

Capital Budget**SCOPE**

The capital improvement program is a six-year plan specifying physical improvements recommended by the Planning Commission after reviewing the requests of City agency heads. The projects approved for the first year of the program comprise the capital budget portion of the Ordinance of Estimates.

TERMS

The following is a listing of frequently used terms with definitions specific to the capital budget.
AGENCY: An organization which is authorized by charter or the Mayor and City to operate in the best interest of the public.

APPROPRIATION: An authorization granted by City Ordinance to make expenditures and incur obligations for specific purposes.

CAPITAL IMPROVEMENT PROGRAM: A plan for appropriating funds by source to construct capital projects over a specified period of time. The Capital Improvement Program for Baltimore City covers a six-year period.

CAPITAL PROJECT: A physical betterment or improvement which by policy of the Board of Estimates must meet the following definition:

“ . . . any physical betterment or improvement and any preliminary studies and surveys and surveys relative thereto, including but not limited to, any property of a permanent nature and equipment needed in connection with or for such betterment or improvement when first erected or acquired, provided, however, that the terms “Capital Improvement” or “Capital Project” shall not be deemed to include the following:

- (a) Projects or improvements costing less than \$50,000;
- (b) Vehicular equipment;
- (c) Items of repair, maintenance or emergency nature costing less than \$100,000;
- (d) Bureau of Water and Waste Water items of repair, maintenance or emergency nature costing less than \$250,000.
- (e) Salaries other than those which are properly capitalized as a part of the project cost.

CAPITAL SUB-PROJECTS: Elements or phases of the capital process which fall within the

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AM-420-7

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Capital Budget

capital project categories.

FISCAL YEAR: The period from July 1 through June 30 is the time frame to which the budget applies for the City of Baltimore.

FUND: A sum of money segregated for specific activities. Use of this money requires adherence to special regulations established for each type of fund.

GRANT: A contribution made from either the private sector to the City or by one governmental unit to another unit. The contribution is usually made to support a specified function.

OBJECT OF EXPENDITURE: A group of like services or related articles for which payment must be rendered to fulfill performance of the program. The objects and sub-objects of expenditure are listed and described in AM-420-8.

REVENUE: Income generated by taxes, notes, bonds, investment income, land rental, user charges, or grants.

SUB-OBJECT OF EXPENDITURE: A sub-division of an object of expenditure in which groups of like services are identified as specific commodities.

RELATED POLICIES

[AM-420-6](#) Capital Budget Preparation

AM-420-8 Capital Budget Objects and Sub-Objects of Expenditure