

# Budget Outturn Summary

*Glossary*



### A

**Adjusted allocation** – Resources available for use by the services, corresponding to the initial budget allocation, deducted of freezing and corrected with any budget changes that have taken place.

**Assigned revenue** - revenue that, for exceptional circumstances, is specifically directed towards predetermined legal expenses.

**Autonomous Services and Funds** - Services endowed with administrative and financial autonomy, a regime that assumes an exceptional nature compared to the general rule (administrative autonomy). Excluding the cases where this arises from a constitutional imperative, this regime can only be attributed to services that meet all of certain requirements: Do not have nature and form of enterprise, public foundation or association; Where justified for the proper management (in particular the management of EU funds); and their own revenues reach a minimum of two thirds of total expenditure, excluding expenditure co-financed by the European Union.

(see Article 2 of Law no. Budgetary Framework and art. 6. of the Law on Public Accounting - Law No. 8 / 90, 20 February)

### B

**Budgetary outturns** – Set of operations that lead to the collection of expected income and to the payment of expenditure set out in the State budget.

**Budgetary programme** – Covers the costs related to a series of multiannual steps which contribute, in coordination, for the achievement of one or more specific objectives relating to one or more public policies (see Article 19 of the LEO).

**Budgetary balance** – Difference between the State Revenues and Expenditures.

### C

**Capital balance** - Difference between capital revenue and capital expenditure.

**Capital transfers** - Financial resources intended to finance capital expenditures of receival entities (see Economic Classifier [*Classificador Económico*]).

**Certain and permanent salaries** – Considered to be all remuneration paid as a the main compensation for workers in public functions, thus assuming a certain and permanent character.

**Consolidation differences** – For the purpose of the present publication, the process of "consolidation" is only performed in a cash flow perspective, being possible to identify the differences between each record of funds transferred between entities in expenditure and the corresponding revenue. These differences are identified in a separate line of the consolidated accounts.

In elaborating a consolidated account, the common value of transfers in revenue and expenditure is excluded, in order to avoid duplication of the respective values, indicating remaining part.

Until the end of the 2013 budgetary implementation, it was a common practise to add the consolidation differences to the "other current/capital revenue/expenditure" items, having this procedure been altered since the beginning of the 2014 budgetary implementation, namely by identifying these differences in a separate line, in order to not distort the real value of those revenue and expenditure items.

**Current balance** – Difference between current revenue and current expenditure.

**Current revenues**- Refers to revenues that are renewed in all financial periods.

**Current transfers** – Funds aimed at any organization or entity, to finance current expenditure, without implying, by the receival entities, any direct retribution to the donor organism (see Economic Classifier [*Classificador Económico*]).

### D

**Direct taxes** – Revenue from the taxation of capital and labour, capital gains and other income sources including those relating to the assets, e.g. IRS (*Income tax*), IRC (*Corporation tax*), Council Tax (see Economic Classifier [*Classificador Económico*]).

### E

**Employees** – all kinds of main remunerations, indemnities and compensation which, necessarily, require a nominally individualized processing, and which, transiently or permanently, are met by the Administration.

**European Regional Development Fund (ERDF)** - Structural Fund created by the European Commission and that contributes essentially to help the less developed regions, who are in the process of economic restructuring and those with structural problems.

**European Social Fund (ESF)** - Structural Fund that operates mainly within the European employment strategy.

**Execution rate** – Indicator, expressed as a percentage, which results from the ratio between the values executed in the period for a given item or aggregate of income or expense, and the corresponding value of the prediction or adjusted allocation, excluding freezings. This rate is measured by reference to amending budget.

**Expenditure safety pattern** - Indicator, measured as a percentage, that corrects the seasonality taking into account the distribution of intra-annual analysis of spending over the past four years. The considered values are those relating to the adjusted allocation.

**Effective expenditure**

**State** - Total sum of groupings of the economic classification of budget expenditure, excluding "capital transfers to the Public Debt Settlement Fund", "financial assets" and "financial liabilities";

**Remaining sub-sectors** - Total sum of groupings of the economic classification of budget expenditure, excluding "financial assets" and "financial liabilities";

**Effective revenue**

**State** – total sum of budgetary revenue's economic classification items, with the exception of "financial assets" and "financial liabilities" (see Economic Classifier [*Classificador Económico*]).

**Remaining sub-sectors** - Total sum of revenue, excluding "financial assets", "financial liabilities" and "balances from the previous exercise".

**F**

**Financial assets (revenue)** – Proceeds from the sale and redemption of securities, including bonds and shares or other forms of participation as well as those resulting from repayment of loans or grants (see Economic Classifier [*Classificador Económico*] of public revenues and expenditures).

**Financial assets (expenditure)** – Financial transactions either with the purchase of securities, including bonds, shares, quotas and other forms of participation, or with the granting of loans and advances or reimbursable subsidies (see Economic Classifier [*Classificador Económico*] of public revenues and expenditures).

**Financial liabilities (revenue)** - income from the emission of bonds and from loans contracted in the short and medium long term (see Economic Classifier [*Classificador Económico*]).

**Financial liabilities (expenditure)** - Financial transactions, including treasury and medium and long term, involving payments, whether resulting from repayment of loans, standardized or not, from the settlement of reimbursable advances or subsidies, or, even, execution of guarantees or warranties (see Economic Classifier [*Classificador Económico*]).

**Freezing** - retention of funds from the expenditure budget resulting in a reduction of usable allocation by the services and agencies as determined by the State budget law, by ordinance implementing the annual budget or by specific ordinance.

**G**

**General Government** - Universe that comprises the Central Administration (State subsector and autonomous services and funds), the Regional Administration (regional government agencies and autonomous services and funds), the Local Government (municipalities, districts and autonomous services and funds) and Social Security.

**I**

**Indirect taxes** – Are taxes on spending. Revenues which relate to the productive sector, focusing on the production, sale, purchase or use of goods and services, e.g. Value Added Tax (VAT), Special Vehicle Tax (IA), stamp duty (see Economic Classifier [*Classificador Económico*]).

**Item of economic classification** – category of public Revenue or expenses that has associated a given code and a classification by nature of its economic operation origin.

**N**

**National funding** – Group of funding sources with origin in several kinds of revenue: general; own, transfers between subsectors and debt (does not include revenues from EU funds).

**O**

**Other current expenditure** – Residual expenses in relation to the current expenditure, which can be split in sub-groupings depending on their nature, such as "contingency reserve fund", "taxes and fees" and so on.

**Own Revenue** – Collections made by services or agencies of the State resulting from its specific activity, from the administration and disposition of their assets and from any other law or contract by which they are entitled to, based on the discretionary power which they hold under their organic decrees.

**Overall balance** - Difference between effective revenue and effective expenditure.

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**P**

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**Purchase of current goods and services** - Expenditure on consumer goods (durable or not) and services, that may not be considered as in the same nature of capital expenditures, (see Economic Classifier [*Classificador Económico*] of public revenues and expenditures).

**Public accounting** - cash basis accounting - in which are considered cash collections and payments made in a given period.

**Primary current expenditure** - current expenditure excluding interest and other charges.

**Primary expenditure** - effective expenditure excluding interest and other charges.

**Primary balance** - Difference between effective revenue and primary expenditure

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**Q**

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**Quadro de Referência Estratégico Nacional (QREN ) (National strategic reference framework (NSRF)** - Strategy Paper for 2007-2013, which frames the implementation in Portugal of economic development policies, social and territorial cohesion through the structural and cohesion funds associated with the political cohesion of the European Union (see Portuguese Council of Ministers Resolution No. 86 / 2007 of June 28).

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**R**

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**Reclassified State Owned Enterprises** – Is a legal entity of public sector business that under the law and budgetary principles and criteria defined in the ESA - European System of National Accounts - are subject to reclassification and its accounts are relevant for the determination of aggregate public accounts. The list of EPR is released by INE under the National Account System/Excessive Deficit Procedure.

**Refunds not deducted in payments**– Represents inputs in the state treasury as a result of improper budgetary payments that occurred in previous years, or were not used by the entities who have received (see Economic Classifier [*Classificador Económico*]).

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**S**

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**State – (strict sense)** - Set of services with administrative autonomy. According to article No 2 of the Budgetary Framework Law (*Lei de Enquadramento Orçamental - LEO*). The State sub-sector corresponds to the set of "integrated services". The budget of expenditure of integrated services includes transfers to other subsectors of the General Government, which are processed by the various ministries.

**Subsidies** – Non-reimbursable financial flows from the State for public companies (subsidiaries or equivalent) and private companies for the financial stability and the guarantee, for the product of its activity, of price levels below their cost. It is also considered as "subsidies" the compensations originating from active employment policies and vocational training (see Economic Classifier [*Classificador Económico*]).

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**T**

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**Tax revenue** – Revenue from taxes, representing the funding that the public sector extracts coercively from the private sector, as a mean of contributing to the overall financing of the public activity.

**Temporary/special effects** - (relevant to text tables 3 and 13 and table 18 from Statistics Information) - Operations that affect the information comparability related to budget implementation which are excluded in order to clarify the reading and analysis. To this purpose, only the relevant operations are considered - those that exceed the 0.1% of revenue or expenditure (in euro) of the universe under analysis (central government and Social Security or Regional and Local Government). Effects that derive from a different intra-annual implementation pattern or those that will predictably maintain from that month onwards (regardless their amount magnanimity) are also not considered.

In addition to the transactions above mentioned, the operations relevant for the performance criteria evaluation of the EFAP are thoroughly considered (see note on "EFAP- criteria"), as well as the transactions that although having not reached this threshold, were excluded in last years' similar period analysis, in order to ensure comparability.

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**Y**

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**YOY Change Contribution** - contribute to the YOY (Year On Year) change rate, that corresponds to the contribution of each constituent part of a given aggregate for the annual variation of that aggregate, measured in percentage points.

**YOY (Year On Year) change rate** - Relative change (measured in percentage) of the value of the reporting year compared to the value in the same period of the previous year.