

Not Official from the city of Lincoln

Glossary of Term FUNDS

funds <http://www.mass.gov>

An accounting entity with a self balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

governmental funds

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

general fund

The fund used to account for most financial resources and activities governed by the normal town meeting/city council appropriation process

special revenue fund

Public Facility Element(PFE), Water Connection, Redevelopment Agency Funds, established by statute only, containing revenues that are earmarked for and restricted to expenditures for specific purposes. Special revenue funds include receipts reserved for appropriation, revolving funds, and grants from governmental entities and gifts from private individuals or organizations.

capital project Fund Highway 65

Capital projects reporting should account for financial resources that are used for the acquisition or construction of major capital facilities, that involve projects extending over more than one year, and that are financed wholly or in part from bond issues, intergovernmental loans, private donations, or current revenues of more than one fund. Exclude projects financed by enterprise of trust activity.

Each capital project should be reported separately. Beginning and ending ledger balances (STAT) or fund balances (UMAS) should be reported even if there is no current year activity.

Typical capital projects involve water, sewer, schools, municipal buildings, landfill, highways (chapter 90) and other.

debt service fund

Governmental fund type used to account for the accumulation or resources for, and the payment of, general long-term debt principal and interest.

permanent fund

A permanent fund may be used to generate and disperse money to those entitled to receive payments by qualification or agreement, as in the case of Alaska citizens or residents that satisfy the rules for payment from their

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permanent fund from State oil revenues. It was first introduced through [GASB Statement 34](#)

Nonmajor fund Collection of all other funds

proprietary funds

Funds that account for government's business-type activities (e.g., activities that receive a significant portion of their funding through user charges). The fund types included in proprietary funds are the [enterprise fund](#) and the [internal service fund](#). The internal service fund accounts for certain central services (e.g., data processing, printing, postage, motor pool) and then allocates the cost among departments or funds within the governmental unit.

Enterprise Funds

An enterprise fund, authorized by MGL [Ch. 44 §53F½](#), is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax [levy](#), if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "[surplus](#)" or [retained earnings](#) generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

internal service fund

A municipal accounting [fund](#) used to accumulate the cost of central services such as data processing, printing, postage, motor pool. Costs or charges to an internal service fund are then allocated to other departments or funds within the government unit.

fiduciary funds

Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include expendable trust, non-expendable trust, pension trust, and agency funds.

OPEB

What Does *Other Post-Employment Benefits* - OPEB Mean?

Post-employment benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee. Other post-employment benefits that a retiree can be compensated for are [life insurance premiums](#), healthcare premiums and deferred-compensation arrangements.