

GLOSSARY



County of El Paso, Texas

GLOSSARY

This glossary contains definitions for many of the most frequently used accounting and budgeting words, acronyms and abbreviations. These definitions are in a special context that is proper for governmental and nonprofit entities.

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Accounting Period	A period of time at the end of which, and for which, financial statements are prepared.
Accounting Procedure	The arrangement of all processes, which discover, record and summarize financial information to produce financial statements and reports and to provide internal control.
Accounting System	The total structure of records and procedures which discover, record, classify and report information on the financial position and operations of a governmental unit or any of its funds, balanced account groups and organizational components.
Accrual Basis	The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.
Adopted Budget	The operating budget for departments as approved by Commissioner's Court to include all funds in the County detailed by personnel, operating and capital appropriations and the estimated revenues to support these appropriations.
Ad Valorem	In proportion to value. A basis for levying of taxes upon property.
ADPICS	An acronym for Advanced Purchasing Inventory Control System.
Allocation	A part of a lump-sum appropriation which is designated for expenditure by specific organizational units and/or special purposes, activities or objects.
Annualize	Taking changes that occurred for only part of a year and projecting their costs for a full year for budgetary purposes.
Appropriation	An authorization granted by a legislative body to incur liabilities for purposes specified in the appropriation act. An appropriation is usually limited in amount and as to the time when it may be expended.
Appropriation Budget	The operating budget incorporating the legislatively granted expenditure authority, along with the estimates of revenues. Appropriations requested by departments or by the central administration of a governmental unit for a budget period. When the appropriation budget has been adopted in accordance with procedures specified by relevant law, the budget becomes legally binding upon the administration of the governmental unit adopting the budget.

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Assessed Valuation	A valuation set upon real estate or other property by a government as a basis for levying taxes.
Assets	Financial representations of economic resources owned by an organization or individual. Probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.
Attrition	The savings in salary as a result of employee turnover over a period of time.
Authorized Positions	The positions approved by Commissioners Court to delivery public services.
BARS	An acronym for the barcode asset reporting system.
Balanced Budget	A fiscal year budget in which appropriations are equal to the estimated revenues plus designated fund balance used. By law a local governmental entity cannot operate on a deficit.
Balance Sheet	A type of financial statement that shows the financial condition of a particular fund at the end of a period. It consists of three elements: assets, liabilities, and equity or fund balance.
Base Budget	Costs associated with continuing the existing level of services in the current budget year.
Basis of Accounting	The determination of when transactions and events are recognized.
Basis of Budgeting	A base used to budget under the modified accrual accounting principle where revenues are recognized in the period they become measurable and available to finance expenditures.
Bond	A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. <i>Note.</i> The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.
Bonded Debt	That portion of indebtedness represented by outstanding bonds.

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Bond Rating	A score given by investment companies on the debt and cash position or financial stability of a governmental or other agency.
Bond Refinancing	This occurs when bonds are redeemed and reissued to obtain more favorable interest rates and/or terms.
Bright Idea Program	A program implemented by Commissioners Court to encourage County employees to propose ideas that will result in reductions to operating expenses and enhancements in revenues.
Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.
Budget Amendment	A change in the authorized level of funding for a department or line item sub-object. Budget amendments are made at the department's request and must be approved by Commissioners Court.
Budgetary Accounting	The integration of the budget and accounting system.
Budget Calendar	A schedule of target dates for preparing and adopting the County's budget.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. These schedules show in detail the information as to prior years' actual revenues, expenditures, and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.
Budget Message	A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the governmental unit's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

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Budget Policy	A statement or plan which describes how certain aspects of the budget are formulated and the rules to be followed as the budget is put into operations after adoption.
Budgetary Accounts	Those accounts which reflect budgetary operations and condition, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts.
Budgetary Control	The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.
Budgetary Planning Process	The process of requesting, compiling, analyzing, proposing, discussing and approval of appropriations during the budget cycle.
Budgetary Reductions	The decreases to the prior year or current year budget proposed by department or ordered by the Commissioners Court.
CAD	This refers to the El Paso Central Appraisal District, which set property values for the El Paso County area.
CAFR	This is an acronym for the Comprehensive Annual Financial Report.
Capital Budget	A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget. A Capital Program is sometimes referred to as a Capital Budget.
Capital Expenditure	An expenditure or expense for the acquisition of long term depreciable assets, sometimes referred to as capital outlays.
Capital Improvement Plan	A plan for capital outlays to meet the County's long-term capital needs.
Capital Outlays	Expenditures from general or special revenue funds, which result in the acquisition of or addition to fixed assets.
Capital Projects Fund	A fund created to account for all resources used for the construction or acquisition of designated fixed assets by a governmental unit except those financed by special assessment, proprietary, or fiduciary funds.

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Carry-forward	Funds carried from one fiscal year to the next to pay for outstanding obligations of the entity.
Certificates of Obligation	The direct obligations of a governmental entity that are issued for the purpose of constructing and/or improving a public work and are secured by a pledge and lien of surplus revenues and an additional pledge of ad valorem taxes sufficient to pay for the principal and interest of the obligations.
Continuing Appropriations	An appropriation which, once established, is automatically renewed without further legislative action, period after period, until altered or revoked.
Contingency Reserves	Budgeted appropriations established by Commissioners Court to absorb the costs of unexpected and unforeseen events.
Commissioners Court	The Governing Body of a County, consisting of a County Judge and County Commissioners.
Cost-of-Living Adjustments (COLA)	An increase of wages and salaries to offset all or part of inflationary impacts.
Cost Recoverable	The ability of an expenditure generating activity, or delivery of a service to fully absorb its costs by the fee charged for the activity or service provided.
County Budget Officer	As defined in Counties with a population of more than \$225,000 the County Auditor serves as budget officer. As budget officer, the Auditor prepares the operating budget for the County.
Current	A term which, applied to budgetary and accounting, designates the operations of the present fiscal period as opposed to past or future periods.
Current Assets	Cash and other assets that are expected to be converted into cash, sold, or consumed either in one year or in the operating cycle, whichever is longer.
Current Impacts	The current possible and known costs that would affect the adopted operating budget or future budgets.
Current Liabilities	The obligations that are reasonably expected to be liquidated either through the use of current assets or the creation of other current liabilities.

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Current Budget	The annual budget prepared for and effective during the present fiscal year; or, in the case of some state governments, the budget for the present biennium.
Current Financial Resources	Expendable financial resources such as cash, and other items that can be expected to be converted to cash in the normal cause of operations.
Debt	An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes, and floating debt.
Debt Limit	The maximum amount of gross or net debt, which is legally permitted.
Debt Service Fund	A fund established to account for the resources set aside for the payment of interest and principal on all general obligation debt, serial and term, other than that payable exclusively from special assessments, revenues of proprietary funds, or revenues of fiduciary funds. A debt service fund was formerly called a sinking fund.
Debt Service Fund Requirements	The amounts of revenue needed for a debt service fund so that all principal and interest payments can be made in full on schedule.
Deficiency	A general term indicating the amount by which anything falls short of some requirement or expectation. The term should not be used without qualification.
Deficit	(1) The excess of liabilities and reserved equity of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Internal Service Funds, the excess of expense over income during an accounting period.
Department	A group of individuals consisting of a department head (elected or non elected) and employees tasked with a responsibility to fulfill in the County.
Department Goals	A broad statement that addresses a service or product to be provided to the public or other interested party.
Department Objectives	The means to accomplish a goal, usually a detailed statement that addresses a future target and is quantifiable.
Designated Fund Balance	The reserve portion of the fund balance that is designated for to balance the budget of any given year.

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Direct Expenses	Those expenses which can be charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, departments, or operating units.
Discretionary Departments	A department for which funding of operations is not mandated by law but rather at the discretion of the Commissioners Court.
Devaluation	The decrease in value, or purchasing power, in the financial markets when compared to the United States Dollar.
Disbursements	Payments in cash.
Discretionary Funding	An allocation of County resources to fund discretionary departments.
Efficiencies	The degree and speed with which a service is delivered resulting in cost savings.
Encumbrances	Contingent liabilities in the form of purchase orders, contracts, or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual expense is recorded.
Enterprise Fund	A fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing services to the general public will be financed or recovered primarily through user charges on a continuing basis.
Entry	The record of a financial transaction or event in its appropriate book of accounts.
Estimated Revenue	For reserve accounts kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period. For revenue accounts kept on a cash basis, the term designates the amount of revenue estimated to be collected during a given period. Under the modified accrual basis, estimated revenues include both cash and accrual basis revenues.

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Expenditures	The term used to refer to expenses of a governmental entity. Expenditures are recorded when liabilities are incurred pursuant to authority given in an appropriation. If the accounts are kept on the accrual basis or the modified accrual basis, this term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, the term designates only actual cash disbursements for these purposes. Encumbrances are not expenditures.
Expenses	Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges, which are presumed to benefit the current fiscal period. In governmental accounting expenses are often referred to expenditures.
FAACS	An acronym for the fixed asset accounting and control system.
Face Value	As applied to securities, this term designates the amount of liability stated in the security document.
FAMIS	An acronym for Financial Accounting Management Information System.
Fiduciary Funds	Used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.
Fiscal Period	A period of time as determined by the entity in which transactions or events are recorded and measured. Any period at the end of which a governmental unit determines its financial position and the results of its operations.
Fiscal Year (FY)	A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. In El Paso County, each fiscal year begins October 1 and ends September 30.
Fund	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, and residual balances, and changes therein, which are segregated for the purpose of carrying on specific activities in accordance with special regulations, restrictions, or limitations and for which financial statements can be prepared.

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Fund Accounts	All accounts necessary to set forth the financial operations and financial position of a fund.
Fund Balance	The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and available appropriations for the period.
Future Impacts	The future expected and foreseen costs of an event or transaction.
GAAP	This is an acronym for Generally Accepted Accounting Principals.
GASB	This is an acronym for Governmental Accounting Standards Board. This board addresses the state and local governmental reporting issues.
General Fixed Assets	Those fixed assets of a governmental unit, which are not accounted for by a proprietary or fiduciary fund.
General Fixed Assets Account Group	A self-balancing group of accounts set up to account for the general fixed assets of a governmental unit.
General Fund	A fund used to account for all transactions of a governmental unit, which are not accounted for in another fund. The General Fund is used to account for the ordinary operations of a governmental unit, which are financed from taxes and other general revenues.
GFOA	This acronym stands for Government Finance Officers Association of the United States and Canada.
Governmental Accounting	The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.
Governmental Funds	Fund types used in governmental entities to account for transactions, they include: the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds, internal service funds, and fiduciary funds.
Grant	A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function (for example, education), but it is sometimes also for general purposes.

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Historical Cost	The amount paid, or liability incurred, by an accounting entity to acquire an asset and make it ready to render the services for which it was acquired.
Infrastructure	Improvements other than buildings that add value to land.
Interfund Transfers	Amounts transferred from one fund to another.
Intergovernmental Revenues	Revenue from other governmental entities. Grants, shared revenues, and entitlements are types of intergovernmental revenues.
Interim Statement	A financial statement prepared before the end of the current fiscal year and covering only financial transactions during the current year to date.
Internal Control	A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations. Thus, for example, an employee handling cash would not post the accounts receivable records. Moreover, under such a system, the procedures to be followed are definitely laid down and require proper authorizations by designated officials for all actions to be taken.
Internal Service Fund	The fund used to account for business type activities in which the customers are other governmental entities, or departments.
Inventory	A detailed list showing quantities, descriptions, and values of property and frequently also units of measure and unit prices.
Investments	Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.
Levy	(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental unit.

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Liability	Probable future sacrifices of economic benefits arising from the present obligations of a particular entity to transfer assets or provide services in the future as a result of past transactions or events. A legal responsibility of the County, such as a payable.
Line Item Budget	A detailed expense or expenditure budget, generally classified by object within each organizational unit, and, often, classified within each object as to authorized number of employees at each salary level within each job classification, etcetera.
Long-Term Debt	Debt with a maturity of more than one year after the date of issuance.
Maquiladora	An assembly plant in Mexico, especially one along the border between the United States and Mexico, to which foreign materials and parts are shipped and from which the finished product is returned to the original market.
Mandated Functions	The functions of government as prescribed by law such as public safety, health and welfare, administration of justice, culture and recreation. These functions relate to the type of service that mandated programs deliver.
Mandated Programs	The programs and departments whose purpose and required existence for service is set by local, state or federal law.
Measurement Focus	The way in which an entity measures their assets and liabilities when reporting. It determines what is being reported upon which assets and liabilities will be given accounting recognition and reported on the balance sheet.
Mission Statement	A statement that guides a department to perform a special task or duty.
Modified Accrual Basis	A method of accounting which is recommended for use by governmental funds. Revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.
Municipal	In its broadest sense, an adjective, which denotes the state and all subordinate units of government. In a more restricted sense, an adjective which denotes a city or town as opposed to other units of local government.

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Net Bonded Debt	Gross bonded debt less any cash or other assets available and earmarked for its retirement.
Net Current Assets	Residual value after all current liabilities are liquidated.
Object	As used in expenditure classification, this term applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personal services, contractual services, materials, and supplies.
Object Classification	A grouping of expenditures on the basis of goods or services purchased; for example, personal services, materials, supplies, and equipment.
Obligations	Generally amounts which a governmental unit may be required legally to meet out of its resources. They include not only actual liabilities, but also un-liquidated encumbrances.
Ongoing Revenues	The revenues expected to continue.
Ongoing Expenditures	The expenditures expected to continue.
Operating Budget	A budget, which applies to all outlays other than capital outlays.
Operating Capital	The amount of cash available to meet obligations or expenditures as they become due.
Operating Statement	A financial statement used to present increase/decreases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
Operational Efficiencies	The true costs of delivery of services, which can indicate increasing effectiveness (lower cost of service) or conversely decreased efficiencies (higher cost of service).
Order	A formal legislative enactment by the governing body of certain local governmental units, which has the full force and effect of law. For example, county governing bodies in some states pass "orders" rather than laws or ordinances.
Outputs	The level of activities in a department.
Outcomes	The results generated from activities in a department.

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Performance Measures	Measures of a department that should support the overall goals and objectives, and that may be quantified in terms of inputs, outputs, and outcomes.
Per Capita Income	Total personal income in an area divided by the number of people in the area.
Perpetual Basis	Ongoing into the future with expiration date.
Personnel Budget	A budget that applies to all personnel items such as full time, part time and fringe benefits of a department.
Peso	Monetary unit used in the Mexican economy.
Program Budget	A budget wherein inputs of resources and outputs of services are identified by programs without regard to the number of organizational units involved in performing various aspects of the program.
Project	A plan of work, job, assignment, or task. Also used to refer to a job or task.
Property Tax	A tax on personal or private property in a municipality that is based on Truth and Taxation Guidelines.
Receipts	This term, unless otherwise qualified, means cash received.
Reduction in Force	A reduction of the labor force or reduction of authorized positions.
Refund	(Noun) An amount paid back or credit allowed because of over collection or on account of the return of an object sold. (Verb) To pay back or allow credit for an amount because of an over collection or because of the return of an object sold. (Verb) To provide for the payment of a loan through cash or credit secured by a new loan.
Reimbursement	Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.
Requisition	A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

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Reserve	An account which records a portion of the fund equity which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.
Reserve for Encumbrances	A reserve representing the segregation of fund equity in the amount of encumbrances outstanding.
Residual Equity Transfer	Represents a non-recurring or non-routine transfer between governmental entities funds, which generally occurs with the liquidation or creation of a fund.
Resolution	A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.
Retained Earnings	Equity for an Enterprise Fund.
Revenue	For those revenues which are recorded on the accrual basis (q.v.), this term designates additions to assets which: (a) do not increase any liability; (b) do not represent the recovery of an expenditure; (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets; and (d) do not represent contributions of fund equity in Enterprise and Internal Service Funds. The same definition applies to those cases where revenues are recorded on the modified accrual or cash basis, except that additions would be partially or entirely to cash.
Revenue Bond	A type of bond in which payments to the holder are tied or derived from a source of revenue.
Rollback Election	A process whereby the voters may petition an election on a tax increase that exceeds the calculated rollback tax rate.
Rollback Tax Rate	The maximum calculated tax rate that the County may adopt without being subject to the possibility of a rollback petition.
Securities	Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.
Short-Term Debt	Debt with maturity of one year or less after the date of issuance. Short-term debt usually includes floating debt, bond anticipation notes, tax anticipation notes, and interim warrants.
Special Assessment	The charges for benefits and services assessed to those taxpayers directly benefiting from the benefit or services.

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Special Revenue Fund	A fund used to account for revenues from specific taxes or other earmarked revenues sources, which by law are designated to finance particular functions or activities of government. After the fund is established, it usually continues year after year until discontinued or revised by proper legislative authority. An example is a motor fuel tax fund used to finance highway and road construction.
Statute	A written law enacted by a duly organized and constituted legislative body.
Sustainable Public Services	A public service that can be maintained into the future.
Tax Rate	The amount of tax stated in terms of a unit of the tax base. For example, \$0.432259 per dollar of assessed valuation of taxable property.
Tax Roll	The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.
Tax Year	A year where there is a property tax approved by the Commissioner's Court.
Taxes	Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.
TCDRS	This acronym stands for the Texas County and District Retirement System.
Transfers In	This refers to revenues usually set up within the Grants Fund to show the cash match that is transferred in usually through the General Fund.
Transfers Out	This refers to appropriations that are set mostly at the beginning of a fiscal year to meet grant cash match requirements, and are usually funded through the General Fund.

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Unbudgeted/Uncertified Reimbursements	The reimbursements from a source that could not be foreseeable certified nor budgeted.
Unincorporated Area	An area that has an elected governing body.
Unit Cost	The cost associated with producing a unit of service or specific product.
User Charge	A charge levied against users of a service or purchasers of a product of an enterprise fund or an internal service fund.
Value	As used in governmental accounting, this term designates (1) the act of describing anything in terms of money, or (2) the measure of an item in terms of money. The term should not be used without further qualification.
Vested Benefits	Accrued vacation and sick leave hours which are an employee benefit with rates being determined based on length of time in service. Vacation hours are paid to employees upon leaving employment with the County with sick leave being utilized only for legitimate sickness during regular employment. An exception to this general rule exist for County Sheriff Deputies under collective bargaining which requires that sick leave hours be paid upon terminating or retiring from the County. Over the years, this has resulted in large payments to individuals, which retired from the County and received payment via vested benefit payments. No other employees receive vested benefit payments within the County.
Vision	Similar to a mission statement, or what end result that a department would like to be produced, that is quantifiable.
Work Program	A plan of work proposed to be done during a particular period by an administrative agency in carrying out its assigned activities.
Working Capital	The excess of total current assets over total current liabilities.
Yield	The rate of interest earned on an investment or paid on a debt.
Zero-Based Budget	A budget based on the concept that the very existence of each activity must be justified each year, as well as the amounts of resources requested to be allocated to each activity.

