

2011 UAS Budget Basics – Fund Groups

Fund Accounting is the budget system used at UA, as well as other public colleges, universities and other nonprofit organizations, particularly in government agencies. Because there is no profit motive, accountability is measured instead of profitability. The main purpose is custodianship of financial resources received and expended in compliance with legal requirements. The UA system further separates expenses and revenues into organization and program codes.

Funds are established to ensure accountability and expenditure for designated purposes. Revenues must be raised and expended in accordance with state statute, Board of Regents policies and procedures, and restrictions asserted by private funders. Budgets are adopted and recorded in the accounts of the related fund.

In fund accounting, it is standard practice to distinguish between an unrestricted (general and auxiliary) fund and funds that have been provided for a specific purpose, and most commonly referred to at UAS as restricted funds (grants, contracts).

The unrestricted fund provides the resources required to operate UAS on a day-by-day basis. Employee salary and benefits, travel, commodities, contractual service, and building maintenance are some of the expenses items that are then chargeable to the unrestricted fund.

By contrast, restricted funds are established to separately account for activities which make individual control procedures necessary or desirable.

The major fund groups used at UAS are:

General Fund (105010, 106310, 107110): unrestricted for the purpose of providing instruction, student services, institutional support, public service, operations and maintenance and financial aid.

Match Fund (14XXXX): The fund group that holds expenditures that have been proposed by UAS to support a specific project or program. Match funds must be associated with a specific grant award. Match funds are also referred to as cost share.

Auxiliary Fund (19XXXX): Separately accounts for the enterprise operations of the university -- housing, bookstore, food services. State appropriation cannot be allocated to this fund group.

Restricted Fund (28XXXX): restricted (or grant) funds for the purpose of separately account for a specific project or program that has been funded by an entity external to UA.