

Los Angeles City College Administrative Services 'How To' Book	Budget	I
		B-8
How Do I Find a Definition for a Budget Terminology		

Glossary of Terms

Activity - A set of functions or operations related to an academic discipline or a grouping of services; also, the account segment (the last four digits of a cost center number) that defines the academic disciplines or grouping of services. The activity number is also used as the last four digits of the WBS number.

Accrual Basis - The Accounting method that recognizes revenue when earned despite not received and expenditures when incurred despite not paid. This is the Accounting method adopted by the District and College.

Appropriation - An allocation of funds made by a legislative or governing body for a specified time and purpose.

Budget - Budget is a plan of financial operation for a given period for specified purposes consisting of an estimate of income and expenditures; the process of allocating available resources among potential activities to achieve the objectives of the organization.

Commitments - Commitments are the same as encumbrances, obligations in the form of purchase orders, contracts, salaries, and other encumbrances for which part of an appropriation or budget is reserved.

Cost Center - A set of functions or operations related to an academic discipline or a grouping of services. The Cost Center Code is designated by the location code "C" for City College and the four digits Activity or Top Code numbers. It is the same as the Fund Center. This terminology is used for the General Fund or Unrestricted Programs only.

Credit - Credit is the right side of a double-entry accounting entry. Credit decreases an asset or expenditure account or increases a liability, income or fund balance account.

Debit - The left side of a double-entry accounting entry. Debit increases an asset or expenditure account or decreases a liability, income or fund balance account.

Encumbrances - Encumbrances are obligations in the form of purchase orders, contracts, salaries, and other commitments, for which part of an appropriation or budget is reserved. Encumbrances are the same as commitments.

Fiscal Year - For government entities in the State of California, it is the period beginning July 1 and ending June 30.

Full-Time Equivalent (FTE) - Ratio of the hours worked to the standard hours assigned to a full-time employee. For example, a classified employee working 80 hours on an A8 basis (for which 160 hours is full-time) would be 0.5 FTE. Note that length of time assigned (begin and end dates) is not a factor in computing FTE.

Full-Time Equivalent Student (FTES) - The standard used to compute State appropriations in support of the District and its colleges.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources. Fund is either restricted or unrestricted as to usage.

Fund Center - Fund Center is synonymous to a Cost Center. A set of functions or operations related to an academic discipline or a grouping of services. The Fund Center code is designated by the location "C" for City College and the four digits Activity or Top Code.

General Fund - The fund used to account for the basic operations of the District. It is available for any legally authorized purpose not specified for payment by other funds.

General Ledger - Expenditures classification category of an item or service purchased. Note that the District uses General Ledger (G/L) code synonymous to Commitment Items.

Restricted Programs - Restricted Programs are programs or funds (budget) that are limited as to use, or disposition, by their funding sources. Examples of such Programs are Community Services, State One-Time Block grants, State On-Going Block Grants, Parking, Deferred Maintenance, Categorical Programs, Financial Aid Programs, etc.

Unrestricted Programs - Refers primarily to fund 10100, allocation of the general state apportionment for basic operations and other funds that are not restricted to usage.

WBS = Work Breakdown Structure. The same as the Cost Center or Fund Center but the term is used only for Restricted Programs. A set of functions or operations related to a Restricted Program. The WBS is designated by the five digits Fund Number plus the location, "C" for City College and the four digits Activity or Top code numbers.