

Prepared by General Accounting and Loan Collection Office.
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A8.619

A8.600 Accounting

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A8.619 Fund Groups

1. Purpose

To explain what funds and fund groups of the University are, and how they are used in University financial reports.

2. Definition

A fund is a self balancing group of accounts -- assets, liabilities, revenues, and expenditures -- relating to specified sources of capital and revenue. A Fund Group is a group of funds which are combined and presented as a section in the financial reports.

3. Objective

Fund accounting is the classification of resources by purpose for accounting and reporting purposes. Classification may be in accordance with activities or objectives as specified by donors, in accordance with regulations, restrictions, or limitations imposed by sources outside the institution, or in accordance with directions issued by the governing board. Fund groups are used for college and university reporting purposes.

4. Guidelines

a. There are various sources of funds in use by the University.

- 1) General Funds are received from the State in the form of legislative appropriations for University operations.
- 2) Federal Funds are received for support of Agricultural Experiment Stations and Cooperative Extension Services, and Federal contracts and grants in support of research and training programs.

- 3) Special Funds are derived from wholly or partially self-supporting activities, such as University Auxiliary Enterprises, Information Technology Services and Outreach College.

Special funds also include funds that are appropriated by the Legislature for specific purposes.

- 4) Revolving Funds are used to account for the cost of goods and services rendered or furnished to or by a State agency and which is replenished through charges made of the goods and services or through transfers from other accounts or funds.
- 5) Trust Funds are used to account for designated persons or classes of persons who have a vested beneficial interest or equitable ownership or which is created or established by a gift, grant, contribution, devise, or bequest that limits that use of the fund to designated objects or purposes.
- 6) Agency Funds are used to account for monies held by a governmental unit in an agent capacity of individuals, private organizations and other governmental units or programs.
- 7) Bond Funds account for the proceeds of general obligation bonds issued by the State and revenue bonds issued by the University, which are earmarked for specific uses.

- b. For College and University reporting purposes, financial data are presented by fund groups as follows:
- 1) Accounts in the Current Funds Group consist of General, Federal, Special, Trust, and Agency funds which are used for general operation of the University.
 - 2) The Loan Fund Group is comprised of funds obtained by the University from Federal, State, and private sources. These funds are used for loans to students. Funds for short-term loans (which are repayable in one semester) are generally received from private organizations and individuals. Long-term loan funds are obtained from Federal and State sources.
 - 3) The Endowment Fund Group is made up of funds which are received from individuals and organizations. Such funds are invested, with resulting income generally being used for scholarships.
 - 4) The Plant Fund Group consists of funds to be used for acquisition of physical properties and equipment, funds set aside for renewals and replacements, funds accumulated for retirement of bonded indebtedness, and funds expended and thus invested in University properties and equipment.
 - 5) The Agency Fund Group of accounts are comprised of funds held by the University as custodian or fiscal agent for others.