

Desert Sands Unified School District
Fiscal Services

GLOSSARY of PAYROLL TERMS

ACCOUNT NUMBERS – Numbers assigned to the ordinary titles of accounts for classification of accounts and ease of reference.

ACCOUNTING PERIOD – A period of time for which records are maintained and at the end of which financial statements are prepared covering the period.

APPLE PLAN – The Accumulation Program for Part-time and Limited-service Employees providing retirement benefits for the districts part-time and temporary employees. Participation in this program eliminates the need to pay FICA benefits to part-time and temporary employees.

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 drawn from accounts reflect an accurate picture of financial operations and financial status.

BUDGET – A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.

CATASTROPHIC SICK LEAVE – An insurance plan available to all employees during open enrollment each year with the donation of a single sick leave day. In the event of a catastrophic illness, a member may request up to 80 days of additional sick leave from the catastrophic bank.

CERTIFICATED SALARIES – Salaries for services that require a credential or permit issued by the Commission for Teacher Preparation and Licensing.

CHART OF ACCOUNTS – A list of accounts, systematically arranged, and applicable to a specific school district. All account names and numbers, if any, are listed in order.

CLASSIFIED EMPLOYEE – One who performs services for an educational institution in a position not requiring a credential.

CONTRACTED SERVICES – Expenditures of services rendered under contract by personnel who are not on the payroll of the school district, including all related expenditures covered by the contract.

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CSEA – California School Employees Association – the exclusive bargaining certified representative for classified employees employed by the district. Does not include yard supervisors, limited-term, substitute, confidential or classified management employees.

DEFERRED PAY – Wages that are transmitted to the county to be distributed during July and/or August.

DSTA – Desert Sands Teachers Association – the exclusive representative for purposes of the Rodda Act for certificated employees employed by the district. Does not include substitute or management employees.

EMPLOYEE BENEFITS – Amounts paid by the school district 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 a part of the cost of salaries and benefits.

ENCUMBRANCES – Obligations in the form of purchase orders, contract, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.

FICA – Federal Insurance Contribution Act (Social Security) that covers certain classified employees in conjunction with PERS, certain non-qualifying STRS service, and as of 7/1/91 anyone not in a retirement plan.

FULL-TIME EQUIVALENT – 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 employed time required in the part-time position by the amount of employed time required in a corresponding full-time position.

GARNISHMENTS – Legal orders that mandate withholding from employee's wages to satisfy various court orders from local, federal or state agencies.

INDEPENDENT CONTRACTOR – Those non-employees who perform services without supervision for customers under the guidelines of the Internal Revenue Service.

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INTERNAL CONTROL – A plan of organization under which employees' duties are so arranged and records and procedures so designated as to provide a system of self-checking, thereby enhancing accounting control over assets, liabilities, revenue, and expenditures. Under such a system the employee's work is subdivided so that no one employee performs a complete cycle of operation; such procedures call for proper authorization by designated officials.

MEDICARE – The hospital insurance tax portion of the Federal Insurance Contribution Act that mandates coverage for all new employees hired after April 1, 1986 who are not subject to FICA.

PAYROLL WARRANT (check) – A document used as an order or a requisition on a fund of a school district for the purpose of paying salaries or wages.

PERS – Public Employees' Retirement System that covers certain classified school positions such as management, confidential, charter and bargaining unit members working 4 hours or more per day.

STRS – State Teachers' Retirement System that covers certain certificated positions such as management and bargaining unit members.

SUI – State Unemployment Insurance is a mandatory payment by the employer to cover unemployment claims.

TAX SHELTERED ANNUITY – A plan that defers a portion of compensation to an annuity company contract and defers an employee's income taxes to a later date.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

THIRD PARTY SICK PAY – Payment to an employee by a third party (usually an insurance carrier) for injury or illness such as an income protection plan.

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

WORKERS' COMPENSATION – A mandatory insurance that covers all employees' wages to provide payment for industrial injury or accident.