

OREGON ACCOUNTING MANUAL	
Subject: Accounting and Financial Reporting	Number: 05.20.00.PR
Division: State Controller's Division	Effective date: February 12, 2008
Chapter: Relational Statewide Accounting and Reporting System (R*STARS)	
Part: Fund and Appropriation Structure	
Section:	
Approved: John Radford, State Controller	Signature on file at SCD

Establishing a Fund Structure in R*STARS

- .101 Funds are established in **R*STARS** by completing a Fund Profile (D23) form and submitting it to **SFMS** Operations for approval. The fund profile form requires source of funding, appropriation number, GAAP fund and appropriated fund, and other information.
- .102 Fund profiles are approved and established in R*STARS by SFMS Operations. SFMS Operations will send the Fund Profile forms to **SARS** for approval of the GAAP fund.

GAAP Funds

- .103 GAAP funds allow the preparation of financial statements in accordance with **generally accepted accounting principles (GAAP)**.
- .104 **Governmental funds** are the GAAP funds in which the State accounts for governmental activities, many of which are tax-supported. The governmental fund types are the **General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds**. Governmental funds use the current financial resources **measurement focus** and the modified accrual **basis of accounting**.
- .105 In Oregon, debt service and capital projects that are financed with general fund appropriations are reported in the General Fund rather than in debt service or capital projects funds.
- .106 **Proprietary funds** are the GAAP funds in which the State reports its activities that are similar to those in a private sector operation. The fund types reported in this group are the **enterprise funds** and the **internal service funds**. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting.
- .107 Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. GAAP require that activities be reported as enterprise funds if any of the following criteria is met:
 - a. The activity is financed with debt that is secured solely by a pledge of the net revenue from fees and charges of the activity.
 - b. Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
 - c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

- .108 **Fiduciary funds** are the GAAP funds in which the State reports resources that are being held in a fiduciary capacity as an agent or trustee. The fund types reported in this group are **pension and other employee benefit trust funds, investment trust funds, private purpose trust funds,** and **agency funds**. Fiduciary funds use the accrual basis of accounting and the economic resources measurement focus, except for agency funds which have no measurement focus.
- .109 The **government-wide reporting fund** is used to account for long-term assets, long-term liabilities, and accrual transactions for governmental funds, so that those transactions can be included in reporting for the government-wide financial statements. This fund is used to convert governmental fund activities from the current financial resources measurement focus and modified accrual basis of accounting to the economic resources measurement focus and full accrual basis of accounting.
- .110 A table listing the GAAP funds currently available for use in R*STARS, along with their descriptions, follows this procedure.

Appropriations

- .111 The appropriation structure is used to monitor budgets for the legislature and agencies. The basic unit in the appropriation structure is the five-digit appropriation number. The appropriation number represents a line item in an approved appropriation or limitation bill. The appropriation is the legal level of budgetary control in Oregon.
- .112 The Budget and Management Division of **DAS** maintains the appropriation number profiles in R*STARS. The numbering convention for appropriations is:
 - 3xxxx Other Funds and Non-limited Other Funds
 - 4xxxx Lottery Funds
 - 6xxxx Federal Funds and Non-limited Federal Funds
 - 7xxxx General Fund Revenue
 - 8xxxx General Fund Appropriations
- .113 The Budgetary Statement of Legal Compliance (BSLC) is prepared by SARS each year in conjunction with preparation of the **Comprehensive Annual Financial Report (CAFR)**. The BSLC is required to show budgetary compliance at the legal level of control. The BSLC compares budgeted and actual expenditures by appropriation number.

Appropriated Funds

- .114 The appropriation number profile in R*STARS is tied to an appropriated fund. Appropriated funds reflect activities by funding source: general fund, federal funds, lottery funds, and other funds. A table listing the appropriated funds in R*STARS follows the GAAP fund table.
- .115 Separate appropriated funds are used to account for capital improvements. Capital improvements are expenditures that increase the value of capital property, extend its useful life, or make it adaptable to a different use. Capital improvements are budgeted at less than \$500,000. Amounts in excess of that are considered capital construction.
- .116 Capital construction is accounted for in separate appropriated funds. Capital construction includes expenditures for the construction of new buildings or for additions to existing buildings budgeted at \$500,000 or more.
- .117 Debt service is accounted for in separate appropriated funds. Debt service includes expenditures for principal and interest on bonds and certificates of participation.
- .118 The budgetary comparison schedule included in the annual CAFR is prepared by appropriated fund and presented by funding source. Only those appropriated funds that are subject to appropriation or limitation by the legislature are included in the schedule.

Table of GAAP Funds

General Fund

0001 General Fund This fund accounts for general fund revenue and activities funded by general fund appropriations, including debt service and capital projects funded by general fund appropriation.

Special Revenue Funds

1101 Agricultural Resources Fund This fund accounts for programs related to the promotion, inspection, and regulation of the State's agricultural industry.

1102 Business Development Fund This fund accounts for programs that expand existing businesses and attract or promote new businesses.

1103 Community Protection Fund This fund accounts for activities that help to ensure the safety of the State's citizens and their property through the courts, police, military, and correctional facilities.

1104 Consumer Protection Fund This fund accounts for programs that regulate existing businesses and license various professionals and organizations.

1105 Educational Support Fund This fund accounts for programs related to providing students the opportunity to develop their academic abilities to the fullest from early childhood into postgraduate research, not including activities accounted for in the Common School Fund.

1106 Employment Services Fund This fund accounts for programs that provide workers with a safe and secure workplace.

1107 Environmental Management Fund This fund accounts for programs that promote, protect and preserve the State's forests, parks, wildlife, fish, and waterways.

1108 Health and Social Services Fund This fund accounts for programs that provide assistance, services, training, and health care to individuals and families who do not have sufficient resources to meet their basic needs.

1109 Nutritional Support Fund This fund accounts for programs to improve the diets of low-income households and school children.

1110 Other Special Revenue Fund This fund is used for programs that do not match any of the other special revenue fund definitions.

1111 Public Transportation Fund This fund accounts for the planning, design, construction and maintenance of highways, roads, bridges and public systems relating to air, water, rail, and highway transportation.

1112 Residential Assistance Fund This fund accounts for programs that help to meet the housing and energy needs of low-income Oregonians.

1113 Common School Fund This fund accounts for programs to manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Estate funds that become the property of the State, unclaimed property, and income derived from unclaimed property are also accounted for in this fund. Constitutionally dedicated assets of the Common School Fund represent a trust created to support the State's public school system.

1114 Oregon Rainy Day Fund This fund accounts for resources that have been transferred from the General Fund in accordance with state law. These resources, along with investment income generated, can be appropriated by the Legislature only when certain criteria related to economic or revenue conditions have been met.

Debt Service Funds

2001 Revenue Bond Fund This fund accounts for the accumulation of resources for payment of debt service on revenue bonds not reported in the proprietary funds.

2002 Certificates of Participation Fund This fund accounts for the accumulation of resources for payment of debt service on certificates of participation not reported in the proprietary funds.

2003 General Obligation Bond Fund This fund accounts for the accumulation of resources for the payment of debt service on general obligation bonds not reported in the general fund or proprietary funds.

2005 General Appropriation Bond Fund This fund accounts for the accumulation of resources for the payment of debt service on general appropriation bonds not reported in the general fund or proprietary funds.

Capital Projects Funds

3001 Capital Projects Fund This fund accounts for financial resources, other than general funds, segregated for the construction or acquisition of major capital facilities.

Enterprise Funds

4001 Housing and Community Services Fund This fund accounts for activities to finance multi-family housing construction and home mortgages for low-income families and other programs such as the moderate-income elderly and disabled housing finance program, the single-family loan program, and the community development corporation program.

4002 Veterans' Loan Fund This fund accounts for activities to finance owner-occupied, single family residential housing for eligible Oregon veterans.

4003 Energy Loan Fund This fund accounts for activities to provide low interest loans for renewable energy resource and energy conservation projects.

4004 Water Resources Fund This fund accounts for activities to provide low interest loans for irrigation, drainage, and water systems projects for small municipalities.

4005 Business Development Fund This fund accounts for resources used to finance land, buildings, machinery, and permanent working capital for eligible activities including those determined to diversify an economic base.

4006 Special Public Works Fund This fund accounts for loans and grants to local governments for construction of infrastructure required to support needed public services.

4007 State Hospitals Fund This fund accounts for the operations of state hospitals and state operated residential group homes that provide treatment services for specific citizens as well as training and care for developmentally disabled persons.

4008 Lottery Operations Fund This fund accounts for the operation of the Oregon State Lottery.

4009	Liquor Control Fund	This fund accounts for the operation of the Oregon Liquor Control Commission that regulates the sale and use of alcoholic beverages and promotes responsible alcohol use.
4013	Other Enterprise Funds	This fund is used to account for the sales of goods and services to the public not specifically accounted for in another enterprise fund.
4014	Veterans' Home Fund	This fund accounts for the activities of the Oregon Veterans' Home, which provides skilled nursing and Alzheimer's disease care to some of Oregon's most vulnerable veterans.
4015	Unemployment Compensation Fund	This fund accounts for federal moneys and unemployment assessments collected from employers to provide payment of benefits to the unemployed.
4016	University System Fund	This fund accounts for the operations of the State's institutions of higher education.
4017	Water Fund	This fund accounts for loans and grants to municipalities to improve compliance with federal and Oregon water quality standards.

Internal Service Funds

5001	Central Services Fund	This fund accounts for services provided to state agencies such as accounting, budgeting, personnel, mail and shuttle, purchasing, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund.
5002	Legal Services Fund	This fund accounts for activities of the Attorney General's office to represent and advise the State's elected and appointed officials, agencies, boards, and commissions.
5003	Banking Services Fund	This fund accounts for activities of the Oregon State Treasury to provide banking, investment, and debt management services to state agencies.
5004	Audit Services Fund	This fund accounts for activities of the Secretary of State Audits Division to provide independent auditing services to state agencies.
5005	Forestry Services Fund	This fund accounts for activities of the Department of Forestry to operate an equipment and maintenance pool that provides transportation, heavy equipment, and aircraft support for operating programs and other state agencies.
5007	Other Internal Service Funds	This fund accounts for the sale of goods and services to other state funds or agencies through activities not specifically accounted for in another internal service fund.

Pension and Other Employee Benefit Trust Funds

6100	Public Employees Defined Benefit Pension Plan Fund	This fund accounts for the activities of the defined benefit retirement plan for units of state government, political subdivisions, community colleges, and school districts. The activity includes the defined benefit portion of the Oregon Public Service Retirement Plan (OPSRP). This fund is administered by the Public Employees Retirement System (PERS) under Internal Revenue Code Section 401(a).
6102	Deferred Compensation Plan Fund	This fund accounts for the Internal Revenue Code Section 457 deferred compensation plan offered to employees of the State which is administered by PERS.

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| 6103 | Individual Account Program
Defined Contribution Pension
Plan Fund | This fund accounts for the activities of the defined contribution portion of the Oregon Public Service Retirement Plan (OPSRP) which is administered by the Public Employees Retirement System (PERS). Beginning January 1, 2004, PERS member contributions, account earnings and losses, as well as administrative costs of the plan are reflected in this fund. |
| 6105 | Retirement Health Insurance
Account (RHIA) OPEB Plan
Fund | This fund accounts for the activities of the RHIA cost-sharing multiple-employer Other Postemployment Benefit (OPEB) plan administered by PERS for units of state government, political subdivisions, community colleges, and school districts. The RHIA is a defined benefit OPEB plan established pursuant to section 401(h) of the Internal Revenue Code. The plan authorizes a payment of up to \$60 towards the monthly cost of health insurance for eligible PERS members participating in PERS-sponsored health insurance plans. |
| 6106 | Retiree Health Insurance
Premium Account (RHIPA)
OPEB Plan Fund | This fund accounts for the activities of the RHIPA single-employer OPEB plan administered by PERS. The RHIPA is a defined benefit OPEB plan established pursuant to section 401(h) of the Internal Revenue Code. The plan authorizes payment to eligible retired state employees of the average difference between the health insurance premiums paid by retirees, under contracts entered into by the PERS Board, and health insurance premiums paid by state employees who are not retired. |
| 6107 | Standard Retiree Health
Insurance Account Fund | This fund accounts for the collection of health insurance premiums from retirees and the payment of health insurance coverage and administrative costs for units of state government, political subdivisions, community colleges, and school districts that participate in PERS-sponsored health insurance plans. Retirees pay the full amount of the premiums, which are established at age-adjusted, experience-rated amounts. |

Agency Funds

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| 6405 | Custodial Agency Funds | This fund accounts for resources being held in an agent or custodial capacity for other governments or entities outside of the State. It includes the Public Employees' Benefit Board Other Postemployment Benefit (OPEB) Plan, which is not administered as a trust. It includes all agency funds except those used to hold resources for other funds or other agencies within the State. |
| 6406 | Clearing Agency Funds | This fund accounts for balances intended for other funds or other agencies. It is cleared for year end reporting. |

Investment Trust Fund

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| 6501 | Investment Trust Fund | This fund is used to report the local government portion of the investment pool managed by the Office of the State Treasurer. |
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Private Purpose Trust Funds

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| 7002 | Private Purpose Trust Funds | This fund accounts for all private purpose trust funds. Private purpose trust funds are used to report trust arrangements under which principal or income benefit specific individuals, private organizations, or other governments. The assets of private purpose trust funds are not owned by the State of Oregon. |
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Permanent Funds

7505 Permanent Funds

This fund accounts for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the State's programs.

Government-Wide Reporting Fund

8500 Government-Wide Reporting
Fund

This fund accounts for the long-term accounts and transactions associated with governmental funds and is used to convert the governmental funds to a full accrual basis for reporting in the government-wide financial statements.

Table of Appropriated Funds

3010	Other Funds Capital Improvements	This fund accounts for capital improvements funded with other funds.
3020	Other Funds Capital Construction	This fund accounts for capital construction funded with other funds.
3200	Other Funds Non-limited	This fund accounts for expenditures made with other funds that are not subject to expenditure limitation by the legislature.
3230	Other Funds Debt Service Non-limited	This fund accounts for the use of other funds to pay principal, interest and other debt service that is not subject to legislative limitation.
3400	Other Funds Limited	This fund accounts for all expenditures funded by other funds that are subject to legislative limitation except for capital improvements, capital construction, and debt service.
3430	Other Funds Debt Service Limited	This fund accounts for the use of other funds to pay principal, interest, and other debt service that is subject to legislative limitation.
3600	Other Funds Non-budgeted	This fund accounts for expenditures made with other funds that are not included in the budget process.
4010	Lottery Funds Capital Improvements	This fund accounts for capital improvements funded with lottery moneys.
4020	Lottery Funds Capital Construction	This fund accounts for capital construction funded with lottery moneys.
4400	Lottery Funds Limited	This fund accounts for all expenditures funded by lottery moneys except for capital improvements, capital construction, and debt service.
4430	Lottery Funds Debt Service Limited	This fund accounts for the use of lottery moneys to pay principal, interest, and other debt service.
6010	Federal Funds Capital Improvements	This fund accounts for capital improvements funded with federal funds.
6020	Federal Funds Capital Construction	This fund accounts for capital construction funded with federal funds.
6200	Federal Funds Non-limited	This fund accounts for expenditures of federal funds that are not subject to legislative limitation.
6400	Federal Funds Limited	This fund accounts for all expenditures of federal funds except capital improvements and construction that are subject to legislative limitation.
6430	Federal Funds Debt Service Limited	This fund accounts for the payment of debt service with federal funds.
6600	Federal Funds Non-budgeted	This fund accounts for expenditures of federal funds that are not included in the budget process.
8000	General Fund	This fund accounts for all expenditures funded by general fund appropriation except capital improvements, capital construction, and debt service.

8010	General Fund Capital Improvements	This fund accounts for capital improvements funded by general fund appropriations.
8020	General Fund Capital Construction	This fund accounts for capital construction funded by general fund appropriation.
8030	General Fund Debt Service	This fund accounts for payments of principal, interest, and other debt service with general fund appropriations.
8800	General Fund Revenue	This fund accounts for all general fund revenue received by the State.
9998	Government-Wide Reporting Fund	This is the appropriated fund used in conjunction with GAAP fund 8500, Government-Wide Reporting Fund.