

The key to understanding total appropriations, and why school districts focus on the General Fund for budgeting, begins with understanding the purpose and use of funds.

- Governmental entities use fund accounting to track revenues and expenditures, mostly due to the fact that some funds have very specific restrictions on how dollars can be spent, e.g. Food Services and Grants.
- Separate funds are created to track revenue that is received for a specific purpose and to assist with meeting special reporting requirements — similar to separate checking accounts.
- Having separate funds ensures that dollars are tracked and used for intended purposes and allows for better transparency.
- Jeffco has fourteen (14) funds, not including the Charter Fund.
 - ▶ The district does not budget for charter schools. Charter schools have sole control of their funds and expenditures and, per state statute, are required to appropriate their own budgets. These funds cannot be used to help with district-managed schools.
- The **General Fund is our main operating fund**. It accounts for the majority of district expenditures and offers the best opportunity to impact student learning.
- Per Colorado statute, the district is required to appropriate a budget for each fund. However, adding appropriations for all of the funds together **does not equal** the total district expenditures. Why?
 - ▶ Some funds receive transfers from the General Fund; thus, adding these funds together would result in double counting because the expenditures occur in both funds.
 - ▶ And, some funds represent revenue received for a specific purpose (activity/program). Thus, it would be wrong to assume that those dollars could be transferred to the General Fund for general operating purposes because suspension of the specific purpose/activity/program would eliminate the revenue.

Focusing on the General Fund for budgeting is the most effective way to evaluate the allocation of resources.

- The total budgeted expenditures (appropriations) for all funds are disclosed in the *Adopted Budget* and *Dollars & Sense* publications which are available on the district's website at www.jeffcopublicschools.org/finance



Debt Service Fund

Specific for debt repayment of general obligation bonds.

Campus Activity Fund

Maintained for the support of student fundraising, donations and activities. Inappropriate and potentially illegal for these funds to be used for anything other than their stated purpose of collection.

Capital Project Funds

Capital Reserve Fund
Majority of funding comes from a GF transfer; expenditures are included in GF expenditures.

Building Fund*
To comply with proper reporting for bond expenditures.

General Fund

This fund is used for routine operations that are funded by state share per the Colorado School Finance Act, property taxes and other general revenues.

The General Fund (GF) is used to manage all resources that are not legally, or by sound financial management, required to be managed in another fund.

The district focuses on the GF for budgeting because the majority of this fund is not restricted and can be redirected for the most impact on student learning.

There are line items in this fund that must be maintained for federal matching purposes, but this dollar amount which includes total expenditures and transfers, is always good to use for total expenditure purposes.

Food and Nutrition Services Fund

Specific for managing all financial activities associated with the school breakfast and lunch meal program for students. Funds are legally restricted to expenditures for these purposes.

Internal Service Funds
(Central Services, Employee Benefits, Insurance Reserve and Technology)

For specific services provided to the district. Funded by either a GF transfer or billings to GF for services.

Grant Fund

For federal, state and private grants; expenditures are prescribed by the grant. Funds cannot be used for other purposes; any other use puts the funds at risk to be rescinded by grantor.

Transportation Fund

Majority of expenditures are supported by a transfer from GF; adding this fund results in duplication of expenditures.

Fees and state funding are for specific purposes.

Enterprise Funds
(Child Care and Property Management)

For specific activities to support students and the community.

Charter Fund

The district budget does not include detail for district charter schools; they are required per state statute to appropriate their own budgets. Charter schools have sole control of their funds, and these funds cannot be used to help with district-managed schools.

- Cannot be used for operational expenditures.
- Adding these funds together will result in double counting of expenditures. This is similar to intercompany eliminations in private industry which are required when combining the results of the whole company and eliminating internal activity.
- 🔒 Funds are restricted and were received specifically to be used for a specific purpose. If the program/activity is suspended, the funding goes away.

*For more information about all funds, please see the Quarterly Financial Reports posted online at www.jeffcopublicschools.org/finance