

**51-5-4 Funds established -- Titles of funds -- Fund functions.**

- (1)
  - (a)
    - (i) The funds enumerated in this section are established as major fund types.
    - (ii) All resources and financial transactions of Utah state government shall be accounted for within one of these major fund types.
  - (b)
    - (i) All funds or subfunds shall be consolidated into one of the state's major fund types.
    - (ii) Where a specific statute requires that a fund or account be established, that fund or account shall be accounted for as an individual fund, subfund, or account within the major fund type to meet generally accepted accounting principles.
    - (iii) Existing and new activities of state government authorized by the Legislature shall be accounted for within the framework of the major fund types established in this section.
  - (c) The Division of Finance shall determine the accounting classification that complies with generally accepted accounting principles for all funds, subfunds, or accounts created by the Legislature.
  - (d)
    - (i) Major fund types shall be added by amending this chapter.
    - (ii) Whenever a new act creates or establishes a fund, subfund, or account without amending this chapter, the reference to a fund, subfund, or account in the new act shall be classified within one of the major fund types established by this section.
- (2) Major Fund Type Titles:
  - (a) General Fund;
  - (b) Special Revenue Funds;
  - (c) Capital Projects Funds;
  - (d) Debt Service Funds;
  - (e) Permanent Funds;
  - (f) Enterprise Funds;
  - (g) Internal Service Funds;
  - (h) Trust and Agency Funds; and
  - (i) Discrete Component Unit Funds.
- (3) The General Fund shall receive all revenues and account for all expenditures not otherwise provided for by law in any other fund.
- (4) Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to be expended for a specified purpose.
  - (a) The Education Fund is a Special Revenue Fund that:
    - (i) receives all revenues from taxes on intangible property or from a tax on income; and
    - (ii) is designated for public and higher education.
  - (b) The Transportation Fund is a Special Revenue Fund that accounts for all revenues that are required by law to be expended for highway purposes.
  - (c)
    - (i) An Expendable Special Revenue Fund is a Special Revenue Fund created by legislation or contractual relationship with parties external to the state that:
      - (A) identifies specific revenues collected from fees, taxes, dedicated credits, donations, federal funds, or other sources;
      - (B) defines the use of the money in the fund for a specific function of government or program within an agency; and

- (C) delegates spending authority or authorization to use the fund's assets to a governing board, administrative department, or other officials as defined in the enabling legislation or contract establishing the fund.
  - (ii) An Expendable Special Revenue Fund may only be created by contractual relationship with external parties when the sources of revenue for the fund are donated revenues or federal revenues.
  - (iii) Expendable Special Revenue Funds are subject to annual legislative review by the appropriate legislative appropriations subcommittee.
- (5)
- (a) Capital Projects Funds account for financial resources to be expended for the acquisition or construction of capital outlays, including the acquisition or construction of a capital facility and other capital assets. Capital Projects Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
  - (b) The Transportation Investment Fund of 2005 is a Capital Projects Fund that accounts for revenues that are required by law to be expended for the maintenance, construction, reconstruction, or renovation of certain state and federal highways.
- (6) Debt Service Funds account for the accumulation of resources for, and the payment of, the principal and interest on general long-term obligations.
- (7) Permanent Funds account for assets that are legally restricted to the extent that only earnings, and not principal, may be used for a specific purpose.
- (8) Enterprise Funds are designated to account for the following:
- (a) operations, financed and operated in a manner similar to private business enterprises, where the Legislature intends that the costs of providing goods or services to the public are financed or recovered primarily through user charges;
  - (b) operations where the Legislature requires periodic determination of revenues earned, expenses incurred, and net income;
  - (c) operations for which a fee is charged to external users for goods or services; or
  - (d) operations that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the operations.
- (9) Internal Service Funds account for the financing of goods or services provided by one department, division, or agency to other departments, divisions, or agencies of the state, or to other governmental units, on a cost-reimbursement basis.
- (10)
- (a) Trust and Agency Funds account for assets held by the state as trustee or agent for individuals, private organizations, or other governmental units.
  - (b) Pension Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Agency Funds are Trust and Agency Funds.
- (11) Discrete Component Unit Funds account for the financial resources used to operate the state's colleges and universities and other discrete component units.

Amended by Chapter 400, 2013 General Session