

Appendix K:

**Glossary of
Budget Terms**

Glossary of Budget Terms

Accrual Basis of Accounting – An accounting method that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows. Accordingly, revenues are recognized when they are earned and expenses when they are incurred, not when cash changes hands. Contrast this term to "modified accrual basis of accounting."

Activity – A component part of the District's program structure that is comprised of a set of services grouped around a common purpose or result.

Additional Gross Pay – Pay other than base compensation and premium pay. Examples include: Holiday Pay, Longevity Pay, Shift Differential, and Terminal Leave.

Agency Financial Operations Program (AFO) – A program within an agency's performance plan under Performance-Based Budgeting. AFO is used to track the funding and FTE count for all Office of the Chief Financial Officer (OCFO) FTEs assigned to the agencies. Although many of these employees work on-site at agency locations, all financial positions within District agencies report to the Chief Financial Officer. Under AFO, these costs fall within one of three activities: (1) Budget Operations, (2) Accounting Operations, (3) ACFO. Six Associate Chief Financial Officers (ACFOs), each representing one of the major appropriation titles in the District's budget, manage agency financial operations. Agency fiscal officers report to their respective ACFO, who serves as the key contact between the Office of Chief Financial Officer and the Office of Budget and Performance Management, in the Office of the City Administrator, in managing agency finances. For budgetary purposes, funding for these positions assigned to the agencies is included in the various agency budgets. This funding is not duplicated in the budget for the OCFO.

Agency Management Program (AMP) – A program within an agency's performance plan under Performance-Based Budgeting. AMP is used to track costs associated with common administrative expenses across the District. Under AMP, these costs fall within 15 activities: (1) Personnel, (2) Training and Employee Development, (3) Labor-Management Partnerships, (4) Contracting and Procurement, (5) Property Management, (6) Information Technology, (7) Financial Management, (8) Risk Management, (9) Legal Services, (10) Fleet Management, (11) Communications, (12) Customer Service, (13) Performance Management, (14) Language Access, and (15) Court-Ordered Supervision. Many agencies do not include all 15 of these activities.

Allocable Revenue – Revenue earned, collected, and used by the agency responsible for generating the revenue.

Allocation – The movement of budget from a central budget item, like a Reserve fund, to a specific budget location. In the case of the Highway Trust Fund, the movement of capital budget from a master project to a capital project authorized within the master project group.

Amendment – A proposed change to a budget that is not yet finally approved, but has been formally submitted by the executive to the legislative branch.

Annualization – A budget increase to provide full-year budget authority for a budgetary item that was only partially funded in the prior-year budget.

Appropriated Revenue – Authority to collect revenue by an agency on behalf of the District Treasury; such revenue is used to support the operations of all agencies.

Appropriation – Authority to spend funds appropriated by Congress and financed by general District revenues.

Appropriation Group (or Appropriation Title) – The eight broad areas into which the District categorizes services to the citizens of Washington D.C. They include Governmental Direction and Support, Economic Development and Regulation, Public Safety and Justice, Public Education System, Human Support Services, Operations and Infrastructure, Financing and Other, and Enterprise and Other Funds.

Arbitrage – With respect to tax-exempt municipal debt, arbitrage is the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the tax-exempt bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds or other federally tax-advantaged bonds.

Attrition – Voluntary employment losses, such as retirements and resignations.

Bond Anticipation Notes – Notes issued for capital projects, which are repaid from the proceeds of the issuance of long-term bonds.

Bonds – The written evidence of debt, which upon presentation entitles the bondholder or owner to a fixed sum of money plus interest. The debt bears a stated rate(s) of interest or states a formula for determining that rate and matures on a date certain. Generally, bonds are debt securities with a final maturity longer than the short-term range.

Bond Rating – A bond rating is an independent assessment of the creditworthiness of a bond issued by a state or municipality (including all short- and long-term indebtedness) rated by these agencies. The three primary rating agencies are Standard & Poor's Ratings Services (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings, Inc. (Fitch). Bond ratings measure the probability of the timely repayment of principal and interest of a bond. Generally, a higher credit rating would lead to a more favorable effect on the marketability of a bond and lower cost of borrowing for the borrower. The long-term credit rating symbols for investment grade bonds range from the highest ratings of AAA, AA, and A to BBB-, the lowest investment grade ratings. Pluses are added to distinguish strength and minuses reflect weaknesses. Bonds rated below BBB- are referred to as speculative, low grade or junk bonds.

Budget – A plan of financial and operational intent embodying an estimate of proposed expenditures for a given period and proposed means of financing.

Budget Authority – Authority provided by law to enter into obligations that will result in expenditures. It may be classified by the period of availability (one-year, multiple-year, no-year), by the timing of congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite).

Budget Establishment – The period immediately preceding the beginning of the budget fiscal year during which final budgets are prepared and entered into the formal accounting records of the District.

Budget Formulation – The budget planning and development process from the initial budget call up to and including final approval by Congress.

Budget Modification – A change in any portion of the budget during the fiscal year.

Budget Reserve – Funds that are earmarked to protect the District against shortfalls in revenue and unforeseen expenditures.

Build America Bonds (BABs) – Taxable municipal securities issued through December 31, 2010 under the American Recovery and Reinvestment Act of 2009. BABs entitle municipal issuers to receive direct pay subsidies from the federal government or entitle bondholders to receive a credit against federal income tax.

ACFR– State and local governments issue an annual financial report referred to as the Annual Comprehensive Financial Report or ACFR. The ACFR is prepared in accordance with U.S. generally accepted accounting principles (GAAP) for state and local governments as promulgated by the Government Accounting Standards Board (GASB) and is composed, at a minimum, of the following three parts: (1) an introductory section, (2) a financial section, and (3) a statistical section. Some of the principal users of the ACFR are credit or bond rating agencies (Fitch Ratings, Moody’s Investors Service, Standard and Poor’s Ratings Services), institutions that buy and sell bonds, and those charged with managing and governing the state or local government.

Capital Asset Replacement Scheduling System (CARSS) – The District’s system to record all District-owned assets, project the costs for replacement and maintenance of those assets, and facilitate the development of the long-range capital financing plan.

Capital Budget – The budget that provides for the acquisition of District-owned assets that help meet the District’s long-term and infrastructure needs, as summarized in the Capital Improvements Program.

Capital Improvements Program (CIP) – A plan for initiating the development, improvement, or replacement of District-owned assets during a six-year period. As annually revised, this plan provides the basis for future-year capital budget requests.

Chart of Accounts – A listing of general ledger accounts used to record financial transactions incurred by District agencies.

Charter School – A private non-profit entity that accepts and educates public school students under the terms of a charter granted by the District’s chartering authority. Charter Schools receive the same public funding as DC Public Schools pursuant to the District’s uniform per-student funding formula; additionally, a facilities allowance is provided.

Collateral – Security pledged to a creditor to assure that the obligor of municipal credit will meet its payment obligations. When the obligor has performed, the creditor must release the collateral.

Commercial Paper (CP) – Short-term obligations, backed by a line of credit with a bank, that mature within 270 days. Maturing principal of outstanding commercial paper is typically paid with newly issued commercial paper, referred to as a “roll over,” thereby borrowing funds on a short-term basis for an extended time period. Rate reset periods may vary from one to 270 days and different portions of a single issue of commercial paper may simultaneously have different reset periods.

Component Unit – Legally separate organizations that meet the following criteria: (a) the primary government appoints a voting majority of the organization’s board; and (b) there is a financial benefit/burden relationship between the primary government and the organization, or the primary government is able to impose its will on the organization.

Comptroller Object – This represents the lowest level of the General Ledger Account structure for operating statement District-wide accounting purposes. It includes revenue, expenditure, transfer, and statistical accounts.

Comptroller Source Group – This is used to group Comptroller Objects for reporting purposes. Also called Object Class.

Consolidated Plan – The U.S. Department of Housing and Urban Development requires a single or consolidated plan and submission for the following federal grant programs: Community Development Block Grants (CDBG), HOME Investment Partnerships Program, Emergency Shelter Grants (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) grant.

Contractual Services – A budgetary classification of nonpersonal services that includes funds for contractual services.

Controllable Property – Non-capitalized tangible property with a value that is less than \$5,000 that is considered to be sensitive with a high risk of theft or loss; such property typically has an expected useful life of less than three years.

Current Services Funding Level (CSFL) – The CSFL is a Local funds only representation of the cost of operating District agencies in the next budget year, without consideration of any new policy decisions. The development of budgets at the lowest program level in SOAR.

Debt Capacity – Generally, the maximum principal amount of debt that an issuer is permitted to have outstanding at any time under constitutional, statutory or bond contract provisions. The District has two statutorily mandated debt limits. The Home Rule Act provides that the debt service on the District's outstanding and proposed debt in any fiscal year cannot exceed 17% of local-source District revenues. The Debt Ceiling Act imposes a further limit. Total debt service on all outstanding Tax-Supported Debt cannot exceed 12% of annual District General Fund expenditures and transfers during a given CIP period.

Debt Ratio – Comparative statistics showing the relationship between the issuer's outstanding debt and factors such as its tax base, income, or population.

Debt Service – The payment of principal and interest on outstanding bonds, the principal payment of maturing or redeemed bonds, and any required contributions to a sinking fund for term bonds. Generally principal is paid annually. Interest on fixed rate bonds is paid semi-annually, and interest on floating-rate bonds is paid monthly.

Dedicated Taxes – Tax revenues that are set aside by law to be used by a particular agency for a particular purpose. Dedicated Tax revenue is part of General Fund revenue.

District Integrated Financial System (DIFS) – The District's soon-to-be-implemented, web-based financial and budgeting system.

Encumbrance – An amount of funds committed for the payment of goods and services ordered but not yet received.

Enterprise Funds – Budget and accounting units created for particular purposes, such as self-sustaining operations for which a fee is charged to external users for goods and services, to separate the revenue and financial control of such operations from the District's General Fund.

Entitlement – A service or grant that, under District or Federal law, must be provided to qualified applicants.

Equipment and Equipment Rental – The name of the object class used to allocate funds for such needs.

Escrow Agreement for Refunding Bonds – An agreement that typically provides for the deposit of funds or securities in an escrow account to refund outstanding debt. The agreement stipulates how funds are invested until their expenditure and the schedule of on-going debt service payments and redemptions.

Expenditure – A payment for goods or services received.

FMAP (Federal Medicaid Assistance Percentage) – The percentage of Medicaid expenditures that is reimbursed by the federal government. For the District, this percentage is generally 70 percent for most Medicaid functions.

Federal Funds

- **Federal Grants:** Funding provided by the federal government via a federal agency for a specific purpose with the conditions for the administration of the funding dictated by each grantor organization.
- **Federal Payments:** Funding specifically detailed in the Federal Funds portion of the District of Columbia Appropriations Act with the conditions for the administration of the funding found within the statute and federal appropriations law.
- **Federal Medicaid Payments:** Funding provided to pay for a portion of the health care costs of eligible individuals, with oversight performed by District and federal authorities.
- **American Rescue Plan Act (ARPA):** Federal payments provided by the federal government through the Coronavirus Relief funds to aid public health and economic recovery from the COVID-19 pandemic within the District.

Fixed Costs – Expenses that do not change in proportion to the activity of a business and are related to the everyday functioning of a business. In the District, fixed costs are categorized as: electricity, heating fuel, janitorial services, natural gas, occupancy, telecommunication, postage, rent, security services, steam, water and sewer, and fleet fuel and services. While the expense item is fixed, the costs do have variability. Rate fluctuations and consumption levels play a large part in determining the amount of fixed costs.

Fringe Benefits – Part of overall employee compensation costs, including life and health insurance and retirement and Social Security contributions.

Full-Time Equivalent (FTE) – An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, one FTE generally equals 2,080 hours and 0.75 FTE equals 1,560 hours.

Fund – A budgeting and accounting practice used to establish accounts separating revenues and their related obligations and expenditures for one purpose from revenues, obligations, and expenditures for other purposes. It is a distinct accounting entity that has its own assets, liabilities, equity, revenues, and expenditures/expenses.

Fund Accounting – Method of organizing and maintaining accounting activities on a fund basis. Under this method, funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The difference between fund assets and deferred outflows of resources and fund liabilities and deferred inflows of resources. The fund balance is cumulative over the life of the fund.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for accounting and financial reporting. GAAP includes the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The standard-setting body which establishes GAAP for governmental entities is the Governmental Accounting Standards Board (GASB).

Governmental Accounting Standards Board (GASB) – Established in June 1984, the Governmental Accounting Standards Board (GASB) is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. Although GASB standards do not have the force of law, governments are required to follow GASB standards in order to obtain unmodified (or clean) opinions from their auditors, and failure to comply with GASB standards can adversely affect a state or local government's bond ratings and thus, its attempts to issue bonds.

Government Finance Officers Association (GFOA) – The Government Finance Officers Association (GFOA) of the United States and Canada is the premier association of public finance professionals. Since its inception in 1906, originally as the Municipal Finance Officers Association, the organization has played a major role in the development and promotion of GAAP for state and local government. The GFOA has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946. Under this program, governments that achieve the highest standards in financial reporting are awarded a prestigious Certificate of Achievement. The GFOA also sponsors the Distinguished Budget Presentation Award Program, which recognizes governments whose budgets are deemed exemplary as policy documents, financial guides, operational guides, and communication devices. The GFOA also publishes Governmental Accounting, Auditing, and Financial Reporting (GAAFR), also known as “the Blue Book”.

Government Performance and Results Act (GPRA) – Legislation that requires the establishment of a direct relationship between the use of federal funds and the delivery of services by federal agencies. Many federal grants require GPRA performance measures as part of the reporting process.

General Fund – The principal operating fund of the District, which is used to account for all financial resources except those required to be accounted for in another fund. General Fund revenues consist of Local, Dedicated Tax, and Special Purpose Revenues.

General Obligation (G.O.) Bonds – Bonds issued directly by state or local governments or their agencies to meet essential government functions, such as schools and highway construction. These bonds are backed by the issuer’s pledge of its full faith, credit and taxing power to meet interest and principal payments.

Gift Funds – Financial donations to the District government, which may only be accepted on behalf of the District by the Mayor, and which may be earmarked for a specific purpose.

Grant – Contributions of assets (usually cash) by a government unit or private entity for specified purposes. The District government receives grants from the federal government (and occasionally from private entities) for a variety of purposes. District agencies also make grants to non-profit or other non-District government organizations. When the source of the District’s grant to a non-District government organization is itself a grant, the District’s grant is called a “subgrant.”

Grant Anticipation Revenue Vehicle (GARVEE) Bonds – Bonds used by state or state infrastructure agencies under the guidelines of the National Highway System Designation Act to finance major highway projects receiving federal funding. States must repay the bonds using federal funds expected to be received in the future; however, the federal government does not guarantee that the funds will be made available to repay the bonds.

Gross Budget – A total budget amount that includes resources from all funding sources.

Imprest Fund – A fund of a designated amount out of which payments for expenses of small amounts are made (sometimes referred to as petty cash).

Income Tax Secured Revenue Bond – Revenue bonds secured by and paid solely from the individual income tax and the business franchise tax revenue received by the District.

Indirect Costs – Administrative overhead costs incurred by the District in managing grant programs.

Industrial Revenue Bond – A bond issued by the District on behalf of a non-profit or other eligible entity to finance or refinance projects including housing, health facilities, transit, higher education, or other industrial or commercial development

Inflation – An increase in general price of goods or services resulting in a decline in the purchasing power of currently available money.

Infrastructure – Long-lived assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include such assets as highways, bridges, drainage systems, and water and sewer systems.

Interagency – An accounting mechanism that replaces the District’s Intra-District process which will now allow agencies providing services (seller agencies) to finance the services by directly charging interagency projects funded by the agencies receiving the services (buyer agencies).

Interest Accrual – The interest that has accumulated on a bond since the last interest payment up to, but not including, the settlement date.

Intra-District – An accounting mechanism used to track payments for services provided by one District agency to another District agency, similar to an internal service fund.

Key Performance Indicators – Indicators that measure how well an agency is achieving its strategic objectives. They are outcome-oriented and should be used to answer the question, “What does the agency need to measure to determine success?”

Local Education Agency (LEA) – An education agency at the local level that exists primarily to operate schools or to contract for educational services. This term is used synonymously with the terms "school district," "school system," and "local basic administrative unit."

Local Revenue – Includes tax and non-tax revenue that is not earmarked for a particular purpose and is allocated to fund District programs during the annual budget process. Local revenue is part of General Fund revenue.

Mandate – Any responsibility, action or procedure that is imposed by one government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order, or that is required as a condition of aid.

MARC (Maximum Allowable Request Ceiling) – The maximum Local fund budget that the agencies are allowed to request at the beginning of the budget formulation process.

Master Project – A designated capital project that receives the budget for a specific set of related projects, which then subsequently obtain budget(s) through an allocation process from the master project. Certain District capital projects are budgeted using this process.

Match – A locally provided cash or in-kind service contribution required to supplement or equal a grant or gift as a condition for receiving the funds.

Mission – A clear, concise statement of the purpose of the agency which focuses on the broad, yet distinct, results the agency will achieve for its customers.

Modified Accrual Basis of Accounting – A basis of accounting that recognizes revenues in the period they become measurable and available, and expenditures in the period in which governments in general normally liquidate the associated liability rather than when that liability is first incurred (if earlier).

Municipal Bond – A debt security issued by or on behalf of a state, local government, or an agency or instrumentality of a state or local government. Municipal bonds, for example, may be issued by states, cities, counties, special tax districts or special agencies or authorities of state or local governments. Generally, interest earned on municipal bonds is exempt from federal income taxes and state and local taxes in the state if the investor lives in the issuing state.

Nonpersonal Services (NPS) – A budget category that includes budget objects for reporting other than personnel-related expenditures. Nonpersonal services includes supplies, utilities, communications, rent, other services and charges, subsidies and transfers, equipment and equipment rental, and debt service.

Nonrecurring Expenditures – One-time expenditures for special items, such as a new fire truck or a computer system, that do not need to be budgeted for again in the year following their purchase.

Notice of Funding Availability (NOFA) – A public notice that an agency will issue a Request for Applications (RFA), informing interested parties when and where an RFA may be obtained.

Object Category – The category of object classes for which the District budgets in the operating budget. There are two object categories: Personal Services (salaries, fringe benefits, additional pay, and overtime) and Nonpersonal Services (all object classes that are not personal services).

Object Class – A budgetary classification that breaks down the object categories of personal services and nonpersonal services into more specific types of expenditure, such as fringe benefits (Object Class 14) or supplies (Object Class 20). Also called Comptroller Source Group.

Objectives – Measurable activities of a program that are sought to achieve the overall mission.

Obligations – The amount of expenditures already made as well as the cost of commitments requiring future payments.

Operating Budget – The budget that encompasses day-to-day District government activities. The operating budget includes employee salaries, supplies, and other non-personnel items related to current activities. The operating budget also includes debt service and overhead costs related to daily operations.

Other Services and Charges – A budgetary classification of nonpersonal services that includes funds for printing, postage, tuition, travel, conference, and membership dues.

Overtime Pay – Pay for full-time employees whose work hours exceed their regular tour of duty, generally, for hours of work authorized in excess of 40 hours in a pay status in a workweek in accordance with provisions of section 7 of the Fair Labor Standards Act of 1938 (FLSA), as amended (29 USC 207).

Pay-As-You-Go (Paygo) Capital – the use of current-year operating revenue for a capital project, to supplement long-term financing.

Personal Services (PS) – A budget category that includes budget objects for reporting personnel-related expenditures. Personal Services includes regular pay, other pay, additional gross pay, overtime, and fringe benefits.

Performance-Based Budgeting (PBB) – A budget framework in which budget decisions are based on or informed by performance information that describes the cost or efficiency of producing an activity and the results achieved for customers.

Performance Measures – Measures that describe the information managers and other decision-makers need in order to make good business decisions. Different types of measures include demand/input, output, result/outcome, and efficiency.

Performance Plan – An agency-level plan that contains the agency's mission, summary of services, strategic objectives, key performance indicators and strategic initiatives for a set period of time.

Phase – A budgeted task (e.g. design, project management, construction) necessary to achieve the completion of a capital project.

Private Revenue – Funding from private grants to fund the intended purpose of the grant.

Program – A component part of the District's program structure. Comprised of a set of activities that have a common purpose or result, programs are organized as a sub-unit of an agency for accounting, budgeting, planning, and performance measurement purposes.

Program Structure – The delineation of programs, activities, and services that constitute the work of an agency.

Project – An operating project is a SOAR attribute used to isolate selected financial activity. A capital project is an investment in the infrastructure of the District that results in a new District-owned asset, increases the value of an existing District-owned asset, or increases the life of a District-owned asset by at least 2 years.

Proprietary Fund – Fund category that often emulates the private sector and focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Expenditures are typically funded by user charges and fees. Governments may have two types of proprietary funds: enterprise funds and internal service funds.

Qualified Zone Academy Bond (QZAB) – Municipal security issued to finance projects for certain eligible public schools in conjunction with private business contributions. At the election of the issuer, the issuer is entitled to receive a direct pay subsidy, or the bondholders are entitled to receive a federal tax credit in lieu of interest.

Real (Constant) Dollars – An adjusted value of currency used to compare dollar values from one period to another. Because of inflation, the purchasing power of the dollar changes over time, so in order to compare dollar values across time periods, they can be converted from nominal (current) dollar values to constant dollar values.

Reallocation – In the operating budget, a one-time movement of budget within an agency at the start of the year, upon approval, with the total budget for the agency remaining the same. In the capital budget, the modification of budget from one phase of a capital project to another. The total budget for the project remains the same.

Regular Pay – Continuing Full Time – Salary and wages for all continuing full-time employees.

Regular Pay – Other – Salary and wages for part-time, part-year, or temporary employees.

Reorganization – A change in the budget and reporting structures within an agency.

Reprogramming – Any budget modification for purposes other than those originally planned, which results in an offsetting reallocation of budget authority from one budget category to another, or from one capital project to another.

Request for Applications (RFA) – The document that describes the requirements for subgrant applications.

Request for Proposals (RFP) – A solicitation document requesting from prospective contractors to submit a business proposal with a detailed description of the manner in which they plan to achieve the goals specified by the RFP, were they awarded a contract to do so. The plan usually includes the proposer's corporate and financial information, estimate of total cost, and required completion schedule.

Rescission – A legislative cancellation of budget authority previously approved by the Council and the Congress.

Revenue – The annual income or receipts of the District from taxes, charges, grants, and investments.

Revenue Bond – A special type of municipal bond distinguished by its guarantee of repayment solely from revenues generated by a specified revenue-generating entity or source associated with the purpose of the bonds, rather than from general tax revenue.

Revenue Category – General types of revenue, such as taxes.

Revenue Class – Specific revenues, such as real property taxes.

Review Panel – A team of qualified individuals responsible for reviewing, scoring, and recommending applicants for subgrant awards.

Revolving Fund – A fund that is replenished as amounts are used, either by additional appropriations or by income/revenue from the programs the fund finances. Therefore, the fund retains a balance at all times.

Service-Level Budgeting – The development of budgets at program level four in SOAR. This is one level below the current level of budgeting for most agencies, which is at the activity level.

Short-Term Borrowing – A designation given to a debt obligation typically having maturities of three to five years from issuance. As part of regular planned borrowing, the District will issue a portion of its debt with specific maturities tied to the expected useful life of the asset being acquired, normally equipment and information technology assets. The program assists the District in its asset/liability management by matching the useful life of the asset being financed with the amortization of the debt liability.

Special Purpose Revenue – Funds used to account for proceeds derived from specific non-tax revenue sources (other than expendable trusts, special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes. Formerly called O-type or other revenue, Special Purpose Revenue is part of General Fund revenue.

Structural Balance – The degree to which revenues match expenditures over time.

Subgrant – The commitment of funds from a grant by a District government agency to a governmental or private organization to support specific services and operations. See D.C. Municipal Regulations, Title I, Chapter 50.

Subsidies and Transfers – The name of the object class used to allocate funds for a variety of public welfare and support costs and to transfer funds to other organizations, such as the Washington Metropolitan Area Transit Authority, providing services to District residents.

Supplemental Budget – An increase in the District’s budget during the course of the fiscal year, after the budget has first been approved. After approval by Council and signature by the Mayor, a Supplemental Budget must also go to Congress for review. Within certain limits, the District may implement a Supplemental Budget after a 30-day review by Congress, if Congress does not disapprove it.

Supplies and Materials – The names of the budgetary object class used to allocate funds for consumable materials.

System of Accounting and Reporting (SOAR) – The financial management system used by the District as its official accounting system of record.

Tax Abatement – A decrease in the amount of tax an entity owes, as legislated by the Council. The abatement could be in furtherance of an economic development strategy or to generally provide for tax relief. For financial reporting purposes, such abatements result from an agreement between the District and an individual or entity in which the District promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the District or its citizens.

Tax Increment Financing – A method to pay for the costs of qualifying improvements necessary to create new development or redevelopment. The financing of the qualifying improvements is paid from increased property and/or sales taxes generated from the new development or redevelopment that would not occur “but for” such assistance.

Tobacco Securitization – Securitization is a financing method whereby a party sells bonds backed by a future stream of payments. With tobacco securitization, the future stream of payments is the periodic

payments tobacco companies will make as part of a settlement reached by the companies and various states in 1998. The District received funds up front from the proceeds of the bond sale. The investors receive principal and interest payments on their bonds from the tobacco companies' payments. Securitization shifts the risk that the tobacco companies will stop making settlement payments from the government to private investors or insurers.

Trust and Agency Funds – Fiduciary funds that are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Transfers – Reallocation of resources (funds or positions) among agencies or funds.

Unfunded Liabilities – Potential or actual debts for which no current funding is available.

Uniform Per Student Funding Formula (UPSFF) – Funding formula used by the District that determines the annual appropriation of Local funds for the operation of DC Public Schools and DC Public Charter Schools based on the number of students, the grade level, and other student characteristics.

WAE (When-Actually-Employed) – A temporary appointment under which the employee serves on an intermittent basis.

Weighted Student Formula (WSF) – Funding formula used by the DC Public School system to annually fund each school. The formula is based on enrollment, grade level, special education needs, free and reduced-price lunch eligibility, and English as a Second Language characteristics.

Within-Grade (Step) Increase – A salary increase awarded to an employee based on longevity of service and acceptable performance.

