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# Glossary

## Charleston County

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**800 MHZ** - This radio communication system replaced the very high frequency (VHF) radio system and provides communications for various law enforcement, public safety, and public works agencies. This system consists of six tower sites and assures countywide communications at all times.

**Accrual Basis of Accounting** - Method of accounting where revenues are recorded when earned (regardless of when cash is received), and expenses are recorded when liabilities are incurred (regardless of when payment is made). This method is used for the County's Proprietary Funds.

**Ad Valorem Tax** - A property tax computed as a percentage of the property's assessed value.

**Appraised Value** - A property's appraised value is an approximation of fair market value as determined by the Assessor's Office (real property) or the Auditor's Office (motor vehicle and personal property).

**Appropriation** - An authorization by County Council to expend and obligate County funds for approved purposes.

**Assessed Value** - A property's assessed value is the taxable value of a property based on a percentage of appraised value. The percentage for owner-occupied residences is four percent; for commercial property is six percent; for commercial motor vehicle is 10.5 percent; and for personal motor vehicles is 9.00 percent in 2003 and 8.25 percent in 2004.

**Available** - In the context of this budget book, the total of the beginning balance, transfers in, and revenues available to support disbursements.

**Beginning Fund Balance** - Unexpended funds from the previous fiscal year. A use of beginning fund balance reflects the amount budgeted from unreserved fund balance to finance expenditures during the current fiscal year.

**Bond** - A written promise to pay a specified borrowed sum of money (principal) at a specified date or dates in the future, together with periodic interest at a specified rate. See also General Obligation Bond and Revenue Bond.

**Bond Anticipation Note (BAN)** - A financial instrument used to provide cash flow until bond proceeds are received. A BAN is usually payable within twelve months of issue.

**Budget** - A financial plan of operation which includes estimates of expenditures and revenues for a given period. It provides a basis for planning, controlling, and evaluating the County's activities. In accordance with the recommendations set forth by *Governmental Accounting and Financial Reporting Principles*, the County adopts its operating budget on an annual basis.

**Budget Transfer** - A budgetary transaction which increases or decreases the adopted line item appropriations within a budget.

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**“C” Funds** - State-shared revenue driven by a formula based upon the consumption of gasoline in the county. Revenues are earmarked for the improvement of state and local roads.

**Capital Expenditures (Expenses)** - A major object of expenditure which covers purchases such as vehicles and equipment with a per unit cost of more than \$5,000 and a useful life of more than one year.

**Capital Project** - A long-term major improvement or acquisition of equipment or property for public use.

**Capital Projects Funds** - Funds established to account for the acquisition of fixed assets or construction of major capital projects not financed by Enterprise or Internal Service funds.

**Certificate of Participation (COP)** - A contractual arrangement that permits a government to acquire a capital asset by yearly lease payments appropriated in the government’s annual budget. Failure to appropriate money for payment of the lease in any year terminates the contract.

**Community Development Block Grants (CDBG)** - These grants originate with the U.S. Department of Housing and Urban Development and are passed through the State to the County. These grants focus on improving housing and neighborhoods of lower-income individuals and communities.

**Contingency** - An appropriation of funds held in reserve to cover unbudgeted events that occur during the fiscal year, such as state or federal mandates, shortfalls in revenues, and unanticipated expenditures.

**Cost of Living Adjustment (COLA)** - A pay increase which adjusts the salary schedule for most employee classes based upon increases in the Consumer Price Index.

**Debt Service Fund** - Fund established to account for the payment of general long-term debt not financed by Enterprise Funds.

**Department (Dept.)** - The primary organizational breakdown within the County. Each department serves a specific function.

**Department of Alcohol and Drug Abuse Services (DAODAS)** - One of the County’s Enterprise Funds operating under the name “Charleston Center.”

**Depreciation** - The periodic expiration of an asset’s useful life. Depreciation is a requirement in proprietary type funds (such as Enterprise and Internal Service Funds).

**Designated** - The portions of fund balance established by County ordinance for specific purposes (i.e., Rainy Day or equipment reserve).

**Disbursements** - In the context of this budget book, the total of expenses/expenditures and transfers out.

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**Division** - A subdivision of a department, a division is a unit or organization in the County with a more defined set of work responsibilities.

**E-Government** - A means of conducting government transactions electronically.

**Efficiency Measures** - Performance measures that quantify the relationship between input and output measures.

**Emergency 911 (E911)** - This division is funded with fees charged to countywide telephone subscribers for the availability of the Emergency 911 system. It is one of the County's Enterprise Funds.

**Encumbrances** - Commitments made to vendors which involve goods that have not been received or services that have not been completed at year end. Encumbrances are a reservation of fund balance since they are legally obligated.

**Ending Fund Balance** - Unexpended funds at the end of the fiscal year. The ending fund balance increases when sources exceed disbursements or decreases when disbursements exceed sources.

**Enterprise Funds** - Funds established to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

**Expenditures** - Reductions in financial resources or an increase in claims (liabilities) at the end of the period that will be paid using current financial resources. The General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds recognize expenditures rather than expenses because these funds utilize the modified accrual basis of accounting.

**Expenses** - Outflows or other using up of assets or incurring of liabilities during a period resulting from carrying out the County's ongoing operations. The Enterprise Funds and Internal Service Funds recognize expenses because these funds utilize the accrual basis of accounting.

**Fiscal Year (FY)** - The twelve-month period to which the annual budget applies. The County's fiscal year begins July 1 and ends June 30. The year is represented by the date on which it ends (e.g., July 1, 2003 to June 30, 2004 would be fiscal year 2004).

**Fringe Benefits** - Terminology for benefits paid or matched by the County on behalf of the employees. These benefits include mandatory payroll taxes (FICA, Unemployment, and Worker's Compensation), South Carolina Retirement System contributions, and contributions for health, dental, and life insurance.

**Full-time Equivalent (FTE)** - A value expressing a percentage of time and of funds related to a permanent position authorized by County Council through annual appropriations. For example: 1.00 FTE would represent a position that works the department's declared full-time

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work schedule; 0.50 FTE would represent a position that works half of the department's full-time work schedule.

**Fund** - An independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements.

**General Fund** - The primary operating fund of the County government. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**General Obligation Bond (GOB)** - A written promise to repay a stated sum of money (principal) at a specified date or dates in the future, together with periodic interest at a specified rate. This type of bond is backed by the full faith and credit of the County.

**Generally Accepted Accounting Principles (GAAP)** - The common set of authoritative standards and procedures adopted by the accounting profession. GAAP requires the use of accrual accounting, where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Geographic Information System (GIS) Administration** - This department is responsible for several functions, including managing, maintaining, and updating tax maps for the County, the digital conversion and maintenance of real estate parcels, and countywide mapping features.

**Goals** - Goals are statements of outcomes for departments or divisions.

**Governmental Accounting Standards Board (GASB)** - Established to set standards of financial accounting and reporting for state and local governmental entities.

**Government Finance Officers' Association (GFOA)** - The professional association for public finance professionals. The GFOA develops the criteria for professional management of governmental financial resources.

**Governmental Funds** - The governmental funds account for general governmental activities. The governmental funds include the General Fund, the Debt Service Fund, the Special Revenue Funds and the Capital Projects Funds.

**Grants** - Projects subsidized either partially or wholly through the Federal government, State government or other outside funding source with specific guidelines and reporting requirements.

**Homestead Exemption** - The first \$50,000 of the value of an owner-occupied residence is exempt for all legal residents of South Carolina that have resided in the state for at least one year on or before December 31 of the year prior to exemption and are 65 years old, disabled,

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blind or have an eligible spouse.

**Infrastructure** - Basic public investments such as streets, storm drainage, water and sewer lines, streetlights, and sidewalks.

**Interfund Transfer** - A financial transaction in which money is moved from one fund (transfer out) to another (transfer in). This results in the recording of a source and a disbursement.

**Intergovernmental** - Existing or occurring between two or more governments or levels of government.

**Internal Service Funds** - Funds established to account for operations that provide services to other departments or agencies within the County, or to other governments, on a cost reimbursement basis.

**Line Item** - A specific expenditure category such as office supplies within a departmental budget. Line items are further grouped into major objects of expenditure (i.e., personnel, operating, or capital).

**Local Option Sales Tax (LOST)** - An additional one percent sales tax levied in Charleston County on top of the state's five percent sales tax. By state law, approximately three-fourths of the receipts must be used to reduce property taxes.

**Millage** - One one-thousandth of a dollar. In terms of the millage rate, one mill is equal to \$1 per \$1,000 of assessed valuation.

**Modified Accrual Basis of Accounting** - Basis of accounting that recognizes revenues when they are available and measurable, and that records expenditures when the related fund liability is incurred.

**Objectives** - Objectives are measurable targets that describe the end results that a service or program is expected to accomplish in a given time period.

**Operating Expenditures (Expenses)** - A major object of expenditure other than personnel and capital costs. For example, expenditures necessary to maintain facilities, collect revenues, provide services and otherwise carry out the department's goals.

**Outcome Measures** - Performance measures that measure the extent to which a service has achieved its goals or objectives, and as defined, met the needs of its clientele, or met commonly accepted professional standards.

**Output Measures** - Performance measures that measure the number of units produced, services provided, or people served by an agency or its programs.

**Performance Measures** - Performance measures are quantitative or qualitative indicators of the extent to which objectives are being achieved. Four types of performance measures are input measures, output measures, efficiency measures, and outcome measures.

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**Personnel Expenditures (Expenses)** - A major object of expenditure which covers salaries, overtime payments made to County employees, and fringe benefit costs.

**Proprietary Funds** - The proprietary funds account for activities that are run as a business. The proprietary funds include the Enterprise Funds and the Internal Service Funds.

**“Rainy Day Fund”** - This fund is a designation of General Fund fund balance set aside per County Ordinance. This fund is intended to provide emergency funds in the event of a calamity and to be maintained at no less than four percent of the current General Fund budget.

**Reimbursement** - Repayment of actual expenditures/expenses by another department or entity.

**Reservations** - The portions of fund balance set aside for specific purposes according to generally accepted accounting principles. These monies are obligated by sources outside the County.

**Revenues** - Amount received from taxes, fees, permits, licenses, fines, interest, and other governmental entities during the fiscal year.

**Revenue Bond** - A written promise to pay a specified sum of money (principal) at a specified date or dates in the future, together with periodic interest at a specified rate. This type of bond is backed by the revenue earned from a specific project or source.

**Sources** - In the context of this budget book, the total of revenues and transfers in.

**Special Revenue Funds** - Funds established to account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

**Tax Anticipation Note (TAN)** - A financial instrument used to provide cash flow until current property taxes are received.

**Transfer In/Transfer Out** - See interfund transfer.

**Uses** - In the context of this budget book, the total of expenditures/expenses, transfers out, and the increase in ending fund balance.

**Workforce Investment Act (WIA)** - Programs governed by this act originated with the United States' Department of Labor and were passed through the State to the County. These grants focused on job training for unskilled, lower-income individuals.