

Funding



The Basics of 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.

Fund Accounting:

- Is 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

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.

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:

Fund Types	
State Appropriations <ul style="list-style-type: none">• Money from the state's general revenue fund (also known as E&G money, general revenue, state funds)• Tuition is part of this fund	Auxiliary <ul style="list-style-type: none">• Generate revenue by selling goods and services to customers.• Self-supporting entities• Ex. Reitz Union, Transportation and Parking
Component Units <ul style="list-style-type: none">• Direct Support Units (DSO) or other affiliates• Organization that exists to benefit UF.• Separate not-for-profit corporation• Get their funds from a variety of sources.• Ex: UF Foundation, UF Research Foundation	Sponsored Projects <ul style="list-style-type: none">• Money awarded to UF faculty from federal and non-federal funding agencies typically in support of research activities.• 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 [PRO302 The Color of Money: A Guide to how Moneys may be Spent at UF](#).