

Glossary Section



## GLOSSARY / ACRONYMS & DEFINITIONS

**38.14** - Reference to State of Wisconsin Statute 38.14. This statute gives technical colleges such as MATC the mission of providing customized workforce training to business and industry for a fee.

**38.24** – Reference to State of Wisconsin Statute 38.24. This statute authorizes the Wisconsin Technical College System to offer full cost recovery professional development workshops to individuals in related employment.

**A&S** - Arts and Sciences Division

**ABE** - Adult Basic Education

**ACE** - Adult and Continuing Education

**ADA** - Americans with Disabilities Act

**Agency Funds** - Account for assets held in trust by the district. The Agency Funds are used to record resources and related financial activity where the district acts as an agent or custodian for others rather than as an owner. These funds include all other fiduciary accounts, including deposits from student activities and clubs.

**Appropriations** - An authorization granted by a legislative body (MATC Board) to make expenditures and to incur obligations for specified purposes. MATC controls expenditures at the functional level within a fund.

**AQIP** – Academic Quality Improvement Process (the process MATC employs to gain continued regional accreditation from the Higher Learning Commission of the North Central Association)

**Assessed Valuation** - The valuation set upon real estate or other property by the state through the Wisconsin Department of Revenue. This valuation is multiplied by the tax rates set annually by the board to determine taxes due. Assessed value may be less than market value.

**Assets** - Property and resources owned or held which have monetary value.

**Auxiliary Services** - The expenditure function used to record costs for all activities of a commercial enterprise or of a proprietary nature, such as the bookstore, child care, cafeteria, and vending machine operations.

**Avocational** – Non-academic courses for self-improvement; also known as Community Service courses.

**Balance Sheet** - A statement which discloses the assets, liabilities, reserves and equities of a fund or account group at a specific date to exhibit financial position.

**Bond** - A written promise to pay a specified sum of money, called the face value or principal amount, at specified date(s) in the future, called the maturity date(s), together with periodic interest at a specified rate.

**Bond Rating** - A level of risk assigned to general obligation promissory notes assessed by Moody's Investors Service or Standard and Poor's. The higher the rating, the less risky the notes are. MATC has an Aaa bond rating, which represents the lowest risk category possible to obtain.

**Bonded Debt** - The portion of indebtedness represented by outstanding bonds, which include general obligation promissory notes, backed by approved, irrevocable future tax levies for debt service.

**BPAC** - Business Procurement Assistance Center

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**CAFR** - Comprehensive Annual Financial Report - The district's annual financial report containing financial, demographic and statistical information about the district.

**Capital Leases** - An extended commitment to rent real property or capital equipment over a period of more than two years that vests certain ownership rights with the lessee.

**Capital Outlay** - An appropriation and expenditure category for government assets with a value of \$500 or more and a useful economic lifetime of more than one year.

**Capital Projects Fund** - Accounts for financial resources used for the acquisition or construction of major capital assets and remodeling (other than those financed by enterprise or internal service funds.)

**CETL** – Center for Excellence in Teaching and Learning

**CHASE** – Center of Health & Safety Education

**CMAT** – Construction, Manufacturing, Apprenticeship and Transportation Center

**Compensated Absences** - The amount owed in the future to faculty and staff, received as a benefit for current service.

**Continuous Improvement (CI)** – CI processes are ongoing, data supported, research-driven processes carried out by a team for the purpose of improving the effectiveness of work systems and their results

**CPI** - Consumer Price Index

**Current Expense** - Expenses that are not salaries, wages or fringe benefits. Current expense includes: supplies, paper, travel, utilities and insurance.

**Debt** - An obligation resulting from borrowing money.

**Debt Limit** - The maximum amount of gross or net debt legally permitted.

**Debt Proceeds** - Amounts received from the issuance of general obligation promissory notes.

**Debt Service** - Expenditures for the retirement of debt, as well as the interest payment on that debt.

**Debt Service Fund** - Accounts for the accumulation of resources for and the payment of general long-term debt principal and interest.

**Deficit** - The excess of expenditures/uses over revenues/resources.

**Depreciation** - The expiration of the useful life of a fixed asset over a determined period of time attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. Also, the portion of the cost of a fixed asset charged as an expense during a particular period.

**Designated for Subsequent Year** - A portion of this year's unreserved fund balance to provide for the excess of expenditures and other financing uses over revenues and other financing sources budgeted in the next year.

**Encumbrances** - Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid, or when an actual liability is established.

**Enterprise Funds** - Account for ongoing activities which are similar to those often found in the private sector and the services are provided primarily through user charges. Their measurement focus is based upon determination of net income.

**Equalized Valuation** - The full value of the taxable property in a district, as determined by the Wisconsin Department of Revenue. Full value less the value of tax incremental financial districts (TIF) is used for allocation of tax levy to municipalities in a taxing district.

**Equity** - The excess of assets over liabilities generally referred to as "fund balance."

**ESL** - English as a Second Language

**Expenditure** - A decrease in the net financial resources of the district generally due to the purchase of goods and services, the payment of salaries and benefits, and the payment of debt service.

**Expenses** - Outflows or other uses of assets or liabilities incurred from delivering or producing goods, rendering services, or carrying out other activities that constitute an entity's operation.

**Fixed Assets** - Assets of a long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, building, furniture, and other equipment.

**Fringe Benefits** - Compensation in addition to regular salary or wages provided to an employee. This includes health, and dental insurance, Social Security, Wisconsin Retirement, and salary continuance (disability insurance).

**Full-Time Equivalent (FTE)** - Full-Time Equivalent student; number of total eligible credits taken in a year by the student body divided by 30, or a course load of 15 credit hours per semester.

**Function** - A group of related activities aimed at accomplishing a major service/activity for which a governmental unit is responsible, such as instruction or student services.

**Fund Balance** - The excess of assets over liabilities. They may be:

- Reserved: A portion of fund balance that is not available for other expenditures and is legally segregated for a specific future use.
- Unreserved: Designated: A portion of fund balance established to indicate tentative plans for financial resource utilization in a future period. Such plans are subject to change and may never be legally authorized, or may result in expenditures such as designations for operations and for subsequently-budgeted expenditures.
- Undesignated: The remainder of fund balance which is neither reserved nor designated.

**Fund** - An independent fiscal and accounting entity with a self-balancing set of accounts, including assets, liabilities, and fund balances, e.g., general fund, special revenue fund, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**FY** - Fiscal Year - A twelve-month period to which the annual operating budget applies and, at the end of which, a governmental unit determines its financial position and the results of its operation. MATC uses a July 1 to June 30 fiscal year.

**GAAP** - Generally Accepted Accounting Principles - The uniform standards used to report financial information.

**General Fund** - The primary operating fund of the district and its accounts reflect all financial activity not required to be accounted for in another fund.

**General Obligation Debt (or General Obligation Promissory Notes)** - Long-term debt for facility upgrade and capital equipment backed by the full faith and credit of the district.

**GFOA** - Government Finance Officers Association of the United States and Canada

**Governmental Fund Types** - The total of the general, special revenue, capital projects, and debt service funds.

**Institutional** - Revenue generated for contracts for instruction with business and industry, interest income and miscellaneous user charges.

**Intergovernmental** - Revenue received from state, federal or other government agencies.

**Internal Service Fund** - Account for the financing and related financial activities of providing goods or services from one department to another department within MATC on a cost-reimbursement basis.

**Levy** - The total amount of taxes or special assessments imposed by a governmental unit.

**Liabilities** - Debt or other legal obligations arising out of transactions for goods or services received in the past, which are owed but not necessarily due.

**Local Government** - Revenue received from property taxes.

**MAAP** – Mandatory Assessment, Advising & Placemen. A collaborative, continuous improvement network for program and service unit self assessment.

**MATC** - Madison Area Technical College District

**Mill Rate** - Tax rate (taxation) in mills (\$.001) per dollar of valuation. Mill rates are usually expressed in mills per \$1,000 of valuation. MATC has two components to its mill rate: operation and debt service. By statute, the operational component cannot exceed \$1.50 per \$1,000 of valuation.

**NCA** - North Central Association Commission on Accreditation and School Improvement a non-governmental, voluntary organization that accredits public and private schools from pre-kindergarten through post-secondary schools.

**Obligations** - Amounts which a governmental unit may be required to legally meet out of its resources, including both liabilities and unliquidated encumbrances.

**Operating Budget** - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even when not required by law, annual operating budgets are essential for sound financial management and should be adopted by every government.

**Operating Funds** - The general and special revenue funds combined.

**Operating Transfers** - A transfer of resources from one fund to another as required by law or appropriation. The funds are considered revenues of the source fund, not the receiving fund.

**Operational Expenditures** - The salaries, fringe benefits, materials, supplies, services and other expenditures related to district operations.

**Overlapping Debt** - The proportionate share of the debts of local governments, located wholly or in part within the limits of the reporting government, which must be borne by property within each government.

**PACE** - Personal Assessment of the College Environment; survey instrument used to determine employee satisfaction.

**Pro Forma Balance Sheet** - A statement which projects the district's balance sheet for a future period.

**Promissory Notes** - See General Obligation Debt

**Proprietary Fund Types** - This group of funds comprises the businesslike operations of the district and includes the enterprise and internal service funds. Considered non-governmental funds.

**PS** - PeopleSoft

**PSRP** - Paraprofessional and School Related Personnel; one of three employee unions at MATC; MATC support staff, i.e., maintenance, custodial, clerical and paraprofessional staff.

**Regional Campuses** – MATC campuses located in Fort Atkinson, Portage, Reedsburg and Watertown.

**Reserve** - An account used to earmark a specific portion of fund balance to indicate that it is not available for other expenditures, but is designated for a specific purpose.

**Reserved Fund Balance** - See Fund Balance.

**Retained Earnings** - An equity account reflecting the accumulated earnings of a proprietary (enterprise and internal service) fund.

**Revenue** - All funds that the district receives, including tax payments, fees for specific services, receipts from other governments, and interest income.

**Self-Insurance** - The funding of liability, property, and dental insurance needs through the district's financial resources rather than commercial insurance plans.

**Special Revenue Fund** - Accounts for the proceeds of specific revenue sources (other than debt service, major capital projects, or expendable trust) that are restricted to expenditures for designated purposes because of legal or regulatory provisions. Special Revenue Funds consist of federal and state grants and business and industry contracts.

**Special Revenue Non-Aidable Fund** – Funds are used to account for assets held by MATC in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

**State Aid** - Funds made available by the legislature for distribution to each district, based on a prescribed formula of distribution, to offset some of the instructional expenses.

**Statements** - Presentation of financial data which shows the financial position and the results of financial operations of a fund, a group of accounts, or an entire entity for a particular accounting period.

**Statute** - A written law enacted by a duly organized and constituted legislative body.

**SWC** – Southwest Consortium, a consortium of three Wisconsin Technical College District (MATC, Southwest Wisconsin Technical College and Western Wisconsin Technical College) that created a consortium to purchase PeopleSoft.

**Tax Rate** - The amount of tax stated in terms of the unit of the tax base (mill rates).

**Tax Incremental Financing District (TIF)** - Property within a municipality whose incremental growth in equalized valuation is excluded from the equalized valuation calculation when determining the amount of taxes to assess a municipality. Special statutes govern the creation of TIF districts.

**Taxes** - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

**TID** - Tax Incremental Financing District

**TIF** - Tax Incremental Financing

**Tuition and Fees** - Revenue generated from charges to students. The WTCS Board determines both rates.

**Unreserved, Designated Fund Balance** - See Fund Balance.

**Unreserved, Undesignated Fund Balance** - See Fund Balance.

**Unreserved Fund Balance** - See Fund Balance.

**User Charges** - The fees assessed for an activity against the person benefiting from the activity.



**WTCS - Wisconsin Technical College System**