

## **System of Funds and Accounts**

ESD 123 accounting systems are organized and operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording financial resources and related liabilities and residual equities or balances that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations. The following fund types and funds are used by ESDs:

- Governmental Fund – Operating Fund
- Proprietary Fund – Workers' Compensation Enterprise Fund, and Unemployment Compensation Enterprise Fund
- Fiduciary Fund – Compensated Absences Fund
- Agency Fund – Fiscal Agent services for Washington School Information Processing Cooperative (WSIPC)
- Imprest accounts

The funds and accounting system used for ESD 123 will be those described in the adopted accounting manual for Educational Service Districts. For audited financial reporting purposes, the State reporting model may be used, or the reporting may be modified to reflect the requirements imposed by Generally Accepted Accounting Principles.

First Reading: 12/16/21

Second Reading: 01/27/22

Adoption: 01/27/22

### **Reference:**

[RCW 28A.310.330 Budgeting procedures for districts.](#)

Accounting Manual for ESDs in the State of Washington