



ADMINISTRATIVE OFFICE OF THE COURTS

FINANCE DIVISION

TRIAL COURT FINANCIAL POLICIES AND PROCEDURES MANUAL 7th EDITION

Policy No., FIN 3.01, Fund Accounting

EXECUTIVE SUMMARY OF UPDATE

POLICY ISSUE(S)

Revisions; transfer subject matter from another procedure to this one, acknowledge Governmental Accounting Standards Board (GASB) additions to their accounting principles, remove out-dated references to the Government Code, and change some wording to clarify the concepts being presented.

Significant Revisions

1. Because the information presented in Section 6.2 Basis of Accounting is more appropriately presented in this procedure, it was moved from Policy No., FIN 5.01 Accounting Principles. For more clarity an explanation of the accrual basis of accounting was added to this section so that both the modified and accrual basis can be compared.
2. Changes were made to the *Classification of Fund Types Available to Government Agencies* table. 1) GASB Statement No. 34 added two new fund types and those funds were added to the table; Permanent Funds and Pension Trust Funds. 2) Trust and Agency Funds were split to provide a clarification of the difference between the two, according to Generally Accepted Accounting Principles (GAAP). 3) The table was also changed to define when an Internal Service Fund can be used, which was not allowed in the prior edition. This was done in response to a demonstrated need of the trial courts. 4) The final change to the table was the addition of the "Basis of Accounting" column for easier recognition of when the accrual or modified accrual basis is to be used according to GAAP.

3. Changes were made in section 6.3 Trial Court Operations Fund to eliminate old Government Code 77009 wording that made reference to the county having to establish a Trial Court Operations Fund in their treasury.
4. Clarification language was added to section 6.4 Special Revenue Funds to assist the reader on when to use this type of fund according to GAAP.