

Superseded 7/1/2021

51-5-3 Definitions.

As used in this chapter:

- (1) "Account groups" means a self-balancing set of accounts used to establish accounting control and accountability for the state's general fixed assets and general long-term obligations.
- (2) "Accrual basis" means the basis of accounting under which revenues are recorded when earned and expenditures are recorded when they result in liabilities for benefits received, even though the receipt of the revenue or payment of the expenditures may take place, in whole or in part, in another accounting period.
- (3) "Activity" means a specific and distinguishable line of work performed by one or more organizational components of a governmental unit to accomplish a function for which the governmental unit is responsible.
- (4) "Appropriation" means a legislative authorization to make expenditures and to incur obligations for specific purposes.
- (5) "Budgetary accounts" means those accounts necessary to reflect budgetary operations and conditions, such as estimated revenues, appropriations, and encumbrances.
- (6) "Cash basis" means the basis of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.
- (7) "Dedicated credit" means:
 - (a) revenue that is required by law or by the contractual terms under which the revenue is accepted, to be expended for specified activities; and
 - (b) revenue that is appropriated by provisions of law to the department, institution, or agency that assessed the revenue, to be expended for the specified activities.
- (8) "Encumbrances" means obligations in the form of purchase orders, contracts, or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances cease when paid or when the actual liability is set up.
- (9)
 - (a) "Expenditures" means decreases in net financial resources from other than interfund transfers, refundings of general long-term capital debt, and other items indicated by GASB.
 - (b) "Expenditures" may include current operating expenses, debt service, capital outlays, employee benefits, earned entitlements, and shared revenues.
- (10)
 - (a) "Financial resources" means assets that are obtained or controlled as a result of past transactions or events that in the normal course of operations will become cash.
 - (b) "Financial resources" includes cash, claims to cash such as taxes receivable, and claims to goods or services such as prepaids.
- (11) "Fiscal period" means any period at the end of which a governmental unit determines its financial position and the results of its operations.
- (12) "Function" means a group of related activities aimed at accomplishing a major service or regulatory program for which a governmental unit is responsible.
- (13) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts, composed of financial resources and other assets, all related liabilities and residual equities or balances and changes in those resources, assets, liabilities, and equities that, when recorded, are segregated for the purpose of carrying on specific activities or attaining certain objectives, according to special regulations, restrictions, or limitations.
- (14) "Fund accounts" means all accounts necessary to set forth the financial operations and financial position of a fund.

- (15) "GASB" means the Governmental Accounting Standards Board that is responsible for accounting standards used by public entities.
- (16)
- (a) "Governmental fund" means funds used to account for the acquisition, use, and balances of expendable financial resources and related liabilities using a measurement focus that emphasizes the flow of financial resources.
 - (b) "Governmental fund" includes the following types: General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.
- (17) "Lapse," as applied to appropriations, means the automatic termination of an unexpended appropriation.
- (18) "Liabilities" are the probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future.
- (19) "Net financial resources" means:
- (a) the difference between the amount of a governmental fund's financial resources and liabilities; and
 - (b) the fund balance of a governmental fund.
- (20) "Postemployment" means that period of time following:
- (a) the last day worked by an employee as a result of his long-term disability; or
 - (b) the date that an employee identifies as the date on which the employee intends to retire or terminate from state employment.
- (21) "Postemployment benefits" means benefits earned by employees that will not be paid until postemployment, including unused vacation leave, unused converted sick leave, sick leave payments, and health and life insurance benefits as provided in Section 67-19-14.
- (22) "Proprietary funds" means those funds or subfunds that show actual financial position and the results of operations, such as actual assets, liabilities, reserves, fund balances, revenues, and expenses.
- (23) "Restricted revenue" means revenue that is required by law to be expended only:
- (a) for specified activities; and
 - (b) to the amount of the legislative appropriation.
- (24) "Revenue" means the increase in ownership equity during a designated period of time that is recognized as earned.
- (25) "Subfund" means a restricted account, established within an independent fund, that has a self-balancing set of accounts to restrict revenues, expenditures, or the fund balance.
- (26) "Surplus" means the excess of the assets of a fund over its liabilities and restricted fund equity.
- (27) "Unappropriated surplus" means that portion of the surplus of a given fund that is not segregated for specific purposes.
- (28) "Unrestricted revenue" means revenue of a fund that may be expended by legislative appropriation for functions authorized in the provisions of law that establish each fund.