GLOSSARY OF BUDGET TERMS

Account: A subdivision within a fund for the purpose of classifying transactions.

Account Number: A numeric identification of the account. Typically a unique number or series of numbers. The City of San Bernardino's number structure is comprised of three fields of characters. They are as follows: *Fund Number – Department Number – Object Code* and looks like (000-000-0000).

Adopted Budget: A budget which typically has been reviewed and "Adopted" (approved) by the Mayor and Common Council prior to the start of a fiscal year. The legal authority to expend money for specified purposes in the fiscal year time period.

Appropriate: Set apart for, or assign to, a particular purpose or use.

Appropriation: An authorization by the Mayor and Common Council to make expenditures and to incur obligations for specific amounts and purposes within a specific time frame.

Appropriations Limit: As defined by Section 8 of Article XIIIB of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979, general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

Assessed Valuation: A percent of appraisal value assigned to real estate property for use as a basis for levying property taxes.

Asset Forfeiture: The removal of money and property from persons involved in illegal criminal activity.

Assessment: Charges made to parties for actual services or benefits received.

Assessment Districts: An area where fees are assessed by the City to cover the construction, maintenance or service costs that have occurred in that specific area.

Audit: Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in conformity with generally accepted accounting principles.

Beginning Balance: Unencumbered and unreserved resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Bond: A written promise from a local government to repay a sum of money on a specific date at a specified interest rate. Bonds are most frequently used to finance capital improvement projects.

Budget: A fiscal plan of financial operation listing an estimate of proposed applications or expenditures and the proposed means of financing them. The budget must be approved by the Mayor and Common Council prior to the beginning of the fiscal year.

Budget Amendment: Any changes made to the Adopted Budget Document. (Administrative Amendment – Changes to the budget that do not require the approval of the Mayor and Common Council and may be approved administratively by the Director of Finance. Legislative Amendment – Changes to the budget that require the approval of the Mayor and Common Council and may not be approved administratively.

Budget Message/Transmittal Message: A message from the City Administrator to the Mayor and Common Council which summarizes the budget and highlights the most important aspects of the budget.

Budget Year: The Fiscal year for which the budget is being considered; fiscal year.

Budgeted Positions: Those ongoing positions approved in the final budget of the preceding year.

Budgeted Reserve: The anticipated portion of a fund's balance designated by the Mayor and Common Council as reserved for contingencies and not to be appropriated unless directed and authorized by the Mayor and Common Council.

CAD/RMS System: (CAD) A Computer Aided Dispatch System used by the Police and Fire Departments. (RMS) A Records Management System used by the Police Department.

Capital Outlay: Expenditures which result in the acquisition of, or addition to, fixed assets. A capital item is tangible, durable, non-consumable, and has a useful life of more than one year and a value of more than $500 per unit.

Capital Projects: A major long-term construction of, or improvements to, public physical facilities.

Carryover: Process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year. The new fiscal year account will reflect the increased amount of the carryover.

CATV: Cable TV Division of the City of San Bernardino. This division provides regulatory oversight of the City's cable companies for franchise compliance, consumer protection, and franchise renewal negotiations. It operates and programs two access channels, one public and one educational for the community.

CDBG: Community Development Block Grant - Contributions received from the Federal Government to be used or expended for a specific purpose or activity.

Certificates of Participation (COP): Obligations of a public entity based on a lease or installment sale agreement.

Charter: A formal legal document of the City which specifies its purpose and describes the organization of the City's government.

Charter 186: Establishes for the City of San Bernardino a basic standard for fixing salaries, classifications, and working conditions of the employees of the Police and Fire Departments of the City of San Bernardino, and the Mayor and the Common Council in exercising the powers and control over these departments

Consumer Price Index (CPI): Measure of change in consumer as determined by a monthly survey of the U.S. Bureau of Labor Statistics.

Debt Service: Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COP's).

Deficit: Insufficient revenues to fully support current expenditures and obligations.

Department: A major unit of organization in the City comprised of subunits named divisions and responsible for the provision of a specific package of services.

Depreciation: Loss in value of an asset, whether due to physical changes, obsolescence, or factors outside of the asset.

Designated Fund Balance: A portion of unreserved fund balance designed by city policy for a specific future use.

Division: A major sub-unit of a department with responsibility for a clearly defined portion of the service package provided by a department.

EDA: Economic Development Agency

EMS: Emergency Medical Service

Encumbrance: The commitment of appropriated funds to purchase goods or services. An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.

Expenditures: The outflow of funds paid or to be paid for an asset, goods or services obtained. The actual spending of governmental funds.

Fiscal Year (FY): A twelve-month period of time to which an annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. In the City of San Bernardino, it is July 1 through June 30.

Fixed Asset: Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Fleet: A Division of the City of San Bernardino which operates under the supervision of the Director of Public Services. This Division is responsible for acquisition, service and maintenance of the City's vehicles and equipment.

Franchise Fee: A charge for the privilege of using public rights-of-way and property within the City for public or private purposes.

Fringe Benefit: Compensation that an employer contributes to its employees such as social security, retirement, life/health insurance, or training supplements. Fringe benefits can be either mandatory or voluntary.

Fund: An independent fiscal and accounting entity with a self balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance: The difference between fund assets and fund liabilities.

General Fund: The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations and services such as street maintenance, parks, fire and police protection.

General Government: A fund within the City budget which consists of two areas: 1) Fine Arts and Civic Activities – Which is the support of various programs that aid the City in improving its community, developing and enhancing the cultural and aesthetic values of the City, and developing the Civic Affairs of the City. 2) Non-Departmental – City-wide program costs which are not directly applicable to any one City Department.

Goal: A general statement of broad direction, purpose or intent, which describes the essential reason for existence and which is not limited to a one-year time frame. Generally, a goal does not change from year to year.

Grant: Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity or facility.

Infrastructure: The physical assets of the City (Streets, water, sewer, public buildings, parks).

Internal Audit: The review of financial transactions in both the Finance Department and in operating departments for compliance with local policy and generally accepted accounting principles.

Internal Service Funds: A fund established to account for the goods and services provided by one City Department to another City Department and is financed on a cost-reimbursement basis.

Lease Purchase: With the approval of the Mayor and Common Council, a large purchase of capital equipment made by the City of San Bernardino which is paid through a financial corporation in payments. The payments can be made annually, semi-annually, quarterly or monthly.

Liquidation: To convert assets into cash.

Mid-Year Budget Review: A review of actual expenditure and reserves vs budgeted amounts half way through the fiscal year. Reserve and expenditure estimates may be revised based on actuals and new information not available at time the budget was adopted.

MIS: Management Information Systems Division of the City of San Bernardino. This Division provides technology creation, maintenance, and general automation support to all City Departments.

Memorandum of Understanding (MOU): The result of labor negotiations between the City of San Bernardino and its various bargaining units.

Non-Departmental: Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Ordinance: A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Organizational Chart: A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities.

Outsource: The contracting of public services to an outside vendor.

Overtime: Time worked in excess of an agreed upon time for normal working hours by an employee. Hourly or non-exempt employees must be compensated at the rate of one and one-half their normal hourly rate for overtime work beyond 40 hours in a work week.

PERS: Public Employees Retirement System – The retirement system, administered by the State of California, to which all permanent City employees belong.

Preliminary Budget Document: An unapproved draft document listing an estimate of proposed applications or expenditures and the proposed means of financing them for a certain fiscal year.

Proposition 218: The law which governs whether or not a City can approve/impose a tax without an electoral vote.

Purchase Order: An order issued by the Purchasing Department which authorizes the delivery of specific goods or services, and incurring a debt for them.

Reserve: The portion of a fund's balance legally restricted for a specific purpose and, therefore not available for general appropriation.

Resolution: A special order of the Mayor and Common Council which has a lower legal standing than an ordinance.

Revenues: Funds received from various sources and treated as income to the City which are used to finance expenditures. These funds are received from sources such as local taxes, state shared revenues, fees charged, interest on investments and fines and forfeits.

Salary Savings: Salary savings reflect personnel cost savings resulting from vacancies and as a result of employee turnover.

Shortfall: The forecast amount, which will become a deficit to the City once all revenues and expenditures have been calculated.

Special Revenue Funds: A governmental fund type used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Taxes: Charges made against the public by a government to obtain the money it needs to finance its activities.

Transient Occupancy Tax (TOT): A tax imposed on travelers who stay in temporary lodging facilities within the City.

Undesignated Fund Balance: The unrealized balance of an account once all revenues and expenditures have been calculated.

Utility Users Tax: Per the City of San Bernardino Municipal Code Chapter 3.44, a tax is imposed on users of utilities within the City, such as cable, gas, electric, and telephone, at a rate of 8%. This tax is a major revenue source for the City of San Bernardino.

Vacancy Factor: The calculated savings of vacant positions and expenditure savings within City Departments.

Vendors: Persons or companies providing services to the City of San Bernardino for payment.

ABBREVIATIONS AND ACRONYMS GUIDE

Air Quality Management District (Also known as South Coast Air Quality Management District – SCAQMD)	AQMD
Assembly Bill	AB
Assessment District	AD
Assessor's Parcel Number	APN
Business Registration Certificate (Also known as Business License)	BRC
Computer Aid Dispatch (Also known as Computer Aided Design)	CAD
California Environmental Quality Act	CEQA
Certificates of Participation	COP
Citizens Option for Public Safety	COPS
Community Development Block Grant	CDBG
Community Development Commission	CDC
Comprehensive Annual Financial Report	CAFR
Conditional Use Permit	CUP
Consumer Price Index	CPI
Drug Abuse Resistance Education	DARE
Development Review/Environmental Review Commission	DRC/ERC
Economic Development Agency (Also known as Former Redevelopment Agency – RDA)	EDA
Emergency Medical Service	EMS

Environmental Impact Report	**EIR**
Fair Political Practices Commission	**FPPC**
Fiscal Year	**FY**
General Plan Amendment	**GPA**
Geographical Information Systems	**GIS**
Government Code	**GC**
Inland Valley Development Agency	**IVDA**
Joint Powers Authority (generic)	**JPA**
Legislative Review Committee	**LRC**
Local Agency Formation Commission	**LAFCO**
Management Information Systems	**MIS**
Mayor and Common Council	**M&CC**
Memorandum of Understanding	**MOU**
Municipal Code (Also known as San Bernardino Municipal Code – SBMC)	**MC**
Norton Air Force Base (former)	**NAFB**
Online Computer Library Center	**OCLC**
Problem Oriented Policing	**POP**
Public Employees Retirement System	**PERS**
Public Information Officer	**PIO**
Records Management Systems	**RMS**
San Bernardino Association of Governments	**SANBAG**
San Bernardino International Airport Authority	**SBIAA**

San Bernardino Joint Powers Financing Authority	**SBJPFA**
San Bernardino Unified School District	**SBUSD**
Senate Bill	**SB**
Southern California Association of Governments	**SCAG**
Southern California Edison	**SCE**
Transient Occupancy Tax (Also known as Transient Lodging Tax – TLT)	**TOT**
Underground Utility District	**UUD**
Utility Users Tax	**UUT**