

## **Appendix - Fiscal Procedures Glossary** <sup>[1]</sup>

Definitions of select terms found in the Fiscal Procedures.

**Advance Payment** - A payment made for goods or services prior to their receipt.

**Advice of Employment** - A document that includes an offer of employment.

**After-the-Fact Purchase** - Occurs when an organizational unit makes a commitment over the University's small-dollar limit before the Procurement Service Center issues a purchase order.

**Agency** - An executive department of the State of Colorado or any of its subdivisions.

**Benefit** - A pecuniary or material advantage provided by the University to an employee other than salary, leave, incentives, awards, retirement benefits, insurance benefits, and travel-/non-travel-related reimbursements.

**Capital Construction** - A Capital Construction Project or Controlled Maintenance Project funded wholly or in part by the state Capital Construction Fund or any cash resources of the University.

**Capital Construction Fund** - A fund created by statute for the purpose of purchasing and/or maintaining land, buildings, and equipment and for constructing buildings for use by the state.

**Capital Construction Project** - A construction project funded wholly or in part by funds from the state Capital Construction Fund.

**Commitment Voucher** - A document, the form of which has been approved by the Chief Procurement Officer of the University, detailing the goods/services being purchased (or other reasons for disbursement of funds) and the amount to be paid.

**Controlled Maintenance Project** - A maintenance project funded wholly or in part by funds from the state Capital Construction Fund.

**Costs** - All expenses incurred by a project or program, either directly or indirectly. Costs include such items as labor, material, supplies, rent or building charges, operating expenses, and administrative expenses.

**Delinquent** - *A Payable is Delinquent if a disbursement is not made within forty-five days after a liability arises, unless the time of payment has been otherwise provided in the contract or Purchase Order. A Payable being disputed by a vendor or the University shall become Delinquent if a disbursement is not made within forty-five days after resolution of the dispute.*

**Direct Cost** - *A cost incurred by a state Agency that exclusively benefits a specific Cost Objective and that may be readily identified with the same specific Cost Objective.*

**Economic Rent Study** - A study conducted by the University to determine the rent to be charged for a University-owned house or dwelling. The purpose of the study is to determine the rental rate the house or dwelling would command if available on the open market.

**Emergency** - An unexpected event creating an immediate threat to the public health, welfare, or safety, the functioning of the University, or the preservation or protection of property, which requires an immediate response.

**Encumbrance** - An amount reserved on the University financial system or accounting system to reflect a formal obligation of the University. When required by University accounting procedures, the University shall encumber funds prior to recording expenditures and disbursing funds.

**Equitable Relationship** - A relationship that is based on cause and effect or logic and reason.

**Federal Funds** - Funds received either directly or indirectly from the federal government.

**Financial Reports** - Financial information compiled periodically to assist in management decision-making or for reasons other than financial statement purposes.

**Financial Statements** - Comprehensive reports prepared in accordance with generally accepted accounting principles (GAAP), as adopted by the Governmental Accounting Standards Board (GASB).

**Full Cost** - *The total of all Direct and Indirect Cost associated with a specific Cost Objective.*

**Indirect Cost** - *A cost incurred by a state Agency that does not exclusively benefit a specific Cost Objective and that cannot be readily identified with the same specific Cost Objective, and, therefore shall be allocated to Cost Objectives on some basis of assumed service/benefit or other equitable distribution basis.*

**Indirect Cost Allocation** - *A systematic and rational allocation of Indirect Cost to benefiting programs and activities that result in the calculation of an Indirect Cost recovery rate or the identification of the amount of Indirect Cost assigned to the benefiting program for cost recovery purposes and/or to establish appropriations and fees. Four types of documentation representing Indirect Cost Allocations to Cost Objectives are recognized in this fiscal Procedure:*

*a. Statewide Federal Indirect Cost Allocation Plan - The plan prepared by the State Controller's Office, using federally approved costing principles, to allocate the allowable central administrative Costs of state government to state agencies for inclusion in its State Agency Federal Indirect Cost Rate Proposal/Plan.*

*b. Statewide Budget/Cash Indirect Cost Allocation Plan - The plan prepared by the State Controller's Office using Full Costing principles, to allocate the central administrative Costs of state government to state for inclusion in its State Agency Budget/Cash Program Indirect Cost Determination Worksheet.*

*c. University Federal Indirect Cost Rate Proposal/Plan:*

- *Proposal - A document prepared by the University to establish a rate used to recover*

*Indirect Costs from federally funded programs or activities.*

- *Plan - A document prepared by the University to document Indirect Cost Allocation algorithms used for federal Indirect Cost recovery purposes.*

*d. Documentation of an Indirect Cost Allocation prepared separately or as a part of a fee formulation process, the allocations from which are used to establish a component of fees for state cash programs and services.*

**Installation** - Normal hookup of appliances to existing utilities. It does not include adding plumbing, wiring or vents.

**Institution of Higher Education** - A public college, community college, or university established as a part of the state.

**Interagency Agreement** - An agreement between the University and one or more Agencies or Institutions of Higher Education.

**Interagency Purchase Order** - A Purchase Order issued by a state Agency or Institution of Higher Education to another state Agency or Institution of Higher Education.

**Intergovernmental Agreement** - An agreement between the University and a political subdivision of the state, another state, a political subdivision or public Institution of Higher Education in another state, or an agency of the federal government.

**License** - A grant by the owner of rights in real or personal property to another of a personal privilege to use such property, without the transfer of the underlying ownership interest therein.

**Official Function** - A meeting, conference, meal, or other function that is hosted by the chief executive officer, or representative, of the University, attended by guests and/or University employees, and held for official University Business purposes.

**Payable** - A Payable is a liability incurred by the University of Colorado. A liability shall arise upon receipt of goods or services and a correct notice of the amount due. A liability shall not arise if a good faith dispute exists as to the University's obligation to pay all or a portion of the liability.

**Purchase Order** - A document, in a form prescribed by the Chief Procurement Officer, prepared and approved by an authorized employee for the purpose of encumbering funds and securing goods or services from a supplier.

**Reviewing Attorney** - An attorney employed by the Office of University Counsel and designated by the State Attorney General as a special assistant attorney general, or any attorney employed by the State Attorney General who is authorized to review contracts on behalf of the University.

**Supplier Agreement** - Any form of agreement provided by a supplier, including an online agreement, containing contractual provisions relating to the goods or services to be provided.

**Training Function** - A meeting, conference, or other function which is hosted by the University, attended by customers of the University and/or University employees, and held to enhance staff knowledge or to educate customers of the University or University employees,

that are affected by the University's operations or regulations. Training Functions should have a written agenda, study materials, and be led by an identified presenter.

**University Business** - Official University business or other duties undertaken for University purposes and for the benefit of the University.

**University Contract** - Any formal, legally binding document between the University and another party.

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