

GLOSSARY OF BUDGET TERMS

Adopted Budget - The Budget that is finally adopted by the Board of Supervisors in September after the State budget is adopted and the impact of the State budget can be assessed and included in the County budget.

Appropriation - An expenditure authorization granted by the Board of Supervisors from a specific fund to a specific Budget Unit. Appropriation authority is granted at the object level: Salaries and Benefits, Services and Supplies, Other Charges, Fixed Assets, Other Financing Uses and Intrafund Transfers.

Authorized Positions (Salary Resolution) - The number of permanent full-time and permanent part-time positions authorized by the Board of Supervisors (excludes extra-help). This represents the maximum number of permanent positions which may be filled at any one time.

Balanced Budget - A budget where Total Sources, including Fund Balances, equal Total Requirements, including Reserves and Contingencies, for each appropriated fund.

Budget Unit - A distinct fiscal and organizational entity within the County budget which has a mission and/or funding source sufficiently unique to require a separate legal appropriation from the Board of Supervisors. Budget Units are generally at the department or major division level of an organization.

Budget Unit Summary - Format used in budget book to show major categories of revenues and appropriations for a budget unit.

CAFR – the Comprehensive Annual Financial Report represents the culmination of all budgeting and accounting activities engaged in by management during the prior year, covering all funds of the County, its component units and its financial transactions.

CalWORKs – California Work Opportunity and Responsibilities to Kids; California's welfare-to-work program established by the State Welfare to Work Act of 1997. The program, which replaced AFDC, makes welfare a temporary source of assistance by putting a five-year life-time limit on a receipt of benefits and mandating work requirements

Capital Project - A major one-time outlay of funds for land and/or building acquisition or construction, structural improvements or non-structural renovations to County facilities. Large-scale projects may extend over more than one fiscal year. Capital Projects may be financed from a variety of funding sources and are budgeted in the Fixed Assets expenditure category.

Contingencies – An appropriation category for economic uncertainties, emergencies and unanticipated mid-year funding losses. The minimum General Fund appropriation for contingencies required under the County Reserves Policy is three percent of General Fund net appropriations. Funds budgeted in this category can not be expended without four-fifths vote approval from the Board of Supervisors.

Departmental Reserves – An appropriation category for departments to budget funds which are unexpended in previous years and/or unobligated in the current year. The minimum Departmental Reserves requirement under the County Reserves Policy is two percent of budgeted Net Appropriations. Funds budgeted in this category can not be expended without approval from the Board of Supervisors.

Enterprise Fund - (1) A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, gas and electric utilities, airports, parking garages or transit systems). In this case the governing body intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (2) A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Expenditure - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Extra Help - Temporary employees of the County who are not included in the Salary Ordinance. These employees do not receive benefits (i.e., medical, dental, life insurance and paid vacation time).

Final Budget Change – A common description of any change made after the Recommended Budget has been submitted to the Board of Supervisors. Changes usually include corrections and updated revenue/appropriation amounts, and are brought to the Board in the form of "colored sheets" during June budget hearings and September for final budget approval.

Fiscal Year - A 12-month accounting period which differs from the calendar year. In San Mateo County, the fiscal year runs July 1 through the following June 30. During the fiscal year, revenues are realized, obligations are incurred, encumbrances are made and appropriations are expended.

Fixed Assets - Long-lived tangible assets (over the value of \$5,000) obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land. In the private sector, these assets are referred to most often as property, plant and equipment.

Full-Time Equivalent (FTE) - This represents the budgeted number of full-time equivalent staffing. A full-time equivalent position is equal to 2,080 hours a year (40 hours/week x 52 weeks). For example: Two full-time positions (40 hours per week), two part-time positions (20 hours per week) and one (.80) part-time position (32 hours per week), equals 3.8 FTE. However, this would represent five authorized positions in the salary resolution.

FTE Equivalent	
2 - Full-time positions (40 hours a week) =	2.0
2 - Part-time position (20 hours a week) =	1.0
1 - Part-time position (32 hours a week) =	<u>.8</u> (32/40 =.8)
TOTAL:	3.8

Fund - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance - The difference between fund assets and fund liabilities remaining at year-end. For budgetary purposes, this represents the sum of over-realized or unanticipated revenues and unspent appropriations or reserves at the end of each fiscal year.

Funding Adjustments – The section of the Program Plan and Budget that follows the Resource Allocation Summary table and describes key changes to Total Sources and Total Requirements, and the impact of those changes on a programs financial and operational performance from one budget year to the next. Types of changes include adjustments to Salaries and Benefits for negotiated increases and position changes, changes to operating levels, one-time expenditure outlays for goods or contractual services, and increased revenues from new or increased fees.

General Fund - The major County operating fund used to account for all financial sources and uses, except those required to be accounted for in another fund.

Gross Appropriations - Total authorized appropriations for a budget unit. It is the sum of Salaries and Benefits, Services and Supplies, Other Charges, Fixed Assets and Other Financing Uses.

IFAS - Integrated Fund Accounting System. Financial software that is maintained by the Controller's Office and used by the County for daily accounting purposes such as general ledger, accounts payable, job costing, purchasing and deposits, as well as budget monitoring.

Interfund Revenue - Transfers of costs between different funds; is recorded as Interfund Revenue by the organization on the receiving end of the transfer.

Intergovernmental Revenues - Revenues from other governmental jurisdictions in the form of grants, entitlements, shared revenues or payments in lieu of taxes. The County receives Intergovernmental Revenue from Federal, State and other local government agencies.

Internal Service Charge - Annual budgetary charges from servicing departments (such as Information Services, Public Works, Employee and Public Services), reimbursing costs incurred in the provision of internal County services to the departments receiving the services. For servicing organizations, the reimbursement is reflected as Intrafund Transfers offsetting their Gross Appropriation (from General Fund departments) or as Revenue (from non-General Fund departments). Services provided by these departments include technology support, telephone services, facilities maintenance and insurance.

Internal Service Funds – One or more funds that account for the goods and services provided by one department to another within government on a cost-reimbursement basis. Departments that use internal services (e.g. vehicle/fleet maintenance) would have an amount budgeted in Other Charges for such services.

Intrafund Transfers - Accounting mechanism to show expenditure transfers or reimbursements between operations *within the same fund* (the most common example is the General Fund). This mechanism is used to better reflect location of department costs. For example, the Board of Supervisors/Assessment Appeals Board receives reimbursement classified as an intrafund transfer from the Assessor-County Clerk-Recorder for processing assessment appeals.

Net Appropriations - Gross appropriations net of Intrafund Transfers. The Net Appropriation is used when summing up the County General Fund budget to eliminate double budgeting of expenditures reimbursed by other General Fund departments which are also included in Gross Appropriations.

Net County Cost – Total Requirements less Total Sources. This figure represents the part of a budget unit's appropriation that is financed by the General Fund's non-departmental revenues, such as property taxes, sales taxes and interest earnings.

One-Time Expenditures - Used to describe and differentiate non-recurring expenditures from routine ongoing costs within a given budget.

Typically, equipment purchases and capital improvement projects are one-time expenditures. This category may also include single-year appropriations for special purposes.

Other Charges - An Object Level of expenditure which reflects costs not directly provided by an operating department. Includes certain selected expense categories (e.g., telephone, data processing, radio, rent, program service providers (PSPs), support costs for juvenile court wards, welfare recipients, jail inmates or interagency payments).

Other Financing Sources – An Object Level of expenditure which reflects transfers from one Fund to another for purposes such as capital projects and debt service. The General Fund's contribution to the San Mateo Medical Center is budgeted in Other Financing Sources of the Medical Center Enterprise Fund.

Performance Measures – Indicators used to show (1) what/how much a program does – workload and effort, (2) how well the program provides services – service quality, and (3) whether anyone is better off – effectiveness and outcome of the program.

Performance Measures Summary Table – The section of the Program Plan and Budget that reflects all performance measures for the program with two years of historical data, current year estimates and performance targets for the next two fiscal years.

Program – operating unit(s) within a department that provides services to accomplish a specific outcome or purpose under the direction of a manager who plans the activities of the program, monitors its performance, and is held accountable for its success.

Recommended Budget - The Recommended Budget is submitted for approval by the County Manager to the Board of Supervisors in May of each year. Public hearings are held on the budget in June prior to the beginning of the new fiscal year on July 1. The Recommended Budget may include reductions to meet budget targets or to address revenue changes, as well as specific additional funding for proposed projects, activities or purchases.

Reserves (same as Contingencies/Department Reserves) - Those portions of fund balance that are not appropriated for expenditure or legally segregated for a specific purpose. Reserves are not appropriated for designated expenditures and require a 4/5ths vote by the Board of Supervisors to be transferred into appropriations such as Salaries and Benefits, Services and Supplies or Fixed Assets.

Revenue - Source of income to an operation from any funding source other than Fund Balance.

Salaries and Benefits - An Object Level of expenditure reflecting the County's compensation costs for employees. Salaries includes all types of cost attributable to personnel services of full-time, part-time, temporary, and extra-help employees, including overtime, vacation pay, sick leave pay and various types of premium pay. Benefits include the County's share of the costs for health, dental, life insurance, retirement, Social Security and Workers' Compensation.

Salary Ordinance - The master legal roster of all authorized positions in the County, delineated by budget unit. The ordinance is maintained by Employee and Public Services. Each year the Ordinance is completely updated to reflect budget changes. The Master Salary Ordinance as well as all amendments to the Ordinance must be adopted by the Board of Supervisors; changes can occur during the year as required.

Service Charges - Charges from servicing organizations for support services provided to a budget unit. These include: radio, telephone, auto insurance, liability insurance, rent, food services (jail and hospital), information system services and revenue collection services.

Services and Supplies - An Object Level of Expenditure reflecting purchase of goods and services. Includes a wide variety of expense categories required to support the purposes of a given activity (i.e., office supplies, travel and contract services).

Shared Vision 2025 – A community visioning process undertaken by the Board of Supervisors in 2000 to work in partnership with the community to achieve a citizen-developed vision for the future. The Outcome-Based Management (OBM) system has been implemented in all County programs and services to ensure alignment and progress toward the goals identified in the Shared Vision 2025 process.

Special Districts - An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts and transit authorities.

Special Funds - Funds used to account for proceeds from specific revenue sources that are legally restricted as to how the revenues may be spent. The Parks Acquisition Fund is an example of this type of fund. It can only be spent for acquiring park land and developing park facilities.

Special Revenue Fund – A fund used to account for revenues legally earmarked for a particular purpose. For example, if property tax revenues are earmarked for library services, a Library Fund would account for the revenues and expenditures associated with such purposes.

Total Requirements – Reflects all expenditure appropriations, intrafund transfers and reserves.

Total Sources - Reflects all revenues and fund balance utilized to finance expenditure needs.

Trust Fund – A fund established to receive money that the local government holds on behalf of individuals or other governments; the govern-

ment holding the money has little or no discretion over it. Examples include employee pension funds and taxes collected for other governments.

Use of Money and Property - Revenue account that contains funds received from interest, rent payments or proceeds from the sale of property.

WIA – Workforce Investment Act