

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

There are three parts in this allocation guide. They are designed to help you make allocation decisions by:

- 1) clarifying the differences between technical and professional accounting work,
- 2) identifying the factors that affect work complexity and
- 3) giving you a glossary of standard terms associated with the accounting field.

To accurately apply the class specifications, you need to use all three parts of the guide.

Keep in mind that **some positions that are related to business mathematics or accounting may not fit in this series.** For example, clerical positions that use business mathematics (i.e., addition, subtraction, multiplication, division, percentages, etc.) to do their work (e.g., calculating fees) may not require the level of accounting training or experience of the Accounting Technician series and should be allocated to general clerical classes. Likewise, some professional positions may better fit in classes such as Budget Analyst, Governmental Auditor, Fiscal or Revenue Auditor or Management Analyst than in the Accounting series.

TECHNICAL VS. PROFESSIONAL

When allocating an accounting position, the first order of business is to decide if it is technical or professional. **It is incorrect to go to the class specifications and begin to allocate the position until you make this basic decision.** To make that decision, review the nature of the work and expectations of the position in light of the following information.

Accounting Technical

Accounting Technician positions compute, calculate and record financial, statistical and numerical data to record details of business transactions, to maintain accounting records, and for use in statistical studies. They require knowledge of bookkeeping principles used to classify, record, and summarize numerical data and in making computations to compile and keep financial records.

Technicians use knowledge of the established accounts and fiscal procedures in the system to:

- maintain the accounting system through journalizing, posting, balancing, and reconciling entries;
- classify transactions arising within the system, to decide which accounts to debit and credit, the appropriate books of original entry, and the subsidiary records affected according to standard practice in the established accounting system;
- verify data before summarizing results by examining document files, confirming information, tracing differences to source documents and deciding adjusting entries needed;
- devise procedures consistent with the existing framework of the system that do not have affect upon account relationships inherent in the basic design of the accounting system;
- propose or create and use reports consistent with the existing framework of the system to ease account balancing or to consolidate data to be analyzed by professional staff; prepare other reports not requiring further interpretation of accounting results by summarizing entries; prepare various reports according to the scope and format prescribed by professional staff;

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

- apply measures of internal control prescribed by professional staff or learned as bookkeeping techniques (e.g., technicians balance and reconcile accounts to prove the accuracy of account selections, recordings, and the validity of supporting records).
- recommend to a professional changing internal control measures such as the frequency or the time of account reconciliation or summary reporting.

Technicians may participate but are not responsible for designing or redesigning accounting systems and establishing accounts. While technicians may suggest changes to the processes or structure that they apply, they are not required to figure out how those changes affect the overall accounting system. Nor do they typically recommend revisions to the basic design of the accounting system. Technicians may explain the content of standard reports to management but do not advise them on the implications derived from accounting records and reports.

While technicians are responsible for the “how” of bookkeeping, they are not required to discern or interpret the effects of the total financial operations taking place within the agency. Their work does not require making connections between accounting results and existing agency economic, budgetary, financing and other policies in the sphere of financial management. For example, while Technicians may, under direction, compute ratio analyses (indicators of financial trends to be tested for reliability), they are not required to decide their use or rejection.

Accounting Professional

Professional accounting positions examine, analyze and interpret accounting data and records. These positions develop or revise accounting systems and reports to meet the business needs of the organization. They keep agency management informed about current financial status and advise them of potential problem areas, trends and opportunities for improvement. They interact with program managers to incorporate accounting concepts with program wants and needs.

Professionals apply a theoretical knowledge of account relationships to the basic design or redesign accounting systems and to establish accounts. Professionals analyze an accounting system to detect need for its revision. They advise management on how the system can better meet their needs or on the implications derived from accounting records and reports.

Professionals apply accounting theory and principles in data, records and systems to:

- decide how account structures should be developed or modified to reflect better the nature of transactions, their effect on financial condition, and their management implications;
- design and set up entire accounting systems (or devise and install control and maintenance procedures that affect account relationships) within a framework of statutory and regulatory requirements;
- establish and maintain appropriate internal controls;
- decide the effect of transactions upon relationships underlying the accounting structures;
- insure that the accounts selected for recording individual transactions establish or maintain proper relationships throughout the accounting structures;
- provide the basis for full disclosure of financial operations;

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

- provide the basis for sound reporting;
- conduct reviews to find out if the organization has used financial resources appropriately.

Professionals apply accounting knowledge and principles to design and prepare reports to:

- assure the application of those accounting theories and principles that give the soundest reporting and analytical interpretations of what is taking place within the agency's financial operations;
- assure that the accounting system structure and use fulfill financial objectives of the organization;
- provide the basis for giving comprehensive financial advice to management (e.g., current or potential issues, trends, or financial implications involved in policy decisions);
- enhance the value of business data for managers;
- forecast the effect of proposed plans (e.g., future capital investments, operating costs, income, cash position) on overall financial condition, analyze alternatives and give advice or recommendations.

Once you make the initial decision of technical or professional then go to the specifications to figure out the proper level. Keep in mind that these are general statewide classes and you should not expect to find any specific position described in the class specification. Rather, the specification gives you information about the general type and nature of the work. If in this step, you have difficulty deciding the level, you may need to return to step one and review whether the position is technical or professional.

COMPLEXITY

Some of the level distinctions relate to the complexity of the work. While the specifications highlight some of the factors affecting complexity, the following is a more complete listing. **Use the complexity factors in concert with the class specifications.** Again, these are general specifications and do not reflect any single position. However, in making an allocation decision where complexity plays a role, you should specifically identify the factors and their degree of presence that leads you to the level you choose.

The following characteristics indicate increased complexity within the Accounting series. The degree to which they are present is an indication of greater complexity. Consider these characteristics in relation to the typical work of the position.

- Number and variety of funding sources and complexity of regulations governing the use of those funds (e.g., federal funds, dedicated funds, revenue from sales of goods or services, bond proceeds, etc.).
- Number of organizational units or cost centers and the degree of delegation or decentralization within the agency.
- Number and complexity of cost allocation methodologies, funding source restrictions and distribution patterns.
- Number of GAAP funds and type of GAAP funds (e.g., proprietary funds).

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

- Level, type and number of federal programs accounted for.
- Number of independent accounting systems with which to deal.
- Degree of involvement in financial system analysis, design, development and implementation and the complexity of the automated financial system (range of technology from mainframe to personal computer application).
- Responsibility for financial facets of agency programs requiring specialized high-level technical expertise (e.g., activities related to issuance of debt, complex cash flow forecasting, and complex cost allocation).
- Responsibility for all financial aspects in a small organization requiring a broad and general knowledge of all fiscal policies and procedures.
- Independent auditing, accounting and reporting to comply with statutory requirements.
- Degree of involvement in the analysis of state and federal regulations and development of related financial policies and procedures.

GLOSSARY

The glossary gives more general information. It defines common terms used in the accounting field. The definitions apply to the class specifications. Using these definitions when writing a position description will make allocation easier, more accurate and aid allocation consistency statewide. These standard definitions also will help managers with job design and communication with employees and personnel offices.

Account	The basic storage unit for data in accounting systems; consists of one for each asset, liability, and each component of equity, revenue, transfer and expense.
Accountability	Recognition and acceptance that one is answerable for whatever happens within a particular area of activity regardless of the cause. For example, the physical protection of assets, records, and computer files.
Accounting	The analyzing, recording, summarizing, evaluating and interpreting an organization's financial activities and status, and communicating the results.
Accounting System	The total structure of records and procedures that record, classify and report information on the financial position and operations of a government unit or any of its funds, balanced account groups, and organizational components.
Accounting Theory	See Generally Accepted Accounting Principles (GAAP). Professional accounting theory, when referenced in the class specifications, means GAAP.
Accounts Payable	A short-term liability account on the balance sheet reflecting amounts owing to private persons, agencies, firms or corporations for goods and services received.
Accounts Receivable	An asset account on the balance sheet showing amounts due from private or public persons or organizations for goods and services furnished. May be short- or long-term.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Accrual	The recognition of an expense or revenue that has arisen but has not yet been recorded.
Activity	A group of financial tasks, which have a common objective within a business. Examples include but are not limited to: accounts payable, accounts receivable, budget preparation and execution, cashiering, payroll, investment accounting, project accounting including contracts, grants and purchasing, bond and COP accounting, asset accounting, financial statements and trust accounting.
Adjusting Entry	Entry made to apply accrual and modified accrual accounting to transactions that span more than one accounting period.
Advances	Cash advanced by a state agency, which will remain a receivable until the cash has been returned or otherwise accounted for.
Agency Fund	A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds.
Aging Schedule	A schedule showing the breakdown of the accounts receivable type and amount according to the length of time each accounts receivable type is past due in 30 days intervals. For example, 30-60 days, 60-90 days, over 90 days.
Allocation	Indirect assignment of costs, usually in a manner that spreads costs arbitrarily across multiple benefiting programs or activities.
Allotment	A part of an appropriation or expenditure limitation that may be encumbered or expended during a given period, usually 3 months.
Allowance for Doubtful Accounts	Management's estimate of the amount of receivables that will be uncollectible. A contra-asset account that is credited with an estimated amount of uncollectible accounts receivables.
Amortization	Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts
Appropriation	A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended. In the State of Oregon, appropriation is the term used for the expenditure budget for the General Fund. In all other funds, the term limitation is used.
Approved Budget	Legislatively approved limitation or appropriation.
Assets	Financial representations of economic resources -- cash and future economic benefits -- the beneficial interest in which is legally or equitably secured to a particular enterprise as a result of a past transaction or event.
Audit	A systematic process of objectively collecting and evaluating evidence to formulate an independent, professional opinion about assertions made by management.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Audit Finding	In the context of financial audit, a weakness in internal controls or an instance of noncompliance with applicable laws or regulations that is presented in the audit report in conformity with Generally Accepted Governmental Auditing Standards.
Audit Reports	Any formalized audit or review report prepared by the Division of Audits.
Audit Resolution	The prompt review and correction of audit findings.
Audit Trail	The process of tracing financial transactions from the original source documents (cash receipt, invoice, disbursement check) through the approval process to all appropriate accounting records.
Benefit	A reduction in risk, a cost savings, or an improvement in efficiency or effectiveness.
Bond Indenture	A supplementary agreement to a bond issue that defines the rights, privileges, and limitations of bondholders.
Bookkeeping	The means by which transactions are recorded and records are kept; a process of accounting.
Budget Execution	The operational phase of an approved budget. Budget execution tasks include, but are not limited to, preparing and monitoring an expenditure and allotment plan, preparing Emergency Board and position reallocation requests.
Budget Preparation	The process of identifying, analyzing, forecasting and providing for agency program resource requirements through the State of Oregon budget process including narrative information supporting dollar requests.
Capital Projects Fund	A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, Special Assessment Funds, and Trust Funds).
Cash	Currency, coin, checks, warrants, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agency designated as custodian of cash and bank deposits.
Chart of Accounts	A list of accounts maintained by a specific enterprise.
Closing Entries	Journal entries made at the end of the accounting period that set the stage for the next accounting period by closing the expense, revenue and transfer accounts of the balances and transferring the net amount to retained earnings or fund balance; clearing entries.
Collections	The notification to individuals or organizations claiming amounts as due and owing and receiving payment.
Control Account	An account in the general ledger in which is recorded the aggregate of debit and credit postings to a number of related accounts called subsidiary accounts.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Control Structure	Policies and procedures established to provide reasonable assurance that assets are safeguarded and used for specific government objectives. This includes administrative controls and accounting controls.
Control Techniques	The ways control objectives are met, generally through written policies and procedures, organizational plans and physical arrangements.
Cost Accounting System	The system in an organization that provides for the collection and assignment of costs to intermediate and final cost objects.
Cost Allocation Base	A systematic means of relating a given cost or cost pool to a cost objective.
Cost Allocation Plan	The documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments or agencies. The costs of these services may be allocated or billed to users.
Debit Advice & Credit Advice	For transactions originating outside the agency, such as bank adjustments or federal letters of credit advices from the bank.
Debt Service Fund	A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Formerly called a Sinking Fund.
Dedicated Fund	A fund in the State Treasury that by law is dedicated, appropriated, or set aside for a limited object or purpose, but does not include a revolving fund or a trust fund.
Depreciation	Expiration of the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. It is the portion of the cost of the fixed asset, other than a wasting asset, that is charged as an expense during a particular period.
Direct Cost	Cost which can be traced to or identified as part of the cost of a specific product or service of a department or operating unit, as distinguished from overhead and other indirect costs, which must be prorated among several products or services, departments, or operating units.
Documentation	Recorded evidence supporting an event or transaction.
Drawdown	The act of asking and receiving payment of grant funds under a letter of credit. This reduces the available balance on the letter of credit, thus the expression "drawdown".
Employee Earnings Record	A record of earnings and withholdings for a single employee.
Encumbrances	Obligations or commitments related to unperformed contracts for goods or services in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation or limitation and for which a part of the appropriation (or limitation) is reserved. Encumbrances are used in governmental accounting to reflect commitments against appropriations and to ensure that an organization does not overspend.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Enterprise Fund	A proprietary fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
Estimated Revenues	The amount of revenues estimated in an agency's budget to be received or to become receivable during the biennium. This amount will not include beginning cash balances, ending cash balances, or appropriations.
Expendable Property	Items, which are not consumed in the normal course of agency operations, can be used more than once, have a useful life of less than two years or cost less than \$5,000.
Expendable Supplies	Items that are consumed in the normal course of agency operations such as food, clothing, stationery and other supplies which can normally be used only once and/or have a useful life of less than two years.
Expendable Trust Fund	A Trust Fund whose resources, including both principal and earnings, may be expended. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.
Expenditure Limitation	The maximum amount of expenditures authorized by the legislature from fees, moneys, or other revenues collected or received by an agency. An expenditure limitation is usually limited in amount and as to the time when it may be expended.
Federal Circulars	Policies, principles, standards, rules and regulations promulgated by the federal government including OMB Circulars A-21, A-87, A-128 and A-133.
Financial Statements	Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance sheet, an "all-inclusive" operating statement, a budget comparison statement (for all governmental funds for which annual appropriated budgets are adopted) and a statement of cash flows (for proprietary funds, and nonexpendable trust funds).
Fiscal Impact Statement	Documented assumptions and analysis of fiscal impact of proposed legislation on local or state government.
Fiscal Period	Any period at the end of which a government unit determines its financial position and the results of its operations.
Fiscal Year	A one-year period at the end of which a government unit determines its financial position and the results of its operations.
Fixed Assets	Assets of a long-term character that are intended to continue to be held or used, such as land, building, machinery, furniture, and other equipment.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Forecast	To calculate or predict some future event, condition or amount usually as a result of rational study and analysis of available pertinent data.
Fund	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
Fund Accounting	An accounting system organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon purposes for which they are to be spent and the means by which spending activities are controlled. Fund Accounting is used by states and local governments and by not-for-profit organizations that need to account for resources the use of which is restricted by donors or grantors.
Fund Balance	The excess of the assets of a governmental fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, at the end of the first year of the biennium, it represents the excess of the fund's assets and estimated revenues balances over its liabilities, reserves, and appropriation balances.
Fund Type	Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service and trust and agency.
Garnishment	Legal proceeding to directly attach funds owed to the debtor by a third party; such as, wages or a bank deposit, to satisfy a creditor's claim.
General Fixed Assets Account Group	A self-balancing group of accounts set up to account for the general fixed assets of a government.
General Fund	One of the seven fund types into which all funds are classified in governmental accounting. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. This term should not be confused with the term used in Oregon for the expenditure budget for the General Fund (See Appropriation) or the account with the same name in the State Treasury.
General Ledger	A record containing the accounts needed to reflect the financial position and results of operations of state government. In double-entry bookkeeping, the debits and credits of the general ledger are equal (i.e., the debit balances equal the credit balances).
General Long Term Debt Account Group	A self-balancing group of accounts set up to account for the unmatured general long-term debt of a government

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Generally Accepted Accounting Principles (GAAP)	Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB). The Oregon Department of Administrative Services interprets these principles for Oregon State government through its Oregon Accounting Manual (OAM).
Governmental Accounting Standards Board (GASB)	The independent agency established under the Financial Accounting Foundation in 1984 as the official body designed to set accounting and financial reporting standards for state and local governments.
Governmental Funds	A generic classification used by the Governmental Accounting Standards Board (GASB) to refer to all funds other than proprietary and fiduciary funds. The General Fund, special revenue funds, capital projects funds, and debt service funds are the types of funds referred to as "governmental funds".
Grant	A contribution or gift of cash or other assets to be used for a specific purpose, activity or facility. Grants restricted by the grantor for the acquisition or construction of a capital facility are "Capital Grants". All others are operating grants.
Imprest Fund	A fund of fixed amount used for making small expenditures that are most conveniently paid in cash.
Indirect Cost	Cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service or product. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. See Overhead.
Interim Financial Reports	Interim financial reports are comprised principally of statements that reflect current financial position at the end of a month or quarter and compare actual financial results with budgetary estimates and limitations, for the month or quarter and/or for the year-to-date.
Internal Auditing	An independent appraisal activity established within an agency as a service to the agency. It is a control, which functions by examining and evaluating the adequacy and effectiveness of other controls.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Internal Control	A plan for organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a single cycle of operations. Thus, for example, an employee handling cash would not post the accounts receivable records. Moreover, under such a system, the procedures to be followed are definitely laid down and require proper authorizations by designated officials for all actions to be taken.
Internal Control Structure	Consists of the policies and procedures established by management to provide reasonable assurance that: specified objectives are achieved and are consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; reliable data are obtained, maintained, and fairly disclosed in reports; and operations are efficient and effective.
Internal Service Fund	A proprietary fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.
Investments	Includes items such as Treasury bills, commercial paper, certificates of deposit, repurchase agreements, common stock, Treasury notes, and municipal and corporate bonds.
Journal	A book of original entry in which transactions are first recorded and from which transaction amounts are posted to the ledger accounts. A general journal is a journal in which are recorded all entries not recorded in special journals. "Book" as used in this definition may be either traditional paper and ink pages or comparable electronic pages in an automatic system.
Judgment	A court order ruling that the debtor is indebted to and must make payments to the creditor of specific amount.
Legislative Fiscal Office	The Legislative Fiscal Office of the Oregon State Legislature, which provides information and data on state programs for use in conducting legislative business. It serves the state Emergency Board to meet emergency fiscal needs between legislative sessions.
Legislative Testimony	Written or oral statements, which are presented to the legislature to provide information and possibly an agency's position regarding an issue or legislative bill.
Legislatively Adopted Budget	The budget for a state agency approved by the Legislature during the regular biennial session. This budget establishes maximum spending and staffing levels.
Letter of Credit	A notification sent by any federal agency to a U.S. Treasury Regional disbursing Office indicating a given amount of money that is available to a state agency and against which a state agency may draw down cash for deposit to its own account in the State Treasury.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Liabilities	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 as a result of past transactions or events.
Life-Cycle Costing	Accumulation of costs for activities that occur over the entire life cycle of a product, from inception to abandonment by the manufacturer and the consumer.
Limitation	In contrast to an appropriation, the term "limitation" is the maximum amount an agency can expend during a biennium from Other Funds.
Local Government	A city, county, school district, fire district, or other local government.
Maintain	To keep records or files or reports in an existing state but keeping information or data current. No changes to format, policies or procedures will occur.
Management Accounting Information	Identification, measurement, accumulation, analysis, preparation, interpretation, and communication of information that assists executives in fulfilling organizational objectives. Does not include information necessary to meet legal and accounting reporting requirements.
Non-expendable Property	Items which are not consumed in the normal course of agency operations, can normally be used more than once, have a useful life of more than two years and whose value is \$5,000 or more.
Non-expendable Trust Fund	A Trust Fund, the principal of which may not be expended. Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary funds.
Obligation	Amounts, which a governmental unit may be required legally to meet out of its resources.
Oregon Accounting Manual (OAM)	Manual published by the Department of Administrative Services establishing accounting standards, policies and practices for the State of Oregon agencies.
Overhead	Elements of cost necessary in the production of an article or the performance of a service, which are of such a nature, that the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditure, which do not become an integral part of the finished product or service; such as, rent, heat, light, supplies, management, and supervision. See Indirect Cost.
Payables	Liabilities incurred but not yet paid, for goods and services received by a governmental unit.
Payment Document	The document, which allows the payment of funds such as a voucher, warrant, check, or similar document.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Pension Trust Fund	A Trust Fund used to account for public employee retirement systems. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, but with an important expanded emphasis on required fund balance reserves.
Per Diem	A daily allowance, as for expenses.
Petty Cash	A sum of money set aside for the purpose of making change or paying small obligations for which the issuance of a formal voucher and check would be too expensive and time consuming. Sometimes called a petty cash fund, with the term fund here being used in the commercial sense of earmarked liquid assets.
Physical Inventory	Physical verification of all items listed on the inventory records.
Post-Audit	Review of a sample of claims already paid for compliance with policy and procedures.
Pre-Audit	Review of each claim before payment to assure its compliance with policy and procedures.
Prepaid Expenses	Expenses entered in the accounts for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operations.
Process	A series of actions or operations contributing to and leading to an end.
Proprietary Funds	Sometimes referred to as "income-determination", "nonexpendable", or "commercial-type", these funds are used to account for a government's on-going organizations and activities which are similar to those found in the private sector. These activities consist principally of providing services for a fee or selling a supply, material, or product to the public or another government agency.
Purchase Order	A document including a purchase request which authorizes the delivery of specified merchandise or the rendering of a certain service and the making of a charge for them.
Receipt	A document, written or electronic, acknowledging the receiving of goods or money.
Receivables	Amount owing to the state including accounts receivable, loans, notes receivable, and interest. Receivables can be due from private persons, firms, corporations, other agencies, employees, and the federal government.
Reconcile	To compare two or more historical financial records, identify differences, determine cause of differences and make appropriate correcting entries.
Record	To place information in a written document or in an automated system.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Research	Identification, collection and interpretation of information pertinent to the issue at hand.
Reserve	An account that records a portion of the fund equity that must be segregated for such future use and that is, therefore, not available for further appropriation or expenditure.
Retainage	An amount withheld from a contractor payment made by the agency on earned amounts. This is usually held until the completion and acceptance of a project as security to assure completion by the contractor.
Retained Earnings	The accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and which are not reserved for any specific purpose.
Review	To examine or study a document critically to determine whether it is accurate, complete and reasonable.
Revolving Fund	A fund established by law from which is paid the cost of goods or services furnished to or by a state agency, and which is replenished through charges made for such goods or services.
Risk	The possibility that an error or fraud will occur, or that management or legal compliance won't be met.
Risk Assessment	Reviewing vulnerability and weighing controls against cost, benefit, and efficiency.
Schedule	A statement of supplementary details appended to another document.
Self-Sustaining Accounts	Self-Sustaining cash accounts are self-supporting which means that agencies must collect and deposit cash in these accounts so as to have sufficient cash balance to process an expenditure.
Separation of Duties	Placing key duties with different people to detect errors and prevent wrongful acts; no single person should cross the three responsibilities of authorizing, recording, and maintaining custody.
Source Documents	Written evidence supporting and detailing transactions.
Special Payments	Includes budgeted payment for distributing contributions, loans, deposits, or collections; distributing federal or state funds to governmental subdivisions or quasi-public agencies; and other budgeted transfers and payments where goods and services are not received in return.
Special Revenue Fund	A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.
State Funds	Any funds held by the State Treasurer and disbursed to satisfy a claim, which includes federal funds, general funds, and other funds.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Statistical Tables	Statistical tables differ from financial statements because they usually cover more than two fiscal years and may present non-accounting data. Statistical tables reflect social and economic data, financial trends, and the fiscal capacity of the government.
Subrecipient	Any person, government, department, agency or establishment that receives federal financial assistance to carry out a federal program through a state or local government. It does not include beneficiaries of such programs.
Subsidiary Account	One of a group of related accounts that support in detail the debit and credit summaries recorded in a control account.
Subsidiary Ledger	A ledger separate from the general ledger; contains a group of related accounts the total balances of which equal the balance of a controlling account in the general ledger.
Timeliness	The qualitative characteristic of accounting information that reaches the user in time to help in making a decision.
Transaction	Physical (including electronic) documents associated with activities that impact information.
Transaction Code	A code that causes the system to process the information, to generate the necessary entries, and to direct the input information into the various records and reports.
Trial Balance	A listing of accounts in the general ledger with their debit or credit balances in respective columns and a totaling of the columns; used to test the equality of debit and credit balances in the ledger.
Trust and Agency Fund	One of seven generic fund types in governmental accounting. See specific Trust Funds and Agency Fund definitions.
Trust Funds	Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds. Also see Expendable Trust Fund, Non-expendable Trust Fund, and Pension Trust Fund.
Unallowable Costs	Costs that are not allowed to be charged to federal programs.
Uncollectible Accounts or Claims	Specific receivables that cannot be collected in whole or in part, either because the debtors cannot pay or because the creditor finds it impracticable to enforce payment.
Vendor	Any person, government, department, agency, or establishment, which delivers services to clients under the direction of the state government, nonprofit institution, or subrecipient.
Voucher	The document which when properly filled out and signed, authorizes the Oregon Department of Administrative Services to order payment of a claim through issuance of a warrant.

ALLOCATION GUIDES

TECHNICAL AND PROFESSIONAL ACCOUNTING CLASSES

Section 30

Working Capital	The portion of retained earnings that represents the cash operating requirements of the fund.
Write-Offs	Receivables that are determined to be uncollectible or worthless by management and have been removed from the agency's financial accounting records.