

# Fund Source Report

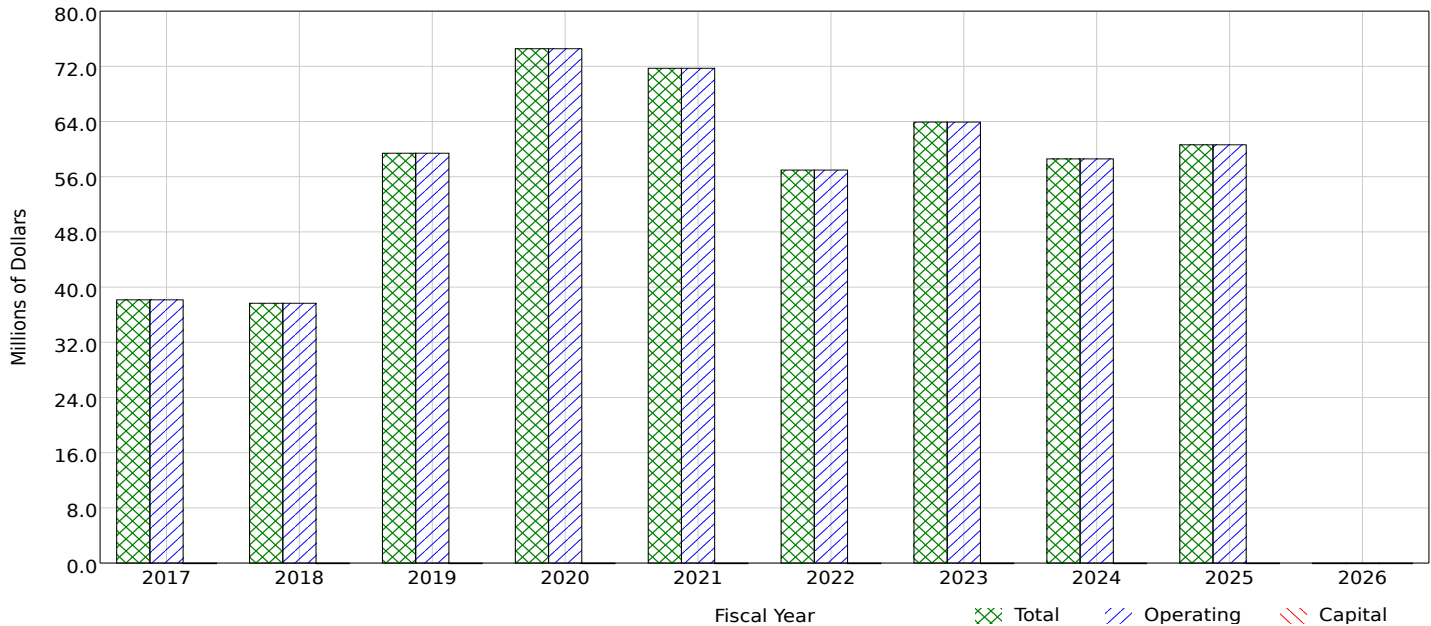
1081

Info Svc

Information Services Fund

Year Authorized 1990      Year Repealed      Active? Yes      Mental Health? No      Duplicated? Yes      Fund Group Other Designated

## Operating and Capital Appropriations



**Legal Authority**  
AS 44.21.045

### Source of Revenue

This fund consists of money appropriated to it, money transferred to the Department of Administration (DOA) by political subdivisions and state agencies as reimbursement for information services provided by DOA, and information services related sales.

### Restrictions on Use

Money appropriated to the fund may be used for the costs of the Telecommunications Information Council, the costs of providing information services to political subdivisions and state agencies, additions, replacements or improvements for capital equipment for information services, and other purposes specified in appropriations to the fund.

### Description and History

Prior to 1984, computer services provided by the Department of Administration were funded through a pricing and budgeting system called chargeback. Under chargeback, the DOA, Division of Information Services established a price for the use of its computer services. Agencies then budgeted for the use of these services and reimbursed the division accordingly. Chargeback was terminated for the majority of state agencies by the legislature and the administration in 1983.

Beginning in 1984 the division used partial chargeback, which means some agencies pay directly for their computer usage and some operate on an allocation of resources and do not make any regular payments. Rates were originally set at a level to fund replacement of obsolete equipment and increased demands from the customers.

In a 1990 audit, "A Report on the Executive Branch Information Management and Data Processing Practices," legislative auditors noted that a partial chargeback created many problems and recommended that an internal service fund be instituted. That report prompted the creation of this fund code.

An internal service fund is usually established to finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit, or to other governmental units. Amounts expended by the fund are restored either from operating earnings or by transfers from other funds, so that the original fund capital is kept intact. The funding system is sometimes called a Working Capital Fund or Intra-governmental Service Fund.

The DOA sets rates and charges agencies for information services it provides.