

## Glossary of Terms

**Accrual Basis** - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**ADA** - Acronym used to denote the American Disabilities Act.

**Appropriation** – Represents the legal authorization to incur obligations and to make expenditures for specific purposes.

**Assessed Valuation** - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

**Asset** - Resources owned or held by a government which have monetary value.

**Available (Undesignated) Fund Balance** - This refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

**Benefits Reserve Fund** – This fund is intended to support unplanned costs and obligations to current negotiated employment benefits.

**Bond** - A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

**BGP** – Acronym us to refer to the company known as Bill Graham Presents.

**Budget** - A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

**Budgetary Basis** - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

**Budget Calendar** - The schedule of key dates that a government follows in the preparation and adoption of the budget.

**Budgetary Control** - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

**CALEA** – Acronym used to denote the Commission on Accreditation for Law Enforcement.

**CalPERS** – Acronym used to denote the California Public Employees Retirement System.

**Capital Assets** - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

**Capital Budget** - The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

## **GLOSSARY OF TERMS (cont.)**

**Capital Improvements** - Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

**Capital Improvements Program (CIP)** - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

**Capital/Maintenance Reserve** – Funds available for Council appropriation to meet unanticipated and unscheduled capital and maintenance needs of City infrastructure and facilities. This reserve is to be used for major capital repair where facility failure, unexpected hazards or destruction of City property has occurred and where repair or replacement is not planned with the established capital, operations, or internal replacement funds.

**Capital Outlay** - Fixed assets which have a value of \$250 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

**Capital Project** - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

**Cash Basis** - A basis of accounting in which transactions is recognized only when cash is increased or decreased.

**CCE** – Acronym used to refer to the Clear Channel Entertainment Company.

**CCCSD** – Acronym used to refer to the Contra Costa County Sanitary District.

**CCCWP** – Acronym used to denote Contra Costa County Water Pollution.

**CDBG** – Acronym used to denote the Community Development Block Grant.

**COG** – Acronym used to refer to Community Oriented Government.

**COPS** - Acronym used to refer to a grant for Citizens Options for Public Safety.

**CPI** – Acronym used to refer to the Consumer Priced Index.

**CSC** – Acronym used to denote the Community Services Commission.

**CSMFO** – Acronym used to denote the California Society of Municipal Finance Officers.

**Debt Service** - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

## **GLOSSARY OF TERMS (cont.)**

**Department** - The basic organizational unit of government which is functionally unique in its delivery of services.

**Depreciation** - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

**Disbursement** - The expenditure of monies from an account.

**Distinguished Budget Presentation Awards Program** - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Economic Contingency Reserve** – Funds available for Council appropriation to meet unanticipated needs caused by State or Federal redirection of City resources, general economic downturns, or reductions in operating revenues.

**Employee (or Fringe) Benefits** - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

**Encumbrance** - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Entitlements** - Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

**Expenditure** - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

**Expense** - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

**Fiscal Year** - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.

**Fixed Assets** - Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**FTE** – Refer to the description shown below.

**Full-time Equivalent Position (FTE)** - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

**Function** - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

## **GLOSSARY OF TERMS (cont.)**

**Fund** - A fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

**Fund Balance** - The excess of the assets of a fund over its liabilities, reserves, and carryover.

**GAAP** - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles

**GASB** – Acronym used to refer to the Governmental Accounting Standards Board.

**GFOA** – Acronym used to refer to the Government Finance Officers Association.

**Goal** - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

**Grants** - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

**Indirect Cost** - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

**Interfund Transfers** - The movement of monies between funds of the same governmental entity.

**Intergovernmental Revenue** - Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Internal Service Charges** - The charges to user departments for internal services provided by another government agency, such as fleet maintenance or insurance funded from a central pool.

**Lapsing Appropriation** - An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

**Materials and Supplies** – The expendable materials and operating supplies required facilitating departmental operations.

**MOU** – Acronym used to denote Memorandum of Understanding. This is a contract between the City and employee union.

**NPDES** – Acronym used to denote the National Pollutant Discharge Elimination System.

## **GLOSSARY OF TERMS (cont.)**

**OPEB** – Acronym used to denote other post employment benefits.

**Objective** - Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

**Operating Revenue** - Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

**Operating Expenses** - The cost for personnel, materials, and equipment required for a department to function.

**PBB** – Acronym used to denote Performance Based Budget.

**Performance Based Budget** - A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

**Performance Indicators** - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

**Performance Measure** - Data collected to determine how effective or efficient a program is in achieving its objectives.

**Personal Services** - Expenditures for salaries, wages, and fringe benefits of a government's employees.

**Program** - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

**Program Budget** - A budget that allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

**RDA** – Acronym used to denote the Redevelopment Agency.

**Revenue** – Refers to the sources of income financing the operations of government.

**RFP** – Acronym used to refer to a “Request for Proposal”.

**SFRWQCB** – Acronym used to refer to the San Francisco Regional Water Quality Control Board.

**Taxes** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

## **GLOSSARY OF TERMS (cont.)**

**Transfers In/Out** - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Unencumbered Balance** - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

**Unforecasted Reserve Fund** – Funds available for Council appropriation to continue services if State, Federal, or other grant funding sources are lost, and to offset the costs of unanticipated, unfunded governmental mandates.

**VLF** – Acronym used to refer to the Vehicle License Fees.