

# Glossary of Terms on [fiscal.wa.gov](http://fiscal.wa.gov)

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## A

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**Account** – A fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For reporting purposes, the state identifies certain accounts as major funds, and administratively combines all remaining accounts into roll-up funds.

**Accrue** – To record revenues and expenditures/expenses when they meet the recognition criteria of the fund type involved regardless of when the cash activity occurs.

**Accrual Basis** – The basis of accounting whereby revenues are recognized when earned and measurable regardless of when collected; and expenses are recorded on a matching basis when incurred. All proprietary and fiduciary funds use the accrual basis of accounting.

**Actual** – An accounting term used with respect to revenues, expenditure, or staff full-time equivalents (FTEs) in the accounting records of the state. For revenues, this term means money collected by the state as cash or accrued revenues as opposed to estimated (allotted or planned) revenues. For expenditures, this term means payments disbursed or accrued obligations to pay as opposed to estimated (allotted or planned) expenditures. For staff FTEs, this term means positions filled by staff employed and compensated as opposed to estimated (allotted or planned) staff. Actual revenues, expenditures, and staff are associated with a particular month and fiscal year in monitoring reports.

**Agency Financial Reporting System (AFRS)** - The statewide accounting system maintained by the Office of Financial Management. AFRS is the state of Washington's official accounting system.

**Agency (Agy)** – Every state agency, office, board, commission, department, state institution, or state institution of higher education. A unique three-character numeric code is used to designate each state agency.

**Allotment** – For revenues, expenditures, or staff full-time equivalents (FTEs), this term represents estimated (planned) amounts organized by month within fiscal year in the accounting records of the state.

**Allocation** – A part of a lump-sum appropriation that is designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects.

**Appropriation** – A legislative authorization for an agency to make expenditures for specific purposes from designated resources available or estimated to be available during a specified time period.

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## B

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**Biennium** – In Washington State, this is a 24-month fiscal period extending from July 1 of odd numbered years to June 30 of the next odd numbered year.

**Bow Wave** – The incremental carryforward costs of programs partially funded in the current biennium.

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**Budget Unit (Bud Unit)** – A general term describing specific activities within an agency subprogram. A three-character alpha-numeric code is used to designate each budget unit.

**Budgeted Funds** – Funds that are subject to the appropriation and/or allotment process.

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## C

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**Capital Budget** – Refers to the appropriations/reappropriations found in the Omnibus Capital Budget.

**Carryforward Level** – The biennialized cost of continuing the workload or services already authorized through legislative budget decisions.

**Caseload** – the number of persons expected to meet entitlement requirements and require the services of public assistance programs, state correctional institutions, state correctional noninstitutional supervision, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support.

**Cash Basis** – A basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid without regard to the period in which they were earned or incurred.

**Close** - The terms “close” (of fiscal period which include month, year, and biennium) and “phase” refer to processes involved in finalizing financial records and preparing final financial reports. According to Office of Financial Management (OFM) policy manuals, there are four phases for closing fiscal years and biennia. See <http://ofm.wa.gov/policy/90.20.htm> for a description of phases and the fiscal year-end cut-off procedures involved in the closing process.

**Current Law Budget** - No new legislation is required for enactment of the budget. See [RCW 43.88.030](#).

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## E

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**Enacted** – Legislation that passed both the House and the Senate and that was signed by the Governor. Enacted budgets typically differ from legislatively passed budgets because of governor vetoes. Enacted

budgets also may differ from legislatively passed budgets because of linkages to other legislation that do not pass which create “lapse” situations in which conditional appropriations are voided.

**Entity** – The basic or summary units upon which accounting and/or financial reporting activities are focused. This includes Agency, Program, Subprogram, and Budget Unit.

**Estimates** – A synonym for allotments.

**ESHB** – Engrossed Substitute House Bill

**ESSB** – Engrossed Substitute Senate Bill

**Expenditure Authority** – The official allotment plus amendments for unanticipated receipts and special allocations.

**Expenditure Limit** – Initiative 601, enacted by the voters in 1993, established an expenditure limit for the state general fund. Under legislation enacted in 2005 and taking effect for 2007-09 and thereafter, the state expenditure limit applies to the state general fund and five additional “related funds”. The funds subject to the limit are: General Fund-State (GF-S), Health Services Account-State (HSA); Violence Reduction and Drug Enforcement Account-State (VRDE); Public Safety and Education Account-State (PSEA), including the Equal Justice Subaccount (EJA); Water Quality Account-State (WQA); and Student Achievement Fund-State (SAF).

**Expenditures** – Disbursements plus accruals for the specified period.

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## F

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**Fiscal Period** – Any period at the end of which a governmental unit determines its financial position and the results of its operations. This includes month, fiscal year, and biennium.

**Fiscal Year (FY)** – In Washington State, a 12-month period extending from July 1 of one calendar year to June 30 of the next calendar year.

**Full-Time Equivalent (FTE)** – Unit of measurement used to identify staffing levels. One FTE equals 2,088 hours of paid staff time per fiscal year.

**Functional Area** – Grouping of state agencies by type of function (e.g., Natural Resources).

**Fund** – A fiscal and accounting unit with a self-balancing set of accounts in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A unique three-character alpha-numeric code is used to designate each fund. [Fund List](#) [Fund Reference Manual](#)

**Fund Balance** – The excess of the assets of a fund over its liabilities and reserves. For governmental funds, fund balance represents the excess of beginning balance and estimated revenues for the period over liabilities, reserves, and appropriations for the period.

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## H

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**HB** – House Bill

**Higher Education Non-Appropriated Funds** – Institutions of Higher Education are not required to include several of their Non-Appropriated funds in their expenditure and staffing estimates. Fund codes for these Non-Appropriated funds are 145, 147, 148, 443, and 505. See the Office of Financial Management [Fund Reference Manual](#). These Non-Appropriated funds are included in expenditure and staffing actuals.

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## I

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**Item** – The lowest level of data available in legislative budgets. Used to describe a discrete budget request – similar to a decision package.

**Item Group** – High-level category used to consolidate budget items. See carryforward level, maintenance level, and policy level.

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## M

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**Maintenance Level** – The carryforward level plus the cost of additional mandatory caseload, enrollment, inflation and other legally unavoidable costs.

**Major Source** – The high level grouping from which revenues/receipts are derived (e.g., taxes). A two-character numeric code is used to designate each major source.

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## N

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**Near General Fund** – The amounts shown labeled “Near General Fund-State” (NGF-S) previously captured a broader picture of spending than those labeled “General Fund-State” (also called the State General Fund) by including the accounts subject to the Initiative 601 Expenditure Limit (see Expenditure Limit) as well as two additional accounts. The funds subject to the limit were: General Fund-State (GF-S), Health Services Account-State (HSA); Violence Reduction and Drug Enforcement Account-State (VRDE); Public Safety and Education Account-State (PSEA), including the Equal Justice Subaccount (EJA); Water Quality Account-State (WQA); and Student Achievement Fund-State (SAF). The two additional accounts were the Pension Funding Stabilization Account-State (PFSA) and the Education Legacy Trust Account-State (ELT). During the 2010 Legislative Session, General Fund-State was redefined and all of the funds except ELT and PFSA were merged into the State General Fund. PFSA was discontinued. Now, NGF-S includes the redefined State General Fund and ELT.

**New Law Budget** – New legislation is required for enactment of the budget

**Non-Appropriated Funds** – Moneys that can be expended without legislative appropriation. Only funds in accounts specifically established in state law as being exempt from appropriation fall into this category. Nonappropriated accounts can be either budgeted (and subject to OFM allotment approval) or nonbudgeted.

**Non-Budgeted Funds** – Funds that are not subject to the appropriation or allotment processes.

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## O

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**Object** – As used in expenditure classification, this term applies to the character of the article purchased or the service obtained (rather than the purpose for which the article or service was purchased or obtained). Examples are salaries and employee benefits. A one-character alpha code is used to designate each object of expenditure.

**Omnibus Budget Bill** – A spending bill that sets the budget of many state agencies at once.

**Operating Budget** – Refers to the appropriations found in the Omnibus Operating Budget. It also includes proposed related non-appropriated expenditures.

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## P

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**Performance Audit** - A systematic process of objectively obtaining and evaluating evidence regarding the performance of an organization, program, function, or activity. Evaluation is made in terms of its economy and efficiency of operations and effectiveness in achieving desired goals. The performance audit function provides an independent review of management’s performance and the degree to which actual performance meets pre-stated goals.

**Performance Measure** - A “quantitative description” of an activity’s work and results. Every activity is supposed to have a performance measure to show how it is performing, but not all of them have measures, not all measures are satisfactory, and even good measures may not have data.

**Phase** - The terms “phase” and “close” (of fiscal period which include month, year, and biennium) refer to processes involved in finalizing financial records and preparing final financial reports. According to Office of Financial Management (OFM) policy manuals, there are four phases for closing fiscal years and biennia. See <http://ofm.wa.gov/policy/90.20.htm> for a description of phases and the fiscal year-end cut-off procedures involved in the closing process.

**Policy Level** – Maintenance level plus other proposed discretionary expenditure changes.

**Program (Pgm)** – Any of the major activities of an agency expressed as a primary function or organizational unit. A three-character alpha-numeric code is used to designate each program within a state agency.

**Project** – Identifies specific capital construction activities based on the cost and longevity of the work to be accomplished. Capital projects construct either new facilities or make significant, long-term renewal improvements to existing facilities. They are funded in agency capital budgets from funds specifically set aside for capital purposes (such as highway and other dedicated funds, the proceeds of bond sales, or other long-term financing contracts). A six-digit number is used to identify each capital project. The format is YY-C-PPP, where: YY corresponds to the starting fiscal year of proposed implementation; C is the project class; and PPP is the project identifier within project class and agency.

**Project Class** – Represents the classification of a capital project, such as 1 = Preservation; 2 = Program; 3 = Alternate Financing (Lease); and 4 = Grant.

**Project Description** – This narrative briefly describes the nature of the project, such as, why it is necessary, what it is, where it is, and what it will do (for example, "this project will renovate three wards at Western State Hospital in order to meet fire/safety requirements"), as well as identifying the benefits to the agency in terms of increased or new service benefits the agency will be able to provide to the public or its clients.

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## R

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**Reappropriation** – Prior biennium unspent funds approved by the Legislature and allocated to the agency by OFM during the current biennium.

**Recast Data** – Historical data that have been restructured to match the current budget structure within an agency.

**Result** – Ten high-level outcomes that citizens expect from government.

**Revenues** – Cash receipts and receivables of a governmental unit derived from taxes and other sources.

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## S

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**SB** – Senate Bill

**Source** – The detailed origin from which revenues/receipts are derived. The first two characters identify the Major Source.

**Subobject** – A refined breakdown of object of expenditures relating to particular items or item categories. A two-character alpha code is used to designate each subobject.

**Subprogram (SubPgm)** – A general term describing specific activities within an agency program. A four-character alpha-numeric code is used to designate subprogram.

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## T

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**Total Budgeted Funds** – A roll-up fund for reports that includes all funds that are subject to the appropriation and/or allotment process.

**Transportation Budget** – Refers to the appropriations found in the Transportation Budget. This includes both operating and capital appropriations. It also includes proposed related non-appropriated expenditures.

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**V**

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**Version** – An expenditure proposal scenario prepared by agencies, the Governor, or the Legislature (e.g., Governor Proposed Budget).

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**W**

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**W&M** – Ways & Means (Committee)