Collection of revenues over the internet where the payer supplies their bank routing and account number as well as authorization for a debit to their account. The banking information is used to create an ACH debit transaction. Also known as e-check, internet check, and/or i-check.

ELECTRONIC COMMERCE (E-COMMERCE) - The commercial transaction of services in an electronic format.

ELECTRONIC DATA – refers to any original and any non-identical copies (whether non-identical because of notes made on copies or attached comments, annotations, marks, transmission notations, or highlighting of any kind), of mechanical, facsimile, electronic, magnetic, digital or other programs (whether private, commercial, or work-in-progress), programming notes or instructions, activity listings of electronic mail receipts or transmittals, output resulting from the use of any software program, including word processing documents, spreadsheets, database files, charts, graphs and outlines, electronic mail or “e-mail,” personal digital assistant (“PDA”) messages, instant messenger messages, operating systems, source code of all types, programming
languages, linkers and compilers, peripheral drives, PDF files, PRF files, batch files, ASCII files, crosswalks, code keys, pull down tables, logs, file layouts and any and all miscellaneous files or file fragments, regardless of the media on which they reside and regardless of whether said electronic data consists of an active file, deleted file or file fragment.

**ELECTRONIC TRANSACTIONS** – An electronic transaction is the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organizations, conducted over computer-mediated networks. The goods and services are ordered over those networks, but the payment and the ultimate delivery of the good or service may be conducted on or off-line.

**ELEMENTARY FINE ARTS** - A program funded through the State Equalization formula to provide delivery of specific arts instruction to elementary students in New Mexico.

**ELEMENTARY P. E.** - A program funded through the State Equalization formulas to provide delivery of specific physical education program to elementary students.

**ELIGIBLE EMPLOYEE DEPENDENT ENROLLMENT** – If an eligible employee participant obtains dependent coverage for any eligible dependent from the authority, then the employee is required to enroll all eligible dependents in such coverage.

**EMAIL MESSAGES** – consists of three components, the message envelope, the message header, and the message body. The message header contains control information, including, minimally, an originator’s email address and one or more recipient addresses. Usually descriptive information is also added, such as a subject header field and a message submission date/time stamp.

**EMERGENCY** - A set of unforeseen circumstances beyond the control of an agency that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

**EMERGENCY CAPITAL OUTLAY** - Provides for emergency capital outlay distributions to school districts that have experienced an unexpected capital outlay emergency demanding immediate attention.

**EMERGENCY PROCUREMENT** - There must be a serious and immediate need for tangible goods, services, or construction. Section 13-1-127. NMSA 1978 is utilized to protect the public under conditions that cannot be met through normal procurement methods and that pose a threat to the functioning of schools, school districts and charter schools, to the health or safety of any person, or to the preservation or protection of school district or charter school property.

**EMINENT DOMAIN** - The power of a government to acquire private property for public purposes. It is frequently used to obtain real property that cannot be purchased from
owners in a voluntary transaction. Where the power of eminent domain is exercised, owners are compensated by the state in an amount determined by the courts.

**EMPLOYEE BENEFITS** - Amounts paid by the LEA on behalf of employees. These amounts are not included in the gross salary but are over and above. They are fringe-benefit payments; and while not paid directly to employees, they are nevertheless part of the cost of salaries and benefits. Examples are (1) group health or life insurance payments; (2) contributions to employee retirement; (3) FICA (Social Security) taxes; and (4) Workers’ Compensation payments.

**EMPLOYEE ENROLLMENT PERIOD** – When an established enrollment period is allowed by the participating entity and the Authority (NMPSIA), eligible employees may enroll during the established period under the conditions set forth by the Authority.

**ENCUMBRANCE** - Encumbrances are considered to be elements of control, and their use is required by school districts and charter schools. An encumbrance is reservation of an expenditure authority for an obligation in the form of purchase orders or contracts. An encumbrance represents a commitment. It is not an expenditure.

**ENCUMBRANCE ACCOUNTING SYSTEM** - An Accounting system that provides for Encumbrances to the budget.

**ENDOWMENT** - Refer to PERMANENT FUNDS.

**ENERGY EFFICIENCY** - By statute (Sections 9-5A-1 through 7, NMSA 1978), the New Mexico Energy Conservation and Management Division (ECMD) is responsible for planning and administering energy efficiency and renewable energy technology programs for state agencies including public schools.

**ENTERPRISE** – Industrious, systematic activity, especially when directed toward profit. Governmental funds that are for profit or Enterprise funds.

**ENTERPRISE FUNDS** - Funds used to account for those ongoing activities of the LEA that because of their income-producing character are similar to those found in the private sector. These funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds, in the context of the activity’s principal revenue sources, if any one of the following criteria is met: a) the activity is financed with debt that is secured solely by pledge of the net revenues from fees and charges of the activity; 2) laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues. Refer to PROPRIETARY FUNDS.

**ENTITLEMENT** - A service or grant that, under federal law, must be provided to all eligible applicants. An entitlement is based on specific qualifications or formula defined in statute. (This term should not be used as a basis for determining how to account for unspent balances of categorical aid.)
ENTITY - The basic unit upon which accounting and/or financial reporting activities are focused.

ENTRY - The record of a financial transaction in the appropriate books of account.

EQUIPMENT - Tangible property other than land, buildings, improvements other than buildings, or infrastructure, which is used in operations and with a useful life of more than one year. Examples are furnishings, equipment, and software. Equipment may be attached to a structure for purposes of securing the item, but unless it is permanently attached to, or an integral part of, the building or structure, it is to be classified as equipment and not buildings.

EQUITY ACCOUNTS - These accounts represent the difference between the assets and liabilities of a fund.

EQUITY INVESTMENTS - Equity investments include, but are not limited to, any instruments representing ownership shares in an enterprise (e.g., common, preferred, and other capital stock).

EQUITY TRANSFERS - Nonrecurring or nonroutine transfers of equity between funds. An example of an equity transfers is the transfer of residual equity from a discontinued fund. Refer to INTERFUND TRANSFERS.

ERB - means Educational Retirement Board.

ESTIMATED FAIR MARKET VALUE (FMV) - an estimate of the market value of a property, based on what a knowledgeable, willing, and unpressured buyer would probably pay to a knowledgeable, willing, and unpressured seller in the market. An estimate of fair market value may be founded either on precedent or extrapolation.

ESTIMATED REVENUE - This is a budgetary term that identifies revenues expected to be received or accrued during a given period. In New Mexico cash basis budgeting, this term identifies only revenues expected to be received in the fiscal year.

ETHICAL VALUES - See ETHICS.

ETHICS - A broad set of practices that groups follow as behavior standards. As it relates, bookkeepers/accountants should be objective, maintain a high degree of integrity and not knowingly misrepresent facts to others.

EVIDENCE OF COMPETITION - Documentation demonstrating that an agency has solicited responses from multiple firms in selecting a consultant.

EXCHANGE TRANSACTIONS - Transaction in which each party receives and gives up essentially equal values.
EXHAUSTIBLE CAPITAL ASSETS - Refer to DEPRECIABLE CAPITAL ASSETS and MODIFIED APPROACH TO DEPRECIATION.

EXPENDABLE TRUST FUND - A trust fund in which principal and earnings may be expended.

EXPENDITURE AUTHORITY - Permission for agencies to disburse moneys or accrue liabilities during specific fiscal periods, up to specified amounts, from specific accounts. Authority is provided by the Legislature through appropriations or by the Public Education Department (PED) through budget approval.

EXPENDITURE CODE - The primary objective of expenditure objectives is to maintain information on the articles purchased or the service obtained. The last three digits define the major object more specifically in the UCOA Object Code listing. (See PSAB Supplement 3, Uniform Chart of Accounts.)

EXPENDITURES - Decreases in net current financial resources for the costs of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlay. Expenditures include disbursements and accruals of the current period. Expenditures do not include encumbrances.

EXPENSES - Decreases in net total assets. Expenses represent the cost of operation incurred during the current period regardless of the timing of the related disbursements. Expense accounts are used in certain trust funds and in proprietary-type funds.

EXTERNALLY RESTRICTED - Refer to RESTRICTED NET ASSETS.

EXTRACURRICULAR – See CO-CURRICULAR.

F

FACE VALUE - As applied to securities, the amount stated in the security document.

FACILITY USE AGREEMENT – Public schools in New Mexico are not permitted to deny a facility use application because the party has no liability insurance. A school may not require a tenant user to purchase insurance as a condition of use and the public school is not required to extend its own liability insurance to the tenant user. If the tenant user elects to remain uninsured, it is at the user’s own risk. The personal assets of the event sponsor may be in jeopardy if a loss occurs.

FACILITY USE POLICY – Public schools should adopt a Facility Use Policy that clarifies all other terms and conditions of facility use. NMPSIA member (districts, charter schools, other educational entities, etc.) WILL BE insured by NMPSIA for claims which arise as a result of the tenant user’s event and for which the member is held liable.
**FAD** - Facilities Assessment Database

**FAIR VALUE** - The amount that could reasonably be expected to be received for an investment in a current sale between a willing buyer and a willing seller. For publicly traded securities, this is the price at which the security is currently being traded on a national market. For investment instruments that are not publicly traded, this is the appraised value adjusted for cash flows to or from the investment. See Fair Market Value.

**FAIR VALUE OF INVESTMENTS** - The amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

**FCD** - means Financial Control Division of the Department of Finance and Administration.

**FDIC** - means Federal Deposit Insurance Corporation.

**FDS** - means financial data schedule.

**FEDERAL AND STATE GRANTS** - Financial assistance provided to school districts from grants awarded by the federal or state government and may require an application process. This assistance may have additional restrictions to ensure expenditures are in accordance with objectives.

**FEDERAL FINANCIAL ASSISTANCE** - Assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. It does not include amounts received for provision of vendor services to federal agencies or reimbursements for services rendered directly to individuals.

**FEDERAL SUPPLY CONTRACT** - The GSA Schedules Program serves as the catalyst for billions of dollars in federal spending, helping meet procurement needs for eligible users, including all branches of federal and State and Local government through applicable programs.

**FEES** - Amounts collected from or paid to individuals or groups for services or for use of a school or other facility.

**FIDELITY BOND** - A written promise to indemnify against losses from theft, embezzlement, defalcation, and misappropriation of public money by government officers and employees. Refer to SURETY BOND.

**FIDUCIARY FUNDS** - Fiduciary funds are used to account for assets held by the district in a trustee capacity, or as an agent for others and that cannot be used to support the district’s own programs. These funds may include but are not limited to
Scholarship funds and Activity funds. Refer to INVESTMENT TRUST FUNDS, and AGENCY FUNDS.

**FINAL BUDGET** - The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

**FINANCE SUBCOMMITTEE** - Each local school board is required to appoint at least two members of the board as a finance subcommittee to assist the board in carrying out its budget and finance duties per Section 22-8-12.3, NMSA 1978.

**FINANCIAL AUDIT** - An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements of the state in conformity with GAAP. Refer to AUDIT. PERFORMANCE AUDIT, and INTERNAL AUDIT.

**FINANCIAL CONTROLS DIVISION (FCD)** - The division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies including school districts and charter schools.

**FINANCIAL FORECASTING** - Financial forecasting is the practice of projecting the quantitative impact of trends and changes in a school district or charter school’s operating environment on its future operations. It is, therefore an integral part of a school district’s ongoing planning efforts.

**FINANCIAL MANAGEMENT SYSTEM (FMS)** – Software for providing complete financial management applications arranged in a systematic, user friendly manner capable of governmental accounting requirements such as integrated budgets and encumbrances.

**FINANCIAL STATEMENTS** - See GOVERNMENT WIDE FINANCIAL STATEMENTS.

**FINANCING AGREEMENT** - an agreement which may be, under certain circumstances, entered into by a school district or charter school for the leasing of a building or other real property with an option to purchase.

**FIRST-IN, FIRST-OUT (FIFO)** - An inventory valuation method, which allocates cost on the assumption that goods are consumed or sold in the order that they were acquired.

**FISCAL ACCOUNTABILITY** - the policies a school board or governing authority adopts to meet their responsibility for ensuring that the organization they govern is financially sound and ensuring those who manage the organization are accountable for implementing these policies. Policy areas covered: Finances, Budgets, Asset Protection and Major Risks.
**FISCAL PERIOD** - Any period at the end of which a governmental unit determines its financial position and the results of its operations. Refer to ACCOUNTING PERIOD.

**FISCAL YEAR** - Any one year period other than a calendar year – for example, July 1 through June 30 is a fiscal year. Any period at the end of which determines a government determines its financial position and the results of its operations. In New Mexico, a 12-month period extending from July 1 of one calendar year to June 30 of the next calendar year.

**FISCAL YEAR-END** - The last day of a fiscal year and the date for determining in which fiscal year events occurred and must be recorded for accrual accounting.

**FIXED ASSETS** - Assets of a permanent character having continuing value (e.g., land, buildings, machinery, furniture, and equipment), with a cost over the capitalization threshold set by the LEA. Refer to CAPITAL ASSETS.

**FIXED INCOME INVESTMENTS** - Fixed income investments consist of those nonequity assets (e.g., bonds) where earnings are derived from interest that is a fixed percentage of the asset's par, stated, or face value. These may include investments purchased at a discount that do not have coupon payments.

**FIXTURES** - Attachments to buildings, which are not intended to be removed, and which cannot be removed without damage to the buildings. Those fixtures with useful lives presumed to be as long as that of the building itself are considered a part of the building; all others are classified as equipment.

**FLOW THROUGH BUREAU** - Bureau of the New Mexico Public Education Department charged with program and fiscal oversight for Federal and State grants.

**FLOWCHART** - A flow chart is a graphical or symbolic representation of a process. Each step in the process is represented by a different symbol and contains a short description of the process step. The flow chart symbols are linked together with arrows showing the process flow direction.

**FMP** - Facility Master Plan.

**FMS** - means Financial Management System.

**FOOD PRODUCTION RECORD (FPR)** - The Food Production Record is a legal document which must be accurately completed on a daily basis. The completed FPR is the ONLY documentation that the meal being served meets the USDA meal pattern requirements. All kitchens must complete a FPR. The FPR must be kept on the school premises at all times, for 5 years or until audit findings are resolved. The FPR must be available at any time for inspection by the Public Education Department, Student Nutrition Bureau staff.
FOREST RESERVE FUND - Twenty-two New Mexico counties receive Forest Reserve funds. These counties receive 25% of the net receipts from operations (primarily timber sales) within their respective reserve areas. Distributions are divided equally between the County Road Fund and the school district. The state takes credit for 75% of the Forest Reserve funds in calculating the state equalization guarantee.

FREE TEXTBOOK APPROPRIATION - Only one significant state appropriation is not distributed through the Public School Fund, the Free Textbook appropriation, which is made from Federal Mineral Leasing revenue.

FRESH FRUITS AND VEGETABLES PROGRAM - The Fresh Fruit and Vegetable Program (FFVP) provides children in participating elementary schools with a variety of free fresh fruits and vegetables. This is a competitive grant that must be applied for annually. The level of funds provided to any one school depends on the school's enrollment and the available funding provided by the USDA.

FSMS - means Food Service Management System.

FTE - Full Time Equivalent. Method of counting students and education staff that accounts for part-time or part-year people in decimals. Example: A teacher who teaches 3 days per week is a .6 FTE.

FULL ACCRUAL - A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

FULL-TIME-EQUIVALENT (FTE) - The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of time of employment required in the part-time position by the amount of employed time required in a corresponding full-time position. See FTE.

FUNCTION - An act, service, or group of services proper to a person, thing, or institution and aimed at accomplishing a certain end. Under UCOA, function refers to those activities or services performed to accomplish a goal as defined in the chart of accounts.

FUNCTION AND PROGRAM CODES - Codes assigned by an agency to identify an agency's functional areas and the various major activities within an agency. Refer to FUNCTION and PROGRAM.

FUND - A fiscal and accounting entity with a self balancing set of accounts in which cash and other financial resources are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE - In governmental funds, this is the difference between fund assets and fund liabilities. Governmental fund balances should be segregated into reserved
and unreserved amounts. Refer to FUND EQUITY, OWNER’S EQUITY, RESERVED FUND BALANCE and UNRESERVED FUND BALANCE.

**FUND CAPITAL ASSET** - Capital assets recorded in proprietary and trust funds and used in the production of the goods or services provided or sold. Depreciation on fund capital assets is charged as an expense of the fund.

**FUND EQUITY** - The difference between a fund's assets and liabilities. In governmental funds, it is referred to as fund balance. In proprietary funds, it is referred to as net assets. Refer to FUND BALANCE and NET ASSETS.

**FUND FINANCIAL STATEMENTS** - Financial statements presented for the state's governmental, proprietary and fiduciary funds. They display information about major funds individually and non major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial statements for fiduciary funds. Each of the three fund categories is reported using the measurement focus and basis of accounting required for that category. Refer to GOVERNMENTAL FUNDS, PROPRIETARY FUNDS, and FIDUCIARY FUNDS.

**FUND LONG-TERM OBLIGATIONS** - Fund long-term obligations are directly related to and payable from proprietary and trust funds and are recorded in such funds. They are generally not expected to be paid within the next twelve months. Fund long-term obligations may be backed by a lien on a specific fund asset or by the full faith and credit of the state.

**FUND RAISING ACTIVITIES** – Fundraising includes the act of raising revenues with an activity which (a) is conducted in whole or part by or in behalf of an associated student body during or outside regular school hours and within or outside school grounds and facilities, and (b) is conducted with the approval, and at the direction or under the supervision, of the District.

**FUND TYPE (GAAP)** - One of 11 classifications into which all individual accounts can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**FURNISHINGS AND EQUIPMENT** - Refer to EQUIPMENT.

**GAAP** - means accounting principles generally accepted in the United States of America. Refer to GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
GAAS - means auditing standards generally accepted in the United States of America. Refer to GENERALLY ACCEPTED AUDITING STANDARDS

GAGAS - means generally accepted government auditing standards. Refer to GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

GASB - means Governmental Accounting Standards Board.

GASB 34 - Governmental Accounting Standards Board Statement 34. Requires maintenance of an inventory of fixed assets and subsequent depreciation. Sets the standards for financial statements.

GASB 45 - Accounting Governmental Accounting Standards Board Statement 45. Requires actuarially accurate reporting of accrued liabilities for post-employment benefits.

GASB 54 - Accounting Governmental Accounting Standards Board Statement 54. Requires that fund balances be maintained in a more detailed manner than previously on the financial statements.

GENERAL CAPITAL ASSETS - Used in operations of governmental funds that are not assets of any fund, but of the government as a whole. Most often, general capital assets are acquired through the expenditure of the financial resources of governmental funds. General capital assets include all capital assets not accounted for in proprietary funds. The districts should accounts for general capital assets in a General Capital Assets Subsidiary Account and report them in the governmental activities column in the government-wide financial statement of net assets.

GENERAL CAPITAL ASSETS SUBSIDIARY ACCOUNT - A record keeping mechanism that provides a basis for accountability and control over the district’s general capital assets.

GENERAL FIXED ASSETS ACCOUNT GROUP - A self-balancing group of accounts set up to account for the general fixed assets of an LEA. See GENERAL CAPITAL ASSETS SUBSIDIARY ACCOUNT

GENERAL FUND - The general fund is used to account for the financial activities of the general government not required to be accounted for in another account. The fund used to finance the ordinary operations of the LEA. It is available for any legally authorized purpose Refer to GOVERNMENTAL FUNDS.

GENERAL GROUP OF LONG-TERM DEBT ACCOUNTS - The account group in which all unmatured general long-term liabilities of an LEA are recorded. It does not include long-term liabilities of proprietary funds and nonexpendable trust funds.

GENERAL JOURNAL - A book of original entry for all entries of financial transactions that are not recorded in a special journal, such as a cash receipts journal, a voucher
register, or a cash disbursements journal. The journal that is the point of entry for all entries not recorded in special journals.

**GENERAL JOURNAL ENTRIES** - The journal is the point of entry of transactions into the accounting system. It is a chronological record of the transactions, showing an explanation of each transaction, the accounts affected, whether those accounts are increased or decreased, and by what amount. The journal entry can consist of several items, each of which is either a debit or a credit. The total of the debits must equal the total of the credits or the journal entry is said to be "unbalanced". In accounting software, journal entries are usually entered using a separate module from accounts payable or the payroll module, which typically has its own sub ledger that indirectly affects the general ledger; journal entries directly change the account balances on the general ledger.

**GENERAL LEDGER** - The General Ledger is a book or computer file that houses an entity’s financial statement accounts needed to reflect an accumulation or record of increases and decreases, in detail or in summary, that result from transactions. It reflects the entities’ financial position and the results of operations of a government. With double entry bookkeeping, the debits and credits are equal. Refer to CONTROL ACCOUNT and SUBSIDIARY ACCOUNTS.

**GENERAL LEDGER TRIAL BALANCE** - Shows both the debit and credit general ledger balances for an account or related group of accounts at the close of an accounting period. Debits less Credits must equal to zero in order to be considered in balance.

**GENERAL LIABILITY** - This coverage is provided and includes Bodily Injury, Property Damage, Errors and Omissions, Incidental Malpractice, Products and Completed Operations: Owners and Contractors Protective, employment-related discrimination and other discrimination, sexual abuse/molestation liability, limited criminal defense coverage, and Contractual Liability. Coverage is afforded to all employees, volunteers and school board members. Foreign Jurisdiction is covered under General Liability with a $5,000,000 limit. Section 41-4-19, NMSA, 1978 Compilation, specifies that the General Liability limit is subject to the Tort Claims Act on a per occurrence basis.

**GENERAL LONG-TERM DEBT** - Long-term debt that is legally payable from general revenue and backed by the full faith and credit of an LEA.

**GENERAL LONG-TERM OBLIGATIONS** - All long-term indebtedness of the school district or charter school that is not classified as a fund obligation is accounted for as general long-term obligations. General long-term obligations are secured by the general credit and revenue raising capacity of the district and will not be paid by expending available resources as of the end of the current fiscal year. The district should account for general long-term obligations in a General Long-Term Obligations Subsidiary Account and reports them in the governmental activities column in the Government-wide Financial Statement of Net Assets.
GENERAL LONG-TERM OBLIGATIONS SUBSIDIARY ACCOUNT - A record keeping mechanism that provides a basis for accountability and control over the district’s long-term obligations other than those accounted for in proprietary and fiduciary funds.

GENERAL OBLIGATION BONDS - District bond issues that are secured by an unconditional pledge of the full faith, credit and taxing power of the district.

GENERAL REVENUES - Revenues that are not matched to specific program expenses are required to be reported as general revenues.

GENERAL SERVICES DEPARTMENT (GSD) - A department of the state of New Mexico charged with providing essential resources and innovative business solutions for state agencies including school districts and charter schools, and with conserving and managing the assets of state government through prudent stewardship and responsive and courteous customer service.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

GO - General Obligation Bond. See GENERAL OBLIGATION BONDS.

GOVERNANCE COUNCIL - A governing authority set up to serve in the capacity of a school board generally for governing charter schools in New Mexico.

GOVERNING AUTHORITY - A board charged with the legal authority to set policy and procedures generally for charter schools in New Mexico.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO) - is the audit, evaluation, and investigative arm of the United States Congress. It is located in the legislative branch of the United States government.

GOVERNMENTAL ACCOUNTING - The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - The organization established to issue standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities. It is the successor organization to the National Council on Governmental Accounting (NCGA).
GOVERNMENTAL ACTIVITIES - Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds. Refer to GOVERNMENT-WIDE FINANCIAL STATEMENTS.

GOVERNMENTAL FUNDS - Governmental funds are used to account for most typical governmental functions focusing on the acquisition, use, and balances of a state’s expendable financial resources and the related current liabilities. The accounting for governmental funds has a budget orientation using the current financial resources measurement focus and the modified accrual basis of accounting. There are five types of governmental funds: General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds. Refer to GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS, CAPITAL PROJECTS FUNDS, and PERMANENT FUNDS.

GOVERNMENT-WIDE - See Government-Wide Financial Statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS - Financial statements that incorporate all of the district’s governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the Statement of Net Assets and the Statement of Activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Refer to BUSINESS-TYPE ACTIVITIES, GOVERNMENTAL ACTIVITIES, and DISTRICT-WIDE.

GRADE LEVEL - Assigned classification of students according to age and school progress (e.g., kindergarten or first grade).

GRANTS - Awards of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other forms of assistance such as revenue sharing, loans, loan guarantees, interest subsidies, insurance or direct appropriations. Also, the term does not include assistance, such as fellowship or other lump sum awards, which the grantee is not required to account for. Refer to CAPITAL GRANTS and OPERATING GRANTS.

GROUP HEALTH INSURANCE – The Authority is authorized to offer employee-benefit coverage to all school districts, educational entities, eligible employees, eligible retired employees, eligible dependents and persons or entities authorized to participate in the Authority’s coverage. This coverage may be a single line offering, a multi-option offering or a package offering; provided that, the Authority must provide a single line health indemnity offering to participating entities or school districts where the Authority does not have an approved HMO plan and the authority shall provide a multi-option health offering in geographic areas where HMOs provide coverage approved by the board.

GROWTH DATA - Population (membership) increase or decrease in a New Mexico school district used in part in calculating the State Equalization Guarantee (SEG).
**GSA** - U. S. General Services Administration.

**GSD** - means the New Mexico General Services Department.

**HALF MILL PROPERTY TAX LEVY** - revenue coming into the school district as the result of a required half-mill property tax funds which is used to reduce program cost by 75% of such revenue when calculating the State Equalization Guarantee (SEG).

**HARD DRIVE** - The term "hard drive" is actually short for "hard disk drive." The term "hard disk" refers to the actual disks inside the drive. However, these terms are usually seen as referring to the same thing -- the place where data is stored in a computer.

**HARDWARE** - Hardware is a comprehensive term for all of the physical parts of a computer, as distinguished from the data it contains or operates on, and the software that provides instructions for the hardware to accomplish tasks.

**HB33** - Public School Buildings Act also known as House Bill 33.

**HED** - means the New Mexico Higher Education Department.

**HISTORICAL COST** - Historical cost accounting is an approach to accounting using asset values based on the actual amount on money paid for ASSETS with no INFLATION adjustment.

**HISTORICAL TRENDS** - method is to obtain a historical understanding of sequential changes that have occurred, relating to particular points of interest.

**HOLDING ACCOUNTS** - Suspense accounts that are used temporarily to accumulate costs that will ultimately be charged to other user programs.

**IMB** - means Instruction Material Bureau.

**IMB INVENTORY REPORTS** - All schools/entities must have all materials not ordered through ARCHWAY on the Annual Inventory Form for submission by August 1 of each school year.

**IMPACT AID** - revenue generated under Impact Aid (formerly called PL 874), which is used to reduce program cost by 75% of such revenue when calculating the State Equalization Guarantee (SEG).

**IMPREST ACCOUNT** - An account into which a fixed amount of money is placed for the purpose of making change or minor disbursements. As disbursements are made, a
voucher is completed to record the date, amount, nature, and purpose of the disbursement. At periodic intervals, or when the money is completely expended, a report with substantiating vouchers is prepared and the account is replenished for the exact amount of the disbursements, and appropriate general ledger accounts are charged. The total of cash and the substantiating vouchers should always equal the total fixed amount of money set aside in the imprest account. Refer to CHANGE ACCOUNTS and PETTY CASH.

IMPROVEMENTS OTHER THAN BUILDINGS - Capital assets that reflect the cost of permanent improvements other than buildings which add value to land such as fences and retaining walls.

IN LIEU OF TAXES - Revenue to replace the loss of tax revenue resulting from property that is exempted from taxation.

INCIDENTAL EXPENSES - Fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed. This is not a miscellaneous expense. An allowance for incidental expenses is included within the daily subsistence rates for the area of travel.

INCOME - A term used in accounting for a proprietary-type fund to represent the excess of revenues earned over the expenses incurred in carrying on the fund's operations. The term income should not be used in lieu of revenue in governmental-type funds.

INCOME STATEMENT - Refer to OPERATING STATEMENT; STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE; and STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS OR FUND EQUITY.

INCOMPATIBLE ACTIVITIES - The activities covered by an Incompatible Activities Statement may vary widely. They may point to behavior on the job or they may focus on private behavior that takes place outside the work place or in off-hours. It should clearly inform the agency officials of those activities that are incompatible with the official's state service. Internal Control may limit one employee performing job functions that do not provide adequate separation of duties.

INDEPENDENT AUDIT - An audit performed by an independent auditor. Refer to Audit.

INDEPENDENT PUBLIC ACCOUNTANT – See IPA.

INDEXING – the use of a database index to improve the speed and efficiency of data retrieval operations on a database table. Indexes can be created using one or more columns of a database table, providing the basis for both rapid random lookups and efficient access of ordered records.
INDIRECT CHARGES - Refer to OVERHEAD.

INDIRECT COST RATE (ICR) - A method for claiming reimbursement of indirect costs from federal and state categorical funds. It is the ratio (expressed as a percentage) of the indirect costs to direct base costs.

INDIRECT COSTS - Costs that cannot be directly charged to an activity (e.g. depreciation and other administrative and support costs or for routine services not performed as a special service for a particular program but allocated to user programs).

INFLATIONARY FACTORS - high rates of inflation and hyperinflation are caused by an excessive growth of the money supply. Low or moderate inflation may be attributed to fluctuations in real demand for goods and services, or changes in available supplies such as during scarcities, as well as to growth in the money supply. A long sustained period of inflation is generally caused by money supply growing faster than the rate of economic growth.

INFORMATION SYSTEM - A system to support Information Technology. See INFORMATION TECHNOLOGY.

INFORMATION TECHNOLOGY (IT) - IT includes the electronic capture, collection, storage, manipulation, transmission, calculation, retrieval, and presentation of information.

INFRASTRUCTURE ASSETS - Long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, sidewalks, bridges, tunnels, drainage systems, water and sewer systems.

INHERENT RISK - The exposure arising from a specific risk before any action has been taken to manage it.

INITIAL ALLOCATION - Instructional Materials Bureau tabulation of initial

INITIAL BUDGET - Appropriation from PED, or beginning budget.

IN-STATE DISTRIBUTION POINT - All education agencies (except Non-Public schools) are responsible for the processing of instructional material purchases directly to the New Mexico Instructional Material Depository, In-State Distribution Point and to the in-state publishers.

IN-STATE TRAVEL - Travel within the boundaries of New Mexico.

INSTRUCTIONAL DAY - Except as otherwise provided in this section, regular students shall be in school-directed programs, exclusive of lunch, for a minimum of the following: kindergarten, for half-day programs, two and one-half hours per day or four hundred fifty hours per year or, for full-day programs, five and one-half hours per day or nine hundred
ninety hours per year; grades one through six, five and one-half hours per day or nine hundred ninety hours per year; and grades seven through twelve, six hours per day or one thousand eighty hours per year.

**INSTRUCTIONAL MATERIAL BUREAU (IMB)** - Public Education Department is to provide schools access to superior instructional materials which are aligned to the New Mexico Content Standards and meet the needs of diverse student populations.

**INSTRUCTIONAL MATERIALS SUB FUND** - The instructional material allocation is budgeted in the 14000 Fund/Sub-fund.

**INSURANCE FRAUD** - any false or fraudulent statement or representation as to any material fact in or with reference to any application for insurance or other coverage for the purpose of obtaining any money or benefit, or presentation of a false or fraudulent claim, or any proof in support of such a claim for payment of loss under a policy, or subscription to a false or fraudulent account, certificate, affidavit or proof of loss, or other document, with intent that the same may be presented or used in support of such a claim; or any false or fraudulent statements or representations on or relative to any application for a policy, for the purpose of obtaining any benefit.

**INSURANCE QUESTIONNAIRE** - Annually school districts and charter schools complete an Insurance Questionnaire that reflects payroll information, enrollment, number of employees, property additions, construction costs, number of buses and automobiles, etc. that enable carriers to determine new premium costs for each district or charter school.

**INTANGIBLE ASSETS** - Assets that possess the following characteristics: (a) lack of physical substance; (b) non-financial nature in that it is not in monetary form and represents neither a claim or right to assets in a monetary form; (c) initial useful life extends beyond a single reporting period. Examples of intangible assets are easements, water rights, timber rights, mineral rights, patents, trademarks, copyrights and computer software.

**INTER-BUDGET TRANSFERS** - Transfers between funds.

**INTEREST** - A fee charged to a borrower for the use of money.

**INTEREST PAYABLE** - A liability account reflecting the amount of interest owed by the district. In governmental funds, interest is to be recognized as an expenditure in the accounting period in which it becomes due and payable and the liability is to be recorded as interest payable at that time. In proprietary and trust funds, interest payable is recorded as it accrues, regardless of when payment is actually due.

**INTEREST RECEIVABLE** - An asset account reflecting the amount of interest due to the district or charter school.

**INTERFUND** – See Interfund Accounts.
INTERFUND ACCOUNTS - Accounts in which activity between funds is reflected. Refer to INTERFUND ACTIVITY.

INTERFUND ACTIVITY - Activity between funds of the district. Reciprocal interfund activity is comprised of interfund loans and interfund services provided and used. Nonreciprocal interfund activity is comprised of interfund transfers and interfund reimbursements. Refer to INTERFUND LOANS, INTERFUND SERVICES PROVIDED AND USED, INTERFUND TRANSFERS and INTERFUND REIMBURSEMENTS.

INTERFUND LOANS - Loans made by one fund to another with a requirement for repayment. Refer to INTERFUND ACTIVITY.

INTERFUND REIMBURSEMENTS - Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Refer to INTERFUND ACTIVITY.

INTERFUND TRANSFERS - Nonreciprocal transfers made without a requirement for repayment. Interfund transfers are not revenues or expenditures of the LEA. Refer to EQUITY TRANSFERS, OPERATING TRANSFERS, and INTERFUND ACTIVITY.

INTERGOVERNMENTAL REVENUES - Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

INTERIM FINANCIAL STATEMENT - A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period to date.

INTERIM REPORTS - Reports prepared as of a date or a period during the fiscal year. They include budgetary estimates, financial transactions during current year-to-date, and end-of-year projections.

INTERNAL AUDIT - An appraisal activity conducted by auditors working for and within an LEA that (1) determines the adequacy of the system of internal control; (2) verifies and safeguards assets; (3) determines the reliability of the accounting and reporting system; (4) ascertains compliance with existing policies and procedures; and (5) appraises the performance of activities and work programs.

INTERNAL AUDITOR - An auditor working for, employed by and within an LEA.

INTERNAL CONTROL - A process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of the entity’s objectives. The school district’s objectives fall into separate but related categories: safeguarding its assets; checking the accuracy and reliability of its accounting data; promoting operational efficiency; and encouraging adherence to policies for accounting and financial controls.
INTERNAL CONTROL FRAMEWORK - An integrated set of policies and procedures, based on a common structure of components, concepts and definitions, designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government's internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) provide for the design, implementation, and maintenance of effective control-related policies and procedures, (d) provide for the effective communication of information, and (e) provide for the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

INTERNAL CONTROLS - See INTERNAL CONTROL.

INTERNAL SERVICE FUNDS - Internal service funds are used to report activities that provide goods or services to other funds or departments of the school district on a cost reimbursement basis. Internal service funds are used where the school district is the predominant participant in the activity.

INTRA-BUDGET TRANSFERS - Transfers within the same fund between functions or objects.

INVENTORY - A detailed list showing the quantities and a description of the property on hand at a given time. It may also include units of measure, unit prices, and values. Inventory may also be the act of verifying the existence quantities, values, and extension calculations contained in the listing.

INVENTORY CONTROL POINT - A specific location, area, building, inventory type, etc., as defined in writing by the district inventory officer where consumable inventories are aggregated for distribution, valuation, and/or reporting threshold purposes.

INVENTORY CONTROLS - supervision of supply, storage and accessibility of items in order to insure an adequate supply without excessive oversupply. It can also be referred as internal control - an accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error, etc.

INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT - One of the three components of net assets reported in government-wide and proprietary fund financial statements. It is comprised of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the district.

INVESTMENT TRUST FUNDS - Fiduciary funds used by the sponsor to report the external portion of investment pools. Refer to FIDUCIARY FUNDS.

INVESTMENTS - Usually, securities, real estate and other instruments held for the purpose of generating revenues, such as interest, dividends, or rental payments.
INVITATION FOR BIDS (IFB) - Three little words that involve a lot of work necessary to make a large purchase via competitive, advertised bid. In addition to the “invitation,” the school district needs to establish clear and exact specifications, standards for acceptance, etc.

INVOICE - A document submitted by a vendor, showing the character, quantity, price, terms, nature of delivery, and other particulars of goods delivered or of services rendered.

IPA - means Independent Public Accountant.

IRC - means Internal Revenue Code.

ISSUANCE COSTS - Fees associated with the issuance of debt that may be withheld from the proceeds or paid separately including underwriter’s fees and bond counsel fees. In governmental funds, issuance costs are reported as expenditures.

ISSUES - Withdrawal of inventory materials or items to be shipped to district sites or programs upon requests.

ISSUING BANK - An individual, company, firm, or combination thereof with which the state of New Mexico contracts for purchase card services.

ITEM CATEGORY - Item category is nothing but a grouping of inventory items (which is something more than physical items and can include even intangible items like service items, labor items and warranty items).

ITEM NUMBER - A unique Identifier for a product or service that may contain both letters and numbers.

• J

JOINT POWERS AGREEMENTS - a contract between a city, a county, and/or a school district in which the city, county, or other agency agrees to perform services, cooperate with, or lend its powers to, the school district.

JOINT VENTURE - Legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

JOURNAL - Any accounting record in which the financial transactions of an LEA are formally recorded for the first time (e.g., the cash receipts book, check register, and general journal).

JOURNAL ENTRIES - in accounting, is a logging of transactions into accounting journals. The journal entry can consist of several items, each of which is either a debit...
or a credit. The total of the debits must equal the total of the credits or the journal entry is said to be "unbalanced". Journal entries can record unique items or recurring items such as depreciation or bond amortization. In accounting software, journal entries are usually entered using a separate module from accounts payable, which typically has its own sub ledger that indirectly affects the general ledger; journal entries directly change the account balances on the general ledger.

**JOURNAL VOUCHER** - A form provided for the recording of certain transactions or information in place of, or supplementary to, the journal or registers.

**JUDGMENTS** - Amounts due to be paid or collected by the LEA as the result of court decisions, including a condemnation award in payment for private property taken for public use.

**JUNE RECEIPTS** - Reported on Public Education Form labeled 930F (Computation of Operational June 75% Credit) to calculate the previous June receipts that qualify as credit items used in determining the final SEG payment for the current year. The form calculates only 75% of actual receipts as eligible for "restricted cash". (Reference Section 22-8-25.F. NMSA 1978).

**JUST IN TIME (JIT)** - Just In Time Inventory is a control system that allows districts to eliminate waste and gain the most value out of its operations and cash resources by forecasting and receiving the exact amount of inventory needed to meet expected objectives when it is needed-no more and no less.

**KINDERGARTEN PROGRAMS** - See early childhood education programs.

- L

**LABELING** - Labels are essential for using electronic records. Labels intended for use on electronic media should include the name or abbreviation of the originating office, software applications (such as Excel, Word, etc.), and the type of computer it was produced on as well as dates and subject area or category of data. Document, file and directory naming conventions for internal labels should be easily understandable and standardized so that authors and their colleagues or successors can find and use information stored on electronic media.

**LAST-IN, FIRST-OUT (LIFO)** - An inventory valuation method that allocates cost on the assumption that the last units acquired are the first units consumed or sold.

**LEA** - See Local Education Agency.

**LEASEHOLD** - The right to the use of real estate by virtue of a lease, usually for a specified term of years, for which consideration is paid.

**LEASE-PURCHASE AGREEMENTS** - Contractual agreements which are termed "leases," but in substance they are purchase contracts.
**LEDGER** - A group of accounts in which are recorded the financial transactions of the state. Refer to GENERAL LEDGER and SUBSIDIARY LEDGER.

**LEGAL OPINION** - (1) The opinion of an official authorized to render it (e.g., attorney general). (2) In the case of governmental bonds, the opinion of a specialized bond attorney as to the legality of a bond issue.

**LEGISLATIVE EDUCATION STUDY COMMITTEE (LESC)** - The Legislative Education Study Committee (LESC) was created in 1965 as a permanent committee of the New Mexico Legislature, authorized by statute to conduct a continuing study of all education in New Mexico, the laws governing such education and the policies and costs of the New Mexico educational system . . . , recommend changes in laws relating to education, . . . and make a full report of its findings and recommendations.

**LEGISLATIVE FINANCE COMMITTEE (LFC)** - Since its inception, the Legislative Finance Committee’s (LFC) role in the state budget process has grown as the complexity and size of the budget has increased. The committee makes budgetary recommendations to the Legislature for funding state government, higher education and public schools. The committee also prepares legislation addressing financial and management issues of state government. New Mexico is rare in that both the governor and a legislative agency (LFC) propose comprehensive state budgets to the Legislature.

**LEVY** - The imposition of taxes or special assessments for the support of governmental activities; also, the total amount of taxes, special assessments, or service charges imposed by a governmental unit or school district.

**LIABILITIES** – Probable future sacrifices of economic benefits, arising from present legal obligations of a district or charter school to transfer assets or provide services to other entities in the future as a result of past transactions or events. **The term does not include encumbrances.**

**LINE-ITEM BUDGETING** - A budget system emphasizing a "balanced budget" through comparison of estimated revenues with projected expenditures. Budgetary divisions are listed by organizational units, such as departments or activities, and expenditures are divided into major categories of instructional services, student services, personal services, contracted services and supplies, and capital outlay. For budgetary control, further breakdowns of expenditures are made through detailed object accounts based on the wide range of services, supplies and equipment. See ACCOUNT CODE STRING.

**LIQUIDATION** - Payment of debt, cancellation of encumbrance, or conversion into cash.

**LOANS RECEIVABLE** - An asset account reflecting amounts that have been loaned to individuals or organizations external to the district, including notes taken as security for such loans. Loans to other governments should be recorded and reported separately.
LOCAL ACCOUNTS - Accounts under the control of an agency with cash on deposit in a local bank account and requiring the signature of agency officials on a check for disbursement. Some local funds are on deposit with the State Treasurer as a matter of convenience or statutory requirement.

LOCAL EDUCATION AGENCY (LEA) - Typically, a local school district or joint powers agreement entity engaged in providing educational services.

LOCAL PUBLIC BODY means every political subdivision of the state, whether created under general or special act including, but not limited, to counties, municipalities, drainage, conservancy, irrigation, school or other districts, that receives or expends public money from whatever source derived.

LOCAL SCHOOL BOARD” OR “BOARD” - means the governing body of a school district or charter school.

LOCAL TAXING AUTHORITY – New Mexico State Statutes Annotated 7-38-8 NMSA 1978 require owners of real property, tangible movable business property, and/or mobile homes to declare any change in value their property has undergone within the past year. The due date for the annual report is January 1 of the year for which taxes are collected. The County Assessor is generally the responsible taxing authority.

LOCATION CODE - The identification code of the school district in the UCOA.

LONG-RUN - In microeconomics, the long run is the conceptual time period in which there are no fixed factors of production as to changing the output level and entering or leaving an industry. The long run contrasts with the short run, in which some factors are variable and others are fixed, constraining entry or exit from an industry.

LONG-TERM DEBT - Debt that matures more than one year after the date of issuance.

LONG-TERM OBLIGATIONS - Those obligations expected to mature at some future date and therefore not expected to be liquidated with currently existing resources or current assets. The long-term liabilities of specific enterprise, internal service, and trust funds are to be accounted for through those funds. All other unmatured general long-term liabilities are to be accounted for in the General Long-Term Obligations group or listing of accounts.

LOSS PREVENTION INSPECTION PROGRAM - The Loss Prevention Inspection Program is a service provided to the member School Districts and other educational entities in order to protect the insurance fund and its member from claims that could otherwise be prevented by actions of the members. The Authority, through the program, provides recommendations for compliance to the members; however, it is the responsibility of the members to implement the recommendations for abatement.
MACHINERY AND EQUIPMENT - Refer to EQUIPMENT.

MAINTENANCE BAR - Intra-function transfer of budget authority. Transfers within a function do not currently require Public Education Department approval and are not necessarily required to be entered into the OBMS; however, this maintenance activity is encouraged.

MAJOR FUND - A governmental or enterprise account reported as a separate column in the basic fund financial statements. The General Fund is always a major fund. Otherwise, major funds are those accounts with revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) that are at least 10 percent of corresponding totals for all governmental and enterprise accounts for the same item.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A) - The narrative introducing the financial statements and providing an analytical overview of the LEA's financial performance for the year. It should contain sufficient information for users of the financial statements to evaluate whether the financial position of the LEA has improved or deteriorated as a result of the year's activities. This statement is not audited but is a component of Required Supplementary Information. Refer to REQUIRED SUPPLEMENTARY INFORMATION.

MANDATORY COVERAGE - mandatory coverage is provided for students, grades 7-12, participating in the New Mexico Activities Association (NMAA) sponsored events. The coverage is mandated and stipulates that the state Board shall require “…any school under its jurisdiction which sponsors athletic programs involving sports to mandate that the participating student obtain catastrophic health and accident insurance coverage such coverage is to be offered through the school and issued by an insurance company duly licensed pursuant to the laws of New Mexico”.

MANUFACTURER - The name of either the manufacturer or the commonly accepted trade name.

MATURE A BOND - means to pay off the bond.

MD & A - See Management’s Discussion and Analysis.

MEASUREMENT FOCUS - The accounting convention which determines: (1) which assets and which liabilities are included on the governmental unit's balance sheet; and (2) whether its operating statement presents "financial flow" information (revenue and expenditures) or "capital maintenance" information (revenues and expenses). Refer to CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS and ECONOMIC RESOURCES MEASUREMENT FOCUS.

MEM - Abbreviation for Membership. See MEMBERSHIP.
**MEMBERSHIP** - the funding formula in New Mexico (State Equalization Guarantee) addresses public schools with a membership of less than 400, less than 4,000, and over 10,000 (with a ratio of MEM to senior high schools less than 4,000:1), and includes early childhood education fulltime-equivalent membership.

**MEMORANDUM OF COVERAGE** - The Memorandum of Coverage is an agreement by the New Mexico Public Schools Insurance Authority (the Authority) and its “Members” – school districts, charter schools, Regional Education Centers – to provide or obtain insurance protection for all covered losses subject to the limits and other terms and conditions of the Memorandum and any addendum that may be attached.

**MODIFIED ACCRUAL BASIS** - The basis of accounting under which expenditures, whether paid or unpaid, are formally recognized when incurred against the account, but revenues are recognized only when they become both measurable and available to finance expenditures of the current accounting period. All governmental funds use the modified accrual basis of accounting for financial reports.

**MOTOR VEHICLE** - Any vehicle licensed to be operated on the roadway.

**MOVABLE CHATTELS** - In the civil law systems personal property is often called movable property or chattel - any property that can be moved from one location to another.

**MULTIPLIER** - the ratio of the total change in units (resulting from an increase or decrease in the T & E Index) produced by a multiplying units by the Index which is a multiplier, or (as modifier) multiplier effects.

**MULTIYEAR FINANCIAL PLAN** - A plan that presents financial estimates of programs in tabular form for a period of years. These estimates reflect the future financial impact of current decisions. The data in the plan should be organized along the lines of the program structure.

- **N**

**NATIONAL BOARD CERTIFIED** - National Board Certification (NBC) is a voluntary, advanced teaching credential that goes beyond state licensure. NBC has national standards for what accomplished teachers should know and be able to do. The National Board certifies teachers who successfully complete its rigorous certification process.

**NATIONAL EDUCATION FINANCE PROJECT** - financial planning for educational services comprise volume three of the NEFP series. Volume one of this series deals with educational needs, volume two with economic factors and education, and volume four with the impact of educational financing programs. The material describes financing programs and discusses problems in financial planning for public instruction programs from preschool through community college and adult education, including programs for exceptional children, the culturally deprived, and vocational education. Additional
discussions on planning school facilities finance, food service costs, and student transportation, as well as on fiscal capacity and district reorganization are provided.

**NET ASSETS** - The difference between assets and liabilities. Refer to FUND EQUITY.

**NET BOOK VALUE** - Refer to BOOK VALUE.

**NET INCOME** - A term used in accounting for proprietary funds to designate the excess of total revenues and operating transfers in over total expenses and operating transfers out for an accounting period.

**NEW MEXICO ACTIVITIES ASSOCIATION (NMAA)** – a member-led organization, provides leadership in interscholastic athletics & activities, promoting equitable participation and character development.

**NEW MEXICO COMMISSION OF PUBLIC RECORDS** – The facility created to fulfill the statutory requirement is commonly known as the State Records Center and Archives (SRCA). The agency is frequently also referred to by that name, although in statute it is designated as the Commission of Public Records.

**NEW MEXICO FUNDING FORMULA** - was developed as a model by the National Education Finance Project in the late 1960’s and early 1970’s. In 1973, the Advisory Committee on School Finance established a basic philosophy and began to define educational need. Recognizing the need to staff schools adequately and equalize opportunity for all students with different needs. In 1974, the New Mexico Legislature enacted the Public School Finance Act. The NM Funding Formula is designed to distribute funds objectively in a non-categorical manner and provide for local district autonomy. Periodic data based refinements have taken place, however basic structure and philosophical concept has been maintained.

**NEW MEXICO INSTRUCTIONAL MATERIAL DEPOSITORY** - Archway Depository (formerly known as Resolve Corporation).

**NEW MEXICO PUBLIC SCHOOL INSURANCE AUTHORITY (NMPSIA)** - The New Mexico Public Schools Insurance Authority (NMPSIA) was created by the NM Legislature in 1986 to serve as a purchasing agency for public school districts, post-secondary educational entities and charter schools. Through NMPSIA, member schools are afforded the opportunity to offer quality employee benefit and risk coverages.

**NMAC** - means New Mexico Administrative Code.

**NMCI (NEW MEXICO CONDITION INDEX)** - is a ranked list of school facilities throughout New Mexico.

**NMSA** - means New Mexico Statutes Annotated.
**NOMINAL ACCOUNTS** - Revenue or expenditure account that is a subdivision of the fund balance account, and which is closed to a zero balance at the end of each accounting period. It starts with a zero balance at the beginning of a new accounting period, accumulates balances during the period, and returns to zero at year end by means of closing entries. Nominal accounts are income statement accounts and are also called 'temporary accounts' in contrast to balance sheet (asset, liability, and owners' equity) accounts which are called permanent accounts.

**NOMINAL INTEREST RATE** - The contractual interest rate shown on the face and in the body of a bond and used to compute the amount of interest to be paid, in contrast to the effective interest rate.

**NONBUDGETED ACCOUNTS** - Accounts that are not subject to either the appropriation or allotment process.

**NON-CATEGORICAL** - Funding to New Mexico Public Schools and charter schools through the State Equalization Formula is distributed in a manner without specific instructions for funds to be expended in a particular manner or in relation to specific programs or categories that make up operational needs.

**NON-COMPETITIVE PROCUREMENTS** - The Procurement Code allows certain non-competitive procurements to address those needs of school districts that, by their nature, are not practical to obtain under competitive conditions, are not subject to competitive markets, or have already undergone previous competitive solicitations. Schools are encouraged to seek the best pricing regardless of whether the goods or services are included in this list. Sole source, emergencies and existing contracts may justify non-competitive purchasing.

**NON-COMPETITIVE PURCHASING** - See NON-COMPETITIVE PROCUREMENTS.

**NON-DEPRECIABLE CAPITAL ASSETS** - Capital assets that are inexhaustible or where the useful life does not diminish or expire over time, such as land and land improvements. Infrastructure assets reported using the modified approach to depreciation are also not depreciated.

**NON-INSTRUCTIONAL SUPPORT** - Support staff, typically hourly employees, who perform services related to operations (Bus Driver, Clerical/Secretarial, Custodial/Maintenance, Food Service, Technology Staff, etc.).

**NONOPERATING EXPENSES** - Expenses of a proprietary fund that are not directly related to the fund's principal operations.

**NONOPERATING INCOME (LOSS)** - In a proprietary fund, the net difference between nonoperating revenues and nonoperating expenses. Refer to NONOPERATING REVENUES and NONOPERATING EXPENSES.
NONOPERATING REVENUES - Proprietary fund revenues that are incidental to, or by-products of, the fund's principal operations.

NON-PROFESSIONAL SERVICES – See SERVICES.

NONRECIPROCAL INTERFUND ACTIVITY - Transactions that are nonexchange in nature. Nonreciprocal interfund activity includes interfund transfers and interfund reimbursements.

NON-RECORDS – means extra copies of documents kept solely for convenience of reference, stocks of publications, records not usually included within the scope of the official records of an agency or government entity, and library material intended only for reference or exhibition.

NONREVENUE - Collections of amounts that do not represent revenue, such as recoveries of current appropriation expenditures.

NONSALARIED PUBLIC OFFICER - means a public officer serving as a member of a board, advisory board, committee or commission who is not entitled to compensation, but is entitled to payment of per diem rates and mileage.

NONSPENDABLE AMOUNTS - See NONSPENDABLE FUND BALANCE.

NONSPENDABLE FUND BALANCE – A classification for governmental fund balance reporting that includes amounts that cannot be spent either because they are (a) in a nonspendable form (e.g., inventories) or (b) legally or contractually required to be maintained intact.

NOTES PAYABLE - A liability account reflecting amounts owed by the district from an unconditional written promise to pay a certain sum of money upon demand or at a fixed or determinable time.

NOTES RECEIVABLE - An asset account reflecting amounts owing to the district from an unconditional written promise to pay a certain sum of money on demand or at a fixed or determinable time.

NOTES TO THE FINANCIAL STATEMENTS - The summary of significant accounting policies and other disclosures required for a fair presentation of the financial statements of the governmental unit in conformity with generally accepted accounting principles (GAAP) which are in addition to and not included on the face of the financial statements themselves. The notes to the financial statements are an integral part of the financial statements.

NOT-FOR-PROFIT ORGANIZATION (NPO) - entity that meets the definition in the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards No.116, Accounting for Contribution Received and Contribution Made.
NOTICE OR INVITATION - In the case of purchases made by central purchasing offices other than the State, the required invitation or notice shall be published at least once in a newspaper of general circulation in the area in which the central purchasing office is located. These requirements of publication are in addition to any other procedures that may be adopted by central purchasing offices to notify prospective bidders that bids will be received, including publication in a trade journal, if available.

OBJECT CODE OF EXPENDITURE - As used in expenditure classification, this term applies to the character of the article purchased or the service obtained (rather than the purpose for which the article or service was purchased or obtained). Examples are salaries and employee benefits.

OBJECT/SUB-OBJECT OF EXPENDITURE CODE - The beginning two characters or the code assigned by the UCOA to identify expenditures/expenses according to the character of the goods or services involved. Refer to OBJECT CODE OF EXPENDITURE and SUBOBJECT.

OBJECTIVE - An end that can be reasonably achieved within an expected timeframe and with available resources. In general, an objective is broader in scope than a goal, and may consist of several individual goals. Objectives are a basic tool that underlay all planning and strategic activities. They serve as the basis for policy and performance appraisals.

OBLIGATIONS - Amounts that the LEA may be legally required to meet from its resources. They include not only actual liabilities but also unliquidated encumbrances.

OBMS (OPERATING BUDGET MANAGEMENT SYSTEM) - The required on-line system for data entry of accounting and budgeting information to be used by New Mexico public and charter school districts using the Uniform Chart of Accounts (UCOA).

OMB - means the United States Office of Management and Budget.

ONLINE SYSTEM - A computer system which allows searching or supplying information through a network of computers available to users with required passwords, etc.

OPERATING BUDGET - A plan of current expenditures and the proposed means of financing them. The operating budget is the primary means to ensuring that the financing, acquisition, spending, and service delivery activities of the district are controlled. The budget must be submitted and approved by the local board by June 20 and certified by the department on or before July 1.

OPERATING EXPENSES - Proprietary fund expenses that are directly related to the fund's principal operations.
OPERATING GRANTS - Grants that support all or a portion of current operating expenses within a certain program. Refer to GRANTS and CAPITAL GRANTS.

OPERATING INCOME – See OPERATING REVENUES.

OPERATING REVENUES - Proprietary fund revenues that are directly related to the fund’s principal operations. They consist primarily of user charges for goods and services.

OPERATING STATEMENT - The financial statement disclosing the financial results of operations of a governmental unit during an accounting period in conformity with generally accepted accounting principles (GAAP).

OPERATING TRANSFERS - All interfund transfers other than equity transfers, e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. Refer to INTERFUND TRANSFERS.

ORIGINAL ISSUE DISCOUNT (OID) - The amount by which the par value of a security exceeds its public offering price at the time it was originally offered to an investor.

ORIGINAL ISSUE PREMIUM (OIP) - The amount by which the price paid for a security exceeds the security's par value.

OTHER CLASSROOM MATERIALS - Classroom materials other than text books.

OTHER FINANCING SOURCES - Governmental fund general long-term debt proceeds, operating transfers in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

OTHER FINANCING USES - Governmental funds' operating transfers out. Such amounts are classified separately from expenditures.

OUT-OF-STATE TRAVEL - Travel anywhere outside the boundaries of the state of New Mexico is to be considered out-of-state and should be coded as out-of-state travel.

OUT-OF-STATE TUITION - Fee paid by New Mexico non-residents to attend public school in New Mexico.

OUTSIDE CONSULTANT - An independent contractor providing personal services.

OUTSTANDING LOANS - Current loans that have not been repaid.

OVERDRAFT - The amount by which checks, drafts, or other demands for payment on a bank account exceed the amount of the balance on which they are drawn.

OVERHEAD - Those elements of cost necessary in the production of a service which is not directly traceable to the service. Usually these costs relate to objects of expenditure.
that do not become an integral part of service, such as rent, heat, lights, management, and supervision. See INDIRECT COST.

**OWNER’S EQUITY** – This term reflects the mathematical difference between total assets and total liabilities of proprietary funds. The owner’s equity represents an owner’s (district or charter schools’ fund) net worth. See FUND BALANCE.

**P**

**PAR VALUE** - In the case of bonds, the amount of principal that must be paid at maturity. Par value is referred to as the face value of the security.

**PARENTAL INVOLVEMENT** – Educational Plan for Student Success (EPSS) objective. See PED web site for Family/Parent Involvement Initiatives.

**PASSWORDS** - A password is an unspaced sequence of characters used to determine that a computer user requesting access to a computer system is really that particular user. Typically, users of a multiuser or securely protected single-user system claim a unique name (often called a *user ID*) that can be generally known.

**PAYABLE** – See ACCOUNTS PAYABLE.

**PAYROLL CLEARING ACCOUNT** – A separate bank account set up for the purpose of payroll related checks and transactions, regardless of fund. The bank may automatically transfer funds from another district operating account to clear checks as they are presented, or the district may transfer funds to cover the entire amount of checks and transactions for the payroll.

**PAYROLL JOURNAL** – A journal or register which summarizes specifics of the payroll transactions for posting to the general ledger.

**PAYROLL REGISTER** - A document accompanying one or more orders on a fund of an LEA for the payment of salaries or wages to employees; contains the names of such employees and provides information substantiating such orders.

**PAYROLL WARRANT** - A document used as an order or a requisition on a fund of an LEA for the purpose of paying salaries or wages.

**PED** - New Mexico Public Education Department.

**PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS** - A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. Refer to FIDUCIARY FUNDS.

**PER DIEM** – See Per Diem Expenses.
PER DIEM EXPENSES - Daily travel costs covering both lodging expenses and meal expense.

PERA - Public Employees' Retirement Authority - Unless exempted by state law, classified employees, their district, and the state contribute to this retirement fund. See EDUCATIONAL RETIREMENT BUREAU.

PERFORMANCE AUDIT - A systematic process of objectively obtaining and evaluating evidence regarding the performance of an organization, program, function, or activity. Evaluation is made in terms of its economy and efficiency of operations and effectiveness in achieving desired goals. The performance audit function provides an independent review of management's performance and the degree to which actual performance meets pre-stated goals. Refer to AUDIT.

PERFORMANCE MEASURES - established parameters for evaluation, control, and budgeting to meet district or charter school objectives. These measures help organizations to learn, motivate and improve.

PERFORMANCE STANDARDS - performance standards provide the employee with specific performance expectations for each major duty. They are the observable behaviors and actions which explain how the job is to be done, plus the results that are expected for satisfactory job performance. The purpose of performance standards is to communicate expectations.

PERFORMANCE-BASED PROGRAM BUDGET - means a budget that identifies a total allowed expenditure for a program and includes performance measures, performance standards and program evaluations.

PERIODIC INVENTORY - An inventory system whereby the agency performs a physical count of its inventory periodically, at least annually at fiscal year end.

PERMANENT FUNDS - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that benefit the state, its citizens or specified agencies. Permanent funds include endowments where the funds or property donated to the state are required by contract, agreement or trust instrument to be maintained intact. Refer to GOVERNMENTAL FUNDS.

PERMANENT INTER-FUND TRANSFERS - transfers of cash from one fund/subfund to another that will not be returned to the fund/subfund that provided the cash. Permanent inter-fund transfers require local school board and PED approval. The transfer request shall be submitted on Form PED 994.

PERMANENT SCHOOL FUND – See PERMANENT FUNDS.

PERPETUAL INVENTORY - A system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical
count. A record is provided for each item or group of items to be inventoried and is divided to provide a running record of goods ordered, received, and withdrawn and the balance on hand in units and cost.

**PERPETUAL INVENTORY SYSTEM** - An inventory system whereby the inventory quantities and values for all purchases and issues are recorded directly in the inventory system as they occur.

**PERSONAL INJURY LIABILITY COVERAGE** - This coverage is provided and includes Errors and Omissions, Violation of Civil Rights, Corporal Punishment, Assault and Battery and Libel and Slander.

**PERSONAL PROPERTY** - All property except real property. (See also REAL PROPERTY.)

**PERSONNEL ACTION REQUEST (PAR)** - A form or a system driven document to request some change to an employee’s status.

**PETTY CASH** - A sum of money set aside on an imprest basis. Cash held for making change or paying small obligations when the issuance of a formal voucher and warrant/check would be too expensive and time consuming. Petty cash includes both change and imprest accounts. Refer to IMPREST ACCOUNT.

**PHYSICAL COUNTS** - Refers to the physical counting of an LEA’s inventory or designated portions of the inventory, perhaps designated by location.

**PHYSICAL INVENTORY** - annual physical count of an LEA’s inventory. This count is often taken at the end of the year and observed by the LEA’s auditors. Periodically, physical inventories are conducted to test the accuracy of the perpetual inventory records.

**PLEDGED COLLATERAL** - The Treasury Investment Program (TIP) is a centralized Federal Reserve Bank (FRB) application under the TT&L program that receives tax collections, invests funds and monitors collateral pledged to secure public money.

**POINT OF SALE** - An electronic payment system in a merchant location where consumers pay for retail goods and services, through the use of credit cards and/or debit cards that directly access and deduct funds from the customer’s bank account.

**POLICIES & PROCEDURES** - policies and procedures ensure that a point of view held by the governing body of an organization is translated into steps that result in an outcome compatible with that view.

**POOLS** - A group of items, traits, or schools displaying similar characteristics, combined into a pool for analysis or segregation of data.
POSTING - The process of transferring to a ledger account the data, either detailed or summarized, contained in a book or document of original entry.

PREPAID EXPENSES - Expenditures for which payment has been made but for which benefits have not been realized as of a certain date (e.g., prepaid rent, prepaid interest, prepaid utility contracts, and premiums on unexpired insurance).

PRICE AGREEMENTS - constitute a definite quantity contract or indefinite quantity contract and requires the contractor to furnish items of tangible personal property, services or construction to a state agency or a local public body.

PRIOR YEARS' TAXES - Taxes collected within the current fiscal year for levies in previous fiscal years.

PROCESS FLOWCHART - See FLOWCHART.

PROFESSIONAL SERVICES - "Professional services" means the services of architects, archeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, construction managers and other persons or businesses providing similar professional services, which may be designated as such by a determination issued by the state purchasing agent or a central purchasing office.

PROGRAM - A group of related activities that operate together to accomplish specific purposes or objectives.

PROGRAM – Group activities, operations or organizational units directed to attaining specific purposes or objectives. See PROGRAM CODE.

PROGRAM BUDGETS - means a budget that identifies a total allowed expenditure for a program.

PROGRAM CODE – From Supplement Three, Uniform Chart of accounts. A code which indicates specific program such as instructional, elementary arts, or special education.

PROGRAM COST - is the product of the total number of program units to which a school district is entitled multiplied by the dollar value per program unit established by the legislature.

PROGRAM REVENUE - Term used in connection with the government-wide Statement of Activities. Revenues that derive directly from the program itself or from parties outside the district's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the district's general revenues.
PROGRAM STRUCTURE - The hierarchical arrangement of programs that represents the interrelationship of activities to goals and objectives. The program structure contains categories of activities with common outputs and objectives. Programs may cut across existing departments and agencies.

PROGRAM UNITS - is the dollar value set by the Public Education Department annually that correlates to the appropriation established by the New Mexico legislature. The unit value can be adjusted twice in a fiscal year as prescribed by law.

PROGRAM/BUDGET QUESTIONNAIRE - The Questionnaire accompanies the budget submission and reflects tentative allocations made to various programs that reflect and support an entity’s Educational Plan for Student Success (EPSS).

PROGRESS PAYMENTS - Payment made as work progresses under a contract, upon the basis of costs incurred, of percentage of completion accomplished, or of a particular stage of completion. The term does not include payments for partial deliveries accepted by the district or charter school under a contract or partial payments on contract termination claims.

PROJECT CODE - Used primarily with legislative appropriations for Capital Projects, but may also be used by district’s to track EPSS, or Activity accounts. This code is not a part of the account code string required by PED.

PROJECT MANAGER - Project managers can have the responsibility of the planning, execution, and closing of any project, typically relating to construction industry, architecture, computer networking, telecommunications or software development.

PROPERTY CONTROL DIVISION (PCD) - Division of the General Services Department responsible for the control of all public buildings and land except those specifically excluded per Section 15-3B-1 NMSA 1978.

PROPERTY INSURANCE – A local public body shall purchase insurance for public buildings under their control against loss or damage by fire, windstorm, hail, smoke, explosion, riot or civil commotion in an amount not less than 80 per cent of the replacement cost or actual cash value of the building.

PROPOSAL SOLICITATION PROCESS - process as required by either the Procurement Code or by procedures adopted by the school district’s or charter school's central purchasing office. Competitive proposals may be solicited, whenever a determination is made by the central purchasing office that it is impractical to solicit bids for obtaining tangible goods, non-professional services, or construction.

PROPOSALS - See REQUEST FOR PROPOSALS (RFP).

PROPRIETARY FUNDS - Proprietary funds are used to account for the district's ongoing organizations and activities that are similar to those often found in the private sector. These funds are considered self-supporting in that the services rendered by
them are generally financed through user charges or on a cost reimbursement basis. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. There are two types of proprietary funds: enterprise funds and internal service funds. Refer to ENTERPRISE FUNDS and INTERNAL SERVICE FUNDS.

**PRORATING** - The allocating of expenditures or revenue from a single source to two or more accounts to show the correct distribution of charges or revenue.

**PSCOC** - Public School Capital Outlay Council.

**PSFA** - New Mexico Public School Facilities Authority.

**PTR** – See PUPIL TEACHER RATIO.

**PUBLIC FUNDS** - Money that is generated by the government to provide goods and services to the general public.

**PUBLIC HEARING** - A formal gathering of officials and the public where the views and concerns of members of the public are verbally expressed regarding a public agency’s action. The agency is required to consider the comments in its evaluation of the action being taken.

**PUBLIC NOTICE** - See NOTICE OR INVITATION.

**PUBLIC NOTICE REQUIREMENT** - See NOTICE OR INVITATION.

**PUBLIC RECORDS** – means all books, papers, maps, photographs or other documentary materials, regardless of physical form or characteristics, made or received by any agency in pursuance of law or in connection with the transaction of public business and preserved, or appropriate for preservation, by the agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of the government or because of the informational and historical value of data contained therein.

**PUBLIC RECORDS ACT** – 6.20.2.24 C. NMAC Records retention/disposition; The management of school district records shall be in accordance with the Public Records Act, Section 14-3-1 et seq. NMSA 1978.

**PUBLIC SCHOOL CODE** - is Chapter 22 of the New Mexico statutes.

**PUBLIC SCHOOL FINANCE ACT** - Section 22-8-1 NMSA 1978 set framework for the State Equalization Guarantee to fund public schools.

**PUBLIC SCHOOL UTILITY CONSERVATION FUND** - a special fund in the state treasury consisting of money transferred to the fund, from year to year, from the distribution of the permanent fund and land income of which the common schools are
the beneficiary. No other money from any school district or state source shall be
deposited or paid into the public school utility conservation fund.

PUBLIC SCHOOLS FACILITY AUTHORITY - see PSFA

PUPIL-TEACHER RATIO - The ratio of teachers to pupils district wide. See PTR.

PURCHASE CARD - A charge card issued to a card custodian for the purpose of
making authorized purchases on behalf of the agency.

PURCHASE CARD TRANSACTION LOG - A record kept by the cardholder, card
custodian, or designated card user that lists purchase card transactions in detail. This
may be either a manual log that the agency develops and/or maintains, or an online
tracking log.

PURCHASE CONTRACT - legal document established with a vendor offering goods,
service or construction at the lowest cost and meets the minimum
requirement/specifications.

PURCHASE ORDER - A document issued to a vendor that authorizes the delivery of
specified merchandise or the rendering of certain services. This form is used by
agencies to encumber, liquidate, and authorize payment for such purchase orders.
Section 13-1-77 NMSA 1978.

PURCHASE REQUISITION - A form used by agencies to request authority to order
materials, supplies, and equipment, or to request an amendment of a previous
requisition. This form is used when the requestor does not have general or specific
authority to make the purchase.

PURCHASED BANKING SERVICES - Standard depository services that a financial
institution provides an agency for a demand deposit account such as monthly
maintenance charge, credits posted, debits posted, cash deposited/purchased, returned
items, re-deposited items, basic balance reporting capabilities, and checks deposited.
Accounting related services such as "deposit source reporting" are not considered
regular purchased banking services and are the responsibility of the state agency
requesting this type of service.

PURCHASED SERVICES - Services provided by a vendor to accomplish routine,
continuing and necessary functions. Generally, these services meet more ongoing
needs of an agency for general support activities.

PURCHASES METHOD - The method under which inventories are recorded as
expenditures when acquired. Refer to CONSUMPTION METHOD.

PURCHASING DOCUMENTS - Documents approved for use by agencies having local
purchasing authority.
PURCHASING POLICY - Each school district and charter school is required to have a purchasing policy adopted through action by its local Board of Education that adheres to the stipulations of the New Mexico Procurement Code.

• Q

QSCBS - Qualified School Construction Bonds.

QZABS - Qualified Zone Academy Bonds.

• R

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

REASONABLE ASSURANCE - Acknowledgment that it is not possible to assert absolutely and certainly that an event will (or will not) occur.

REBATE - See ABATEMENT OR REFUND.

REC - means Regional Education Cooperative.

RECEIPTS - Refer to CASH RECEIPTS.

RECEIVABLES - Amounts due from private persons, businesses, agencies, funds, or governmental units that are expected to be collected in the form of moneys, goods, and/or services. See ACCOUNTS RECEIVABLE.

RECEIVING DOCUMENT – Receiving documents are similar to packing slips; they show what items were delivered, the purchase order number if applicable, and the ship method. Additionally, they show who received the shipment, and where. These are most commonly used by Accounts Payable to match with the purchase order and invoice so that payment can be made.

RECEIVING FUNCTIONS - The receiving function is critical because at this control point ownership of the products is transferred from the supplier or vendor to the district or charter school. Receiving success requires competent personnel, proper equipment, adequate receiving facilities, established receiving hours, and several types of receiving control forms.

RECEIVING PERSONNEL - Employees charged with performing the receiving functions for a district or charter school, either at a centralized location or at an individual school site.
RECLASSIFICATION - Redesignation of the current year’s revenue or expenditure items previously posted to one account and later determined to be more properly charged to a different account.

RECLASSIFYING – entries used in the reclassification process. See Reclassification.

RECLASSIFYING JOURNAL ENTRIES - see Reclassification.

RECONCILIATION - The process of correlating one set of records with another set of records, such as a bank reconciliation and/or a physical inventory count that involves identifying, explaining, and correcting differences.

RECORDS MANAGEMENT – is the systematic control, creation, maintenance, use, and disposition of records and files in order to achieve adequate and proper documentation of the policies, procedures and transactions of the district, charter school, or Regional Education Center.

RECOVERY OF EXPENDITURE - Those receipts which represent the recovery of current period expenditures and which are offset against the expenditure account.

REFUND - An amount paid back or credit allowed because of an over-collection or because of the return of merchandise.

REFUNDING BONDS - Bonds issued to retire bonds already outstanding. In a current refunding, outstanding bonds are called or mature within 90 days of the issuance of the refunding bonds. In an advanced refunding, the net proceeds of the refunding issue are used to purchase U.S. Government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds until the bonds are called or mature.

REFUNDS OF PRIOR YEAR EXPENDITURES - A refund of prior year expenditures may be deposited as a refund against disbursements.

REGIONAL EDUCATIONAL COOPERATIVE - See REC.

REGISTERS - A listing of transactions of like kind that may be totaled and summarized for convenience in posting (e.g., payroll registers, warrant registers, and attendance registers).

REGULATORY REQUIREMENTS - The restrictions, licenses, and laws applicable to a government agency, product or business, imposed by the government.

REGULATORY TRAINING – Plan of education and training for all employees and management of a government agency to ensure knowledge and compliance.

REIMBURSEMENT - (1) Repayments of amounts remitted on behalf of another party. (2) Interfund/Interagency transactions that constitute reimbursement to a fund/agency
for expenditures/expenses initially made from it but that properly apply to another. These transactions are recorded as expenditures/expenses in the reimbursing fund/agency and as reductions of expenditures/expenses in the fund/agency reimbursed.

REMOTE DEPOSIT SERVICES - The use of a scanner and software to capture and transfer an image of a paper check to the bank for deposit. The paper check is stored by the agency for a predetermined amount of time and then destroyed.

REPLACEMENT COST - The amount of cash or other consideration that would be required today to obtain the same asset or its equivalent.

REPRODUCTION OF RECORDS – Section 14-3-15, NMSA 1978. Reproduction on film, evidence, review, inventory, and approval of systems.

REQUEST FOR PROPOSAL (RFP) - A written solicitation document which identifies the district’s need or problem, and consultants are invited to submit proposals which outline their solution to the need or problem, their qualifications and experience to provide the services, and their costs or fees.

REQUIRED SUPPLEMENTARY INFORMATION - Required supplementary information consists of schedules, statistical data, and other information that the GASB has determined are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statement of a governmental entity.

REQUISITION - A document submitted initiating a purchase order to secure specified articles, services, or issuance of materials from stores or a warehouse usually from one department to the purchasing officer or to another department. See PURCHASE REQUISITION.

RESERVE - An account used to earmark a portion of a (1) fund balance to indicate that it is not available for expenditure (such as the reserve for inventories); and (2) fund equity as legally segregated for a specific future use (such as the reserve for a restricted program balance).

RESERVE FOR ECONOMIC UNCERTAINTIES - See DESIGNATION FOR ECONOMIC UNCERTAINTIES.

RESERVE FOR ENCUMBRANCES - An account used to segregate a portion of a fund balance for outstanding encumbrances.

RESERVED FUND BALANCE - Those portions of fund balance that are not appropriated for expenditure or that are legally segregated for a specific future use. Refer to FUND BALANCE.
RESIDUAL EQUITY TRANSFERS - Nonrecurring or nonroutine transfers of equity between funds of the LEA (e.g., transfers of residual balances of discontinued funds to the general fund or contribution of internal service fund capital by the general fund).

RESTRICTED ASSETS - Assets whose use is subject to constraints that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED CASH – See RESTRICTED FUNDS.

RESTRICTED FUND BALANCE - A classification for governmental fund balance reporting that includes amounts that have constraints placed on their use that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by enabling legislation.

RESTRICTED FUNDS - Money whose use is restricted by legal requirement or by the donor. See RESTRICTED CASH.

RESTRICTED NET ASSETS - One of the three components of net assets reported in government-wide and proprietary fund financial statements. Net assets should be restricted when constraints are placed on net asset use either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

RETAINAGE PAYABLE - A liability reflecting amounts due on construction contracts not paid pending final inspection of the project or the lapse of a specified period, or both. The unpaid amount is usually a stated percentage of the contract price. Refer to CONTRACTS PAYABLE.

RETENTION PERIOD – State Records Center (SRC) rules and federal requirements that govern the retention and disposition of public records.

RETIREMENT FUND - Refer to PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS.

RETURNED ITEMS - Deposited checks that are returned to the depositor from the bank, usually due to insufficient funds in the account of the maker.

REVENUE - In governmental fund type accounts, revenues are increases in net current assets and are recognized in the accounting period in which they become measurable and available. In proprietary fund and trust fund type accounts, revenues are increases in net total assets and are recognized in the period in which they are earned and become measurable.

REVENUE BONDS - Bonds whose principal and interest are secured by specific sources of revenue and do not involve a pledge of the full faith and credit of the district.
Revenue bonds are payable from identified sources of revenue which are generally derived from the assets acquired or constructed with bond proceeds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund’s property.

**REVENUE CODE** - The primary objective of revenue codes is to maintain information regarding the source of revenue including taxes, intergovernmental revenues, revenue from federal sources, revenues from state sources, and charges for services. See UCOA.

**REVENUE ESTIMATES** - Estimates of revenue that a district or charter school can be reasonably sure of collecting in the current year.

**REVENUE PROJECTIONS** - Estimates of revenue that a district or charter school can reasonably project to materialize for the next fiscal year based on historical data and analysis of current conditions.

**REVENUES** - The increases in a fund’s financial resources other than from interfund transfers or debt issue proceeds. Revenues are the primary financial resource of a fund. Revenues are recognized when assets are increased without increasing liabilities or incurring an expenditure reimbursement.

**RISK ANALYSIS** - Risk analysis is a technique to identify and assess factors that may jeopardize the success of a project or achieving a goal.

**RISK ASSESSMENT** - procedures to obtain an understanding of the entity and its environment, including its internal control

**RISK ASSESSMENT TOOL** - Simple risk management tools allow documentation. More sophisticated tools provide a visual display of risks, while the most cutting edge, are able to aggregate risks into a coherent picture. A few tools have predictive capability, which, through collaboration between partners allow fair partition of risks and improvement of business relations.

**RISK IDENTIFICATION** - Risk Identification ascertains which risks have the potential of affecting the project and documenting the risks’ characteristics. Risk Identification begins after the Risk Management Plan is constructed and continues iteratively throughout the project execution.

**RISK MANAGEMENT** - establishing and overseeing a Risk Management Plan which provides the blueprint for risk management throughout the project describing who, what, when, where, why, and how.

**RISK RELATED COVERAGE** – All types of property, inland marine, boiler and machinery coverage, crime coverage, general liability coverage, civil rights and personal injury liability coverage, motor vehicle and fleet physical damage and liability, school bus physical damage & liability coverage, worker’s compensation coverage.
**RM** - PSFA Regional Manager.

**ROLL-UP FUND** - A roll-up fund is a reporting entity. It is comprised of the various accounts that generally fall within the generic activity/nature of the roll-up fund’s title.

**RSI** - means Required Supplemental Information.

**S**

**SALARY SCHEDULES’ SYSTEM** - Public School salary system which incorporates increases or compensation measures specifically mandated by the legislature and must be submitted for approval by PED. Salaries for teachers and school administrators shall be aligned with the licensure framework provided for in the School Personnel Act. 22-10A-1 NMSA 1978.

**SALVAGE VALUE** - An estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

**SAS** - means the AICPA’s Statement on Auditing Standards.

**SAVE HARMLESS** - to indemnify (protect) another from harm or cost. 2) to agree to guarantee that any debt, lawsuit or claim which may arise as a result of a contract or contract performance will be paid or taken care of by the party making the guarantee.

**SB9** - Public School Capital Improvement Act.

**SC** - Steering Committee.

**SCHEDULES** - Explanatory or supplementary statements that accompany the balance sheet or other financial statements.

**SCHOOL ATHLETICS EQUITY ACT (SAEA)** - The School Athletics Equity Act (SAEA) or Title IX applies to each public school that has an athletics program for grades seven through twelve. Each public school shall operate its program in a manner that does not discriminate against students or staff on the basis of gender.

**SCHOOL BOARD** - a local board of education in charge of a public or private school or school district.

**SCHOOL DAY** - See INSTRUCTIONAL DAY.

**SCHOOL DISTRICTS** - means public school districts, charter schools and regional education cooperatives (RECs).

**SCHOOL FACILITY NEEDS** - existing/future classroom needed to accommodate the projected enrollment for each school site including special factors that influence facility use, such as lower state-mandated pupil-teacher ratios (PTR’s), special programs,
student transfers, or boundary areas. A utilization study, including class schedule, teacher room assignments, room numbers, the number of times per day that the room is utilized, number of students per classroom per period (for high school) and the maximum student capacity at each school site may be incorporated.

SCHOOL PRINCIPAL OR ASSISTANT SCHOOL PRINCIPAL - Administrators and a school site.

SCHOOL TRANSPORTATION - Fund 13000 to be used for the accounting and budgeting of funds per the School Transportation Bureau.

SCHOOL YEAR - A school year consists of at least one hundred eighty full instructional days for a regular school year calendar, exclusive of any release time for in-service training. A school year consists of at least one hundred fifty full instructional days for a variable school year calendar, exclusive of any release time for in-service training.

SCOPE OF WORK - A well written scope of work can do more for the success of a contract than any other part of the contracting process. A good scope of work is clear, complete, and logical enough to be understood by the respondent and the district personnel who will administer it.

SCRAP VALUE - The worth of a physical asset's individual components when the asset itself is deemed no longer usable. The individual components, known as "scrap," are worth something if they can be put to other uses.

SECURITIES - Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

SEGMENT - A segment is an identifiable activity within an enterprise fund that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt and an external party that requires a separate accounting of revenues, expenses, gains, losses, assets and liabilities.

SEGREGATION OF DUTIES - Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. It helps deter fraud by discouraging collusion.

SEQUENTIAL NUMBERING - A following of one number after another; succession. Breaks in series may indicate control problem or misappropriation.

SERIAL ANNUITY BONDS - Serial bonds in which the annual installments of bond principal are so arranged that the combined payments for principal and interest are approximately the same each year.

SERIAL BONDS - Bonds for which the principal is repaid in periodic installments over the life of the issue.
SERVICES - "Services" means the furnishing of labor, time or effort by a contractor not involving the delivery of a specific end product other than reports and other materials which are merely incidental to the required performance. "Services" includes the furnishing of insurance but does not include construction or the services of employees of a state agency or a local public body.

SHORT-RUN – some factors are variable and others are fixed, constraining entry or exit within a specified timeframe, such as one year.

SHORT-TERM LIABILITIES - Short-term liabilities are legal obligations of the district that arise upon the receipt of goods or services. In governmental fund type accounts, they are payable from current financial resources. In proprietary fund type accounts, short-term liabilities are payable within one year.

SINGLE AUDIT - A financial, internal control, and compliance audit of a nonfederal entity administering federal assistance awards including the financial statements of the entity.

SITE ALLOCATIONS - Sites may receive an allocation of district resources based upon standard allocation formulas and the budgeting of these resources, exclusive of legal mandates, is at the discretion of the site under the site based decision making model.

SITE BASED BUDGETING - the decentralization of budgetary decision making. It is commonly used in combination with other approaches but generally seeks to enhance the ability of principals to serve as effective instructional leaders by shifting the responsibility of budget preparation and maintenance to the campus level.

SITE BUDGET MANAGERS - Generally the principal of a school or a program director for a particular program, such as Federal Programs, at a district level.

SIZE ADJUSTMENT FACTORS – See SIZE ADJUSTMENT UNITS.

SIZE ADJUSTMENT UNITS - This area of the funding formula addresses public schools with a membership of less than 400, less than 4,000, and over 10,000 (with a ratio of MEM to senior high schools less than 4,000:1), and includes early childhood education fulltime-equivalent membership. Excluded are the following: class C and class D programs, 3 & 4 year old developmentally disabled programs, and separate schools established to provide special programs such as vocational and alternative education.

SOFTWARE - is a collection of computer programs and related data that provide the instructions for telling a computer what to do and how to do it. In other words, software is a conceptual entity which is a set of computer programs, procedures, and associated documentation concerned with the operation of a data processing system.
SOLE SOURCE - A consultant providing professional or technical expertise of such a unique nature that the consultant is clearly and justifiably the only practical source to provide the service. The justification is to be based on either the uniqueness of the service or sole availability at the location required.

SOURCE DOCUMENT - Any voucher, invoice, or other data that support an entry in the accounting records or the document used to initiate an individual accounting transaction.

SPECIAL REVENUE FUNDS - Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. Refer to GOVERNMENTAL FUNDS.

STAFFING LEVELS - A review of class size and the number of staff required for optimum efficiency in accordance with state requirements for each grade level.

STATE AUDITOR - means the elected state auditor of the state of New Mexico, personnel of his office designated by him or independent auditors designated by him.

STATE BUDGET PROCESS - Since its inception, the Legislative Finance Committee’s (LFC) role in the state budget process has grown as the complexity and size of the budget has increased. The committee makes budgetary recommendations to the Legislature for funding state government, higher education and public schools. The committee also prepares legislation addressing financial and management issues of state government. New Mexico is rare in that both the governor and a legislative agency (LFC) propose comprehensive state budgets to the Legislature.

STATE EQUALIZATION GUARANTEE – created by 1974 Public School Finance Act (Section 22-8-17 through 25, NMSA 1978) to equalize financial opportunity at the highest possible revenue level and to guarantee each New Mexico public school student equal access to programs and services appropriate to their needs regardless of geographical or economic conditions. With the absence of categorical funding and/or tracking, school districts and charter schools are encouraged to seek strategies to be efficient and effective in an effort to achieve local goals and objectives.

STATE EQUALIZATION GUARANTEE DISTRIBUTION - The State Equalization Guarantee (SEG) is the amount of money the State of New Mexico “guarantees” to distribute to the district or charter school to defray most of the program cost.

STATE RECORDS CENTER - The facility created to fulfill the statutory requirement is commonly known as the State Records Center and Archives (SRCA). The agency is frequently also referred to by that name, although in statute it is designated as the Commission of Public Records.

STATE SUPPORTED PROGRAMS - The New Mexico Funding Formula includes several state supported programs and activities that are legislatively driven and
generate program cost. Each program or category of student is weighted producing a program cost. Student membership and the respective participation in various programs remain the key factor to determining the number of units that will be generated and funded for a district or charter school.

**STATEMENT OF ACTIVITIES** - A government-wide financial statement that reports the net (expense) revenue of its individual functions. An objective of using the net (expense) revenue format is to report the relative financial burden of each of the reporting government's functions on its taxpayers.

**STATEMENT OF CASH FLOWS** - A GAAP financial statement for proprietary funds that provides relevant information about the cash receipts and cash payments of a government during a period. It categorizes cash activity as resulting from operating, noncapital financing, capital financing and investing activities.

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS** - The fund financial statement that presents information about the changes in net assets for each fiduciary fund.

**STATEMENT OF CHANGES IN NET ASSETS** - The financial statement that is the GAAP operating statement for pension and investment trust funds. It presents additions and deductions in net assets held for pension benefits and investment pool participants. It reconciles net assets held at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

**STATEMENT OF FIDUCIARY NET ASSETS** - The fund financial statement that presents information about the assets, liabilities, and net assets for each fiduciary fund type.

**STATEMENT OF GENERAL FIXED ASSETS** - Listing of fixed assets and accumulated depreciation. A statement of changes in general fixed assets shall be presented in the comprehensive annual financial report.

**STATEMENT OF GENERAL LONG-TERM DEBT** – Listing of debt as evidenced by debt instruments net of accumulated amortization. A statement of changes in long-term debt shall be presented in the comprehensive annual financial report.

**STATEMENT OF NET ASSETS** - A government-wide financial statement that reports the difference between assets and liabilities as net assets, not fund balances or equity. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net assets are displayed in three components invested in capital assets, net of related debt; restricted; and unrestricted.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE** - The financial statement that is the GAAP operating statement for
governmental funds. It presents the inflows, outflows, and balances of current financial resources. It reconciles fund balance at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS OR FUND EQUITY** - The financial statement that is the GAAP operating statement for proprietary funds. It distinguishes between operating and non-operating revenues and expenses and separately presents revenues from capital contributions and additions to the principal of permanent and term endowments, special and extraordinary items, and transfers. It reconciles fund net assets or fund equity at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet/statement of net assets.

**STATEMENTS** - (1) In a general sense, all of those formal written presentations that set forth financial information; (2) in technical accounting, those presentations of financial data that show the financial position and the results of financial operations of a fund, a group of accounts, or an entire LEA for a particular accounting period.

**STATISTICAL TABLES** – A table of statistical data arranged in a tabular format.

**STATUTE** - A written law enacted by the Legislature and signed by the Governor.

**STATUTES** - statutes reflect the written laws approved by legislatures, also known as “legislation” that governs the expenditure of public funds and those involved in the expenditure of said funds.

**STATUTORY AUTHORITY** - The authority granted by state or federal law for the creation and regulation of an entity to a subdivision of the state or federal government.

**STOCK** - See STORES.

**STORES** - Goods that are on hand in storerooms and that are subject to requisition and inventory.

**STRAIGHT LINE METHOD OF DEPRECIATION** - The straight-line method of depreciation allocates the cost of a capital asset systematically over the useful life of the asset by way of the following formula: (cost less salvage value) divided by estimated useful life in years. Refer to AMORTIZATION and DEPRECIATION.

**STRAIGHT-LINE DEPRECIATION** - See Straight line method of Depreciation

**STRAIGHT-LINE METHOD OF AMORTIZATION** - Under the straight-line method of amortization, the premium or discount is prorated in equal dollar amounts to interim periods between the date of purchase and the maturity.
STUDENT ACCIDENT - This program is available for this category of student who participates in job shadowing school-to-work, vocational job training programs, or those who are volunteers or receive a stipend.

STUDENT BODY FUND - An agency or activity fund to control the receipts and the disbursements of student associations' activities; it consists only of assets and liabilities.

STUDENT MEMBERSHIP (MEM) - Student membership is a key factor to determining the number of units that will be generated and funded for a district or charter school. It is calculated based on an average of the 80th and 120th day counts for each school district or charter school.

SUBJECT - A refined breakdown of object of expenditures relating to particular items or item categories. Refer to OBJECT/SUBJECT OF EXPENDITURE CODE.

SUB-PROGRAM - A general term describing specific activities within an agency program.

SUB-PROGRAM CODE - A code assigned by the agency to identify specific activities or organizational units within a single program.

SUBSIDIARY ACCOUNTS - A group of related accounts supporting in detail the balance of a controlling account, usually kept in a subsidiary ledger. Refer to SUBSIDIARY LEDGER and CONTROL ACCOUNT.

SUBSIDIARY LEDGER - supporting ledger consisting of a group of accounts, the total of which is in agreement with a control account (e.g., payroll ledger and appropriations ledger). Refer to GENERAL LEDGER and SUBSIDIARY ACCOUNTS.

SUB-SUB-OBJECT OF EXPENDITURE CODE - Optional code assigned by an agency to further identify a particular expenditure item within a sub-object of the expenditure.

SUPPLEMENTAL INSTRUCTIONAL MATERIALS – Appropriation from Instructional Materials Bureau which may be spent for materials on the state adopted multiple list or for the purchase of instructional materials not on the state adopted multiple list.

SUPPLIES - Assets consumed in the course of an agency's operations. See Supply.

SUPPLY - An item of an expendable nature that is consumed, wears out, or deteriorates in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance. See SUPPLIES.

SUPPORTING SCHEDULES - Financial presentations used: (1) to demonstrate compliance with finance-related legal and contractual provisions; (2) to aggregate and present in greater detail information spread throughout the financial statements that can be brought together and shown in greater detail (e.g., cash balances, investments, current and delinquent taxes); (3) to present greater detail information reported in the
financial statements (e.g., additional revenue sources detail); and (4) to present information not disclosed in the GAAP financial statements.

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 embezzlement defalcation. Surety bonds also include fidelity bonds covering governmental officials and employees. Refer to FIDELITY BOND.

SUSPENSE ACCOUNT - An account that carries charges or credits temporarily pending the determination of the proper account or accounts to which they are to be posted. It does not appear in financial statements.

SUSPICIOUS ORDERS – An order for merchandise that gives rise to suspicion based on quantity, frequency or absence of intended use.

SYSTEM OF AUTHORIZATION – A password and user ID protected system to deter unauthorized access to a website, electronic files, etc.

• T

T – ACCOUNT - The T-Account is a form of account named for its shape, the left side is the debit side, and the right side is the credit side. It is used as a tool to illustrate and analyze transactions.

T AND E - See TRAINING AND EXPERIENCE INDEX.

TANGIBLE GOODS - Tangible goods are merchandise that you can put your hands on. Stuff like jewelry, computers, clothing or even CD's are all tangible products.

TAX LEVY RECEIPTS REPORT – Report format available from PED and in the Tips, Tools and Resources section of this manual for calculating and reconciling county tax receipts received by a school district.

TAX LIENS - Claims by governmental units on properties for which taxes levied remain unpaid.

TAX RATE - The amount of tax stated in terms of a unit of the tax base.

TAX RATE LIMIT - The maximum rate of tax that a governmental unit may levy.

TAX REDEMPTION - Proceeds from the sale of tax-delinquent property.

TAX ROLL - The list showing the amount of taxes levied against each taxpayer or property.

TAXES - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.
**TAXES RECEIVABLE** - An asset account reflecting the uncollected portion of taxes that have been levied.

**TDD** - An acronym for Telecommunication Devices for the Deaf.

**TEACHERAGE** - Residences maintained by a school district in remote areas of the state where housing is scarce in order to provide housing for teachers or other district employees at a nominal rental rate. It is a separate fund number in the general ledger set up for the purpose of tracking rents received and repair and maintenance to the properties.

**TERM BONDS** - Bonds whose entire principal matures on one date.

**TERMINATION BENEFITS** - Benefits given to employees when they leave state service either voluntarily (i.e. early retirement) or involuntarily (i.e. reduction in force). Examples of benefits include cash payments, enhancements to defined benefit pension or other postemployment benefit formulas, continued access to health insurance, severance pay, career counseling, and/or outplacement services.

**THEFT SENSITIVE** – Items that are attractive to thieves due to ready, unlawful, profitable and quick disposal.

**TIER** - refers to which type of IPA procedures (if any) that a local public body is required to obtain by Subsection B of Section 12-6-3, NMSA 1978.

**TIMELY** - occurring at a suitable time; seasonable; opportune; well-timed: *a timely warning*. *In a timely manner*, and *in a timely fashion*, the word *timely* is used as an adjective.

**TIMELY BASIS** - See TIMELY.

**TITLE IX** – See SCHOOL ATHLETICS EQUITY ACT (SAEA).

**TITLE VIII (IMPACT AID)** - Impact Aid provides financial assistance to school districts affected by federal activities. Because federal property is exempt from local property taxes, Impact Aid helps to replace lost revenue that would otherwise be available to pay for educating children who live on federal property or whose parents work on federal property.

**TONE** - a literary term which encompasses the attitudes toward the subject and toward the subject implied, in this case the attitude toward protection of assets owned by district’s or charter schools conveyed through actions and manner of the management and school board of a district.

**TOTAL ASSESSED VALUE** - is the total value of the taxable property within the district. It is determined by the county assessor and includes “centrally assessed property” like electrical transmission lines.
TRADE DISCOUNT - A reduction of the list price, usually expressed as a percentage and related to the volume of business transacted. (The term is not to be confused with Cash discount).

TRAINING AND EXPERIENCE INDEX - As a multiplier within the New Mexico Funding Formula the Training and Experience (T&E) index represents one of the most important factors that enable a school district or charter school to generate additional units.

TRANSFER - Interdistrict or interfund payments or receipts not chargeable to expenditures or credited to revenue. See also BUDGET TRANSFER, TRANSFER BAR.

TRANSFER BAR - budget adjustment request approved by the local board and by PED necessary to transfer budget authority to a different account code.

TRANSPARENCY - as used in the humanities and in a social context more generally, implies openness, communication, and accountability. It is a metaphorical extension of the meaning a "transparent" object is one that can be seen through. Transparent procedures include open meetings, financial disclosure statements, freedom of information legislation, budgetary review, audits, etc.

TRANSPORTATION DISTRIBUTION - the total legislative appropriation for the transportation distribution minus amounts included for capital outlay expenses.

TRANSPORTATION EXPENSES - Those costs covering a) travel by commercial carriers such as bus, train, ship, and airplane; b) travel by privately owned motor vehicles, such as cars, motorcycles, vans, or trucks; c) travel by rental motor vehicle; d) or some combination of a), b), and/or c).

TRANSPORTATION SUB FUND – As defined in the UCOA, the transportation fund 13000 is a sub fund of the Operational Fund, 10000.

TRAVEL - means: for per diem purposes, being on official business away from home as defined in Subsection F above and at least 35 miles from the designated post of duty of the public officer or employee. However, nonsalaried public officers are eligible for per diem for attending meetings in accordance with Subsection C of 2.42.2.8 NMAC.

TRAVEL EXPENSES - Those costs covering per diem expenses; transportation expenses; meals and/or coffee and light and miscellaneous refreshment business expenses regardless of travel status; and miscellaneous business expenses related to official district travel.

TRAVEL STATUS - The official status of a traveler when the traveler is away from both the official residence and the official station, exclusive of commuting between the traveler's official station and official residence, on district-related business.
**TRIAL BALANCE** - A trial balance is a list of balances in a ledger kept by double entry that is used to check the equality of the debits and credits in the ledger. This report is used internally, and does not represent formal disclosures. If the totals of the debit and credit columns are equal or if their net balance agrees with a control account, or their balances in total are equal to zero, the accounts are deemed to be “balanced.

**TRUST AND AGENCY FUNDS** - Refer to FIDUCIARY FUNDS.

**TRUST FUND** - A fund used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**TUITION** - An amount charged for educational services provided to a student.

**TULIP** - The Tenant User Liability Insurance Program was developed as an affordable insurance policy that can be purchased by those who use or lease district or charter school premises. The policy is written in the name of the New Mexico Public School Insurance Authority (NMPSIA) and names the member and tenant user as Named Insured.

- **U**


**UCOA** – means Uniform Chart of Accounts.

**UFRS** - means Uniform Financial Reporting Standards.

**UNAMORTIZED DISCOUNTS ON BONDS SOLD** - Excess portion of the face value of bonds over the amount received from their sale that remains to be amortized over the life of the bonds.

**UNAMORTIZED DISCOUNTS ON INVESTMENTS** - An asset account used to reflect the excess portion of the face value of securities over the amount paid for them that remains to be amortized over the remaining life of such investments.

**UNAMORTIZED PREMIUMS ON BONDS SOLD** - Excess portion of proceeds over the face value of the bonds that remains to be amortized over the remaining life of such bonds. Refer to BOND DISCOUNT.

**UNAMORTIZED PREMIUMS ON INVESTMENTS** - An asset account used to reflect the excess portion of the amount paid for securities over their face value that remains to be amortized over the remaining life of such investments. Refer to BOND PREMIUM.

**UNASSIGNED FUND BALANCE** – The residual classification used for reporting spendable fund balance in the General Fund that represents amounts that have not been restricted, committed, or assigned.
UNAUDITED ACTUALS - An annual statement reporting the financial activities of the LEA in which the data are not yet audited.

UNDESIGNATED UNRESERVED FUND BALANCE - Available expendable financial resources in a governmental fund that are neither legally restricted nor the object of tentative management plans.

UNEARNED REVENUE - Refer to DEFERRED REVENUES.

UNENCUMBERED BALANCE - That portion of an appropriation or allotment not yet expended or obligated.

UNIFORM CHART OF ACCOUNTS - Required chart of accounts to be used by New Mexico school districts and charter schools consisting of six required elements. Refer to PSAB Supplement 3 for instructions. See UCOA.

UNIFORM CLASSIFICATION SYSTEM OF INVENTORY ITEMS - The General Services Department (GSD) through its Financial Control Division and its Property Control Division has the statutory responsibility to establish standards for inventories including a uniform classification system of inventory items.

UNIT COST - The total expenditure for a product, program, or service divided by the total quantity obtained or some other quantitative measure (e.g., the total expenditure for desks divided by the number of desks equals the cost per desk).

UNIT VALUE - All students generate a unit value according to their grade level. The legislature decides which factors will be equalized among all 89 school districts and how much money will be available for public education. These factors are specified in statute. The Public Education Department collects data to determine the number of units per district. The unit value is basically determined by dividing the amount of money allocated for education by the number of units of each district.

UNLIQUIDATED ENCUMBRANCES - Outstanding encumbrances which have not been paid or approved for payment. Refer to ENCUMBRANCE.

UNREALIZED GAIN OR LOSS - Term used in connection with the valuation of investments. It represents the cumulative difference between the cost of the investment and its market value prior to its disposition.

UNRESERVED FUND BALANCE - Unreserved fund balance is that portion of governmental fund equity that is neither legally segregated for a specific future use nor unavailable for appropriation. It may be either designated or undesignated. Designations may be established to indicate tentative plans for financial resource utilization in a future period. Unreserved, undesignated fund balance is available for appropriation. Refer to FUND BALANCE.
UNRESTRICTED NET ASSETS - One of the three components of net assets reported in government-wide and proprietary fund financial statements. It represents that portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

USEFUL LIFE - An estimate of the total time that an asset is usable and in service.

UTILIZATION STUDY is an efficiency study that is performed by districts to optimize the size and design of a school building, in order to maximize facility utilization and thereby to minimize overhead cost.

VENDOR - An entity selling a good or service to the district. Vendors include, but are not limited to, retail businesses, consultants, contractors, and manufacturers. A vendor may be an individual, corporation, non-profit organization, federal government, or federal agency, local government or local agency, another state or another state agency, a New Mexico state agency, or Indian nation. For travel reimbursement purposes, a vendor may include an employee, a board member, or volunteer.

VENDOR'S REMITTANCE ADVICE - A form used to accompany each warrant/check to notify the payee of what is being paid. The vendor’s remittance advice is to reference the warrant/check number and the invoice number as appropriate.

VOLUNTARY CATASTROPHIC INJURY INSURANCE - This coverage is NOT liability coverage, but rather a medical, rehabilitation, and disability coverage. An optional extended coverage for non-NMAA school sponsored activities – Voluntary Catastrophic Injury Insurance may be purchased.

VOUCHER - A written document that evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

WAIVER REQUEST - New Mexico school districts and state-chartered schools can request waivers from the Secretary of Education in a multitude of areas including but not limited to class size, instructional day, EPSS site level action plans, district reorganization, etc.

WAREHOUSE – A physical building to segregate supply items for future distribution. The term may also apply to a data warehouse. A data warehouse maintains its functions in three layers: staging, integration, and access.

WAREHOUSE INVENTORY SYSTEM – A computerized system which keeps track of where inventory is stored, quantities of inventory on hand, when it is time to re-order, orders in process, what was issued to whom and when.
WEIGHTED AVERAGE (W.A.) - An inventory valuation method which values ending inventory based on the average cost per unit for the period.

WIRE TRANSFER - A type of electronic fund transfer that guarantees immediate available funds or same day settlement. The payments are conducted on the Federal Reserve System's federal wire (Fed Wire) network.

WIS – See WAREHOUSE INVENTORY SYSTEM.

WITHHOLDING - The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the individual's estimated federal or state income tax that the employer must pay to the taxing authority.

WORK ORDER - A written authorization for the performance of a particular job containing a description of the nature and location of the job and specifications for the work that is to be performed. Such authorizations are usually assigned job numbers, and provision is made for accumulating and reporting labor, material, and other costs.

WORK STATION - Computer, personal computers, or work areas assigned for data processing purposes.

WORKER'S COMPENSATION - This coverage is provided to pay benefits prescribed for all employees. This coverage also includes Employer's Liability and Occupational Disease and Disablement. The Worker's Compensation limit is statutory and the employer's liability limit is $1,000,000. Worker's Compensation is covered under Chapters 52 and 59a, NMSA, 1978.

WORKING PAPERS - the documents which record all audit evidence obtained during financial statements auditing, internal management auditing, information systems auditing, and investigations. Audit working papers are used to support the audit work done in order to provide assurance that the audit was performed in accordance with the relevant auditing standards.

• Z

ZERO BASED BUDGETING - This method was popularized in the 1970’s and basically requires that program activities and services must be justified annually during the budget development process. The school district operations are divided into decision units at relatively low levels of the organization. Individual decision units are then aggregated into decision packages based upon program activities or goals. The decision units are ranked in order of importance in reaching an organization’s goals or objectives.
Statutory and Regulatory Guidance

A Quick Reference
The hierarchy above represents the different levels of statutory and regulatory guidance for School Business Officials.

School Business is driven by laws of the state and federal government.

Users of this manual will notice that selected legal references appear throughout the manual. This quick guide is provided as a handy reference for laws most often referred to by School Business Officials.
Web Sites Most Commonly Used

www.nmcompcomm.us/ (New Mexico Compilation Commission)
The New Mexico Constitution
The New Mexico State Statutes

www.nmcpr.state.nm.us/nmac/ (New Mexico Commission of Public Records – Public Law Division)
New Mexico Administrative Code

www.conwaygreene.com/
New Mexico State Statutes

www.nmsba.org (New Mexico School Board Association)
Local Board Policies

www.OMB.gov - (Office of Management & Budget)
www.gao.gov/ - (Governmental Accounting Office)
GAAP (Generally Accepted Accounting Principles)
GASB (Governmental Accounting Standards Board)

www.NMASBO.org – (New Mexico Association of School Business Officials)
Constitution
of the
State of New Mexico

ADOPTED JANUARY 21, 1911

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14. [Aid to private enterprise; veterans' scholarship programs; student loans; job opportunities; affordable housing.]
15. State and local refunding bonds.
Sec. 11. [School district indebtedness; restrictions.]

A. Except as provided in Subsection C of this section, no school district shall borrow money except for the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or any combination of these purposes, and in such cases only when the proposition to create the debt has been submitted to a vote of such qualified electors of the district as are owners of real estate within the school district and a majority of those voting on the question has voted in favor of creating such debt.

B. No school district shall ever become indebted in an amount exceeding six percent on the assessed valuation of the taxable property within the school district as shown by the preceding general assessment.

C. A school district may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the district, but any debt created is subject to the limitation of Subsection B of this section.

D. For the purposes of this section, a financing agreement entered into by a school district or a charter school for the leasing of a building or other real property with an option to purchase for a price that is reduced according to the payments made by the school district or charter school pursuant to the financing agreement is not a debt if:

   (1) there is no legal obligation for the school district or charter school to continue the lease from year to year or to purchase the real property; and

   (2) the agreement provides that the lease shall be terminated if sufficient money is not available to meet the current lease payments. (As amended September 19, 1933, September 28, 1965, November 5, 1996 and November 7, 2006.)
Sec. 14. [Aid to private enterprise; veterans' scholarship programs; student loans; job opportunities; affordable housing.]

Neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise for the construction of any railroad except as provided in Subsections A through G of this section.

A. Nothing in this section prohibits the state or any county or municipality from making provision for the care and maintenance of sick and indigent persons.

B. Nothing in this section prohibits the state from establishing a veterans' scholarship program for Vietnam conflict veterans who are post-secondary students at educational institutions under the exclusive control of the state by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "Vietnam conflict veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces from New Mexico or who has lived in New Mexico for ten years or more and who has been awarded a Vietnam campaign medal for service in the armed forces of this country in Vietnam during the period from August 5, 1964 to the official termination date of the Vietnam conflict as designated by executive order of the president of the United States.

C. The state may establish by law a program of loans to students of the healing arts, as defined by law, for residents of the state who, in return for the payment of educational expenses, contract with the state to practice their profession for a period of years after graduation within areas of the state designated by law.

D. Nothing in this section prohibits the state or a county or municipality from creating new job opportunities by providing land, buildings or infrastructure for facilities to support new or expanding businesses if this assistance is granted pursuant to general implementing legislation that is approved by a majority vote of those elected to each house of the legislature. The implementing legislation shall include adequate safeguards to protect public money or other resources used for the purposes authorized in this subsection. The implementing legislation shall further provide that:

1. each specific county or municipal project providing assistance pursuant to this subsection need not be approved by the legislature but shall be approved by the county or municipality pursuant to procedures provided in the implementing legislation; and

2. each specific state project providing assistance pursuant to this subsection shall be approved by law.

E. Nothing in this section prohibits the state, or the instrumentality of the state designated by the legislature as the state's housing authority, or a county or a municipality from:

1. donating or otherwise providing or paying a portion of the costs of land for the construction on it of affordable housing;

2. donating or otherwise providing or paying a portion of the costs of construction or renovation of affordable housing or the costs of conversion or renovation of buildings into affordable housing; or

3. providing or paying the costs of financing or infrastructure necessary to support affordable housing projects.

F. The provisions of Subsection E of this section are not self-executing. Before the described assistance may be provided, enabling legislation shall be enacted by a majority vote of the members elected to each house of the legislature. This enabling legislation shall:
(1) define "affordable housing";
(2) establish eligibility criteria for the recipients of land, buildings and infrastructure;
(3) contain provisions to ensure the successful completion of affordable housing projects supported by assistance authorized pursuant to Subsection E of this section;
(4) require a county or municipality providing assistance pursuant to Subsection E of this section to give prior formal approval by ordinance for a specific affordable housing assistance grant and include in the ordinance the conditions of the grant;
(5) require prior approval by law of an affordable housing assistance grant by the state; and
(6) require the governing body of the instrumentality of the state, designated by the legislature as the state's housing authority, to give prior approval, by resolution, for affordable housing grants that are to be given by the instrumentality.

G. Nothing in this section prohibits the state from establishing a veterans' scholarship program, for military war veterans who are post-secondary students at educational institutions under the exclusive control of the state and who have exhausted all educational benefits offered by the United States department of defense or the United States department of veterans affairs, by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "military war veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces or who has lived in New Mexico for ten years or more and who has been awarded a southwest Asia service medal, global war on terror service medal, Iraq campaign medal, Afghanistan campaign medal or any other medal issued for service in the armed forces of this country in support of any United States military campaign or armed conflict as defined by congress or by presidential executive order or any other campaign medal issued for service after August 1, 1990 in the armed forces of the United States during periods of armed conflict as defined by congress or by executive order. (As amended November 1, 1971, November 5, 1974, November 8, 1994, November 5, 2002, November 7, 2006 and November 2, 2010.)
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