**Academic Support**
Includes funds expended primarily to provide support services for the institution's primary missions: instruction and public service. It includes the retention of educational materials, media such as audiovisual services and technology such as computing support, academic administration, and support for course and curriculum development.

**Appropriation:**
An expenditure authorization with specific limitations as to amount, purpose and time; a formal advance approval of expenditure from designated resources available or estimated to be available.

**Auxiliary Enterprises**
Includes entities that exist to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services. The distinguishing characteristic of auxiliary enterprises is that they are managed as self-supporting activities such as residence halls, food services, intercollegiate athletics, and college stores.

**Capital Budget:**
Generally covers expenditures for the construction or renovation of major facilities.

**Capital Project:**
Generally defined by the USM as any design and construction project that exceeds a total project cost of $1 million. Capital projects are usually grouped into two categories—state-funded capital projects and system-funded capital projects; however, public/private partnerships are becoming increasingly prevalent within the USM and are also considered capital projects.

**Communications**
Includes expenditures for telephone and postage

**Contractual Services**
Includes all payments made for services rendered under an expressed or implied contract and may consist of labor together with the use of equipment or labor together with materials furnished in the performance of such service.

**Contingent Salaries, Wages and Fringe Benefits:**
Employees not in a State PIN (Position Identification Number) and hired on a contractual or temporary bases. All expenses associated with the temporary employee's income are included in this grouping.

**Current Funds:**
Economic resources, expendable and set aside by the institution for carrying out the primary purposes of the institution, to be expended in the near term and used for operating purposes.

**Endowment Funds:**
Funds, the principle of which a donor or other outside agency has stipulated, as a condition of the gift, remain intact (nonexpendable) in perpetuity, and that only the income from the investment of the fund may be expended.
Endowment Income:
Yield, usually in the form of interest or dividends, which occurs as a result of investing the principal of an endowment fund. Capital gains and losses are not part of endowment income.

Equipment - Additional
Includes the cost of any article of equipment that results in a definite increase of the inventory of equipment. Includes the costs of all items included in the equipment inventory that can be used over and over again without material change or an appreciable impairment of their physical condition.

Equipment - Replacement
Includes the replacement cost of all items included in the equipment inventory that can be used over and over again without material change or an appreciable impairment of their physical condition.

Fiscal Year (FY):
The period used by the state for budgeting and account purposes. It begins July 1 and runs through June 30 the following calendar year.

Fixed Charges
Includes all expenditures made to meet the fixed charges and in payment of principal or interest on bonded debt. Includes rentals paid for the use of land, buildings, and equipment. All memberships and subscriptions are charged as fixed charges as well as insurance premiums.

Fuel & Utilities
Includes purchases of fuel oil, natural gas, electricity, and water and sewage.

Full-Time Equivalent (FTE):
A means for expressing part-time students or faculty as a full-time unit. The formula is generally based on credit hours. Example: An institution may define full-time as being twelve credit hours; a student taking three credit hours would then be equal to .25 FTE.

Furlough:
Furlough is the term used when employees are placed in a temporary non-duty, non-pay status for required budgetary reasons.

Grants, Subsidies and Contributions
Includes scholarships and fellowships paid to students of the university.

Institutional Support
Includes expenditures for: (1) central executive-level activities concerned with management and long-range planning of the entire institution; (2) fiscal operations; (3) administrative data processing; (4) employee and personnel resources; (5) activities that provide procurement, storerooms, safety, and printing; and (6) activities concerned with community and alumni relations, including development and fund raising.

Instruction
Includes expenditures for all activities that are part of an institution's instructional program. Expenditures for credit and non-credit courses, for academic, vocational, and technical
instruction, for remedial and tutorial instruction, and for regular, special, and extension sessions should be included. Expenditures, for department chairs, in which instruction is still an important role of the administrator, are included in this category.

**Investment Income:**
Interest revenue earned on cash balances as allocated by the Comptroller of the State of Maryland.

**Land & Structures**
Includes all payments for land or alterations to land and those for the construction of all buildings including the cost of additions and betterments of existing structures.

**Mandatory Transfers:**
Transfers arising out of (1) binding legal agreements related to the financing of the educational plant such as amount for debt retirement, interest and required provisions for renewals and replacement of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors and other organizations to match gifts and grants to loan funds.

**Motor Vehicles**
Includes the cost of gasoline, oil, and other supplies used in the operation of motor vehicles. Also includes repairs and repair parts to motor vehicles, insurance and the purchase of new vehicles.

**Non-Mandatory Transfers:**
Transfers that serve a variety of objectives such as moving monies generated through auxiliary enterprises to scholarship funds for use in providing scholarships, or to a capital outlay group for use in providing project funding.

**Operating Budget:**
Generally includes all of the regular unrestricted income available to the institution plus those restricted funds that are earmarked for instructional activities and department support. Activities included in the operating budget are the basic expenses of departments, schools, and colleges, including personnel and day-to-day operating costs; student services; libraries; administration; campus operations and maintenance; development; and the unrestricted portion of endowment income, gifts and student aid.

**Operation and Maintenance of Plant**
Includes expenditures for operations that provide services and maintenance related to grounds and facilities.

**Other Sources:**
All sources of current funds revenue not included in other classifications.

**Permanent Salaries, Wages and Fringes Benefits:**
Employees in a State PIN (Position Identification Number) and hired on a permanent basis. All expenses associated with the permanent employee’s income are included in this grouping.
**Private Gifts and Grants:**
Revenues generated from individuals and non-governmental sources. Includes revenue received from private donors for which no legal consideration is involved.

**Public/Private Partnerships:**
Projects funded and operated through a partnership between the government and one or more private sector companies. In the USM, all residence halls must be built using public/private partnerships.

**Public Service**
Includes funds expended for activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the institution.

**Quasi-Endowment Funds:**
Funds, functioning as an endowment, that are unrestricted resources. The decision to invest or otherwise spendable resources is made by the institution’s governing board or management. These internal designations can be reversed.

**Research:**
Includes activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Included in this category are expenses for individual and/or project research as well as that of institutes and research centers.

**Restricted Budget:**
Encompass governmentally sponsored research grants and contracts, nongovernmental grants, certain endowment and gift income, and student aid from external sources.

**Restricted Funds:**
Funds limited to a specific use by outside agencies or persons, as distinguished from funds over which the institution has complete control and freedom as to use. Restricted funds have an externally established limitation or stipulation placed on their use.

**Salaries & Wages**
Payments made to individuals who are employed as fully benefited employees. Benefits paid by the university are retirement, social security, unemployment compensation, health insurance and tuition remission. Additionally, fully benefited employees earn annual leave, sick days, personal leave and paid holidays.

**Sales and Services of Educational Activities: (educational services)**
Revenues that are related incidentally to the conduct of instruction, research, and public service and revenues of activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold to students, faculty, staff and the general public.

**Scholarships and Fellowships**
Includes expenditures for scholarships and fellowships in the form of out-right grants to students selected by the institution and financed with current funds, restricted or unrestricted. Also included is aid to students in the form of tuition remissions.
State Appropriations:
Unrestricted revenue received for current operations from, or made available to the institution by, legislative acts or the local taxing authority (the State of Maryland). This category does not include government grants and contracts. Also referred to as general funds.

State Funded Capital Projects:
State funded capital projects are those financed from general funds allocated from the State of Maryland budget to individual institutions. These funds are not required to be repaid to the state by the university. Projects eligible for funding from the state include academic and academic support buildings, including administration buildings, infrastructure and utility improvements.

Stateside, Education and General:
Education and General (E&G) expenses are recorded for all expenses that are not for Auxiliary Enterprises. They are normally categorized as instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

Student Services
Includes funds expended for the office of admissions, student aid administration, counseling and career guidance, and registrar and those activities whose primary purpose is to contribute to the student's emotional and physical well-being and to his or her intellectual, cultural, and social development.

Supplies & Materials
Includes all commodities that are normally consumed or expended within one year or reused to form a minor part of equipment or fixed property. Includes all costs of materials used for repairs of the work is done by employees.

System Funded Capital Projects:
System funded capital projects are financed through the sale of auxiliary bonds by USM. The debt service of these bonds, typically a 20 year amortization period, is paid for by the institution through auxiliary revenue sources, including student fees. Projects that are eligible for funding through this financing method include dining halls, student unions, recreation facilities, parking facilities and the renovation of residence halls.

Technical & Special Fees
Includes payments made to individuals not employed by the university as fully benefited employees. Employees could be hired in either a full-time or part-time capacity but do not received all of the benefits provided to Object 01 employees. Included in this category are adjunct faculty, student help and temporary employees.

Travel
Includes payments for the furnishing of accommodations for actual travel. Includes railroad, airline, bus and taxi fare, lodging and meals and mileage allowances for the use of privately owned vehicles.

Tuition and Fees:
Includes all tuition and fees assessed (net of refunds and discounts) for educational purposes.
Unrestricted Funds:
Resources provided to the institution with no restrictions on their use.