

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

Budget Glossary

COMMONLY USED ACRONYMS

BOC	Board of Commissioners
CDBG	Community Development Block Grant
CIP	Capital Improvement Project
COLA	Cost-of-Living Allowance
COPs	Certificates of Participation
ERP	Enterprise Resource Planning
GFOA	Government Finance Officers Association
FIMS	Financial Information Management System
IT	Information Technology
MCBEE	Marion County Business Enterprise Enhancement
OAR	Oregon Administrative Rules
ORS	Oregon Revised Statutes
PERS	Public Employees Retirement System
UEFB	Unappropriated Ending Fund Balance

ACCRUAL BASIS OF ACCOUNTING

A method of accounting in which revenues are recorded when earned and expenses are recorded when the obligations are incurred, as opposed to when cash is received or spent.

ADJUSTED GENERAL FUND RESOURCES

For Marion County, this term refers to the net calculation of **Estimated General Fund Resources** less adjustments for (a) certain one-time resources or transfers that are not related to the ongoing operations of the County, and (b) **Net Working Capital**. This net amount is then used in the calculation of budgeted amounts for General Fund **Contingency** and **Unappropriated Ending Fund Balance** and the Rainy Day Fund **Unappropriated Reserve**.

ADMINISTRATIVE CHARGES

Expenditures incurred by County **departments** in return for general government services such as accounting, purchasing and personnel. Administrative charges are determined in accordance with the County's cost allocation plan.

ADMINISTRATIVE COST RECOVERIES

Amounts recovered by **central services departments** in return for general government services provided to County **departments**.

ADOPTED BUDGET

The annual **budget** authorized by a resolution of the Board of Commissioners before the beginning of each **fiscal year**.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

APPROPRIATION

Authorization granted by the Board of Commissioners to make **expenditures** and incur obligations for specific purposes. Appropriations are limited to a single **fiscal year**.

APPROVED BUDGET

The annual **budget** agreed upon by the **Budget Committee** and recommended for adoption to the Board of Commissioners. Under **Local Budget Law**, the Board of Commissioners has authority to modify the approved budget prior to adoption.

ASSESSED VALUE

The value set by the County Assessor on real estate and certain personal property as a basis for a property **tax levy**.

BASE BUDGET

The **budget** used in the ongoing operation of a **program** at a current service level.

BEGINNING FUND BALANCE

A fund accounting term used to describe financial resources that are available in the current **fiscal year** because they were not expended in the previous **fiscal year**.

BUD SYSTEM

An in-house computer program used by the County to develop the annual **budget**.

BUDGET

A comprehensive annual financial plan that includes an estimate of **expenditures** for a given purpose and the proposed means of financing the estimated **expenditures**.

BUDGET CALENDAR

A schedule of dates outlined by the County for the preparation and adoption of the annual **budget**.

BUDGET CATEGORY

The functional level of **expenditure** detail at which the **budget** is appropriated and for which the County is held accountable. The County uses the following budget categories:

Personal Services – Includes salaries and wages, overtime, part-time pay and fringe benefits.

Materials and Services – Includes **contracted services**, consumable materials, supplies, operating costs and other services. This category also includes **administrative charges**.

Capital Outlay – **Expenditures** for the acquisition of **fixed assets**.

Debt Service – Payment of principal and interest on borrowed funds.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

Special Payments – Includes **expenditures** not readily classified in one of the other budget categories.

Interfund Transfers – Amounts moved from one **fund** to finance activities in another **fund**.

Contingency – An appropriated amount reserved to fulfill unanticipated demands and expenses. The Board of Commissioners must first authorize the reallocation of contingency to an expenditure category before the expenditure may be incurred.

BUDGET COMMITTEE

A committee comprised of the Board of Commissioners and an equal number of citizens appointed from the County that reviews and approves the annual **budget** prior to adoption by the Board of Commissioners.

BUDGET MESSAGE

A document prepared and presented by the **Budget Officer** that explains the County's annual **budget** and financial priorities.

BUDGET OFFICER

A person appointed by the Board of Commissioners to assemble **budget** information and oversee preparation of the proposed **budget**. The Chief Administrative Officer generally serves as the Budget Officer.

CAPITAL IMPROVEMENT PROGRAM

The County's long-term plan for providing the **fixed assets** needed for service delivery, including public facilities and infrastructure.

CAPITAL IMPROVEMENT PROJECT (CIP)

A project proposed by a County **department** to acquire or construct **fixed assets**.

CENTRAL SERVICES DEPARTMENTS

County **departments** that provide general government services such as accounting, purchasing and personnel.

CONTRACTED SERVICES

Services provided under contract by businesses or by individuals who are not County employees.

DEBT SERVICE

The payments required for interest on, and repayment of, principal amount of debt.

DECISION PACKAGE

A **budget** request for items not included in a **department's base budget**.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

DEDICATED FUNDS

County resources subject to restrictions imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

DEPARTMENT

The basic organizational unit of the County.

DISCRETIONARY RESOURCES

County resources not subject to outside restrictions.

EMPLOYEE BENEFITS

Amounts paid on behalf of employees, which are not included in gross salary, but are considered a part of the cost of salaries and benefits. Examples include group health premiums, contributions to PERS, Social Security taxes, and group life insurance premiums.

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service in the form of a purchase order, contract or other obligation.

ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM

An integrated set of business processes and associated software modules.

ESTIMATED GENERAL FUND RESOURCES

Estimates prepared during the budget process for all resources attributable to the **General Fund**, including **Net Working Capital**, Revenues and Transfers.

EXPENDITURE

The liability incurred by the County for goods or services received.

FISCAL YEAR

The twelve-month accounting period beginning on July 1 and ending on June 30.

FIXED ASSET

A tangible item with a value of \$5,000 or more and a useful economic lifetime of two years or more, such as land, buildings, machinery, furniture and equipment.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

FULL-TIME EQUIVALENT (FTE)

A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time employee working 10 hours per week would be equivalent to .25 FTE (10 x 52 / 2,080). The following processes relate to changes in FTE's:

Add – A new position approved by the **Budget Committee** or the Position Review Committee.

Delete – Elimination of an existing position.

Add/Delete – Simultaneous deletion of an existing vacant position and addition of a new position.

Reclassification – Review and adjustment of an existing position based on analysis by Human Resources and approval by the Personnel Officer.

FUND

A fiscal and accounting entity with a self-balancing set of accounts that record cash and other financial resources, related liabilities, balances and changes, which are segregated for a specific activity or objective. The County uses the following types of funds:

General Fund – Accounts for all County activities that are not required to be accounted for in another fund. The General Fund is the main operating fund of the County.

Special Revenue Fund – Accounts for the proceeds of revenue sources that are legally required to be expended for specific purposes.

Debt Service Fund – Accounts for the payment of general long-term debt principal and interest.

Capital Projects Fund – Accounts for resources to be used for the purchase or construction of major capital items.

Enterprise Fund – Accounts for activities that are financed and operated in a manner similar to private business enterprises.

Internal Service Fund – Accounts for certain activities of a County **department** in which goods and services are provided to other **departments** on a cost reimbursement basis.

Agency Fund – Accounts for assets received by the County on behalf of other governments or organizations.

FUND BALANCE

The excess of **fund** assets over liabilities. Accumulated balances are the result of an excess of revenues over **expenditures** during some period. A negative fund balance is a deficit balance.

GENERAL RESERVES

For Marion County, general reserves include the **General Fund Contingency** and **Unappropriated Ending Fund Balance** and the Rainy Day Fund **Unappropriated Reserve**. These are the resources maintained by the County to ensure the future financial stability of the County.

LOCAL BUDGET LAW

The set of state statutes that local governments in Oregon are required to follow in the budgeting and **expenditure** of public funds.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

MARION COUNTY BUSINESS ENTERPRISE ENHANCEMENT (MCBEE)

Marion County has assessed its **Enterprise Resource Planning (ERP)** system and has recognized the need to enhance its business processes in order to fully leverage its infrastructure investment. This term is used to reference the project associated with creating business systems within Marion County that are integrated enterprise-wide systems.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

A method of accounting in which revenues are recorded when measurable and available and expenditures are recorded when the obligations are incurred, as opposed to when cash is received or spent.

NET ASSETS

The difference between a government's assets and its liabilities. This term is a financial (non-budgetary) term used primarily in government-wide financial reporting and proprietary fund financial reporting.

NET WORKING CAPITAL

A term used in the **budget** to define the amount of net resources computed at the end of the **fiscal year** that is available as a resource in the ensuing **fiscal year**.

PERMANENT RATE LIMIT

The maximum rate of ad valorem property taxes that a local government may impose. There is no action that can increase the permanent rate. For Marion County, the permanent rate limit is \$3.0252 per \$1,000 of assessed property value.

PROGRAM UNIT

A group of related activities aimed at accomplishing a major service or function for which the County is responsible.

PROPOSED BUDGET

The annual **budget** recommended for approval to the **Budget Committee** by the Budget Officer. Under **Local Budget Law**, the Budget Committee has authority to modify the proposed budget prior to approval.

RESERVE

An account used either to set aside budgeted revenues that are not required for **expenditure** in the current budget year or to earmark revenues for a specific future purpose.

STRATEGIC PLAN

A policy document developed by the Board of Commissioners in April 2006. This document established, in written form, the County's Mission, Vision, Strategic Issues and Goals based on a set of defined Values.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

SUPPLEMENTAL BUDGET

A **budget** prepared to meet needs or spend resources that were not anticipated when the regular **budget** was adopted. In general, a supplemental budget must be published, discussed in a public hearing and adopted by the Board of Commissioners.

TAX ANTICIPATION NOTES (TANS)

Short-term notes issued by the County in anticipation of the collection of taxes. Typically, the County issues TANS to smooth out fluctuations in cash flow related to property tax collections.

TAX LEVY

The total amount of property taxes imposed by the County for the **fiscal year**.

UNAPPROPRIATED ENDING FUND BALANCE

The amount set aside in the **budget** to be used as a resource in the next year's **budget**. This amount cannot be transferred by resolution or used through a **supplemental budget**, unless necessitated by a qualifying emergency.

UNAPPROPRIATED RESERVE

For Marion County, unappropriated **reserve** is used to reflect the balance in the Rainy Day Fund that has not received **appropriation** authority for **expenditure** in the current year.

MARION COUNTY FY 2011-12 BUDGET
APPENDIX B
GLOSSARY

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