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ACCOUNTS PAYABLE - balances owed to others for goods, supplies and services received by the governmental unit.

ACCOUNTS RECEIVABLE - claims held against others for money, goods or services by the governmental unit and collectable within the fiscal year.

ACCRUAL BASIS - the basis of accounting under which revenues are realized when earned and expenses recorded when incurred.

ACCRUED EXPENSES - expenses incurred and recognized during the current accounting period but not paid until a subsequent period.

ACCRUED LIABILITIES - liabilities incurred but not paid as of the date of measurement.

ACCRUED REVENUE - revenue earned during the accounting period (e.g. goods and services have been provided to the customer) though not received until a subsequent period.

ACQUISITION METHOD - the manner in which a fixed asset is acquired. Typical examples are donations, purchases, leases, trade-ins or transfers.

AD HOC REPORTS - reports that are not generated as a normal part of running the system processes (e.g., control reports) and cannot be requested by the user through the Report Request Profile (e.g., requestable reports). These reports are specialized in nature and designed on an as needed basis. They are not intended to be run on a recurring basis (e.g., daily, weekly or monthly).

AGENCY CONTROL PROFILE - allows agencies control of system processes such as reporting, month end closing, cost allocation, and grant and project billing. In addition, the Agency Control Profile defines agency-specific document match control, agency object usage, and default comptroller object codes.

AGENCY GENERAL LEDGER ACCOUNT - provides a lower level of detail than the Comptroller General Ledger Account. These accounts are assigned by the agency to meet internal needs with a few exceptions. On due to/due from transactions, the agency general ledger specifies the agency and fund to which money is owed or from which money is owed. The agency general ledger is also statewide defined for fixed assets.

ALLOCATION - a part of an appropriation which is designated for expenditure by specific organizational units and/or for special purposes, activities, or objects.

ALLOCATION RANGE - the range of indexes and/or program cost accounts coding elements used to identify the direct cost pool that will receive distributions from the indirect cost pool being allocated during cost allocation.

ALLOT - to distribute monies available for expenditures across a fiscal year.

ALLOTMENT - the money or appropriation made available for expenditures within a given time frame, e.g. quarterly.

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ALLOTMENT PERIOD - a period of time, less than one fiscal year, during which an allotment is effective.

APPROPRIATED FUND - is a legislatively mandated segregation of funds. It is used and monitored by the GAO as a separate self balancing set of accounts. Appropriated Fund currently equates to 'Fund' in AFIS.

APPROPRIATION - a legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and time that it may be expended.

APPROPRIATION ACCOUNTING - the process of monitoring funds legally allocated by the State legislature. Appropriation accounting is used by the GAO to determine that state funds are spent legally.

APPROPRIATION BILL, ORDINANCE, RESOLUTION OR ORDER - a bill, resolution, or order by means of which appropriations are given legal effect. It is the method by which the expenditure authorizations are enacted into law by the legislative body.

APPROPRIATION PROFILE - allows the GAO to establish levels of system control for appropriations and agency budgets. Since this profile determines the level at which appropriations are recorded in the primary financial tables, GAO and agencies must work together to establish this profile. The appropriation profile can restrict the appropriated funds, comptroller objects and programs used for expenditures and revenues applied against appropriations.

ASSETS - the value, in terms of dollars, of economic resources owned by an entity or to which the entity has certain rights of measurable economic value. Assets accounts ordinarily have debit balances.

AUDIT - the examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

1. to ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year;
2. to determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions;
3. to ascertain whether all financial transactions have been properly recorded; and
4. to ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

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AUDIT REPORT - the report prepared by an auditor covering the audit or investigation made by him/her. As a rule, the report should include:

1. a statement of the scope of the audit;
2. explanatory comments (if any) concerning exceptions by the auditor as to application of generally accepted auditing standards;
3. opinions;
4. explanatory comments (if any) concerning verification procedures;
5. financial statements and schedules; and
6. sometimes statistical tables, supplementary comments, and recommendations. The auditor's signature follows item 3. and 4.

AUDITOR'S OPINION - a statement signed by an auditor in which he or she states that he or she has examined the financial statements in accordance with generally accepted auditing standards (with exceptions, if any) and in which he or she expresses an opinion on the financial position and results of operations of some or all of the constituent funds and balanced account groups of the government as appropriate. See **UNQUALIFIED OPINION**.

AUTHORITY - the specific act, session law, statute, federal law, etc., under which an expenditure is authorized.

BALANCE SHEET - a statement which discloses and properly classifies the assets, liabilities, reserves, and equities of a fund or governmental unit at a specified date to exhibit financial position of the fund or unit at that date.

BATCH BALANCING - the process of ensuring that entered counts and/or amounts equal computed counts/amounts before a batch is released for nightly processing.

BATCH ERRORS - errors that occur because of a problem related to a batch. These errors include out of balance conditions and the absence of a batch header.

BILLABLE BUDGET - a balance type that appears in the Grant Table and the Project Table which is used to control the amount that may be billed, either through the Grant/Project Billing subsystem or manual posting, to a grant or project. This balance type can be used to control the amount billed to the federal government or the amount billed on an interagency contract. The billable budget differs from the expendable budget in that the expendable budget may provide for resources not necessarily billable to entities external to the grant or project (e.g., State funds used to match federal funds in a grant).

BOOK VALUE - the recorded value or cost of an asset- less accumulated depreciation or amortization to date.

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BUDGET:

1. A plan of financial information embodying an estimate of proposed expenditure for a given period and the proposed means of financing them. Used without a modifier, the term usually indicates a financial plan for a single fiscal year;
2. per AFIS II: The process of allocating available agency resources to particular agency programs, organizations, funds and objects. This process is a refinement of the appropriation process to allow agencies to monitor and control their budgets in a manner that is normally more detailed than the appropriations, as well as meet Budget Office reporting requirements.

BUDGETARY ACCOUNTS - those accounts which reflect budgetary operations and conditions, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts.

CAPITAL BUDGET - a plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget.

CAPITAL OUTLAYS - expenditures which result in the acquisition of fixed properties such as land, buildings, equipment, development or permanent improvements to such properties.

CAPITAL ASSETS - resources of a fixed or permanent character, such as land, buildings, and equipment with an expected economic life exceeding one year.

CAPITALIZABLE ASSETS - fixed assets that meet the capitalization criteria for the state and will therefore be included in the general fixed assets account group and the subsequent financial statement.

CAPITALIZE INDICATOR - determines whether or not a transaction will affect the Fixed Asset Subsystem (FAS). The capitalize indicator has three values: Capitalize (C) for fixed assets that meet the capitalization criteria for the state, Inventory (I) for assets that do not meet the state's capitalization criteria but need to be tracked (e.g., guns, calculators and other movable equipment); and Maintenance (M) for transactions that apply to maintenance expenses of a fixed asset. If the transaction has a value of C, I or M in the C/I field and it meets the capitalization policy where necessary, the financial information from the expenditure transaction will automatically be sent to FAS.

CASH BASIS - a basis of accounting under which transactions are recognized only when cash or other economic resources change hands.

CASH WITH FISCAL AGENT - cash assets deposited with a fiduciary.

CHART OF ACCOUNTS - the set of accounts used by an agency. The chart of accounts may include any combination of the USAS coding elements including Comptroller General Ledger Account, Agency General Ledger Account, Comptroller Object and Agency Object. The chart of accounts for an agency provides the structure used for the information (reports and inquiries) produced by USAS.

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CLAIM - a written document evidencing the propriety of transactions. The formal entry whereby a liability is recognized and an expenditure recorded.

CLAIMS PAYABLE - a liability for goods and services evidenced by claims against funds in the State Treasury that have not been paid. Also referred to as vouchers payable.

CLASSIFICATION STRUCTURE - the structure used to classify USAS data elements that includes the fund, general ledger, revenue, expenditure, appropriation, program, NACUBO function, organization, project and grant structures. The classification structure provides the ability to separate and summarize USAS information multiple ways to meet the reporting requirements of agencies, the Legislature, the federal government, GAO and GAAP.

CLEARING ACCOUNT - an account used to accumulate total charges or credits for the purpose of distributing them later among the accounts to which they are allocable or for the purpose of transferring the net differences to the proper account.

CODING REDUCTION - utilizing one element to infer many elements during the coding processes. Elements in USAS that provide coding reduction include index, program cost account, appropriation number, grant number/phase and project number/phase.

CONSTRUCTION IN PROGRESS - the inventory account reflecting the cost of construction work undertaken but not yet completed.

CONTINGENT LIABILITIES - items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgements under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

Note: All contingent liabilities should be shown on the face of the balance sheet or in a footnote thereto.

CONTINUING APPROPRIATION - an appropriation which, once established, is automatically renewed without further legislative action, period after period, until altered or revoked, or liquidated by expenditure.

CONTRACT - refers to a legally binding agreement between two or more parties. In USAS, a contract may be used to isolate, budget and track expenditures separate from other classification elements such as grant, project or fund.

CONTROL PROFILES - a profile that is used to monitor system processes such as transaction processing, appropriation control or grant and project billing. A control profile differs from a descriptive profile in that it plays a significant role in controlling system posting and other processes.

CONTROL REPORT - reports generated as a normal part of running the system processes. Examples of control reports include transaction listings from the Grant/Project Billing and Cost Allocation subsystems and daily system monitoring reports used by USAS central support. These reports are not requestable and are generated by batch programs to allow monitoring of the processes in those programs.



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CONTROL TYPE INDICATORS - indicators that determine the level of severity for fund control errors. These control level indicators normally have values for fatal, warning and ignore.

CURRENT ASSETS - those assets which are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and taxes receivable; collectable within a year of the balance sheet date.

CURRENT FUNDS - funds, the resources of which are expended for operating purposes during the current fiscal period. In its usual application in plural form, it refers to the general, special revenue, debt service, and enterprise funds of a governmental unit. In the singular form, the current fund is synonymous with the General Fund.

CURRENT LIABILITIES - liabilities due within the current fiscal period.

CURRENT RESOURCES - resources available to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and in the case of certain funds, bonds authorized and unissued.

CURRENT REVENUE - revenues of a governmental unit which are available to meet expenditures of the current fiscal year.

DATA RELATED ERRORS - errors related to invalid coding of a transaction. Data related errors would include invalid Index, invalid Comptroller object and inactive fund.

DEBT - an obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes, and floating debt.

DEBT SERVICE FUND REQUIREMENTS - the amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

DEBT SERVICE REQUIREMENT - the amount of money required to pay the interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to a Debt Service Fund or term bonds.

DEFERRED CHARGES - expenditures which are not chargeable to the fiscal period in which made, but are carried on the asset side of the balance sheet pending amortization or other disposition. An example is Discount on Bonds Issued.

Note: Deferred charges differ from prepaid expenses in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

DEFERRED CREDITS - credit balances or items which will be spread over subsequent accounting periods either as additions to revenue or as reductions of expenses. Examples are taxes collected in advance and premiums on bonds issued

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DEFERRED REVENUES - amounts for which assets recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available. Deferred revenues are liabilities of the State until they have been earned.

DEFICIT - (1) the excess of the liabilities and reserves of a fund over its assets; (2) the excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Internal Service Funds, the excess of expense over income during an accounting period.

DEPRECIATION - (1) expiration in the service life of fixed assets, other than wasting assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence; (2) the portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period.

Note: In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DESCRIPTIVE PROFILE - provides mostly descriptive information for USAS elements such as titles.

DETECTABLE ERRORS - errors that are detectable by USAS. These would include data errors, fund control errors and batch errors. Errors not detectable by USAS include valid but incorrect coding of an Index, improper coding of a transaction amount and transactions posted that should not have been posted for accounting reasons.

DIRECT COST POOL - a group of coding elements that uniquely identifies an accumulation of expenditures that are directly associated with those coding elements. Direct cost pools are used to accumulate expenditures that will not be allocated to other cost pools. Direct cost pools may, in addition, receive allocations of costs from indirect cost pools.

DIRECT DEPOSIT - a deposit made directly to a payee's bank account through the Automated Clearing House (ACH).

DISPOSITION METHOD - the method used to dispose of a fixed asset. The disposition method associated with a fixed asset identifies how it was disposed (e.g., sold, destroyed, stolen or transferred).

DISTRIBUTION BASE - the group of coding elements that identifies those expenditures accounts to which a distribution rate is to be applied or other calculations made to determine the amount of the cost allocation. These coding elements include Index, Program Cost Account and Comptroller or Agency object.

DISTRIBUTION TYPE - the method that will be used to distribute the indirect costs identified in the distribution base. Distribution types include standard rate, standard cost per unit, standard amount, fixed percentage and calculated percentage.

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DOCUMENT FINANCIAL TABLE SUPPORT - indicates general ledger accounts whose transactions are posted to the Document Table. Accounts that are currently supported in the Document Table include accounts receivable, encumbrances, pre-encumbrances, and due from other funds.

DOUBLE ENTRY - a system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for a corresponding amount or amounts to the credit side of another account or accounts.

Note: Double entry bookkeeping involves the maintaining of a balance between assets on the one hand and liabilities, reserves, and fund equities on the other. To maintain this balance, it is necessary that entries for equal amounts be made in each group. Moreover, if a transaction affects only one group of accounts such as assets, the amount or amounts debited to an account or accounts within the group must be offset by a credit to another account or accounts within the group for a corresponding amount or amounts. For example, a debit to Cash would be offset by a credit for a corresponding amount to Taxes Receivable or some other asset.

EFFECTIVE DATE - the date that the transaction should be posted to the accounting records. For example, a transaction may have occurred on April 30, but it was not entered into the system until May 12. In order to correctly reflect the books as of the end of April, the transaction should be entered with an effective date of April 30.

ENCUMBRANCE - reservation of funds in anticipation of expenditure, also see purchase order.

ENTERPRISE FUNDS - fund type which accounts for an operation which is financed and operated in a manner similar to a private business enterprise. The intent of its establishment is that all or most of the costs involved are paid in the form of charges to users of such services.

ENTRY - the record of a financial transaction in its appropriate book of account.

ERROR CLASSIFICATION - the classification of errors by type and severity. There are two types of errors: data related error and fund control errors. These errors can have different levels of severity: fatal, warning and ignore. See definitions for Data Related Errors, Fund Control Errors and Error Severity for more information.

ERROR SEVERITY - indicates whether the transaction will be posted without warning (Ignore), posted with a warning (Warning) or prevented from posting (Fatal). Control type indicators are used to determine the severity of most fund control errors.

ERROR SUSPENSE - items that are input into the system but have not passed validation are held in the internal transaction file for corrective action. These items are not reflected on the ledgers until corrected.

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ESTIMATED REVENUE - for revenue accounts kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period. For revenue accounts kept on a cash basis, the term designates the amount of revenue estimated to be collected during a given period. Under the modified accrual basis, estimated revenues for many governmental revenues will include both cash and accrual basis revenues.

EXPENDABLE BUDGET - a balance type in the Grant and Project Tables that is used to control and monitor expenditures against projects and grants. This balance type controls the total budget for grants and projects including both billable and unbillable expenditures.

EXPENDITURE REFUNDS - amounts received back from a payee because of over payment of an expenditure.

EXPENDITURE TRANSFER - the movement of expenditures from one group of coding elements to another.

EXPENDITURES - where the accounts are kept on the accrual basis or the modified accrual basis, this term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, the term designates only actual cash disbursements for these purposes.

Note: Encumbrances are not expenditures.

EXPENSES - charges incurred, whether paid or unpaid, for operations, maintenance, interest and other charges which are presumed to benefit the current fiscal period.

Note: Legal provisions sometimes make it necessary to treat as expenses some charges whose benefits extend over future periods. For example, purchases of materials and supplies which may be used over a period longer than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as expenses of that year even though their benefits extend also to other periods.

FATAL ERRORS - errors that prevent the posting of a transaction. Control type indicators determine the severity of most fund control errors in USAS.

FINANCIAL INQUIRY - an online inquiry that allows access to one of the financial tables. These inquiries include all of the inquiries on the Financial Inquiry Menu. Examples include appropriation record, document record and grant.

FINANCIAL PLAN - a plan for monitoring budgets at a level below the agency budget level. Financial plans are used to provide a means of monitoring financial performance within an agency at a level not necessarily being used to control the budget.

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FINANCIAL PLAN ACCOUNTING - the tracking and reporting of planned and actual expenditures.

FINANCIAL TABLE - USAS financial tables include the Accounting Event Table, the General Ledger Table, the Document Table, the Appropriation Table, the Agency Fund Table, the Agency Budget Table, the Grant Table, the Project Table, Contract Table, and the Cash Control Table and the Property Financial Table. These tables provide the central means for storing and retrieving historical financial information in USAS.

FISCAL YEAR - a twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. In Arizona, the legal fiscal year ends June 30.

FIXED ASSETS - assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FIXED ASSETS CATEGORY - a high level statewide classification of fixed assets such as Land, Buildings, and Furniture and Equipment.

FIXED ASSETS CLASS - a statewide lower level of fixed asset classification used to segment fixed asset categories.

FIXED ASSETS SUBCLASS - an agency defined categorization of fixed assets used to divide fixed asset classes into agency specific categories.

FIXED ASSETS SUSPENSE FILE - stores the financial information passed to the Fixed Asset Subsystem from the core accounting component of USAS until that information can be matched with descriptive information needed to track fixed assets such as model number, location and serial number.

FIXES ASSETS TRANSACTION CODE (FATC) - a code used in fixed asset processing to determine the posting to the fixed asset tables. Unlike other transaction codes, these are hard coded. Fixed asset transaction codes are used for acquisitions, dispositions, adjustments and depreciation.

FIXED PERCENT ALLOCATION - allocates the actual amount in the indirect cost pool based on a set percentage entered in the Cost Allocation Profile. Up to 15 fixed percentage allocation percentages may be entered and they must total 100%.

FUNCTION - the type of service performed by an agency. Functions are used for GAAP, NACUBO and Cash Basis reporting. Examples of functions include General Government, Human Services and Transportation.

FUNCTION KEY - a special alphanumeric key used to perform a non-data entry function. Function keys initiate system processing, such as editing a transaction or transferring control from one USAS program to another. For example, upon pressing the F1 function key from a data entry screen control is transferred to the Help Screen (S090).

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FUND - an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. In USAS, funds are used to break appropriated funds into agency specific components which at a minimum allow the segregation of activities within an appropriated fund that are accounted for in different GAAP fund types.

FUND ACCOUNTS - all accounts necessary to set forth the financial operations and financial position of a fund.

FUND BALANCE - the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

FUND CONTROL ERRORS - errors generated by the system because of a lack of available cash and/or appropriation, agency budget, allotment, grant budget, project budget and contract budget.

FUND GROUP - a group of funds which are similar in purpose and character. For example, several special revenue funds constitute a fund group.

FUNDING SOURCE - the resources used to purchase a fixed asset. These may include federal funds, state funds, private donations or other sources. The fixed asset funding sources are defined in the Fixed Asset Funding Source Profile.

GENERAL FIXED ASSETS - those fixed assets of a governmental unit which are not accounted for in an Enterprise, Trust or Internal Service Fund.

GENERAL FUND - the fund which accounts for all financial resources except those required to be accounted for in another fund.

GENERAL LEDGER - a book, file, or other device which contains the accounts needed to reflect, in summary and detail, the financial position and the results of financial operations of a governmental unit.

Note: In double entry bookkeeping, the debits and credits in the general ledger are equal, and therefore the debit balances equal the credit balances.

GENERAL LEDGER ACCOUNT - identifies the nature of financial activities and balances. In USAS, general ledger accounts are used for balance sheet (real), operating (nominal) and memo classifications. For the balance sheet, Comptroller General Ledger Account provides the lowest level of statewide classification. For the operating statement, Comptroller General Ledger Account serves as a high level classification of financial activity and is used to separate cash and accrued activity. Comptroller Object serves as the lowest level of statewide classification for the operating statements. Memo classifications are accounts not reported on financial statements, such as pre-encumbrances and statistical activity.

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GENERAL LONG-TERM DEBT - long-term debt legally payable from general revenues and backed by the full faith and credit of a governmental unit.

GENERAL REVENUE - the revenues of governmental unit other than those derived from and retained in an enterprise.

Note: If a portion of the net income in an enterprise fund is contributed to another non-enterprise fund, such as the general fund, the amounts transferred constitute general revenue of the governmental unit.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - "encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time (and) includes not only broad guidelines of general application, but also detailed practices and procedures" (APB Statement No. 4, par 138). In practical usage, GAAP means accounting for economic activity in a manner consistent with professional accounting standards.

GOVERNMENTAL ACCOUNTING - the composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

GOVERNMENTAL ACCOUNTING, AUDITING AND FINANCIAL REPORTING (GAAFR) - a book published by the Government Finance Officer's Association (GFOA) that provides an overview of governmental accounting. This reference is a very useful guide and should be in the library of anyone trying to prepare GAAP financial statements.

GOVERNMENTAL FUND - includes the General, Special Revenue, Capital Projects and Debt Service GAAP fund types. These funds are used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities for "general government" functions. Expendable assets are assigned to particular governmental fund types according to the purposes for which they may or must be used. Current liabilities are assigned to the fund types from which they are paid. The measurement focus in these fund types is on the determination of financial position and changes in fund financial position rather than with net income. Governmental funds currently are recorded using the modified accrual basis of accounting.

GRANT - a contribution or gift of cash or other assets from another government or private entity to be used or expended for a specific purpose, activity or facility.

GRANT CATEGORY - a code that classifies grants into groups for financial reporting. The grant category is the Catalog of Federal Domestic Assistance (CFDA) number for federal grants.

GRANT OBJECT - an agency specific classification element used to segregate grant expenditures into distinct categories such as salaries, capital outlay and administration. It is used to translate the Comptroller object structure to a unique grantor structure for reporting purposes. Grant object may be used to report expenditure to the grantor and/or control the grant budget. It is an optional feature.

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GRANT PHASE - a further breakdown of grant expenditures. Grant Phase is normally used to segment grant time periods, such as federal fiscal years. For example, a phase value "91" may represent the 1991 federal fiscal year.

GRANT TYPE - a statewide categorization of grants such as Federal, State, Local, Private, or Pass-through.

GRANTOR - identifies the organization or individual from whom the grant was received.

HARD-CODED - the opposite of profile driven. Hard-coded implies that a specific value is set in the program and cannot be changed without changing the program. Hard-coding is used in situations where the values are not likely to change because hard-coding is more cost efficient (better for performance reasons). If values are likely to change, then they are profile-driven to allow changes without modifying the program.

HIERARCHY - a ranking system by order of accounting/ financial importance of divisions of a state agency, board, commission, etc.

IMPREST SYSTEM - a system for handling minor disbursements whereby a fixed amount of money, designated as petty cash, is set aside for this purpose. Disbursements are made from time to time as needed, a receipt or petty cash voucher being completed in each case. At certain intervals, or when the petty cash is completely expended, a report with substantiating petty cash vouchers is prepared and the petty cash fund is replenished for the amount of disbursements by a check drawn on the appropriate fund bank account. The total of petty cash on hand plus the amount of signed receipts or petty cash vouchers at any one time must equal the total amount of petty cash authorized. See also **REVOLVING FUND**.

INCOME - a term used in accounting for governmental enterprises to represent the excess of revenues earned over the expenses incurred in carrying on the enterprise's operations. It should not be used without an appropriate modifier, such as **OPERATING**, **NON-OPERATING**, or **NET**. See also **OPERATING INCOME**, **NON-OPERATING INCOME**, and **NET INCOME**.

Note: The term **INCOME** should not be used in lieu of **REVENUE**.

INDEX CODE PROFILE - defines one of the primary coding reduction input elements used in USAS. Index infers the organization structure and can also look-up fund, appropriation, grant, project, multipurpose code, agency code 1, 2 and 3, and Program Cost Account (PCA). In addition, the Index Profile can be used to define the agency budget organization level.

INDICATORS - normally one or two digit data elements that allow the user to adapt USAS to varying needs. Indicators are used to control system processes, determine required elements, control system posting, specify agency based requirements and facilitate reporting. The indicators in USAS appear on the profiles and are used in situations where two or more options are available to the user.

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INDIRECT COST POOL - used to accumulate costs that are not readily charged to a specific cost pool at the time the costs are incurred. Examples of indirect costs are rent, utilities, administrative salaries. Indirect cost pools are allocated to direct cost pools using cost allocation.

INTERAGENCY TRANSFER - transactions which record financial activity between agencies, such as goods and services bought or sold.

INTERGOVERNMENTAL REVENUE - revenue received from other governments in the form of grants, shared revenues, or payment in lieu of taxes.

INTERIM STATEMENT - a financial statement prepared before the end of the current fiscal year and covering only financial transactions during the current year to date.

INTERNAL AUDIT - an independent appraisal activity within a governmental unit which: (a) determines the adequacy of the system of internal control: (b) verifies and safeguards assets: (c) checks on the reliability of the accounting and reporting system: (d) ascertains compliance with established policies and procedures; and (e) appraises performance of activities and work programs.

INTERNAL CONTROL - a plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to, exercise effective accounting control over assets, liabilities, revenues, and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations. Thus, for example, an employee handling cash would not post accounts receivable records. Moreover, under such a system, the procedures to be followed are definitely laid down and require proper authorizations by designated officials for all actions to be taken.

INTERNAL SERVICE FUNDS - funds which account for the financing of goods and services provided by one department or agency to another.

INTERRUPT - the process of leaving one screen, going to another and returning to the original screen with the data intact. The interrupt facility provides the capability to correct profile validation errors while entering financial transactions and related profile maintenance. It is initiated by pressing the F4 key.

INVENTORIAL ASSETS - assets that do not meet the agency's capitalization criteria but which should be tracked (e.g., funds, calculators, and other movable equipment) at the agency discretion.

JOURNAL ENTRY - transactions entered to reclassify, adjust or correct account balances. Journal entries may be at the General Ledger level, in which case they post only to the General Ledger Table, or they may be at a lower level, in which case they post to several USAS tables.

JUDGEMENT - an amount to be paid or collected by a governmental unit as the result of a court decision, including a condemnation award in payment for private property taken for public use.

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LAPSE - as applied to appropriations, this term denotes the automatic termination of an appropriation.

Note: Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEDGER - a group of accounts in which are recorded the financial transactions of a governmental unit or other organization.

LEVEL INDICATOR - identifies the level in the classification structure at which financial data will be posted and controlled to the primary financial tables.

LIABILITIES - debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

Note: The term does not include encumbrances.

LINK TO - the process of quickly navigating the system by placing the Screen ID (e.g., 24, Index Code Profile) in the Link To field and pressing Enter. Link To allows experienced users to quickly navigate the system without using the menus. Link To, unlike Interrupt, does not require that you return to the original entry screen and does not save the data from the screen that was used to initiate the Link To.

LONG-TERM DEBT - debt with a maturity of more than one year after the date of issuance.

LUMP SUM APPROPRIATION - an appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for specific activities or for particular objects of expenditure.

MODIFIED ACCRUAL BASIS - the basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues which should be accrued to reflect properly the taxes levied and the revenues earned.

MODIFIED LUMP SUM - an appropriation type in which payroll expenses are appropriated by line item and other operating expenses are appropriated by lump SUM.

MODIFIER CODE - identifies how a document should be posted (e.g., partial or full liquidation) and is normally required on encumbrance transactions referencing pre-encumbrances and expenditure transactions referencing encumbrances.

NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS (NACUBO) - the organization that promulgates reporting standards for colleges and universities. NACUBO based accounting is often used to refer to accounting techniques specific to institutions of higher education.

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NET INCOME - a term used in accounting for governmental enterprises to designate the excess of total revenues over total expenses for an accounting period.

NON-EXPENDITURE DISBURSEMENTS - disbursements which are not chargeable as expenditures; for example, a disbursement made for the purpose of paying off an account payable previously recorded on the books.

NON-OPERATING EXPENSES - expenses incurred for non-operating purposes or in the performances of activities not directly related to supplying the basic service by a governmental enterprise. An example of non-operating expense is interest paid on outstanding revenue bonds.

NON-OPERATING INCOME - income of governmental enterprises which is not derived from the basic operations of such enterprises. An example is interest on investments or on bank time deposits.

NON-REVENUE RECEIPTS - collections, other than revenue, such as receipts from loans where the liability is recorded in the fund in which the proceeds are placed and receipts on account of recoverable expenditures.

OBJECT LEVEL - levels defined in USAS that determine how revenues and expenditures are recorded and tracked. For example, Comptroller Object is the lowest level in the object structure for statewide accounting purposes. Agency Object may be more detailed, the same, or less detailed than the Comptroller Object as defined by an agency.

OBLIGATIONS - amounts which a governmental unit may be required legally to pay from its resources. They include not only actual liabilities, but also unliquidated encumbrances.

OPERATING EXPENSES - (1) as used in governmental enterprises, the term means those costs which are necessary to the maintenance of the enterprise, the rendering of services, the sale of merchandise, the production and disposition of commodities produced, and the collection of enterprise revenues; (2) the term is also sometimes used to describe expenses for general governmental purposes.

OPERATING INCOME - income of a governmental enterprise which is derived from the sale of its goods and/or services. For example, income from the sale of water by a municipal water utility is operating income.

OPERATING REVENUES - revenues derived from the operation of governmental enterprises of a business character.

OPERATING STATEMENT - a statement summarizing the financial operations of a governmental unit for an accounting period as contrasted with a balance sheet which shows financial position at a given moment in time.

ORGANIZATION - a responsibility center within a government. Organizations are used in USAS to meet an agency's internal reporting and accounting needs. The organization structure is established according to an agency's management structure.

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ORGANIZATION CODE - an agency unique code used to identify a particular organizational unit. Organization codes are inferred by Indexes in USAS.

PERPETUAL INVENTORY - a system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical count. A record is provided for each item or group of items to be inventoried and is so divided as to provide a running record of goods ordered, received, and withdrawn, and the balance on hand in units and, frequently, also in value.

PETTY CASH - a sum of money set aside on an imprest basis for the purpose of making change or paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Petty cash accounts are sometimes referred to as petty cash "funds." However, they are not "funds" in the sense of governmental accounting's eight fund types. Petty cash accounts should be reported as assets of the fund of ownership. See IMPREST SYSTEM.

PETTY CASH VOUCHER - a written document (voucher) used to record individual disbursements of petty cash.

POST AUDIT - an audit made after the transactions to be audited have taken place and have been recorded or have been approved for recording by designated officials if such approval is required.

PRE-AUDIT - an examination for the purpose of determining the propriety of proposed financial transactions and financial transactions which have already taken place but which have not yet been recorded, or, if such approval is required, before the approval of the financial transactions by designated officials for recording.

PRE-ENCUMBRANCE - transactions that are typically recorded when there is an expected or projected commitment (non- contractual) to purchase or pay for goods and services. They are recorded as memo accounts against appropriation budgetary balances for reporting purposes only. Pre -encumbrances do not reduce available appropriation spending authority.

PREPAID EXPENSES - a deferral of ordinary operating expenses such as prepaid rent, premiums on unexpired insurance or office supplies to be used in the future.

PRIMARY KEY - a combination of elements that uniquely identify a record. For example, the primary key to the Program Code Profile is Agency, Appropriation Year, and Program Code. The primary key to the Agency Fund Financial Table is agency, appropriation year, appropriated fund or fund.

PRO FORMA - for form's sake; in accounting nomenclature, usually referring to a presentation of future period financial statements showing the probable effects of proposed changes in accounting method or principle.

PROFILE - a means by which users control USAS processing, define accounting detail and specific system capabilities, and indicate valid codes and conditions to be used in system operations.

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PROFILE MAINTENANCE - the act of maintaining the system profiles. Profile maintenance includes any additions, changes or deletions of the USAS profile records.

PROFILE-DRIVEN - the concept of controlling system processes, transactions posting and valid values through user maintained profiles. A profile-driven system, such as USAS, allows the maximum flexibility to accommodate future change.

PROGRAM - a responsibility center within a government. Programs are used in USAS to monitor specific levels of control within an agency. Program levels would include departments, division and sections.

PROGRAM CODE - an agency unique code used to identify a particular program in an agency. Program codes are inferred by Program Cost Accounts or looked up by an appropriation number.

PROGRAM COST ACCOUNT (PCA) PROFILE - defines one of the primary coding reduction input elements used in USAS. PCA infers the program structure and can also look-up fund, appropriation, grant, project, multipurpose code, agency Codes 1, 2 and 3, index and NACUBO fund/subfund. In addition, the PCA Profile can be used to define the agency budget program level.

PROGRAM COST ACCOUNT (PCA) TYPE - identifies the type of costs accumulated in each cost pool (PCA) as either indirect costs or direct costs. Valid PCA types include direct PCA, indirect PCA, and indirect variance PCA. Direct costs pools receive costs both from allocations and from direct expenditure charges. Indirect cost pools accumulate costs that are to be later allocated. Indirect variance PCAs are allocated whenever a variance run of cost allocation is performed.

PROGRAM LEVEL - levels within the program structure that determine how financial information is reported in USAS.

PROJECT - a multipurpose classification that permits the identification of unique and sometimes temporary sets of activity that require specialized reporting outside of the normal classification structure and fiscal period orientation. Examples of projects include construction of buildings, interagency agreements, or internal activities.

PROJECT PHASE - a division of a project normally based on timeframe. A system development project, for example may have many phases such as requirements definition, design, development and implementation. Project phases in USAS are used to allow control and monitoring of projects in distinct segments. Project phases are defined in the 27 Project Control Profile.

PROJECT TYPE - an agency defined classification element that provides the ability to group projects into distinct groups. Examples would include external projects and internal projects.

PROPRIETARY ACCOUNTS - those accounts which show actual financial position and operations, such as actual assets, liabilities, reserves, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

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PROPRIETARY FUND - includes the Enterprise and Internal Service GAAP fund types. Proprietary funds are used to account for government's ongoing organizations and activities that are similar to those often found in the private sector. These funds are accounted for on a full accrual basis which means that they account for revenue when it is earned and expenses in the period in which they apply. The measurement focus of these funds is on net income.

PURCHASE ORDER - a document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of charge for them.

QUASI-GOVERNMENTAL AGENCY FUND - funds of a State agency whose revenue and expenditures are not accounted for by the State Division of Finance but whose cash balance must be maintained by the Treasurer.

RECEIPTS - this term, unless otherwise qualified, means cash received.

RECEIVABLES - asset accounts that reflect amounts due from private persons or organizations for goods and services furnished by the State (but not including amounts due from other funds, agencies, or governments).

RECOVERABLE EXPENDITURE - an expenditure made for or on behalf of another governmental unit, fund, or department, or for a private individual, firm, or corporation which will subsequently be recovered in cash or its equivalent.

RECURRING TRANSACTIONS - transactions that occur on a scheduled or repetitive basis during the year (e.g., rent, insurance, utilities). USAS provides the capability to automatically post these transactions to reduce the manual effort necessary for repetitive posting.

REFUND - an amount paid back or credit allowed because of an over-collection on an account or the return of an object sold. Also, to provide for the payment of a loan through cash or credit secured by a new loan.

REIMBURSEMENT - cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

REJECT ERRORS - an error that causes an input (IN) transaction to reject. Transactions with reject errors never make it into USAS. Examples are batch header level errors and non-numeric characters in a numeric field.

REPLACEMENT COST - the cost as of a certain date of a property which can render similar services (but need not be of the same structural form) as the property to be replaced.

REQUESTABLE REPORTS - can be requested through the USAS Report Request Profile. Requestable reports include financial reports, profile reports and fixed asset inventories. Unlike control reports, these reports are not generated unless they are requested by a user. There are many requestable USAS reports.

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REQUISITION - a written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE - an account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

RESOLUTION - a special or temporary order of a legislative body requiring less legal formality than statute.

RESOURCES - the actual assets of a governmental unit, such as cash, taxes receivable, land, buildings, etc., plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected and bonds authorized and unissued.

RESTRICTED ASSETS - monies or other resources, the use of which is restricted by legal or contractual requirements. The most common examples of restricted assets in governmental accounting are those arising out of revenue bond indentures in Enterprise Funds.

RETAINED EARNINGS - the accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and which are not reserved for any specific purpose

REVENUE - for those revenues which are recorded on the accrual basis, this term designates additions to assets which:

1. Do not increase any liability;
2. Do not represent the recovery of an expenditure;
3. Do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets;
4. Do not represent contributions of fund capital in Enterprise and Intragovernmental Service Funds.

The same definition applies to those cases where revenues are recorded on the modified accrual or cash basis, except that additions would be partially or entirely to cash.

REVENUE BUDGETING - the process of budgeting revenues. Revenue budgeting is used to monitor revenue estimates against actual revenue receipts. In some cases, if revenue receipts vary significantly from revenue estimates, the related appropriations and expenditure budget will be adjusted to reflect the revenue shortfall or excess.

REVENUE PLAN - low level revenue budgets which may be recorded at the option of agencies. No control is exercised over these plans.



SUBJECT

GLOSSARY**REVOLVING FUND**

1. An Internal Service Fund.
2. An imprest account which is accounted for as an asset of a fund.

SCHEDULES

1. The explanatory or supplementary statements that accompany the balance sheet or other principal statements periodically prepared from the accounts.
2. The accountant's or auditor's principal work papers covering his examination of the books and accounts.
3. A written enumeration or detailed list in orderly form.

SELF-BALANCING GROUP OF ACCOUNTS - an independent group of accounts which is set up to account for the fixed assets or the long-term debts of a governmental unit which are not accounted for in its individual funds.

SHARED REVENUE - revenue which is levied by one governmental unit but shared, usually in proportion to the amount collected, with another unit of government or class of governments.

SIGNED FIELDS - fields that allow for both positive and negative amounts.

SINGLE TRANSACTION PROCESSING - a process by which the overall accounting impact of a transactions recognized in USAS as a result of a single entry. The full range of classification data affected by the transaction and the impact it has on all of the system's tables are identified at the time a transaction is recorded.

SPECIAL REVENUE FUNDS - funds designated to account for the proceeds of special revenue sources and earmarked for specific purposes of expenditure.

SPECIAL SELECTION OR SPECIAL SELECT - an option in the Report Request Profile that allows users to limit the amount of information provided in USAS reports. There are data selection options for agency, organization code, program code, NACUBO fund, appropriated fund, fund, Comptroller object, agency object, general ledger account and agency general ledger account. In addition, Special Select 1 and Special Select 2 may be used to further streamline some reports. The special select available on each report varies.

STATUTE - a written law either new or revised, passed by a legislative body and set forth in a document (Arizona Revised Statutes).

SUBGRANTEE - identifies the subcontractor or subrecipient of "pass-thru" grants. A subgrantee is any person or government department, agency or establishment that receives federal financial assistance from a state entity or any other entity to administer a program.

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SUBSIDIARY ACCOUNT - one of the group of related accounts which support in detail the debit and credit summaries recorded in a control account. An example is the individual property taxpayers' accounts for taxes receivable in the general ledger.

SUBSYSTEM INTERFACE - the process of capturing input (IN) records generated from various independent USAS subsystems and running them through the batch input, edit, update (IEU) program so they can be posted to the financial tables. Through the interface function, transactions which are not manually entered through online financial entry can be processed in the normal batch IEU system. Examples of USAS subsystems that generate IN transactions are cost allocation, payment processing, fixed assets, and grant and project billing.

SUSPENSE ACCOUNT - an account which carries charges or credits temporarily pending the determination of the proper account or accounts to which they are to be posted.

SUSPENSE FUND - a fund established to account separately for certain receipts pending the distribution or disposal thereof.

TABLES - data structures that are comprised of a series of columns and rows. USAS uses tables to store profile and financial information.

TRANSACTION CODE - unique code assigned to each transaction entered which is used by USAS to identify which accounts are to be debited and credited, which financial tables are to be updated by the transaction, and which data elements are to be entered on the transaction.

TRANSACTION CODE DECISION PROFILE - defines the general ledger impact, data elements and financial table posting rules for each type of accounting transaction.

TRANSACTIONS IN ERROR - transactions entered into USAS online or via interface with edit mode 0 or 1 which failed to post during the nightly batch IEU cycle because they failed one or more IEU edits.

TRIAL BALANCE - a list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a control account, the ledger from which the figures are taken is said to be "in balance."

TRUST AND AGENCY FUNDS - funds used by a governmental unit to account for assets held in a trustee capacity.

UNAPPROPRIATED BUDGET SURPLUS - where the fund balance at the close of the preceding year is not included in the annual budget, this term designates that portion of the current fiscal year's estimated revenues which has not been appropriated. Where the fund balance of the preceding year is included, this term designates the estimated fund balances at the end of the current fiscal period.

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VENDOR INFORMATION - data contained in the Vendor Profile by vendor number and mail code to uniquely identify the vendor associated with a transaction. Examples of vendor information include vendor type, vendor name, address, and phone number, ownership code, and payment distribution type.

VENDOR PROFILE - defines the valid vendor numbers that may be used in USAS. USAS vendor numbers either come from ADPICS system for vendors that are paid with state treasury funds or from the agency specific profile vendor. The vendor profile may also contain customers for revenue receipts.

VOUCHER PAYABLE - see Claims Payable.