## GLOSSARY OF FREQUENTLY USED FISCAL TERMS

**ALLOCATION OR ALLOTMENT:** The method of distribution for State and federal funds to local education agencies or community colleges. Each has a specific distribution formula and specific rules governing allowable use of funds.

**APPROPRIATION:** An action by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

**AUTHORIZED BUDGET:** The funds appropriated by the General Assembly updated to reflect lineitem reallocations allowed by the State Budget Act and approved by the Office of State Budget and Management.

**AVERAGE DAILY MEMBERSHIP (ADM):** Metric used to measure public school student headcount. This metric is most applicable for the purposes of determining State funding allotments provided to local school districts.

**BASE BUDGET:** The budgeted amounts for operating funds required to carry on already established programs at the level of support approved by the previous General Assembly. It is the starting point for the Current Operations Appropriations Act.

**BIENNIUM:** The two fiscal years beginning on July 1 of each odd-numbered year and ending on June 30 of the next odd-numbered year.

**BOILERPLATE:** Special provisions (budgetary language) that are typically repeated year after year in the budget bill.

**CARRY-FORWARD:** Funds that are appropriated but unspent which, by authorized budget revision, are brought forward for expenditure in the following fiscal year.

**CERTIFIED BUDGET:** The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes directed by the General Assembly but left to the Director of the Budget to carry out.

**DEPARTMENTAL RECEIPTS:** Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies in the course of performing their governmental functions and that are not defined as tax proceeds or nontax revenues. Departmental receipts may include moneys transferred into a fiscal year from a prior fiscal year.

**ENCUMBRANCE:** A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided by the State, or other legally binding agreement.

**EXPENDITURE:** The spending of funds by a State entity or agency.

**FULL-TIME EQUIVALENT (FTE) (Employee Measure):** A unit used to quantify staffing. One FTE (1.0) is a full-year, 40-hour-per-week position.

**FULL-TIME EQUIVALENT (FTE) (Student Measure):** In the Community College System, FTE is used as a standard way of measuring students. One FTE represents 16 student membership hours per week for 16 weeks or 256 student membership hours for each semester enrolled.

**GENERAL FUND:** The main source of operating funds for the State. This is the fund to which revenues are deposited that are not designated for special purposes and are therefore available to support the general operations of the State government.

**LAPSED SALARY:** Surplus funds that accrue because a position is vacant due to delays in hiring, resignations, terminations, or retirements. Lapsed salary surpluses are *one-time* funds that accumulate only while a position vacancy exists.

**LOCAL EDUCATION AGENCY (LEA):** One of several terms used to denote a local school system, along with local school administrative unit and school district. North Carolina has 115 LEAs.

**NEGATIVE RESERVE:** A method by which a budget reduction is imposed without detailing the specific lines of expenditure to be decreased.

**NET GENERAL FUND APPROPRIATION:** The appropriation of the General Fund's general purpose revenue. For a specific budget or program, the net general fund appropriation equals total requirements (or expenditures) minus receipts.

**NON-RECURRING:** Term used to denote one-time revenues, expenditures, or reductions.

**RECURRING:** Term used to denote revenues, expenditures, or reductions that will be continuing.

**REQUIREMENTS:** The total amount of funds budgeted to fund a program or budget line. For any given program or budget line, requirements minus receipts equal the net appropriated amount.

**REVERSIONS:** The unexpended, unencumbered balance of an appropriation at fiscal year-end that reverts, as required by law, to the fund from which the appropriation was made.

**SALARY RESERVE:** Unobligated or surplus funds generated by a position being filled at a salary less than the budgeted salary authorized by the General Assembly.

**SPECIAL PROVISIONS:** Language contained in the Appropriation Bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

**SPECIAL FUNDS:** Accounts to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose. Special Funds do not have General Funds directly appropriated to them. By definition, money in a special fund does not revert at the end of the fiscal year.

**TRUST FUNDS:** Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust; it cannot change the purpose for which the trust was created.