

Understanding Appropriations - A Simple Guide

➤ **What is an appropriation?**

An appropriation is official permission from a governing body that sets the maximum amount of money a government organization can spend during a certain time period. Think of it as a spending limit that must be followed by law.

➤ **Why do governments use different “funds”?**

Government agencies use a system called fund accounting to keep track of money. This is because some types of money can only be used for specific purposes. For example, money for school lunches or grant funds often come with strict rules about how they can be spent.

➤ **Here’s how fund accounting works:**

- Each fund is like a separate checking account. Money that is meant for a specific purpose is placed in its own fund so it can be tracked separately.
- This system improves transparency. It helps make sure every dollar is used exactly the way it is supposed to be.
- Jeffco Public Schools has ten (10) different funds, not including the separate fund used for charter schools.

➤ **What about charter schools?**

Jeffco does not budget for charter schools. Charter schools manage their own money and their own budgets, as required by Colorado law. These charter school funds cannot be used to support district-managed schools.

➤ **The General Fund**

The General Fund is the district’s main operating fund. It covers most district expenses and is where the district has the most flexibility to make decisions that affect student learning.

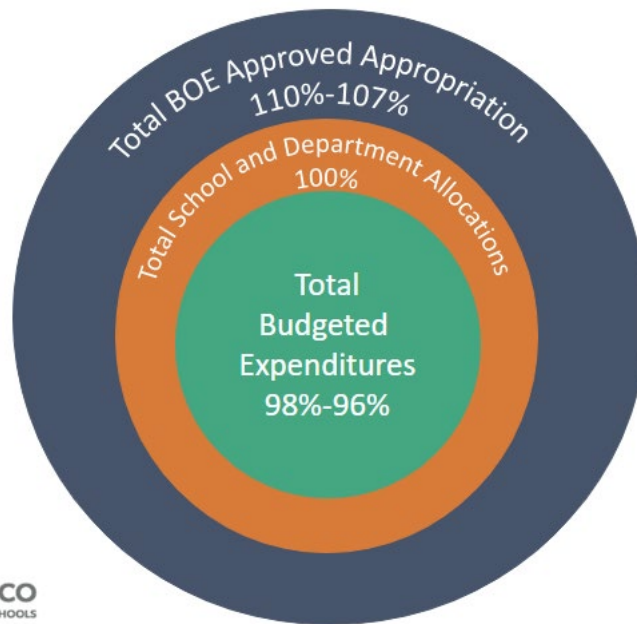
➤ **Why doesn’t the total of all fund appropriations equal the district’s total spending?**

Colorado law requires the district to set an appropriation (spending limit) for each fund and required to appropriate a budget for each fund. Adding all the appropriated amounts together does not equal the district’s true total expenditures. That’s because:

- 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.
- Some funds can only be used for specific activities or programs. These dollars cannot be moved into the General Fund for general use. If the program were to be suspended or eliminated, so would the associated revenue.

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

- The district adjusted its budgeting methodology for the 2025-26 fiscal year to use the budget as an estimate of actual spending, instead of a maximum allowable spend.
 - ▶ Total appropriation is a maximum possible spend, including restricted funds (e.g., TABOR), assigned reserves and contingency
 - ▶ Total allocations are the authorized spending levels for departments and schools
 - ▶ Total budget is an estimated total spend, after factoring in estimated vacancy, staff turnover savings and underspends





JEFFCO PUBLIC SCHOOLS



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