

# Reclamation Manual

## Directives and Standards

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### Glossary of Terms and Reference Documents

This appendix is a glossary of terms and acronyms the Bureau of Reclamation uses in the Reclamation Manual Directive and Standard, *Working Capital Fund (WCF) Roles and Responsibilities and Major Management Elements*, FIN 15–10, and its appendices. This appendix also includes a list of reference documents.

#### 1. Glossary.

- A. **Advance Payment.** An amount paid prior to the later receipt of goods, services, or other assets. An agency ordinarily only makes advances to payees to whom it has an obligation, and they do not exceed the amount of the associated obligation. The Working Capital Fund (WCF) Manager may authorize an advance of funds against the total balance of the WCF to fund certain large expenditures within any WCF activity to preclude making an appropriation request from Congress.
- B. **Amortization.** The gradual extinguishment of any amount over time through systematic allocation of the amount over consecutive accounting periods. In the WCF, we apply amortization to software applications and may apply it to specific partnership lease agreements.
- C. **Anti-Deficiency Act.** Provisions of law Congress enacted and incorporated into Title 31 of the United States Code (USC) 665 and Office of Management and Budget (OMB) Circular A-11, *Preparation, Submission, and Execution of the Budget*, Section 145 to prevent departments and agencies from exceeding enacted appropriations, and to establish penalties for violations.
- D. **Appropriations.** In most cases, appropriations are a form of budget authority that law provides permitting Federal agencies to incur obligations and make payments out of the Department of the Treasury (Treasury) for specified purposes. An appropriation usually follows enactment of authorizing legislation. An appropriation act is the most common means of providing budget authority, but in some cases the authorizing legislation itself provides the budget authority.
- E. **Assets.** Tangible or intangible items the Federal government owns, which would have probable economic benefits that a Federal government entity can obtain or control.
- F. **Break Even.** The point at which cost, and income are equal, thereby netting neither profit nor loss.
- G. **Capital Assets.** Land, structures, equipment, intellectual property (e.g., software), and information technology (IT) the Federal government uses and with an estimated useful life of 2 years or more.

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- H. **Capital Investment.** An expenditure Reclamation makes to acquire, develop or construct property, software, plant or equipment meeting the definition of an asset with a cost equal to or greater than Reclamation’s capitalization threshold. Examples of capital investments include buildings, equipment, vehicles, and IT software.
- I. **Carryover.** See unobligated balance.
- J. **Commitment Item.** Represents Budget Object Class within the Financial and Business Management System (FBMS). Generally tied to a Standard General Ledger (SGL) account and define how each transaction is to be updated in Financial Management module.
- K. **Cost Allocation.** An automated program within FBMS that distributes costs from specified work breakdown structures (WBS) within a region, particular program or WCF activity to other WBSs within the same/different region(s) on the basis of a percentage.
- L. **Cost Recovery.** Methods developed to recover operational costs of the WCF based on documented costs or increments of use (e.g., hours, miles, etc.).
- M. **Costs.** The monetary value of resources used or sacrificed, or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service.
- N. **Cumulative Results of Operations.** The net results of operations since inception plus the cumulative amount of prior period adjustments. This includes the cumulative amount of donations and transfers of assets in and out without reimbursement. For the WCF, Cumulative Results of Operations is the sum of SGL 3310 account balances and all other SGL accounts that close to equity at fiscal year-end (FYE).
- O. **Depreciation.** The systematic and rational allocation of the acquisition cost of an asset, less its estimated salvage or residual value, over its estimated useful life. Depreciation reflects the use of the asset(s) during specific operating periods to match costs with related revenues in measuring income or determining the costs of carrying out program activities.
- P. **Expenditure.** The incurrence of an actual liability in accordance with governmental authority. With respect to provisions of the Anti-Deficiency Act (31 USC 1513-1514) and the Congressional Budget and Impoundment Control Act of 1974 (2 USC 622(i)), a term that has the same definition as outlay.
- Q. **Expense.** Outflows or other using up of assets or incurrence of liabilities (or a combination of both) during a period of providing goods, rendering services, or

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carrying out other activities related to an entity's programs and missions, the benefits from which do not extend beyond the present operating period.

- R. **Full Cost.** Includes all direct and indirect costs to any part of the Federal government of providing a good, resource, or service. These costs include, but are not limited to, an appropriate share of:
- (1) Direct and indirect personnel costs, including salaries and fringe benefits such as medical insurance and retirement. Retirement costs should include all (funded or unfunded) accrued costs not covered by employee contributions as specified in Circular No. A-11.
  - (2) Physical overhead, consulting, and other indirect costs including material and supply costs, utilities, insurance, travel, and rents or imputed rents on land, buildings, and equipment. If imputed rental costs are applied, they should include:
    - (a) depreciation of structures and equipment, based on official Internal Revenue Service depreciation guidelines unless better estimates are available; and
    - (b) an annual rate of return (equal to the average long-term Treasury bond rate) on land, structures, equipment and other capital resources used.
  - (3) The management and supervisory costs.
  - (4) The costs of enforcement, collection, research, establishment of standards, and regulation, including any required environmental impact statements.
  - (5) Full cost shall be determined or estimated from the best available records of the agency, and new cost accounting systems need not be established solely for this purpose.
- S. **Gain.** An increase in equity (net assets) resulting from an incidental transaction. The most common example in the WCF is a gain on the disposition or sale of an asset.
- T. **Information Management Technology.** Activities include the collective definitions of Information Management, IT and IT Resources.
- U. **Indirect Costs.** A cost one cannot identify specifically with or trace to a given cost object in an economically feasible way.
- V. **Loss.** A decrease in equity (net assets) as a result of an incidental transaction. See gain.

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- W. **Obligation.** A definite commitment that creates a legal liability of the government for the payment of goods and services it orders or receives, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States. To be a legal obligation, Reclamation must have budgetary resources available prior to making an obligation.
- X. **Out-year.** Any fiscal year beyond the budget year for which we make projections.
- Y. **Primary External Customers.** Those entities comprising the bulk of WCF activity's beneficiaries.
- Z. **Region/Directorate.** When working with budget and financial data, the term Region includes regions and the Denver and Washington offices/directorates. Regional numerations and appellations are as follows:
- (1) Interior Region 5 & 6, Missouri Basin & Arkansas-Rio Grande-Texas-Gulf;
  - (2) Interior Region 7, Upper Colorado Basin;
  - (3) Interior Region 8, Lower Colorado Basin;
  - (4) Interior Region 9, Columbia-Pacific Northwest;
  - (5) Interior Region 10, California-Great Basin;
  - (6) Denver Office Directorates:
    - (a) Chief Engineer;
      - (i) Dam Safety and Infrastructure;
      - (ii) Science Advisor;
      - (iii) Senior Advisor Hydropower;
      - (iv) Technical Service Center;
    - (b) Mission Support Organization;
    - (c) Information Resources Office; and
    - (d) Policy and Programs.

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- (7) Washington Office: Commissioner’s Office; Deputy Commissioner; Deputy Commissioner, Operations; Deputy Commissioner, Policy, Administration and Budget; and Program and Budget.

AA. **Responsible Official.** The person holding the position answerable for a duty.

BB. **Results of Operations.** Net difference between revenues, operating costs, and any gains/losses during an accounting period.

CC. **Revenue.** In Federal proprietary accounting, an inflow of resources that the government demands, earns, or receives by donation. Revenue comes from two sources: exchange transactions and non-exchange transactions. Exchange revenues arise when a government entity provides goods and services to the public or to another government entity for a price. Another term for exchange revenue is “earned revenue.” Non-exchange revenues arise primarily from exercise of the government’s power to demand payments from the public (e.g., taxes, duties, fines, and penalties) but also include donations. The term “revenue” does not encompass all financing sources of government reporting entities, such as most of the appropriations they receive. Revenues result from (1) services performed by the Federal government and (2) goods and other property delivered to purchasers.

DD. **Revolving Fund.** A fund Congress establishes to finance a cycle of businesslike operations through amounts the fund receives. A revolving fund charges for the sale of products or services and uses the proceeds to finance its spending, usually on a self-sustaining basis. Instead of recording the collections in receipt accounts, the budget records the collections and the outlays of revolving funds in the same account. A revolving fund is a form of permanent appropriation.

EE. **Standard General Ledger or SGL Accounts.** The Federal government SGL list of accounts contains three major categories of SGL accounts: proprietary, budgetary, and memorandum. Proprietary SGL accounts include assets, liabilities, equity (net position), revenue, expense, or gains/losses/miscellaneous items. Proprietary SGL accounts begin with “1, 2, 3, 5, 6, or 7.” Proprietary SGL accounts fall under the accounting theory that **Assets – Liabilities = Equity**. The general rule is that revenues increase equity and expenses reduce equity. Budgetary SGL accounts all begin with a “4” and record transactions that affect budget allocations, allotments and unobligated balance. These SGL accounts do not affect assets, liabilities, equity (net position), revenue, expense, or gains/losses/miscellaneous items. Just as with proprietary SGL accounts, many of the budgetary SGL accounts close at FYE.

FF. **Transfer.**

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- (1) Shifting of all or part of the budget authority in one appropriation or fund account to another, as law specifically authorizes. The nature of the transfer determines whether the transaction is an expenditure or a non-expenditure transfer.
- (2) Shifting balances from one WCF activity to another WCF activity.
- (3) Shifting ownership of an asset between activities, programs, or entities. The Federal government has authorities in place that allow the transfer of assets within an entity or between entities. The shifting of ownership may or may not involve compensation.

**GG. Unobligated Balance.** Balance of budgetary resources Reclamation has not yet obligated. Unobligated balances expire (cease to be available for obligation) for 1-year accounts at the end of the fiscal year; multiple-year accounts at the end of the period specified; no-year accounts only when they are (1) rescinded by law, (2) purpose is accomplished, or (3) when disbursements against the appropriation have not been made for 2 full consecutive years.

2. **Reference Documents.** In most cases, the documents below are the sources for the definitions in this glossary. Some definitions are Reclamation-specific and apply to terms it uses in its automated accounting system or day-to-day operations. Below we identify the references and provide web address links.
  - A. **Department of the Interior Financial and Business Management System, FBMS Acronyms and Terms Glossary.**  
<https://www.ntc.blm.gov/krc/uploads/610/FBMS%20Acronyms%20and%20Terms%20Glossary%207%2000%20Final%2005-25-2012.pdf>
  - B. **Department of the Interior, Office of Financial Management, Handbooks, Accounting Handbook, Appendix B, Glossary.**  
<https://www.doi.gov/sites/doi.gov/files/uploads/PFM%20Accounting%20Handbook.pdf>
  - C. **Federal Accounting Standards Advisory Board, Statement of Federal Financial Accounting Standards (SFFAS).** The definitions come from the glossaries and text of several SFFAS documents. References do not cite the specific SFFAS.  
<http://www.fasab.gov/document-by-chapter/>
  - D. **A Glossary of Terms Used in the Federal Budget Process.** This is a 2005 publication (GAO-05-734SP). It is a basic reference document for the Congress, Federal agencies, and others interested in the Federal budget process.  
<http://www.gao.gov/new.items/d05734sp.pdf>

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- E. **OMB Circulars.** Although we researched and used several OMB Circulars as sources to provide the definitions we cited in this reference, OMB Circular A-11 – *Preparing and Submitting Budget Estimates* and OMB Circular A-25 – *User Charges* were the predominant references.

<https://www.whitehouse.gov/omb/information-for-agencies/circulars/>