



## Accounting and Administrative Manual

### Section 100: Accounting and Finance

**Closing Out Funds**  
No.: A-24

Date: 01/27/06  
Page: 1 of 1

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#### General:

Funds may be closed for a variety of reasons such as project completion or lack of use. Basic requirements for closing out a fund in the accounting system are as follows:

- a. All encumbrances (0921 and 0951) must be cleared by the termination date. If balances exist in these accounts, it may be necessary to wait until they are cleared before further action can be taken. However, encumbrance records should be examined to determine whether encumbrance items may be deleted or transferred;
- b. Accounts for Fund Balance (0901), Revenue Control (09XX), Expenditure Control (09XX), Transfer Control (09XX) and Changes to Fund Balance (09XX) must net to zero;
- c. Budgeted Revenue Control (09XX) and Budgeted Expenditure Control (09XX) must equal zero;
- d. All other balance sheet accounts must be zero (the most commonly used accounts are 0302, 0311, 0325, 0262 and 0521);

#### Other considerations:

If a fund that has been terminated has inappropriate balances (enumerated below) as of the end of the fiscal year (June 30), it will be necessary for that fund to be opened to accept entries in the new fiscal year. This re-establishment of the funds will carry an effective date, a project termination date and a data termination date of July 1, to limit further entries and allow the appropriate business office the chance to clear the accounts during the closing process. This step applies to accounts for which:

- 1) revenue, expense, and transfer control accounts and fund balance combined do not equal zero;
- 2) other balance sheet accounts are not zero;
- 3) encumbrances and/or reservations exist that must be carried over.