

SECTION 13: FUND ACCOUNTING

Overview

INTRODUCTION

Section 13: Fund Accounting provides a general overview of accounting for the various funds managed by the state. In AKSAS there are many different ways to account for state monies that are collected and spent. Most agencies use the appropriation structure to record their authority to expend and receive funds, and they may use any of the other structures available to account for programs, projects, contracts, and grants. The fund structure is another structure within AKSAS that is used to account for expenditure and receipt authority.

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, residual equities or balances, and changes therein. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Within the fund structure, there are several different fund types including the General Fund and subfunds of the General Fund, Special Revenue Funds, Debit Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds, and Component Unit Funds.

Certain control mechanisms have evolved to ensure that the state's financial resources are used as intended. One mechanism is the budget. Another is the governmental fund structure. Some funds are created by law (statute), others by covenants, such as bond indentures or federal regulations, and still others by management decision to enhance financial administration. All public monies and revenues that come into the state treasury are credited to a fund.

The Division of Finance is responsible for creating and maintaining the fund structure. Funds are set up in AKSAS based on a review of pertinent legislation and agency requests for funds. Once a fund is established, the oversight agency is responsible for recording transactions to the fund and for maintaining the correct account balances for the fund. Agencies should contact the Division of Finance with requests for adding, changing, or deleting fund entities.

All funds of the state are associated with a Treasurer's Pool Fund. Treasurer's Pool Funds maintain the actual cash balance of the state, and are used to account for the state's cash and asset management activities. The balance of cash reported for the funds is cash held in trust in the Treasurer's Pool Fund, net of purchased warrants.

AUTHORITY

AS 37.05.150	Funds and Accounts
AAM 20.010-110	Funds - Fund Hierarchy

TERMINOLOGY

Capital Projects Funds - Accounts for general obligation bond proceeds and other financial resources appropriated to capital projects funds to be used for the acquisition, construction, or improvement of major capital facilities (other than those financed by the general fund, proprietary funds, and trust funds).

Debt Service Funds - Accounts for the accumulation of resources for, and the payment of, principal, interest, and related costs of general obligation bonds.

Enterprise Funds - Accounts for business-like state activities that provide goods and/or services to the public and are financed primarily through user charges.

SECTION 13: FUND ACCOUNTING, OVERVIEW

Fund - A self-balancing set of accounts used to manage the income and outflow of the state's resources. Funds are authorized by the legislature to account for particular activities according to the nature of the activity or the source of financing.

General Fixed Assets Account Group - Accounts for the land, buildings and improvements, and machines and equipment of the governmental funds.

General Fund - The operating fund of the state. All public monies and revenues coming into the state treasury, not specifically authorized by statute to be placed in a specific fund constitute the general fund.

Internal Service Funds - Accounts for the operations of state agencies that render services to other state agencies, institutions, or other governmental units on a cost-reimbursement basis.

Oversight Agency - The agency responsible for recording transactions to the fund and for maintaining the correct account balances for the fund.

Special Revenue Funds - Accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Treasurer's Pool Funds - Asset balance sheets used to account for and report cash and investment management activities of the state. Treasurer's Pool Funds are managed by the Department of Revenue, Treasury Division.

Trust and Agency Funds - Accounts for assets held by the state in a trustee capacity or as an agency for individuals, private organizations, or other funds.

REPORTS

Both online and hard copy fund balance reports are available. Online reports are available through AKSAS Management Reporting (RM). Hard copy reports are available through AKSAS Report Request Maintenance (RR) and GENEVA Reporting.

AKSAS Online Reports

RM - Management Reporting - Use to display a user-defined report of fund balances.

AKSAS Hard Copy Reports

Transaction Index Listing (B30001) - Provides a list of transactions processed in AKSAS. Specific RD codes and lower levels, transaction status, transaction codes, and/or source system ID may be specified in the report request.

Financial Transaction (FTP) Register (B30003) - Provides transaction detail for financial transactions processed in AKSAS. Report data is requested by specific RD codes and lower levels, transaction status, transaction codes, and/or source system ID. The report lists all financial line information for each transaction, including offsetting entries generated by AKSAS.

Balance Sheet (B51001) - Provides a balance sheet report for the funds specified.

Trial Balance (B52001) - Provides a trial balance report for the funds specified.

GENEVA Reporting

GENEVA may be used to create user-defined views of fund balances and related transactions. For more information, refer to *Accounting Procedures Manual, GENEVA Reporting*.