

## Section 4 – Risk Financing Team

**Generally Accepted Accounting Principles accounting (GAAP)** – set of principles use for public reporting of financial information

**Governmental or Fund Accounting** – set of rules for use by organizations who use fund accounting (accounting which does not use double entry)

**Managerial Accounting Principles** – set of guidelines for internal use of financial information

**Statutory Accounting Principles or Regulatory Accounting Principles (SAP, RAP, or STAT)** – set of rules used by insurance regulators and insurance companies to comply with regulations

**Tax Accounting Principles** – set of laws and regulations promulgated by the Internal Revenue Service and state departments of revenue for purposes of determining tax obligations and their payment

**Audits** – highest level of examination of financial statements, ensuring accuracy based on established accounting principles

**Reviews** – limited level of review, ensures a reasonable degree of accuracy, but not at the level of detail required by an audit

**Compilations** – no level of accuracy guaranteed, can be performed by internal personnel who must note they are not independent, usually to compile information for reporting of financial statements to management or a board of directors