

SECTION M
SCHOOL INTERNAL FUND DEFINITIONS

(Red Book)

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(Revised 04.06.2016)

Outstanding Check - A check issued and recorded by the school that has not been presented to the bank for payment prior to issuance of the monthly bank statement.

Outstanding Deposit

Overdrawn A situation in which a check has been written for an amount in excess of that on

Perpetual Inventory - An inventory system that is initiated by a physical inventory and perpetuated by entry of receipts and withdrawals, thereby reflecting current balances on hand for each item.

Petty Cash - Cash paid out in small amounts for authorized expenditures. Petty cash may be used to reimburse persons or to make a direct purchase (petty cash funds must be authorized). Payments must be evidenced by petty cash vouchers, which are signed receipts that show the purpose, date and amount of the transaction.

Posting - The act of recording to an account in a ledger the detailed or summarized data contained in the documents of original entry.

Pre-numbered Documents - Checks, receipt forms, tickets and similar items that have been consecutively numbered and controlled before use.

Present Service Capacity - The capacity of an asset or a resource that enables the entity to provide services, which in turn enables the entity to fulfill its mission.

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Repairs, Minor - The restoration to a usable condition of a given piece of equipment, building or grounds. Costs of new construction, renovation and remodeling are not included and are considered capital outlay.

Reports - Written statements of information that are made by a person, unit, or organization for the use of some other person, unit, or organization.

Requisition -

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Travel Expenditures - Expenditures incurred by school district employees, students and sponsors of a school activity in connection with travel related to the activity, other than those costs directly chargeable to student transportation.

Trust and Agency Funds - Funds used to account for money and property held by a governmental unit in the capacity of trustee, custodian or agent.

Voided Check - A check that has been declared void. A check on which an error has been made in writing, such as an incorrect amount or signature, or a discrepancy in the information included. The check is made void by mutilating the signature space and the check is retained.