

Commonly Used Operating Budget Terms at Brock

Accrual

The accrual accounting method reports revenue when earned (rather than received) and expenses when incurred (rather than paid). Therefore it may be necessary, particularly at year-end, to journalize revenues or expenses that have not yet been processed. A reversing entry in the new year is necessary, so as not to double count the actual revenue or expense once it is processed.

Actuals

Refers to real revenues, salaries, expenditures, or transfers that have been processed to an account.

Appropriations (aka Carry Forward Funds)

Unspent budget funds remaining at the end of the fiscal year that have been approved by the Board of Trustees to be carried forward to the following budget year for spending.

BUDDE

Brock's on-line budget development system. It is available to Budget Developers and provides a summary of all accounts within the same cost centre and includes current budget, actuals to date, and previous year's budget and final year end actuals. This on-line budget tool is used to project budgets and for requesting operating budget dollars during a current year's budget development.

Budget

A financial plan serving as an estimate of and a management tool to monitor levels of revenues and expenditures compared to original and updated expectations.

Budget Adjustment

Any approved changes to the original base budget; may include both ongoing and one-time amounts.

Budget Developer

The Brock employee that is responsible and accountable for the financial operations encompassed by a cost centre or a group of cost centres. This is usually the unit head (eg. VP, Dean, Director)

Budget, Base or Ongoing (OG)

Budget amount that is recurring in nature and is therefore included as the starting point or the original budget allocation for the following year.

Budget, One-Time (OT)

Budget provided on a one-time basis for non-continuing salary and/ or non-salary costs. It is non-recurring in nature, and is therefore not included in any future year budget allocation.

Budget, Projected

The projected budget is developed at various times during the year using historical results, current actual costs and/or updated estimates to annualize the projected cost or revenue.

Budget, Total

Total budget includes the base ongoing budget, one time budget allocations and budget adjustments that may occur from time to time from global budgets.

Budget Variance

The difference between the budget amount and the actuals, including encumbrances.

Carry Forward Funds (aka Appropriations)

Unspent budget funds remaining at the end of the fiscal year that have been approved by the Board of Trustees to be carried forward to the following budget year for spending.

Cost Centre

A segment of the organization or area of activity for which there is a reason to accumulate costs, (eg. department, unit) The middle three digits of the Brock 9 digit account number denotes the cost centre.

Deficit

Also known as an overdraft which is a balance less than \$0. The amount by which an account's expenses exceed revenues.

Encumbrance

Commits unspent balances due to a contracted obligation (eg.purchase order) for future payment. Currently, Brock encumbrances are generated only by purchase requisitions and part time salary contracts.

Fiscal Year

A twelve-month period, designated by the university, for fiscal activity or operating cycle. Brock's fiscal year runs from May 1 to April 30 of the following year.

Expense or Line Item

A specific category of expenses within a department or unit's operating budget of the university. Examples include salary, benefits, postage, office supplies and equipment.

Position Control

Continuing, regular staff and faculty positions and their benefits must be funded with base budget funds, requiring the Budget Office to keep track of these positions.

Revenue

Income generated from the supply of goods or services by the University to an external customer. Some examples are: tuition and fee revenue, bookstore sales, recreation memberships and earnings on investments.

Salary Adjustments

Salary budgets are developed using an estimated average increase on a salary group. Once the actual salary costs are known for specific individuals salary budget adjustments are made to adjust the funds to each unit's budget from or to the central budget.

Transaction

Any event that involves an exchange of funds between two parties. Examples are: paying a bill to a vendor, paying an employee, collecting a fee from a student, and an interdepartmental back charge.

Year-End

The term used to describe both the time of closing and the process of closing the university's operating cycle. The university's fiscal year-end is April 30. The year-end process involves closing and reporting on the financial results of the past year. The process takes several months, from closing the records and reporting to departments, to providing information to the external auditors, to preparing the annual audited financial statements.

Year-to-Date

Also referred to as 'YR Spent'. This refers to the cumulative revenues, salaries, expenditures or transfers posted to an account since the beginning of the University's fiscal year, that is, May 1st.