



# Fund Accounting Basics

*A Primer for the Southwestern Community College District  
Board of Trustees  
(There is no narration included with this presentation)*

# Student Learning Outcomes

- Be able to access the BAM on-line
- Understand the difference between Fund Accounting and Private, for-profit accounting
- Understand the following terms
  - Fund
  - Program (Cost Center at SCCD)
  - Activity (AKA "TOP Code")
  - Object

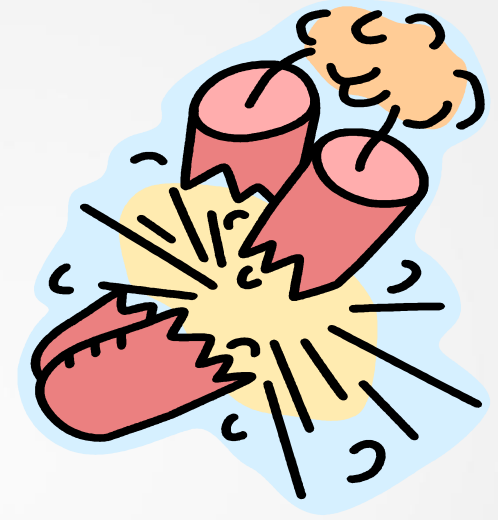


# Student Learning Outcomes - 2

- Know the Object descriptions for
  - 1000
  - 2000
  - 3000
  - 4000
  - 5000
  - 6000



# BAM



- BUDGET AND ACCOUNTING MANUAL
  - Issued for California Community Colleges in accordance to the Calif. Code of Regulations (CCR)
  - The bible concerning how a California Community College must account for all funds over which it has a fiduciary responsibility
  - Fund Accounting

# BAM On-line



- <http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalStandards/BudgetandAccountingManual.aspx>

# Accounting Overview

- Fund Accounting
- Fund Structure
- Sources of Revenue
- Expense Categories



# Fund Accounting

- Governmental agencies operate on a fund accounting basis.
- Each fund is a self balancing set of accounts.
- Fund accounting is used as a control device to separate financial resources to insure funds are used for their intended purposes.

# Fund Accounting Basics

- Fund                                      Entity
- Program                                 Source/Cost Center
- Activity (TOPs)                        the Where
- Object                                     the What

*Handout – SCCD Chart of Accounts*



# Fund Structure

- 10 General Fund (11 Unrestricted; 12 Restricted)
- 20 Debt Service Funds
- 30 Special Revenue Funds
- 40 Capital Projects
- 50 Enterprise Funds
- 60 Internal Service Funds
- 70 Trust Funds
- 80 Agency Funds

# Program Cost Center at SCCD

- Examples
  - DSP&S
  - EOP&S
  - Matriculation
  - General (usually 100)

# Activity Codes (the “Where”)

- 0100 – 5900 Instructional
  - Examples: English, biology, chemistry
- 6000 – 7900 Administration & Support
  - Examples: counseling, admissions, business and administrative services, financial aid, president’s office
- Chapter 4 of the BAM

# Object Codes (the “What”)

- What is being purchased
- Examples
  - Salaries
  - Benefits
  - Tangible small stuff like supplies, printing
  - Intangibles likes service contracts, audits, utility services
  - Tangible big stuff, capital construction and FF&E
  - Revenue

# Expense Categories – Employee Costs

- 1000 Academic Salaries
- 2000 Classified & Other Non-academic Salaries
- 3000 Employee Benefits



# Expense Categories – Not Employees

- 4000 Supplies and Materials
  - Consumable – if it breaks - throw away
- 5000 Other Operating Expenses & Services
  - Intangibles
- 6000 Capital Outlay
  - Long Term – if it breaks - fix it
- 7000 Other Outlay

# Sources of Revenues

- 8100 Federal Revenues
  - 8600 State Revenues
  - 8800 Local Revenues
  - 8900 Other Financing Sources
- 
- Chapter 3 of the BAM



# SCCD Account String Components

FUND	COST CENTER	ACTIVITY	OBJECT (Leading "5")	LOCATION	DESCRIPTION
11	807000	677000	55620	10	BOY
12	902509	632000	55630	10	c/o SSP\$394K



So, What Do The Accounts Tell You?  
What Are Your Go-To Resources?

The **BAM**  
*and*  
SCCD Chart of Accounts

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  - Activity (AKA "TOP Code")
  - Object



# Student Learning Outcomes - 2

- Now, can you fill-in the descriptions for the following major object codes?

- 1000
- 2000
- 3000
- 4000
- 5000
- 6000



- If in doubt, look in the **BAM** or **SCCD Chart of Accounts**



# THE END

*Thanks to Wayne Yanda and Janell Ruiz for their help!*