

Maximize

YOUR LEADERSHIP POTENTIAL



University of Florida Training and Organizational Development, Office of Human Resource Services

Financial Management

Introduction to Fund Accounting

As a manager it's important to understand the funding and budgeting model and be able to apply this knowledge to balance out competing demands for resources.

The Basics of Fund Accounting

- Used to track money into and out of the university
- Helps identify the source of funds and use of funds
- Emphasizes accountability and stewardship
- Recognizes that our funding comes from many different sources
- Type of fund determines spending control you have, the budget year used, and other rules and regulations associated with spending, tracking, and reporting

Important Terms to Know

Fund accounting -- an accounting system emphasizing stewardship and accountability rather than profitability

Fund -- a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations

funds -- this is a term used generally to denote moneys or available resources that are to be spent in support of UF and its activities (note the small "f")

Fund code -- a 3-digit number used in the myUFL system to denote the type of money you are spending. This code is how you can tell whether you are spending state funds, auxiliary funds, etc.

Where Does the Money Come From?

UF gets money from a variety of sources. Most of the funds received in support of UF and its activities can be categorized into four fund types—state appropriations, sponsored projects, component units, and auxiliary funds. Each of these fund types have different rules governing how the money can be spent.

Let's take a closer look at the four fund types:

Why it matters?

In order for you to be a good steward of the allocations and revenues that your unit receives, you should know some general information about how money can be spent at UF. Knowing your allowable expenditures can provide you, as the manager, with better information in order to make sound business decisions for your unit.

Fund Types	
<p style="text-align: center;">State Appropriations</p> <ul style="list-style-type: none"> <input type="checkbox"/> Money from the state’s general revenue fund (also known as E&G money, general revenue, state funds) <input type="checkbox"/> Tuition is part of this fund 	<p style="text-align: center;">Auxiliary</p> <ul style="list-style-type: none"> <input type="checkbox"/> Generate revenue by selling goods and services to customers <input type="checkbox"/> Self supporting entities <input type="checkbox"/> Ex. Reitz Union, Transportation and Parking
<p style="text-align: center;">Component Units</p> <ul style="list-style-type: none"> <input type="checkbox"/> Direct Support Units (DSO) or other affiliates <input type="checkbox"/> Organization that exists to benefit UF <input type="checkbox"/> Separate not-for-profit corporation <input type="checkbox"/> Get their funds from a variety of sources <input type="checkbox"/> Ex: UF Foundation, UF Research Foundation 	<p style="text-align: center;">Sponsored Projects</p> <ul style="list-style-type: none"> <input type="checkbox"/> Money awarded to UF faculty from federal and non-federal funding agencies typically in support of research activities <input type="checkbox"/> Contracts, grants, and cooperative agreements, in combination, are referred to as Sponsored Projects.

The University of Florida has a complex financial system. Although units often assign people to complete the day-to-day financial duties, it is important that managers understand the underlying concepts of the university’s financial system in order to effectively run their unit. To learn more, take *Finance for Managers*, available online through [e-learning](#).