



85.80 Fund Balance/Net Position

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85.80.10.a

In governmental fund type accounts, the difference between assets, liabilities, deferred inflows of resources, and deferred outflows of resources is called fund balance. Fund balance is classified as [nonspendable](#), [restricted](#), [committed](#), [assigned](#) or [unassigned](#). These classifications reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent. Adjustments to fund balance are made at the account level to identify the degree of constraint.

85.80.10.b

In proprietary fund type accounts, the difference between assets, liabilities, deferred inflows of resources, and deferred outflows of resources is called net position. Net position is comprised of three components - net investment in capital assets; restricted; and unrestricted.

85.80.10.c

For reporting at the government-wide level, the difference between assets, liabilities, deferred inflows of resources, and deferred outflows of resources is presented in the net position format consistent with proprietary funds.

85.80.10.d

Except under specific circumstances, direct entries to fund balance/net position, other than adjustments to record amounts that are nonspendable, restricted, committed or assigned, are not allowed. Examples of circumstances where direct entries to fund balance/net position are allowed include implementation of new accounting standards and correction of material prior period errors. Refer to [Subsection 90.20.15](#).

85.80.10.e

Refer to [Subsection 75.40.20](#) of this manual for a description of the various fund balance/net position general ledger codes.