Chapter Eleven: Glossary

Account - A subdivision of a fund. An account is a classification by which information on particular financial transactions and financial resources is recorded and arranged.

Addition - Extension, enlargement, or expansion made to an existing asset.

Agency Budget Number - The three-digit number assigned to each Business Unit by OMB.

Agency or Business Unit - A principal, functional, and administrative entity created by statute within state government.

Allotment - A procedure under which appropriated funds are restricted when resources appear insufficient to cover appropriations. Allotment, authorized by NDCC 54-44.1-12, is intended to assure that expenditures do not exceed available resources during a biennium.

Appropriation - A legislative authorization to expend resources. An appropriation specifies the amount of money to be used for a particular purpose during a period of time, usually one biennium.

Appropriation Authority – Authorization in an Appropriation Act for an agency to expend funds.

Appropriation Bill - A bill through which appropriations are given legal effect.

Balanced Budget - A budget in which estimated expenditures for the fiscal year are equal to or less than projected revenues for the same period. In certain situations, a balanced budget may include the beginning balance in projected revenues.

IBARS - Internet Budget Analysis and Reporting System.

Base Budget Request - The statement with accompanying explanations in which a state agency sets forth its financial requirements and plans for a biennium within constraints set by the Governor.

Biennium - The period of two state fiscal years for which the budget is written. For example, the 2015-17 budget covers the period July 1, 2015 to June 30, 2017.

Budget - The complete financial plan for the state for the fiscal period, as proposed in the executive recommendation and modified and adopted by the Legislature in appropriation and revenue acts.

Budget Account Code - A six digit code used for accounting and budgeting purposes, in lieu of a written description, to describe the specific items anticipated to be purchased in the budget, or purchased within various expenditure categories. Codes are assigned by OMB. A budget account code is a rollup of detail account codes.

Budget Document - The instrument used by OMB and the Governor to present a comprehensive financial program to the Legislature. The budget document consists of three parts. The first

contains a summary of proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. The third part is the necessary legislation to put the budget into effect including appropriation, revenue, and borrowing measures.

Budget Level - Consists of one or more department levels rolled up to a major program or subprogram.

Budget Message - A general discussion of the proposed budget as presented in writing by the Governor to the Legislature. The budget message contains an explanation of the principal budget items, an outline of the government's experience during the past period, its financial status at the time of the message and recommendations regarding the financial policy for the coming biennium.

Budget Request - The statement with accompanying explanations that a state agency uses to set forth its financial requirements and plans for a biennium.

Budget Request Checklist – The IBARS tab listing all subschedules to be completed before the budget request can be submitted.

Budget Request Summary – The IBARS subschedule that summarizes the budget request by reporting level.

Budget Stabilization Fund (Rainy Day Fund) - A special fund with reserve dollars to be used only in time of great need.

Budget Version – A variation of a budget request separately identified in IBARS. A different budget version exists at various stages of the budget process. These include download versions that are the starting point of the budget process, agency work-in-progress versions, the budget request, OMB analyst work-in-progress versions, and the Governor's recommendations.

Capital Assets – Expenditures for capital projects, extraordinary repairs and equipment over $5,000. In IBARS, capital assets are the subschedules that summarize the budget request for capital projects, extraordinary repairs, equipment over $5,000, IT equipment and software over $5,000, and other capital payments.

Capital Budget - The portion of the budget devoted to proposed additions and repair of buildings and land and the means of financing those assets. The capital budget portion of the budget includes money for building new state facilities and making improvements to existing facilities.

Capital Projects - Expenditures for new construction, additions, restorations, and demolitions of buildings and infrastructure.

Capital Carryover - The unexpended balance of an appropriation, remaining at the end of the biennium, approved for expenditure by the carryover committee.

Comprehensive Annual Financial Report (CAFR) - The official annual report of a government, prepared in conformity with GAAP and organized into a financial reporting pyramid.

Continuing Appropriation - Statutory authorization for an agency to accept revenue and make expenditures that are not subject to the biennial appropriation process. In IBARS, the subschedule that provides the statutory authority and the estimated revenues and expenditures for each continuing appropriation fund.

Debt Limitation - Constitutionally or statutorily imposed limits on state obligations.

Debt Service - A category of appropriations and expenditures used for the payment of principal and interest on debt.

Dedicated Fund - A fund that receives and expends revenue collected by the state for a specific purpose.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Deficiency Appropriation - An appropriation used to meet obligations not foreseen when the biennial budget was enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists.

Deficit - The amount by which spending exceeds income within a given fiscal period.

Demolition - All expenditures associated with tearing down an existing building or structure.

Department ID - Provides a means for entering and tracking accounting data. It is the lowest level of detail for accumulating costs.

Direct Costs - Costs specifically traceable to certain goods, services, units, programs, activities, or functions. Direct costs differ from indirect costs in that the latter cannot be specifically traced and so must be allocated on some systematic and rational basis.

Enterprise Resource Planning (ERP) – An administrative software system that covers the entire enterprise.

Executive Recommendation - The Governor's constitutionally mandated plan of appropriations, expenditures, and cash disbursements, along with estimates of revenues and cash receipts expected to be available to support those expenditures.

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. An expenditure occurs when the liability is incurred for goods and services received regardless of when the money is disbursed.

Extraordinary Repair - Relatively large expenditures for repairs that benefit more than one operating cycle or period. Extraordinary repairs are non-recurring in nature and increase the value or service life of the asset.

Federal Funds - Funds received or requested directly from the federal government, or federal funds passed through from another state entity.

Fiscal Note - The statement of fiscal impact (revenue and/or expenditure) that a proposed bill will have on the state, its political subdivisions, or the citizens of the state.

Fiscal Year - The state fiscal year runs from July 1 through June 30. The federal fiscal year runs from October 1 through September 30. The fiscal year for counties and cities is the calendar year.

Fringe Benefits - Payments made by the state for retirement, social security, health insurance, workers compensation, and unemployment insurance.

Full-time Equivalent (FTE) Position - A full-time position approved by the Legislature. A full-time work year is 40 hours per week, 52 weeks per year.

Fund - A fiscal entity segregating the financial resources of the state. Monies in a fund may be used for a specific purpose as provided by law. Each fund is a self-balancing set of accounts recording resources, obligations, reserves, and equities in accordance with GAAP.

Fund Number - A three-digit code assigned by OMB to each fund for accounting purposes.

Funding - The source of operating revenue for a department. The three categories for funding are general, federal, and special.

Funding Reallocation – The IBARS feature allowing an agency to allocate the funding source percentages for an entire version, reporting level, or line item.

General Fund - The major operating fund of the state that receives all state income not earmarked for a particular program or activity and not specified by law to be deposited into another fund.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards and guidelines for financial accounting and reporting.

Goal - A long-term (multi-year) vision of the future; the general end towards which efforts are directed.

Governmental Accounting Standards Board (GASB) - An independent, professional body that establishes standards for accounting and financial reporting applicable to state and local governmental entities.

Improvement (or betterment) - The removal of a major part or component of an asset and the substitution of a different part or component having significantly improved and superior performance capabilities.

Indirect Costs - The elements of cost necessary in the production of goods or services that are not directly traceable to the product or service.

Internal Controls - Methods and measures adopted within an organization to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. Internal controls encompass both internal administrative controls and internal accounting controls.

Large IT Project - Information Technology (IT) projects with a budget in excess of $500,000. In IBARS, these projects are reported through the Large IT Projects subschedule.

Line Item (Class [PS]) - A line item is a subdivision of an appropriation such as salaries and wages, operating expenses, and capital assets.

Matching Funds - A type of grant requiring the government or agency receiving the grant to commit a certain amount of funding to the program before funds will be made available by the granting entity.

Mission - A broad statement of the overall purpose of an agency's existence including what they do, why they do it, and for whom they do it.

Navigation Path - The menu options a user must select to access a particular window.

Non-appropriated - Revenues or expenditures of governmental entities that are not subject to the appropriation process.

Non-recurring Revenues - Revenues available during a fiscal period that will not be available in subsequent fiscal periods.

Operating Budget - Plans of current expenditures and the proposed means of financing them. For the State of North Dakota, this is the proposed plan of funds necessary to run a program, excluding the cost of capital construction.

Operating Maintenance - Expenditures for maintenance and ordinary repairs to keep assets in usable condition. Operating maintenance is either recurring or incurred on a continuous basis, not capitalized, and involves dollar amounts less than $1,500. Examples include paint, floor wax, lubrication, cleaning supplies, and air filters.

Optional Request - The statement with accompanying explanations in which a state agency sets forth its financial requirements that exceed the base budget constraints set by the Governor.

Other Funds - Non-general fund amounts appropriated by the Legislature, which include all federal and special funds.

Pay Plan - The schedule of employees' salaries and benefits used in developing the salaries and wages line item.

Peoplesoft Financials - Name of the computerized system used in North Dakota state government to account for all financial transactions.

Peoplesoft HR/Payroll - Name of the computerized system used in North Dakota state government to account for all human resource and payroll transactions.

Preparation Level - The detail level at which the budget request is entered.

Performance Measure - The gauge used to measure progress towards a stated goal.

Position Detail Data – The IBARS subschedule used to enter all payroll information for the budget request biennium.

Program - A functional unit of activity representing the basic budget unit used to describe and account for services provided by state government. Programs have an identifiable objective that can be evaluated for performance.

Program Objective – The ultimate purpose of a program, towards which efforts are directed, stated in terms of a measurable result.

Receipts - A general term for cash received which may either satisfy a receivable, or be a conversion of another asset or a refund of a prior expenditure.

Receivable - An anticipated sum of money treated as revenue even though it is not in hand. Such sums are available for expenditure by state agencies when properly authorized. The establishment of a receivable amount results in an increase in an asset balance.

Renovation - Substantial changes to an asset bringing it to a condition better than it was when originally built.

Replacement - Involves the removal of a major part or component of an asset and the substitution of a new part or component of essentially the same type and performance capabilities.

Reporting Level - A 16-digit number grouped into seven different "layers" by hyphens used to identify the agency, major program level, and cost center in IBARS. By using the seven different layers, reports can be generated at any level from accounting cost center to statewide summarization.

Restoration - An expenditure to bring an asset back to its original condition or state.

Revenue Estimates - Projections of anticipated state revenue for the current and future biennia.

Revolving Fund (Account) - A fund (or an account within any fund) established to finance (1) state activities of a business or commercial nature or (2) the operation of an intra governmental service agency or enterprise, which generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise.

Security Level - A code used by the IBARS system to control data access.

Special Funds - Monies derived from sources such as local governmental units, special funds, departmental collections, and private contributors.

Special Fund Balance – The IBARS subschedule used to prepare special fund statements for the current and budget request bienniums for special funds used by the agency.

Strategic Plan - An action-oriented guide developed through an examination of internal and external factors that directs goal-setting and resource allocation to achieve meaningful results over time.

Subschedule Copy – The IBARS feature that allows the user to copy data from one budget version to another. This feature may be used to copy previous biennium data, such as narrative, into a working version.

Success Indicator - The gauge used to measure progress towards a stated goal.

Surplus - The amount income exceeds spending within a given fiscal period.

Transfers - The movement of cash or other resources between funds, as legally authorized.

Trust Funds - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, or other funds.

Unexpended Appropriated Balance - The appropriated authority minus actual expenditures. The same amount as the portion of an appropriation not yet expended.

User Taxes and Fees - Charges associated with using a particular service or facility (e.g., park entrance fees, highway tolls).

Versions Tab – The IBARS window used to select, create, or delete versions of a budget.

Veto - The constitutional authority of the Governor to disapprove bills passed by the Legislature. The *line item veto* is the authority of the Governor to disapprove any item or items of appropriation while approving the rest of the appropriation bill. The Legislature may override a veto or line item veto with a vote of at least two-thirds of the members of each House.