# SECTION 1 – ACCOUNTING

## Overview

A well-designed and properly maintained accounting system is necessary to be able to provide all data that is needed to allow for the timely preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The official source of GAAP for local governments is the Governmental Accounting Standards Board (GASB). The GASB is an independent, not-for-profit organization that establishes and improves standards of financial accounting for local governments.

In addition, Section 218.33, Florida Statutes, requires local governments to follow uniform accounting practices and procedures and a uniform chart of accounts as established by the Florida Department of Financial Services (DFS). To this end, DFS drafted the Uniform Accounting System Manual. These requirements are in place to help ensure proper accounting and fiscal management as well as to provide consistency in preparing local government annual financial reports.

In establishing accounting practices and procedures, local governments must comply with Section 218.33(3), Florida Statutes, which requires the establishment and maintenance of internal controls designed to:

- Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes.
- Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- Support economical and efficient operations.
- Ensure reliability of financial records and reports.
- Safeguard assets.

## References

- Section 218.33, Florida Statutes - Uniform fiscal years and accounting practices. Official link
- Florida Department of Financial Services - Local Government Financial Reporting and Uniform Accounting System Manual. Official link
- Governmental Accounting Standards Board - Pronouncements. Official link
- Government Finance Officers Association - Accounting and Financial Reporting Best Practices. Official link