CHAPTER 1

INTRODUCTION

State-Local Responsibility

According to the state law, (53A-3-303 (5)) local boards of education are to "use uniform budgeting, Accounting, and auditing procedures and forms approved by the State Board of Education, which shall be in accordance with generally accepted accounting principles or auditing standards and title 63J, Chapter !, Utah Budgetary Procedures Act. In accordance with legal interpretations, these standards and other audit procedures are prescribed by the Utah State Board of Education and approved by the State Auditor. The requirements include both financial and Pupil accounting.

Purpose and Scope of Utah Handbook

The major purposes of the handbook are: (1) to provide uniform budgeting, accounting, and auditing procedures for Utah Schools. (2) To provide a uniform basis of program cost accounting and information collection for Federal, State and local programs. Budgeting, accounting, financial reporting and auditing have a high degree of interrelationship. It is important that common terms be employed, that the basis of accounting be consistent and that the accounting structure satisfy the needs of each.

The account classifications described in this handbook are intended to be used for budgeting, accounting, reporting and auditing purposes. These classifications represent a framework around which any school accounting system can be developed whether it is large or small. One of the tests of adequacy should include the following question: Does it provide the information needed for administrative and reporting purposes?

The standard classifications are devised to reflect financial data in a number of ways, but they may not supply every kind of desired information. For some data it may be necessary to group certain accounts, programs, etc. or to subdivide accounts further, the handbook is designed to generally incorporate the approach adopted by the U.S. Office of Education and NCES (National Center for Education Statistics).