

# ASSOCIATED STUDENT ACTIVITIES

## *The student organization finance office*

### Glossary

**Available Balance:** The available balance is the amount of the balance that is available to spend. This figure is calculated by subtracting any encumbrances from the balance.

**Balance:** This is equal to the start of fiscal year balance in the account, plus all revenue collected, minus all expenses paid via check or transfer.

**Encumbrances:** An encumbrance means that a certain dollar amount of the balance is encumbered, meaning it cannot be spent. An encumbrance may be an open purchase order (not yet invoiced by a company), or an expense that may have been entered, but not posted to the account.

**Fiscal Year:** The Penn State University fiscal year runs from July 1 to June 30. All transaction reports reflect this fiscal year.

**Honorarium:** An honorarium is a dollar amount that's paid to a performer/speaker/DJ.

**Impact Fee:** This fee is collected from student organizations that charge \$5.00 or more for admission to an on-campus entertainment event. This fee is verified and collected through a ticket accountability form from ASA.

**Legal Line (checks):** The legal line on a check is the section where the dollar amount is *written*. Please make sure the legal line matches the dollar amount. If this is different than the dollar amount, the check will either be returned to you, or deposited in the amount listed on the written legal line.

**Morning Report:** Every morning ASA prints a report that shows the current balances of all organizations that have money. This printout shows the current balance, any encumbrances, and the available balance of the organization (these terms are defined below).

**Per Diem:** This is a dollar figure that's given to an individual for food and miscellaneous items when traveling. This dollar figure may vary depending on where and when the travel occurs.

**Purchase Order:** A purchase order is a means to utilize the organization's funds to purchase goods or services to a vendor. Once you know how much the goods/services will cost, ASA will provide you with the purchase order, which states the organization name, vendor, and dollar amount. The vendor accepts the purchase order as "payment" and will send an invoice, referencing the purchase order number, to ASA, and we will send payment. It's the best way to utilize your organization's funds without having to pay out-of-pocket and then seeking reimbursement. NOTE: Check first to see if the vendor accepts purchase orders. ASA has a list of common vendors that accept purchase orders.

**Transaction Report:** A transaction report shows all activity (income and expenses) within the current fiscal year. This should be regularly checked against your ledger. NOTE: Your balance shown on this report is not your *available balance*.