

# Budget Glossary

**ACCRUAL ACCOUNTING** – A basis of accounting in which revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

**ACTIVITY** – A specified and distinguishable line of work performed by a Division.

**ACTION (also Strategic Action)** - A specified step through which a department will attain its goals

**AD VALOREM TAX** – A tax computed from the assessed valuation against real (land and buildings) and personal (equipment and furniture) property.

**APPROPRIATION** – A legal authorization granted by City Council to incur obligations and make expenditures for designated purpose.

**ASILOMAR ACCORDS** - A document of goals that focuses on significantly reducing the euthanasia of treatable companion animals in the United States.

**ASSESSED VALUATION** – The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

**ASSETS** – Resources owned or held by the City which have monetary value.

**AUDIT** – An examination of an organization's financial statements and the utilization of resources.

**AUTHORIZED POSITIONS** – Employee positions, which are authorized in the adopted budget, to be filled during the year.

**AUTOMATED CLEARING HOUSE (ACH)** - A method of electronic funds transfer.

**BASE BUDGET** – Cost of continuing the existing levels of service in the current budget year.

**BALANCED BUDGET** – A budget adopted by the legislative body and authorized by ordinance where proposed expenditures are equal to or less than proposed revenues.

**BOND** – A written promise to pay a sum of money on a specific date(s) at a specific interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

**BONDED DEBT** – That portion of indebtedness represented by outstanding bonds.

**BUDGET** – A plan of financial operation embodying an estimate of proposed means of financing it. The “operating budget” is the financial plan adopted for a single fiscal year. The “proposed budget” designates the financial plan initially developed by departments and presented by the City Manager to the Council for approval. The “adopted budget” is the plan as modified and finally approved by that body. The approved budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year.

**BUDGET CALENDAR** – The schedule of key dates which the City follows in the preparation and adoption of the budget.

**BUDGET DOCUMENT** – The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

**BUDGET MESSAGE** - The opening section of the budget from the City Manager, which provides the City Council and the public with a general summary of the most important aspects of the budget.

**BUDGETARY CONTROL** – The control or management of the organization in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

**BUDGET RETREAT** – A yearly presentation of the City Manager’s Recommended Budget to the City Council. This meeting occurs over two to three days and provides the City Council with a forum in which to discuss budget topics and priorities.

**BUSINESS PERSONAL PROPERTY** – Commercial inventories. Ad valorem or property taxes are assessed on commercial inventories as well as real estate.

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

**CAPITAL OUTLAY** – An expenditure which results in the acquisition of or addition to fixed assets, and meets these criteria: has an anticipated useful life of more than one year; costs more than \$5,000, can be permanently identified as an individual unit of property; belongs to one of the following categories: land, buildings, structures and improvements, equipment; constitutes a tangible, permanent addition to the value of City assets; does not constitute repair or maintenance; and, is not readily susceptible to loss.

**CITY COUNCIL** – The Mayor and eight Councilmembers collectively acting as the legislative and policy making body of the City.

**COMMERCIAL PAPER** – an unsecured short-term promissory note with maturities ranging from 2 to 270 days. Commercial Paper is an authorized investment of the city.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** - a type of federal grant to improve the infrastructure in low to middle income areas of the community. This includes loans to low to middle income families for housing rehabilitation.

- COMMUNITY DEVELOPMENT BLOCK GRANT - RECOVERY (CDBG-R)** - a type of federal grant established under the American Recovery and Reinvestment Act for the purpose of stabilizing property values and preventing neighborhood blight.
- CRIMINAL ALIEN PROGRAM (CAP)**- A program that focuses on identifying criminal aliens who are incarcerated within federal, state and local facilities thereby ensuring that they are not released into the community by securing a final order of removal prior to the termination of their sentence. The identification and processing of incarcerated criminal aliens prior to release reduces the overall cost and burden to the federal government as the number of aliens detained by U.S. Immigration and Customs Enforcement (ICE), upon expiration of sentence will be minimized.
- CONSUMER PRICE INDEX (CPI)** – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e. economic inflation).
- CONTINGENCY FUND** – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
- COPC** – An acronym for the Community Oriented Primary Care Medical Clinic. The City, in partnership with Dallas County and Parkland Hospital, opened a clinic to serve low and moderate income residents in 2007.
- COVENANT** – A binding agreement; contract.
- CRIME FREE MULTI-HOUSING PROGRAM (CFMH)**- A state-of -the-art crime prevention program designed to reduce crime, drugs, and gangs on apartment properties. The program consists of three phases that must be completed under the supervision of the police department. Property managers can become individually certified upon completion of training and the property becomes certified upon completion of all three phases.
- DALLAS COUNTY UTILITY AND RECLAMATION DISTRICT (DCURD)** – The governmental body that constructs and maintains much of the Las Colinas infrastructure, including the floodplain reclamation that created the Urban Center and defined Las Colinas lakes and canals.
- DALLAS AREA RAPID TRANSIT (DART)** – a mass transit authority serving the Dallas Metroplex, which is funded through a one percent sales tax levied in participating cities.
- DALLAS CENTRAL APPRAISAL DISTRICT (DCAD)** – An acronym for the Dallas Central Appraisal District. This independent entity is responsible for determining the taxable value of all property within Dallas County. This information is used by the City to calculate property tax bills.
- DEBT SERVICE FUND** – A fund used to account for the monies set aside for the payment of interest and principal to holders of the City’s General Obligation and Revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.
- DEPARTMENT** – A section of the total organization having a specialized function or activity and segregated cost data.

**DEPRECIATION** – (1) Reduction in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

**DFW** – An acronym for the Dallas – Fort Worth metropolitan area. This term refers to the region as a whole, including surrounding suburbs, and also is used for D/FW International Airport

**EFFECTIVE TAX RATE** – the tax rate calculated using current year property values produces the same amount of income for the taxing entity as was received in the prior year. This rate calculation excludes new construction or newly annexed property added to the tax roll for the current year.

**ENCUMBRANCES** – Obligations in the form of purchase orders and contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

**EMERGENCY MEDICAL SERVICES (EMS)**- is a service providing out-of-hospital acute care and transport to definitive care, to patients with illnesses and injuries which the patient believes constitutes a medical emergency.

**EMERGENCY SHELTER GRANT**– a type of grant that provides assistance to existing emergency shelters for operations and restricts the increase in homelessness through preventive program and activities.

**ENTERPRISE FUND** – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**ESTIMATED REVENUE** – The amount of projected revenues to be collected during the fiscal year.

**EXPENDITURES** – Decreases in net financial resources that include current operating expenses which require the current or future use of net current assets, debt services, and capital outlays.

**FISCAL POLICY** – A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

**FISCAL YEAR** – A 12-month period to which the annual budget applies. The City of Irving has specified October 1 to September 30 as its fiscal year.

**FIXED ASSETS** – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**FUND** – An accounting device established to control receipt and disbursement of income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts.

**FUND TYPE** – In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Service and Trust, and Agency.

**FUNDING** – Provides budgetary resources to cover the total cost of a program or project at the time it is undertaken.

**GASB** – An acronym for the Governmental Accounting Standards Board. This board sets accounting policies and practices for all governmental entities.

**GAUGE** – An acronym for “Guide to Understanding, Achievement, Growth and Excellence”. This is the City’s personnel performance review system.

**GENERAL FUND** – The main operating fund of the City. This fund used to account for all financial resources except those required by policy, law, or regulation to be accounted for in another fund.

**GENERAL OBLIGATION DEBT** – Monies owed on interest and principal to holders of the City’s General Obligation Bonds. The debt is supported by revenue provided from real property which is assessed through the taxation power of the local governmental unit.

**GENERAL POLICIES AND GOALS** – Specific, Council-directed objectives used to fulfill the mission and vision of the City.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (G.A.A.P.)** – Detailed accounting standards and practices for state and local government as prescribed by the Governmental Accounting Standards Board.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** - A professional association of state, provincial, and local government finance officers in the United States and Canada whose mission is to enhance and promote the professional management of governments for public benefit through education, training and leadership.

**GRANT** – A contribution by a governmental or other organization to support a particular function. Typically, these contributions are made to local governments from state or federal governments.

**HAZARDOUS MATERIAL (HAZ-MAT)** - A hazardous material is any item or agent (biological, chemical, physical) which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.

**HDHP** – An acronym for the High Deductible Health Plan offered to employees which went into effect during FY 2005-06.

**HHS** – An acronym for the Housing and Human Services Department

**HOMELESS PREVENTION AND RAPID REHOUSING (HPRP)** - established under the American Recovery and Reinvestment Act for the purpose of preventing homelessness and rapidly returning homeless individuals and families to housing stability.

**HOME** – An acronym for the Home Investment Partnership Grant received from the Housing and Urban Development Department of the Federal Government and administered by the City’s Housing and Human Services Department.

**HOTEL OCCUPANCY TAX (HOT)** - A 9% tax assessed by the city on all room rentals of durations less than one week. State law regulates the uses of this tax to programs and events designed to promote the convention and tourism industry.

**HISTORICALLY UNDERUTILIZED BUSINESSES (HUB)**- A State of Texas designation to small, primarily minority businesses that have qualified for the designation. State law requires the City to contact at least two HUB vendors from the local County when soliciting goods, services or construction.

**IAC** – An acronym for the Irving Arts Center

**ICE**– An acronym for Immigration and Customs Enforcement (ICE) is the largest and primary investigative arm of the US Department of Homeland Security (DHS) and is responsible for identifying, investigating, and dismantling vulnerabilities regarding the nation's border, economic, transportation, and infrastructure security.

**ICSC** – An acronym for International Trade Development and Assistance.

**ITDA** – An acronym for International Council of Shopping Centers.

**ICVB** – An acronym for the Irving Convention and Visitors Bureau

**INCREMENTAL TAX** – A new or additional tax revenue generated from increased property values and new development after a “base year” is established.

**INFRASTRUCTURE** – Physical assets of the City including streets, water, sewer, public buildings and parks.

**INTERNAL SERVICE FUND** – A fund used to account for the financing of goods or services provided by one City department or cost center to other departments, on a cost-reimbursement basis.

**INSURANCE SERVICES OFFICE (ISO)** – International standards for risk ratings.

**LAS COLINAS URBAN CENTER** - A master-planned community of villages in Irving. It is located between Dallas and DFW Airport off John W. Carpenter Freeway (Hwy 114).

**LIABILITIES** – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

**LONG-TERM DEBT** – Immature debt of a government expected to be repaid from government funds. An average repayment schedule is 20 years.

**MDU** - An acronym for the Municipal Drainage Utility Fund. This fund administers compliance to the NPEDS (see below) contract

**MINORITY/WOMAN-OWNED BUSINESS ENTERPRISE (M/WBE)**- This is generally used to refer to vendors or contractors doing business with the City that are minority or woman-owned. The City makes a conscientious attempt to include such vendors in the City's solicitations for goods, services, and construction.

**MISSION** – A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

**NATIONAL FIRE PREVENTION ASSOCIATION (NFPA)** - This association sets national standards for the fire service. These are recognized as industry-wide standards, even though the NFPA classifies them as "recommendations".

**NEIGHBORHOOD STABILIZATION PROGRAM (NSP)** - established under the American Recovery and Reinvestment Act for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS (NCTCOG) or (COG)** - is a voluntary association of, by and for local governments, established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

**NOTE** – A certificate pledging payment, issued by a government or bank.

**NPDES** – An acronym for the National Pollutant Discharge Elimination System. The Municipal Drainage Utility Fund functions to fund compliance to this contract.

**OBJECTIVE** – Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

**OPERATING BUDGET** – Plans or current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of the annual operating budget is required by State law.

**ORDINANCE** – Formal legislative enactment by the City Council. Revenue raising measures, i.e. imposition of taxes, special assessments, and service charges, universally require ordinances.

**PERFORMANCE MEASURES** – Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

**REFUNDING** – The issuance of new debt whose proceeds are used to repay previously issued debt.

**REIMBURSEMENT** – Repayment to a specific fund for expenditures incurred or services performed by that fund to or for the benefit of another fund.

**REPLACEMENT COST** – The cost of an asset which can render similar services (but which need not be of the same structural form) as the property to be replaced.

**RESERVE FUND** – A backup fund for payment of matured bonds and interest should the Water and Sewer Debt Service Fund fall short of required amounts.

**RETAINED EARNINGS** – Total assets less liabilities for a given fund. For Enterprise Funds, this term is used as Fund balance is used in Governmental Funds to represent unrestricted, unencumbered assets that are the net reserves of the fund.

**REVENUES** – All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers.

**SIPOC** – An acronym for the mapping tool used by the City Secretary's Office for process improvement. The acronym stands for *Suppliers, Inputs, Process, Output, and Customers*.

**SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**STRATEGIC PLAN** - The City's roadmap for uniting City goals and mission to the actions of the City departments.

**SWOT ANALYSIS** - a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project.

**TAX LEVY** – The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

**TAX NOTE** – Short-term, interest-bearing note issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

**TAX RATE** – A percentage applied to all taxable property to raise general revenues. It is derived by dividing the total tax levy by the taxable net property valuation.

**TAXES** – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

**TEXAS AWARD for PERFORMANCE EXCELLENCE (TAPE)** - award that promotes awareness of performance excellence as an increasingly important element in competitiveness and information sharing of successful performance strategies.

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)** – A division of the state government, formerly known as the Texas Natural Resource Conservation Commission (TNRCC)

**TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT)** – A division of the state government, concerned with highway maintenance and construction.

**THE LAS COLINAS ASSOCIATION (TLCA)** – A division of the state government, concerned with highway maintenance and construction.

**TIF** – An acronym for the Tax Increment Financing District, a geographical area or district created under Texas law to encourage development of the area within its boundaries by the reinvestment of the incremental tax growth generated by property value increases and new development within the district.

**TRANSFERS IN/OUT** – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.



**VALLEY VIEW MUNICIPAL COMPLEX (VVMC)** – A complex completed in FY 2004-05 which includes the functions of the Water Utilities Department, Police Auto Pound, Streets Administration, and the City's warehouse.

**VALUE STATEMENT** – A listing of the core ideals underlying the City's mission.

**VEBA** – An acronym for the Voluntary Employees' Beneficiary Association. This fund is included in the Other Funds section of this budget and addresses funding for retiree health insurance.

**VISION** – A statement of the strategic long-term direction of the City used to determine optimal governance decisions.