

## SAM – CLASSIFICATION OF FUNDS

### FUNDS OF THE STATE-GENERAL

7400

(Revised 6/2014)

In state government finance and accounting, a fund is defined as a legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its revenue and expenditures. The state's funds are classified by type on both a legal/budgetary basis and a generally accepted accounting principles (GAAP) basis. The classification basis includes category types shown below:

#### Legal/Budgetary Basis

Governmental Cost Fund  
Nongovernmental Cost Fund

#### GAAP Basis

Governmental Fund  
Proprietary Fund  
Fiduciary Fund

The classification assigned to each fund is located in the Uniform Codes Manual ([UCM](#)) and the Manual of State Funds. The UCM provides listings of funds alphabetically, numerically, and by classification. The Manual of State Funds provides a detailed description of each fund. Both resources are maintained by the Department of Finance ([Finance](#)), Fiscal Systems and Consulting Unit ([FSCU](#)) and can be found on Finance's Accounting home page at <http://www.dof.ca.gov/accounting>.

This structure affects a fund's basis of accounting, general ledger accounts, and year-end financial reports. Departments should carefully review the general ledger account descriptions, use, and prohibitions contained in SAM sections [7620-7680](#) and [10401-10475](#).