



Fund Accounting 101

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources. It also contains all related liabilities and residual equities or balances or changes therein. Funds are established to carry on specific activities or attain certain objectives according to special legislation, regulations or other restrictions.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is the primary fund of the District, and is where the operating revenue and expenditures of the District are budgeted and recorded.

Capital Reserve Fund

Authorized by Municipal Code P.L. 145, Act of April 30, 1943, also known as Purdon's 53 § 1431, the Capital Reserve Fund accounts for (1) monies transferred during any fiscal year from Appropriations made for any particular purpose which may not be needed, (2) surplus monies in the General Fund at the end of any fiscal year, and (3) interest earnings of the fund itself.

Expenditures from this fund are limited to: capital improvements, replacement of and additions to public works and improvements, for deferred maintenance thereof, for the purchase or the replacement of school buses, and for no other purpose.

Capital Projects Fund

The Capital Projects Fund is utilized to report the total of all capital project activity not specifically associated with the Capital Reserve Fund. Bond proceeds and associated expenditures are typically recorded in the Capital Projects Fund.

Debt Service Fund

A Debt Service Fund may be used by Pennsylvania school districts to account for resources accumulated to provide for payment of general long-term debt principal and interest. The Pennsylvania Local Government Unit Debt Act authorizes Pennsylvania public schools to maintain this fund. Centennial School District established this fund for the very specific purpose of leveling debt service payments in the General Fund.

Food Service Fund

This fund, authorized under Section 504 of the Public School Code of 1949 accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is self-supporting, receiving no aid from the General Fund in its operating budget.

This fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation and indirect cost) of providing goods or services on a continuing basis be financed or recovered primarily through fees and user charges rather than taxes or similar revenues.