

Appropriation

The legal authority to expend funds or incur financial obligations as made by the City Council with the adoption or amendment to the City Budget.

Budget

The City's fiscal plan, which estimates revenues and provides for appropriations of expenditures for a given fiscal year. The budget provides for the allocation of City resources to the various services provided by the City.

Budget Basis

The City of Des Moines budgets on a modified accrual basis. Under this basis of accounting, revenues are measurable and collectible in the current period, or soon thereafter, to be used to pay current liabilities. Expenditures are generally recognized when an event or transaction is expected to draw on current expendable resources.

Budget Calendar

The timetable under which the budget is prepared for recommendation to the City Council for their review and adoption.

Budget Message

The City Manager's summary of the salient issues of the budget he is recommending to the City Council for their adoption. The message highlights the City Manager's views of the major aspects of the budget and provides the City Council with an overview of the major fiscal policies incorporated in the recommended budget, or which may impact future recommended budgets.

Capital Improvement Budget

The first fiscal year of the six-year Capital Improvement Program, which is also the fiscal year covered in the Operating Budget.

Capital Improvement Program (CIP)

A six-year fiscal plan of all capital improvement projects which the City anticipates undertaking.

Capital Outlay

Expenditures for the purchase of equipment, land, buildings, or other improvements which are expected to have a useful life exceeding one year, and which would be classified as a capital asset of the City.

Capital Project

A major expenditure for a public improvement that is of such magnitude as to be considered a part of the City's six-year Capital Improvement Program. Such expenditures typically include City infrastructure construction projects, and would normally have an estimated use life of a minimum of 10-15 years. Capital projects are summarized in the City Operating Budget and detailed in the City's Capital Improvement Program document.

Glossary

Capital Projects Fund

This fund accounts for receipts and disbursements of all monies used for the acquisition or construction of major capital facilities other than those financed by proprietary funds or trust funds. In the operating budget and state certified budget all capital projects are grouped together, including enterprise fund capital projects.

Clearing Account

An intermediary account used to initially accumulate direct expenditures for subsequent charging to other officially reported accounts. These accounts are used in situations in which allocations are made to the reporting accounts on a percentage basis, and usually involve the ultimate distribution of expenses to a number of different accounts.

Commodities

Commodities expenditure transactions are for the purchase of materials and supplies, which are considered expendable items.

Contractual Services

Contractual Services transactions are expenditures for the provision of a service by an outside vendor, or through one of the City's Internal Service Funds.

Debt Retirement/Redemption

The expenditure of funds for the retirement of all, or a portion of, the principal amount of a long-term financial obligation of the City.

Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for general obligation and tax increment debt.

Department Mission Statement

The City Department's supplied statement as to its primary set of tasks and responsibilities required to implement the overall City mission regarding services to the City of Des Moines.

Department Significant Issues

Specific developments that impact the operations of a particular department during the current fiscal year, or are anticipated occurring during the next fiscal year.

Departmental Division

A group of activities or expenditure components of a department that relate to one another, and have common purposes, and are managed by the same departmental employee.

Encumbrance

Encumbrances include obligations in the form of purchase orders, contracts or other commitments. Purchase orders or other commitments for goods or services that have not yet been provided or received.

Enterprise Funds

These funds account for operations that are financed and operated in a manner similar to private business enterprises, or in cases in which the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Des Moines currently operates the following enterprise funds:

Aviation Fund	Sewer Fund
Golf Course Fund	Solid Waste Fund
Parking Fund	Storm Water Utility Fund
Housing Service Fund	

Expenditure

The outflow of funds for the acquisition of an asset, goods, services, or retirement of debt.

Fiscal Year (FY)

The twelve-month period upon which appropriations are provided and results of operations and financial transactions are reported. The fiscal year for the City of Des Moines is from July 1st to June 30th.

Fund

An accounting entity utilized to record all financial transactions for a specific activity or function in order to provide a measure of the balance within the specific fund through a set of self-balancing accounts.

General Fund

This fund accounts for resources funding traditional government functions not related to special tax levies. The general fund is used to account for all resources except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP)

GAAP are the uniform minimum standards of and guidelines to financial accounting and reporting. These principles govern the form and content of the basic financial statements. They provide a standard by which to measure financial presentations.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one City department to other City departments, and to other governments on a cost-reimbursement basis. The City of Des Moines currently operates the following Internal Service Funds:

Central Services	Telephone
Equipment Replacement	Radio Communications
Equipment Service Center – Central Garage	Radio Replacement
Forestry	

Glossary

Organization Code

A term referring to a number utilized in the City's accounting system to identify a specific activity operated by a City department. The number allows the accounting system to assign revenues and expenditures or other financial transactions to a specific activity of the City.

Organization Code Function Statement

A short explanation of the purpose of a departmental activity for which detail financial transactions are recorded and can be reported upon.

Operating Budget

The City's fiscal plan for the upcoming fiscal year. This financial document provides detail of all anticipated resources and expenditures of all City funds for the fiscal year, as well as a summary of expenditures anticipated in the City's Capital Budget.

Operating Transfers In

Refers to financial transactions that represent the receipt or anticipated receipt of resources that are intrafund or interfund represented by the movement of financial resources between funds or subfunds.

Operating Transfers Out

Refers to financial transactions that represent the movement of resources out of a particular fund or subfund.

Other Services and Charges

A major category of expenses that does not fit any of the other major categories listed below:

Personal Services	Debt Retirement
Contractual Services	Capital Outlay
Commodities	

Examples of such expenditures are transfers between funds, charges for interest expense, miscellaneous expenditures, workers' compensation payments, legal settlements/awards, etc.

Personal Services

A major category of expense that includes all of the costs associated with personnel assigned to a particular activity/index code. Items of expenditure include employee salaries, part-time employees' hourly wages, employee benefits (FICA, retirement, pensions, insurance, longevity, deferred compensation, Medicare, etc.), and anticipated employee retirement payouts.

PILOT

Payment in lieu of taxes. These are payments, primarily from enterprise fund operations, that reimburse the general fund for the property tax that would have been paid if the enterprise funds were for-profit companies.

Public Transit Fund

This fund is a subfund of the General Fund, and is used to account for the receipt and disbursement of property taxes generated by the levy authorized under Section 384.12 (19) of the *Code of Iowa*. The purpose of the levy is to aid the Metropolitan Transit Authority.

Reserve

An account or identification of a portion of fund equity that is segregated for some specific future purpose and is not available for other appropriation or expenditure.

Revenue

Funds collected by the City to fund various City activities. City revenues include property tax receipts, charges for services, intergovernmental revenue, interest income, etc.

Road Use Tax Fund

This fund accounts for the receipt of state revenues, allocated to the City by the State under a formula, for expenditure within the City for street maintenance/improvement/supervision. The funds, once received by the City, are transferred to the General Fund and the anticipated purposes of expenditure are identified within the annual budget.

Rollback

The practice of the State of Iowa that ties the property tax rate to taxable valuations of properties not in the City. The rollback significantly impacts residential property valuations. The State mandated percentage (currently 54.9090 percent) restricts the City to that percentage of residential value.

Sinking Funds

These funds are used to accumulate monies in order to have adequate amounts available to make required periodic debt service payments. Sinking funds are used in enterprise funds that have outstanding long-term debt.

Special Assessment Fund

These funds are used to account for resources used in the construction of public improvements that are funded wholly or partially from owners of property benefitted by the improvement(s). A subfund of the Special Assessment Fund is the Default and Deficiency Fund.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Tax Increment Funds

These funds are used to account for receipt of property taxes allocated to various tax increment financing districts and used to pay the principal and interest on tax increment debt, as well as to make major infrastructure expenditures.

Tax Levy

The levy applied to taxable valuations in order to generate property tax revenue.

Taxes

Legally enforced charges levied by a government in order to finance services provided to its citizens.

Glossary

Tort Fund

This fund is used to account for the proceeds of the tort levy and the expenditure of funds resulting from tort litigation or settlements resulting from tort claims, as well as the costs associated with administering the City's defense against such actions and expenditures undertaken to lessen the likelihood of such claims.

Trust and Agency

This term is used as a "Revenue Source" within each departmental division that involves an activity funded by the General Fund or an Internal Service Fund. This representation is made to demonstrate that certain costs within each such division are ultimately funded by tax levies for trust and agency eligible expenses (health insurance, FICA, retirement, pensions, Medicare, workers' compensation, unemployment, etc.) or those costs for expense items which are ultimately funded by tax levies for tort eligible expenses (legal settlements, awards, etc.).

Working Capital

Working Capital is generally defined as current assets minus current liabilities. Working capital measures how much in liquid assets, less short-term obligations is available to be used for budgeted expenditures.