

Glossary of Terms

A

Account

Descriptive classification of budgetary resources and activities that provide a more detailed breakdown of an object.

Activity

Classification of type of service in a budget unit used to accomplish a function. Each activity must be segregated for budget presentation and financial reporting. (e.g. Health is an activity within the Health and Sanitation Function, Police Protection is an activity within the Public Protection Function, and Elections is an activity within the General Function.)

Actuals

Financial transactions recorded in the County's financial system in a particular year.

Adopted Budget

A one-year spending and financing plan covering the period July 1 through June 30, adopted by resolution of the Board of Supervisors no later than October 2nd. The budget is adopted, and all appropriations established, after a hearing in which changes may be made to the Approved Recommended Budget.

Allocated Cost Process

Process which determines charges to County departments for countywide services such as payroll, internet, facilities, etc. Charges are divided amongst all departments based on full-time equivalent (FTE) position counts and/or other measures of service usage and generally cannot be negotiated.

Appropriation or Budget Appropriation

Authorization granted by the Board of Supervisors, or other responsible governing entity, to make expenditures and to incur obligations for specific purposes by object and budget unit for the fiscal year.

Appropriations for Contingencies

A budgetary provision representing that portion of the financing requirements set aside to meet unforeseen expenditure requirements. These amounts are appropriated through the budget adoption process; however, a four-fifths vote of the Board of Supervisors is required to transfer the appropriations for contingencies and authorize expenditures.

Appropriations Limit

Refers to the Gann Initiative (Proposition 4 on the November 1979 ballot), which imposed limits on the allowable annual appropriations of the State, schools, and most local agencies; limit is generally prior-year appropriations factored by per capita cost increases and population changes.

Approved or Approved Recommended Budget

Prior to June 30th, the Board of Supervisors considers the County Executive's Recommended Budget, makes any revisions, reductions or additions and approves the Recommended Budget as revised. This becomes the Approved or Approved Recommended Budget and provides interim spending authority until a budget is adopted, no later than October 2nd.

Available Financing

All the means of financing a budget (current property taxes, miscellaneous revenues, and fund balance—except for encumbered reserves).

Available Fund Balance

The amount of fund balance available to finance the budget after deducting encumbrances and reserves.

B

Base Budget

The budget year cost for each budget unit's current approved staffing level and programs; that is, the amount needed to fund existing on-going staffing, contracts for services and supply purchases at current levels, adjusted for certain increases or decreases in the cost of doing business.

Budget Document

The instrument used to present a comprehensive financial program to the Board of Supervisors. The budget document usually consists of a message, together with a summary of the proposed expenditures and the means of financing them; schedules that show past years' actual revenues, expenditures, and other data used in making the estimates; and the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budget Unit

A classification for the expenditure requirements of the budget into appropriately identified accounting or cost centers deemed necessary or desirable for control of the financial operation. Except as otherwise provided by law, such units may be devised at the discretion of the Board of Supervisors. Budget units are often departments, and the terms are sometimes used interchangeably, but not all budget units are departments and the budgets for some departments are contained in multiple budget units.

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.

Budget Schedules

The schedules prescribed by the State Controller's Office for presentation of the County budget.

C

Capital Assets

Assets including land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Improvement Plan (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.

Categorical Reduction

Decreases in departmental revenues, including revenue from fees, service charges, or state or federal allocations, grants, etc. (excluding semi-discretionary funding) that results in a reduction in expenditures.

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, Personnel, Office of the County Executive, County Counsel) to those departments performing functions supported by federal/state funds.

D

Departmental Revenue

Revenue received by County departments or programs that are legally required to be spent on certain programs. This is distinguished from discretionary revenue that is accounted for in the General Fund's Non-Departmental Revenue budget unit and can be spent on any programs or services based on Board priorities. Most departmental revenue comes from the state and federal governments and fees and charges for services.

Discretionary Revenue

Monies received that are not legally earmarked for a specified program or use. Included in this category are property taxes, sales and use taxes, utility user taxes, and other taxes and payments not restricted in use.

E

Estimated

The amount that is a projected total of what the actual will be by the end of the fiscal year.

Expenditure

Use of an appropriation to purchase goods and services (including services of employees) necessary to carry out the responsibilities of a department or organization. Financing Sources All sources currently or projected to be available for the following year, including but not limited to fund balance, interfund reimbursements, revenues, and decreases to reserves.

F

Financing Sources

All sources currently or projected to be available for the following year, including but not limited to fund balance, interfund reimbursements, revenues, and decreases to reserves.

Financing Uses

All appropriations, including intrafund transfers and increases to reserves.

Fiscal Year

Twelve-month period for which a budget is prepared. In Sacramento County, the fiscal year is July 1 to June 30.

Full Time Equivalent (FTE) Position

The budgeted number of full-time equivalent staffing. A full-time equivalent position is generally equal to 2,080 hours a year (40 hours per week times 52 weeks). For example, one full-time position at 40 hours per week, two part-time positions at 20 hours per week, and one part-time position at 32 hours per week equals 2.8 FTEs.

Function

A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. These designations are specified by the State Controller. Example: "Public Protection" is a function.

Fund

A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and 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. Examples are the General Fund, special revenue funds, capital projects, enterprise, and internal service funds.

Fund Balance

In a governmental fund, the accumulation of revenues minus expenditures from prior years. Fund balance has five components: non-spendable, restricted, committed, assigned, and unassigned.

G**General Fund**

The primary County operating fund. The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

General Reserve

Appropriation of resources in a fund to cover potential shortfalls that can only be established upon resolution. Except in cases of a legally declared emergency by a four-fifths vote of the Board, the general reserve may only be established, cancelled, increased, or decreased at the time of adopting the budget. The general reserve may be increased at any time during the fiscal year by a four-fifths vote of the Board.

Growth

Increases in programs, service levels, and/or staffing. This is distinguished from the base budget that includes current staffing levels and programs, adjusted to reflect increases and decreases in the cost of doing business.

I**Interfund Transfers**

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Intrafund Transfers

Transfer of costs between budget units in the same governmental or proprietary fund.

N**Net Cost**

The difference, for General Fund budgets, between budgeted appropriations and departmental revenue. The dollar difference is funded by discretionary sources.

O

Object

Major appropriation classification within each budget unit, including Salaries and Employee Benefits, Services and Supplies, Other Charges, Capital Assets, Transfers-Out, Intrafund Transfers, Other Financing Uses, and Appropriations for Contingencies.

R

Recommended Budget

Budget prepared from compiled budget requests from Departments, which is recommended to the Board of Supervisors or other body by the County Executive on or before June 30 of each year.

Reimbursement

Reimbursements are used to reimburse expenditures initially made by one agency/budget unit that are properly applicable to another agency/budget unit within or between certain government funds. Requested Budget Expenditure, revenue and Net Cost levels for each budget unit as requested by the County's departments. Departments submit their budget requests to the Office of the County Executive for review.

Requested Budget

Expenditure, revenue and net cost levels for each budget unit as requested by the County's departments. Departments submit their budget requests to the Office of the County Executive for review.

Reserve

An amount set aside in a fund used to meet cash requirements, emergency expenditures, or future defined requirements. A reserve is not an appropriation and provides a mechanism for legally setting aside funds for future use.

Resolution of Adoption of the Budget

Document formally adopted by the Board of Supervisors after the budget hearing and before October 2 each year, signifying determination of the Adopted Budget.

Retained Earnings

The accumulated earnings of an enterprise or internal service fund.

Revenue(s)

Income from taxes, fees, and other charges, including payments from the federal and state government and excluding Interfund transfers, fund balance, or debt issuance proceeds.

Revised Recommended Budget

Budget which includes revisions to the Approved Recommended Budget based on updated fund balance, state budget changes, and other information, and is recommended to the Board of Supervisors or other body by October 2nd for adoption.

S

Salary Savings

The dollar amount of salaries and employee benefits that can be expected to be saved due to vacancies and turnover of employees.

Semi-Discretionary Revenue

A component of County revenue that includes Proposition 172 and Realignment revenue. There are restrictions on what this money can be spent on, but, within fairly broad parameters, the Board has the authority to allocate this revenue among different programs. Proposition 172 revenue comes from a statewide half cent sales tax and must be used to fund public safety programs. Realignment revenue comes from statewide sales tax and vehicle license fee revenue and must be used to fund certain mental health, public health, social services and public safety programs.

Subject

Accounts used to classify budgetary resources and activities and provide a more detailed breakdown of an object.

SACRAMENTO
COUNTY