

GLOSSARY OF BUDGET TERMS

A87 – Federal Office of Management and Budget (OMB) Circular that establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units).

A-87 COST ALLOCATION PLAN – This plan, established under Federal guidelines, identifies, distributes, and allows the County to be reimbursed for the costs of services by support groups (such as Purchasing, Human Resources, CAO, County Counsel) to those departments performing functions supported by Federal/State funds.

A-87 COSTS – Those costs allocated to County departments under the Countywide Cost Allocation Plan to cover central administrative and overhead expenses.

AB – California State Assembly Bill.

APS – Adult Protective Services.

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.

ACCUMULATIVE CAPITAL OUTLAY (ACO) FUND – A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

APPROPRIATION - An authorization granted by the Board of Supervisors to make expenditures and to incur obligations for specific purposes. An appropriation expires at the end of the fiscal year.

APPROPRIATIONS FOR CONTINGENCIES - A budgetary amount, not to exceed 15% of specified appropriations of the fund in which it is appropriated, that is set aside to meet unforeseen expenditure requirements.

AVAILABLE FINANCING - All the components of financing a budget; primarily fund balance available, revenues, equity transfers, and reductions of reserves.

AVAILABLE FUND BALANCE - The amount of funding available at year-end to finance the next year's budget after deducting encumbrances and reserves.

BALANCED BUDGET – Funding sources available for appropriation shall be at least equal to recommended funding uses. As a general rule, the year-end undesignated General Fund fund balance should not be used to fund on-going operations, but could be used to fund designations, reserves and General Fund contingency. Both the recommended and adopted budgets must be balanced.

BASELINE BUDGET - Baseline is generally considered to be the financial and staff resources needed to provide the same level of ongoing services included in the prior year's budget.

BUDGET – A financial plan consisting of an estimate of proposed expenditures, their purpose for a given period of time, and the proposed means of financing them.

GLOSSARY OF BUDGET TERMS

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

CalWORKS – California Work Opportunity and Responsibility to Kids. A social services program operated by counties that gives cash aid and services to eligible needy families.

CAPITAL IMPROVEMENT PROGRAM (CIP) – A multi-year plan for revenues and appropriations related to acquisition, expansion or rehabilitation to meet capital asset needs (e.g. land, buildings, and roads).

CAPITAL LEASE – An agreement that conveys the right to use property, plant or equipment, usually for a stated period of time.

CAPITAL PROJECT – Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings and infrastructure such as roads, bridges, drainage, street lighting, waste management systems, etc.

CDBG – Community Development Block Grant.

CEQA – California Environmental Quality Act.

CHARACTER - A major category of appropriation. Example: "Salaries and Employees Benefits" (Character 30) and "Services and Supplies" (Character 40).

CIP – Capital Improvement Program. A multi-year plan for revenues and appropriations related to acquisition, expansion or rehabilitation to meet capital asset needs (e.g. land, buildings, and roads).

CMSP – County Medical Services Program.

CONTINGENCY - An amount not to exceed 15% of specified appropriations of the fund in which it is allocated; appropriated for unforeseen expenditure requirements.

COST ALLOCATION – A methodology for identifying and allocating overhead (indirect) costs incurred by central services departments to direct cost programs.

COUNTYWIDE FUNDS - The main operating funds of the County accounting for expenditures and revenues for countywide activities.

COUNTYWIDE PROGRAMS – Programs that provide services to all areas of the County, both within and outside city boundaries (i.e. Public Health Services, Social Services, County Jail).

CPS – Child Protective Services.

DEBT SERVICE FUND - A fund established to finance and account for the payment of interest and principal on all general obligation debt, other than that payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise.

GLOSSARY OF BUDGET TERMS

DEPARTMENT – The portion of the total County organization reporting to one individual who has overall management, appointing authority and budgetary responsibility for a specified group of programs and services.

DELINQUENT TAXES – Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

DEPRECIATION – A reduction in value over time of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DESIGNATED FUND BALANCE – A portion of unreserved fund balance that has been “earmarked” by the legislative body for specified purposes.

DESIGNATION - For governmental fund types, a segregation of a portion of the unreserved fund balance to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies, equipment replacement, financing receivables, etc.

DISCRETIONARY REVENUE - Monies that are not legally earmarked by the State or Federal government for a specified program or use. Included in this category are sales and use taxes, business license and utility user taxes, and property taxes.

DIVISION – As used in the County budget, the division is a subset of a department’s or agency’s budget that is comprised of activities, programs, and services with common objectives but which as a whole are distinct from other groups of activities, programs, and services that the department or agency provides.

DOT – Department of Transportation.

EMPLOYEE BENEFITS - Amounts paid on behalf of employees; these amounts are not included in the gross salary. They are fringe benefit payments, and, while not paid directly to employees, they are nevertheless a part of the cost of salaries and benefits. Examples are group health or life insurance payments, contributions to employee retirement, Social Security taxes, workers' compensation payments, and unemployment insurance payments.

EIR/S – Environmental Impact Report/Statement.

ENCUMBRANCES - An obligation in the form of a purchase order, contract, or other commitment that is chargeable to an appropriation. Available appropriations and fund balance are reduced by the amount of outstanding encumbrances.

ENTERPRISE FUND - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges.

EXPENDITURES – Use of appropriation to purchase goods and services necessary to carry out the responsibilities of a department or organization.

ERAF – Education Revenue Augmentation Fund. Property tax allocated to fund school districts.

GLOSSARY OF BUDGET TERMS

EXTRA HELP POSITION – A non-regular, temporary position created to meet a peak workload or other unusual work situation; can include seasonal or recurrent intermittent employment.

FEMA – Federal Emergency Management Agency. Provides federal funding for disaster relief.

FISCAL YEAR – A twelve-month period used for budgeting and accounting purposes. For El Dorado County, the fiscal year is from July 1 to June 30.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, improvements and equipment.

FULL-TIME EQUIVALENT POSITION (FTE) – A full or part-time position converted to a decimal equivalent of a full-time position based on 2,080 hours per year (40 hour work week). An employee budgeted to work six months (1,040) would equal 0.5 of a full-time position (FTE).

FUNCTION/FUNCTIONAL AREAS - A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. Example: "Public Protection" and "Health and Human Services" are examples of functions or functional areas in State reporting and budget groupings, respectively. Functions are prescribed by the State Controller for reporting uniformity.

FUND - A legal entity that provides for the segregation of monies or other revenue sources for specific restrictions, or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and surplus (fund balance), as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specified fund income or expenditures.

FUND BALANCE - The excess of assets of a fund over its liabilities. A portion of this balance may be available to finance the succeeding year's budget.

FUND TYPE – Categories into which all funds used in governmental accounting are classified. Fund types are *Governmental*, consisting of a General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds; *Proprietary*, consisting of Enterprise Funds and Internal Service Funds; and *Fiduciary*, consisting of Trust Funds and Agency Funds. These funds are accounting segregations of financial resources. The measured focus in these fund types is on the determination of financial position and changes in financial position (sources, uses, balances of financial resources), rather than on net income determination.

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

GENERAL FUND - The fund used to account for all countywide operations except those required to be accounted for in another fund.

GIS – Geographic Information System. A technology that enables the analysis of data from a geographical perspective.

GLOSSARY OF BUDGET TERMS

GOVERNMENTAL ACCOUNTING – The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) – The authoritative accounting and financial reporting standard-setting body for government entities.

GRANT - A contribution from one governmental unit to another usually made for a specific purpose and time period.

HIPAA – Health Insurance Portability and Accountability Act. Offers protections for millions of American workers that improve portability and continuity of health insurance coverage.

HOTEL/MOTEL (TRANSIENT) OCCUPANCY TAX - A tax collected by a motel/hotel operator for a percentage of the room rent paid by each transient, which is then due the County. This is sometimes referred to as T.O.T.

IHSS – In Home Supportive Services. A State program that pays for support services so that recipients (blind, disables or over 65 years of age) may safely remain in their homes.

INFRASTRUCTURE - The physical assets of the County (e.g., roads, public buildings and parks).

INTERFUND TRANSFERS – A transfer of monies between two different funds.

INTRAFUND TRANSFERS – A transfer of monies between divisions or departments in the same fund.

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 FUND – A fund used to account for the financing of goods or services provided by one department or agency to other departments or agency of a government, or to other governments, on a cost-reimbursement basis.

IT – Information Technologies (a County department).

JPA – Joint Powers Authority.

LAFCO – Local Agency Formation Commission. LAFCO is a State-mandated independent entity responsible for the formation and modification of the boundaries of local agencies. The Commission is tasked to observe these basic statutory purposes: (a) the promotion of orderly development; (b) the discouragement of urban sprawl; (c) the preservation of open-space and prime agricultural lands; and (d) the extension of governmental services.

LOCAL TAX REVENUES (USE OF) – Discretionary, general-purpose revenues received by the General Fund. The largest components of local tax revenue are property tax revenue, sales tax revenue, and motor vehicle fees collected by the State and distributed to counties in lieu of local property taxes.

GLOSSARY OF BUDGET TERMS

MAINTENANCE OF EFFORT – A Federal and/or State requirement that the County provide a certain level of financial support for a program from local tax revenues. The amount of support is referred to as the Maintenance of Effort (MOE) level.

MANDATED PROGRAMS - Mandated programs are those programs and services that the County is required to provide by specific State and/or Federal law.

MATCH - The term "match" refers to the percentage of local discretionary County monies in the General Fund, which, by law, must be used to match a certain amount of State and/or Federal funds. For example, for the majority of welfare aid payments, the County must match every 95 State dollars they receive, with 5 dollars from the County's General Fund.

MEDI-CAL – Federal-State health insurance program for low income people; like Medicare.

MISSION STATEMENT – A succinct description of the scope/purpose of a County department.

MODIFIED ACCRUAL BASIS - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, which is when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

NET COUNTY COST - The amount of the operation financed by discretionary sources, principally property taxes.

OBJECT - A subcategory of a Character. Example: "Salaries" (Object 300) and "Retirement" (Object 302) are Objects under the "Salaries and Benefits" Character (Character 30).

OPERATING TRANSFERS - Interfund and intrafund transfers, other than residual equity transfers, legally authorized from a fund receiving revenue to the fund through which the resources are to be expended.

OTHER CHARGES - An object of expenditure that reflects costs not directly associated with the daily expenses of running an operation. Includes such things as interest and principal charges, taxes and assessments from other governmental agencies, and litigation settlements.

OTHER FINANCING SOURCES – Long-term debt proceeds, proceeds from the sale of general fixed assets, and operating transfers in from another governmental fund.

OTHER FINANCING USES - Operating transfers out from one governmental fund to another.

PERFORMANCE MEASURE – Annual indicator of achievement or measures of prediction for a program or work unit as defined in the organization in the budget.

PERMANENT POSITION – See Regular Position.

POSITION - A position is an employment slot, an approved job for a person or persons working full-time or part-time. A position is usually listed in terms of its classification.

GLOSSARY OF BUDGET TERMS

POSITION ALLOCATION - Documentation depicting the number and classification of regular full-time, regular part-time and limited term positions in the County, by department, as authorized by the Board of Supervisors.

PROGRAM REALIGNMENT – Also known simply as “Realignment”, refers to a circa 1990 transfer of program funding between the State and the counties to more accurately reflect responsibilities. Realigned programs include mental health, indigent health, foster care, social services, In-Home Supportive Services, certain juvenile justice programs, and other miscellaneous programs. Revenue from increased vehicle license fees and sales taxes finances the increased County program shares.

PROGRAMS – Desired output-oriented activities that can be measured and achieved within a given time frame. Achievements of the programs advance the projects and the organization toward a corresponding solution to a need or a problem.

PROGRAM BUDGET – A budget wherein expenditures are based primarily on programs of work and secondarily on character and object class and performance.

PROPOSED BUDGET - The County budget for a fiscal year as proposed by the Chief Administrative Officer to the Board of Supervisors. Once approved, the Proposed Budget acts as the operating budget beginning July 1 and stays in effect until the Board adopts a final budget.

PROPOSITION 13 - A tax limitation initiative approved by the voters in 1978. Proposition 13 provided for: 1) a 1 percent tax limit exclusive of tax rates to repay existing voter-approved bonded indebtedness, 2) assessment restrictions establishing 1975 level values for all property with allowable increase of 2 percent annually and reappraisal to current value upon change in ownership and new construction, 3) a two-thirds vote requirement to increase State taxes, and 4) a two-thirds vote of the electorate for local agencies to impose "special taxes".

PROPOSITION 63 – Passed by the voters in November 2004, established a State personal income tax surcharge of 1% on taxpayers with annual taxable incomes of more than \$1 million. Funds resulting from the surcharge are to be used to expand County Mental Health programs.

PROPOSITION 172 – Passed in November 1996, this measure established a one-half cent sales tax whose proceeds are used to fund eligible public safety activities.

PROPRIETARY FUND TYPES – The classification used to account for a government’s ongoing organizations and activities that are similar to those often found in the private sector (i.e. enterprise and internal service funds). Sometimes referred to as income determination or commercial-type funds.

REAL PROPERTY - Land and the structures attached to it.

REGULAR POSITION – Any permanent position in the classified service that is required to be filled through certification, or by provisional appointment.

RESERVE - An account used to earmark a portion of fund equity that is legally or contractually restricted for future use or not available for expenditure.

GLOSSARY OF BUDGET TERMS

RESERVED FUND BALANCE – Those portions of fund balance that are not appropriable for expenditure or that are legally segregated for a specific future use.

REVENUE - Money received to finance ongoing County services. Examples: property taxes, sales taxes, fees, and State and Federal grants.

SALES TAX - A tax levied on the sale of goods or services to the consumer.

SB – California State Senate Bill.

SECURED TAXES - Taxes levied on real properties in the County, which are "secured" by a lien on the properties.

SERVICES AND SUPPLIES – A Character of expenditure reflecting the County's costs for services and supplies necessary for the operations of County departments and programs.

SPECIAL ASSESSMENTS - Fees that are charged to property owners in certain geographical areas for public improvements. A fee is levied only to those property owners who receive a direct benefit.

SPECIAL DISTRICTS - An independent unit of local government established to perform a single specified service. The Special Districts listed in this document are governed by the Board of Supervisors.

SPECIAL REVENUE FUND - A revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, or for major capital projects) that are legally restricted to expenditure for specified purposes. The Road Fund is an example of a special revenue fund. GAAP only requires the use of special revenue funds when legally mandated.

SUB-OBJECT – A subcategory of appropriations sometimes referred to as a "line item". Examples of Sub-Objects in the "Salaries and Benefits" Character (Character 30) include "Permanent Positions" (Sub-Object 3000), "Extra-Help" (Sub-Object 3001), and "Overtime" (Sub-Object 3002).

SUBVENTION - Payments by an outside agency (usually from a higher governmental unit) for costs that originate in the County (i.e., Federal/State payments to County to offset the cost of providing Health and Welfare services).

SUPPLEMENTAL TAX ROLL - The Supplemental Property Tax Roll is a result of legislation enacted in 1983 and requires an assessment of property when change to the status of the property occurs, rather than once a year, as was previously the case.

TAXES - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

TCM – Targeted Case Management. Enables an individual eligible for Medi-Cal to gain access to needed medical, social, educational and other services.

TEMPORARY POSITION – See Extra Help.

GLOSSARY OF BUDGET TERMS

TRUST FUNDS – Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, or other governments/funds.

TRANSFERS IN/OUT - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

UNDESIGNATED/UNRESERVED FUND BALANCE - The portion of a fund's balance that is available for spending or appropriation, not “earmarked” for specified purposes by the legislative body.

UNINCORPORATED AREA – Those geographic portions of the County that are not within incorporated city limits.

UNSECURED TAX - A tax on properties such as office furniture, equipment, and boats that are not secured by real property owned by the assessed.

USER DEPARTMENT – A department that receives services, which it pays for, from another County department, with payment made through intra or inter-fund transfers.

WIA – Workforce Investment Act. Purpose is to consolidate, coordinate, and improve employment training, literacy, and vocational rehabilitation programs in the United