

AAM 20. FUNDS

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AAM 20.010 Introduction to Funds

The term fund as used in this chapter and the financial system manual means 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.

Only those funds required by law and sound financial administration should be established. All public monies and revenues that come into the state treasury are credited to a fund established by law. Every appropriation is made from a fund.

For a complete list of all State of Alaska funds, refer to the online Comprehensive Annual Financial Report ([CAFR](#)) which is updated annually.

AAM 20.020 Managing the Statewide Fund Structure

The Department of Administration, Division of Finance, is responsible for creating and maintaining the fund structure. Because the funds are used for all cash balancing and other system accounting controls, funds should not be modified or deleted without careful analysis of fund activities. Agencies should contact the Division of Finance with requests for adding, changing, or deleting fund entities.

AAM 20.030 Setting Fund Sufficiency Controls

These controls define the basis for rejecting financial transactions, such as payments to vendors, which are in excess of the balance of liquid resources in the fund. For most funds, the sufficiency balance is cash with treasury less warrants

outstanding. Any deviation from this definition of the fund sufficiency calculation must be approved by the Department of Administration, Division of Finance.

AAM 20.040 Assigning Collocation Codes to Funds

There are two general categories of collocation codes: those assigned to appropriations and funds, and those assigned to funds only. Fund only collocation codes are used to record adjustments to the balance sheet accounts (assets, liabilities, equities) and unbudgeted revenues. Collocation codes are created under the guidance of the Department of Administration, Division of Finance, which also approves all change collocation code transactions.

AAM 20.050 Treasury Pools

The Treasury Pools represent an aggregate of the cash in all the individual finance funds' cash accounts. All funds that are not separately invested are pooled and invested in the general investment pool with interest being recorded in the general fund.

AAM 20.060 Finance Funds

Within the Finance fund group, the funds are organized according to the standards defined by the Governmental Accounting Standards Board (GASB). The fund types are governmental funds, proprietary funds, and fiduciary funds along with a fourth type of accounting entity, the account group.

AAM 20.070 Governmental Funds

A generic classification used by the 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." Governmental funds are said to be expendable; that is, resources are received and expended, with no expectation that they will be returned through user or departmental charges. Revenues and expenditures (not expenses) of governmental funds are recognized on the modified accrual basis of accounting.

AAM 20.080 General Fund

The general fund, including its related subfunds, accounts for all the government's expendable financial resources except those required to be accounted for in another fund. Subfunds of the general fund account for statutorily segregated activities which are consolidated with the general fund for financial reporting purposes.

AAM 20.090 Proprietary Funds

Sometimes referred to as "income determination," "nonexpendable," or "commercial-type" funds. They are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (enterprise and internal service funds). Revenues and expenses (not expenditures) are accounted for on the full accrual basis.

AAM 20.100 Fiduciary Funds

The trust and agency funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Each trust fund is classified for accounting measurement purposes like either a governmental fund or a proprietary fund. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds and pension trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.