

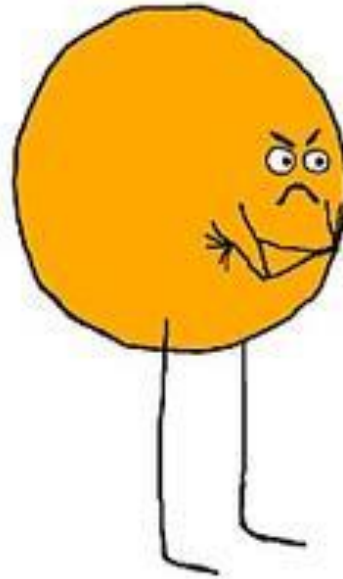
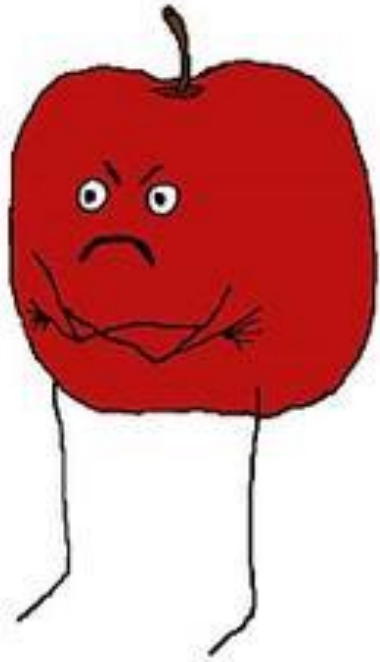
# Understanding School Financials

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# School Fund Accounting

Fund 1 = State Public School Funds from DPI

Fund 2 = Local Current Expense Fund

Fund 3 = Federal grant Fund from DPI

Fund 4 = Capital Outlay Fund

Fund 5 = Multiple Enterprise Funds, includes Child Nutrition

Fund 6 = Trust and Agency Funds

Fund 7 = Reserved for LEA or Charter School local use

Fund 8 = Other Specific Revenue Fund

Fund 9 = Capital Assets

## Fund 1: State Public School Fund

(State Funded)

- Position allotments
- Dollar allotments
- Categorical allotments

## Fund 2: Local Current Expense Fund

(Mainly County Funded)

- County appropriations
- Fines, penalties, forfeiture distributions
- *Supplement school taxes*
- Other monies accruing to the school unit for operating expenses

## Fund 4: Capital Outlay Fund

(Mainly County Funded)




- County appropriations (including earmarked sales taxes and lottery monies)
- *Supplemental school taxes*
- Proceeds of sales of capital assets
- Donations/grants restricted to capital

## Fund 8

(Limited County Funding)

- Restricted gifts and grants
- Reimbursements
- Tuition
- Sales tax distributions
- Sales tax refunds
- Funds for pre-kindergarten programs
- Federal appropriations directly to school unit
- Trust funds

# Fund 1: State Public School Fund (State Funded)

Position Allotments	Dollar Allotments	Categorical Allotments
<ul style="list-style-type: none"> <li>• Teacher salaries / benefits</li> <li>• Instructional personnel</li> <li>• Administrators</li> </ul> 	<ul style="list-style-type: none"> <li>• Textbooks</li> <li>• Supplies</li> <li>• Teacher assistants</li> <li>• Central office admin personnel</li> <li>• General operating expenses</li> </ul> 	<ul style="list-style-type: none"> <li>• Low wealth counties</li> <li>• Small counties</li> <li>• Disadvantaged students</li> <li>• Limited English proficiency students</li> <li>• Academically gifted students</li> <li>• Children with disabilities</li> </ul> 



## Fund 2: Local Current Expense Fund

(Mainly County Funded)

- County appropriations
- Fines, penalties, forfeitures distributions
- *Supplement school taxes*
- Other monies accruing to the school unit for operating expenses

### Purpose / Function Codes

- By major expenditure category/subcategory
- County can budget at this level of specificity
- School unit has some flexibility to move county \$ around

### Object Codes

- “Line item” level

### PRC Codes

- By program or function



## Fund 4: Capital Outlay Fund

(Mainly County Funded)

- County appropriations (including earmarked sales taxes and lottery monies)
- *Supplemental school taxes*
- Proceeds of sales of capital assets
- Donations/grants restricted to capital

### Category I

- Specific projects
- School unit may not move \$ to other projects

### Category II

- Furniture/Equipment
- School unit may move \$ within category

### Category III

- Motor vehicles
- School unit may move \$ within category

# Budgeting Process

## Step 1

- Ongoing Discussions Between Boards (Statutorily Required!)

## Step 2

- Public School Superintendent Presents Superintendent's Budget to Local School Board (by May 1)

## Step 3

- Local School Board May Hold Hearing on Superintendent's Budget
- Local School Board Makes Changes and Adopts Proposed Budget

## Step 4

- Local School Board Submits Entire Proposed Budget to County (by May 15)
- Board of County Commissioners May Request Further Information from Local School Board



Step 5

- County Board of Commissioners Makes Appropriations to Local School Administrative Unit
- May appropriate operating funds by purpose and function code

Step 6

- *OPTIONAL: Dispute Resolution Process*

Step 7

- The local board of education adopts a budget resolution