

TERMS AND DEFINITIONS — 7010

(Revised: ~~02/2022~~09/2026)

~~Listed below are the~~ The following terms and definitions are commonly used in statewide accounting and fiscal policies and procedures in ~~the State Administrative Manual chapters 7000 through 19000.~~ SAM Chapters 7000 through 19000.

~~Agency/Department: Includes every state government office, officer, agency, department, division, bureau, board, and commission in the State of California.~~

Allotment: The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis or by program or organization.

Annual Comprehensive Financial Report (ACFR): The annual financial report prepared by the State Controller's Office in accordance with Generally Accepted Accounting Principles per ~~Government Code (GC) section~~ Government Code section 12460.

Appropriation: Authorization for a specific agency to make expenditures or create obligations from a specific fund for a specific purpose. It is usually limited in amount and period of time during which the expenditure is to be recognized.

Basis of Accounting: The timing of when ~~the effect of~~ transactions or events is are recognized for financial reporting purposes. ~~(The time period various financial transactions are recorded for financial purposes.)~~

Budgetary/Legal Basis Annual Report (BLBAR): The annual financial report prepared on the same basis as the applicable Governor's Budget and Budget Act per ~~GC section~~ Government Code sections 12460. ~~See also GC 13344 and 13344.~~

Department: Includes every state government office, officer, agency, department, division, bureau, board, and commission in the State of California.

Encumbrances: The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts.

Outstanding encumbrances are recognized as budgetary expenditures in the individual agency's/department's budget documents and their individual annual financial reports.

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Finance: The Department of Finance.

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Financial Information System for California (FI\$Cal): The state's integrated financial and administrative information technology system that supports accounting, budgeting, cash management, and procurement functions.

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Fund Condition Statement (FCS): A budget display in the Governor's Budget summarizing the operations of a fund for past, current, and budget years. Fund Condition Statements are required for all special funds. Other funds are displayed at the discretion of the Department of Finance.

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Generally Accepted Accounting Principles (GAAP): The accounting principles, rules, conventions, rules, and procedures that serve as the norm used for the fair presentation of accounting and financial statements reporting. GAAP provides ~~both~~ authoritative standards and commonly accepted ways methods of recording and reporting accounting information. GAAP's objective is to improve clarity, consistency, and comparability of financial data.

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Governmental Accounting Standards Board (GASB): ~~The authoritative GASB sets the financial accounting and financial reporting standard-setting body standards~~ for state and local governments.

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State Leadership Accountability Act: ~~The law that places the responsibility for establishment and maintenance of a system or systems of internal control, and the ongoing monitoring of the internal controls, on the management (heads) of state entities. The State Leadership Accountability Act requires all state agencies/departments to monitor their internal control systems to minimize fraud, errors, waste, and abuse of government funds. See Government Code sections 13400-13407.~~

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State Administrative Manual (SAM): ~~The reference~~ A resource for statewide policies, procedures, requirements, and information developed, authored, and issued by agencies/departments which include the Governor's Office, Department of Finance, Department of Human Resources, Department of General Services, and the California Department of Technology.

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State Leadership Accountability Act (SLAA): The law that requires each state agency head to establish and maintain effective systems of internal control within their state agencies. The SLAA requires all state departments to monitor their internal control systems to minimize fraud, errors, waste, and abuse of government funds. For information on the SLAA, see Government Code sections 13400-13407.

Uniform Codes Manual (UCM): The standardized coding system maintained by the Department of Finance to obtain accurate and comparable records, reports, and statements of all the financial affairs of the state. The UCM defines all accounting and budgetary codes that agencies/departments are required to use for reporting budgeted and actual data. ~~The Department of Finance maintains the UCM.~~