Legal Title
State Expenditure Revolving Fund

Legal Citation/Authority
Government Code section 13332

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Purpose
The State Expenditure Revolving Fund (SERF) was created to facilitate program cost accounting in accordance with Chapter 1284, Statutes of 1978. The State Controller, at the request of an agency, may transfer up to 10 percent of any agency Budget Act appropriation to the State Expenditure Revolving Fund. The agency must submit to the Department of Finance a statement of adjustment to the State Expenditure Revolving Fund within 30 days following the transaction month.

Administering Agency/Organization Code
The majority of agencies in the state are concerned with transfers to and expenditures from the State Expenditure Revolving Fund.

Major Revenue Source
Transfers from appropriations in the Budget Act.

Disposition of Fund (upon abolishment)
Payment of payroll and other claims, which costs are to be charged to the appropriations of the appropriate agencies.

Appropriation Authority
Transfers made by the State Controller are available for the same term as the appropriation from which the transfer was made.

State Appropriations Limit
Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source if derived from a Working Capital and Revolving Fund.

Comments/Historical Information
The State Controller’s Office issued a May 17, 1985 memo advising all agencies using the SERF that starting July 1, 1985, clearing accounts would be established in the agencies’ main support item. Department of Finance issued Management Memo 85-12, dated July 3, 1985, advising agencies that effective July 1, 1985, use of this fund would no longer be allowed.