amount is budgeted to each fund. Unattributable expenses are gathered in an "overhead" fund. At the end of each fiscal year, each expense fund will either have a surplus or a deficit. Surpluses are transferred to the foundation general fund and deficits are satisfied from the foundation general fund. New budgeting is then made for the succeeding fiscal year. This type of accounting system is also generally common knowledge to most accountants, but is seldom employed in small business. It is recommended, however, for foundations because it presents clear evidence that the foundation is operating in a non-profit structure rather than as a commercial enterprise. For a more detailed explanation of the foundation fund accounting system, you should consult with a Certified Public Accountant or business management adviser.

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Continuing Control

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