

164A.565 Accrual basis accounting system -- Other records -- Annual report -- Budgets, financial statements, and meetings information to be publicly available on Web site.

- (1) The governing board of each postsecondary educational institution making the election authorized in KRS 164A.560 shall as a condition of such election install an accrual basis accounting system conforming with generally accepted accounting principles and procedures established for colleges and universities by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants. The accounting system shall include but not be limited to the following fund structure:
 - (a) An operating fund group (unrestricted current funds), consisting of all moneys not otherwise restricted, available for general operations, including state appropriations, federal funds, and unrestricted institutional receipts. Separate accounting fund groups may be established for auxiliary enterprises, athletics, hospitals, and other similar operations;
 - (b) A restricted fund group consisting of appropriations and other receipts restricted as to purpose which shall not be included in the operating fund;
 - (c) A loan fund group consisting of gifts, grants, and other funds provided and available for loans to students;
 - (d) An endowment fund group consisting of funds, the principal of which is not currently expendable;
 - (e) An agency fund group consisting of resources held by the institutions as custodian or fiscal agent for individual students, faculty, staff members, and organizations;
 - (f) A plant fund group consisting of:
 1. Unexpended plant funds to be used for the acquisition of long-lived assets for institutional purposes (capital construction funds);
 2. Funds for renewal, maintenance, and replacement of institutional buildings, equipment, and other properties; and
 3. Funds set aside for debt service charges and retirement of indebtedness on institutional plant.
- (2) A record of each general fund appropriation shall be maintained so as to identify the institutional budgets to which such funds are allotted. Any uncommitted state general funds remaining after the close of business on the last day of the fiscal year shall lapse and be returned to the Treasury of the Commonwealth. Each appropriation shall be used for the intended purpose and where questions of intent arise subject to the provisions of KRS 45.750 and 45.800 in the case of capital construction projects and major items of equipment as defined by these sections, the decision of the secretary of finance and administration, based upon budget work papers, shall be final.
- (3) A separate account showing sources of revenue and all expenditures shall be maintained for each capital construction project. At the end of each fiscal year, a report containing a listing of all capital construction projects, with sources of funds,

expenditures, and current status for each, shall be submitted to the Capital Projects and Bond Oversight Committee.

- (4) Within thirty (30) days after July 15, 1982, the secretary of the Finance and Administration Cabinet shall submit to the Capital Projects and Bond Oversight Committee a complete record of all funds and project records transferred to institutions under the provisions of KRS 164A.555 to 164A.630.
- (5) Within thirty (30) days after July 15, 1982, the governing boards shall submit to the Capital Projects and Bond Oversight Committee a report containing a complete list of capital construction projects and unexpended plant funds in existence on July 15, 1982. The source of funds, expenditures, and current status of each project shall be shown.
- (6) State general funds appropriated by the General Assembly for capital construction projects and equipment purchases as defined in KRS 45.750 through 45.800 shall not lapse at the end of a fiscal year. They shall be carried forward until the project is completed. Any such unexpended funds remaining after acceptance of the project as complete shall be returned to a surplus account of the capital construction fund for investment until appropriated and allotted as provided in KRS 45.750 through 45.800.
- (7) Long lived assets of the institution, including land, buildings, and capital equipment shall be accounted for in the plant fund group.
- (8) The governing boards of each institution shall make an annual report of the financial activity to the Council on Postsecondary Education. The report shall meet the requirements of the council's system of uniform financial reporting for institutions of higher education.
- (9) By January 1, 2012, the governing boards of each institution shall make available on the institution's Web site:
 - (a) The board-approved operating and capital budgets for the current and prior two (2) fiscal years;
 - (b) The institution's audited financial statements for the previous three (3) fiscal years; and
 - (c) The agendas and actions of all meetings of the governing board for the previous three (3) years.

Effective: June 8, 2011

History: Amended 2011 Ky. Acts ch. 105, sec. 4, effective June 8, 2011. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 138, effective May 30, 1997. -- Created 1982 Ky. Acts ch. 391, sec. 4, effective July 15, 1982.