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# Glossary

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**ACCOUNT GROUP** - A self-balancing set of accounts which are not a fund or a fiscal entity. General Fixed Assets Account Group and General Long-Term Debt Account Group are such examples.

**ACCOUNTING SYSTEM** - The total structure of records and procedures that identify, record, classify, summarize and report information on the financial position and results of operations of a governmental unit or any of its funds.

**ACCRUAL BASIS ACCOUNTING** - A method of accounting in which revenues are recorded when measurable and available, and expenses are recognized when a good or service is used.

**ACCRUED REVENUE** - Revenue earned during the current accounting period which will not be collected until a subsequent accounting period.

**AGENCY FUND** - A fund consisting of resources received and held by the governmental unit as an agent for others.

**APPROPRIATION** - An authorization by the City Council to incur obligations and to expend public funds for a stated purpose. An appropriation is usually limited in amount and as to the time when it may be expended.

**ASSETS** – Resources owned or held by a government which have monetary value.

**AUDIT** - A methodical examination of the utilization of and changes in resources. It concludes in a written report of the findings. A financial audit is a test of the management's financial statements and internal accounting control procedures to determine the extent to which: internal accounting controls are both available and being used; and to determine whether the financial statements fairly present the City's financial condition and results of operations.

**AUTHORITY** - A government or public agency created to perform a single function of a restricted group of related activities. Usually such units are financed from service charges, fees and tools, but in some instances they also have taxing powers. An authority may be completely independent of other governments or partially dependent upon other governments for its creation, its financing or the exercise of certain powers.

**AVAILABLE (UNDESIGNATED) FUND BALANCE** - This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

**BALANCED BUDGET** – A budget in which planned revenues and resources available equals planned expenditures.

**BUDGET** – An annual financial plan embodying estimated expenditures for providing services and the proposed means of financing them.

**BUDGET AMENDMENT** - A budget amendment alters the total appropriation for a department or fund and requires approval by a resolution passed by the Pooler City Council.

**BUDGET CALENDAR** – The schedule of key dates that a government follows in preparation and adoption of the budget.

**BUDGET CONTROL** - The control or management of the approved Budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**BUDGET DOCUMENT** - The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

**BUDGET MESSAGE** - A general discussion of the proposed budget as presented in writing by the City Manager to Mayor and Council. The message contains an explanation of the principal budget items and recommendations regarding the financial policy for the coming year.

**BUDGET RESOLUTION** – The formal statement approved by the Mayor and Council which shows budgeted revenues and expenditures for the approaching fiscal year.

**CAFR (Comprehensive Annual Financial Report)** – This official annual report, prepared by the Finance Department, presents the status of the City's finances in a standardized format.

**CALEA (Commission on Accreditation for Law Enforcement Agencies)** – The primary purpose of the Commission is to improve law enforcement services by creating a national body of standards developed by law enforcement professionals. It recognizes professional achievements by establishing and administering an accreditation process through which a law enforcement agency can demonstrate that it meets those standards.

**CAPITAL COST RECOVERY FEE** - Fees charged to a new development to offset the cost of infrastructure improvements to the water and sewer system. Fees are based upon the developments proportionate share of demand placed upon the infrastructure.

**CAPITAL EXPENDITURES** - Capital outlay of five thousand dollars (\$5,000.00) or more for assets that have a useful life in excess of one year.

**CAPITAL PROJECTS FUND** - A fund used to account for financial resources used for the acquisition or construction of major capital equipment or facilities.

**CAPITAL OUTLAY** - Expenditures that result in the acquisition of/or addition to fixed assets.

**CONSTRUCTION IN PROGRESS** - The cost of construction work that has been started but not yet completed.

**CONTRACTUAL SERVICE** - An agreement to perform a service or task by external organizational units. A group of accounts which cover the above, as well as travel and training and other miscellaneous services.

**CONTINGENCY FUNDS** - Funds set aside to provide for unforeseen expenditures of uncertain amounts.

**DEBT LIMIT** – The maximum amount of gross or net debt which is legally permitted.

**DEBT SERVICE** - Expenditures for principal and interest payments on loans, notes, and bonds.

**DEPARTMENT** - Departments are the major functional sub-divisions and correspond roughly to the functional hierarchy used by the City. Each department has been assigned to one of the functions according to the type of activity it performs. For example, the Police Department is part of the Public Safety function.

**DEPRECIATION** - (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) The portion of the cost of a capital asset which is charged as an expense during a fiscal period.

**ENTERPRISE FUND** - A self-supporting fund designated to account for activities supported by user charges; examples include: Water, Solid Waste and Sewer Funds.

**ENTITLEMENT** - The amount of payment to which a state or local government is entitled as determined by the Federal government, pursuant to an allocation formula contained in applicable statutes.

**EXCISE TAX** – A levy on a specific type of transaction at a rate specific to that transaction. Also known as a selective sales tax, these taxes are separate from general sales tax and usually are based on a separate statutory authority. One example is hotel/motel tax.

**EXPENDITURE** – The payment of cash or the incurring of a liability for the acquisition of goods and services.

**EXPENSE** - Outflows or other uses of assets or incurring of liabilities during a period from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations; for example, depreciation.

**FIDUCIARY FUND** - Any fund held by a governmental unit as an agent or trustee.

**FISCAL PERIOD** - Any period at the end of which a governmental unit determines its financial position and the results of its operations

**FISCAL YEAR** - A 12-month period of time of an annual budget, at the end of which a governmental unit determines its financial position and the results of its operations

**FIXED ASSETS** - Assets of a long-term character which are not intended to be sold for profit, but which are to be used in an organization's normal course of business, such as land, buildings, machinery, and equipment.

**FRANCHISE TAX** - Fees levied on a corporation in return for granting a privilege sanctioning a monopoly or permitting the use of public property, usually subject to regulation set by the governing body.

**FRINGE BENEFITS** - Employers share of F.I.C.A taxes, health and dental insurance, disability insurance, life insurance, worker's compensation, unemployment taxes, and retirement contributions made on behalf of the City employees.

**FULL-TIME POSITION** - A position which qualifies for full City benefits and requires the employee to work at least 32 hours per week.

**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 equities, or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND BALANCE** - Fund equity (excess of assets over liabilities) available for appropriation.

**FUND EQUITY** - The excess of assets over liabilities. A portion of the equity may be reserved or designated; the remainder is Fund Balance

**GAAP** - Generally Accepted Accounting Principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standards setting bodies.

**GEFA** – Georgia Environmental Facilities Authority

**GENERAL FUND** - A fund used to account for all transactions of a governmental unit that are not accounted for in another fund.

**GFOA** – Government Finance Officers Association

**GOAL** - A goal is a statement of desired conditions to be maintained or achieved through the efforts of an organization. Actual total achievement may be impossible, but the goal is a standard against which to measure progress toward ideal conditions. A goal is a definition of results toward which the work of the organization is directed.

**GOVERNMENTAL FUND** - A generic classification adopted by the National Council on Governmental Accounting to refer to all funds other than proprietary and fiduciary funds. General fund, special revenue funds and capital projects funds are all examples of governmental fund types.

**GRANT** - A contribution by one government unit to another unit. The contribution is usually made to aid in the support of a specified function, activity or for the acquisition or construction of fixed assets.

**INFRASTRUCTURE** - An underlying base or foundation; the basic facilities needed for the functioning of the City.

**INTERFUND LOAN** - A loan made by one fund to another to be repaid at a later date.

**INTERGOVERNMENTAL REVENUE** - Revenue from other governments in the form of entitlements, grants, shared revenues or payments in lieu of taxes.

**INVESTMENT** - Securities held for the production of income in the form of interest and dividends.

**LIABILITY** - Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

**LINE-ITEM** - A detailed classification of an expense or expenditures classified within each department.

**LINE-ITEM BUDGET** - A budget featuring things to be purchased. By relating appropriations to commodities, line-item budget represent a “shopping-list” approach to allocation problems. This approach is believed to express official and citizen interest in the values of economy and control. Also know as traditional budgeting.

**LONG-TERM DEBT** - Debt with a maturity or more than one year after the date of issuance.

**LOST** - Local Option Sales Tax.

**MPC** – Metropolitan Planning Commission

**MODIFIED ACCRUAL BASIS** - Governmental funds use the modified accrual basis of accounting. Revenues are recognized in the period in which they become both available and measurable. Expenditures are recognized at the time a liability is incurred.

**NON-OPERATING EXPENSE** - Propriety fund income that is not derived from the basic operations of such enterprises.

**OBJECT CODE** - Expenditure classification according to the types of items purchased or services obtained; for example, personnel services, materials & supplies, contractual services, and capital.

**OBJECTIVE** - An objective is a decision about the amount of progress to be made within a specified period of time. It states in measurable and quantitative terms the results to be achieved within a specified time and plans the incremental steps to achieve the goal.

**OPERATING BUDGET** – Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some governments, the biennial operating budget) is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

**OPERATING COSTS** - Operating costs are proprietary (Enterprise) fund expenses that directly relate to the fund’s primary service activities. For example: salaries and wages, expendable supplies, and contractual services.

**OPERATING TRANSFER** - Legally authorized interfund transfers from a fund receiving revenue to the fund that makes expenditures.

**ORDINANCE** - A formal legislative enactment by the governing body of a municipality. It is not in conflict with any higher form of law, such as state statute or constitutional provision; it has the full force and effect of law within the boundaries of the municipality to which it applies.

**ORGANIZATION CHART** - A chart representing the authority, responsibility, and relationships among departmental entities within the City organization.

**PART-TIME** - Part-time employees work less than 32 hours per week and are not entitled to full-time employee benefits.

**PERSONNEL COST** - Refers to all costs directly associated with employee, including salaries and fringe benefits

**PROFESSIONAL SERVICES** - Expenditures incurred by the City to obtain the services of recognized, licensed professionals such as Doctors, Engineers, Certified Public Accountants, etc.

**RESERVE** - (1) An account used to earmark a portion of fund balance to indicate that it has been earmarked to a particular purpose; and (2) an account used to earmark a portion of fund equity as legally segregated for a future use.

**RESIDUAL EQUITY TRANSFERS** - Additions to or deductions from the beginning fund balance of governmental funds.

**REVENUE** – Income of a government from taxation, excise taxes, or other sources to fund financial resources other than from inter-fund transfers and debt issue proceeds.

**SALARIES & BENEFITS** -The cost of all salaries, wages, and associated fringe benefits required to provide a governmental service.

**SPLOST** - Special Purpose Local Option Sales Tax.

**SPECIAL REVENUE FUND** - A fund established to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government.

**UNRESERVED FUND BALANCE** - The amount remaining in a fund that is not designated for some future use and which is available for further appropriation or expenditure.

**USER CHARGES** - The payment of a fee for direct receipt of a public service by the party benefiting from the service.