



## General Accounting Policy

**Accounting Policy:** Accounting for Financial Transactions  
**Effective Date:** 05/01/2009

**OBJECTIVE:** The primary purpose of the accounting system is to account for financial transactions in accordance with objectives established by the Trustees, management, donors, government agencies or others.

**POLICY:**

The Financial Accounting System (FAS) will be maintained in accordance with the principles of fund accounting.

Unrestricted resources expendable for any purpose will be accounted for in the Current Unrestricted Fund.

Resources which are restricted for specific operating purposes by outside donors/agencies will be accounted for as Current Restricted Funds, i.e., income from Endowment Funds, Gifts, Grants and Contracts.

True or Term endowment principal and endowment designated by the Trustees to function as endowment will be accounted for as Endowment and Similar Funds. Any income derived from restricted endowment will be accounted for as Current Restricted Funds Endowment Income. Any income derived from unrestricted endowment funds will be accounted for as Current Unrestricted Funds Endowment Income.

Resources acquired by the University subject to agreements that the University pay a stipulated amount to designated individuals will be accounted for as Annuity Funds.

Resources contributed to the University subject to the requirement that the University periodically pay the income earned on the assets to designated beneficiaries will be accounted for as Trust Funds

Resources for loans to students and others will be accounted for as Loan Funds.

Resources reserved or designated for use for the construction or acquisition of plant assets, debt service requirements, or the renewal or replacement of plant assets will be accounted for as Unexpended Plant Funds.

Plant assets and related debt will be accounted for in the Invested in the Plant Fund

Resources held by the University as custodian or fiscal agent for others will be accounted for as Agency Funds.