



Glossary

The following 'user friendly' definitions are based on more formal 'accountant' definitions found in the Glossary on the Treasury Board Secretariat (TBS) Website at www.tbs-sct.gc.ca/fin/fis-sif/. You will find, in parentheses, the equivalent French expressions.

Accountability (responsabilisation)

Responsibility for performance, including related costs and expectations.

Accrual Accounting (comptabilité d'exercice)

An accounting methodology whereby revenue is recognized when it is earned and expenses are recorded when they are incurred, without regard to the timing of cash receipts or payments.

Amortization (amortissement)

Commonly referred to as depreciation. Amortization is the allocation of the historical cost of a capital asset over its useful life.

Asset (actif)

Items of value owned by the Government having three essential characteristics:

- (i) they provide a future benefit
- (ii) the Government can control access to the benefit; and,
- (iii) the transaction (or event) giving rise to the Government's right to (or control of) the benefit has already occurred.

Capital Asset (immobilisation)

Capital Assets are identifiable assets (property, plant and equipment) that meet all of the following criteria:

- (i) are held for use in the production or supply of goods and services, or for rental to others, or for administrative purposes, or for the development, construction, maintenance or repair of other capital assets;
- (ii) have been acquired, constructed or developed with the intention of being used on a continuing basis; and,
- (iii) are not intended for sale in the ordinary course of business.

Expense vs Cost (charge vs coût)

Expense: The cost of resources consumed in departmental operations for a specified period.

Cost: The dollar measure of resources used or foregone to achieve a particular objective.

Financial Statement (états financiers)

A report containing financial or accounting information pertaining to a department or agency presented in an organized manner.

Examples include a Statement of Financial Position (Balance Sheet), Statement of Operations, Statement of Management Responsibility, Statement of Cash Flow, as well as schedules and notes.

Statement of Financial Position (état de la situation financière)

The Statement of Financial Position (Balance Sheet) reports on the departmental assets and liabilities at the end of the accounting period.

Statement of Operations (état des résultats de fonctionnement)

The Statement of Operations reports the revenues earned and the expenses incurred for a specific accounting period. The difference between the revenues and expenses is the net financial result of operations for that period.

Statement of Management Responsibility (énoncé de la responsabilité de la direction)

The Statement of Management Responsibility is signed by the Deputy Head and the Senior Financial Officer acknowledging their responsibility for the financial statements.

Statement of Cash Flow (état du flux de trésorerie)

The Statement of Cash Flow will show departmental cash flows. The statement focuses on the sources and uses of cash.

Generally Accepted Accounting Principles – GAAP (Principes comptables généralement acceptés – PCGR)

The application of rules, methods, procedures, general principles and standards in accounting for transactions. Government accounting policies are based on the recommendations of the Public Sector Accounting Board.

Liability (passif)

A financial obligation or debt (contract, agreement or legislation) as a result of a transaction that has occurred on or before the accounting date.

Materiality (importance relative)

A principle used in determining the relative importance of an item, an event, or a decision. For example: an omission, misstatement or error in a department's financial statements is material if there is a reasonable expectation that knowledge of it would influence the decisions of a user (client or manager).

Prepaid Expense (charge payée d'avance)

A service that is paid for before the benefit is received. For example: prepayment of a contract for maintenance services for a 12-month period. The maintenance fees are considered prepaid for the portion of services that have not yet been rendered.

Revenues (revenus)

Amounts earned in the course of operating activities, regardless of when receipt takes place.