

Department of Finance		Fund: 0674
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> State Expenditure Revolving Fund		
<u>Legal Citation/Authority</u> Chapter 99, Statutes of 1981 (Budget Act of 1981) Government Code section 13332		
<u>Fund Classification</u> <u>GAAP Basis</u> Fiduciary/Agency Funds	<u>Fund Classification</u> <u>Legal Basis</u> Nongovernmental/Working Capital and Revolving Funds	
<u>Purpose</u> 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 unto 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.		
<u>Administering Agency/Organization Code</u> The majority of agencies in the state are concerned with transfers to and expenditures from the State Expenditure Revolving Fund.		
<u>Major Revenue Source</u> Transfers from appropriations in the Budget Act.		
<u>Disposition of Fund (upon abolishment)</u> Payment of payroll and other claims, which costs are to be charged to the appropriations of the appropriate agencies.		
<u>Appropriation Authority</u> Transfers made by the State Controller are available for the same term as the appropriation from which the transfer was made.		
<u>State Appropriations Limit</u> 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 is derived from a Working Capital and Revolving Fund.		
<u>Comments/Historical Information</u> 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.		