

# **Changes in Budgeting Practices and Presentation**



---

## Changes in Budgeting Practices and Presentation

---

### Statewide

In fiscal year 2007, the state implemented a new accounting system called RI-FANS and at that time instituted a revised chart of accounts. Under this new chart of accounts, the categorization of some expenditures has changed as compared to the prior system. The following list explains some of the changes made under the new RI-FANS chart of accounts.

- The category for *Capital* now includes any capital or equipment purchases that are required to be recorded in the state's fixed assets inventory. In the prior system, some capital equipment acquisitions may have been displayed under the operating category.
- Certain expenditures, such as medical doctor costs for state wards and clients, previously displayed under purchased services, are now displayed in grants and benefits.
- Certain expenditures, such as landscaping services, previously reflected as purchased services, are now recorded as operating expenditures.
- The new chart of accounts also establishes a new category of expenditure, *Operating Transfers*, which primarily includes transfers from one state fund to another (for example, transfers to the University and College Fund for the state's contribution to Higher Education). In most cases, these expenditures were previously displayed under the grants and benefits category.

### Administration/Revenue

The 2006 General Assembly created the new Department of Revenue, which came into existence on July 1, 2006. This new department is primarily comprised of programs formerly part of the Department of Administration, including the Division of Taxation, the Registry of Motor Vehicles, the Office of Municipal Affairs (part of the Budgeting Program in FY 2006) and the Lottery Division. For comparative purposes, the budget documents display FY 2005 and FY 2006 expenditure history for Taxation and Motor Vehicles, and FY 2006 expenditure history for the Office of Municipal Affairs and the Lottery Division, under the new Department of Revenue. (Note: the Lottery Division was a quasi-public agency prior to FY 2006 and the Office of Municipal Affairs that existed in the FY 2005 budget was broken up in the FY 2006 budget such that this former program does not share a direct connection to the new program in the Department of Revenue.)