

# Appendix A

## Glossary of Terms

<b>Term</b>	<b>Definition</b>
<b>100% Levy</b>	<b>100% of the fund tax levies as approved by the DLGF.</b>
<b>Accrual Basis of Accounting</b>	<b>Where revenues and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.</b>
<b>Appropriation</b>	<b>Authority by Fiscal Body to expend funds.</b>
<b>Budget</b>	<b>A plan of financial activity for a specified period of time indicating all planned revenues and expense for the period.</b>
<b>Budget Calendar</b>	<b>The schedule of key events or dates which a government follows in preparation and adoption of the budget.</b>
<b>Budget Form 1</b>	<b>Budget form used to estimate budgetary needs, by line item, for the ensuing budget year.</b>
<b>Budget Form 2</b>	<b>Budget form used to estimate revenues. Column A is for the period July 1 to December 31 of the current budget year. Column B is for the entire ensuing budget year. Form 2 has separate columns for DLGF use.</b>
<b>Budget Form 3</b>	<b>Budget form used to advertise the date of the public hearing, adoption meeting, budget and levy for the ensuing budget year. The form also informs taxpayers of the maximum permissible levy and appeal rights.</b>
<b>Budget Form 4</b>	<b>Budget form used by the Fiscal Body approving (adopting) major budget fund classifications for the ensuing budget year.</b>
<b>Budget Form 4B</b>	<b>Budget form used to produce a fund tax rate. Form indicates the financial information necessary to fund the ensuing budget.</b>
<b>Budget Form 5</b>	<b>Budget form used to adopt tax rates. County units are not required to use this form.</b>
<b>Cash</b>	<b>Monies on hand or invested as evidenced by entry in the unit's ledger.</b>
<b>Cash Basis of Accounting</b>	<b>A basis of accounting in which transactions are recognized only when cash is increased or decreased.</b>

<b>Controlled Levy</b>	<b>Tax monies raised which are chargeable against the Maximum Permissible Levy such as General Fund, Health, Reassessment and Park Fund.</b>
<b>Current Budget Year</b>	<b>The budget year in which a county is operating.</b>
<b>Encumbrance</b>	<b>The commitment of appropriated funds to purchase an item or service.</b>
<b>Ensuing Budget Year</b>	<b>The next upcoming budget year which runs from January 1 to December 31. Also know as incoming budget year.</b>
<b>Excessive Levy</b>	<b>An amount of money, which exceeds the maximum permissible levy. Can become a permanent increase or a one-year increase depending upon the type of appeal submitted. Each year the DLGF issues a memo describing the filing process including the associated deadlines for filing.</b>
<b>Exempt Levy (sometimes referred to as a Non-controlled levy)</b>	<b>Tax money raised which is outside the Maximum Permissible Levy. One possible example could be a Debt Service Fund.</b>
<b>Fiscal Body</b>	<b>In most counties, the County Council. In a county containing a consolidated city, the fiscal body is the City-County Council.</b>
<b>Fund</b>	<b>A set of self balancing accounts containing both revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.</b>
<b>Fund Balance</b>	<b>The excess of cash and investments attributed to a fund over that funds liabilities and obligations.</b>
<b>Levy Excess</b>	<b>That amount of money which is actually raised in excess of 100% of the fund levy approved by the DLGF.</b>
<b>Maximum Permissible Levy (Maximum Levy)</b>	<b>The maximum amount of tax money which may be raised in any budget year as determined by statute and calculated by the DLGF.</b>