

23

SECTION – 23

Glossary

Glossary

Account - The primary accounting field in the budget used to describe the type of the financial transaction.

Actual - Actual level of expenditures/FTE positions approved for fiscal year noted.

Amended - Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the City Council which permits officials to incur expenses and obligations for a specific purpose, within a fiscal year.

Approved Budget - Includes the following documents:

- a) Approved Operating Budget as amended by the City Council and reflected in the summary of augmentations, the summary of changes to the Approved Operating and Capital Improvement Program Budgets, as well as administrative and technical changes necessary to implement City Council direction; and
- b) Approved Capital Improvement Program (CIP) Budget as summarized in Schedule 4 of the FY2011/12 Operating Budget and detailed in the 2011-2016 Capital Improvement Program (CIP).

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand. (Also refer to "Fund Balance.")

Budget - An annual financial plan consisting of proposed expenditures for specified purposes and the proposed means of financing them.

Capital Improvement - Construction or major repair of City buildings and facilities such as streets, roads, storm drains, traffic signals, parks, community centers, etc.

Capital Improvement Program (CIP) - An ongoing five-year plan of single and multiple year capital expenditures which is updated annually.

Charter Offices - City Attorney; City Clerk; City Manager; City Treasurer.

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

Department - "Department" or "Operating Unit" refers to Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Convention, Culture & Leisure; Community Development; Economic Development; Finance; Fire; General Services; Human Resources; Information Technology; Parks & Recreation; Police; Transportation; Utilities; Capital Improvement; Debt Service; Non-Department and Reserves.

Dept ID - A sub-unit of an Operating Unit.

Division - A roll-up of Dept IDs within an Operating Unit. One or more Dept ID within an Operating Unit.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers' compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicles or equipment with a unit cost of \$20,000 or more.

Expenditure Class - A roll-up of Accounts: Employee Services, Service and Supplies, Property, Debt Service, and Interdepartmental Transfers.

Expenditure/Requirement - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following "classes" of individual line items:

- Employee Services
- Services and Supplies
- Equipment
- Debt Service
- CIP or Grant Labor Offset
- Capital Improvements

Externally Funded Program - Program revenues provided by external agencies which are restricted to a specified purpose.

Fiscal Year (FY) – A time period designated by the City signifying the beginning and ending period for recording financial transactions. Sacramento has a fiscal year from July 1 through June 30.

Full Time Equivalent (FTE) - The decimal equivalent of a part-time position converted to a full time basis, e.g., one person working half time would count as 0.5 FTE.

Fund - A separate, independent accounting entity with its own assets, liabilities, and fund balance.

- General Fund - The City's principal governmental operating account, which is supported by taxes and fees.

- **Other Governmental Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant Fund, etc.
- **Enterprise Funds** - These funds are used to account for operations for which it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water Fund, Sewer Fund, etc.
- **Internal Service Funds (ISF)** - These funds are used to provide services to all City departments on a cost-reimbursement basis, e.g., Risk Management Fund, Fleet Management.
- **Trust Funds** - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

Fund Balance - The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

Funded FTE - A City Council authorized Full Time Equivalent position with an associated labor budget.

General Fund - The City's principal operating fund, which is supported by taxes and fees and which generally has no restrictions on its use. Expenditures may be described as discretionary and non-discretionary.

- **Discretionary** - That portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.
- **Non-discretionary** - Expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant - Program revenues provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - Level at which expenditures and revenues are expected to increase annually.

Impact - Effects on the service level provided by particular program due to budget changes.

Indirect Costs - Those elements of cost necessary in the performance of a service that cannot be accurately or readily allocated to the unit of service. Usually they relate to those expenditures that are not an integral part of the service such as rent, heat, management, etc.

Internal Service Fund (ISF) - An ISF provides services to all City departments and bills the various other funds for services rendered. ISFs are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Internal Service Fund Transfer - A transfer from operating funds to an ISF, e.g., Risk Management or Fleet Management.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries and benefits expected to be charged to CIP projects or grants thus reimbursing the operating budget for these costs.

Non-Department - Program costs that do not relate to any one department, but represent costs of a general citywide nature, such as debt service.

Operating Budget - Annual appropriation of funds for ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Moving dollars from a fund receiving revenue to a fund which will expend the resources.

Program Oriented Development (POD) - A comprehensive review and evaluation process of current services and programs, categorized as mandatory, essential, or existing. Mandatory Services are required by law, charter, or irrevocable agreement. Essential Services are identified in three levels: Life/Safety, Public Health, and Risk/Liability. Existing Services cover all other programs or services.

POD Operating Departments - Convention, Culture & Leisure; Community Development; Economic Development; Fire; General Services; Parks & Recreation; Police; Transportation; Utilities.

POD Support Departments - Finance; General Services; Human Resources; Information Technology.

Resources - Total dollars available for appropriation during the fiscal year, including estimated revenues, fund transfers, and beginning fund balances.

Revenues - Income received from seven categories:

- Taxes - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs.
- Charges for Fees and Services - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.
- Licenses and Permits - Revenues collected for construction, maintenance and/or operation of designated equipment, businesses, buildings, and private property including animals.
- Use of Money and Property - Interest earned on City investments or County held funds.
- Inter-Governmental - Revenue disbursements from other agencies, such as State Motor Vehicle In-Lieu Tax and State Homeowners Property Tax Relief, and revenue reimbursement for services provided to other agencies.
- Fines, Forfeitures, and Penalties - Revenues collected for violations of City ordinances, late payments, etc.
- Miscellaneous Revenues - Revenues not categorized above.

Revenues can also be classified as operating or non-operating in the Enterprise activities. Operating revenues are directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the Enterprise's primary service, such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Services and Supplies - Costs of contractual or outside services, office supplies, and equipment.

Surplus - An excess of total current resources over total current requirements.

Total City Budget - The City's total fiscal year expenditure budget (operating and capital) as approved by the City Council.

Unfunded FTE - A City Council authorized FTE position without an associated labor budget. Unfunded FTE positions will remain vacant until funding has been restored.

Variance - Change in expenditures or staffing levels.

