

GLOSSARY

This glossary contains definitions of terms used in this budget, or in State budgeting and accounting procedures. It is not intended to be an exhaustive dictionary of accounting and budgeting terms, but does define the most commonly used terminology

ACT — A bill passed by the Legislature and signed into law by the Governor

ADDITIONS, IMPROVEMENTS, AND EQUIPMENT — Additions and improvements that are less than \$50,000 in cost and the purchase of equipment such as vehicles, office equipment and information processing equipment. Any addition and improvement that is \$50,000 or more or is for a new structure is classified as Capital Construction

ADJUSTED APPROPRIATION — The total of an original appropriation, all supplemental appropriations, certain allotments from interdepartmental appropriations, and other budgetary adjustments

ALL OTHER FUNDS — Revenues, other than Federal, that are not anticipated as resources to support the annual State budget. Upon receipt, these funds become appropriated, as provided by the language of the Appropriations Act

ALL OTHER POSITION — A position specifically approved and funded by non-state, non-federal sources in a salary object account

ALLOTMENT — An allocation of a portion of an appropriation to make it available for encumbrance or disbursement by the agency to which appropriated, and usually applying to a period of time; e.g., a calendar quarter

ANTICIPATED RESOURCES — For each fiscal year, is the sum of the estimated surplus at the end of the prior fiscal year, together with all estimated revenues for the General Fund from all sources, including taxes and license fees, other miscellaneous departmental and interfund transfers.

ANTICIPATED REVENUE — That portion of estimated revenues to be realized in any fiscal year that have been anticipated as General Fund resources to support the appropriations made, or undesignated fund balance projected, in the annual Appropriations Act. Such revenues are not available for expenditure unless appropriated by the Legislature

APPROPRIATED REVENUE — Those revenues not previously anticipated or budgeted, which upon receipt increase appropriation balances as authorized in the Appropriations Act, and from which agencies may incur obligations or make expenditures for specific purposes

APPROPRIATION — The sum of money authorized by an act of the Legislature for expenditure for a particular fiscal year

APPROPRIATIONS ACT — The Act passed by the New Jersey Legislature to appropriate, on an annual basis, the resources of the State for state operations, grants-in-aid, state aid, capital, and debt service expenses

ATTRITION — A means of reducing the number of employees by not refilling positions vacated through resignation, reassignment, transfer, retirement or means other than layoffs

BALANCED BUDGET — A budget in which proposed expenditures do not exceed actual and estimated revenues and surplus. The State Constitution requires the Governor to propose a balanced budget and prohibits the appropriation of funds in excess of actual and estimated revenue and surplus

BEGINNING BALANCE — The resources available at the start of a state fiscal year that are carried over from the prior fiscal year

BILL — A proposed law.

BLOCK GRANT — An amount allotted by the Federal government to the State to be allocated to a particular program area within general guidelines as the State determines

BOND — A funding tool representing a written promise to pay a specific sum of money in the future plus interest

BOND FUND — A fund into which the proceeds from the issuance of bonds are received, and from which all proper expenditures for the purposes for which the bonds were authorized are paid

BUDGET — The proposed financial plan of the State government for the fiscal year, setting forth the anticipated resources from all sources and proposed appropriations

BUDGET CYCLE — The four major phases that constitute the traditional budget cycle: (1) central and agency planning, (2) agency/executive preparation, (3) legislative review, and (4) execution and evaluation

BUDGET REQUEST — The request, required by law, of each spending agency for an appropriation or permission to spend during the next ensuing fiscal year

CAPITAL CONSTRUCTION — This category includes funds budgeted for:

1. Acquisition of or option to buy land and right-of-way and existing improvements therein, regardless of cost
2. New buildings and structures not attached to or directly related to any existing structures, regardless of cost
3. Projects whose estimated cost, including land, planning, furnishing, and equipping, is usually \$50,000 or more, regardless of the construction involved, with a useful life of at least ten years
4. Any addition or improvement that is \$50,000 or more

CAPITAL PROJECT FUNDS — Account for financial resources for the acquisition, construction, or renovation of major capital facilities

CASINO CONTROL FUND — Accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement

CASINO REVENUE FUND — Accounts for the taxes imposed on the casinos and other related activities. Appropriations from this fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior and disabled citizens

CATEGORICAL GRANT — An amount allotted by the Federal government to the State to be allocated to a particular program area for a specific purpose or mandate of the Federal government

CHART OF ACCOUNTS — A systematic structure for appropriating and recording accounting information pertaining to the financial activities of the State

CONTINGENCY APPROPRIATION — An appropriation to provide for unforeseen expenditures or for anticipated expenditures of uncertain amounts

DEBT SERVICE — One of the major subdivisions of the State budget, this category provides the resources to finance payment of general long-term debt principal and interest, such as bond issues or other long-term financing

DEDICATED FUND — A fund normally contained in the General Fund, consisting of resources owned by the State, the use of which is constrained, either by statutory specification, dedication or other restriction, or a particular purpose or program. Receipts from a specific revenue source may be dedicated by the annual Appropriations Act or other legislation, to be used for some specific purpose

DEP — Department of Environmental Protection

DFD — Division of Family Development of the Department of Human Services

DHSS — Department of Health and Senior Services.

DIRECT STATE SERVICES — One of the major subdivisions of the State budget, this category includes all general operating costs of State government, including programs that provide services directly to the public.

DISBURSEMENT — Payment of money out of any public fund or treasury. (See also EXPENDITURE.)

EDA — Economic Development Authority.

EMERGENCY FUND — A sum appropriated, within the Contingency Appropriation, for allotment to agencies to meet emergency conditions.

ENCUMBRANCE — A reservation of funds for future payment (disbursement) to liquidate an obligation incurred, usually supported by the issuance of a purchase order or the execution of a contract calling for payment in the future.

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ENDING BALANCE — The amount of funds remaining in an account or fund at the end of the fiscal year.

EVALUATION DATA — The quantitative expression of the end products produced or other elements involved in the work of an organization.

EXCESS RECEIPTS — Any receipts collected by an agency in excess of anticipated resources in the annual Appropriations Act. Such excess receipts may either be appropriated for the agency's use by the annual Appropriations Act, or may be considered as an overrun of anticipations and, therefore, credited to the General Fund undesignated fund balance.

EXPENDITURE — Denotes charges incurred, whether paid or unpaid, thus including both disbursements and liabilities

(See also DISBURSEMENT and ENCUMBRANCE)

EXPENDITURE ACCOUNT — An appropriation account in which expenditure transactions are recorded, normally termed an object account

FEDERAL POSITION — A position specifically approved and funded by Federal Funds in a salary object account

FEMA — Federal Emergency Management Agency

FHWA — Federal Highway Administration

FISCAL YEAR — A twelve-month period of time to which the annual budget applies and at the end of which the State determines its financial position and the results of its operations. New Jersey State government has a July 1 to June 30 fiscal year

FRINGE BENEFITS — Payments made by the State for retirement, social security, health and dental insurance contributions, workers' compensation, unemployment, survivors' and disability insurance

FUND — A fiscal and accounting entity established for the purpose of achieving specified objectives or carrying on certain activities

FUND BALANCE—DESIGNATED — Unexpended and unencumbered appropriations that are authorized to continue into the subsequent fiscal year. (See also REAPPROPRIATION)

FUND BALANCE—UNDESIGNATED — Fund equity unrestricted and available for appropriation

GAAP — Generally Accepted Accounting Principles—The rules and procedures necessary to define uniform accounting and financial reporting standards, including broad guidelines and detailed practices. The Governmental Accounting Standards Board (GASB) promulgates accounting principles for state and local governments

GENERAL FUND— The funds into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State are accounted for in the General Fund. Revenues received from taxes, most Federal revenue and certain miscellaneous revenue items are recorded in the General Fund. The Appropriation Acts enacted by the Legislature provide the basic framework for the operation of the General Fund

GENERAL TREASURY— Consists of all funds over which the State Treasurer is custodian and/or funds of which the State of New Jersey is the owner or beneficial owner

GRANTS-IN-AID — One of the major subdivisions of the State budget, this category includes all payments not otherwise defined as State Aid, made to individuals, public agencies, or private agencies for benefits or services of three types:

1. Benefits to which the recipient is entitled by law or regulation
2. Services for which the State has primary responsibility
3. Subsidies and provision of services for which the State has no responsibility, but which it elects to provide

ICF/MR — Intermediate Care Facility / Mental Retardation

ITEM OF APPROPRIATION — The spending authority identified by an organization code, appropriation source, and program code, unique to the item, and may include a number of object accounts within a program or specific appropriations made to Special Purpose, Grants-In-Aid, State Aid, Capital Construction or Debt Service line items

INTERDEPARTMENTAL ACCOUNTS — A group of accounts to which are appropriated funds for payment for or on behalf of all State agencies of rent, employee benefits, and contingency funds or for certain specified purposes

INTERFUND TRANSFER — An amount transferred from one fund to another, normally authorized by the annual Appropriations Act

LANGUAGE RECOMMENDATIONS — Language located at the end of a statewide program, department or in the General Provisions section, that provides specific spending or budget authority and/or places limitations on such authority

LAPSE — The automatic termination of an appropriation. Appropriations are made for a single fiscal year. At the end of this period, any unexpended or unencumbered balances revert (lapse) to undesignated fund balance in the General Fund, or to the fund from which originally appropriated, unless specifically appropriated again in the succeeding fiscal year

LIABILITY — Debt or other legal obligation arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances

LINE OF CREDIT — The State's line of credit program, which was first implemented in 1995, provides the State with competitively bid, low interest cost funding for the procurement of the State's short term (3 yrs) equipment needs, specifically computers, furniture, and vehicles

LINE ITEM — Any single line account for which an appropriation is provided in an Appropriations Act. Includes appropriations made to specific object accounts, such as Materials and Supplies, or any Special Purpose, Grants-In-Aid, State Aid, Capital Construction or Debt Service account

MAINTENANCE AND FIXED CHARGES — Constitute the routine repair and maintenance of buildings, property, and equipment required to keep them in operation and prevent deterioration

MATCHING FUNDS — Provisions in a grant agreement that require the government or agency receiving the grant to commit a certain amount of funding to a program before funding is made available by the granting authority

MATERIALS AND SUPPLIES — Tangible consumable items used for operations but not for the maintenance of machinery or equipment

NJBEST — New Jersey Better Educational Savings Trust

NJN — New Jersey Network

NJPDES — New Jersey Pollutant Discharge Elimination System

NJSA — New Jersey Statutes Annotated

NJSEA — New Jersey Sports and Exposition Authority

NJSIAA — New Jersey State Interscholastic Athletic Association

NJTPA — New Jersey Training Partnership Act

NON-STATE FUND (ACCOUNT) — Any fund (or account within a fund) within the General Treasury, the proceeds of which arise from a source other than the General Fund, typically from Federal or foundation grants, pooled inter-governmental funds, or service charges
(See also REVOLVING FUND.)

OBJECT ACCOUNT — Part of the chart of accounts to classify articles purchased or services obtained.

OBJECT CATEGORY — A group of objects of similar character categorized for classification purposes. Examples are personal services, materials and supplies, services other than personal, and maintenance and fixed charges

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OBJECTIVE — A statement of specific, intended, measurable accomplishments related directly to the need, problem or opportunity the services to the client are designed to address

OBLIGATION — An amount that the State may be required legally to meet out of its resources. It includes not only an actual liability, but also an unliquidated encumbrance, established by the issuance of a purchase order, the execution of a contract calling for payment at some future date, or a liability established in any other lawful way for future payment of a specified amount of money. An obligation normally results in an encumbrance in an appropriation account

ORGANIZATION — Any State government entity that is established by statute, executive order, or departmental order, to carry out one or more programs, for which a separate appropriation is made

ORIGINAL APPROPRIATION — An appropriation made in the annual Appropriations Act

PAAD — Pharmaceutical Assistance for the Aged and Disabled

PERSONAL SERVICES — An appropriation supporting State employee salaries and wages and other employee benefits

PROGRAM — A group of related activities directed toward the accomplishment of an identifiable objective; it is established by statute, executive order, or departmental order; it is distinguishable by its clientele, organization, subject matter or process

PROGRAM CLASSIFICATION — An operating program function, consisting of closely related activities with an identifiable objective or goal that is treated as an identifiable appropriation item

PROPERTY TAX RELIEF FUND — Accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the Legislature, to individuals, counties, municipalities, and school districts

REAPPROPRIATION — The appropriation in any fiscal year of funds remaining unexpended at the end of the preceding fiscal year that are specifically appropriated in the succeeding fiscal year. (See also FUND BALANCE—DESIGNATED)

RECEIPTS — A general term for cash received, which may either satisfy a receivable, be a conversion of another asset or a refund of a prior expenditure; it may also represent revenues earned or realized

RECEIVABLE — An anticipated sum of money that is treated as revenue because it has been earned and is due. Such sums are available for expenditure by State agencies when properly authorized

REFERENCE KEY — A columnar heading in the appropriation data section of each program budget which identifies a program classification to which a particular account relates

REQUEST YEAR — the fiscal year for which a budget request is made

REVENUE ACCOUNT — An account established for the purpose of recording the receipt of revenues from a specific source

REVENUES — Funds received from taxes, fees or other sources that are treated as income to the state and are used to finance expenditures

REVOLVING FUND (ACCOUNT) — A fund (or an account within any fund) established to finance (1) State activities of a business or commercial nature or (2) the operation of an intragovernmental service agency or enterprise that generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise

SERVICES OTHER THAN PERSONAL — The cost of purchased services that are primarily non-personal or of a contract nature under which no employer-employee relationship is established

SPECIAL PURPOSE APPROPRIATION — A type of appropriation that includes monies for personal services, non personal services, maintenance, etc., but which is appropriated as a single amount and which does not specify amounts for individual objects of expenditure

SPECIAL REVENUE FUNDS — Funds used to account for resources legally restricted to expenditure for specified purposes in accordance with enabling legislation.

SPENDING AGENCY — Any department, board, commission, officer, or other State agency to or for which an appropriation is made

SSA — Social Security Administration

SSI — Supplemental Security Income

STATE AID — One of the major subdivisions of the State budget; this category shall mean:

1. Monies paid by the State to a local government or to a nongovernmental agency for:
 - a. Assistance distributed to local governments according to a formula
 - b. Assistance provided to aid local governments in carrying out activities that are the responsibility of the local unit
 - c. Aid to non-governmental agencies for functions carried out on behalf of a local unit of government
 - d. Payments specifically designated by law as State Aid
2. Expenses incurred by a State department or agency on behalf of a local unit of government. Such expenditures may include:
 - a. Monies budgeted by the State to make payments on behalf of local government
 - b. Administrative costs of State Aid programs
 - c. Costs of State personnel engaged in services normally provided and paid for by a local government

STATE APPROPRIATIONS LIMITATION ACT — The Act that limits the growth of the Direct State Services subdivision of the State budget based upon the average annual percentage increase in per capita income over the four fiscal years prior to the base year

STATE SUPPORTED POSITION — A position specifically approved and funded by a State appropriation in a salary object account

STATE TREASURY — A term used generally to refer to all funds (monies) deposited to the credit of the State of New Jersey. It includes the General Fund and funds from all other sources

STATEWIDE PROGRAM — A functional grouping of related program classifications that contribute to satisfaction of some broader objective or objectives. Each Statewide program is presented as a separate component of the total budget of a department or agency

STATUTE — A written law enacted by a duly organized and constituted legislative body

STRATEGIC PLANNING — The process of making present decisions on the allocation of people, assets and priorities to reach an agreed upon objective, after consideration of needs and constraints

SUPPLEMENTAL APPROPRIATION — An appropriation made in addition to (or supplemental to) the annual Appropriations Act

SURPLUS — Revenue exceeding expenditures over a given period of time. (Also see FUND BALANCE.)

SURPLUS REVENUE FUND — A reserve into which certain revenues are deposited when the amount collected exceeds the amount anticipated. The balance in this fund may be appropriated upon certification by the Governor that anticipated revenues are less than those certified or to meet emergencies. (Rainy Day Fund)

TANF — Temporary Assistance for Needy Families

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TPAF — Teachers' Pension and Annuity Fund

TRANSFER (OF APPROPRIATION) — A transaction that reallocates all or part of any item in an appropriation to another item in that appropriation

TRUST AND AGENCY FUNDS — Funds used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds

UMDNJ — University of Medicine and Dentistry of New Jersey

UNEXPENDED BALANCE — The remaining appropriation balance in an account after charging all disbursements and encumbrances

VETO — An official action by the Governor to nullify legislative action

WFNJ — Work First New Jersey