

BUDGET GLOSSARY

Activity - An accounting device that separates costs within a fund by function. A fund may contain several departments, each designated with its own activity number, and some departments contain several accounting activities. For example, the Sheriff's Office has separate accounting activities for Administration, Field Services, Corrections, etc.

Accrual - To come into existence as a legally enforceable claim.

Actual - Amount of money actually spent or received within a given period, usually within a prior year.

Ad Valorem - A tax levied by a local government against the assessed valuation of real or personal property.

Adopted Budget - Financial plans approved by the Board of Commissioners for the upcoming fiscal year. This includes an Operating Budget and a Capital Plan and Budget.

Amended Budget - The current financial plan that reflects any adjustments made to the adopted budget since passage of the Appropriations Resolutions.

Appropriation - (1) A legal authorization granted by the Board of Commissioners to make expenditures and to incur liabilities for specific purposes. (2) An amount transferred from the General Fund to another fund, outside agency, or governmental unit.

B/A - Refers to the county's Building Authority.

Balanced Budget - A budget in which projected revenues and expenses are equal.

Bond - An interest-bearing certificate of public or private indebtedness.

Budget - A statement of the financial position of an administration for a definite period of time based on estimates of expenditures and revenues during the period; a plan for the coordination of resources and expenditures.

Budget Message - A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

Capital Improvements - Expenditures that result in the acquisition of or addition to fixed assets.

CARHIO – Acronym for Capital Area Regional Health Information Organization.

CATA – Acronym for Capital Area Transportation Authority.

CATS – Acronym for Correctional Assessment and Treatment Services.

CCF – Acronym for Child Care Fund.

CHS – Acronym for Child Health Services, a division of the Health Department.

CMH - Acronym for Community Mental Health.

Community Agency - Usually a nonprofit or quasi-governmental social service organization outside the County Government that seeks County funding for its programs.

Contingency - An amount set aside to provide for unforeseen expenditures and/or to fund program changes authorized by the Board of Commissioners during the budget year.

Controllable Expenses – one of the cost categories used by Ingham County to identify specific resources. Controllable expenses are those that are at the discretion of the department, such as supplies, travel, contractual services and so on.

Cost Categories - Cost categories consist of a group of line items within a fund. For example, included in the Personnel Cost Category are line items such as wages (full-time, part-time, overtime), unemployment, FICA, health insurance, etc. These categories are used to identify specific resources.

CS - Abbreviation referring to the County Services liaison committee of the Board of Commissioners.

CSES - Acronym for Child Support Enforcement System. This is the State of Michigan's computer system for administering child support payments and disbursements.

Current Services - The amount of 2017 funds required to maintain the same level of service as currently provided in 2016.

DDA - Acronym for Downtown Development Authority.

Debt Service Funds - These funds, numbered 301 - 399, are used to account for payment of interest and principal on long-term debt, other than special assessment and revenue bonds. Only the current portions of long-term debt are reflected in these funds.

Depreciate - To lower the price or estimated value of an item. For capital purchases, the value of an item is expensed over the depreciable life of the item, rather than expensed in total in the year in which the item was purchased.

DHS - Acronym for Department of Human Services.

EDC - Acronym for Economic Development Corporation.

Enterprise Funds - These funds, numbered 501 - 599, are used to account for the financing of services provided to the public where all or most of the costs involved are recovered through service charges to the users of such services.

Expenditure - Simply put, expenditure means spending. Technically it means decreases in assets or net financial resources. Expenditures are recorded when liabilities are incurred pursuant to authority given in an appropriation. They include current operation expenses that require the current or future use of net current assets, debt service, or capital outlays.

Expenditure Control - A line item used to account for expenditures that pass through Ingham County's books. Ingham County does not keep detailed accounting records for entities such as the Medical Care Facility, and this line item is used to record such expenditures in total.

Fixed Assets - Goods that have a purchase price of \$5,000 or more and have a life expectancy of more than one year.

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. Ingham County's fiscal year extends from January 1 to December 31.

FOC - Acronym for Friend of the Court, a division of the Circuit Court.

FOIA - Acronym for Freedom of Information Act.

FQHC - Acronym for Federally Qualified Health Center.

FTE - Full Time Equivalent. A position established by the County is characterized by the number of hours worked per week divided by 40 hours; e.g. 20 Hours = 0.50 FTE. This figure is used to project accurate employment data.

Fund - A Fund is defined by the Government Finance Officers Association as an independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other resources, together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

General Fund (Fund 101) - The most important fund in the county since it is used to account for all transactions of a governmental unit that are not properly accounted for in any other fund. The General Fund accounts for a wider range of activities than any other fund and has the least restrictions on the revenue it receives. It also receives a greater variety of revenues, such as general property taxes, license fees, fines, penalties, permit fees, Federal and State grants, interest not recorded in other funds, and other revenues.

GLFB - Acronym for Greater Lansing Food Bank.

Governmental Fund – Governmental Funds are used to account for functions that are principally supported by taxes and intergovernmental revenues, as opposed to other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

GPB - Acronym for the Grady Porter Building.

Headlee Rollback - A formula for reducing the maximum allowable millage for a local unit included in the Michigan Constitution in 1978. It requires that the maximum allowable tax rate of a unit be reduced when the total State Equalized Value on existing properties in the unit exceeds the rate of inflation.

HI - Refers to Ingham County's Hawk Island Park.

HS - Refers to the Human Services liaison committee of the Board of Commissioners.

HSB - Acronym of the county's Human Services Building.

ICHD – Acronym for Ingham County Health Department.

ICMCF - Acronym for Ingham County Medical Care Facility.

IHP – Acronym for Ingham Health Plan.

Interfund Transfers - Amounts transferred from one fund to another. For example, revenue collected in the General Fund is expended as "Appropriation Transfer Out - F221." Fund 221 (Health Fund) receives this money as revenue under the line item "Revenue Transfer In - F101" and uses it to finance Public Health expenses not covered by other revenue sources in the Health Fund.

Intergovernmental Revenues - Revenues from Federal, State, or other governments in the form of grants, entitlements, or shared revenues.

Internal Service Funds - These funds, numbered 601 - 699, are used to finance, administer, and account for the financing of goods and services provided by a department or agency to other departments or agencies of the County or to other governmental units on a cost reimbursement basis.

IT - Acronym for the central services Innovation and Technology department.

LC - Refers to the Law and Courts liaison committee of the Board of Commissioners.

Liaison Committee – Standing committees of the Board of Commissioners that oversee departments and review policies in broad program areas. The three Liaison Committees are County Services, Human Services and Law and Courts.

Line Item Budget - A detailed expense or expenditure budget, generally classified by object, e.g., supplies, travel, telephone, etc. In Ingham County, there is an operating budget for each revenue and expenditure line item.

LOFT - Acronym for the Law and Order Fund for Technology. This is used for funding the computer systems used by Ingham County's courts and law enforcement departments.

Lump Sum Appropriation - An appropriation made for a stated purpose, or for a named department, without specifying further the amount that may be spent for specific activities or for particular objects of expenditure.

Major Fund – Major funds as those where total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and where total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Millage Rate - A rate expressed in thousands. As used with ad valorem (property) taxes, the rate expresses the dollars of tax per one thousand dollars of taxable value.

Modified Accrual Basis - The basis of accounting adopted for a governmental fund; as appropriate for fund type, should be used in measuring financial positions and operating results. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items that need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts that need not be recognized in the current period, but for which larger-than-normal accumulation must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness that may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt that are generally recognized when due. All governmental funds and Expendable Trust Funds are accounted for using the modified accrual bases of accounting.

MSU - Acronym for Michigan State University.

Non-controllable Expenses - One of the cost categories used by Ingham County to identify specific resources. This category is generally used to record central services chargebacks such as courier service, IT services and utilities.

Operating Budget - The budget that deals with everyday activities. In most cases, these budgeted expenses are depleted in a single year. Ingham County has a separate budget for Capital Improvement items, although funds are set aside in the Operating Budget to help finance Capital Improvements.

OYC – Office of Young Children, a division of the Health Department.

P/A - refers to the Prosecuting Attorney's Office.

PSAP – Acronym for Public Safety Answering Point.

Revenue - Additions to a fund's financial resources other than from Interfund transfers and debt issue proceeds.

RSRF – Acronym for Revenue Sharing Reserve Fund.

SCAO – Acronym for State Court Administrative Office.

SEV - Acronym for State Equalized Valuation. In Michigan, property is assessed at 50% of true market value.

Strategic Planning Initiative Funds - An amount of projected General Fund revenue (usually \$300,000) which is set aside at the beginning of the budget process for use later by the Finance Committee to fund programs and services not included in the budget by the Controller or Liaison Committees.

Taxable Value - In Michigan, Taxable Value is the value to which tax rates are applied. It is either the same or less than State Equalized Value depending on the rate of inflation or the appreciation in the property's value. The taxable value can never increase more than 5% in a single year, except when the property transfers to a new owner.

Tax Year – The year in which property tax is collected. Historically, taxes were collected in December of the year prior to the budget year, making tax funds available at the start of the budget year in January. In 2005, the state shifted the general fund tax collection to summer, making the tax year and the budget year the same for the general fund. This requires the county to operate for the first six months of each year with no property tax collection revenue in the general fund. Property taxes generated by special millages continue to be collected in December prior to the start of the budget in January.

TCOA - Acronym for Tri-County Office on Aging.

TCRPC - Acronym for Tri-County Regional Planning Commission.

TIFA - Acronym for Tax Increment Financing Authority.

Trust and Agency Fund - These funds are used to account for assets held by a local governmental unit as trustee or agent for individuals, private organizations and other governmental units. This includes taxes collected for other governmental units, state and federal taxes withheld from salaries (including social security), appearance or bail bonds, guarantee deposits (except those of Enterprise Funds), moneys held in escrow, etc.

Truth in Taxation Act - The name given to Michigan Public Act 5 of 1982 which requires that a public hearing be held and a notice of public hearing on increasing property taxes be published in the local newspaper if the local unit chooses to accept an increase in tax revenues from increases on assessments on existing properties. The Truth in Taxation rollback formula rolls back the tax rate if these requirements are not met. This act has been amended so that the formula includes the revenue distributed to the County for the Convention Facility Tax (Liquor tax) and the Health and Safety Fund Act (Cigarette tax).

Unassigned Fund Balance – Excess of total fund balance (assets over liabilities) over nonspendable, restricted, committed and assigned fund balance. This term only applies to governmental funds. This is the “fund balance” generally referenced when discussing the budget, as it is the only portion that can be used for general budgeting purposes. In the budget, the “Use of Fund Balance” indicates that prior year surplus of unassigned fund balance is available in a fund to be used to finance current year expenditures.

Unincorporated Area - That portion of the County which is not within the boundaries of any municipality.

WIC - Acronym for Women, Infants and Children program in the Health Department.

YC - Refers to the Youth Center, Ingham County’s residential detention facility for juveniles.