

Glossary of Budget Terms

Allocations: The total amount of estimated expenditures authorized by the Legislature from resources legally restricted or otherwise designated for specific operating purposes. These resources typically constitute highway funds, federal funds, other special revenue funds, internal service funds, enterprise funds or any other funds, which may be designated for specific purposes by the Legislature.

Allotment: The designation of a department or agency's estimated expenditures in each fiscal year budget (called the annual work program) by quarter and line category. Four equal quarters are used each fiscal year. The approved amounts are recorded in the accounting general ledger by quarter and line category to form the basis on which the State Controller authorizes expenditures, in accordance with statute.

Allotment Reserve: The balance, or accumulated balance, of uncommitted allotment by line category which is retained in a reserve status at the close of each quarter.

Alternative Budget: The biennial budget scenario technique in which departments and agencies are required to present revised budget requests for each fiscal year of a biennium as an alternative to the department or agency's original budget proposal.

Appropriations: The total amount of estimated expenditures authorized by the Legislature from unrestricted or undesignated resources in each fiscal year. These resources typically constitute undedicated General Fund resources which are designated by appropriation account and line category in the estimated authorizations to spend of the Legislature.

Attrition: A factor applied against budgeted state employee salary amounts which reduce budget requests for Personal Services to account for projected personnel turnover.

Biennial Budget: The two-year financial plan of the State of Maine which shows for each fiscal year all proposed expenditures, interest and debt, redemption charges, capital expenditures and estimated revenues in support of expenditures and obligations consistent with the Governor's, or Governor-elect's, program priorities, goals and objectives.

Biennium: The two fiscal years, beginning in even numbered fiscal years, which represent the period covered by the biennial budget financial plan of the State of Maine.

Bond Issue: A financing instrument for major capital purchases, projects, repairs, renovations or other limited projects by which the State incurs debt and retires the principal and interest amounts over time.

Budget Order: A document form used by a department or agency to request the reallocation in a current quarter of uncommitted or accumulated allotment reserve from a prior quarter or quarters.

Budget and Financial Management System (BFMS): Information system in which budget transactions occur.

Dedicated Revenue: Revenue accruing to a department or agency for use toward designated or legally-restricted operational purposes.

Department Indirect Cost Allocation Plan (DICAP): A charge to other than general fund appropriation accounts using a percentage assessment against actual expenditures representing the proportional value of indirect benefits received within the department or agency.

Encumbered Balance Forward: The balance of funds in an account which is reserved for the future liquidation of encumbered purchase orders and contracts and which carries forward from one fiscal year to the next in accordance with law. Encumbered balances at year-end carry forward only one year unless stated otherwise in law.

Encumbrance: A commitment against allotment for legally binding purchase orders and contracts representing goods and services which have not yet been received. Encumbrances become expenditures and liabilities only when the goods and services are actually received.

Enterprise Fund: A proprietary fund in which goods and services are provided by a state department or agency to the general public through charges based on consumption. Such fund types may or may not be self-sustaining depending upon the cost structure of the agency whereby cost of goods sold, debt interest and other non-operating expenditures are deducted from gross revenue to determine the entity's net income or loss for the fiscal year.

Financial Order: A legal document used by a department or agency to establish allotment, revise allotment, increase allotment, transfer funds between accounts within the same department and/or agency and fund type, transfer funds between line categories in the same account, or to accomplish any other related legal action upon the approval of the Governor.

Fiscal Year: The accounting and budgetary cycle of the Maine State Government. The fiscal year commences on the first day of July and ends on the 30th day of June each year.

Full Time Equivalent: The number of positions of less than 52 weeks in a fiscal year authorized by the Legislature for a specific department or agency and program.

Fund: A fiscal and accounting entity with a self-balancing set of accounts showing cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Indirect Cost: A cost, such as general administrative (human resources and accounting), maintenance and utility expense, that is incurred but cannot be directly allocated in full to a particular service, cost center or business activity. A cost may be incurred on behalf of a number of cost units or centers to which the cost may be apportioned through an allocation process/indirect cost rate.

Internal Service Fund: A self-sustaining, proprietary fund which derives its resources in support of expenditures from service charges to other state departments and agencies and other units of government.

Lapsed Funds: Uncommitted funds remaining in an appropriation account at the close of a fiscal year which are returned to the fund from which they were originally appropriated or allocated by the Legislature.

Legislative Count: The number of permanent full-time and part-time positions authorized by the Legislature for a specific department or agency and program.

Line Category: The expenditure groups represented by the following four classifications to which the Legislature appropriates and allocates funds by department or agency and program: Personal Services (salaries, wages and benefits); All Other (operational support); Capital Expenditures (capital equipment purchases, real property purchases and facility improvement and construction); and, Unallocated (undesigned items with respect to expenditure type).

Position Reclassification: An action taken by a department or agency when it is determined that an individual assigned to a particular position is working out of the classification of that position because of duties assigned. An employee can initiate the steps needed for this action to occur. The effective date of the reclassification is the earliest initiated date of the action.

Position Reorganization: An action taken by a department or agency when it decides to reorganize the duties of a position to the extent that a change to the classification of the position may be necessary. The reorganization becomes effective when permanent salary savings are identified.

Program: A grouping of activities and expected results that are directed toward the accomplishment of a set of goals and objectives consistent with statutorily defined missions and represents a department bureau, division or operational entity to which the Legislature appropriates or allocates resources defined by the Legislature.

Salary Plan: Accounts in the General Fund and Highway Fund to which funds are appropriated or allocated by the Legislature to meet the economic costs of state collective bargaining agreements. Transfers to department or agency General Fund or Highway Fund accounts normally are accomplished in the fourth quarter of a fiscal year after a determination of the actual salary needs of a department or agency and upon the recommendation of the State Budget Officer and the approval of the Governor.

Statewide Cost Allocation Plan (STA-CAP): A charge to Federal Expenditures Fund, Federal Block Grant Fund, Other Special Revenue Funds or other fund accounts using a percentage assessment against the aggregate of monthly actual expenditures for each class and object from 3110 through 5999.

Supplemental Budget: Budget proposals to resolve budget issues for the balance of the current biennium.

Umbrella: A three-digit alpha code followed by a two digit numeric code (usually 2 zeros) in the Budget and Financial Management System which is assigned to each department or agency and to the group of independent agencies as a unique source of identification.

Unappropriated Surplus: An account maintained by the State Controller on the books of the State. The balances of all revenue and appropriation accounts not otherwise provided for by law, together with any other necessary adjustments of balances previously closed to the unappropriated surplus account, are closed to this account at the end of each fiscal year.

Undedicated Revenue: Revenue collected by a department or agency but which accrues to a general ledger account for use toward undesigned or unrestricted operational purposes.

Unencumbered Balance Forward: The balance of funds in an account which is not restricted or reserved with respect to their availability for future use and which carries forward from one fiscal year to the next by line category in accordance with law.

Unit: A three-digit numeric code and up to one-digit alpha code in the Budget and Financial Management System which identifies those department or agency organizational units established by law or administrative action.

Work Program: The fiscal year financial plan or budget plan of a department or agency showing all revenues or other resources along with estimated expenditures by account, line category, quarter and class and/or object.