



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE:

Accounting Policy

VOLUME, SECTION & NUMBER:**ENTITIES AFFECTED:**

All Departments and Divisions

ADMINISTRATIVE AUTHORITY:

Department of Finance and Administration

APPROVED BY:

Office of the President

EFFECTIVE DATE:

July 8, 2024

POLICY STATEMENT:

In accordance with the Kentucky Revised Statutes applicable to institutions of higher education, Kentucky State University (KSU) adopts the accrual accounting method. Under the accrual accounting method, revenues are recognized when earned and expenses are recorded when an obligation has been occurred. This method of recording revenue and expenses is without regard to the date of receipt or payment of cash.

The fund accounting system follows the most current guidance of the American Institute of Certified Public Accountants (AICPA) and the National Association of College and University Business Officers (NACUBO).

PROCESS:

The accounting procedures used by KSU conform to general accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB), including Statement Number 34, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments, and Statement Number 35, Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities, issued June and November 1999, respectively.

KSU reports as a Business-Type Activity (BTA), as defined by GASB Statement Number 35. BTAs are those activities financed in whole or in part by fees charged to external parties for goods and services.

STATUTORY AND REGULATORY REFERENCES:

KRS 164A.560

KRS 164A.565

National Association of Colleges and University Business Officers (NACUBO) Financial Accounting and Reporting Manual (FARM)

Governmental Accounting Standards Board (GASB)
