

Department of Workforce Services

Glossary of Terms

Access: Physical accessibility, the opportunity, or right to experience or make use of something.

Account Code: The ten digit numeric code assigned by the Office of Accounting (00A) to identify each account.

Accounting Period: Any period of time designated for which financial statements are prepared.

Accounting Procedures: All procedures that discover, identify record, classify, maintain, and summarize financial information either to produce financial reports or to provide internal control.

Accounting System: The system of methods and records established to identify, assemble, analyze, classify, record, and report the State's financial transactions; and to maintain fiscal accountability for its assets and liabilities.

Accounts Payable: An amount owed to private persons or organizations for goods and/or services received by the State that are not due to other agencies, funds, or other governments.

Accounts Receivable: An amount owed to the State by private persons or organizations for goods and/or services furnished by the State, excluding amounts due from other agencies, funds or other governments.

Accrual Basis: The basis of accounting whereby revenues are recognized when earned, are measurable regardless of when collected and expenses are recorded on a matching basis when incurred. All proprietary and trust funds as well as government-wide financial statements use the accrual basis of accounting.

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.

Accrued Expenditures/Expenses: Expenses or expenditures that meet the appropriate recognition criteria for the fund type involved, but have not been paid.

Accrued Liabilities: Liabilities reflecting an obligation to pay for goods/services incurred or received, but not paid by the end of the accounting period.

Accumulated Depreciation: A contra-asset valuation account used to record the accumulation of period credits made to reflect the expiration of the estimated useful life of capital assets.

Admin Agency Expenditures: Amount of funding allowed by the Department of Labor (DOL) to operate a specific program, i.e. salaries, rent, audit fees, utilities.

Admin Costs: Salaries, rent, etc.

Admin Local Expenditures: Amount of funding allowed by the DOL to operate a specific program.

Agency: All State agencies, boards, commissions, departments, offices and State institutions; institutions of higher education and/or constitutionally independent entities.

Agency Code: A four character numeric code assigned by the Office of Accounting to designate the distinct operational units of State government. Agency codes are used for the identification of State agencies. Agencies are to use only the code assigned to their agency.

Agency Funds: Agency funds are used to account for the assets held by the State as an agent for individuals, private organizations and other governments; and are purely custodial in nature.

Approval: Documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

Automated Administrative Statewide Information System (AASIS): The business application software system that integrates the state's core business functions using 3 modules: financial accounting, materials management, and human resources.

Asset Under Construction: Reflects the incomplete status of capital assets that are being constructed or major renovations of existing capital assets. Depreciation is not recorded for AUCs until they are reclassified to a permanent capital asset class upon completion.

Allocate: To divide a lump-sum appropriation into parts that are designated for expenditure by specific governmental units and/or for specific purposes, activities or objects. The division of depreciation and expenses for certain purposes.

Allocation: The assignment or earmarking of a lump-sum appropriation that is designated for expenditure by specific governmental units and/or for specific purposes, activities or objects, depreciation and expenses for certain purposes.

Allotment: An allotment is part of an appropriation that may be spent during a specified period. Can also mean dollars allotted to specified areas.

Allowable Moving Expense: Within certain limitations, allowable moving expense includes the costs associated with moving household goods, personal effects, property used in a dwelling and normal equipment and supplies used to maintain a dwelling from a residence to a new station within the State.

Amortization: The gradual reduction or liquidation of a debt amount over a period of time according to a specific schedule, (such as the retirement of a debt by serial payments to the creditor or in a sinking fund), either by a direct credit or debit; or through the use of a valuation account.

Amortized Cost: The par value of an investment increased or decreased by any unamortized premium or discount.

Ancillary Costs: Costs directly attributable to asset acquisition, i.e. freight and transportation costs, site preparation, professional fees necessary to place capital asset into its intended state of operation; a capitalized part of the cost of a capital asset. For investment purposes, ancillary costs include legal fees and commissions and are included as part of the cost of the investment.

Annuity: A series of equal money payments, (annual payment, or income) derived from funds especially designated for a particular purpose, made, or received at equal intervals over a designated period of time.

Appraisal: A formal evaluation/estimated value of something tangible.

Appropriation: A legislative authorization for an agency to make expenditures and incur obligations for specific purposes from designated resources available or estimated to be available during a specified period of time. With a few exceptions, an agency must have appropriation to legally spend money.

Assets: A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. These economic resources can be tangible or intangible.

ATAA: Alternative Trade Adjustment Assistance.

Asset Class Code: A code assigned to a capital asset and correlates to a descriptive title, a property to which a value can be assigned.

AUC: *See Asset Under Construction.*

Audit: A systematic collection of sufficient, competent, and evidential matter needed to attest to the fairness of management assertions in financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. Evidential matter obtained through inspection, observation, inquiries, and confirmations with third parties.

Authorization of the awarding or cognizant Federal Agency: Documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

Automated Clearing House (ACH): A nationwide payment and collection system that provides for electronic distribution and settlement of funds. The term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, EFT is often used synonymously with ACH.

Available Funds: Dollar amount awarded for a particular program.

Award: Grants, cost reimbursement contracts and other agreements between a State, local and Indian tribal government and the Federal Government.

Awarding Agency: (a) With respect to a grant, cooperative agreement, or cost reimbursement contract, the Federal agency, and (b) With respect to a sub-award, the party that awarded the sub-award.

AWIS: Automated Workforce Information System.

Balance Sheet: A financial statement that discloses assets, liabilities, and equities of an entity at a specified date in conformity with generally accepted accounting principles (GAAP).

Basis of Accounting: Refers to the methodology and timing of when revenues and expenses and/or expenditures are recognized in the accounts and reported in financial statements. These are cash, modified accrual, and full accrual.

Betterment: An addition made to or a change made in a capital asset, other than maintenance. A change or improvement of the expected useful life of a capital asset.

Biennium: A 24-month fiscal period. In the state, the biennium extends from July 1 of odd numbered years through June of odd numbered years.

BKD: BKD, LLP: CPA firm that is under contract through June 30, 2010 to perform the annual audit for ADWS.

Bond: A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenue; or by the general credit of the State.

Bond Discount: An excess of the face value of a bond over the price for which it is acquired or sold, resulting from a disparity between the marked rate of interest and the stated rate of interest on the bonds; also referred to as original issue discount (OID). In government funds, bond discount associated with a bond sale is reported as "other financing" use.

Bond Issue: A reference indicating the particular classification or quantity of bonds issued at a given time.

Bond Premium: An excess of the price for which a bond is acquired or sold above face value resulting from a disparity between the market rate of interest and the stated rate of interest on the bonds; commonly referred to as original issue premium (OIP). With government funds, bond premium associated with a bond sale is reported as another financing source to raise capital.

Bond Redemption: Regaining possession of bonds formerly issued for payment of amount(s) due to the holder.

Bonds Payable: The unpaid face value of bonds issued.

Book Transfer: Transfer between two bank accounts.

Book Balance: GL Balance.

Book Value: The net amount (cost less accumulated depreciation) at which an asset or asset group appears on the books of account as distinguished from its market or intrinsic value.

Books of Record: A record of which various financial transactions are initially and formally recorded and serve as the direct source of postings to ledgers (e.g. payroll register).

Budget: A plan of financial operation specifying how allocated resources are to be used/spent during a particular period of time and a proposed means of financing. Also, the amount to be spent for specific cost categories.

Budgetary Control: Control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Budget Quad: A coding structure consisting of fund, funds center, commitment item and functional area used by the State Accounting System.

Buildings: Permanent physical structures owned or held by the State. Buildings are structures such as office buildings, storage quarters, and other facilities, including loading docks, heating and air conditioning equipment, refrigeration equipment and any other property permanently attached to or forming an integral part of the structure. Buildings may be capitalized as a single unit or by individual component. Buildings exclude furniture, fixtures, or other equipment which are not integral parts of the building.

Business Area: Any State agency, board, commission, college, or university that falls under the State's authority.

CAFR: Comprehensive Annual Financial Report. This report is issued by DFA, using information provided by and certified by each agency. It includes the statewide financial statements along with all required supplementary information. It is prepared in compliance with State Code 19-4-517 and conforms to applicable standards.

Capital Assets: Tangible and intangible assets used in operations and meets the State's capitalization policy with a useful life in excess of one year. Land, land improvements,

buildings, building improvements, construction in progress, easements, machinery, equipment, works of art, historical treasures, and infrastructure. Capital assets exclude depletable resources such as minerals and timber.

Capital Asset Guidelines: Criteria used to determine which capital outlays should be reported as capital assets on the State's financial statements.

Capital Budget: A budget associated with acquisition or construction of major capital items, a financial plan for long-term investments devoted to proposed additions to capital assets and the means of financing those **additions**.

Capital Expenditure: *see capital outlays*

Capital Outlays: Resources used to generate economic growth; the budgetary and financial reporting of expenditures for acquisition of capital assets.

Cash Disbursements: Money used as payment in any form, e.g. currency, checks, warrants, credit or debit cards; and/or electronic fund transfers (EFT) to pay for goods and services received.

Cash Discount: An allowance received or given if payment is completed within a specified period of time.

Cash Equivalent: An asset easily converted to cash. Short-term liquid investments with original maturity date of three months or less.

Cash Receipts: Money in the form of check, cash, warrant, EFT, debit or credit card amount received by the State during a period regardless of when the money is earned.

Central service cost allocation plan: The documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

Change Funds: Accounts used solely for making change in across-the-counter cash transactions.

Check: A written order on a bank to pay on demand a specified sum of money to a named person or entity out of money on deposit to the credit of the maker.

Claim: A written demand or written assertion by the governmental unit or grantor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms, or other relief arising under or relating to the award. A voucher, invoice or other routine request for payment that is not a dispute when submitted is not a claim. Appeals, such as those filed by a governmental unit in response to questioned audit costs, are not considered claims until a final management decision is made by the Federal awarding agency.

Clearance Pattern: A projection showing the daily amount (or percentage of total) subtracted from a State's bank account each day after the State makes a disbursement. A method used to drawdown federal funds minimizing the time it remains in the bank.

Clearing Account: An account used to accumulate total charges or credits so that they can be distributed at a later time among the accounts to which they are allocable or so that the net differences can be transferred to the proper account.

Client: A person or organization to whom goods or services are provided.

Closing Book: The package of work papers, forms, and questions that is required by DFA after the

end of each fiscal year. The closing book from each agency enables DFA to prepare the CAFR.

Cognizant Agency: The Federal agency responsible for reviewing, negotiation, and approving cost allocation plans or indirect cost proposals developed under 2 CFR part 225 on behalf of all federal agencies. OMB publishes a listing of cognizant agencies. DWS cognizant agency is US DHHS.

Collections: The act of taking payment due or given for services or goods purchased.

Comments/Reasons: Additional information for a particular program.

Common Rule: The "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule" originally issued at 53 FR 8034-8103 (March 11, 1988). Other common rules will be referred to by their specific titles.

Commitment Item: A line item breakdown for expenditures, i.e. salaries or capital outlay. A record of goods and/or services not yet received.

Common Carrier: A mode of transportation; a person or company that transports passengers or goods for a fee.

Commute: Travel between the official resident or other domicile of a State officer or employee and their official station and other place of work.

Compensatory Time: Time worked by certain State employees that, if not used for paid time off, results in compensation to be cashed out in accordance with regulations or agency policy.

Compliance Audit: An examination leading to the expression of an opinion on the audited governmental unit's compliance with the various finance-related legal and contractual provisions.

Comprehensive Annual Financial Report (CAFR): The official annual financial report of the State encompassing all funds and component units of the State. It includes an introductory section, management's discussion, and analysis, basic financial statements, required supplementary information other than management's discussion and analysis, combining and individual fund statements, schedules and a statistical section.

Construction in Progress: A general ledger account that reflects the cost of construction work undertaken on capital projects but not completed as the end of the accounting period.

Consultant: An independent individual or firm acting as a professional advisor contracting with an agency to perform a service or render an opinion or recommendation according to the consultant's methods without being subject to agency control, except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

Consumable Supplies: Non-reusable merchandise, supplies consumed in the course of agency operations.

Continental United States: As used in this manual, all areas in the 50 contiguous states and the District of Columbia.

Contingent Liability: Items which may become liabilities as a result of conditions undetermined at a given date such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and incomplete contracts.

Contract: A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and they buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that,

except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): Awards and notices of awards; job orders or task order issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts to not include grants and cooperative agreements covered by 31 U.S.C. 6301 *et seq.*

Control Account: A general ledger account in which the aggregate of all debit and credit postings to related. Accounts (subsidiary accounts) is recorded. Ex.: Accounts Receivable account is a control account supported by the aggregate of the individual customer subsidiary accounts.

Corrective Action Plan: A response to financial findings that documents how deficiencies are to be corrected given findings are valid, and/or justify disputed/invalid findings that do not warrant any subsequent action.

Cost: An amount as determined on a cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

Cost Allocation Plan: DWS Public Assistance Cost Allocation Plan (PACAP) approved by DHHS DCA.

Cost Categories: The cost categories are how the funds are to be spent for specific programs.

Cost Objective: A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

Cost Records: All ledgers, supporting records, schedules, reports, invoices, vouchers and other records and documents reflecting the cost of projects, jobs, production centers, processes, operations, products or services or the cost of any of the component parts thereof.

Credit Card: A card issued by a bank or business entitling an authorized holder to buy goods or services on credit, with the understanding that scheduled payments will be made by a specific date as outlined in the terms of a signed agreement.

Current Assets: Available resources, or resources that can be made readily available to meet the cost of operations and/or pay current liabilities.

Current Liabilities: Obligations payable within one year from current assets or current resources.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services with a promise to pay by a specified date or within a specific period of time. Debts of the State include bonds, accounts payable and other liabilities.

Deficit: Excess expenditures over revenues during an accounting period, excess of liabilities and reserves of a fund over its assets, expenses exceeding budget.

Depreciation: The decreased value of an item over time, the portion of a capital asset representing expiration in the useful life of the capital asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence which is charged off during a particular period. In accounting for depreciation, the cost of a capital asset less any salvageable value is prorated over the estimated useful life of such an asset.

DFA: Department of Finance and Administration. DFA is required by state law to exercise supervision over the general accounting system of the State and of State agencies. The director of DFA serves as the Chief Fiscal Officer of the State.

Direct Expense: An expense directly charged to a budget for a product or service.

Disbursement: Payment by cash, check, warrant, journal voucher, EFT or any other technological payment method.

Drawdowns: The process whereby a State requests and receives federal funds. In addition, funds requested for reimbursement for a specific program from PMS or ASAP; also, updating a request for grant receipts from the PMS.

DUA: Disaster Unemployment Assistance.

DueTo/Due From: Money owed from one fund to another fund within the state. Possibly means an error in posting has occurred and a DT/DF was created to keep the fund balanced.

Dying Funds: Funds that are no longer in use. Funds usually are classified as dying when the relevant program or grant has ended.

EB Federal: Extended Unemployment benefits federal.

ED State: Extended Unemployment benefits state.

Economical: Direct financial work related costs that occur at the least expense to the State of which the State is responsible to pay.

Electronic Data Processing (EDP): Data processing by means of high-speed electronic equipment.

Electronic Funds Transfer (EFT): The transfer of funds electronically from one financial source to another such as a transfer from the US Treasury to a bank. Financial transactions not originated by check, draft or similar paper instrument, but which is initiated through an electronic terminal, computer, magnetic tape or telephone authorizing a financial institution to debit or credit an account.

Emergency: A set of unforeseen circumstances beyond the control of an agency that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

Encumbrance: An obligation in the form of purchase orders or contracts that are chargeable to an allotment or appropriation and for which a part of the allotment or appropriation is thereby reserved. An element of expenditure for reporting allotments, budgets, or statewide financial activities.

Entitlement: A grant or service under federal law that must be provided to all eligible applicants.

Entity: The basic unit upon which accounting and/or financial reporting activities are focused.

Entry: A record of a financial transaction in the appropriate books of record.

End of Month: EOM.

End of Quarter: EOQ.

End of Year: EOY

Equipment: Tangible property other than land and buildings; improvements other than buildings or infrastructure which is used in operations with a useful life of more than one year. *Examples are equipment, furnishings, and software.* Equipment not permanently attached to a building or structure.

Estimated Revenue: A budgetary item that identifies revenues expected to be received or accrued during a specific period of time.

ETA 9130: Employment and Training Administration quarterly financial reports.

EUC08: Emergency Unemployment Compensation TIER 1 FUTA.

EUC2: Emergency Unemployment Compensation TIER 2 FUTA.

EUCT1: Emergency Unemployment Compensation TIER 1 ARRA.

EUCT2: Emergency Unemployment Compensation TIER 2 ARRA.

EUCT2 WK 14: Emergency Unemployment Compensation TIER 2 Trust Fund.

EUCT3: Emergency Unemployment Compensation TIER 3 Trust Fund.

Expenditures: Decreases in net current financial resources, disbursements, and accruals of the current accounting period, excluding encumbrances.

Expenses: Decreases in net total assets, the cost of operations incurred during the current accounting period regardless of the timing of the related disbursements.

Fair Value: A reasonable amount expected to be received for an investment in a current sale between a willing buyer and a willing seller. For publicly traded securities, this is the price at which the security is currently being traded on a national market. For investment instruments that are not publicly traded, this is the appraised value adjusted for cash flows to or from the investment.

FARS: Financial Accounting and Reporting System.

Federal Award: Federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.

Fidelity Bond: A written promise to indemnify against losses from theft, embezzlement, defalcation, and misappropriation of public monies by government officers and employees.

FIFI: First In, First Out. The transfer of funds from one grant year to the prior grant year.

Financial Audit: A systematic collection of evidential financial matter by an independent auditor or auditing firm for the purpose of issuing an audit opinion on the fair presentation of financial statements of the State in conformity with GAAP.

Fiscal Period: Any period at the end of which a governmental unit determines its financial position and the results of its operations.

Fiscal Year: In State Government, a 12-month period extending from July 1 of one calendar through June 30 of the next calendar year.

Fixed Assets: *see Capital Assets.*

Fixtures: Attachments to building which are not intended to be removed and which cannot be removed without damage to the buildings. Those fixtures with useful lives presumed to be as long as that of the building itself and are considered a part of the building; all others are classified as equipment.

FMS: Commonly used in identifying FMAS.

FMAS: Financial Management and Administrative Services department of DWS: Includes Central Support, Controller Unit, Managerial Accounting (Budget, Procurement, Logistics, Disbursements, and Cost Accounting), Internal Audit and Security, and Personnel.

FS25: Federal Additional Compensation - \$25 Payments ARRA.

Full Time Equivalent: FTE.

Function: A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

Functional Area: A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, along with 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. In addition, a self-balancing set of books. Each fund is used to account for specific appropriation and related activities. Fund can be used interchangeably with Grant or Federal dollars.

Funds: Funds allocated from the Department of Labor (DOL)

Fund Code: A seven-character alpha/numeric code assigned by the Office of Accounting to identify each specific accounting entity against which a transaction is to be charged.

Fund Equity: The difference between a fund's assets and liabilities, in governmental funds, it is referred to as fund balance, in proprietary funds, it is referred to as net assets.

Funds Transfer: The movement of money between funds. A debit entry to cash and a credit to the receiving fund; a credit entry to cash and debit entry to the paying fund. In FARS, this is a one-line entry for each side with changing of the levels to assure the charges will be reflected correctly in the general ledger, the system will append the remaining entries.

Fund Type: A fund type is a classification to which a fund may be categorized. Includes, but is not limited to the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Fund Center: Used to denote the appropriation code in the State Accounting System.

FY: Fiscal Year. The federal government's fiscal year is from October 1st through September 30th.

GAAP: Refers to the Generally Accepted Accounting Principles.

General Fund: Revenues accruing to the State from taxes, fees, interest earnings and/or other sources which can be used for general operation of State grants; are not specifically required in statute or in the constitution to support particular programs or agencies.

General Ledger Account Code: A ten digit numeric code assigned by the Office of Accounting to identify the titles of accounts that classify in summary, all financial transactions of the State.

General Ledger: A ledger containing detailed and/or summarized transactions of the State.

GL Balance: Ledger Balance.

General Obligation Bonds: Bonds secured by an unconditional pledge of full faith, credit, and taxing power of the State.

General Revenues: Revenues derived from taxes, permits, royalties, lease fees, licenses, and the sale of confiscated goods for the common good and operation of State government.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial accounting and reporting that governs form and content of financial statements of an entity, and encompasses the rules and procedures necessary to define accepted accounting practices at a particular time. GAAP includes broad guidelines of general application and detailed practices and procedures. The primary authoritative body on the application of GAAP to State and local governments is the Governmental Accounting Standards Board.

Governmental Accounting: Composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of a governmental entity.

Governmental Funds: Funds used to account for most typical governmental functions focusing on the acquisition, use, and balances of a State's expendable financial resources and related current liabilities. There are five types of governmental funds: General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

Government-wide Financial Statement: A financial statement that incorporates all of a State's governmental and business-type activities as well as its non-fiduciary component units. There are two basic government-wide financial statements: Statement of Net Assets and Statement of Activities. Both are presented using the economic resources measurement focus and the accrual basis of accounting.

Grants: Lump sum federal payments for specified purposes appropriated yearly by Congress with authorizing legislation describing program distribution formulas, program goals, and requirements. Also, grants awarded by DOL for a specific program.

GRIR: Goods Receipt/Invoice Receipt. A general ledger liability account that accounts for goods and services that have been received but not yet paid for.

Impress Account: An account into which a fixed amount of money is placed for the purpose of making change or minor disbursements. (*See petty cash*)

Independent Audit: An audit performed by an independent auditor.

Indirect Costs: Costs that cannot be directly charged to an activity such as depreciation or other administrative and support costs.

Interest Payable: A liability account reflecting interest owed by the State, recognized as

expenditure in the accounting period in which it becomes due and payable, and is a liability to be recorded as interest payable. In proprietary and trust funds, interest payable is recorded as it accrues regardless of when payment is actually due.

Interest Receivable: An asset account reflecting the amount of interest due to the State.

Interim Financial Statement: A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period-to-date.

Internal Audit: Appraisal activity of the diverse operations and controls conducted by auditors working for and within an organization to determine whether prescribed policies and procedures are followed, established standards are met, resources are used efficiently and economically and the organization's objectives are being achieved.

Internal Control: A management process for keeping an entity (agency, board, commission, department, division, institution, or program) on course in achieving its organizational objectives. A management control system, including comprehensive internal controls, should provide reasonable assurance that entity objectives are being met.

Investments: Securities, real estate and other instruments held for the production of income or profit.

Invoice: A written document submitted by a vendor requesting payment for goods or services provided. A written, itemized record of goods or services provided listing the quantity, price, terms of sale, nature of delivery, applicable taxes and payment terms.

Issuance Costs: Fees associated with the issuance of debt that may be withheld from proceeds or paid separately: including, but not limited to underwriting and bond counseling fees. For government operations, issuance costs are reported as expenditures.

Judgment: An amount to be paid or collected resulting from a court decision, a condemnation awarded as payment for private property taken for public use.

Leasehold: A written legal right to the use of real estate by virtue of a lease agreement for a specified term for which consideration is paid.

Ledger: A record book or page of accounts with columns for debits and credits on which financial transactions are recorded.

Liabilities: Legal responsibilities, future sacrifices of economic benefits arising from present financial obligations/debts, itemized on a balance sheet.

Loans Payable: A liability account reflecting financial responsibility for assets or services provided to another entity. Amounts owed by governmental entities resulting from an unconditional written promise to pay a certain sum of money upon demand or at a fixed or determined time.

Loans Receivable: An asset account of itemized sums of money loaned to individuals or organizations, notes taken as security for loans; generally, loans to other governmental entities are recorded and reported separately than those for individuals or private organizations.

Long-term Liabilities: Liabilities not due to be paid with the next year, i.e. mortgages, bonds.

Long-term Obligations: Long-time indebtedness of governments or other entities for loans, bonds or other forms of debt scheduled to be due and payable over a period of one or more years. In Government operations, obligations that may be accounted for in and expected to be paid from

proprietary and fiduciary fund types.

LWIA: Local Workforce Investment Area.

Misappropriation of Funds: Misuse of funds for personal gain.

Modification: Change in grant amount and/or ending date. Could fall under State or DOL approval.

Modified Accrual: The accounting of paid or unpaid expenditures formally recognized when incurred against accounts, when they become measurable and available to finance expenditures of the current accounting period. Government funds use the modified accrual basis of accounting.

Net Assets: Assets minus liabilities, net worth; asset value after settlement of debt.

Non Personal Services: NPS

Non-Budget Relevant Accounts: Accounts that are not subject to either the appropriation or allotment process.

Non-Current Asset: An asset which is not easily convertible to cash or is not expected to become cash within the next year.

Notes Receivable: An asset account-reflecting amount owing to the State from an unconditional written promise to pay a certain sum of money on demand or at a fixed or determinable time.

Nonrevenue: Collections of revenues that do not represent general or special revenue.

Official State Business: Activities performed by an official or State employee, authorized volunteer, contractor, work experience program participant, student or employee of another governmental jurisdiction as directed by his or her supervisor in order to accomplish State programs or as required by the duties of his or her position or office.

Official Station: The city, town or other location where the State official or employee's office is located, or the city, town or location where the State official or employee's work is performed on a permanent basis. A State official or employee's official station is to be designated by the agency. It is to be determined by the needs of the agency and not assigned because it is the home or preferred living area of a State official or employee.

OMB: Executive Office of the President, Office of Management and Budget. OMB assists the President in the development and execution of policies and programs. OMB has a hand in the development and resolution of all budget, policy, legislative, regularly, procurement, e-gov, and management issues on behalf of the President of the United States.

OPEB: Other Post-Employment Benefits. Refers to the liability for benefits other than pension payments that may be due to retirees, such as health insurance.

Operating Budget: A plan of current expenditures and the proposed means of financing them. The operating budget is the primary means to ensuring that the financing, acquisition, spending, and service delivery activities of the State are controlled.

Other Financing Source: An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends, the use of "other financing sources" category is limited to items so classified by GAAP.

Other Financing Use: A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends, the use of "other financing uses" category is limited to items so classified by GAAP.

Order Money: Same definition as drawdowns. "Draw down funds" = Ordering money via the PMS.

Original Budget: The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes before the beginning of the fiscal year.

Overhead: Those elements of cost necessary in the production of goods or services which are not directly traceable to the product or service. Usually, these costs relate to objects of expenditure that do not become an integral part of the finished product or service such as rent, heat, lights, management, and supervision.

Parking Documents: An invoice that has been entered into AASIS and is waiting to be posted.

Par Value: In the case of bonds, the amount of principal that must be paid at maturity. Par value is referred to as the face value of the security.

Pass through entity: A non-federal entity that provides a federal award to a sub recipient to carry out a federal program. ADWS acts as a pass through entity to distribute grant funds for several federal programs.

Pension (and other employee benefit) Trust Funds: A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans or other employee benefit plans.

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.

Periodic Inventory: An inventory system whereby the agency performs a physical count of its inventory periodically, at least annually at fiscal year end.

Perpetual Inventory: An inventory system whereby the inventory quantities and values for all purchases and issues are recorded directly in the inventory system as they occur.

Personal Service: Professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement.

Petty Cash: A sum of money set aside on an imprest basis. Cash held for making change or paying small obligations when the issuance of a warrant/check would be too expensive and time consuming. Petty cash includes both change and imprest accounts.

PMS: Payment Management System. DOL system used to draw down funds from the federal government.

PMS Sub Account Number: Number assigned by DOL. Funds are drawn down from this assigned number.

Posting: The process of transferring to a ledger account the data, either detailed or summarized, contained in a book or document of original entry.

Procurement: The purchasing of something especially for a company, government or other organization.

Program: Any of the major activities of an agency expressed as a primary function or organizational unit. Also, referred to as the funding source from DOL.

Property Disposal: The policies and processes established by DFA by which an agency is authorized to dispose of-a specific asset or as provided by specific statutory authority.

Proprietary Funds: Proprietary funds are used to account for the State's ongoing organizations and activities that are similar to those often found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financial through user charges or on a cost reimbursement basis. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting.

Public Assistance Allocation Plan: A narrative description of the procedures that will be used in identifying, measuring, and allocating all administrative costs to all of the programs administered or supervised by State public assistance agencies as described in Appendix D of 2 CFR part 225.

Purchase Order: A document that authorized the delivery of specified merchandise or the rendering of certain services.

Purchase Requisition: A document used by agencies as the first step in the purchasing cycle as a prerequisite to issuing a purchasing order.

PY: Program Year for grants. July 1st through June 30th. This period is also the State's fiscal year.

Receipts: Refer to Cash Receipts.

Receivables: Amounts due from private persons, businesses, agencies, funds, or governmental units that are expected to be collected in the form of moneys, goods, and/or services.

Reconciliation: The process of correlating one set of records with another set of records and/or a physical inventory count that involves identifying, explaining, and correcting differences.

Refund: An amount paid back or credit allowed because of an over-collection or because of the return of merchandise.

Refunding Bonds: Bonds issued to retire bonds already outstanding in a current refunding with proceeds being used immediately. In an advanced refunding, the net proceeds of the refunding issue are placed with an escrow agent and invested to provide for all future debt service payments on the refunded bonds until the bonds are called or mature.

Register: A record for the consecutive entry of events, documents, or transactions with proper notation of all the required information. The form is designed so that the entries are distributed, summarized, and aggregated for convenient posting to the accounts.

Reimbursement: (1) Repayments of amounts remitted on behalf of another party. (2) Interfund/Interagency transactions that constitute reimbursement to a fund/agency for expenditures/expenses initially made from it, but that properly apply to another. These transactions are recorded as expenditures/expenses in the reimbursing fund/agency and as reductions of expenditures/expenses in the fund/agency reimbursed **via** the procedures established for refunds to expenditures.

Replacement Cost: The amount of cash or other consideration that would be required today to

obtain the same asset or its equivalent.

Reporting Agency: An agency that utilizes a "stand alone" accounting system to maintain its accounting records. Agency transfers, deposits, checks, and journal entries to the State Accounting System occur through an electronic interface process. Some reporting agencies have limited online access such as deposit and journal entry functions.

Request for Proposal (RFP): A written solicitation document which identifies the agency's need or problem and consultants are invited to submit proposals which outline their solution to the need or problem, their qualifications and experience to provide the services and their costs or fees.

Requisition: A written or printed request for something that is needed. Referred to as a 713.

Residence: The city, town, or other location where a State official or employee maintains a residence that is used as their primary domicile. Determinations by the agency head or authorized designee regarding a State official or employee's official residence are to **be** based on items such as voter registration, ownership, or long-term rental of a personal residence and the permanent address carried in the State official or employee's personnel or other file.

Restitution: Compensation for a loss, damage, or injury.

Retainage: A liability reflecting amounts due on construction contracts not paid pending final inspection of the project or the lapse of a specified period, or both. The unpaid amount is usually a stated percentage of the contract price.

Revenue: In governmental fund type funds, revenues are increases in net current assets and are recognized in the accounting period in which they become measurable and available. In proprietary fund and trust fund type funds, as well as the government-wide financial statements, revenues are increases in net total assets and are recognized in the period in which they are earned and become measurable.

Revenue Bonds: Bonds whose principal and interest are secured by specific sources of revenue and do not involve a pledge of the full faith and credit of the State. Revenue bonds are payable from identified sources of revenue which are generally derived from the assets acquired or constructed with bond proceeds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Revolving Fund: (1) A fund established to carry out a cycle of operations. The amounts expended from the fund are restored thereto from earnings from operations or by transfers from other funds so that it is always intact. (2) An imprest account into which a fixed amount of money is placed for change-making purposes or minor disbursements.

Schedules: Financial presentations used: (1) to demonstrate compliance with finance-related legal and contractual provisions; (2) to aggregate and present in greater detail, information spread throughout the financial statements that can be brought together and shown in greater detail (e.g., cash balances, investments, current and delinquent taxes); (3) to present greater detail information reported in the financial statements (e.g., additional revenue sources detail); and (4) to present information not disclosed in the GAAP financial statements.

Securities: Bonds, notes, mortgages or other forms of negotiable or non-negotiable instruments.

SEFA: Schedule of Expenditures of Federal Awards. This document details all federal assistance expenditures made by ADWS during the audit period, categorized by the federal program and federal agency. ADWS must complete and submit this annually to DFA in order to comply with OMB Circular

A-133, also known as the Single Audit Act.

Service Bureau Agency: Generally, a small agency that utilized the Service Bureau within the DFA Office of Accounting to enter transactions into the State Accounting System and provide reports. These agencies do not have direct access to the State Accounting System.

Source Document: Document used to initiate an individual accounting transaction.

Specified Period: Time period that a grant begins and ends.

Statement of Net Assets: A government-wide financial statement that reports the difference between assets and liabilities as net assets, not fund balances or equity. Assets are reported in order of liquidity or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use the resources. Liabilities are reported based on their maturity or when cash is expected to be used to liquidate them. Net assets are displayed in three components; invested in capital assets net of related debt, restricted and unrestricted.

State Wide Activity: Allowable and required funds approved by the Governor.

Statute: A written law enacted by the Legislature and signed by the Governor, (State Code is the preferred terminology).

Straight-line Depreciation Method: The straight-line method of depreciation allocates the cost of a capital asset systematically over the useful life of the asset by way of the following formula: cost less salvage value divided by estimated useful life in years.

Sub recipient: A non-federal entity (for example, a college) that expends federal awards received from a pass-through entity (for example ADWS) to carry out a federal program, but does not include an individual that is a beneficiary of such a program (for example, a student). It also excludes vendors that receive federal funds in exchange for goods and/or services in the course of normal trade or commerce. Can also refer to sub grant.

Subsidiary Ledger: A group of subsidiary accounts, the sum of the balances of which is equal to the balance of the related control account.

Supplies: Assets consumed in the course of an agency's operations.

Surety Bond: A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document through nonperformance or through embezzlement defalcation. Surety bonds also include fidelity bonds covering governmental officials and employees.

Surplus: An amount remaining after the original purpose has been served or the original requirement met. Not required to meet existing needs or left over after these needs have been met.

TAA: Trade Adjustment Act.

TANF: Temporary Assistance for Needy Families. Previously known as Welfare.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

TRA: Trade Readjustment Allowances.

TRA/DUA FS2: Trade Readjustment Allowances/Disaster Unemployment Assistance.

Training: Services provided by Local Areas. These services are reported by category for a specific period.

Transfer: Federal dollars that can transfer from one fund to another.

Transportation Expenses: Those costs covering travel by commercial carriers such as bus, train, ship and airplane; travel by privately owned motor vehicles such as cars, motorcycles, vans or trucks; and travel by rental motor vehicle or some combination of the travel modes identified.

Travel Administrator: A responsible official within an agency, board, commission, or institution (agency) who has been designated by the head of the "agency" in writing, with such designation kept on file in the "agency", to act for the head of the "agency" in authorizing and approving travel expenses.

Travel Reimbursement Form (TR-1): The TR-1 in electronic or paper form is used by agencies to substantiate and/or authorize payment of travel costs for State employees. In the absence of a vendor relationship, this form can also be used to substantiate and/or authorize payment of travel costs for non-state employees such as prospective employees, individuals who serve on boards, commissions, councils, committees and task forces, volunteers and other individuals who are authorized to receive travel expense reimbursement.

Travel Expenses: Those costs authorized under the travel regulations.

Travel Status: The official status of a traveler when the traveler is away from both the official residence and the official station, exclusive of commuting between the traveler's official station and official residence, on state-related business.

Traveler: A person in travel status who is on official State business.

Treasury: State Treasury that processes the deposit receipts.

Treasury Funds: Funds which have cash on deposit in and under the control of the State Treasurer and are disbursed by means of a warrant.

Trial Balance: A list of balances of the accounts in a ledger kept by double entry with debit and credit balances shown in separate columns.

UCFE: Unemployment compensation for ex-federal employees.

UCS: Unemployment compensation for ex-service members.

UI: Unemployment Insurance. Also, called UI Trust Funds and UI Regular Benefits (RB).

Unamortized Bond Discount: Excess portion of the face value of bonds over the amount received from their sale which remains to be amortized over the life of the bonds.

Unamortized Bond Premium: Excess portion of proceeds over the face value of the bonds that remains to be amortized over the remaining life of such bonds.

Unexpended Appropriation: Portion of an appropriation not yet expended.

User Agency: An agency that has direct online access to the State Accounting System. All types of transactions are entered on a real time basis by the agency.

Vendor Number: A number assigned by the Office of State Procurement to identify each vendor.

Voucher: An instrument, whether in electronic or hard copy form, that represents a transaction that disburses or transfers State funds which can be verified as officially approved by an authorized disbursing officer of the State of .

Warrant: A payment instrument for an invoice or other evidence of indebtedness validated by the State Treasurer for payment.

WBS Element: Work Breakdown Structure Elements used in AASIS to identify a particular grant or construction project so that the relevant information can be gathered for grant reporting or captured for the purposes of capitalizing the asset resulting from a complete project. Also, a cost object that is used to record revenue and expenditures for grants and capital projects.

WIA: Workforce Investment Act.

WIA Board: Workforce Investment Act Board.

Wire Transfer: A type of electronic fund transfer that guarantees immediate available funds or same day settlement.

WISE: Work Information System Exchange. The system used by TANF for benefit payments.