Introductory Governmental Accounting Part I — Learning Objectives

Lesson 1 — Basic Accounting Theory
The first step in understanding governmental accounting is to know the basics. This lesson presents the essentials for establishing a sound foundation of the basics. Without understanding the fundamentals, you would find the rest of accounting to be a jumble of rules devoid of logic and impossible to understand.

Learning Objectives:
• Define the terms “economic condition” and “financial position.”
• Recall the basic accounting equation.
• Identify asset and liability accounts.
• Observe the relationship between the balance sheet/statement of net position and the operating statement.
• Explain how revenues and expenditures affect fund equity.

Lesson 2 — The Chart of Accounts
Most governments utilize comprehensive charts of accounts that are continually updated to reflect the informational needs of management, legislators, regulators, and others interested in the government’s financial reports. This lesson includes information about some of the most common accounts.

Learning Objectives:
• Explain the architecture of a governmental chart of accounts.
• Identify asset, liability, equity, revenue, expenditure, and expense accounts.
• Code funds and accounts.

Lesson 3 — Double Entry Accounting
This lesson will explain the relationship between increases or decreases and debits and credits when recording transactions.

Learning Objectives:
• Record transactions using debits and credits.
• Demonstrate how debits and credits affect accounts.
Lesson 4 — Accounting Systems & Records

An integral part of governmental accounting is to understand how transactions flow through the accounting records and systems. Organized methods are necessary for a government to utilize the accounting process properly and accurately. These methods are reflected in part by the type of accounting records used. In order to heighten your understanding of the accounting process and the relevancy of certain types of accounting records and reports, we will describe within this lesson how a traditional (manual) system functions and then discuss the facets of a computerized system.

Learning Objectives:
• Cite the difference between journals and ledgers.
• Recognize how accounting systems process information into reports.
• Practice recording accounting transactions.
• Describe the value and purposes of a trial balance.

Lesson 5 — Fund Accounting

The use of funds is one of the unique characteristics of accounting systems in governments. Governments account for and allocate resources in separate sub-entities, identified as funds, based upon the purposes for which they are to be expended and the means by which spending activities are legally controlled. This lesson explains the categories of funds and the generic funds within each category. Understanding fund accounting is essential for governmental accountants and accounting paraprofessionals.

Learning Objectives:
• Define each of the fund categories and generic fund types.
• Determine when to use each generic fund.

Lesson 6 — The Basis of Accounting

Knowing “when” to recognize financial transactions is as important to the accuracy and reliability of financial reports as the dollar amount of the transaction. The “when” becomes especially important to governments because different funds have different recognition criteria for revenues, expenditures and expenses.

This lesson describes the common bases of accounting used by governments and introduces the recognition criteria for each basis.

Learning Objectives:
• Define the phrase “basis of accounting.”
• Contrast the three common bases of accounting.
• Cite the revenue and expenditure recognition criteria using the modified accrual basis of accounting.
• Perform simple calculations of revenues and expenditures/expenses using the modified accrual and/or accrual bases of accounting.
• Recall the difference between the purchases and consumption methods of accounting for prepaid assets and inventories.

Lesson 7 — Payroll and Benefits Accounting

For most governments, whether state or local, employee salaries and benefits are the single largest costs. This lesson provides an overview of the payroll process from recording time worked to recording the payroll.

Learning Objectives:
• Identify how employee earnings are determined.
• Distinguish between a gross payroll and an adjusted gross payroll.
• Define the various types of payroll deductions.
• Demonstrate how to record the payroll and the employer’s share of employee benefits.
Lesson 8 — Accounting for Interfund Transactions
Transactions that occur between funds of the same government are known as interfund transactions. Governmental accountants and accounting paraprofessionals need to know the differences between the types of interfund transactions and how to record the different interfund transactions (loans and transfers).

Learning Objectives:
• Identify the difference between interfund loans and interfund transfers.
• Record interfund loans and interfund transfers.

Lesson 9 — Adjusting and Closing the General Ledger
At the close of each year, whether fiscal or calendar, certain events must occur within the accounting system. This lesson explains those events in terms of what accounts should possibly be adjusted and the reasons for making adjustments in the accounting system. The closing process for the general ledger is also discussed.

Learning Objectives:
• Recall why adjusting journal entries are required.
• Record adjusting and closing entries.

Lesson 10 — Practice Exercise
One of the more effective methods used in order to understand accounting is to actually record the transactions. This practice exercise provides a case study that demonstrates how certain accounting concepts and Generally Accepted Accounting Principles (GAAP) apply in an accounting and reporting system for a small government. The study provides a method to determine whether you have grasped most of the concepts discussed in the course.

After completing the practice exercise, please take a few minutes to fill out the “Course Evaluation.” Your feedback is essential for the continued development and improvement of the Governmental Accounting course series.

Enroll Anytime. Register Now!
For more information about the Governmental Finance Courses, contact us at questions@georgiacenter.uga.edu or by telephone at +1-706-583-0424.